

Goods and Services Tax (GST) In India – CA Pritam Mahure



6th Edition

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The book is a compilation of GST related key legal provisions, reports and articles. Readers can also view our **videos** on GST [Youtube.com/c/PritamMahure](https://www.youtube.com/c/PritamMahure)

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1. About the book and author

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About Author



- CA Pritam Mahure works in the field of Indirect Taxes (Service Tax, Excise and Goods and Service Tax) since more than a decade. Pritam has also worked with leading multinational consulting organisations.
- Pritam has authored books on "Service Tax" and "GST" for Bharat Publication, CII and New Book Corp.
- Pritam has authored more than 100 articles in Business Standard, Hindu, Business Line, Economic Times, Deccan Herald, Sakal, Taxmann, Taxindiaonline etc.
- Pritam has addressed more than 100 conferences/seminars and 12,000 professionals on GST and Service Tax for CII, ASSOCHAM, NASSCOM, MCCIA, ICAI, DGST, NACEN, and Government offices across India.

2. How to read this book?

- This book contains CGST Act, IGST Act, UTGST Act and Cess Act, however, it does not contain State specific SGST Act, rules etc.
- All CGST, IGST, UTGST and Cess related rules, notifications, Circulars, Press Releases are covered **except few rate related notifications (including UTGST, SGST etc)**. Thus, for rate related queries kindly refer <http://www.cbec.gov.in/htdocs-cbec/gst/index> and GST Rate Application
- As all **returns / forms** are to be filled online or through offline utility, forms such as GSTR-1, TRAN-1 etc are **not reproduced** in the book (though they may be part of notification/ rules). Kindly refer GST.gov.in for latest formats
- **'Orange'** colour is used for authors comments on GST Act and key words in respective sections are highlighted in bold.

3. Overview of GST

3.1 Legislative framework

What	CGST	SGST	IGST	UTGST	Cess
Tax on	Supply	Supply	Supply	Supply	Supply
Legislation	CGST Act	30 SGST Acts	IGST Act	UTGST Act	Cess Act
Extends	India (J&K)	State	India (J&K)	5 UTs	India
Administration	Central Authorities	State Authorities	Central Authorities	Administrator	Central Authorities

3.2 Acts and Sections therein



3.3 Overview of CGST Rules

Composition (3 to 7)	Registration (8 to 26)	Valuation (27 to 35)	ITC (36 to 46)	Tax invoice, Debit and credit notes (47 to 55)
Accounts and records (56 to 58)	Returns (59 to 84)	Payment of tax (85 to 88)	Refund (89 to 97)	Assessment and audit (98 to 102)
Advance Ruling (103 to 107)	Appeals and revision (108 to 116)	Transitional provisions (117 to 121)	Anti-Profiteering (122 to 137)	E-way Bills (138)
	Inspection, Search and Seizure (139 to 141)	Demand and recovery (142 to 161)	Offenses and Penalties (162)	

3.4 Sections notified and effective date:

Effective from	CGST	IGST	UTGST	Cess	Maharashtra SGST
22nd June 2017	Sec. 1, 2, 3, 4, 5, 10, 22, 23, 24, 25, 26, 27, 28, 29, 30, 139, 146 and 164 [Not. No. 1/2017-CT]	Sec. 1, 2, 3, 14, 20 and 22 [Not. No. 1/2017-IT]	Sec. 1, 2, 3, 4, 5, 17, 21 and section 22 [Not. No. 1/2017-UT]	-	-
1st July 2017	Sec. 6 to 9, 11 to	Sec. 4 to 13, 16 to 19, 21, 23 to 25	Sec. 6 to 16, 18 to 20 and 23 to 26	All provisions	Sec. 6 to 9, 11 to

	21, 31 to 41, 42 ¹ , 43 ² , 44 to 50, 53 to 138, 140 to 145, 147 to 163, 165 to 174 [Not. No. 9/2017-CT]	[Not. No. 3/2017-IT]	[Not. No. 3/2017-UT]	[Not. No. 1/2017-GSTC]	21, 31 to 41, 42 ³ , 43 ⁴ , 44 to 50, 53 to 138, 140 to 145, 147 to 163, 165 to 174 [Not. No. dated 29 th June 2017]
Not yet effective	Sec. 51 (TDS) and 52 (TCS)				

3.5 Total Notifications and Circulars issued:

Particulars	CGST	IGST	UTGST	Cess	Total
Notification-Rate related	23	23	23	4	73
Notifications - Others	29	6	3	1	39
Circulars	7	1	-	1	9
Total	59	30	26	6	121

¹ Except the proviso to sub-section (9) of section 42

² Except the proviso to sub-section (9) of section 43

³ Except the proviso to sub-section (9) of section 42

⁴ Except the proviso to sub-section (9) of section 43

3.6 Things you must know about GST

1. GST is payable on supply

In GST regime, all 'supply' such as sale, transfer, barter, lease, import of services etc. of goods and/ or services **made or agreed to be made for a consideration** will attract CGST (to be levied by Centre) and SGST (to be levied by State).

As GST will be applicable on 'supply' the erstwhile taxable events such as 'manufacture', 'sale', 'provision of services' etc. will lose their relevance.

Further, certain supplies (specified in Schedule I), even if made **without consideration**, such as permanent transfer of business assets on which credit is availed, transaction with related or distinct entities, transactions with agent etc. will attract GST.

In Schedule I of the CGST law, it is provided that **gifts** not exceeding INR 50,000/- in value in a financial year by an **employer to an employee** shall not be treated as supply of goods or services or both. This provision could open a Pandora's Box as free canteen

facilities, travel arrangements for employees, irrespective of any threshold, may attract GST as they may not qualify as gifts.

2. GST Payment in case of Unregistered Suppliers

Typically, the GST liability is to be discharged by the supplier of goods/ service or both. However, in specific cases, the liability to pay tax is cast on the recipient of the supply instead of the supplier. This is known as Reverse Charge Mechanism (RCM).

There are two types of RCM proposed in GST law:

- a. Section 9 (3) of the CGST Act - RCM is said to be applicable in respect of specified services (12 services including transportation of goods by road (GTA), advocate services, sponsorship, director etc specified by the GST Council)
- b. Section 9 (4) of the CGST Act – RCM is said to be applicable in cases of supply by an unregistered supplier to a registered person, GST shall be paid by the recipient under RCM.

RCM will increase the compliance burden for the recipient as invoice and payment voucher is required to be issued by the recipient [as per section 31 (3) (f) and (g) of CGST Act].

Vide Not. No. 8/2017-CT an exemption is provided for **intra-State supply**, under **CGST** for aggregate value of supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds Rs 5,000/- in a day.

3. GST payable as per time of supply

The liability to pay CGST / SGST will arise at the time of supply as determined for goods and services. In this regard, separate provisions prescribe what will time of supply for goods and services. The provisions contemplate payment of GST on supply of goods or services at the earliest of date of issuance of invoice or prescribed last day by which invoice is required to be issued or date of receipt of payment.

Given that there could be **multiple parameters** in determining 'time' of supply, maintaining reconciliation between revenue as per

financials and as per GST could be a major challenge to meet for businesses.

The CGST Act provides that 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 on the date on which the supplier receives such additional value.

4. Determining Place of Supply could be the key

An intra-State supply of goods will attract Central GST and State GST whereas an inter-State supply will attract IGST. Thus, it would be crucial to determine whether a transaction is an 'intra-State' or 'inter-State' as taxes will be applicable accordingly.

In this regard, the GST law provides separate provisions which will help an assessee determine the place of supply for goods and services. Typically for 'goods' the place of supply would be location where the good are **delivered**. Whereas for 'services' the place of supply would be **location of recipient**.

However, the IGST Act prescribes multiple scenarios (at section 10, 11, 12, 13, 14 and 16) such as supply of services in relation to immovable property, services to and by SEZ etc. wherein this generic principle will not be applicable and specific provisions will determine the place of supply. Thus, businesses will have to scroll through all the place of supply provisions before determining the place of supply.

At section 77 of CGST Act and 19 of IGST Act its specifically provides that interest will not be payable on delayed payment of say CGST and SGST if taxpayer has wrongly paid IGST. However, a specific provision, for automatic inter-Governmental adjustment, in cases of wrong payment of GST would be welcome.

5. Valuation in GST

GST would be payable on the 'transaction value'. Transaction value is the **price actually paid or payable** for the said supply of goods and/or services between un-related parties.

The transaction value is also said to include all expenses in relation to sale such as packing, commission etc. Even **subsidies** linked to supply, excluding Government subsidies will be includable.

However, discounts/ incentives given **before or at the time** of supply will be permissible as deduction from transaction value. As regards discounts given after supply is made, the same will be permissible as deduction subject to fulfilment of prescribed conditions.

Rule 27 to 35 of CGST Rules deal with Valuation.

6. Input tax credit in GST

Section 16 and 17 of CGST Act and Rule 36 to 45 of CGST Rules deal with Input Tax Credit.

Current CENVAT Credit regime disallows CENVAT Credit on various services such as motor vehicle related services, **catering services, employee insurance, construction** of civil structure etc. Similarly, State VAT laws restrict input tax credit in respect of

construction, motor vehicle etc. Current, this denial of credits leads to un-necessary cost burden on assessee.

It was expected that in GST regime, seamless credit will be allowed to business houses without any denial or any restrictions except say goods / services which are availed for personal use than official use (something similar to United Kingdom VAT law).

However, surprisingly, *inter-alia*, aforesaid credit would continue to be not available (in respect of both goods or services). Further, credit is proposed to be denied on goods and/or services used for **personal consumption**. Also, input tax credit shall not be available on **goods lost, stolen, destroyed, written off or** disposed of by way of **gift or free samples**. This continuation of denial will lead to substantial tax cascading (as rate of GST will be higher than the current rate of service tax!).

Credit will be available on rent-a-cab, life insurance and health insurance if the Government notifies these services as obligatory for an employer to provide to its employees under any law. Also, credit

on food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery will be available. All this is available if used as inward supply for making an outward taxable supply of the same category or as an element of a taxable composite or mixed supply.

Also, another round of litigation as interpretation issues will crop up while determining eligibility or otherwise of GST paid on personal consumptions such as business lunch with clients.

To continue to claim the input tax credit the buyer has to ensure that he pays the supplier within 180 days from date of invoice¹. If payment to vendor is not made within 180 days, then proportionate input tax credit will have to be reversed and availed again on payment to vendor.

¹ As per Proviso to Rule 2 (1) of Input Tax Credit Rules the condition of 180 days is not applicable for supplies made without consideration as specified in Schedule I.

For a banking company or a financial institution including a NBFC, restriction of 50% on availment of credit shall not apply to tax paid on supplies made by one registered person to another registered person having the same PAN.

7. There would be 35 GST laws in India

In GST regime, there will be one CGST Act and 31 SGST Act for each of the States including two Union Territories, one UTGST Act (for 5 UTs) and one IGST Act governing inter-State supplies of goods and services. Also, there is a separate Compensation Act for cess.

8. Rate of GST

India is proposing a multi-rate GST tax structure as under:

Broadly the goods are classified in 6 schedules as under:

Schedule	I	II	III	IV	V	VI
No. of goods covered	263 goods	242	453	228	18	3
CGST and SGST rate	2.50% + 2.50%	6% + 6%	9% + 9%	14% + 14%	1.50% + 1.50%	0.125% + 0.125%
IGST Rate	5%	12%	18%	28%	3%	0.25%

Intra-State supply of Goods (CGST)

Vide Not. No. 1/2017-CT (Rate) the CG has notified the rate of the central tax of levied on intra-State supplies of goods:

Schedule I • 2.50 per cent	Schedule II • 6 per cent	Schedule III • 9 per cent
Schedule IV • 14 per cent	Schedule V • 1.50 per cent	Schedule VI • 0.125 per cent

Intra-State supply of Goods (SGST)

Similarly, State Governments across India have notified that SGST rates for goods such as Maharashtra, vide Not. No.1/2017-State

Tax (R):

Schedule I • 2.50 per cent	Schedule II • 6 per cent	Schedule III • 9 per cent
Schedule IV • 14 per cent	Schedule V • 1.50 per cent	Schedule V • 0.125 per cent

Inter-State supply of Goods (IGST)

Vide Not. No. 1/2017-IT (Rate) the CG has notified the rate of the IGST of levied on inter-State supplies of goods:

Schedule I • 5 per cent	Schedule II • 12 per cent	Schedule III • 18 per cent
Schedule IV • 28 per cent	Schedule V • 3 per cent	Schedule V • 0.25 per cent

Intra-State supply of services (CGST)

Vide Not. No. 11/2017-CT (Rate) the CG has notified the rate of the central tax of levied on intra-State supplies of services:

Conessional rate (GTA, cab, etc) • 2.50 per cent	Special rate (Flat with land, chit) • 6 per cent
Standard rate • 9 per cent	Luxury rate (room rent above 7,500/-, movie ticket above 100) • 14 per cent

Intra-State supply of services (SGST)

Similarly, State Governments across India have notified that SGST rates for goods such as Maharashtra, vide Not. No.11/2017-State

Tax (R):

Conessional rate (GTA, cab, etc)

- 2.50 per cent

Special rate (Flat with land, chit)

- 6 per cent

Standard rate

- 9 per cent

Luxury rate (room rent above 7,500/-, movie ticket above 100)

- 14 per cent

Inter-State supply of services (IGST)

Vide Not. No. 8/2017-IT (Rate) the CG has notified the rate of

IGST levied on inter-State supplies of services:

Conessional rate (GTA, cab, etc)

- 5 per cent

Special rate (Flat with land, chit)

- 12 per cent

Standard rate

- 18 per cent

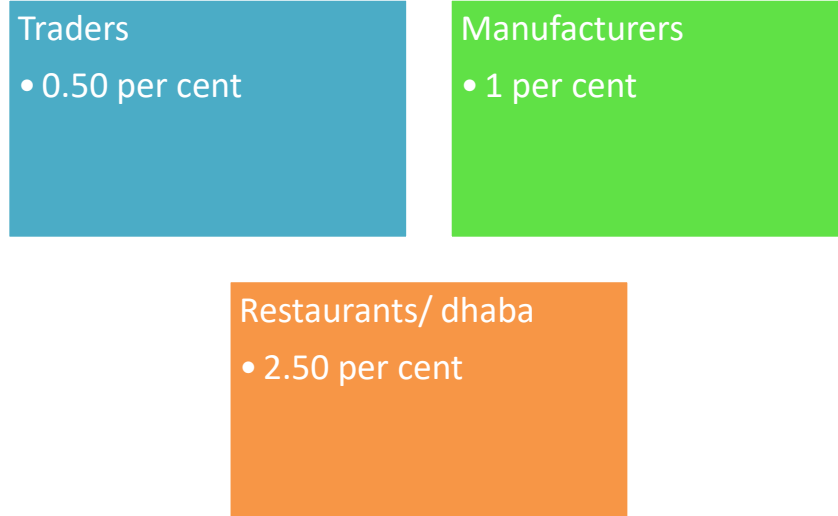
Luxury rate (room rent above 7,500/-, movie ticket above 100)

- 28 per cent

Composition rates (Not. No. 8/2017-CT and 2/2017-UT)

CGST prescribes a special rate for traders (0.50%), manufacturers (1%) and restaurants/ dhabas (2.50%) provided their turnover is less than INR 75 lacs and 50 lacs in specified States¹ as under:

¹ Vide Not. No. 8/2017-CT, this limit is 50 lacs in (i) Arunachal Pradesh, (ii) Assam, (iii) Manipur, (iv) Meghalaya, (v) Mizoram, (vi) Nagaland, (vii) Sikkim, (viii) Tripura, (ix) Himachal Pradesh



This composition scheme can be opted for by the taxpayer and the requirement of permission has been done away with. Similar to Central Tax rate, the States have also notified tax rates of 0.50%, 1% and 2.50% of aforesaid services respectively. Thus, the effective tax rates work out to be 1%, 2% and 5%.

As per Not. No. 8/2017—CT and 2/2017-UT, composition scheme is not applicable to Ice cream and other edible ice, whether or not containing cocoa, Pan Masala and all tobacco goods.

9. Anti-profiteering provisions

Through section 171 of CGST Act, India plans to introduce an anti-profiteering measure to ensure that the benefits arising out of the GST regime is passed on to consumers.

The CGST Act only empowers the Government to constitute the Authority but does not prescribe any method to determine the benefit which the supplier is liable to be pass on. In this regard, Rule 122 to 137 of CGST Rules deal with Anti-profiteering.

However, the neither CGST Act and nor CGST Rules do not lay down method to compute the anti-profiteering benefits. Thus, Anti-profiteering guidelines could be prescribed in the near future.

10. Key procedural provisions and Definition

Vide. Not. No. 3/2017-CT¹ (from 22nd June 2017) and 10/2017-CT (from 1st July 2017) the Government has introduced CGST Rules (138 to be precise!).

¹ Amended vide 7/2017-CT

As per GST Act, a registered person engaged in taxable activity is required to issue an invoice. Additionally, returns of outward supplies are required to be filed in GSTR-1 format (upto 10th of subsequent month) and that of inward supplies in GSTR-2 format (upto 15th of subsequent month).

The CGST Act provides that the taxpayer shall not be allowed to furnish the details of outward supplies between the 11th and 15th of the month succeeding the tax period. Also, he shall either accept or reject the details communicated under inward supplies, on or before the 17th but not before the 15th of the month succeeding the tax period.

The GST Act also provides that an invoice may not be issued as tax invoice if the value of the goods or services or both supplied is less than INR 200 subject to prescribed conditions.

11. Time limit for adjudication

Time limit for adjudication of generic cases (i.e. other than fraud, suppression etc.) would be **three years** and in fraud, suppression

etc. cases it would be **five** years. Its pertinent to note that the time limit prescribed for generic cases is much more than the current time limit prescribe in excise law (i.e. 12 months for issuance of Show Cause Notice) and service tax legislation (i.e. 30 months).

12. Old provisions re-introduced

Most of the current provisions such as reverse charge, tax deduction, pre-deposit, prosecution (!), arrest (!) etc. have been continued in the GST law.

The new GST law seems to be a new wine in old bottle as most of the current in-efficiencies has been continued in the GST law.

3.7 Five steps to be GST ready

GST is a reality from 1 July 2017. So, in the following paras, the critical step plan for business to be GST ready is discussed.

1. Decode GST

It is an accepted fact that GST is not merely a tax change but a business change as it will impact all functions of an organisation such as finance, product pricing, supply chain, information technology, contracts, commercials etc. Thus, it is imperative that all these functional teams should be aware about the GST. But the underlying question is what should these team members read/ refer for GST?

In this regard, its pertinent to note that most of the key aspects of the GST regime are already in public domain through various such as CGST Act, SGST Act, IGST Act, UTGST Act, and Cess Act, 2017. Also, Rules are finalised and available in public domain. Even the rates for goods and services are available in public domain. Thus, based on this legal knowledge of GST available in public domain the organisation may consider sensitising its employees.

The organisation can consider sensitising its entire business ecosystem i.e. not only the employees but also vendors (such as Tier-1, Tier-2 vendors etc.) and key customers of the organisation. An early initiation of training will give the concerned employees, vendors and customers a sense of involvement in discussion much before GST legislation it is put in public domain.

2. Understand GST impact

GST may provide opportunities but at the same time it could bring threats. Given this, an organisation may consider carrying out an exercise to identify how its operations will get impacted because of GST. For GST Impact Analysis exercise, the respective department heads such as finance, supply chain, product pricing, human resource etc. should be involved to ensure that they provide their inputs and suggestions.

Going one step forward, organisations can also identify possible cost savings which key suppliers / vendors could be entitled to in the GST regime. Based on the possible cost savings to suppliers / vendors, the organisations can have discussion with its vendors for

passing of benefits by way of cost reduction in the coming years (i.e. after GST is introduced). Early discussion and engaging with vendors for GST will ensure maximum possible benefit to be passed on to the organisation in accordance with Anti-profiteering provisions (i.e. section 171 of CGST Act) and Rule 122 to 137 of CGST Rules deal with Anti-profiteering.

Organisations will also have to take into consideration the increase (most likely!) or decrease (least likely!) in tax compliances. For most of the organisations, in GST regime, compliances are expected to increase dramatically. Take example of a service tax assessee, who currently files 2 returns on an annual basis. Now, in GST regime, Service tax assessee could be required to file as many as 61 returns (5 returns per month plus 1 annual return)!!! Thus, in human resource department will have to be informed about the GST regime so that they can anticipate the increase (and decrease in certain cases) in the manpower.

3. Gear up for transition of IT systems

Information Technology (IT) is a key area for business organisations as irrespective of the fact whether the organisation is ready or not, on the very first day GST is introduced, the information technology system of an organisation has to be ready and running else it will bring the entire business to standstill.

Take example of a retailer having multi-state presence. Currently, his IT system generates invoice/ bill with applicable respective VAT or CST. In GST regime, the IT System should generate invoice/ bill with applicable CGST and SGST or IGST. For a service provider, there could be more challenges as applicability of CGST and SGST or IGST will depend on the Place of Supply provisions (to determine whether the transaction is intra-State or Inter-State). Thus, embedding the Place of Supply provisions in the IT system could pose a major challenge.

Given this, to avoid the threat of disruption of business, it is advisable that early study should be carried out to understand how the systems migration for GST could be done.

4. Design Alternate Business Strategies

To gear up for GST regime, the organisation may identify alternate efficient business strategies to ensure smooth transition to GST. Even, supply chain strategies is expected to undergo a major change as entire India will become one market and there may not be any tax cost involved for intra-State vis-à-vis inter-State procurement of goods. An organisation will have to re-visit their pricing strategies as business competitors may well reduce prices of their product to pass on the GST benefits.

However, while forming alternate business strategies, it goes without saying that the organisation should take into consideration the commercial feasibility of alternate business strategies before these strategies are recommended.

5. Make Representation

Introduction of GST regime could affect negatively (than positively!) to few industries/ sectors. GST can have a tagline 'GST is a matter

of solicitation. Please read all the law documents carefully!’ Thus, efforts should be made by the organisation to identify the possible issues for which appropriate representation could be made before the Government through various trade chambers and forums.

3.8 Rate of GST

Rate of GST is one of the most important and contentious issues. Before we understand what could be the rate of proposed GST, let's understand the current rates of indirect taxes on goods and services. The different rates of taxes on goods and services is tabulated below:

Particulars	Goods	Services
Excise duty	12.50%/ 6% / 2%	-
VAT	12.50% / 13.50% / 14% /5%	-
CST	2% (against Form C)	-
Local Body Tax	0.10% to 8%	-
Service Tax	-	15%

Rates in GST– Broadly goods are classified as under:

Schedule	I	II	III	IV	V	VI
No. of goods covered	263 goods	242	453	228	18	3
CGST and SGST rate	2.50% + 2.50%	6% + 6%	9% + 9%	14% + 14%	1.50% + 1.50%	0.125% + 0.125%
IGST Rate	5%	12%	18%	28%	3%	0.25%

Intra-State supply of Goods (CGST)

Vide Not. No. 1/2017-CT (Rate) the CG has notified the rate of the central tax of levied on intra-State supplies of goods:

Schedule I • 2.50 per cent	Schedule II • 6 per cent	Schedule III • 9 per cent
Schedule IV • 14 per cent	Schedule V • 1.50 per cent	Schedule V • 0.125 per cent

Intra-State supply of Goods (SGST)

Similarly, State Governments across India have notified that SGST rates for goods such as Maharashtra, vide Not. No.1/2017-State Tax (R):

Schedule I • 2.50 per cent	Schedule II • 6 per cent	Schedule III • 9 per cent
Schedule IV • 14 per cent	Schedule V • 1.50 per cent	Schedule V • 0.125 per cent

Inter-State supply of Goods (IGST)

Vide Not. No. 1/2017-IT (Rate) the CG has notified the rate of the IGST of levied on inter-State supplies of goods:

Schedule I • 5 per cent	Schedule II • 12 per cent	Schedule III • 18 per cent
Schedule IV • 28 per cent	Schedule V • 3 per cent	Schedule V • 0. 25 per cent

Intra-State supply of services (CGST)

Vide Not. No. 11/2017-CT (Rate) the CG has notified the rate of the central tax of levied on intra-State supplies of services:

Conessional rate (GTA, cab, etc) • 2.50 per cent	Special rate (Flat with land, chit) • 6 per cent
Standard rate • 9 per cent	Luxury rate (room rent above 7,500/-, movie ticket above 100) • 14 per cent

Intra-State supply of services (SGST)

Similarly, State Governments across India have notified that SGST rates for goods such as Maharashtra, vide Not. No.11/2017-State Tax (R):

Conessional rate (GTA, cab, etc)
• 2.50 per cent

Special rate (Flat with land, chit)
• 6 per cent

Standard rate
• 9 per cent

Luxury rate (room rent above 7,500/-, movie ticket above 100)
• 14 per cent

Inter-State supply of services (IGST)

Vide Not. No. 8/2017-IT (Rate) the CG has notified the rate of IGST levied on inter-State supplies of services:

Conessional rate (GTA, cab, etc)
• 5 per cent

Special rate (Flat with land, chit)
• 12 per cent

Standard rate
• 18 per cent

Luxury rate (room rent above 7,500/-, movie ticket above 100)
• 28 per cent

Composition rates (Not. No. 8/2017-CT and 2/2017-UT)

CGST prescribes a special rate for traders (0.50%), manufacturers (1%) and restaurants/ dhabas (2.50%) provided their turnover is less than INR 75 lacs and 50 lacs in specified States¹ as under:

Traders

- 0.50 per cent

Manufacturers

- 1 per cent

Restaurants/ dhaba

- 2.50 per cent

This composition scheme can be opted for by the taxpayer and the requirement of permission has been done away with. Similar to Central Tax rate, the States have also notified tax rates of 0.50%,

¹ Vide Not. No. 8/2017-CT, this limit is 50 lacs in (i) Arunachal Pradesh, (ii) Assam, (iii) Manipur, (iv) Meghalaya, (v) Mizoram, (vi) Nagaland, (vii) Sikkim, (viii) Tripura, (ix) Himachal Pradesh

1% and 2.50% of aforesaid services respectively. Thus, the effective tax rates work out to be 1%, 2% and 5%.

As per Not. No. 8/2017—CT and 2/2017-UT, composition scheme is not applicable to Ice cream and other edible ice, whether or not containing cocoa, Pan Masala and all tobacco goods.

4 Central Goods and Services Tax Act, 2017

NO. 12 OF 2017 [12th April, 2017.]

An Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows: —

Chapter-I

1. Short title, extent and commencement

- (1) This Act may be called the Central Goods and Services Tax Act, 2017.
- (2) It extends to the whole of India.

Author comments: This Act is extended to J & K from 8th July 2017

- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Author comments: Applicability of TDS (Section 51) and TCS (Section 52) of has been postponed (refer press note and Not. No. 9/2017-CT).

2. Definitions

In this Act, unless the context otherwise requires,--

- (1) **“actionable claim”** shall have the same meaning as assigned to it in section 3 of the Transfer of Property Act, 1882;
- (2) **“address of delivery”** means the address of the recipient of goods or services or both indicated on the tax invoice issued by a registered person for delivery of such goods or services or both;
- (3) **“address on record”** means the address of the recipient as available in the records of the supplier;

Author comments: Address on record is relevant for determining Place of Supply as per section 9 of IGST Act.

- (4) **“adjudicating authority”** means any authority, appointed or authorised to pass any order or decision under this Act, but does not include the Central Board of Excise and Customs, the Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, the Appellate Authority and the Appellate Tribunal;
- (5) **“agent”** means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another;;

Author comments: As per section 86 '*Where an agent supplies or receives any taxable goods on behalf of his principal, such agent and his principal shall, jointly and severally, be liable to pay the tax payable on such goods under this Act.*'

Further, Schedule I deems following as supply (even if without consideration)

'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.'

(6) **“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 be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Author comments: The aggregate turnover shall be computed on PAN basis (i.e. all India basis). Further, surprisingly, the term aggregate turnover includes turnover of exempt supplies as well!

Section 23 grants relief from obtaining registration to:

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 or

- b. An agriculturist, to the extent of supply of produce out of cultivation of land

(7) **“agriculturist”** means an individual or a Hindu Undivided Family who undertakes cultivation of land—

- (a) by own labour, or
- (b) by the labour of family, or
- (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family;

Author comments: The term agriculture is relevant for section 23 wherein it is specified that an agriculturist shall not be liable for registration. Further, vide Not. No. 4/2017-CT (R) in case of Cashew nuts, not shelled or peeled, Bidi wrapper leaves (tendu) and tobacco leaves the liability to pay GST on supply is cast on the recipient registered person.

- (8) **“Appellate Authority”** means an authority appointed or authorised to hear appeals as referred to in section 107;
- (9) **“Appellate Tribunal”** means the Goods and Services Tax Appellate Tribunal constituted under section 109;
- (10) **“appointed day”** means the date on which the provisions of this Act shall come into force¹;
- (11) **“assessment”** means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment;
- (12) **“associated enterprises”** shall have the same meaning as assigned to it in section 92A of the Income-tax Act, 1961;

Author comments: As per section 13 the time of supply in case of supply by associated enterprises, where the supplier of service is located outside India, is the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.

¹ [Refer table of effective dates for sections](#)

- (13) **“audit”** means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder;

Author comments: As per section 35 (5) of 'Every registered person whose turnover during a financial year **exceeds the prescribed limit** shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.'

- (14) **“authorised bank”** shall mean a bank or a branch of a bank authorised by the Government to collect the tax or any other amount payable under this Act;
- (15) **“authorised representative”** means the representative as referred to in section 116;

(16) **“Board”** means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963;

(17) **“business”** includes--

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- (b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);
- (c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;
- (d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;
- (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;
- (f) admission, for a consideration, of persons to any premises;

- (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;
- (h) services provided by a race club by way of totalisator or a licence to book maker in such club; and
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;

Author comments: The term 'business' could be of relevance for section 7 which states that supply should be in the course or furtherance of 'business'. The definition of the term 'business' is very wide as even a single transaction may get covered under its ambit.

Further, it is specifically provided that any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities shall also qualify as business.

(18) **“business vertical”** means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.

Explanation.--For the purposes of this clause, factors that should be considered in determining whether goods or services are related include--

- (a) the nature of the goods or services;
- (b) the nature of the production processes;
- (c) the type or class of customers for the goods or services;
- (d) the methods used to distribute the goods or supply of services; and
- (e) the nature of regulatory environment (wherever applicable), including banking, insurance, or public utilities;

Author comments: A person having multiple business verticals in a State/UT may obtain separate registration for each business vertical, subject to such conditions as may be prescribed [section 25 (2)].

- (19) **“capital goods”** means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business;

Author comments: The term capital goods is now defined in a simple manner (as compared to erstwhile CENVAT Credit Rules) to state that capital goods mean goods, the value of which is capitalised in the books of accounts.

- (20) **“casual taxable person”** means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business;

Author comments: As per section 25 even a casual taxable person or a non-resident taxable person shall apply for registration **at least five days prior** to the commencement of business. As per Section 24 casual taxable person has to obtain registration, irrespective of the threshold.

- (21) **“central tax”** means the central goods and services tax levied under section 9;
- (22) **“cess”** shall have the same meaning as assigned to it in the Goods and Services Tax (Compensation to States) Act;
- (23) **“chartered accountant”** means a chartered accountant as defined in clause (b) of subsection (1) of section 2 of the Chartered Accountants Act, 1949;
- (24) **“Commissioner”** means the Commissioner of central tax and includes the Principal Commissioner of central tax appointed under section 3 and the Commissioner of integrated tax appointed under the Integrated Goods and Services Tax Act;
- (25) **“Commissioner in the Board”** means the Commissioner referred to in section 168;
- (26) **“common portal”** means the common goods and services tax electronic portal referred to in section 146;

Author comments: Vide Not. No. 4/2017-CT gst.gov.in is notified as the Common Goods and Services Tax Electronic Portal for:

- a. Facilitating registration
- b. Payment of tax

- c. Furnishing of returns
- d. Computation and settlement of integrated tax and
- e. Electronic way bill

(27) **“common working days”** in respect of a State or Union territory shall mean such days in succession which are not declared as gazetted holidays by the Central Government or the concerned State or Union territory Government;

(28) **“company secretary”** means a company secretary as defined in clause (c) of subsection (1) of section 2 of the Company Secretaries Act, 1980;

(29) **“competent authority”** means such authority as may be notified by the Government;

(30) **“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.

Author comments: The term composite supply is used at section 8. In this regard, the tax liability on a **composite or a mixed supply** shall be determined in the following manner:

- (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;
- (b) a **mixed supply** comprising two or more supplies shall be treated as supply of that particular supply which attracts the highest rate of tax.

As per section 2 (90) “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

- (31) **“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, 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;

Author comments: The term 'consideration' is defined in an inclusive manner. Even payment by any other person than a recipient can qualify as consideration. Any subsidy given by

the Central Government or a State Government shall not form part of consideration.

As regards, deposits (whether refundable or not) given in respect of the supply of goods and/or services it is stated that the same shall not be considered as payment made for the supply unless the supplier applies the deposit as consideration for the supply¹.

- (32) **“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;

Author comments: The term continuous supply of goods is used in the section 31 (4) which prescribes time limit for issuance of invoice

¹ In a pre-deposit judgment of Phoenix International Ltd [2015-TIOL-1708-CESTAT-DEL] it was held that security deposit of Rs. 20 crores received by the appellant was not in the nature intended for the purpose of securing default in rent, or utility charge or damages but something more.

as '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'

- (33) **"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;

Author comments: The term continuous supply of services is used in the section 31 (5) which prescribes time limit for issuance of invoice as under:

- (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.

(34) **“conveyance”** includes a vessel, an aircraft and a vehicle;

Author comments: Section 17 (5) denies credit *inter-alia* on conveyance.

(35) **“cost accountant”** means a cost accountant as defined in clause (c) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959;

(36) **“Council”** means the Goods and Services Tax Council established under article 279A of the Constitution;

(37) **“credit note”** means a document issued by a registered person under sub-section (1) of section 34;

(38) **“debit note”** means a document issued by a registered person under sub-section (3) of section 34;

(39) **“deemed exports”** means such supplies of goods as may be notified under section 147;

Author comments: In days to come, GST Act may notify the transaction which can be treated as deemed export.

- (40) **“designated authority”** means such authority as may be notified by the Board;
- (41) **“document”** includes written or printed record of any sort and electronic record as defined in clause (t) of section 2 of the Information Technology Act, 2000;
- (42) **“drawback”** in relation to any goods manufactured in India and exported, means the rebate of duty, tax or cess chargeable on any imported inputs or on any domestic inputs or input services used in the manufacture of such goods;
- (43) **“electronic cash ledger”** means the electronic cash ledger referred to in sub-section (1) of section 49;
- (44) **“electronic commerce”** means the supply of goods or services or both, including digital products over digital or electronic network;
- (45) **“electronic commerce operator”** means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;

(46) **“electronic credit ledger”** means the electronic credit ledger referred to in sub-section (2) of section 49;

Author comments: In GST regime, the amount of credit to be available will be auto-populated (GSTR-2A) by the GST system based on the Outward supply returns (GSTR-1) filed by the vendors. Thus effectively, availment and utilisation of credit will be through electronic ledger.

(47) **“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;

Author comments: Exempt supply includes supplies which attract:

- a. Nil rate
- b. Wholly exempt
- c. Non-taxable (petrol, diesel, alcohol, electricity etc)

(48) **“existing law”** means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods

or services or both passed or made before the commencement of this Act by Parliament or any Authority or person having the power to make such law, notification, order, rule or regulation;

(49) **“family”** means,--

- (i) the spouse and children of the person, and
- (ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person;

Author comments: The members of the same family are deemed as 'related persons' (section 15)

(50) **“fixed establishment”** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;

Author comments: The term fixed establishment is used in section 2 (70) and (71) in the context of 'location of supplier of service' and 'location of recipient of service'

(51) **“Fund”** means the Consumer Welfare Fund established under section 57;

(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;

Author comments: GST is applicable on supply of goods. Goods are defined to include movable property, actionable claims¹ etc. In the earlier version of Model GST Law the term ‘goods’ included securities. Now, securities is specifically excludes from ambit of ‘goods’ as well as ‘services’ exclude **‘securities’**.

(53) **“Government”** means the Central Government;

¹ Schedule III (i.e. Activities or transactions which shall be treated neither as a supply of goods nor a supply of services) includes under its ambit ‘Actionable claims, other than lottery, betting and gambling’.

(54) **“Goods and Services Tax (Compensation to States) Act”**

means the Goods and Services Tax (Compensation to States) Act, 2017;

(55) **“goods and services tax practitioner”** means any person

who has been approved under section 48 to act as such practitioner;

(56) **“India”** means the territory of India as referred to in article 1

of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters;

(57) **“Integrated Goods and Services Tax Act”** means the

Integrated Goods and Services Tax Act, 2017;

(58) **“integrated tax”** means the integrated goods and services

tax levied under the Integrated Goods and Services Tax Act;

(59) **“input”** means any goods other than capital goods used or

intended to be used by a supplier in the course or furtherance of business;

Author comments: Inputs is defined to mean:

- a. Any goods
- b. Other than capital goods
- c. Used or intended to be used
- d. By a supplier
- e. In the course or furtherance of business

This is a wider definition as any goods, except capital goods, will qualify as inputs, provided that they are used or intended to be used in the course or furtherance of business.

(60) **“input service”** means any service used or intended to be used by a supplier in the course or furtherance of business;

Author comments: Input service is defined to mean:

- a. Any service
- b. Used or intended to be used
- c. By a supplier
- d. In the course or furtherance of business

This is a wider definition as any service, will qualify as input service, provided that they are used or intended to be used in the course or furtherance of business.

- (61) **“Input Service Distributor”** means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;

Author comments: Section 21 and 22 of the GST Act provides for special provisions for Input Service Distributor.

- (62) **“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;
- (63) **“input tax credit”** means the credit of input tax;
- (64) **“intra-State supply of goods”** shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;

- (65) **“intra-State supply of services”** shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;
- (66) **“invoice”** or **“tax invoice”** means the tax invoice referred to in section 31;
- (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;
- (68) **“job work”** means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly;

Author comments: Section 19 and 143 of the GST Act provides for special provisions for job work.

Further, Schedule II deems '*Any treatment or process which is applied to another person's goods is a supply of services.*'

- (69) **“local authority”** means--
- (a) a “Panchayat” as defined in clause (d) of article 243 of the Constitution;

- (b) a “Municipality” as defined in clause (e) of article 243P of the Constitution;
 - (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;
 - (d) a Cantonment Board as defined in section 3 of the Cantonments Act 2006;
 - (e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;
 - (f) a Development Board constituted under article 371 of the Constitution; or
 - (g) a Regional Council constituted under article 371A of the Constitution;
- (70) **“location of the recipient of services”** means,—
- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;
 - (b) where a supply is received at 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 received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the recipient;

(71) **“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;

(72) **“manufacture”** means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly;

Author comments: Section 10 provides higher rate of composition levy (1% + 1%) for a manufacturer.

(73) **“market value”** shall mean the full amount which a recipient of a supply is required to pay in order to obtain the goods or services or both of like kind and quality at or about the same time and at the same commercial level where the recipient and the supplier are not related;

Author comments: The term market value is used at Rule 27, 28 and 29 of CGST Rules.

(74) **“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;

Illustration: *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.*

Author comments: In this regard, the tax liability on a **composite or a mixed supply** shall be determined in the following manner:

- (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;
- (b) a **mixed supply** comprising two or more supplies shall be treated as supply of that particular supply which attracts the highest rate of tax.

(75) “**money**” means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of

credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value;

(76) **“motor vehicle”** shall have the same meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988;

(77) **“non-resident taxable person”** means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India;

(78) **“non-taxable supply”** means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act;

(79) **“non-taxable territory”** means the territory which is outside the taxable territory;

- (80) **“notification”** means a notification published in the Official Gazette and the expressions “notify” and “notified” shall be construed accordingly;
- (81) **“other territory”** includes territories other than those comprising in a State and those referred to in sub-clauses (a) to (e) of clause (114) ;
- (82) **“output tax”** in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (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;
- (84) **“person”** includes—
- (a) an individual;
 - (b) a Hindu Undivided Family;
 - (c) a company;
 - (d) a firm;

- (e) a Limited Liability Partnership;
- (f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;
- (g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013;
- (h) any body corporate incorporated by or under the laws of a country outside India;
- (i) a co-operative society registered under any law relating to co-operative societies;
- (j) a local authority;
- (k) Central Government or a State Government;
- (l) society as defined under the Societies Registration Act, 1860;
- (m) trust; and
- (n) every artificial juridical person, not falling within any of the above;

(85) **“place of business”** includes--

- (a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
 - (b) a place where a taxable person maintains his books of account; or
 - (c) a place where a taxable person is engaged in business through an agent, by whatever name called;
- (86) **“place of supply”** means the place of supply as referred to in Chapter V of the Integrated Goods and Services Tax Act;
- (87) **“prescribed”** means prescribed by rules made under this Act on the recommendations of the Council;
- (88) **“principal”** means a person on whose behalf an agent carries on the business of supply or receipt of goods or services or both;
- (89) **“principal place of business”** means the place of business specified as the principal place of business in the certificate of registration;
- (90) **“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; persons.

Author comments: The term principal supply is relevant for composite supply.

- (91) **“proper officer”** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board;
- (92) **“quarter”** shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year;
- (93) **“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;
- (94) **“registered person”** means a person who is registered under section 25 but does not include a person having a Unique Identity Number;
- (95) **“regulations”** means the regulations made by the Board under this Act on the recommendations of the Council;
- (96) **“removal”** in relation to goods, means—
- (a) despatch of the goods for delivery by the supplier thereof or by any other person acting on behalf of such supplier; or
 - (b) collection of the goods by the recipient thereof or by any other person acting on behalf of such recipient;
- (97) **“return”** means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder;

(98) **“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 subsection (3) or sub-section (4) of section 9, or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act;

Author comments:

In GST regime reverse charge may be applicable for both services as well as **goods**. Further, apart from specified services, RCM is also applicable in case of procurement of goods or services by registered person from un-registered person.

(99) **“Revisional Authority”** means an authority appointed or authorised for revision of decision or orders as referred to in section 108;

(100) **“Schedule”** means a Schedule appended to this Act;

(101) **“securities”** shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 ;

(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;

Author comments: The definition of service is very wide as it means anything other than goods.

(103) **“State”** includes a Union territory with Legislature;

(104) **“State tax”** means the tax levied under any State Goods and Services Tax Act;

(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;

(106) **“tax period”** means the period for which the return is required to be furnished;

(107) **“taxable person”** means a person who is registered or liable to be registered under section 22 or section 24;

Author comments: Section 9 of GST Act states that GST 'shall be paid by the taxable person'.

(108) **"taxable supply"** means a supply of goods or services or both which is leviable to tax under this Act;

(109) **"taxable territory"** means the territory to which the provisions of this Act apply;

(110) **"telecommunication service"** means service of any description (including electronic mail, voice mail, data services, audio text services, video text services, radio paging and cellular mobile telephone services) which is made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature, by wire, radio, visual or other electromagnetic means;

(111) **"the State Goods and Services Tax Act"** means the respective State Goods and Services Tax Act, 2017;

(112) **"turnover in State"** or **"turnover in Union territory"** 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) and exempt supplies made

within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess;

(113) **“usual place of residence”** means--

- (a) in case of an individual, the place where he ordinarily resides;
- (b) in other cases, the place where the person is incorporated or otherwise legally constituted;

(114) **“Union territory”** means the territory of—

- (a) the Andaman and Nicobar Islands;
- (b) Lakshadweep;
- (c) Dadra and Nagar Haveli;
- (d) Daman and Diu
- (e) Chandigarh; and
- (f) other territory.

Explanation –For the purposes of this Act, each of the territories specified in sub-clauses (a) to (f) shall be considered to be a separate Union territory;

(115) **“Union territory tax”** means the Union territory goods and services tax levied under the Union Territory Goods and Services Tax Act;

(116) **“Union Territory Goods and Services Tax Act”** means the Union Territory Goods and Services Tax Act, 2017;

(117) **“valid return”** means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full;

(118) **“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;

(119) **“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;

Author comments: Works contract definition is only for immovable property (and not movable property).

(120) words and expressions used and not defined in this Act but defined in the Integrated Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts;

(121) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.

Chapter-II

Administration

3. Officers under this Act¹

The Government shall, by notification, appoint the following classes of officers for the purposes of this Act, namely: --

¹ In exercise of the powers under section 3 read with section 5 of the Central Goods and Services Tax Act, 2017, Not. No. 2/2017-CT has been issued for jurisdiction

- (a) Principal Chief Commissioners of Central Tax or Principal Directors General of Central Tax,
- (b) Chief Commissioners of Central Tax or Directors General of Central Tax,
- (c) Principal Commissioners of Central Tax or Principal Additional Directors General of Central Tax,
- (d) Commissioners of Central Tax or Additional Directors General of Central Tax,
- (e) Additional Commissioners of Central Tax or Additional Directors of Central Tax,
- (f) Joint Commissioners of Central Tax or Joint Directors of Central Tax,
- (g) Deputy Commissioners of Central Tax or Deputy Directors of Central Tax,
- (h) Assistant Commissioners of Central Tax or Assistant Directors of Central Tax, and
- (i) any other class of officers as it may deem fit:

Provided that the officers appointed under the Central Excise Act, 1944 shall be deemed to be the officers appointed under the provisions of this Act.

4. Appointment of officers

- (1) The Board may, in addition to the officers as may be notified by the Government under section 3, appoint such persons as it may think fit to be the officers under this Act.
- (2) Without prejudice to the provisions of sub-section (1), the Board may, by order, authorise any officer referred to in clauses (a) to (h) of section 3 to appoint officers of central tax below the rank of Assistant Commissioner of central tax for the administration of this Act.

5. Powers of officers

- (1) Subject to such conditions and limitations as the Board may impose, an officer of central tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.
- (2) An officer of central tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of central tax who is subordinate to him.
- (3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer who is subordinate to him.

- (4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of central tax.

6. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances

- (1) Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.
- (2) Subject to the conditions specified in the notification issued under sub-section (1),--
- (a) where any proper officer issues an order under this Act, he shall also issue an order under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as authorised by the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may

be, under intimation to the jurisdictional officer of State tax or Union territory tax;

(b) where a proper officer under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.

(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act shall not lie before an officer appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.

Author comments:

Section 3 to 6 deal with classes, appointment and powers of officer who will administer CGST and SGST.

Chapter-III

LEVY AND COLLECTION OF TAX

7. Scope of supply

(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, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
 - (b) import of services for a consideration whether or not in the course or furtherance of business;
 - (c) the activities specified in Schedule I, made or agreed to be made without a consideration; and
 - (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.
- (2) Notwithstanding anything contained in sub-section (1), --
- (a) activities or transactions specified in Schedule III; or
 - (b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services.
- (3) Subject to the provisions of sub-sections (1) and (2), the Government may, on the recommendations of the Council,

specify, by notification, the transactions that are to be treated as—

- (a) a supply of goods and not as a supply of services; or
- (b) a supply of services and not as a supply of goods.

Author comments:

As per section 9, CGST is leviable on all intra-State **supplies** on the value of the goods and/or services. It can be observed that the taxable event under GST regime is 'supply'.

In the current indirect tax regime, State impose 'Value Added Tax' on 'intra-State sales' and retain Central Sales Tax (CST) on inter-State sales on origin based principle. Further, Centre imposes Excise Duty at the stage of "Manufacture" and Service Tax on the "Provision of Service". As far as local authorities concern it impose various taxes like LBT (Local Body Tax), Octroi etc. Under GST regime all taxable event or activity like manufacture, provision of services etc. becomes irrelevant and GST will apply on 'supply'.

At section 7, the term 'supply' has been defined in an inclusive manner (like definition of 'manufacture' in excise). As per **clause 1**

(a) Supply is said to include certain transactions like sale, transfer, barter, etc. made or agreed to be made for a consideration by a person in the course or furtherance of business. Thus, under clause 1 (a) an activity of sale transfer etc. will qualify as supply if it is made or agreed to be made for a consideration by a person in the course or furtherance of business.

As per **clause 1 (b)** includes importation of service **for a consideration** whether or not in the course or furtherance of business.

As per **clause 1 (c)** supply specified in the schedule I even made or agreed to be made without consideration will be liable to GST. The schedule I comprises of following list of matters or transactions:

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

Sr. no. 2 aforesaid will cover stock/ branch transfer of goods.

Clause (2)

As per this clause certain matters covered in the Schedule II shall be used to determine whether given supply will be treated as supply of 'goods' and supply of 'services'. Schedule II clarifies the certain transaction whether should be treated as goods or services so as to avoid litigation.

8. Tax liability on composite and mixed supplies

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
- (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.

9. Levy and Collection

- (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.
- (2) The central tax 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.

- (3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both 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.
- (4) The central 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.
- (5) The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce

operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

Author comments:

Section 9 is charging section and tax shall be levied and collected on all intra-state **supplies** of the goods and/or services **on the value** and at the rate as may be notified by Centre/State but not

exceeding 20%. Thus, GST is levied on **supply** of the goods and/or services as defined in section 3 of the CGST/SGST Act.

In the current regime taxable event under State Law is sale of goods and as per Section 3 of The Central Excise Act, 1944 a duty of excise is levied on production or manufacture of goods. Further, as per section 66B of the Finance Act, 1994 service tax shall be levied on value of all services provided or agreed to be provided. However, under GST regime all the taxable event like manufacture, sale, provision of service becomes irrelevant and tax is levied on 'Supply' as defined in section 3.

Intra-state supplies of the goods and/or services liable to CGST and SGST. The term intra-State supply and inter-State supply have not been defined in CGST/SGST Act and has been defined in IGST Act. As per section 4 of the IGST Act intra-State trade or commerce is defined to mean any supply where the 'location of the supplier' and the 'place of supply' are in the same state. Thus, to determine whether particular supply is intra-State or inter-State will be

determined on the basis of location of the supplier and place of supply as per IGST Act.

10. Composition levy

(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 fifty 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) **one per cent.** of the turnover in State or turnover in Union territory in case of a manufacturer,
- (b) **two and a half per cent.** of the turnover in State or turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and
- (c) **half per cent.** of the turnover in State or turnover in Union territory 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 fifty lakh rupees to such higher amount, not exceeding one crore rupees, 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 referred to in clause (b) of paragraph 6 of Schedule II;
- (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:

Provided that where more than one registered persons are having the same Permanent Account Number (issued under the Income-

tax Act, 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) unless all such registered persons opt to pay tax under that sub-section.

- (3) The option availed of by a registered person under sub-section (1) shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified under sub-section (1).
- (4) A taxable person to whom the provisions of sub-section (1) 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.
- (5) 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.

Author comments:

CGST prescribes a special rate for traders (0.50%), manufacturers (1%) and restaurants/ dhabas (2.50%) provided their turnover is less than INR 75 lacs and 50 lacs in specified States. The composition scheme

shall not be applicable to the taxable person supplying services, inter-State supply of goods etc.

As per Not. No. 8/2017—CT and 2/2017-UT, composition scheme is not applicable to Ice cream and other edible ice, whether or not containing cocoa, Pan Masala and all tobacco goods.

11. Power to grant exemption from tax

- (1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.
- (2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from

payment of tax any goods or services or both on which tax is leviable.

- (3) The Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such *explanation* shall have effect as if it had always been the part of the first such notification or order, as the case may be.

Explanation – For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

Authors Comments:			
Particulars	CGST	IGST	UTGST

Goods - Exemptions	Link for detailed exemption for intra-State supply of goods from CGST (149 goods exempted) [Not. No. 2/2017-CT(R)]	Link for detailed exemption for inter-State supply of goods from IGST (149 goods exempted) [Not. No. 2/2017-IT(R)]	Link for detailed exemption for intra-State supply of goods from CGST (149 goods exempted) [Not. No. 2/2017-UT(R)]
	Services - Exemptions	Link for exemption for services (81 services) under IGST (84 services)	Link for exemption for services (81 services)

	[Not. No. 12/2017- CT(R)]	[Not. No. 9/2017- IT(R)]	[Not. No. 12/2017- UT(R)]	

12. Time 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, under sub-section (1) of section 31, 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 upto 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.

- (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 subsection (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.

Author comments: The liability to pay CGST / SGST will arise at the time of supply as determined for goods and services. In this regard, separate provisions i.e. section 12

and section 13 prescribe what will time of supply for goods and services.

The provisions broadly contemplate payment of GST at the earliest for:

- a. 'Goods'- Date of issuance of invoice or the last date by which invoice is required to be issued or the date of receipt of advance
- b. 'Service'– Date of issuance of invoice or the last date by which invoice is required to be issued or the date of receipt of advance

Further, there are special provisions for continuous supply of goods / services, Reverse Charge Mechanism etc. It can be observed that there are many parameters in determining 'time' of supply. Thus, determining the 'time' of supply and further maintaining reconciliation between revenue as per financials and as per GST rules could be a major challenge to meet.

In GST regime tax collection event will be earliest of the specified events as given above and this will be altogether a

new concept for the current VAT and Central Excise taxpayers.

13. Time 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 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 upto 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 relating to such excess amount.

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 subsection (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.

14. Change in rate of tax in respect of supply of goods or services

Notwithstanding anything contained in section 12 or section 13, 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.

Author comments: The section applies for the change in rate of GST for services and for goods. It splits the scenarios in two baskets:

- a. In case where the goods / services have been supplied **before** the change in rate of tax
- b. In case where the goods / services have been supplied **after** the change in rate of tax

15. Value of taxable supply

- (1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.
- (2) The value of supply shall include---
 - (a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;
 - (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 or services or both;
 - (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 or services or both at the time of, or before delivery of goods or supply of 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 Government and State Governments.

Explanation – For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

- (3) The value of the supply shall not include any discount which is given--
 - (a) before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply; and (b) after the supply has been effected, if—
 - (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 as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.
- (4) Where the value of the 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 purposes 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 twenty-five per cent 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 *persons; or*
 - (viii) they are members of the same family;
- (b) the term “person” also includes legal persons;
- (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.

Author comments: GST would be payable on the ‘transaction value’. Transaction value is the price actually paid or payable for the said supply of goods and/or services between un-related parties and where price is the sole consideration.

The value is said to include all expenses in relation to sale such as packing, commission etc. Even subsidies linked to supply, except provided by Government, will be includable. Even interest for delayed payment of consideration needs to be included.

Discounts

As regards discounts/ incentives, it will not form part of 'transaction value' subject to fulfilment of conditions as under:

- a. Discount given **before** or **at** the time of the supply provided such discount has been duly recorded in the invoice issued in respect of such supply;
- b. Discount given **after supply is 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

Taxes

In current regime of indirect taxes paid are not included in the price on which tax/ duty is charged. However, GST will be payable on all the taxes other than tax paid as CGST, SGST or IGST. This may hamper the very basic objective of removing cascading effect of taxes.

Related Persons

This section defines 'related persons' for the purpose of GST Act. This definition is relevant from the perspective of sr. no. 2 and 4 of Schedule I [Matters to be treated as supply even if made without Consideration] as discussed under:

'...

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.

...

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'

Chapter-V

INPUT TAX CREDIT

16. Eligibility and Conditions for taking Input Tax Credit

- (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.

(2) Notwithstanding anything contained in this section, 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, --

- (a) 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;
- (b) he has received the goods or services or both.

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;

- (c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the

Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and
(d) he has furnished the return under section 39:

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

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:

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.

- (3) 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.
- (4) 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.

Author comments: Section 16 and 17 of CGST Act and Rule 36 to 45 of CGST Rules deal with Input Tax Credit.

Section 16 (2) of the Act, prescribes following four conditions for availment of credit:

- (a) 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;
- (b) he has **received** the goods or services or both¹.
- (c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and
- (d) he has furnished the return under section 39:

The aforesaid, *inter-alia*, two conditions appears to be un-justified as typically, credit should be available basis invoice and recipient should not be burdened with the responsibility of knowing whether the tax has actually been credited to the Government or not. Putting such a kind of onerous condition on buyer leads to un-necessary burden and may pave way of litigation.

¹ 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*

Section 16 (2) (b) of the CGST Act prescribes that for availment of input tax credit, *inter-alia*, services should be received. The condition of receipt of goods can be proved through GRN (Goods Received Note) however, if services are intangible in nature and thus it's not clear why a condition of 'receipt' of service is provided for.

180 days condition

To continue to claim the input tax credit the buyer has to ensure that he pays the supplier within 180 days from date of invoice. If payment to vendor is not made within 180 days, then

proportionate input tax credit will have to be reversed in FORM GSTR-2 for the month immediately following the period of one hundred and eighty days from the date of issue of invoice (refer Rule 37 of CGST Rules).

It may be noted that similar provision (payment within 90 days) was contained in CENVAT Credit Rules, 2004, however, it was applicable only for services and further, interest was not applicable (which is applicable in GST regime).

17. Apportionment of credit and blocked credits

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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 fifty per cent. 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 fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.

(5) 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 centre;
 - (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;

(c) 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;

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

Explanation – For the purposes of clauses (c) and (d), the expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of **capitalisation**, to the said immovable property;

(e) goods or services or both on which tax has been paid under section 10 or;

- (f) goods or services or both received by a non-resident taxable person except on goods imported by him;
 - (g) goods or services or both used for personal consumption;
 - (h) goods **lost**, stolen, destroyed, written off or disposed of by way of gift or **free samples**; and
 - (i) any tax paid in accordance with the provisions of sections 74, 129 and 130.
- (6) The Government may prescribe the manner in which the credit referred to in sub-35 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.

Authors comments: Earlier CENVAT Credit regime disallowed CENVAT Credit on various services such as motor vehicle related services, **catering services, employee insurance, construction** of civil structure etc. Similarly, State VAT laws restrict input tax credit in respect of construction, motor vehicle etc. Current, this denial of credits leads to un-necessary cost burden on assessee.

It was expected that in GST regime, seamless credit will be allowed to business houses without any denial or any restrictions except say goods / services which are availed for personal use than official use (something similar to United Kingdom VAT law).

However, surprisingly, *inter-alia*, aforesaid credit would continue to be not available (in respect of both goods or services).

Further, credit is proposed to be denied on goods and/or services used for **personal consumption**. Also, input tax credit shall not be available on **goods lost, stolen, destroyed, written off or** disposed of by way of **gift or free samples**.

This continuation of denial will lead to substantial tax cascading (as rate of GST will be higher than the current rate of service tax!).

Credit will be available on rent-a-cab, life insurance and health insurance if the Government notifies these services as obligatory for an employer to provide to its employees under any law. Also, credit on food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery will be available. All this is available if used as inward supply for making an outward taxable supply of the same category or as an element of a taxable composite or mixed supply.

Also, another round of litigation as interpretation issues will crop up while determining eligibility or otherwise of GST paid on personal consumptions such as business lunch with clients.

Banking and NBFC

For a banking company or a financial institution including a NBFC, restriction of 50% on availment of credit shall not apply

to tax paid on supplies made by one registered person to another registered person having the same PAN.

18. Availability of credit in special circumstances

(1) Subject to such conditions and restrictions as may be prescribed—

- (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;
- (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;

- (c) where any registered person ceases to pay tax under section 10 or, 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:

Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed;

- (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 relatable 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.

- (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.
- (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.

- (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.

19. Taking input tax credit in respect of inputs and capital goods sent for job work

- (1) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on inputs 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 even if the inputs are directly sent to a job worker for job-work without being first brought to his place of business.
- (3) Where the inputs 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 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 are sent directly to a job worker, the period of one year shall be counted from the date of receipt of inputs 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.

Author comments: As per section 19, “principal” (typically a person who is sending the goods for job-work) shall, be entitled to take credit of input tax on inputs sent to a job-worker for job-work if the said inputs.

In case they are not received back within **one year** days then deemed that such inputs had been supplied by the principal to the job-worker on the day when the said inputs were sent out. For capital goods (other than moulds and dies, jigs and fixtures, or tools) the time limit will be **three years**.

20. Manner of distribution of credit by Input Service

Distributor

- (1) The Input Service Distributor shall distribute the credit of central tax as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit being distributed in such manner as may be prescribed.
- (2) The Input Service Distributor may distribute the credit subject to the following conditions, namely:–
 - (a) the credit can be distributed to the recipients of credit against a document containing such details as may be prescribed;
 - (b) the amount of the credit distributed shall not exceed the amount of credit available for distribution;
 - (c) the credit of tax paid on input services attributable to a recipient of credit shall be distributed only to that recipient;
 - (d) the credit of tax paid on input services attributable to more than one recipient of credit shall be distributed amongst such recipients to whom the input service is attributable and such distribution shall be pro rata on the basis of the turnover in

a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the said relevant period;

- (e) the credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution shall be pro rata on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year, during the said relevant period.

Explanation - For the purposes of this section, --

- (a) the **"relevant period"** shall be--
- (i) if the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, the said financial year; or
 - (ii) if some or all recipients of the credit do not have any turnover in their States or Union territories in the financial

year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed;

- (b) the expression “**recipient of credit**” means the supplier of goods or services or both having the same Permanent Account Number as that of the Input Service Distributor;
- (c) the term ‘**turnover**’, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule.

Author comments: As per section 2 (61) of the GST Act, "Input Service Distributor" means an office of the supplier of goods and / or services which receives tax invoices issued under section 31 towards receipt of input services and issues tax invoice or such other document as prescribed for the purposes of distributing the credit of CGST (SGST in State Acts) and / or IGST paid on the said services to a supplier of taxable goods and / or services having same PAN as that of the office

referred to above. Thus, it appears that only credit on 'input services' can be distributed (and not on inputs or capital goods).

21. Manner of recovery of credit distributed in excess

Where the Input Service Distributor distributes the credit in contravention of the provisions contained in section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of amount to be recovered.

Author comments: This section provides for recovery in cases where the credit is wrongly distributed.

Chapter-VI

REGISTRATION

22. Persons liable for registration

- (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 *licence 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, de-merger 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 purposes 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.

Author comments: Every person who is liable to be registered under Schedule V of this Act is required to apply for registration in **every such State** in which he is so liable **within thirty days** from the date on which he becomes liable to registration.

Casual/ non-residents should apply at-least five days before their commencement of business.

Registration number in GST will be PAN based and hence, having PAN would be a pre-requisite for obtaining registration. Further, as registration under GST will be State-wise, thus the assessee will have to obtain separate registration for each State. Further, the GST law provides for an option to obtain separate registration for each of the ‘business vertical’ in the same State.

23. Persons not liable for registration

- (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.
- (2) The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.

24. Compulsory registration in certain cases

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

- (i) persons making any inter-State taxable supply;
- (ii) casual taxable persons making taxable supply;
- (iii) persons who are required to pay tax under reverse charge;

- (iv) person who are required to pay tax under sub-section (5) of section 9;
- (v) non-resident taxable persons making taxable supply;
- (vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
- (vii) persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;
- (viii) Input Service Distributor, whether or not separately registered under this Act;
- (ix) 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;
- (x) every electronic commerce operator;
- (xi) every person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person; and
- (xii) such other person or class of persons as may be notified by the Government on the recommendations of the Council.

25. Procedure for registration

- (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, in such manner and subject to such conditions as may be prescribed:

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 base line 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.
- (6) Every person shall have a Permanent Account Number issued under the Income-tax Act, 1961 in order to be eligible for grant of registration:

Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax

Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.

- (7) Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed.
- (8) Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed.
- (9) Notwithstanding anything contained in sub-section (1),--
 - (a) any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries; and
 - (b) any other person or class of persons, as may be notified by the Commissioner, shall be granted a Unique Identity Number in such manner and for such purposes, including

refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.

- (10) The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.
- (11) A certificate of registration shall be issued in such form and with effect from such date as may be prescribed.
- (12) A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.

26. Deemed registration

- (1) The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique

Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.

- (2) Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.

27. Special provisions relating to casual taxable person and non-resident taxable person

- (1) The certificate of registration issued to a casual taxable person or a non-resident 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 ninety 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 liability of such person for the period for which the extension is sought

- (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.

Author comments: Section 27 prescribes special provisions relating to casual taxable person and non-resident taxable person. As per the provisions, a person may obtain a temporary registration for a period of 90 days (extendable for additional 90 days). A person who obtains

registration in accordance with this section, will be required to make advance deposit of GST (based on his estimated tax liability).

28. Amendment of registration

(1) Every registered person and a person to whom a Unique Identity Number has been assigned shall inform the proper officer of any changes in the information furnished at the time of registration or subsequent thereto, in such form and manner and within such period as may be prescribed.

(2) The proper officer may, on the basis of information furnished under sub-section (1) or as ascertained by him, approve or reject amendments in the registration particulars in such manner and within such period as may be prescribed:

Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed:

Provided further that the proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.

- (3) Any rejection or approval of amendments under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a rejection or approval under this Act.

Author comments: This section deals with amendment in registration certificate in case any information furnished at the time of registration has subsequently undergone any change.

29. Cancellation of registration

- (1) The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where,–
- (a) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
 - (b) there is any change in the constitution of the business; or

- (c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.
- (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
 - (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, wilful misstatement or suppression of facts:

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

- (3) The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.
- (4) The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.
- (5) 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.

- (6) The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.

Author comments: This section deals with cancellation of registration certificate. The registration certificate may be cancelled by the Authorities on their own motion or basis the application filed by the assessee/ his heirs.

Surprisingly, as per section 29 (2) registration certificate can even be cancelled **retrospectively** (!). If this enabling power is exercised by the Authorities then it may lead to denial of credits to the bona-fide buyers.

30. Revocation of cancellation of registration

- (1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.
- (2) The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:

Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.

- (3) The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under this Act.

Author comments: This section will be applicable **only** in the cases in which registration is cancelled by Officer on his own motion and not when registration was cancelled after filing of application. It is provided that if the cancellation registration of registration is revoked than it will be deemed that the cancellation is revoked under both the acts i.e. CGST and SGST.

Chapter-VII

TAX INVOICE, CREDIT AND DEBIT NOTES

31. Tax invoice

- (1) A registered person supplying taxable goods shall, before or at the time of,—
- (a) removal of goods for supply to the recipient, where the supply involves movement of goods; or
 - (b) 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 service but within a prescribed period, 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--

- (a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
 - (b) tax invoice may not be issued.
- (3) Notwithstanding anything contained in sub-sections (1) and (2)–
- (a) 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;

- (b) 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;
- (c) a registered person supplying exempted goods or services or both or paying tax under the provisions of section 10 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;

- (d) 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 sub-section (3) or sub-section (4) of section 9 shall issue an invoice in respect of 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;
 - (g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 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 provisions of clause (d) of sub-section (3), 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.

Author comments: This section prescribes when invoice should be issued and prescribed particulars to be mentioned on the invoice.

As per Rule 47 of CGST Rules its provided that invoice should be issued within **30 days** from the date of supply of service. For insurer or a banking company or a financial institution, including a non-banking financial company, this period is **45 days**.

32. Prohibition of unauthorised collection of tax

- (1) A person who is not a registered person shall not collect in respect of any supply of goods or services or both any amount by way of tax under this Act.
- (2) No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

33. Amount of tax to be indicated in tax invoice and other documents

Notwithstanding anything contained in this Act or any other law for the time being in force, where any supply is made for a consideration, every person who is liable to pay tax for such supply shall prominently indicate in all documents relating to assessment, tax 40 invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made.

34. Credit and debit notes

- (1) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by 45 the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient a credit note containing such particulars as may be prescribed.

- (2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

- (3) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as may be prescribed.
- (4) Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of

such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

Explanation - For the purposes of this Act, the expression

“debit note” shall include a supplementary invoice.

ACCOUNTS AND RECORDS

35. Accounts and other records

- (1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—
- (a) production or manufacture of goods;
 - (b) inward and outward supply of goods or services or both;
 - (c) stock of goods;
 - (d) input tax credit availed;
 - (e) output tax payable and paid; and
 - (f) such other particulars as may be prescribed:

Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:

Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.

- (2) Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.
- (3) The Commissioner may notify a class of taxable persons to maintain additional 40 accounts or documents for such purpose as may be specified therein.
- (4) Where the Commissioner considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable

persons to maintain accounts in such manner as may be prescribed.

- (5) Every registered person whose turnover during a financial year **exceeds the prescribed limit shall get his accounts audited** by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.
- (6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

Author comments: Every registered person will be required to keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct

account of production or manufacture of goods, of inward or outward supply of goods and/or services, of stock of goods, of input tax credit availed, of output tax payable and paid, and such other particulars as may be prescribed in this behalf.

Further, it is also provided that every registered taxable person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit to the proper officer a copy of the audited statement of accounts, the reconciliation statement under sub-section (2) of section 30 and such other documents in the form and manner as may be prescribed in this behalf.

36. Period of retention of accounts

Every registered person required to keep and maintain books of account or other records in accordance with the provisions of sub-section (1) of section 35 shall retain them until the expiry of **seventy two months** from the due date of furnishing of

annual return for the year pertaining to such accounts and records:

Provided that a registered person, who is a party to an appeal or revision or any other proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or court, whether filed by him or by the Commissioner, or is under investigation for an offence under Chapter XIX, shall retain the books of account and other records pertaining to the subject matter of such appeal or revision or proceedings or investigation for a period of one year after final disposal of such appeal or revision or proceedings or investigation, or for the period specified above, whichever is later.

Author comments: Every registered taxable person will be required to keep and maintain books of account or other records until the expiry of **seventy two months** from the last date of filing of Annual Return for the year pertaining to such accounts and records. Further in case of appeal/ revision, records should be maintained for a period of one year after final disposal of such appeal /revision.

Chapter-IX

RETURNS

37. Furnishing details of outward supplies

- (1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed:

Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:

Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for

furnishing such details for such class of taxable persons as may be specified therein:

Provided also that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

- (2) 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.
- (3) 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.

Author comments: Every registered taxable person will be required to furnish, electronically (in GSTR-1 format), the details of outward supplies of goods and/or services effected, during a tax period on or before the 10th day of the month succeeding month.

Thus, all the GST assessee throughout India will upload the details of outward supplies by 10th of subsequent month.

The initial experience of filing of GSTR for July is marred with errors and slow or down system. Due dates are as under:

SR	Form	Recommendation
1.	GSTR-1	Due date for GSTR-1 of July extended till 10th October (in case aggregate turnover is more than INR 100 crores then the due date will be 3rd October). Further, due date for GSTR-2 and 3 extended till 30th October and 10th November respectively.
2.	TRAN-1	Due date for TRAN-1 extended till 31st October. TRAN-1 can be revised once.
3.	GSTR-3B	Summary return, i.e. GSTR-3B, will continue till December 2017.
4.	GSTR-6 (ISD)	Due date for GSTR-6 (return for ISD) extended till 13th October 2017

38. Furnishing details of inward supplies

- (1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of *section 10* or *section 51* or *section 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 subsection (1) of section 37.

- (2) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall 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:

Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

- (3) The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.
- (4) 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 in such manner and within such time as may be prescribed.
- (5) 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.

Author comments: Every registered taxable person will be required to furnish, electronically (in GSTR-1 format), the details of outward supplies of goods and/or services effected, during a tax period on or before the 10th day of the month succeeding month. Thus, all the GST assessee throughout India will upload the details of outward supplies by 10th of subsequent month and details of inward supplies are expected to be auto-populated in GSTR-2A. In

this, the taxpayer is expected to verify the details, add RCM and import data etc and then prepare GSTR-2 for onward submission.

39. Furnishing of returns

- (1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of *section 10* or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.
- (2) A registered person paying tax under the provisions of section 10 shall, 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) The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein:

Provided that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner.

- (7) Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return.
- (8) Every registered person who is required to furnish a return under sub-section (1) or subsection (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been made during such tax period.
- (9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars 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:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.

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

Author comments: Every registered taxable person will be required, to file a monthly return, electronically, of inward and outward supplies of goods and/or services, input tax credit availed, tax payable, tax paid and other particulars as may be prescribed within 20 days after the end of such month.

Composition dealer (registered in accordance with section 9 of GST Act) will be required to file a quarterly return before 18th from the end of quarter.

An Input Service Distributor will be required to file a monthly return with 13 days from end of the month.

40. First return

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

41. Claim of input tax credit and provisional acceptance thereof

- (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.

Author comments: Every taxable person will be entitled to take credit of input tax, as self-assessed, in his return and such amount shall be credited, on a provisional basis, to his electronic credit ledger to be maintained in the manner as may be prescribed.

42. Matching, reversal and reclaim of input tax credit

- (1) The details of every inward supply furnished by a registered person (hereafter in this section referred to as the “recipient”) for a tax period shall, in such manner and within such time as may be prescribed, 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, in such manner as may be prescribed, 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 persons in such manner as may be prescribed.
- (4) The duplication of claims of input tax credit shall be communicated to the recipient in such manner as may be prescribed.

- (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 such manner as may be prescribed, 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 recipient in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall be liable to pay interest at the rate specified under subsection (1) of section 50 on the amount so added from the date of availing of credit 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 interest paid under sub-section (8) shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed:

Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the supplier.

- (10) The amount reduced from the output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such recipient shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of section 50.

Author comments: This section provides for matching of details of outward supplies and inward supplies. This section also provides that in case of mis-match of details the discrepancies will be communicated with the both the buyer and supplier to enable them take the corrective actions.

43. Matching, reversal and reclaim of reduction in output tax liability

- (1) The details of every credit note relating to outward supply furnished by a registered person (hereafter in this section referred to as the “supplier”) for a tax period shall, in such manner and within such time as may be prescribed, be matched–
 - (a) with the corresponding reduction in the claim for input tax credit by the corresponding registered person (hereafter in this section referred to as the “recipient”) in his valid return for the same tax period or any subsequent tax period; and
 - (b) for duplication of claims for reduction in output tax liability.
- (2) The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for input tax credit by the recipient shall be finally accepted and communicated, in such manner as may be prescribed, to the supplier.
- (3) Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be

communicated to both such persons in such manner as may be prescribed.

- (4) The duplication of claims for reduction in output tax liability shall be communicated to the supplier in such manner as may be prescribed.
- (5) The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.
- (6) The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated.
- (7) The supplier shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5) if the recipient declares the details of the credit 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 be liable to pay interest at the rate specified under subsection (1) of section 50 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 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:
- Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the recipient.
- (10) The amount reduced from output tax liability in contravention of the provisions of subsection (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.

44. Annual return

- (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year.
- (2) 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.

Author comments: This section prescribes that every registered taxable person, (a person paying tax under section 46 or section 56, a casual taxable person and a non-resident taxable person), will be required to furnish an annual return for every financial year

electronically on or before the 31st December following the end of such financial year.

45. Final return

Every registered person who is required to furnish a return under sub section (1) of section 39 and whose registration has been cancelled shall furnish a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, in such form and manner as may be prescribed.

Author comments: This return is applicable for a taxable person who applies for cancellation of registration certificate.

46. Notice to return defaulters

Where a registered person fails to furnish a return under section 39 or section 44 or section 45, a notice shall be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed.

47. Levy of late fee

- (1) Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.
- (2) Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State or Union territory.

48. Goods and services tax practitioners

- (1) The manner of approval of goods and services tax practitioners, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed.

- (2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or section 44 or section 45 in such manner as may be prescribed.
- (3) Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.

Chapter-X

PAYMENT OF TAX

49. Payment of tax, interest, penalty and other amounts

- (1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be

credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.

- (2) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41, to be maintained in such manner as may be prescribed.
- (3) The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made thereunder in such manner and subject to such conditions and within such time as may be prescribed.
- (4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and within such time as may be prescribed.
- (5) The amount of input tax credit available in the electronic credit ledger of the registered person on account of--
 - (a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be

utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;

- (b) the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;
 - (c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
 - (d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
 - (e) the central tax shall not be utilised towards payment of State tax or Union territory tax; and
 - (f) the State tax or Union territory tax shall not be utilised towards payment of central tax.
- (6) The balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded in accordance with the provisions of section 54.

- (7) All liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register in such manner as may be prescribed.
- (8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:--
- (a) self-assessed tax, and other dues related to returns of previous tax periods;
 - (b) self-assessed tax, and other dues related to the return of the current tax period;
 - (c) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74;
- (9) Every person who has paid the tax on goods or services or both under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such tax to the recipient of such goods or services or both. *Explanation* - For the purposes of this section,—

- (a) the date of credit to the account of the Government in the authorised bank shall be deemed to be the date of deposit in the electronic cash ledger;
- (b) the expression,—
 - (i) **“tax dues”** means the tax payable under this Act and does not include interest, fee and penalty; and
 - (ii) **“other dues”** means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.

Author comments:

This section provides for payment of tax, interest, penalty and other amounts (such as late fees for delayed return). In this regard, section provides for mechanism to pay the liability through cash and credit.

Electronic cash ledger

- (1) The amount available in the electronic cash ledger may be used for making any payment towards:
 - a. Tax
 - b. Interest
 - c. Penalty

d. Fees or any other amount payable under the provisions of the Act or rules

Electronic credit ledger

The amount available in the electronic cash ledger may be used for making any payment towards tax. The manner of utilisation of credit for tax payment is provided as under:

Credit of	Utilisation
IGST	First against IGST then against CGST and later against SGST
CGST	First against CGST then against IGST
SGST	First against SGST then against IGST

Further, the every taxable person shall discharge his tax and other dues in the order given below:

1. Self-assessed tax, and other dues related **previous** periods;
2. Self-assessed tax, and other dues related **current** period;
3. Any other amount including the demand determined under section 73 or 74

50. Interest on delayed payment of tax

- (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council.
- (2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.
- (3) A taxable person who makes an undue or excess claim of input tax credit under subsection (10) of section 42 or undue or excess reduction in output tax liability under subsection (10) of section 43, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding twenty-four per cent., as may be notified by the Government on the recommendations of the Council.

Author comments: This section provides for interest in case an assessee fails to pay the tax or any part thereof to the account. Also, if the Person makes an undue or excess claim of the input tax credit and undue and excess reduction in the output tax liability shall be liable to pay interest at the specified rate.

Notification [13/2017](#) is issued to prescribe interest rate.

51. Tax deduction at source

TDS (Section 51) and TCS (Section 52) of the CGST / SGST Act 2017 has been postponed (refer press note and Not. No. 9/2017-CT).

- (1) Notwithstanding anything to the contrary contained in this Act,
the Government may mandate,--
- (a) a department or establishment of the Central Government or State Government; or
 - (b) local authority; or
 - (c) Governmental agencies; or

- (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council, (hereafter in this section referred to as “the deductor”), to deduct tax at the rate of one per cent. from the payment made or credited to the supplier (hereafter in this section referred to as “the deductee”) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:

Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient.

Explanation.—For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the central tax, State tax, Union territory tax, integrated tax and cess indicated in the invoice.

- (2) The amount deducted as tax under this section shall be paid to the Government by the deductor within ten days after the end of

the month in which such deduction is made, in such manner as may be prescribed.

- (3) The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.
- (4) If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such *five days* period until the failure is rectified, subject to a maximum amount of five thousand rupees.
- (5) The deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of the deductor furnished under sub-section (3) of section 39, in such manner as may be prescribed.
- (6) If any deductor fails to pay to the Government the amount deducted as tax under subsection (1), he shall pay interest in

accordance with the provisions of sub-section (1) of section 50, in addition to the amount of tax deducted.

- (7) The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74.
- (8) The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of section 54:

Provided that no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee.

Author comments: This section deals with Tax Deduction at Source. The rate specified is 1%. The liability to deduct TDS will trigger in cases where total value of supply exceeds Rs 5 lakhs. The amount deducted is required to be deposited within 10 days of after the end of the month. Deductor is liable to pay penalty of Rs 100/- per day if the certificate of the tax deduction is not issued within 5 days from the date of payment. Deductee can claim the credit of TDS.

52. Collection of tax at source

TDS (Section 51) and TCS (Section 52) of the CGST / SGST Act 2017 has been postponed (refer press note and Not. No. 9/2017-CT).

- (1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the “operator”), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

Explanation - For the purposes of this sub-section, the expression “net value of taxable supplies” shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

- (2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.
- (3) The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.
- (4) Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.
- (5) Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and

manner as may be prescribed, before the thirty first day of December following the end of such financial year.

- (6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.

- (7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.

- (8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.
- (9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.
- (10) The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in 50 his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.

(11) The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.

(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—

- (a) supplies of goods or services or both effected through such operator during any period; or
- (b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice.

(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.

(14) Any person who fails to furnish the information required by the notice served under subsection (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees.

Explanation - For the purposes of this section, the expression **“concerned supplier”** shall mean the supplier of goods or services or both making supplies through the operator.

53. Transfer of input tax credit

On utilisation of input tax credit availed under this Act for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with the provisions of sub-section (5) of section 49, as reflected in the valid return furnished under sub-section (1) of section 39, the amount collected as central tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the central tax account to the integrated tax account in such manner and within such time as may be prescribed.

Chapter-XI REFUNDS

54. Refund of Tax

- (1) Any person claiming refund of any tax and interest, if any, paid on such tax or Refund of tax. any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:

Provided that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in the return furnished under section 39 in such manner as may be prescribed.

- (2) A specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any other person or class of persons, as notified under section 55, entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such form and manner as may be prescribed, before the expiry of six

months from the last day of the quarter in which such supply was received.

- (3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period:

Provided that no refund of unutilised input tax credit shall be allowed in cases other than--

- (i) zero rated supplies made without payment of tax;
- (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council:

Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

- (4) The application shall be accompanied by—
- (a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and
 - (b) such documentary or other evidence (including the documents referred to in section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person:

Provided that where the amount claimed as refund is less than two lakh rupees, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.

- (5) If, on receipt of any such application, the proper officer is satisfied that the whole or part of the amount claimed as refund is refundable, he may make an order accordingly and the amount

so determined shall be credited to the Fund referred to in section 57.

- (6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent. of the total amount so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.
- (7) The proper officer shall issue the order under sub-section (5) within sixty days from the date of receipt of application complete in all respects.
- (8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—

- (a) refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies;
 - (b) refund of unutilised input tax credit under sub-section (3);
 - (c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;
 - (d) refund of tax in pursuance of section 77;
 - (e) the tax and interest, if any, or any other amount paid by the applicant, if he 5 had not passed on the incidence of such tax and interest to any other person; or
 - (f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.
- (9) Notwithstanding anything to the contrary contained in any judgment, decree, order or direction of the Appellate Tribunal or any court or in any other provisions of this Act or the rules made thereunder or in any other law for the time being in force, no refund shall be made except in accordance with the provisions of sub-section (8).

(10) Where any refund is due under sub-section (3) to a registered person who has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, the proper officer may—

(a) withhold payment of refund due until the said person has furnished the return or paid the tax, interest or penalty, as the case may be;

(b) deduct from the refund due, any tax, interest, penalty, fee or any other amount which the taxable person is liable to pay but which remains unpaid under this Act or under the existing law.

Explanation - For the purposes of this sub-section, the expression “specified date” shall mean the last date for filing an appeal under this Act.

(11) Where an order giving rise to a refund is the subject matter of an appeal or further proceedings or where any other proceedings under this Act is pending and the Commissioner is of the opinion that grant of such refund is likely to adversely affect the revenue in the said appeal or other proceedings on account of malfeasance or fraud committed, he may, after giving the

taxable person an opportunity of being heard, withhold the refund till such time as he may determine.

(12) Where a refund is withheld under sub-section (11), the taxable person shall, notwithstanding anything contained in section 56, be entitled to interest at such rate not exceeding six per cent. as may be notified on the recommendations of the Council, if as a result of the appeal or further proceedings he becomes entitled to refund.

(13) Notwithstanding anything to the contrary contained in this section, the amount of advance tax deposited by a casual taxable person or a non-resident taxable person under sub-section (2) of section 27, shall not be refunded unless such person has, in respect of the entire period for which the certificate of registration granted to him had remained in force, furnished all the returns required under section 39.

(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.

Explanation - For the purposes of this section,--

- (1) **“refund”** includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3).
- (2) **“relevant date”** means—
- (a) in the case of goods exported out of India where a refund of tax paid is available
in respect of goods themselves or, as the case may be, the inputs or input services used in such goods,—
- (i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India;
or
- (ii) if the goods are exported by land, the date on which such goods pass the frontier; or
- (iii) if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;
- (b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;

- (c) in the case of services exported out of India where a refund of tax paid is available in respect of services themselves or, as the case may be, the inputs or input services used in such services, the date of--
 - (i) receipt of payment in convertible foreign exchange, where the supply of services had been completed prior to the receipt of such payment; or
 - (ii) issue of invoice, where payment for the services had been received in advance prior to the date of issue of the invoice;
- (d) in case where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court, the date of communication of such judgment, decree, order or direction;
- (e) in the case of refund of unutilised input tax credit under sub-section (3), the end of the financial year in which such claim for refund arises;
- (f) in the case where tax is paid provisionally under this Act or the rules made thereunder, the date of adjustment of tax after the final assessment thereof;

- (g) in the case of a person, other than the supplier, the date of receipt of goods or services or both by such person; and
- (h) in any other case, the date of payment of tax.

Author comments: Section 48 deals with refunds. The section provides that the refund is permissible in following cases:

- a. Exports (Including Zero rate supply) or
- b. Credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on outputs.

The time limit prescribed for claiming refund is **two years** from relevant date. The meaning of **relevant date** is provided at Explanation to section 38 (11) (B). Typically for goods the 'relevant date' will be the date on which goods leave India and for services it will be receipt of payment (where payment is received after completion of service) or date of issue of invoice (where payment is received in advance).

For refunds, also refer [Rule 89 to 97](#) of CGST Rules.

55. Refund in certain cases

The Government may, on the recommendations of the Council, by notification, specify any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries and any other person or class of persons as may be specified in this behalf, who shall, subject to such conditions and restrictions as may be prescribed, be entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them.

Author comments: This section gives the power to Central or state government to notify on the recommendation of the council any other person or class of persons who is entitled to claim the refund of taxes paid.

56. Interest on delayed refunds

If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under sub-section (1) of that section, interest at such rate not exceeding six per cent. as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax:

Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding nine per cent. as may be notified by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.

Explanation – For the purposes of this section, where any order of refund is made by an Appellate Authority, Appellate Tribunal or any court against an order of the proper officer under sub-section (5) of section 54, the order passed by the Appellate Authority, Appellate Tribunal or by the court shall be deemed to be an order passed under the said sub-section (5).

Author comments: This section provides that in case there is any delay in processing of refund claim of an assessee for than 60 days from date of receipt of application then the assessee will be entitled to interest on such delay.

57. Consumer Welfare Fund

The Government shall constitute a Fund, to be called the Consumer Welfare Fund and there shall be credited to the Fund, -

- (a) the amount referred to in sub-section (5) of section 54;
- (b) any income from investment of the amount credited to the Fund;
- and (c) such other monies received by it, in such manner as may be prescribed.

58. Utilisation of Fund

- (1) All sums credited to the Fund shall be utilised by the Government for the 15 welfare of the consumers in such manner as may be prescribed.
- (2) The Government or the authority specified by it shall maintain proper and separate account and other relevant records in relation to the Fund and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor General of India.

Chapter-XII

ASSESSMENT

59. Self-assessment

Every registered person shall self assess the taxes payable under this Act and furnish a return for each tax period as specified under section 39.

Author comments: The assessment under GST regime will be self – assessment.

60. Provisional assessment

- (1) Subject to the provisions of sub-section (2), where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer in writing giving reasons for payment of tax on a provisional basis and the proper officer shall pass an order, within a period not later than ninety days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.

(2) The payment of tax on provisional basis may be allowed, if the taxable person executes a bond in such form as may be prescribed, and with such surety or security as the proper officer may deem fit, binding the taxable person for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.

(3) The proper officer shall, within a period not exceeding six months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:

Provided that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint Commissioner or Additional Commissioner for a further period not exceeding six months and by the Commissioner for such further period not exceeding four years.

(4) The registered person shall be liable to pay interest on any tax payable on the supply of goods or services or both under

provisional assessment but not paid on the due date specified under sub-section (7) of section 39 or the rules made thereunder, at the rate specified under sub-section (1) of section 50, from the first day after the due date of payment of tax in respect of the said supply of goods or services or both till the date of actual payment, whether such amount is paid before or after the issuance of order for final assessment.

- (5) Where the registered person is entitled to a refund consequent to the order of final assessment under sub-section (3), subject to the provisions of sub-section (8) of section 54, interest shall be paid on such refund as provided in section 56.

Author comments: This deals with provisional assessment.

Provisional Assessment can be requested by an assessee in case he is unable to determine value or rate.

61. Scrutiny of returns

- (1) The proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies

noticed, if any, in such manner as may be prescribed and seek his explanation thereto.

- (2) In case the explanation is found acceptable, the registered person shall be informed accordingly and no further action shall be taken in this regard.
- (3) In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74.

Author comments: Under Section 59 proper officer may scrutinize the return and related particulars furnished and if any discrepancies noticed then then such proper officer may seek an explanation from taxable person. The proper officer may initiate appropriate action

including (under section 63, 64 or section 79), or proceed to determine the tax and other dues under sub-section (7) of section 66 or under sub-section (7) of section 67 if:

- No satisfactory explanation is furnished within a period of thirty days of being informed or
- After accepting the discrepancies, fails to take the corrective measure in his return

62. Assessment of non-filers of returns

- (1) Notwithstanding anything to the contrary contained in section 73 or section 74, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgment taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

- (2) Where the registered person furnishes a valid return within thirty days of the service of the assessment order under sub-section (1), the said assessment order shall be deemed to have been withdrawn but the liability for payment of interest under subsection (1) of section 50 or for payment of late fee under section 47 shall continue.

Author comments: This section deals with best judgment assessment of registered taxable person. It enables the GST Authorities to proceed to assess the tax liability of the specified person to the best of his judgement. It is also provided that in case valid return is furnished within 30 days of service of assessment order then the said assessment order will be deemed to be withdrawn.

63. Assessment of unregistered persons

Notwithstanding anything to the contrary contained in section 73 or section 74, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess

the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates:

Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.

Author comments: This section deals with best judgment assessment of **un-registered** assessee. It enables the GST Authorities to proceed to assess the tax liability of such persons to the best of his judgement for the relevant tax periods and issue an assessment order within a period of **5 years** from the due date for filing of the annual return for the year to which the tax not paid relates. It is also provided that no such assessment order shall be passed without giving a **notice to show cause** and without giving the person a reasonable opportunity of being heard

64. Summary assessment in certain special cases

- (1) The proper officer may, on any evidence showing a tax liability of a person coming to his notice, with the previous permission of Additional Commissioner or Joint Commissioner, proceed to assess the tax liability of such person to protect the interest of revenue and issue an assessment order, if he has sufficient grounds to believe that any delay in doing so may adversely affect the interest of revenue:

Provided that where the taxable person to whom the liability pertains is not ascertainable and such liability pertains to supply of goods, the person in charge of such goods shall be deemed to be the taxable person liable to be assessed and liable to pay tax and any other amount due under this section.

- (2) On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he

may withdraw such order and follow the procedure laid down in section 73 or section 74.

Chapter-XIII

AUDIT

65. Audit by tax authorities

- (1) The Commissioner or any officer authorised by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed.
- (2) The officers referred to in sub-section (1) may conduct audit at the place of business of the registered person or in their office.
- (3) The registered person shall be informed by way of a notice not less than fifteen working days prior to the conduct of audit in such manner as may be prescribed.
- (4) The audit under sub-section (1) shall be completed within a period of three months from the date of commencement of the audit:

Provided that where the Commissioner is satisfied that audit in respect of such registered person cannot be completed within three months, he may, for the reasons to be recorded in

writing, extend the period by a further period not exceeding six months.

Explanation – For the purposes of this sub-section, the expression “commencement of audit” shall mean the date on which the records and other documents, called for by the tax authorities, are made available by the registered person or the actual institution of audit at the place of business, whichever is later.

- (5) During the course of audit, the authorised officer may require the registered person,—
 - (i) to afford him the necessary facility to verify the books of account or other documents as he may require;
 - (ii) to furnish such information as he may require and render assistance for timely completion of the audit.
- (6) On conclusion of audit, the proper officer shall, within thirty days, inform the registered person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.

- (7) Where the audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.

Author comments: This section provides for audit to be conducted by Authorities. Further, the section provides that such audit should be completed within 3 months (extendable by additional six months).

66. Special audit

- (1) If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a chartered

accountant or a cost accountant as may be nominated by the Commissioner.

- (2) The chartered accountant or cost accountant so nominated shall, within the period of ninety days, submit a report of such audit duly signed and certified by him to the said Assistant Commissioner mentioning therein such other particulars as may be specified:

Provided that the Assistant Commissioner may, on an application made to him in this behalf by the registered person or the chartered accountant or cost accountant or for any material and sufficient reason, extend the said period by a further period of ninety days.

- (3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the registered person have been audited under any other provisions of this Act or any other law for the time being in force.
- (4) The registered person shall be given an opportunity of being heard in respect of any material gathered on the basis of special audit under sub-section (1) which is proposed to be used in any

proceedings against him under this Act or the rules made thereunder.

- (5) The expenses of the examination and audit of records under sub-section (1), including the remuneration of such chartered accountant or cost accountant, shall be determined and paid by the Commissioner and such determination shall be final.
- (6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.

Author comments: This section deals with Special Audit by Chartered Accountant or Cost Accountant nominated by Commissioner. Further, the section provides that such audit should be completed within 90 days (extendable upto additional 90 days).

CHAPTER-XIV INSPECTION, SEARCH, SEIZURE AND ARREST

67. Power of inspection, search and seizure

- (1) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that--
- (a) a taxable person has suppressed any transaction relating to supply of goods or services or both or the stock of goods in hand, or has claimed input tax credit in excess of his entitlement under this Act or has indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act; or
 - (b) any person engaged in the business of transporting goods or an owner or operator of a warehouse or a godown or any other place is keeping goods which have escaped payment of tax or has kept his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act, he may authorise in writing any other officer of central tax to inspect any places of business of the taxable person or the persons engaged in the business of transporting goods or the owner or the operator of warehouse or godown or any other place.

(2) Where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise in writing any other officer of central tax to search and seize or may himself search and seize such goods, documents or books or things:

Provided that where it is not practicable to seize any such goods, the proper officer, or any officer authorized by him, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:

Provided further that the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

- (3) The documents, books or things referred to in sub-section (2) or any other documents, books or things produced by a taxable person or any other person, which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.
- (4) The officer authorised under sub-section (2) shall have the power to seal or break open the door of any premises or to break open any almirah, electronic devices, box, receptacle in which any goods, accounts, registers or documents of the person are suspected to be concealed, where access to such premises, almirah, electronic devices, box or receptacle is denied.
- (5) The person from whose custody any documents are seized under sub-section (2) shall be entitled to make copies thereof or take extracts therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.

- (6) The goods so seized under sub-section (2) shall be released, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum, respectively, as may be prescribed or on payment of applicable tax, interest and penalty payable, as the case may be.
- (7) Where any goods are seized under sub-section (2) and no notice in respect thereof is given within six months of the seizure of the goods, the goods shall be returned to the person from whose possession they were seized:
- Provided that the period of six months may, on sufficient cause being shown, be extended by the proper officer for a further period not exceeding six months.
- (8) The Government may, having regard to the perishable or hazardous nature of any goods, depreciation in the value of the goods with the passage of time, constraints of storage space for the goods or any other relevant considerations, by notification, specify the goods or class of goods which shall, as soon as may be after its seizure under sub-section (2), be disposed of by the proper officer in such manner as may be prescribed.

- (9) Where any goods, being goods specified under sub-section (8), have been seized by a proper officer, or any officer authorised by him under sub-section (2), he shall prepare an inventory of such goods in such manner as may be prescribed.
- (10) The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (5) of section 165 of the said Code shall have effect as if for the word "Magistrate", wherever it occurs, the word "Commissioner" were substituted.
- (11) Where the proper officer has reasons to believe that any person has evaded or is attempting to evade the payment of any tax, he may, for reasons to be recorded in writing, seize the accounts, registers or documents of such person produced before him and shall grant a receipt for the same, and shall retain the same for so long as may be necessary in connection with any proceedings under this Act or the rules made thereunder for prosecution.

- (12) The Commissioner or an officer authorised by him may cause purchase of any goods or services or both by any person authorised by him from the business premises of any taxable person, to check the issue of tax invoices or bills of supply by such taxable person, and on return of goods so purchased by such officer, such taxable person or any person in charge of the business premises shall refund the amount so paid towards the goods after cancelling any tax invoice or bill of supply issued earlier.

Author comments: This section empowers CAG for carrying out audit. The responsibility to provide details is cast on the Proper Officer.

68. Inspection of goods in movement

- (1) The Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed.

- (2) The details of documents required to be carried under sub-section (1) shall be 40 validated in such manner as may be prescribed.
- (3) Where any conveyance referred to in sub-section (1) is intercepted by the proper officer at any place, he may require the person in charge of the said conveyance to produce the documents prescribed under the said sub-section and devices for verification, and the said person shall be liable to produce the documents and devices and also allow the inspection of goods.

Author comments: The proper officer is empowered to intercept any conveyance carrying goods. Further, documents to be accompanying such goods will be prescribed in cases where the value of goods is more than specified amount.

69. Power to arrest

- (1) Where the Commissioner has reasons to believe that a person has committed any offence specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 132 which is punishable under clause (i) or (ii) of sub-section (1), or

subsection (2) of the said section, he may, by order, authorise any officer of central tax to arrest such person.

- (2) Where a person is arrested under sub-section (1) for an offence specified under subsection (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty four hours.
- (3) Subject to the provisions of the Code of Criminal Procedure, 1973,--
 - (a) where a person is arrested under sub-section (1) for any offence specified under sub-section (4) of section 132, he shall be admitted to bail or in default of bail, forwarded to the custody of the Magistrate;
 - (b) in the case of a non-cognizable and bailable offence, the Deputy Commissioner or the Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.

Author comments: Section 81 read with section 92 of GST Act provides for arrest and prosecution. GST being an economic legislation and not criminal legislation, proposed introduction of arrest/ prosecution provisions appears to be un-called for. Atleast for initial years, when the GST provisions would be new, it is expected that the Government should tackle such issues with soft hands than threats of arrest. The GST law entrusted the power to arrest with the Commissioner if he has 'reason to believe' that a taxpayer has committed the aforesaid offense. Given the subjective wording (i.e. reason to believe), even genuine taxpayer, say the one who did not pay GST for bonafide belief that his activities do not attract GST, could end up in jail. Further, non-payment of GST could be an issue of 'interpretation' (as taxpayer may think his activity is covered under exemptions) than 'intention'. Thus, appropriate check and balances should be introduced by the Government in the GST law to ensure that the genuine taxpayers don't get nightmares

Recently, arrest of a travel portals executive was in news and in the said case even the Delhi High Court directed the Central Government to first establish evasion basis documents before taking coercive action against the said taxpayer. Thus, the Government should form a well thought strategy and should reconsider introduction of arrest provisions else atleast increase the threshold for arrest.

70. Power to summon persons to give evidence and produce documents

- (1) The proper officer under this Act shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908.
- (2) Every such inquiry referred to in sub-section (1) shall be deemed to be a “judicial proceedings” within the meaning of section 193 and section 228 of the Indian Penal Code.

71. Access to business premises

- (1) Any officer under this Act, authorised by the proper officer not below the rank of Joint Commissioner, shall have access to any place of business of a registered person to inspect books of account, documents, computers, computer programs, computer software whether installed in a computer or otherwise and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue.
- (2) Every person in charge of place referred to in sub-section (1) shall, on demand, make available to the officer authorised under sub-section (1) or the audit party deputed by the proper officer or a cost accountant or chartered accountant nominated under section 66—
 - (i) such records as prepared or maintained by the registered person and declared to the proper officer in such manner as may be prescribed;
 - (ii) trial balance or its equivalent;

- (iii) statements of annual financial accounts, duly audited, wherever required;
- (iv) cost audit report, if any, under section 148 of the Companies Act, 2013;
- (v) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961; and
- (vi) any other relevant record, for the scrutiny by the officer or audit party or the chartered accountant or cost accountant within a period not exceeding fifteen working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party or the chartered accountant or cost accountant.

Author comments: This section empowers proper officer to access to any business premises to inspect

72. Officers to assist proper officers

- (1) All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village

officers, officers of State tax and officers of Union territory tax shall assist the proper officers in the implementation of this Act.

- (2) The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.

Chapter-XV

DEMANDS AND RECOVERY

73. Determination of tax not paid or short paid

or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.

- (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilized for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which

has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder.

- (2) The proper officer shall issue the notice under sub-section (1) at least three months prior to the time limit specified in sub-section (10) for issuance of order.
- (3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.
- (4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other

than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

- (5) The person chargeable with tax may, before service of notice under sub-section (1) or, as the case may be, the statement under sub-section (3), pay the amount of tax along with interest payable thereon under section 50 on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.
- (6) The proper officer, on receipt of such information, shall not serve any notice under subsection (1) or, as the case may be, the statement under sub-section (3), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.
- (7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

- (8) Where any person chargeable with tax under sub-section (1) or sub-section (3) pays the said tax along with interest payable under section 50 within thirty days of issue of show cause notice, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.
- (9) The proper officer shall, after considering the representation, if any, made by person chargeable with tax, determine the amount of tax, interest and a penalty equivalent to ten per cent. of tax or ten thousand rupees, whichever is higher, due from such person and issue an order.
- (10) The proper officer shall issue the order under sub-section (9) within three years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund.
- (11) Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9) shall be payable where any amount of self-assessed tax or any amount collected as tax

has not been paid within a period of thirty days from the due date of payment of such tax.

74. Determination of tax not paid or short paid

**or erroneously refunded or input tax credit wrongly availed
or utilised by reason of fraud or any wilful-misstatement
or suppression of facts**

- (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilized by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.

- (2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.
- (3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.
- (4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under subsection (1) are the same as are mentioned in the earlier notice.
- (5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per

cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.

- (6) The proper officer, on receipt of such information, shall not serve any notice under subsection (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.
- (7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.
- (8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.
- (9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the

amount of tax, interest and penalty due from such person and issue an order.

- (10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.
- (11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.

Explanation 1.- For the purposes of section 73 and this section,—

- (i) the expression **“all proceedings in respect of the said notice”** shall not include proceedings under section 132;
- (ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under

section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122, 125, 129 and 130 are deemed to be concluded.

Explanation 2.--For the purposes of this Act, the expression **“suppression”** shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

75. General provisions relating to determination of tax

- (1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74, as the case may be.
- (2) Where any Appellate Authority or Appellate Tribunal or court concludes that the notice issued under sub-section (1) of section 74 is not sustainable for the reason that the charges of fraud or

any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable by such person, deeming as if the notice were issued under sub-section (1) of section 73.

- (3) Where any order is required to be issued in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court, such order shall be issued within two years from the date of communication of the said direction.
- (4) An opportunity of hearing shall be granted where a request is received in writing from the person chargeable with tax or penalty, or where any adverse decision is contemplated against such person.
- (5) The proper officer shall, if sufficient cause is shown by the person chargeable with tax, grant time to the said person and adjourn the hearing for reasons to be recorded in writing:
Provided that no such adjournment shall be granted for more than three times to a person during the proceedings.

- (6) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.
- (7) The amount of tax, interest and penalty demanded in the order shall not be in excess of the amount specified in the notice and no demand shall be confirmed on the grounds other than the grounds specified in the notice.
- (8) Where the Appellate Authority or Appellate Tribunal or court modifies the amount of tax determined by the proper officer, the amount of interest and penalty shall stand modified accordingly, taking into account the amount of tax so modified.
- (9) The interest on the tax short paid or not paid shall be payable whether or not specified in the order determining the tax liability.
- (10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within three years as provided for in sub-section (10) of section 73 or within five years as provided for in sub-section (10) of section 74.
- (11) An issue on which the Appellate Authority or the Appellate Tribunal or the High Court has given its decision which is prejudicial to the interest of revenue in some other proceedings

and an appeal to the Appellate Tribunal or the High Court or the Supreme Court against such decision of the Appellate Authority or the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Authority and that of the Appellate Tribunal or the date of decision of the Appellate Tribunal and that of the High Court or the date of the decision of the High Court and that of the Supreme Court shall be excluded in computing the period referred to in sub-section (10) of section 73 or sub-section (10) of section 74 where proceedings are initiated by way of issue of a show cause notice under the said sections.

- (12) Notwithstanding anything contained in section 73 or section 74, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.

- (13) Where any penalty is imposed under section 73 or section 74, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act.

76. Tax collected but not paid to Government

- (1) Notwithstanding anything to the contrary contained in any order or direction of any Appellate Authority or Appellate Tribunal or court or in any other provisions of this Act or the rules made thereunder or any other law for the time being in force, every person who has collected from any other person any amount as representing the tax under this Act, and has not paid the said amount to the Government, shall forthwith pay the said amount to the Government, irrespective of whether the supplies in respect of which such amount was collected are taxable or not.
- (2) Where any amount is required to be paid to the Government under sub-section (1), and which has not been so paid, the proper officer may serve on the person liable to pay such amount a notice requiring him to show cause as to why the said amount as specified in the notice, should not be paid by him to the

Government and why a penalty equivalent to the amount specified in the notice should not be imposed on him under the provisions of this Act.

- (3) The proper officer shall, after considering the representation, if any, made by the person on whom the notice is served under sub-section (2), determine the amount due from such person and thereupon such person shall pay the amount so determined.
- (4) The person referred to in sub-section (1) shall in addition to paying the amount referred to in sub-section (1) or sub-section (3) also be liable to pay interest thereon at the rate specified under section 50 from the date such amount was collected by him to the date such amount is paid by him to the Government.
- (5) An opportunity of hearing shall be granted where a request is received in writing from the person to whom the notice was issued to show cause.
- (6) The proper officer shall issue an order within one year from the date of issue of the notice.

- (7) Where the issuance of order is stayed by an order of the court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of one year.
- (8) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.
- (9) The amount paid to the Government under sub-section (1) or sub-section (3) shall be adjusted against the tax payable, if any, by the person in relation to the supplies referred to in sub-section (1).
- (10) Where any surplus is left after the adjustment under sub-section (9), the amount of such surplus shall either be credited to the Fund or refunded to the person who has borne the incidence of such amount.
- (11) The person who has borne the incidence of the amount, may apply for the refund of the same in accordance with the provisions of section 54.

77. Tax wrongfully collected and paid to Central Government or State Government

- (1) A registered person who has paid the Central tax and State tax or, as the case may be, the central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.
- (2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of central tax and State tax or, as the case may be, the central tax and the Union territory tax payable.

Author comments: It may be noted that section 70 (and section 19 of IGST Act) provides that if an assessee wrongly pays say CGST and SGST (on a belief that the transaction is intra-State) instead of IGST, then the assessee will be granted refund of

wrongfully paid taxes. Further refund mechanism shall be separately provided in such cases to reclaim the tax wrongly paid. Accordingly, it is one of the beneficial change in the revised draft law as no interest shall be payable on payment of correct tax subsequently and refund may not require 2 years' time as given for normal refund.

Thus, determining each transaction to be 'intra-State' supply or an 'Inter-State' as GST could be very crucial in GST regime as wrong payment can lead to going through the onerous process of claiming refund and paying tax correct taxes.

78. Initiation of recovery proceedings

Any amount payable by a taxable person in pursuance of an order passed under this Act shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated:

Provided that where the proper officer considers it expedient in the interest of revenue, he may, for reasons to be recorded in

writing, require the said taxable person to make such payment within such period less than a period of three months as may be specified by him.

79. Recovery of tax

- (1) Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the following modes, namely:--
- (a) the proper officer may deduct or may require any other specified officer to deduct the amount so payable from any money owing to such person which may be under the control of the proper officer or such other specified officer;
 - (b) the proper officer may recover or may require any other specified officer to recover the amount so payable by detaining and selling any goods belonging to such person which are under the control of the proper officer or such other specified officer;
 - (c) (i) the proper officer may, by a notice in writing, require any other person from whom money is due or may become due to such person or who holds or may subsequently hold money for

or on account of such person, to pay to the Government either forthwith upon the money becoming due or being held, or within the time specified in the notice not being before the money becomes due or is held, so much of the money as is sufficient to pay the amount due from such person or the whole of the money when it is equal to or less than that amount;

- (ii) every person to whom the notice is issued under sub-clause (i) shall be bound to comply with such notice, and in particular, where any such notice is issued to a post office, banking company or an insurer, it shall not be necessary to produce any pass book, deposit receipt, policy or any other document for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary;
- (iii) in case the person to whom a notice under sub-clause (i) has been issued, fails to make the payment in pursuance thereof to the Government, he shall be deemed to be a defaulter in respect of the amount specified in the notice and all the consequences of this Act or the rules made thereunder shall follow;

- (iv) the officer issuing a notice under sub-clause (i) may, at any time, amend or revoke such notice or extend the time for making any payment in pursuance of the notice;
- (v) any person making any payment in compliance with a notice issued under sub-clause (i) shall be deemed to have made the payment under the authority of the person in default and such payment being credited to the Government shall be deemed to constitute a good and sufficient discharge of the liability of such person to the person in default to the extent of the amount specified in the receipt;
- (vi) any person discharging any liability to the person in default after service on him of the notice issued under sub-clause (i) shall be personally liable to the Government to the extent of the liability discharged or to the extent of the liability of the person in default for tax, interest and penalty, whichever is less;
- (vii) where a person on whom a notice is served under sub-clause (i) proves to the satisfaction of the officer issuing the notice that the money demanded or any part thereof was not due to the person in default or that he did not hold any money for or on account of

the person in default, at the time the notice was served on him, nor is the money demanded or any part thereof, likely to become due to the said person or be held for or on account of such person, nothing contained in this section shall be deemed to require the person on whom the notice has been served to pay to the Government any such money or part thereof;

- (d) the proper officer may, in accordance with the rules to be made in this behalf, distrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid; and in case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and the costs including cost of sale remaining unpaid and shall render the surplus amount, if any, to such person;
- (e) the proper officer may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the district in which such person owns any property

or resides or carries on his business or to any officer authorised by the Government and the said Collector or the said officer, on receipt of such certificate, shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue;

- (f) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the proper officer may file an application to the appropriate Magistrate and such Magistrate shall proceed to recover from such person the amount specified thereunder as if it were a fine imposed by him.
- (2) Where the terms of any bond or other instrument executed under this Act or any rules or regulations made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (1), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.
- (3) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the

proper officer of State tax or Union territory tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of State tax or Union territory tax and credit the amount so recovered to the account of the Government.

- (4) Where the amount recovered under sub-section (3) is less than the amount due to the Central Government and State Government, the amount to be credited to the account of the respective Governments shall be in proportion to the amount due to each such Government.

80. Payment of tax and other amount in instalments

On an application filed by a taxable person, the Commissioner may, for reasons to be recorded in writing, extend the time for payment or allow payment of any amount due under this Act, other than the amount due as per the liability self-assessed in any return, by such person in monthly instalments not exceeding twenty four, subject to payment of interest under section 50 and subject to such conditions and limitations as may be prescribed:

Provided that where there is default in payment of any one instalment on its due date, the whole outstanding balance payable on such date shall become due and payable forthwith and shall, without any further notice being served on the person, be liable for recovery.

81. Transfer of property to be void in certain cases

Where a person, after any amount has become due from him, creates a charge on or parts with the property belonging to him or in his possession by way of sale, mortgage, exchange, or any other mode of transfer whatsoever of any of his properties in favour of any other person with the intention of defrauding the Government revenue, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the said person:

Provided that, such charge or transfer shall not be void if it is made for adequate consideration, in good faith and without notice of the pendency of such proceedings under this Act or without notice of such tax or other sum payable by the said person, or with the previous permission of the proper officer.

82. Tax to be first charge on property

Notwithstanding anything to the contrary contained in any law for the time being in force, save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, any amount payable by a taxable person or any other person on account of tax, interest or penalty which he is liable to pay to the Government shall be a first charge on the property of such taxable person or such person.

83. Provisional attachment to protect revenue in certain cases

- (1) Where during the pendency of any proceedings under section 62 or section 63 or section 64 or section 67 or section 73 or section 74, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed.

- (2) Every such provisional attachment shall cease to have effect after the expiry of a 30 period of one year from the date of the order made under sub-section (1).

84. Continuation and validation of certain recovery proceedings

Where any notice of demand in respect of any tax, penalty, interest or any other amount payable under this Act, (hereafter in this section referred to as "Government dues"), is served upon any taxable person or any other person and any appeal or revision application is filed or any other proceedings is initiated in respect of such Government dues, then--

- (a) where such Government dues are enhanced in such appeal, revision or other proceedings, the Commissioner shall serve upon the taxable person or any other person another notice of demand in respect of the amount by which such Government dues are enhanced and any recovery proceedings in relation to such Government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision or other proceedings may, without the service of any fresh notice of

demand, be continued from the stage at which such proceedings stood immediately before such disposal;

- (b) where such Government dues are reduced in such appeal, revision or in other proceedings--
 - (i) it shall not be necessary for the Commissioner to serve upon the taxable person a fresh notice of demand;
 - (ii) the Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings is pending;
 - (iii) any recovery proceedings initiated on the basis of the demand served upon him prior to the disposal of such appeal, revision or other proceedings may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.

Chapter-XVI

LIABILITY TO PAY IN CERTAIN CASES

85. Liability in case of transfer of business

- (1) Where a taxable person, liable to pay tax under this Act, transfers his business in whole or in part, by sale, gift, lease, leave and license, hire or in any other manner whatsoever, the taxable person and the person to whom the business is so transferred shall, jointly and severally, be liable wholly or to the extent of such transfer, to pay the tax, interest or any penalty due from the taxable person upto the time of such transfer, whether such tax, interest or penalty has been determined before such transfer, but has remained unpaid or is determined thereafter.
- (2) Where the transferee of a business referred to in sub-section (1) carries on such business either in his own name or in some other name, he shall be liable to pay tax on the supply of goods or services or both effected by him with effect from the date of such transfer and shall, if he is a registered person under this Act,

apply within the prescribed time for amendment of his certificate of registration.

86. Liability of agent and principal

Where an agent supplies or receives any taxable goods on behalf of his principal, such agent and his principal shall, jointly and severally, be liable to pay the tax payable on such goods under this Act.

87. Liability in case of amalgamation or merger of Companies

- (1) When two or more companies are amalgamated or merged in pursuance of an order of court or of Tribunal or otherwise and the order is to take effect from a date earlier to the date of the order and any two or more of such companies have supplied or received any goods or services or both to or from each other during the period commencing on the date from which the order takes effect till the date of the order, then such transactions of supply and receipt shall be included in the turnover of supply or

receipt of the respective companies and they shall be liable to pay tax accordingly.

- (2) Notwithstanding anything contained in the said order, for the purposes of this Act, the said two or more companies shall be treated as distinct companies for the period up to the date of the said order and the registration certificates of the said companies shall be cancelled with effect from the date of the said order.

88. Liability in case of Company in liquidation

- (1) When any company is being wound up whether under the orders of a court or Tribunal or otherwise, every person appointed as receiver of any assets of a company (hereafter in this section referred to as the "liquidator"), shall, within thirty days after his appointment, give intimation of his appointment to the Commissioner.
- (2) The Commissioner shall, after making such inquiry or calling for such information as he may deem fit, notify the liquidator within three months from the date on which he receives intimation of the appointment of the liquidator, the amount which in the opinion of the Commissioner would be sufficient to provide for

any tax, interest or penalty which is then, or is likely thereafter to become, payable by the company.

- (3) When any private company is wound up and any tax, interest or penalty determined under this Act on the company for any period, whether before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of such company at any time during the period for which the tax was due shall, jointly and severally, be liable for the payment of such tax, interest or penalty, unless he proves to the satisfaction of the Commissioner that such non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

89. Liability of directors of private Company

- (1) Notwithstanding anything contained in the Companies Act, 2013, where any tax, interest or penalty due from a private company in respect of any supply of goods or services or both for any period cannot be recovered, then, every person who was a director of the private company during such period shall, jointly and severally, be liable for the payment of such tax, interest or

penalty unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

- (2) Where a private company is converted into a public company and the tax, interest or penalty in respect of any supply of goods or services or both for any period during which such company was a private company cannot be recovered before such conversion, then, nothing contained in sub-section (1) shall apply to any person who was a director of such private company in relation to any tax, interest or penalty in respect of such supply of goods or services or both of such private company:

Provided that nothing contained in this sub-section shall apply to any personal penalty imposed on such director.

90. Liability of partners of Firm to pay tax

Notwithstanding any contract to the contrary and any other law for the time being in force, where any firm is liable to pay any tax, interest or penalty under this Act, the firm and each of the partners of the firm shall, jointly and severally, be liable for such payment:

Provided that where any partner retires from the firm, he or the firm, shall intimate the date of retirement of the said partner to the Commissioner by a notice in that behalf in writing and such partner shall be liable to pay tax, interest or penalty due up to the date of his retirement whether determined or not, on that date:

Provided further that if no such intimation is given within one month from the date of retirement, the liability of such partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner.

91. Liability of guardians, trustees, etc.

Where the business in respect of which any tax, interest or penalty is payable under this Act is carried on by any guardian, trustee or agent of a minor or other incapacitated person on behalf of and for the benefit of such minor or other incapacitated person, the tax, interest or penalty shall be levied upon and recoverable from such guardian, trustee or agent in

like manner and to the same extent as it would be determined and recoverable from any such minor or other incapacitated person, as if he were a major or capacitated person and as if he were conducting the business himself, and all the provisions of this Act or the rules made thereunder shall apply accordingly.

92. Liability of Court of Wards, etc.

Where the estate or any portion of the estate of a taxable person owning a business in respect of which any tax, interest or penalty is payable under this Act is under the control of the Court of Wards, the Administrator General, the Official Trustee or any receiver or manager (including any person, whatever be his designation, who in fact manages the business) appointed by or under any order of a court, the tax, interest or penalty shall be levied upon and be recoverable from such Court of Wards, Administrator General, Official Trustee, receiver or manager in like manner and to the same extent as it would be determined and be recoverable from the taxable person as if he

were conducting the business himself, and all the provisions of this Act or the rules made thereunder shall apply accordingly.

93. Special provisions regarding liability to pay tax, interest or penalty in certain cases

- (1) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, 40 where a person, liable to pay tax, interest or penalty under this Act, dies, then--
 - (a) if a business carried on by the person is continued after his death by his legal representative or any other person, such legal representative or other person, shall be liable to pay tax, interest or penalty due from such person under this Act; and
 - (b) if the business carried on by the person is discontinued, whether before or after his death, his legal representative shall be liable to pay, out of the estate of the deceased, to the extent to which the estate is capable of meeting the charge, the tax, interest or penalty due from such person under this Act, whether such tax, interest or penalty has been determined before his death but has remained unpaid or is determined after his death.

- (2) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person, liable to pay tax, interest or penalty under this Act, is a Hindu Undivided Family or an association of persons and the property of the Hindu Undivided Family or the association of persons is partitioned amongst the various members or groups of members, then, each member or group of members shall, jointly and severally, be liable to pay the tax, interest or penalty due from the taxable person under this Act up to the time of the partition whether such tax, penalty or interest has been determined before partition but has remained unpaid or is determined after the partition.
- (3) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person, liable to pay tax, interest or penalty under this Act, is a firm, and the firm is dissolved, then, every person who was a partner shall, jointly and severally, be liable to pay the tax, interest or penalty due from the firm under this Act up to the time of dissolution whether such tax, interest or penalty has been determined before the dissolution, but has remained unpaid or is determined after dissolution.

- (4) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person liable to pay tax, interest or penalty under this Act,--
- (a) is the guardian of a ward on whose behalf the business is carried on by the guardian; or
- (b) is a trustee who carries on the business under a trust for a beneficiary, then, if the guardianship or trust is terminated, the ward or the beneficiary shall be liable to pay the tax, interest or penalty due from the taxable person upto the time of the termination of the guardianship or trust, whether such tax, interest or penalty has been determined before the termination of guardianship or trust but has remained unpaid or is determined thereafter.

94. Liability in other cases

- (1) Where a taxable person is a firm or an association of persons or a Hindu Undivided Family and such firm, association or family has discontinued business--

- (a) the tax, interest or penalty payable under this Act by such firm, association or family up to the date of such discontinuance may be determined as if no such discontinuance had taken place; and
 - (b) every person who, at the time of such discontinuance, was a partner of such firm, or a member of such association or family, shall, notwithstanding such discontinuance, jointly and severally, be liable for the payment of tax and interest determined and penalty imposed and payable by such firm, association or family, whether such tax and interest has been determined or penalty imposed prior to or after such discontinuance and subject as aforesaid, the provisions of this Act shall, so far as may be, apply as if every such person or partner or member were himself a taxable person.
- (2) Where a change has occurred in the constitution of a firm or an association of persons, the partners of the firm or members of association, as it existed before and as it exists after the reconstitution, shall, without prejudice to the provisions of section 90, jointly and severally, be liable to pay tax, interest or penalty due from such firm or association for any period before its reconstitution.

- (3) The provisions of sub-section (1) shall, so far as may be, apply where the taxable person, being a firm or association of persons is dissolved or where the taxable person, being a Hindu Undivided Family, has effected partition with respect to the business carried on by it and accordingly references in that sub-section to discontinuance shall be construed as reference to dissolution or to partition. *Explanation* –For the purposes of this Chapter,--
- (i) a **“Limited Liability Partnership”** formed and registered under the provisions of the Limited Liability Partnership Act, 2008 shall also be considered as a firm; (ii) **“court”** means the District Court, High Court or Supreme Court.

Chapter-XVII

ADVANCE RULING

95. Definitions

In this Chapter, unless the context otherwise requires,--

- (a) **“advance ruling”** means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on

questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;

- (b) **"Appellate Authority"** means the Appellate Authority for Advance Ruling referred to in section 99;
- (c) **"applicant"** means any person registered or desirous of obtaining registration under this Act;
- (d) **"application"** means an application made to the Authority under sub-section (1) of section 97;
- (e) **"Authority"** means the Authority for Advance Ruling referred to in section 96.

96. Authority for advance ruling

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

97. Application for Advance Ruling

- (1) An applicant desirous of obtaining an advance ruling under this Chapter may make an application in such form and manner and accompanied by such fee as may be prescribed, stating the question on which the advance ruling is sought.
- (2) The question on which the advance ruling is sought under this Act, shall be in respect of,--
 - (a) classification of any goods or services or both;
 - (b) applicability of a notification issued under the provisions of this Act;
 - (c) determination of time and value of supply of goods or services or both;
 - (d) admissibility of input tax credit of tax paid or deemed to have been paid;
 - (e) determination of the liability to pay tax on any goods or services or both;
 - (f) whether applicant is required to be registered;

- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

98. Procedure on receipt of application

- (1) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the concerned officer and, if necessary, call upon him to furnish the relevant records:

Provided that where any records have been called for by the Authority in any case, such records shall, as soon as possible, be returned to the said concerned officer.

- (2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:

Provided that the Authority shall not admit the application where the question raised in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of this Act:

Provided further that no application shall be rejected under this sub-section unless an opportunity of hearing has been given to the applicant:

Provided also that where the application is rejected, the reasons for such rejection shall be specified in the order.

- (3) A copy of every order made under sub-section (2) shall be sent to the applicant and to the concerned officer.
- (4) Where an application is admitted under sub-section (2), the Authority shall, after examining such further material as may be placed before it by the applicant or obtained by the Authority and after providing an opportunity of being heard to the applicant or his authorised representative as well as to the concerned officer or his authorised representative, pronounce its advance ruling on the question specified in the application.
- (5) Where the members of the Authority differ on any question on which the advance ruling is sought, they shall state the point or points on which they differ and make a reference to the Appellate Authority for hearing and decision on such question.

- (6) The Authority shall pronounce its advance ruling in writing within ninety days from the date of receipt of application.
- (7) A copy of the advance ruling pronounced by the Authority duly signed by the members and certified in such manner as may be prescribed shall be sent to the applicant, the concerned officer and the jurisdictional officer after such pronouncement.

99. Appellate Authority for Advance Ruling

Subject to the provisions of this Chapter, for the purposes of this Act, the Appellate Authority for Advance Ruling constituted under the provisions of a State Goods and Services Tax Act or a Union Territory Goods and Services Tax Act shall be deemed to be the Appellate Authority in respect of that State or Union territory.

100. Appeal to Appellate Authority

- (1) The concerned officer, the jurisdictional officer or an applicant aggrieved by any advance ruling pronounced under sub-section (4) of section 98, may appeal to the Appellate Authority.

- (2) Every appeal under this section shall be filed within a period of thirty days from the date on which the ruling sought to be appealed against is communicated to the concerned officer, the jurisdictional officer and the applicant:

Provided that the Appellate Authority may, if it is satisfied that the appellant was prevented by a sufficient cause from presenting the appeal within the said period of thirty days, allow it to be presented within a further period not exceeding thirty days.

- (3) Every appeal under this section shall be in such form, accompanied by such fee and verified in such manner as may be prescribed.

101. Orders of Appellate Authority

- (1) The Appellate Authority may, after giving the parties to the appeal or reference an opportunity of being heard, pass such order as it thinks fit, confirming or modifying the ruling appealed against or referred to.

- (2) The order referred to in sub-section (1) shall be passed within a period of ninety days from the date of filing of the appeal under section 100 or a reference under sub-section (5) of section 98.
- (3) Where the members of the Appellate Authority differ on any point or points referred to in appeal or reference, it shall be deemed that no advance ruling can be issued in respect of the question under the appeal or reference.
- (4) A copy of the advance ruling pronounced by the Appellate Authority duly signed by the Members and certified in such manner as may be prescribed shall be sent to the applicant, the concerned officer, the jurisdictional officer and to the Authority after such pronouncement.

102. Rectification of Advance Ruling

The Authority or the Appellate Authority may amend any order passed by it under section 98 or section 101, so as to rectify any error apparent on the face of the record, if such error is noticed by the Authority or the Appellate Authority on its own accord, or is brought to its notice by the concerned officer, the

jurisdictional officer, the applicant or the appellant within a period of six months from the date of the order:

Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made unless the applicant or the appellant has been given an opportunity of being heard.

103. Applicability of Advance Ruling

- (1) The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only—
 - (a) on the applicant who had sought it in respect of any matter referred to in subsection (2) of section 97 for advance ruling;
 - (b) on the concerned officer or the jurisdictional officer in respect of the applicant
- (2) The advance ruling referred to in sub-section (1) shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

104. Advance ruling to be void in certain circumstances

- (1) Where the Authority or the Appellate Authority finds that advance ruling pronounced by it under sub-section (4) of section 98 or under sub-section (1) of section 101 has been obtained by the applicant or the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant or the appellant as if such advance ruling had never been made:

Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant or the appellant.

Explanation – The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74.

- (2) A copy of the order made under sub-section (1) shall be sent to the applicant, the concerned officer and the jurisdictional officer.

105. Powers of Authority and Appellate Authority

- (1) The Authority or the Appellate Authority shall, for the purpose of exercising its powers regarding—
 - (a) discovery and inspection;
 - (b) enforcing the attendance of any person and examining him on oath;
 - (c) issuing commissions and compelling production of books of account and other records, have all the powers of a civil court under the Code of Civil Procedure, 1908.
- (2) The Authority or the Appellate Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973, and every proceeding before the Authority or the Appellate Authority shall be deemed to be a judicial proceedings within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code.

106. Procedure of Authority and Appellate Authority

The Authority or the Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure.

Chapter-XVIII

APPEALS AND REVISION

107. Appeals to Appellate Authority

- (1) Any person aggrieved by any decision or order passed under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within **three** months from the date on which the said decision or order is communicated to such person.
- (2) The Commissioner may, on his own motion, or upon request from the Commissioner of State tax or the Commissioner of Union territory tax, call for and examine the record of any proceedings in which an adjudicating authority has passed any decision or order under this Act or the State Goods and Services

Tax Act or the Union Territory Goods and Services Tax Act, for the purpose of satisfying himself as to the legality or propriety of the said decision or order and may, by order, direct any officer subordinate to him to apply to the Appellate Authority within six months from the date of communication of the said decision or order for the determination of such points arising out of the said decision or order as may be specified by the Commissioner in his order.

- (3) Where, in pursuance of an order under sub-section (2), the authorised officer makes an application to the Appellate Authority, such application shall be dealt with by the Appellate Authority as if it were an appeal made against the decision or order of the adjudicating authority and such authorised officer were an appellant and the provisions of this Act relating to appeals shall apply to such application.
- (4) The Appellate Authority may, if he is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the aforesaid period of three months or six months, as the case may be, allow it to be presented within a further period of **one** month.

- (5) Every appeal under this section shall be in such form and shall be verified in such manner as may be prescribed.
- (6) No appeal shall be filed under sub-section (1), unless the appellant has paid—
 - (a) **in full**, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and
 - (b) **a sum equal to ten per cent.** of the remaining amount of tax in dispute arising from the said order, in relation to which the appeal has been filed.
- (7) Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the balance amount shall be deemed to be stayed.
- (8) The Appellate Authority shall give an opportunity to the appellant of being heard.
- (9) The Appellate Authority may, if sufficient cause is shown at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing:

Provided that no such adjournment shall be granted more than three times to a party during hearing of the appeal.

(10) The Appellate Authority may, at the time of hearing of an appeal, allow an appellant to add any ground of appeal not specified in the grounds of appeal, if it is satisfied that the omission of that ground from the grounds of appeal was not wilful or unreasonable.

(11) The Appellate Authority shall, after making such further inquiry as may be necessary, pass such order, as it thinks just and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order:

Provided that an order enhancing any fee or penalty or fine in lieu of confiscation or confiscating goods of greater value or reducing the amount of refund or input tax credit shall not be passed unless the appellant has been given a reasonable opportunity of showing cause against the proposed order:

Provided further that where the Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where input tax credit has been

wrongly availed or utilised, no order requiring the appellant to pay such tax or input tax credit shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified under section 73 or section 74.

(12) The order of the Appellate Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.

(13) The Appellate Authority shall, where it is possible to do so, hear and decide every appeal within a period of **one** year from the date on which it is filed:

Provided that where the issuance of order is stayed by an order of a court or Tribunal, the period of such stay shall be excluded in computing the period of one year.

(14) On disposal of the appeal, the Appellate Authority shall communicate the order passed by it to the appellant, respondent and to the adjudicating authority.

(15) A copy of the order passed by the Appellate Authority shall also be sent to the jurisdictional Commissioner or the authority designated by him in this behalf and the jurisdictional

Commissioner of State tax or Commissioner of Union Territory

Tax or an authority designated by him in this behalf.

- (16) Every order passed under this section shall, subject to the provisions of section 108 or section 113 or section 117 or section 118 be final and binding on the parties.

Author comments: This Section deals with appeal provisions under CGST law. A person aggrieved by any decision or order passed against him under this Act by an adjudicating authority, may appeal to the prescribed First Appellate Authority. The time limit prescribed for filing of appeal is **3 months**.

It is also provided that no appeal shall be filed unless the appellant has deposited a sum equal to **10%** of the amount in dispute (typically the GST payable plus fees/ penalties payable) arising from the said order, in relation to which the appeal has been filed. It is also provided that the First Appellate Authority shall, where it is possible to do so, hear and decide every appeal within a period of 1 year from the date on which it is filed.

108. Powers of Revisional Authority

- (1) Subject to the provisions of section 121 and any rules made thereunder, the Revisional Authority may, on his own motion, or upon information received by him or on request from the Commissioner of State tax, or the Commissioner of Union territory tax, call for and examine the record of any proceedings, and if he considers that any decision or order passed under this Act or under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue and is illegal or improper or has not taken into account certain material facts, whether available at the time of issuance of the said order or not or in consequence of an observation by the Comptroller and Auditor General of India, he may, if necessary, stay the operation of such decision or order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making such further inquiry as may be necessary, pass such order, as he thinks just and

proper, including enhancing or modifying or annulling the said decision or order.

- (2) The Revisional Authority shall not exercise any power under sub-section (1), if—
- (a) the order has been subject to an appeal under section 107 or section 112 or section 117 or section 118; or
 - (b) the period specified under sub-section (2) of section 107 has not yet expired or more than three years have expired after the passing of the decision or order sought to be revised; or
 - (c) the order has already been taken for revision under this section at an earlier stage; or
 - (d) the order has been passed in exercise of the powers under sub-section (1):

Provided that the Revisional Authority may pass an order under sub-section (1) on any point which has not been raised and decided in an appeal referred to in clause (a) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or before the expiry of a period of three years referred to in clause (b) of that sub-section, whichever is later.

- (3) Every order passed in revision under sub-section (1) shall, subject to the provisions of section 113 or section 117 or section 118, be final and binding on the parties.
- (4) If the said decision or order involves an issue on which the Appellate Tribunal or the High Court has given its decision in some other proceedings and an appeal to the High Court or the Supreme Court against such decision of the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Tribunal and the date of the decision of the High Court or the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2) where proceedings for revision have been initiated by way of issue of a notice under this section.
- (5) Where the issuance of an order under sub-section (1) is stayed by the order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2).
- (6) For the purposes of this section, the term,--

- (i) **“record”** shall include all records relating to any proceedings under this Act available at the time of examination by the Revisional Authority;
- (ii) **“decision”** shall include intimation given by any officer lower in rank than the Revisional Authority.

109. Constitution of Appellate Tribunal and Benches thereof

- (1) The Government shall, on the recommendations of the Council, by notification, constitute with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.
- (2) The powers of the Appellate Tribunal shall be exercisable by the National Bench and Benches thereof (hereinafter in this Chapter referred to as “Regional Benches”), State Bench and Benches thereof (hereafter in this Chapter referred to as “Area Benches”).
- (3) The National Bench of the Appellate Tribunal shall be situated at New Delhi which shall be presided over by the President and shall

consist of one Technical Member (Centre) and one Technical Member (State).

- (4) The Government shall, on the recommendations of the Council, by notification, constitute such number of Regional Benches as may be required and such Regional Benches shall consist of a Judicial Member, one Technical Member (Centre) and one Technical Member (State).
- (5) The National Bench or Regional Benches of the Appellate Tribunal shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases where one of the issues involved relates to the place of supply.
- (6) The Government shall, by notification, specify for each State or Union territory, a Bench of the Appellate Tribunal (hereafter in this Chapter, referred to as "State Bench") for exercising the powers of the Appellate Tribunal within the concerned State or Union territory:

Provided that the Government shall, on receipt of a request from any State Government, constitute such number of Area Benches in that State, as may be recommended by the Council:

Provided further that the Government may, on receipt of a request from any State, or on its own motion for a Union territory, notify the Appellate Tribunal in a State to act as the Appellate Tribunal for any other State or Union territory, as may be recommended by the Council, subject to such terms and conditions as may be prescribed.

- (7) The State Bench or Area Benches shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases involving matters other than those referred to in sub-section (5).
- (8) The President and the State President shall, by general or special order, distribute the business or transfer cases among Regional Benches or, as the case may be, Area Benches 10 in a State.
- (9) Each State Bench and Area Benches of the Appellate Tribunal shall consist of a Judicial Member, one Technical Member (Centre) and one Technical Member (State) and the State Government may designate the senior most Judicial Member in a State as the State President.
- (10) In the absence of a Member in any Bench due to vacancy or otherwise, any appeal may, with the approval of the President

or, as the case may be, the State President, be heard by a Bench of two Members:

Provided that any appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed five lakh rupees and which does not involve any question of law may, with the approval of the President and subject to such conditions as may be prescribed on the recommendations of the Council, be heard by a bench consisting of a single member.

- (11) If the Members of the National Bench, Regional Benches, State Bench or Area Benches differ in opinion on any point or points, it shall be decided according to the opinion of the majority, if there is a majority, but if the Members are equally divided, they shall state the point or points on which they differ, and the case shall be referred by the President or as the case may be, State President for hearing on such point or points to one or more of the other Members of the National Bench, Regional Benches, State Bench or Area Benches and such point or points shall be

decided according to the opinion of the majority of Members who have heard the case, including those who first heard it.

(12) The Government, in consultation with the President may, for the administrative convenience, transfer—

- (a) any Judicial Member or a Member Technical (State) from one Bench to another Bench, whether National or Regional; or
- (b) any Member Technical (Centre) from one Bench to another Bench, whether National, Regional, State or Area.

(13) The State Government, in consultation with the State President may, for the administrative convenience, transfer a Judicial Member or a Member Technical (State) from one Bench to another Bench within the State.

(14) No act or proceedings of the Appellate Tribunal shall be questioned or shall be invalid merely on the ground of the existence of any vacancy or defect in the constitution of the Appellate Tribunal.

110. President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.

(1) A person shall not be qualified for appointment as—

- (a) the President, unless he has been a Judge of the Supreme Court or is or has been the Chief Justice of a High Court, or is or has been a Judge of a High Court for a period not less than five years;
- (b) a Judicial Member, unless he—
 - (i) has been a Judge of the High Court; or
 - (ii) is or has been a District Judge qualified to be appointed as a Judge of a High Court; or
 - (iii) is or has been a Member of Indian Legal Service and has held a post not less than Additional Secretary for three years;
- (c) a Technical Member (Centre) unless he is or has been a member of Indian Revenue (Customs and Central Excise) Service, Group A, and has completed at least fifteen years of service in Group A;
- (d) a Technical Member (State) unless he is or has been an officer of the State Government not below the rank of Additional Commissioner of Value Added Tax or the State goods and services tax or such rank as may be notified by the concerned State Government on the recommendations of the Council with at least three years of experience in the administration of an

existing law or the State Goods and Services Tax Act or in the field of finance and taxation.

- (2) The President and the Judicial Members of the National Bench and the Regional Benches shall be appointed by the Government after consultation with the Chief Justice of India or his nominee: Provided that in the event of the occurrence of any vacancy in the office of the President by reason of his death, resignation or otherwise, the senior most Member of the National Bench shall act as the President until the date on which a new President, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office:

Provided further that where the President is unable to discharge his functions owing to absence, illness or any other cause, the senior most Member of the National Bench shall discharge the functions of the President until the date on which the President resumes his duties.

- (3) The Technical Member (Centre) and Technical Member (State) of the National Bench and Regional Benches shall be appointed by the Government on the recommendations of a Selection

Committee consisting of such persons and in such manner as may be prescribed.

- (4) The Judicial Member of the State Bench or Area Benches shall be appointed by the State Government after consultation with the Chief Justice of the High Court of the State or his nominee.
- (5) The Technical Member (Centre) of the State Bench or Area Benches shall be appointed by the Central Government and Technical Member (State) of the State Bench or Area Benches shall be appointed by the State Government in such manner as may be prescribed.
- (6) No appointment of the Members of the Appellate Tribunal shall be invalid merely by the reason of any vacancy or defect in the constitution of the Selection Committee.
- (7) Before appointing any person as the President or Members of the Appellate Tribunal, the Central Government or, as the case may be, the State Government, shall satisfy itself that such person does not have any financial or other interests which are likely to prejudicially affect his functions as such President or Member.

- (8) The salary, allowances and other terms and conditions of service of the President, State President and the Members of the Appellate Tribunal shall be such as may be prescribed:

Provided that neither salary and allowances nor other terms and conditions of service of the President, State President or Members of the Appellate Tribunal shall be varied to their disadvantage after their appointment.

- (9) The President of the Appellate Tribunal shall hold office for a term of three years from the date on which he enters upon his office, or until he attains the age of seventy years, whichever is earlier and shall be eligible for reappointment.

- (10) The Judicial Member of the Appellate Tribunal and the State President shall hold office for a term of three years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for reappointment.

- (11) The Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal shall hold office for a term of five years from the date on which he enters upon his office, or until he

attains the age of sixty-five years, whichever is earlier and shall be eligible for reappointment.

- (12) The President, State President or any Member may, by notice in writing under his hand addressed to the Central Government or, as the case may be, the State Government resign from his office: Provided that the President, State President or Member shall continue to hold office until the expiry of three months from the date of receipt of such notice by the Central Government, or, as the case may be, the State Government or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.
- (13) The Central Government may, after consultation with the Chief Justice of India, in case of the President, Judicial Members and Technical Members of the National Bench, Regional Benches or Technical Members (Centre) of the State Bench or Area Benches, and the State Government may, after consultation with the Chief Justice of High Court, in case of the State President, Judicial Members, Technical Members (State) of the State Bench or Area Benches, may remove from the office such President or Member, who—

- (a) has been adjudged an insolvent; or
- (b) has been convicted of an offence which, in the opinion of such Government involves moral turpitude; or
- (c) has become physically or mentally incapable of acting as such President, State President or Member; or
- (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as such President, State President or Member; or
- (e) has so abused his position as to render his continuance in office prejudicial to the public interest:

Provided that the President, State President or the Member shall not be removed on any of the grounds specified in clauses (d) and (e), unless he has been informed of the charges against him and has been given an opportunity of being heard.

- (14) Without prejudice to the provisions of sub-section (13),--
- (a) the President or a Judicial and Technical Member of the National Bench or Regional Benches, Technical Member (Centre) of the State Bench or Area Benches shall not be removed from their office except by an order made by the Central Government on the ground of proved misbehaviour or incapacity after an inquiry

made by a Judge of the Supreme Court nominated by the Chief Justice of India on a reference made to him by the Central Government and of which the President or the said Member had been given an opportunity of being heard;

- (b) the Judicial Member or Technical Member (State) of the State Bench or Area Benches shall not be removed from their office except by an order made by the State Government on the ground of proved misbehaviour or incapacity after an inquiry made by a Judge of the concerned High Court nominated by the Chief Justice of the concerned High Court on a reference made to him by the State Government and of which the said Member had been given an opportunity of being heard.

- (15) The Central Government, with the concurrence of the Chief Justice of India, may suspend from office, the President or a Judicial or Technical Members of the National Bench or the Regional Benches or the Technical Member (Centre) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the Supreme Court under sub-section (14).

- (16) The State Government, with the concurrence of the Chief Justice of the High Court, may suspend from office, a Judicial Member

or Technical Member (State) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the High Court under sub-section (14).

- (17) Subject to the provisions of article 220 of the Constitution, the President, State President or other Members, on ceasing to hold their office, shall not be eligible to appear, act or plead before the National Bench and the Regional Benches or the State Bench and the Area Benches thereof where he was the President or, as the case may be, a Member.

111. Procedure before Appellate Tribunal

- (1) The Appellate Tribunal shall not, while disposing of any proceedings before it or an appeal before it, be bound by the procedure laid down in the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and subject to the other provisions of this Act and the rules made thereunder, the Appellate Tribunal shall have power to regulate its own procedure.
- (2) The Appellate Tribunal shall, for the purposes of discharging its functions under this Act, have the same powers as are vested in

a civil court under the Code of Civil Procedure, 1908 while trying a suit in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
 - (b) requiring the discovery and production of documents;
 - (c) receiving evidence on affidavits;
 - (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or a copy of such record or document from any office;
 - (e) issuing commissions for the examination of witnesses or documents;
 - (f) dismissing a representation for default or deciding it ex parte;
 - (g) setting aside any order of dismissal of any representation for default or any order passed by it ex parte; and
 - (h) any other matter which may be prescribed.
- (3) Any order made by the Appellate Tribunal may be enforced by it in the same manner as if it were a decree made by a court in a suit pending therein, and it shall be lawful for the Appellate Tribunal to send for execution of its orders to the court within the local limits of whose jurisdiction,—

- (a) in the case of an order against a company, the registered office of the company is situated; or
 - (b) in the case of an order against any other person, the person concerned voluntarily resides or carries on business or personally works for gain.
- (4) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228, and for the purposes of section 196 of the Indian Penal Code, and the Appellate Tribunal shall be deemed to be civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

112. Appeals to Appellate Tribunal

- (1) Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within **three months** from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.

- (2) The Appellate Tribunal may, in its discretion, refuse to admit any such appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined by such order, does not exceed fifty thousand rupees.
- (3) The Commissioner may, on his own motion, or upon request from the Commissioner of State tax or Commissioner of Union territory tax, call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act for the purpose of satisfying himself as to the legality or propriety of the said order and may, by order, direct any officer subordinate to him to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for determination of such points arising out of the said order as may be specified by the Commissioner in his order.
- (4) Where in pursuance of an order under sub-section (3) the authorised officer makes an application to the Appellate Tribunal, such application shall be dealt with by the Appellate Tribunal as

if it were an appeal made against the order under sub-section (11) of section 107 or under sub-section (1) of section 108 and the provisions of this Act shall apply to such application, as they apply in relation to appeals filed under subsection (1).

- (5) On receipt of notice that an appeal has been preferred under this section, the party against whom the appeal has been preferred may, notwithstanding that he may not have appealed against such order or any part thereof, file, within forty-five days of the receipt of notice, a memorandum of cross-objections, verified in the prescribed manner, against any part of the order appealed against and such memorandum shall be disposed of by the Appellate Tribunal, as if it were an appeal presented within the time specified in sub-section (1).
- (6) The Appellate Tribunal may admit an appeal within three months after the expiry of the period referred to in sub-section (1), or permit the filing of a memorandum of crossobjections within forty-five days after the expiry of the period referred to in sub-section (5) if it is satisfied that there was sufficient cause for not presenting it within that period.

- (7) An appeal to the Appellate Tribunal shall be in such form, verified in such manner and shall be accompanied by such fee, as may be prescribed.
- (8) No appeal shall be filed under sub-section (1), unless the appellant has paid--
 - (a) **in full**, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and
 - (b) **a sum equal to twenty per cent.** of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, in relation to which the appeal has been filed.
- (9) Where the appellant has paid the amount as per sub-section (8), the recovery proceedings for the balance amount shall be deemed to be stayed till the disposal of the appeal.
- (10) Every application made before the Appellate Tribunal,—
 - (a) in an appeal for rectification of error or for any other purpose; or
 - (b) for restoration of an appeal or an application, shall be accompanied by such fees as may be prescribed.

Author comments: Section 100 deals with appeal before Appellate Tribunal under CGST law. A person aggrieved, may appeal to the Appellate Tribunal within 3 months.

It is also provided that no appeal shall be filed unless the appellant has deposited a sum equal to 10% of the amount in dispute (typically the GST payable plus fees/ penalties payable) arising from the said order, in relation to which the appeal has been filed.

113. Orders of Appellate Tribunal

- (1) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the decision or order appealed against or may refer the case back to the Appellate Authority, or the Revisional Authority or to the original adjudicating authority, with such directions as it may think fit, for a fresh adjudication or decision after taking additional evidence, if necessary.
- (2) The Appellate Tribunal may, if sufficient cause is shown, at any stage of hearing of an appeal, grant time to the parties or any of

them and adjourn the hearing of the appeal for reasons to be recorded in writing:

Provided that no such adjournment shall be granted more than three times to a party during hearing of the appeal.

- (3) The Appellate Tribunal may amend any order passed by it under sub-section (1) so as to rectify any error apparent on the face of the record, if such error is noticed by it on its own accord, or is brought to its notice by the Commissioner or the Commissioner of State tax or the Commissioner of the Union territory tax or the other party to the appeal within a period of three months from the date of the order:

Provided that no amendment which has the effect of enhancing an assessment or reducing a refund or input tax credit or otherwise increasing the liability of the other party, shall be made under this sub-section, unless the party has been given an opportunity of being heard.

- (4) The Appellate Tribunal shall, as far as possible, hear and decide every appeal within a period of one year from the date on which it is filed.

- (5) The Appellate Tribunal shall send a copy of every order passed under this section to the Appellate Authority or the Revisional Authority, or the original adjudicating authority, as the case may be, the appellant and the jurisdictional Commissioner or the Commissioner of State tax or the Union territory tax.
- (6) Save as provided in section 117 or section 118, orders passed by the Appellate Tribunal on an appeal shall be final and binding on the parties.

114. Financial and administrative powers of President

The President shall exercise such financial and administrative powers over the National Bench and Regional Benches of the Appellate Tribunal as may be prescribed:

Provided that the President shall have the authority to delegate such of his financial and administrative powers as he may think fit to any other Member or any officer of the National Bench and Regional Benches, subject to the condition that such Member or officer shall, while exercising such delegated powers, continue to act under the direction, control and supervision of the President.

115. Interest on refund of amount paid for admission of appeal

Where an amount paid by the appellant under sub-section (6) of section 107 or subsection (8) of section 112 is required to be refunded consequent to any order of the Appellate Authority or of the Appellate Tribunal, interest at the rate specified under section 56 shall be payable in respect of such refund from the date of payment of the amount till the date of refund of such amount.

116. Appearance by authorised representative

- (1) Any person who is entitled or required to appear before an officer appointed under this Act, or the Appellate Authority or the Appellate Tribunal in connection with any proceedings under this Act, may, otherwise than when required under this Act to appear personally for examination on oath or affirmation, subject to the other provisions of this section, appear by an authorised representative.

(2) For the purposes of this Act, the expression “authorised representative” shall mean a person authorised by the person referred to in sub-section (1) to appear on his behalf, being—

- (a) his relative or regular employee; or
- (b) an advocate who is entitled to practice in any court in India, and who has not been debarred from practicing before any court in India; or
- (c) any chartered accountant, a cost accountant or a company secretary, who holds a certificate of practice and who has not been debarred from practice; or
- (d) a retired officer of the Commercial Tax Department of any State Government or Union territory or of the Board who, during his service under the Government, had worked in a post not below the rank than that of a Group-B Gazetted officer for a period of not less than two years:

Provided that such officer shall not be entitled to appear before any proceedings under this Act for a period of one year from the date of his retirement or resignation; or

(e) any person who has been authorised to act as a goods and services tax practitioner on behalf of the concerned registered person.

(3) No person,—

(a) who has been dismissed or removed from Government service;
or

(b) who is convicted of an offence connected with any proceedings under this Act, the State Goods and Services Tax Act, the Integrated Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, or under the existing law or under any of the Acts passed by a State Legislature dealing with the imposition of taxes on sale of goods or supply of goods or services or both; or

(c) who is found guilty of misconduct by the prescribed authority;

(d) who has been adjudged as an insolvent,

shall be qualified to represent any person under sub-section

(1)—

(i) for all times in case of persons referred to in clauses (a), (b) and (c); and

- (ii) for the period during which the insolvency continues in the case of a person referred to in clause (d).
- (4) Any person who has been disqualified under the provisions of the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be disqualified under this Act.

117. Appeal to High Court

- (1) Any person aggrieved by any order passed by the State Bench or Area Benches of the Appellate Tribunal may file an appeal to the High Court and the High Court may admit such appeal, if it is satisfied that the case involves a substantial question of law.
- (2) An appeal under sub-section (1) shall be filed within a period of one hundred and eighty days from the date on which the order appealed against is received by the aggrieved person and it shall be in such form, verified in such manner as may be prescribed: Provided that the High Court may entertain an appeal after the expiry of the said period if it is satisfied that there was sufficient cause for not filing it within such period.

- (3) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question and the appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question: Provided that nothing in this sub-section shall be deemed to take away or abridge the power of the court to hear, for reasons to be recorded, the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question.
- (4) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.
- (5) The High Court may determine any issue which--
- (a) has not been determined by the State Bench or Area Benches; or
 - (b) has been wrongly determined by the State Bench or Area Benches, by reason of a decision on such question of law as herein referred to in sub-section (3).

- (6) Where an appeal has been filed before the High Court, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority, if any, of such Judges.
- (7) Where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall, then, be heard upon that point only, by one or more of the other Judges of the High Court and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.
- (8) Where the High Court delivers a judgment in an appeal filed before it under this section, effect shall be given to such judgment by either side on the basis of a certified copy of the judgment.
- (9) Save as otherwise provided in this Act, the provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, as far as may be, apply in the case of appeals under this section.

118. Appeal to Supreme Court

- (1) An appeal shall lie to the Supreme Court—
 - (a) from any order passed by the National Bench or Regional Benches of the Appellate Tribunal; or
 - (b) from any judgment or order passed by the High Court in an appeal made under section 117 in any case which, on its own motion or on an application made by or on behalf of the party aggrieved, immediately after passing of the judgment or order, the High Court certifies to be a fit one for appeal to the Supreme Court.
- (2) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under this section as they apply in the case of appeals from decrees of a High Court.
- (3) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court in the manner provided in section 117 in the case of a judgment of the High Court.

119. Sums due to be paid notwithstanding appeal, etc.

Notwithstanding that an appeal has been preferred to the High Court or the Supreme Court, sums due to the Government as a result of an order passed by the National or Regional Benches of the Appellate Tribunal under sub-section (1) of section 113 or an order passed by the State Bench or Area Benches of the Appellate Tribunal under subsection (1) of section 113 or an order passed by the High Court under section 117, as the case may be, shall be payable in accordance with the order so passed.

120. Appeal not to be filed in certain cases

- (1) The Board may, on the recommendations of the Council, from time to time, issue orders or instructions or directions fixing such monetary limits, as it may deem fit, for the purposes of regulating the filing of appeal or application by the officer of the central tax under the provisions of this Chapter.
- (2) Where, in pursuance of the orders or instructions or directions issued under sub-section (1), the officer of the central tax has not filed an appeal or application against any decision or order

passed under the provisions of this Act, it shall not preclude such officer of the central tax from filing appeal or application in any other case involving the same or similar issues or questions of law.

- (3) Notwithstanding the fact that no appeal or application has been filed by the officer of the central tax pursuant to the orders or instructions or directions issued under sub-section (1), no person, being a party in appeal or application shall contend that the officer of the central tax has acquiesced in the decision on the disputed issue by not filing an appeal or application.
- (4) The Appellate Tribunal or court hearing such appeal or application shall have regard to the circumstances under which appeal or application was not filed by the officer of the central tax in pursuance of the orders or instructions or directions issued under subsection (1).

121. Non-appealable decisions and orders

Notwithstanding anything to the contrary in any provisions of this Act, no appeal shall lie against any decision taken or order passed by an officer of central tax if such decision taken or

order passed relates to any one or more of the following matters, namely:—

- (a) an order of the Commissioner or other authority empowered to direct transfer of proceedings from one officer to another officer; or
- (b) an order pertaining to the seizure or retention of books of account, register and other documents; or
- (c) an order sanctioning prosecution under this Act; or (d) an order passed under section 80.

Chapter-XIX

OFFENCES AND PENALTIES

122. Penalty for certain offences

- (1) Where a taxable person who--
 - (i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
 - (ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;

- (iii) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (iv) collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (v) fails to deduct the tax in accordance with the provisions of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;
- (vi) fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;
- (vii) takes or *utilises input* tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;
- (viii) fraudulently obtains refund of tax under this Act;

- (ix) takes or distributes input tax credit in contravention of section 20, or the rules made thereunder;
- (x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;
- (xi) is liable to be registered under this Act but fails to obtain registration;
- (xii) furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;
- (xiii) obstructs or prevents any officer in discharge of his duties under this Act;
- (xiv) transports any taxable goods without the cover of documents as may be specified in this behalf;
- (xv) suppresses his turnover leading to evasion of tax under this Act;
- (xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;

(xvii) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;

(xviii) supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;

(xix) issues any invoice or document by using the registration number of another registered person;

(xx) tampers with, or destroys any material evidence or document;

(xxi) disposes off or tampers with any goods that have been detained, seized, or attached under this Act,

he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short deducted or deducted but not paid to the Government or tax not collected under section 52 or short collected or collected but not paid to the Government or input tax credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.

(2) Any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or

erroneously refunded, or where the input tax credit has been wrongly availed or utilised,—

- (a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent. of the tax due from such person, whichever is higher;
 - (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher.
- (3) Any person who—
- (a) aids or abets any of the offences specified in clauses (i) to (xxi) of sub- section (1);
 - (b) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder;
 - (c) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows

or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder;

- (d) fails to appear before the officer of central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry;
- (e) fails to issue invoice in accordance with the provisions of this Act or the rules made thereunder or fails to account for an invoice in his books of account, shall be liable to a penalty which may extend to twenty five thousand rupees.

Author comments: This section contains 21 omissions / commissions and prescribes penalty for the same.

123. Penalty for failure to furnish information return

If a person who is required to furnish an information return under section 150 fails to do so within the period specified in the notice issued under sub-section (3) thereof, the proper officer may direct that such person shall be liable to pay a penalty of one hundred rupees for each day of the period during which the failure to furnish such return continues:

Provided that the penalty imposed under this section shall not exceed five thousand rupees.

124. Fine for failure to furnish statistics

If any person required to furnish any information or return under section 151,—

- (a) without reasonable cause fails to furnish such information or return as may be required under that section, or
- (b) wilfully furnishes or causes to furnish any information or return which he knows to be false,

he shall be punishable with a fine which may extend to ten thousand rupees and in case of a continuing offence to a further fine which may extend to one hundred rupees for each day after the first day during which the offence continues subject to a maximum limit of twenty five thousand rupees.

125. General penalty

Any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is

separately provided for in this Act, shall be liable to a penalty which may extend to twenty five thousand rupees.

Author comments: This section prescribes generic penalty of Rs 25,000/-.

126. General disciplines related to penalty

- (1) No officer under this Act shall impose any penalty for minor breaches of tax regulations or procedural requirements and in particular, any omission or mistake in documentation which is easily rectifiable and made without fraudulent intent or gross negligence.

Explanation – For the purpose of this sub-section,--

- (a) a breach shall be considered a '**minor breach**' if the amount of tax involved is less than five thousand rupees;
- (b) an omission or mistake in documentation shall be considered to be easily rectifiable if the same is an error apparent on the face of record.

- (2) The penalty imposed under this Act shall depend on the facts and circumstances of each case and shall be commensurate with the degree and severity of the breach.
- (3) No penalty shall be imposed on any person without giving him an opportunity of being heard.
- (4) The officer under this Act shall while imposing penalty in an order for a breach of any law, regulation or procedural requirement, specify the nature of the breach and the applicable law, regulation or procedure under which the amount of penalty for the breach has been specified.
- (5) When a person voluntarily discloses to an officer under this Act the circumstances of a breach of the tax law, regulation or procedural requirement prior to the discovery of the breach by the officer under this Act, the proper officer may consider this fact as a mitigating factor when quantifying a penalty for that person.
- (6) The provisions of this section shall not apply in such cases where the penalty specified under this Act is either a fixed sum or expressed as a fixed percentage.

127. Power to impose penalty in certain cases

Where the proper officer is of the view that a person is liable to a penalty and the same is not covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.

128. Power to waive penalty or fee or both

The Government may, by notification, waive in part or full, any penalty referred to in section 122 or section 123 or section 125 or any late fee referred to in section 47 for such class of taxpayers and under such mitigating circumstances as may be specified therein on 5 the recommendations of the Council.

129. Detention, seizure and release of goods and conveyances in transit

- (1) Notwithstanding anything contained in this Act, where any person transports any goods or stores any goods while they are

in transit in contravention of the provisions of this Act or the rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released,–

- (a) on payment of the applicable tax and penalty equal to one hundred per cent. of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two per cent of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty;
- (b) on payment of the applicable tax and penalty equal to the fifty per cent. of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty;

- (c) upon furnishing a security equivalent to the amount payable under clause (a) or clause (b) in such form and manner as may be prescribed:

Provided that no such goods or conveyance shall be detained or seized without serving an order of detention or seizure on the person transporting the goods.

- (2) The provisions of sub-section (6) of section 67 shall, mutatis mutandis, apply for detention and seizure of goods and conveyances.
- (3) The proper officer detaining or seizing goods or conveyances shall issue a notice specifying the tax and penalty payable and thereafter, pass an order for payment of tax and penalty under clause (a) or clause (b) or clause (c).
- (4) No tax, interest or penalty shall be determined under sub-section (3) without giving the person concerned an opportunity of being heard.
- (5) On payment of amount referred in sub-section (1), all proceedings in respect of the notice specified in sub-section (3) shall be deemed to be concluded.

- (6) Where the person transporting any goods or the owner of the goods fails to pay the amount of tax and penalty as provided in sub-section (1) within seven days of such detention or seizure, further proceedings shall be initiated in accordance with the provisions of section 130:

Provided that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of seven days may be reduced by the proper officer.

130. Confiscation of goods or conveyances and levy of penalty

- (1) Notwithstanding anything contained in this Act, if any person—
- (i) supplies or receives any goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or
 - (ii) does not account for any goods on which he is liable to pay tax under this Act; or

- (iii) supplies any goods liable to tax under this Act without having applied for registration; or
 - (iv) contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or
 - (iv) uses any conveyance as a means of transport for carriage of goods in contravention of the provisions of this Act or the rules made thereunder unless the owner of the conveyance proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance, then, all such goods or conveyances shall be liable to confiscation and the person shall be liable to penalty under section 122.
- (2) Whenever confiscation of any goods or conveyance is authorised by this Act, the officer adjudging it shall give to the owner of the goods an option to pay in lieu of confiscation, such fine as the said officer thinks fit:
- Provided that such fine leviable shall not exceed the market value of the goods confiscated, less the tax chargeable thereon:

Provided further that the aggregate of such fine and penalty leviable shall not be less than the amount of penalty leviable under sub-section (1) of section 129:

Provided also that where any such conveyance is used for the carriage of the goods or passengers for hire, the owner of the conveyance shall be given an option to pay in lieu of the confiscation of the conveyance a fine equal to the tax payable on the goods being transported thereon.

- (3) Where any fine in lieu of confiscation of goods or conveyance is imposed under subsection (2), the owner of such goods or conveyance or the person referred to in subsection (1), shall, in addition, be liable to any tax, penalty and charges payable in respect of such goods or conveyance.
- (4) No order for confiscation of goods or conveyance or for imposition of penalty shall be issued without giving the person an opportunity of being heard.
- (5) Where any goods or conveyance are confiscated under this Act, the title of such goods or conveyance shall thereupon vest in the Government.

- (6) The proper officer adjudging confiscation shall take and hold possession of the things confiscated and every officer of Police, on the requisition of such proper officer, shall assist him in taking and holding such possession.
- (7) The proper officer may, after satisfying himself that the confiscated goods or conveyance are not required in any other proceedings under this Act and after giving reasonable time not exceeding three months to pay fine in lieu of confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Government.

131. Confiscation or penalty not to interfere with other punishments

Without prejudice to the provisions contained in the Code of Criminal Procedure, 1973, no confiscation made or penalty imposed under the provisions of this Act or the rules made thereunder shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law for the time being in force.

132. Punishment for certain offences

- (1) Whoever commits any of the following offences, namely:—
- (a) supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
 - (b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;
 - (c) avails input tax credit using such invoice or bill referred to in clause (b);
 - (d) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
 - (e) evades tax, fraudulently avails input tax credit or fraudulently obtains refund and where such offence is not covered under clauses (a) to (d);

- (f) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information with an intention to evade payment of tax due under this Act;
- (g) obstructs or prevents any officer in the discharge of his duties under this Act;
- (h) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with, any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder;
- (i) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder;
- (j) tampers with or destroys any material evidence or documents;
- (k) fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information; or

- (l) attempts to commit, or abets the commission of any of the offences mentioned in clauses (a) to (k) of this section, shall be punishable--
- (i) in cases where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds
five hundred lakh rupees, with imprisonment for a term which may extend to five years and with fine;
- (ii) in cases where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds two hundred lakh rupees but does not exceed five hundred lakh rupees, with imprisonment for a term which may extend to three years and with fine;
- (iii) in the case of any other offence where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year and with fine;

- (iv) in cases where he commits or abets the commission of an offence specified in clause (f) or clause (g) or clause (j), he shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.
- (2) Where any person convicted of an offence under this section is again convicted of an offence under this section, then, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years and with fine.
- (3) The imprisonment referred to in clauses (i), (ii) and (iii) of sub-section (1) and subsection (2) shall, in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court, be for a term not less than six months.
- (4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act, except the offences referred to in sub-section (5) shall be noncognizable and bailable.
- (5) The offences specified in clause (a) or clause (b) or clause (c) or clause (d) of subsection (1) and punishable under clause (i) of that sub-section shall be cognizable and non-bailable.

- (6) A person shall not be prosecuted for any offence under this section except with the previous sanction of the Commissioner.

Explanation - For the purposes of this section, the term “tax” shall include the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or refund wrongly taken under the provisions of this Act, the State Goods and Services Tax Act, the Integrated Goods and Services Tax Act or the Union Territory Goods and Services Tax Act and cess levied under the Goods and Services Tax (Compensation to States) Act.

133. Liability of officers and certain other persons

- (1) Where any person engaged in connection with the collection of statistics under section 151 or compilation or computerisation thereof or if any officer of central tax having access to information specified under sub-section (1) of section 150, or if any person engaged in connection with the provision of service on the common portal or the agent of common portal, wilfully discloses any information or the contents of any return furnished under this Act or rules made thereunder otherwise than in

execution of his duties under the said sections or for the purposes of prosecution for an offence under this Act or under any other Act for the time being in force, he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to twenty-five thousand rupees, or with both.

(2) Any person—

- (a) who is a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Government;
- (b) who is not a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Commissioner.

134. Cognizance of offences

No court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Magistrate of the First Class, shall try any such offence.

135. Presumption of culpable mental state

In any prosecution for an offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution. *Explanation* - For the purposes of this section,--

- (i) the expression **“culpable mental state”** includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact;
- (ii) a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

136. Relevancy of statements under certain circumstances

A statement made and signed by a person on appearance in response to any summons issued under section 70 during the course of any inquiry or proceedings under this Act

shall be relevant, for the purpose of proving, in any prosecution for an offence under this Act, the truth of the facts which it contains,--

- (a) when the person who made the statement is dead or cannot be found, or is incapable of giving evidence, or is kept out of the way by the adverse party, or whose presence cannot be obtained without an amount of delay or expense which, under the circumstances of the case, the court considers unreasonable; or
- (b) when the person who made the statement is examined as a witness in the case before the court and the court is of the opinion that, having regard to the circumstances of the case, the statement should be admitted in evidence in the interest of justice.

137. Offences by Companies

- (1) Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, 5 the company for the conduct of business of the company, as well as

the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (3) Where an offence under this Act has been committed by a taxable person being a partnership firm or a Limited Liability Partnership or a Hindu undivided family or a trust, the partner or karta or managing trustee shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly and the provisions of sub-section (2) shall, mutatis mutandis, apply to such persons.
- (4) Nothing contained in this section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had

exercised all due diligence to prevent the commission of such offence.

Explanation – For the purposes of this section,--

- (i) **“company”** means a body corporate and includes a firm or other association of individuals; and
- (ii) **“director”**, in relation to a firm, means a partner in the firm.

138. Compounding of offences

- (1) Any offence under this Act may, either before or after the institution of prosecution, be compounded by the Commissioner on payment, by the person accused of the offence, to the Central Government or the State Government, as the case be, of such compounding amount in such manner as may be prescribed:

Provided that nothing contained in this section shall apply to—

- (a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of sub-section (1) of section 132 and the offences specified in clause (l) which are relatable to offences specified in clauses (a) to (f) of the said sub-section;

- (b) a person who has been allowed to compound once in respect of any offence, other than those in clause (a), under this Act or under the provisions of any State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act or the Integrated Goods and Services Tax Act in respect of supplies of value exceeding one crore rupees;
- (c) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;
- (d) a person who has been convicted for an offence under this Act by a court;
- (e) a person who has been accused of committing an offence specified in clause
- (g) or clause (j) or clause (k) of sub-section (1) of section 132; and
- (f) any other class of persons or offences as may be prescribed:

Provided further that any compounding allowed under the provisions of this section shall not affect the proceedings, if any, instituted under any other law:

Provided also that compounding shall be allowed only after making payment of tax, interest and penalty involved in such offences.

- (2) The amount for compounding of offences under this section shall be such as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the tax, whichever is higher.
- (3) On payment of such compounding amount as may be determined by the Commissioner, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated.

Chapter-XX

TRANSITIONAL PROVISIONS

139. Migration of existing taxpayers

- (1) On and from the appointed day, every person registered under any of the existing laws and having a valid Permanent Account Number shall be issued a certificate of registration on provisional basis, subject to such conditions and in such form and manner as may be prescribed, which unless replaced by a final certificate of registration under sub-section (2), shall be liable to be cancelled if the conditions so prescribed are not complied with.
- (2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.
- (3) The certificate of registration issued to a person under sub-section (1) shall be deemed to have not been issued if the said registration is cancelled in pursuance of an application filed by

such person that he was not liable to registration under section 22 or section 24.

140. Transitional arrangements for input tax credit

- (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.

- (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;

- (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 and in such manner as may be prescribed.

- (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:

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.
- (7) Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as credit under this Act even if the invoices relating to such services are received on or after the appointed day.
- (8) Where a registered person having centralised registration under the existing law has obtained a registration under this Act, such person shall be allowed to take, in his electronic credit ledger, credit of the amount of CENVAT credit carried forward in a return, furnished under the existing law by him, in respect of the period ending with the day immediately

preceding the appointed day in such manner as may be prescribed:

Provided that if the registered person furnishes his return for the period ending with the day immediately preceding the appointed day within three months of the appointed day, such credit shall be allowed subject to the condition that the said return is either an original return or a revised return where the credit has been reduced from that claimed earlier:

Provided further that the registered person shall not be allowed to take credit unless the said amount is admissible as input tax credit under this Act:

Provided also that such credit may be transferred to any of the registered persons having the same Permanent Account Number for which the centralised registration was obtained under the existing law.

- (9) Where any CENVAT credit availed for the input services provided under the existing law has been reversed due to non-payment of the consideration within a period of three months, such credit can be reclaimed subject to the condition that the

registered person has made the payment of the consideration for that supply of services within a period of three months from the appointed day.

- (10) The amount of credit under sub-sections (3), (4) and (6) shall be calculated in such manner as may be prescribed.

Explanation 1.- For the purposes of sub-sections (3), (4) and (6), the expression “**eligible duties**” means--

- (i) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957;
- (ii) the additional duty leviable under sub-section (1) of section 3 of the Customs Tariff Act, 1975;
- (iii) the additional duty leviable under sub-section (5) of section 3 of the Customs Tariff Act, 1975;
- (iv) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978;
- (v) the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985;

(vi) the duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985; and

(vii) the National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001;

in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day.

Explanation 2. - For the purposes of sub-section (5), the expression “**eligible duties and taxes**” means--

- (i) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957;
- (ii) the additional duty leviable under sub-section (1) of section 3 of the Customs Tariff Act, 1975;
- (iii) the additional duty leviable under sub-section (5) of section 3 of the Customs Tariff Act, 1975;
- (iv) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978;

- (v) the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985;
- (vi) the duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985;
- (vii) the National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001; and
- (viii) the service tax leviable under section 66B of the Finance Act, 1994, in respect of inputs and input services received on or after the appointed day.

141. Transitional provisions relating to job work

- (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 subsection.

- (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.

142. Miscellaneous transitional provisions

- (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:

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) (a) 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.
- (b) 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.

- (8) (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.

- (9) (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 1 of 1944. provisions of subsection (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.

- (10) 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.
- (11) (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 32 of 1994. 45 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.

- (12) 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.

(13) 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”**, **“manufacture”** shall have the same meaning as respectively assigned to them in the Central Excise Act, 1944 or the rules made thereunder.

Chapter-XXI

MISCELLANEOUS

143. Job work procedure

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

Provided that the principal shall not supply the goods from the place of business of a job worker in accordance with the provisions of this clause unless the said principal declares the place of business of the job-worker as his additional place of business except in a case—

- (i) where the job worker is registered under section 25; or
 - (ii) where the principal is engaged in the supply of such goods as may be notified by the Commissioner.
- (2) The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.
- (3) Where the inputs sent for job work are not received back by the principal after completion of job work or otherwise in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of one year of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job-worker on the day when the said inputs were sent out.

- (4) Where the capital goods, other than moulds and dies, jigs and fixtures, or tools, sent for job work are not received back by the principal in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of three years of their 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.
- (5) Notwithstanding anything contained in sub-sections (1) and (2), any waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.

Explanation.--For the purposes of job work, input includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or the job worker.

Author comments: Section 55 prescribes the procedure for removal of goods to job worker through an **approval** from

Commissioner. It is provided that the responsibility for accountability of the goods shall lie with the "principal". The Inputs sent for the Job work may bring back within 1 year and specified capital goods within 3 year without payment of the duty.

144. Presumption as to documents in certain cases

Where any document--

- (i) is produced by any person under this Act or any other law for the time being in force; or
- (ii) has been seized from the custody or control of any person under this Act or any other law for the time being in force; or
- (iii) has been received from any place outside India in the course of any proceedings under this Act or any other law for the time being in force, and such document is tendered by the prosecution in evidence against him or any other person who is tried jointly with him, the court shall—
 - (a) unless the contrary is proved by such person, presume—
 - (i) the truth of the contents of such document;

- (ii) that the signature and every other part of such document which purports to be in the handwriting of any particular person or which the court may reasonably assume to have been signed by, or to be in the handwriting of, any particular person, is in that person's handwriting, and in the case of a document executed or attested, that it was executed or attested by the person by whom it purports to have been so executed or attested;
- (b) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

145. Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence

- (1) Notwithstanding anything contained in any other law for the time being in force,—
 - (a) a micro film of a document or the reproduction of the image or images embodied in such micro film (whether enlarged or not); or

- (b) a facsimile copy of a document; or
 - (c) a statement contained in a document and included in a printed material produced by a computer, subject to such conditions as may be prescribed; or
 - (d) any information stored electronically in any device or media, including any hard copies made of such information, shall be deemed to be a document for the purposes of this Act and the rules made thereunder and shall be admissible in any proceedings thereunder, without further proof or production of the original, as evidence of any contents of the original or of any fact stated therein of which direct evidence would be admissible.
- (2) In any proceedings under this Act or the rules made thereunder, where it is desired to give a statement in evidence by virtue of this section, a certificate,—
- (a) identifying the document containing the statement and describing the manner in which it was produced;
 - (b) giving such particulars of any device involved in the production of that document as may be appropriate for the

purpose of showing that the document was produced by a computer, shall be evidence of any matter stated in the certificate and for the purposes of this sub-section it shall be sufficient for a matter to be stated to the best of the knowledge and belief of the person stating it.

146. Common Portal

The Government may, on the recommendations of the Council, notify the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns, computation and settlement of integrated tax, electronic way bill and for carrying out such other functions and for such purposes as may be prescribed.

147. Deemed Exports

The Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in

convertible foreign exchange, if such goods are manufactured in India.

148. Special procedure for certain processes

The Government may, on the recommendations of the Council, and subject to such conditions and safeguards as may be prescribed, notify certain classes of registered persons, and the special procedures to be followed by such persons including those with regard to registration, furnishing of return, payment of tax and administration of such persons.

149. Goods and services tax compliance rating

- (1) Every registered person may be assigned a goods and services tax compliance rating score by the Government based on his record of compliance with the provisions of this Act.
- (2) The goods and services tax compliance rating score may be determined on the basis of such parameters as may be prescribed.

- (3) The goods and services tax compliance rating score may be updated at periodic intervals and intimated to the registered person and also placed in the public domain in such manner as may be prescribed.

Authors comments: In GST regime, every taxable person shall be assigned a GST compliance rating score based on his record of compliance with the provisions of this Act. Thus, in GST regime compliances will be of paramount importance as non-compliance will impact the rating which will be placed in the public domain (and thus could affect reputation of a business).

150. Obligation to furnish information return

- (1) Any person, being—
- (a) a taxable person; or
 - (b) a local authority or other public body or association; or
 - (c) any authority of the State Government responsible for the collection of value added tax or sales tax or State excise duty or an authority of the Central Government responsible for the collection of excise duty or customs duty; or

- (d) an income tax authority appointed under the provisions of the Income-tax Act, 1961; or
- (e) a banking company within the meaning of clause (a) of section 45A of the Reserve Bank of India Act, 1934; or
- (f) a State Electricity Board or an electricity distribution or transmission licensee under the Electricity Act, 2003, or any other entity entrusted with such functions by the Central Government or the State Government; or
- (g) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or
- (h) a Registrar within the meaning of the Companies Act, 2013; or
- (i) the registering authority empowered to register motor vehicles under the Motor Vehicles Act, 1988; or
- (j) the Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or

- (k) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; or
- (l) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996; or
- (m) an officer of the Reserve Bank of India as constituted under section 3 of the Reserve Bank of India Act, 1934; or
- (n) the Goods and Services Tax Network, a company registered under the Companies Act, 2013; or
- (o) a person to whom a Unique Identity Number has been granted under sub-section (9) of section 25; or
- (p) any other person as may be specified, on the recommendations of the Council, by the Government, who is responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details of transaction of goods or services or both or transactions related to a bank account or consumption of electricity or transaction of purchase, sale or exchange of goods or property or right or

interest in a property under any law for the time being in force, shall furnish an information return of the same in respect of such periods, within such time, in such form and manner and to such authority or agency as may be prescribed.

- (2) Where the Commissioner, or an officer authorised by him in this behalf, considers that the information furnished in the information return is defective, he may intimate the defect to the person who has furnished such information return and give him an opportunity of rectifying the defect within a period of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the said authority may allow and if the defect is not rectified within the said period of thirty days or, the further period so allowed, then, notwithstanding anything contained in any other provisions of this Act, such information return shall be treated as not furnished and the provisions of this Act shall apply.
- (3) Where a person who is required to furnish information return has not furnished the same within the time specified in sub-

section (1) or sub-section (2), the said authority may serve upon him a notice requiring furnishing of such information return within a period not exceeding ninety days from the date of service of the notice and such person shall furnish the information return.

151. Power to collect statistics

- (1) The Commissioner may, if he considers that it is necessary so to do, by notification, direct that statistics may be collected relating to any matter dealt with by or in connection with this Act.
- (2) Upon such notification being issued, the Commissioner, or any person authorised by him in this behalf, may call upon the concerned persons to furnish such information or returns, in such form and manner as may be prescribed, relating to any matter in respect of which statistics is to be collected

152. Bar on disclosure of information

- (1) No information of any individual return or part thereof with respect to any matter given for the purposes of section 150

or section 151 shall, without the previous consent in writing of the concerned person or his authorised representative, be published in such manner so as to enable such particulars to be identified as referring to a particular person and no such information shall be used for the purpose of any proceedings under this Act.

- (2) Except for the purposes of prosecution under this Act or any other Act for the time being in force, no person who is not engaged in the collection of statistics under this Act or compilation or computerisation thereof for the purposes of this Act, shall be permitted to see or have access to any information or any individual return referred to in section 151.
- (3) Nothing in this section shall apply to the publication of any information relating to ¹⁰ a class of taxable persons or class of transactions, if in the opinion of the Commissioner, it is desirable in the public interest to publish such information.

153. Taking assistance from an expert

Any officer not below the rank of Assistant Commissioner may, having regard to the nature and complexity of the case

and the interest of revenue, take assistance of any expert at any stage of scrutiny, inquiry, investigation or any other proceedings before him.

154. Power to take samples

The Commissioner or an officer authorised by him may take samples of goods from the possession of any taxable person, where he considers it necessary, and provide a receipt for any samples so taken.

155. Burden of proof

Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person.

156. Persons deemed to be public servants

All persons discharging functions under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

157. Protection of action taken under this Act

- (1) No suit, prosecution or other legal proceedings shall lie against the President, State President, Members, officers or other employees of the Appellate Tribunal or any other person authorised by the said Appellate Tribunal for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.
- (2) No suit, prosecution or other legal proceedings shall lie against any officer appointed or authorised under this Act for anything which is done or intended to be done in good faith under this Act or the rules made thereunder.

158. Disclosure of information by a public servant

- (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act (other than proceedings before a criminal court), or in any record of any proceedings

under this Act shall, save as provided in sub-section (3), not be disclosed.

- (2) Notwithstanding anything contained in the Indian Evidence Act, 1872, no court shall, save as otherwise provided in sub-section (3), require any officer appointed or authorised under this Act to produce before it or to give evidence before it in respect of particulars referred to in sub-section (1).
- (3) Nothing contained in this section shall apply to the disclosure of,—
 - (a) any particulars in respect of any statement, return, accounts, documents, evidence, affidavit or deposition, for the purpose of any prosecution under the Indian Penal Code or the Prevention of Corruption Act, 1988, or any other law for the time being in force; or
 - (b) any particulars to the Central Government or the State Government or to any person acting in the implementation of this Act, for the purposes of carrying out the objects of this Act; or

- (c) any particulars when such disclosure is occasioned by the lawful exercise under this Act of any process for the service of any notice or recovery of any demand; or
- (d) any particulars to a civil court in any suit or proceedings, to which the Government or any authority under this Act is a party, which relates to any matter arising out of any proceedings under this Act or under any other law for the time being in force authorising any such authority to exercise any powers thereunder; or
- (e) any particulars to any officer appointed for the purpose of audit of tax receipts or refunds of the tax imposed by this Act; or
- (f) any particulars where such particulars are relevant for the purposes of any inquiry into the conduct of any officer appointed or authorised under this Act, to any person or persons appointed as an inquiry officer under any law for the time being in force; or
- (g) any such particulars to an officer of the Central Government or of any State Government, as may be necessary for the

purpose of enabling that Government to levy or realise any tax or duty; or

- (h) any particulars when such disclosure is occasioned by the lawful exercise by a public servant or any other statutory authority, of his or its powers under any law for the time being in force; or
- (i) any particulars relevant to any inquiry into a charge of misconduct in connection with any proceedings under this Act against a practising advocate, a tax practitioner, a practising cost accountant, a practising chartered accountant, a practicing company secretary to the authority empowered to take disciplinary action against the members practising the profession of a legal practitioner, a cost accountant, a chartered accountant or a company secretary, as the case may be; or
- (j) any particulars to any agency appointed for the purposes of data entry on any automated system or for the purpose of operating, upgrading or maintaining any automated system

- where such agency is contractually bound not to use or disclose such particulars except for the aforesaid purposes; or
- (k) any particulars to an officer of the Government as may be necessary for the purposes of any other law for the time being in force; or
- (l) any information relating to any class of taxable persons or class of transactions for publication, if, in the opinion of the Commissioner, it is desirable in the public interest, to publish such information.

159. Publication of information in respect of persons in certain cases

- (1) If the Commissioner, or any other officer authorised by him in this behalf, is of the opinion that it is necessary or expedient in the public interest to publish the name of any person and any other particulars relating to any proceedings or prosecution under this Act in respect of such person, it may cause to be published such name and particulars in such manner as it thinks fit.

- (2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Authority under section 107 has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

Explanation – In the case of firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Commissioner, or any other officer authorised by him in this behalf, circumstances of the case justify it.

160. Assessment proceedings, etc., not to be invalid on certain grounds

- (1) No assessment, re-assessment, adjudication, review, revision, appeal, rectification, notice, summons or other proceedings done, accepted, made, issued, initiated, or purported to have been done, accepted, made, issued,

initiated in pursuance of any of the provisions of this Act shall be invalid or deemed to be invalid merely by reason of any mistake, defect or omission therein, if such assessment, re-assessment, adjudication, review, revision, appeal, rectification, notice, summons or other proceedings are in substance and effect in conformity with or according to the intents, purposes and requirements of this Act or any existing law.

- (2) The service of any notice, order or communication shall not be called in question, if the notice, order or communication, as the case may be, has already been acted upon by the person to whom it is issued or where such service has not been called in question at or in the earlier proceedings commenced, continued or finalised pursuant to such notice, order or communication.

161. Rectification of errors apparent on the face of record

Without prejudice to the provisions of section 160, and notwithstanding anything contained in any other provisions

of this Act, any authority, who has passed or issued any decision or order or notice or certificate or any other document, may rectify any error which is apparent on the face of record in such decision or order or notice or certificate or any other document, either on its own motion or where such error is brought to its notice by any officer appointed under this Act or an officer appointed under the State Goods and Services Tax Act or an officer appointed under the Union Territory Goods and Services Tax Act or by the affected person within a period of three months from the date of issue of such decision or order or notice or certificate or any other document, as the case may be:

Provided that no such rectification shall be done after a period of six months from the date of issue of such decision or order or notice or certificate or any other document:

Provided further that the said period of six months shall not apply in such cases where the rectification is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission:

Provided also that where such rectification adversely affects any person, the principles of natural justice shall be followed by the authority carrying out such rectification.

162. Bar on jurisdiction of Civil Courts

Save as provided in sections 117 and 118, no civil court shall have jurisdiction to deal with or decide any question arising from or relating to anything done or purported to be done under this Act.

163. Levy of fee

Wherever a copy of any order or document is to be provided to any person on an application made by him for that purpose, there shall be paid such fee as may be prescribed.

164. Power of Government to make rules

- (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

- (2) Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.
- (3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.
- (4) Any rules made under sub-section (1) or sub-section (2) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.

165. Power to make regulations

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

166. Laying of rules, regulations and notifications

Every rule made by the Government, every regulation made by the Board and every notification issued by the Government under this Act, shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.

167. Delegation of powers

The Commissioner may, by notification, direct that subject to such conditions, if any, as may be specified in the notification, any power exercisable by any authority or officer 10 under this Act may be exercisable also by another authority or officer as may be specified in such notification.

168. Power to issue instructions or directions

- (1) The Board may, if it considers it necessary or expedient so to do for the purpose of uniformity in the implementation of this Act, issue such orders, instructions or directions to the central tax officers as it may deem fit, and thereupon all such officers and all other persons employed in the implementation of this Act shall observe and follow such orders, instructions or directions.
- (2) The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-sections (3) and (4) of section 35, subsection (1) of section 37, sub-section (2) of section 38, sub-section (6) of

section 39, sub-section (5) of section 66, sub-section (1) of section 143, sub-section (1) of section 151, clause (l) of sub-section (3) of section 158 and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.

169. Service of notice in certain circumstances

- (1) Any decision, order, summons, notice or other communication under this Act or the rules made thereunder shall be served by any one of the following methods, namely:—
 - (a) by giving or tendering it directly or by a messenger including a courier to the addressee or the taxable person or to his manager or authorised representative or an advocate or a tax practitioner holding authority to appear in the proceedings on behalf of the taxable person or to a person regularly employed by him in connection with the business, or to any adult member of family residing with the taxable person; or
 - (b) by registered post or speed post or courier with acknowledgement due, to the person for whom it is intended

or his authorised representative, if any, at his last known place of business or residence; or

- (c) by sending a communication to his e-mail address provided at the time of registration or as amended from time to time; or
 - (d) by making it available on the common portal; or
 - (e) by publication in a newspaper circulating in the locality in which the taxable person or the person to whom it is issued is last known to have resided, carried on business or personally worked for gain; or
 - (f) if none of the modes aforesaid is practicable, by affixing it in some conspicuous place at his last known place of business or residence and if such mode is not practicable for any reason, then by affixing a copy thereof on the notice board of the office of the concerned officer or authority who or which passed such decision or order or issued such summons or notice.
- (2) Every decision, order, summons, notice or any communication shall be deemed to have been served on the date on which it is tendered or published or a copy thereof is affixed in the manner provided in sub-section (1).

- (3) When such decision, order, summons, notice or any communication is sent by registered post or speed post, it shall be deemed to have been received by the addressee at the expiry of the period normally taken by such post in transit unless the contrary is proved.

170. Rounding off of tax, etc

The amount of tax, interest, penalty, fine or any other sum payable, and the amount of refund or any other sum due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise it shall be ignored.

171. Anti-profiteering measure

- (1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices.

- (2) The Central Government may, on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.
- (3) The Authority referred to in sub-section (2) shall exercise such powers and discharge such functions as may be prescribed.

172. Removal of difficulties

- (1) If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

- (2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

173. Amendment of Act 32 of 1994

Save as otherwise provided in this Act, Chapter V of the Finance Act, 1994 shall be omitted.

174. Repeal and saving

- (1) Save as otherwise provided in this Act, on and from the date of commencement of this Act, the Central Excise Act, 1944 (except as respects goods included in entry 84 of the Union List of the Seventh Schedule to the Constitution), the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, the Additional Duties of Excise (Goods of Special Importance) Act, 1957, the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, and the Central Excise Tariff Act, 1985

(hereafter referred to as the repealed Acts) are hereby repealed.

(2) The repeal of the said Acts and the amendment of the Finance Act, 1994 (hereafter referred to as “such amendment” or “amended Act”, as the case may be) to the extent mentioned in the sub-section (1) or section 173 shall not—

(a) revive anything not in force or existing at the time of such amendment or repeal; or

(b) affect the previous operation of the amended Act or repealed Acts and orders or anything duly done or suffered thereunder; or

(c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under the amended Act or repealed Acts or orders under such repealed or amended Acts:

Provided that any tax exemption granted as an incentive against investment through a notification shall not continue as privilege if the said notification is rescinded on or after the appointed day; or

- (d) affect any duty, tax, surcharge, fine, penalty, interest as are due or may become due or any forfeiture or punishment incurred or inflicted in respect of any offence or violation committed against the provisions of the amended Act or repealed Acts; or
- (e) affect any investigation, inquiry, verification (including scrutiny and audit), assessment proceedings, adjudication and any other legal proceedings or recovery of arrears or remedy in respect of any such duty, tax, surcharge, penalty, fine, interest, right, privilege, obligation, liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, verification (including scrutiny and audit), assessment proceedings, adjudication and other legal proceedings or recovery of arrears or remedy may be instituted, continued or enforced, and any such tax, surcharge, penalty, fine, interest, forfeiture or punishment may be levied or imposed as if these Acts had not been so amended or repealed;
- (f) affect any proceedings including that relating to an appeal, review or reference, instituted before on, or after the

appointed day under the said amended Act or repealed Acts and such proceedings shall be continued under the said amended Act or repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed.

- (3) The mention of the particular matters referred to in subsections (1) and (2) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal.

SCHEDULE-I

[See Section 7]

ACTIVITIES TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business:

 Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
3. Supply of goods—
 - (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
 - (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
4. Import of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

SCHEDULE-II

[See Section 7]

ACTIVITIES TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

1. Transfer

- (a) any transfer of the title in goods is a supply of goods;
- (b) any transfer 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 shall 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, licence 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

Any treatment or process which is 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; or

- (ii) the business is carried on by a personal representative who is deemed to be a taxable person.

5. Supply of services

The following shall be treated as supply of service, namely:—

- (a) renting of immovable property;
- (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 after its first occupation, whichever is earlier.

Explanation - For the purposes of this clause—

- (1) the expression "competent authority" means the Government or any authority authorised 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 remodelling of any existing civil structure;
- (c) temporary transfer or permitting the use or enjoyment of any intellectual property right;
- (d) development, design, programming, customisation, 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; and
- (f) 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.

6. Composite supply

The following composite supplies shall be treated as a supply of services, namely:—

- (a) works contract as defined in clause (119) of section 2; 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. Supply of Goods

The following shall be treated as supply of goods, namely:—

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

SCHEDULE-III

[See Section 7]

ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

- 1.** Services by an employee to the employer in the course of or in relation to his employment.
- 2.** Services by any court or Tribunal established under any law for the time being in force.

(a) the functions performed by the Members of Parliament,
Members of State Legislature, Members of Panchayats,

Members of Municipalities and Members of other local authorities;

(b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or

(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.

4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
6. Actionable claims, other than lottery, betting and gambling.

Explanation - For the purposes of paragraph 2, the term

"Court" includes District Court, High Court and Supreme Court.

CGST Rules, 2017¹⁴

G.S.R. ()E.- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules, namely:-

Chapter I

PRELIMINARY

1. Short title and Commencement.-

- (1) These rules may be called the Central Goods and Services Tax Rules, 2017.
- (2) They shall come into force with effect from 22nd June, 2017.

2. Definitions

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Central Goods and Services Tax Act, 2017 (12 of 2017);
- (b) "FORM" means a Form appended to these rules;
- (c) "section" means a section of the Act;
- (d) "Special Economic Zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);

¹⁴ Not. No. 3/2017 as amended vide Not. No. 7/2017, 10/2017, 15/2017, 17/2017, 22/2017 and 27/2017

- (e) words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

Chapter II

Composition (Rule 3 to 6)

3. Intimation for composition levy.-

- (1) Any person who has been granted registration on a provisional basis under clause (b) of sub-rule (1) of rule 24 and who opts to pay tax under section 10, shall electronically file an intimation in **FORM GST CMP-01**, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the appointed day, but not later than thirty days after the said day, or such further period as may be extended by the Commissioner in this behalf:
- (2) Provided that where the intimation in **FORM GST CMP-01** is filed after the appointed day, the registered person shall not collect any tax from the appointed day but shall issue bill of supply for supplies made after the said day.
- (3) Any person who applies for registration under sub-rule (1) of rule 8 may give an option to pay tax under section 10 in Part

B of **FORM GST REG-01**, which shall be considered as an intimation to pay tax under the said section.

- (4) Any registered person who opts to pay tax under section 10 shall electronically file an intimation in **FORM GST CMP-02**, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the commencement of the financial year for which the option to pay tax under the aforesaid section is exercised and shall furnish the statement in **FORM GST ITC-03** in accordance with the provisions of sub-rule (4) of rule 44 within a period of ninety days from the commencement of the relevant financial year.
- (5) Any person who files an intimation under sub-rule (1) to pay tax under section 10 shall furnish the details of stock, including the inward supply of goods received from unregistered persons, held by him on the day preceding the date from which he opts to pay tax under the said section, electronically, in **FORM GST CMP-03**, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within a period of sixty days from the date on which the option for composition levy is exercised or

within such further period as may be extended by the Commissioner in this behalf.

- (6) Any intimation under sub-rule (1) or sub-rule (3) in respect of any place of business in any State or Union territory shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number.

4. Effective date for composition levy.-

- (1) The option to pay tax under section 10 shall be effective from the beginning of the financial year, where the intimation is filed under subrule (3) of rule 3 and the appointed day where the intimation is filed under sub-rule (1) of the said rule.
- (2) The intimation under sub-rule (2) of rule 3, shall be considered only after the grant of registration to the applicant and his option to pay tax under section 10 shall be effective from the date fixed under sub-rule (2) or (3) of rule 10.

5. Conditions and restrictions for composition levy.-

- (1) The person exercising the option to pay tax under section 10 shall comply with the following conditions, namely:-

- (a) he is neither a casual taxable person nor a non-resident taxable person;
- (b) the goods held in stock by him on the appointed day have not been purchased in the course of inter-State trade or commerce or imported from a place outside India or received from his branch situated outside the State or from his agent or principal outside the State, where the option is exercised under sub-rule (1) of rule 3;
- (c) the goods held in stock by him have not been purchased from an unregistered supplier and where purchased, he pays the tax under sub-section (4) of section 9; (d) he shall pay tax under sub-section (3) or sub-section (4) of section 9 on inward supply of goods or services or both;
- (e) he was not engaged in the manufacture of goods as notified under clause (e) of sub-section (2) of section 10, during the preceding financial year;
- (f) he shall mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him; and
- (g) he shall mention the words “composition taxable person” on every notice or signboard displayed at a prominent place at

his principal place of business and at every additional place or places of business.

- (2) The registered person paying tax under section 10 may not file a fresh intimation every year and he may continue to pay tax under the said section subject to the provisions of the Act and these rules.

6. Validity of composition levy.-

- (1) The option exercised by a registered person to pay tax under section 10 shall remain valid so long as he satisfies all the conditions mentioned in the said section and under these rules.
- (2) The person referred to in sub-rule (1) shall be liable to pay tax under sub-section (1) of section 9 from the day he ceases to satisfy any of the conditions mentioned in section 10 or the provisions of this Chapter and shall issue tax invoice for every taxable supply made thereafter and he shall also file an intimation for withdrawal from the scheme in **FORM GST CMP-04** within seven days of the occurrence of such event.

- (3) The registered person who intends to withdraw from the composition scheme shall, before the date of such withdrawal, file an application in **FORM GST CMP-04**, duly signed or verified through electronic verification code, electronically on the common portal.
- (4) Where the proper officer has reasons to believe that the registered person was not eligible to pay tax under section 10 or has contravened the provisions of the Act or provisions of this Chapter, he may issue a notice to such person in **FORM GST CMP-05** to show cause within fifteen days of the receipt of such notice as to why the option to pay tax under section 10 shall not be denied.
- (5) Upon receipt of the reply to the show cause notice issued under sub-rule (4) from the registered person in **FORM GST CMP-06**, the proper officer shall issue an order in **FORM GST CMP-07** within a period of thirty days of the receipt of such reply, either accepting the reply, or denying the option to pay tax under section 10 from the date of the option or from the date of the event concerning such contravention, as the case may be.

- (6) Every person who has furnished an intimation under sub-rule (2) or filed an application for withdrawal under sub-rule (3) or a person in respect of whom an order of withdrawal of option has been passed in **FORM GST CMP-07** under sub-rule (5), may electronically furnish at the common portal, either directly or through a Facilitation Centre notified by the Commissioner, a statement in **FORM GST ITC-01** containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date on which the option is withdrawn or denied, within a period of thirty days from the date from which the option is withdrawn or from the date of the order passed in **FORM GST CMP-07**, as the case may be.
- (7) Any intimation or application for withdrawal under sub-rule (2) or (3) or denial of the option to pay tax under section 10 in accordance with sub-rule (5) in respect of any place of business in any State or Union territory, shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number.

7. Rate of tax of the composition levy.- The category of registered persons, eligible for composition levy under section

10 and the provisions of this Chapter, specified in column (2) of the Table below shall pay tax under section 10 at the rate specified in column (3) of the said Table:-

Sl. No.	Category of registered persons	Rate of tax
(1)	(2)	(3)
1.	Manufacturers, other than manufacturers of such goods as may be notified by the Government	one per cent.
2.	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	two and a half per cent.
3.	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	half per cent.

Chapter III

Registration (Rule 8 to 26)

8. Application for registration.- (1) Every person, other than a non-resident taxable person, a person required to deduct tax at source under section 51, a person required to collect tax at

source under section 52 and a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under sub-section (3) of section 25 (hereafter in this Chapter referred to as “the applicant”) shall, before applying for registration, declare his Permanent Account Number, mobile number, e-mail address, State or Union territory in **Part A of FORM GST REG-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a person having a unit(s) in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from his other units located outside the Special Economic Zone:

Provided further that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.

- (2) (a) The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes.
- (b) The mobile number declared under sub-rule (1) shall be verified through a one-time password sent to the said mobile number; and
- (c) The e-mail address declared under sub-rule (1) shall be verified through a separate one-time password sent to the said e-mail address.
- (3) On successful verification of the Permanent Account Number, mobile number and email address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.
- (4) Using the reference number generated under sub-rule (3), the applicant shall electronically submit an application in **Part B of FORM GST REG-01**, duly signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (5) On receipt of an application under sub-rule (4), an acknowledgement shall be issued electronically to the applicant in **FORM GST REG-02**.
- (6) A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit.

9.Verification of the application and approval.- (1) The

application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant within a period of three working days from the date of submission of the application.

- (2) Where the application submitted under rule 8 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in **FORM GST REG-03** within a period of three working days

from the date of submission of the application and the applicant shall furnish such clarification, information or documents electronically, in **FORM GST REG-04**, within a period of seven working days from the date of the receipt of such notice.

Explanation.- For the purposes of this sub-rule, the expression “clarification” includes modification or correction of particulars declared in the application for registration, other than Permanent Account Number, State, mobile number and e-mail address declared in **Part A** of **FORM GST REG-01**.

- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of registration to the applicant within a period of seven working days from the date of the receipt of such clarification or information or documents.
- (4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) or where the proper officer is not satisfied with the clarification, information or documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05**.
- (5) If the proper officer fails to take any action, -

- (a) within a period of three working days from the date of submission of the application; or
- (b) within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2), the application for grant of registration shall be deemed to have been approved.

10. Issue of registration certificate.- (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under rule 9, a certificate of registration in **FORM GST REG-06** showing the principal place of business and additional place or places of business shall be made available to the applicant on the common portal and a Goods and Services Tax Identification Number shall be assigned subject to the following characters, namely:-

- (a) two characters for the State code;
 - (b) ten characters for the Permanent Account Number or the Tax Deduction and Collection Account Number;
 - (c) two characters for the entity code; and
 - (d) one checksum character.
- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for

registration has been submitted within a period of thirty days from such date.

- (3) Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 9.
- (4) Every certificate of registration shall be duly signed or verified through electronic verification code by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of rule 9, the applicant shall be communicated the registration number, and the certificate of registration under sub-rule (1), duly signed or verified through electronic verification code, shall be made available to him on the common portal, within a period of three days after the expiry of the period specified in sub-rule (5) of rule 9.

11. Separate registration for multiple business verticals

within a State or a Union territory.- (1) Any person having multiple business verticals within a State or a Union territory, requiring a separate registration for any of its business verticals

under subsection (2) of section 25 shall be granted separate registration in respect of each of the verticals subject to the following conditions, namely:-

(a) such person has more than one business vertical as defined in clause (18) of section 2;

(b) the business vertical of a taxable person shall not be granted registration to pay tax under section 10 if any one of the other business verticals of the same person is paying tax under section 9;

(c) all separately registered business verticals of such person shall pay tax under the Act on supply of goods or services or both made to another registered business vertical of such person and issue a tax invoice for such supply.

Explanation.- For the purposes of clause (b), it is hereby clarified that where any business vertical of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other business verticals of the said person shall become ineligible to pay tax under the said section.

- (2) A registered person eligible to obtain separate registration for business verticals may submit a separate application in **FORM GST REG-01** in respect of each such vertical.
- (3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.

12. Grant of registration to persons required to deduct tax at source or to collect tax at source.-

- (1) Any person required to deduct tax in accordance with the provisions of section 51 or a person required to collect tax at source in accordance with the provisions of section 52 shall electronically submit an application, duly signed or verified through electronic verification code, in **FORM GST REG-07** for the grant of registration through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
- (2) The proper officer may grant registration after due verification and issue a certificate of registration in **FORM GST REG-06** within a period of three working days from the date of submission of the application.
- (3) Where, upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to

whom a certificate of registration in **FORM GST REG-06** has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person electronically in **FORM GST REG-08**:

Provided that the proper officer shall follow the procedure as provided in rule 22 for the cancellation of registration.

13. Grant of registration to non-resident taxable person.-

(1) A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in **FORM GST REG-09**, at least five days prior to the commencement of business at the common portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that in the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by

the Government of that country or its Permanent Account Number, if available.

- (2) A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.
- (3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.
- (4) The application for registration made by a non-resident taxable person shall be duly signed or verified through electronic verification code by his authorised signatory who shall be a person resident in India having a valid Permanent Account Number.

14. Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient.-

- (1) Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed or verified through electronic verification code, in **FORM GST REG-10**, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
- (2) The applicant referred to in sub-rule (1) shall be granted registration, in **FORM GST REG-06**, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

15. Extension in period of operation by casual taxable person and non-resident taxable person.-

- (1) Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in **FORM GST REG-11** shall be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by

the Commissioner, by such person before the end of the validity of registration granted to him.

- (2) The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

16. *Suo moto* registration.- (1) Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in **FORM GST REG- 12**.

- (2) The registration granted under sub-rule (1) shall be effective from the date of such order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, within a period of ninety days from the date of the grant of such registration, submit an application for registration in the form and manner provided in rule 8 or rule 12:

Provided that where the said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within a period of

thirty days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.

- (4) The provisions of rule 9 and rule 10 relating to verification and the issue of the certificate of registration shall, *mutatis mutandis*, apply to an application submitted under sub-rule (3).
- (5) The Goods and Services Tax Identification Number assigned, pursuant to the verification under sub-rule (4), shall be effective from the date of the order granting registration under sub-rule (1).

17. Assignment of Unique Identity Number to certain

special entities.- (1) Every person required to be granted a Unique Identity Number in accordance with the provisions of subsection (9) of section 25 may submit an application electronically in **FORM GST REG13**, duly signed or verified through electronic verification code, in the manner specified in rule 8 at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (2) The proper officer may, upon submission of an application in **FORM GST REG-13** or after filling up the said form or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign a Unique Identity Number to the said person and issue a certificate in **FORM GST REG-**

06 within a period of three working days from the date of the submission of the application.

18. Display of registration certificate and Goods and Services Tax Identification Number on the name board.-

- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.
- (2) Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

19. Amendment of registration.- (1) Where there is any change in any of the particulars furnished in the application for registration in **FORM GST REG-01** or **FORM GST REG-07** or **FORM GST REG-09** or **FORM GST REG-10** or for Unique Identity Number in **FORM GST-REG-13**, either at the time of obtaining registration or Unique Identity Number or as amended from time to time, the registered person shall, within a period of fifteen days of such change, submit an application, duly signed or verified through electronic verification code, electronically in **FORM GST REG-14**, along with the documents

relating to such change at the common portal, either directly or through a

Facilitation Centre notified by the Commissioner:

Provided that – (a) where the change relates to,-

- (i) legal name of business;
- (ii) address of the principal place of business or any additional place(s) of business; or
- (iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for the day to day affairs of the business,-

which does not warrant cancellation of registration under section 29, the proper officer shall, after due verification, approve the amendment within a period of fifteen working days from the date of the receipt of the application in **FORM GST REG-14** and issue an order in **FORM GST REG-15** electronically and such amendment shall take effect from the date of the occurrence of the event warranting such amendment;

(b) the change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under the

provisions of this Chapter on the same Permanent Account Number;

(c) where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in **FORM GST REG- 14** on the common portal;

(d) where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in **FORM GST REG-01**:

Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the common portal in the manner provided under sub-rule (2) of rule 8.

- (2) Where the proper officer is of the opinion that the amendment sought under sub-rule (1) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within a period of fifteen working days from the date of the receipt of the application in **FORM GST REG-14**, serve a notice in **FORM GST REG-03**, requiring the registered person to show cause, within a period of seven working days of the

service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.

- (3) The registered person shall furnish a reply to the notice to show cause, issued under sub-rule (2), in **FORM GST REG-04**, within a period of seven working days from the date of the service of the said notice.
- (4) Where the reply furnished under sub-rule (3) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (2) within the period prescribed in sub-rule (3), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in **FORM GST REG -05**.
- (5) If the proper officer fails to take any action,-
 - (a) within a period of fifteen working days from the date of submission of the application, or
 - (b) within a period of seven working days from the date of the receipt of the reply to the notice to show cause under sub-rule (3), the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal.

20. Application for cancellation of registration.- A

registered person, other than a person to whom a registration has been granted under rule 12 or a person to whom a Unique Identity Number has been granted under rule 17, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in **FORM GST REG-16**, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought, liability thereon, the details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for the cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of one year from the effective date of registration.

21. Registration to be cancelled in certain cases.- The registration granted to a person is liable to be cancelled, if the said person,-

- (a) does not conduct any business from the declared place of business; or
- (b) issues invoice or bill without supply of goods or services in violation of the provisions of the Act, or the rules made thereunder; or
- (c) violates the provisions of section 171 of the Act or the rules made thereunder

22. Cancellation of registration.- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in **FORM GST REG-17**, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.

- (2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in **FORM REG-18** within the period specified in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be

registered or his registration is liable to be cancelled, the proper officer shall issue an order in **FORM GST REG-19**, within a period of thirty days from the date of application submitted under rule 20 or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under subsection (5) of section 29.

- (4) Where the reply furnished under sub-rule (2) is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in **FORM GST REG –20**.
- (5) The provisions of sub-rule (3) shall, *mutatis mutandis*, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

23. Revocation of cancellation of registration.- (1) A registered person, whose registration is cancelled by the proper officer on his own motion, may submit an application for revocation of cancellation of registration, in **FORM GST REG-21**, to such proper officer, within a period of thirty days from the date of the service of the order of cancellation of registration

at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.

- (2) (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

(b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

- (3) The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the

application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within a period of seven working days from the date of the service of the notice in **FORM GST REG-24**.

- (4) Upon receipt of the information or clarification in **FORM GST REG-24**, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days from the date of the receipt of such information or clarification from the applicant.

24. Migration of persons registered under the existing

law.- (1) (a) Every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number issued under the provisions of the Income-tax Act, 1961 (Act 43 of 1961) shall enrol on the common portal by validating his e-mail address and mobile number, either directly or through a Facilitation Centre notified by the Commissioner.

(b) Upon enrolment under clause (a), the said person shall be granted registration on a provisional basis and a certificate of registration in **FORM GST REG-25**, incorporating the Goods and Services Tax Identification Number therein, shall be made available to him on the common portal:

Provided that a taxable person who has been granted multiple registrations under the existing law on the basis of a single Permanent Account Number shall be granted only one provisional registration under the Act:

- (2) (a) Every person who has been granted a provisional registration under sub-rule (1) shall submit an application electronically in **FORM GST REG-26**, duly signed or verified through electronic verification code, along with the information and documents specified in the said application, on the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(b) The information asked for in clause (a) shall be furnished within a period of three months or within such further period as may be extended by the Commissioner in this behalf.

(c) If the information and the particulars furnished in the application are found, by the proper officer, to be correct and complete, a certificate of registration in **FORM GST REG-06** shall be made available to the registered person electronically on the common portal.

- (3) Where the particulars or information specified in sub-rule (2) have either not been furnished or not found to be correct or complete, the proper officer shall, after serving a notice to show

cause in **FORM GST REG-27** and after affording the person concerned a reasonable opportunity of being heard, cancel the provisional registration granted under sub-rule (1) and issue an order in **FORM GST REG-28**:

Provided that the show cause notice issued in **FORM GST REG-27** can be withdrawn by issuing an order in **FORM GST REG-20**, if it is found, after affording the person an opportunity of being heard, that no such cause exists for which the notice was issued.

(3A) Where a certificate of registration has not been made available to the applicant on the common portal within a period of fifteen days from the date of the furnishing of information and particulars referred to in clause (c) of sub-rule (2) and no notice has been issued under sub-rule (3) within the said period, the registration shall be deemed to have been granted and the said certificate of registration, duly signed or verified through electronic verification code, shall be made available to the registered person on the common portal.

- (4) Every person registered under any of the existing laws, who is not liable to be registered under the Act may, on or before 30th September, 2017, at his option, submit an application electronically in **FORM GST REG-29** at the common portal for

the cancellation of registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.

25. Physical verification of business premises in certain

cases.- Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the common portal within a period of fifteen working days following the date of such verification.

26. Method of authentication.- (1) All applications, including reply, if any, to the notices, returns including the details of outward and inward supplies, appeals or any other document required to be submitted under the provisions of these rules shall be so submitted electronically with digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf:

Provided that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall furnish the documents or application verified through digital signature certificate.

(2) Each document including the return furnished online shall be signed or verified through electronic verification code-

(a) in the case of an individual, by the individual himself or where he is absent from India, by some other person duly authorised by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(b) in the case of a Hindu Undivided Family, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorised signatory of such Karta;

(c) in the case of a company, by the chief executive officer or authorised signatory thereof;

(d) in the case of a Government or any Governmental agency or local authority, by an officer authorised in this behalf;

(e) in the case of a firm, by any partner thereof, not being a minor or authorised signatory thereof;

- (f) in the case of any other association, by any member of the association or persons or authorised signatory thereof;
 - (g) in the case of a trust, by the trustee or any trustee or authorised signatory thereof; or
 - (h) in the case of any other person, by some person competent to act on his behalf, or by a person authorised in accordance with the provisions of section 48.
- (3) All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf.

Chapter IV

Determination of Value (Rule 27 to 35)

27. Value of supply of goods or services where the consideration is not wholly in money.- Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall,-

- (a) be the open market value of such supply;
- (b) if the open market value is not available under clause (a), be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply;
- (c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;
- (d) if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order.

Illustration:

- (1) Where a new phone is supplied for twenty thousand rupees along with the exchange of an old phone and if the price of the new phone without exchange is twenty four thousand rupees, the open market value of the new phone is twenty four thousand rupees.
- (2) Where a laptop is supplied for forty thousand rupees along with the barter of a printer that is manufactured by the recipient and the value of the printer known at the time of supply is four

thousand rupees but the open market value of the laptop is not known, the value of the supply of the laptop is forty four thousand rupees.

28. Value of supply of goods or services or both between distinct or related persons, other than through an agent.-The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall-

- (a) be the open market value of such supply;
- (b) if the open market value is not available, be the value of supply of goods or services of like kind and quality;
- (c) if the value is not determinable under clause (a) or (b), be the value as determined by the application of rule 30 or rule 31, in that order:

Provided that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person:

Provided further that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.

29. Value of supply of goods made or received through an agent.-The value of supply of goods between the principal and his agent shall-

- (a) be the open market value of the goods being supplied, or at the option of the supplier, be ninety per cent. of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person, where the goods are intended for further supply by the said recipient.

Illustration: A principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of five thousand rupees per quintal on the day of the supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of four thousand five hundred and fifty rupees per quintal. The value of the supply made by the principal shall be four thousand five hundred and fifty rupees per quintal or where he exercises the option, the value shall

be 90 per cent. of five thousand rupees i.e., four thousand five hundred rupees per quintal.

- (b) where the value of a supply is not determinable under clause (a), the same shall be determined by the application of rule 30 or rule 31 in that order.

30. Value of supply of goods or services or both based on cost.-

Where the value of a supply of goods or services or both is not determinable by any of the preceding rules of this Chapter, the value shall be one hundred and ten percent of the cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services.

31. Residual method for determination of value of supply of goods or services or both. Where the value of supply of goods or services or both cannot be determined under rules 27 to 30, the same shall be determined using reasonable means consistent with the principles and the general provisions of section 15 and the provisions of this Chapter:

Provided that in the case of supply of services, the supplier may opt for this rule, ignoring rule 30.

32. Determination of value in respect of certain supplies.- (1)

Notwithstanding anything contained in the provisions of this Chapter, the value in respect of supplies specified below shall, at the option of the supplier, be determined in the manner provided hereinafter.

(2) The value of supply of services in relation to the purchase or sale of foreign currency, including money changing, shall be determined by the supplier of services in the following manner, namely:-

(a) for a currency, when exchanged from, or to, Indian Rupees, the value shall be equal to the difference in the buying rate or the selling rate, as the case may be, and the Reserve Bank of India reference rate for that currency at that time, multiplied by the total units of currency:

Provided that in case where the Reserve Bank of India reference rate for a currency is not available, the value shall be one per cent. of the gross amount of Indian Rupees provided or received by the person changing the money:

Provided further that in case where neither of the currencies exchanged is Indian Rupees, the value shall be equal to one per cent. of the lesser of the two amounts the person changing the money would have received by converting any of

the two currencies into Indian Rupee on that day at the reference rate provided by the Reserve Bank of India.

Provided also that a person supplying the services may exercise the option to ascertain the value in terms of clause (b) for a financial year and such option shall not be withdrawn during the remaining part of that financial year.

(b) at the option of the supplier of services, the value in relation to the supply of foreign currency, including money changing, shall be deemed to be-

- (i) one per cent. of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of two hundred and fifty rupees;
 - (ii) one thousand rupees and half of a per cent. of the gross amount of currency exchanged for an amount exceeding one lakh rupees and up to ten lakh rupees; and
 - (iii) five thousand and five hundred rupees and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding ten lakh rupees, subject to a maximum amount of sixty thousand rupees.
- (3) The value of the supply of services in relation to booking of tickets for travel by air provided by an air travel agent shall be deemed to be an amount calculated at the rate of five per cent.

of the basic fare in the case of domestic bookings, and at the rate of ten per cent. of the basic fare in the case of international bookings of passage for travel by air.

Explanation.- For the purposes of this sub-rule, the expression "basic fare" means that part of the air fare on which commission is normally paid to the air travel agent by the airlines.

- (4) The value of supply of services in relation to life insurance business shall be,-
- (a) the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such an amount is intimated to the policy holder at the time of supply of service;
 - (b) in case of single premium annuity policies other than (a), ten per cent. of single premium charged from the policy holder; or
 - (c) in all other cases, twenty five per cent. of the premium charged from the policy holder in the first year and twelve and a half per cent. of the premium charged from the policy holder in subsequent years:

Provided that nothing contained in this sub-rule shall apply where the entire premium paid by the policy holder is only towards the risk cover in life insurance.

- (5) Where a taxable supply is provided by a person dealing in buying and selling of second hand goods i.e., used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on the purchase of such goods, the value of supply shall be the difference between the selling price and the purchase price and where the value of such supply is negative, it shall be ignored:

Provided that the purchase value of goods repossessed from a defaulting borrower, who is not registered, for the purpose of recovery of a loan or debt shall be deemed to be the purchase price of such goods by the defaulting borrower reduced by five percentage points for every quarter or part thereof, between the date of purchase and the date of disposal by the person making such repossession.

- (6) The value of a token, or a voucher, or a coupon, or a stamp (other than postage stamp) which is redeemable against a supply of goods or services or both shall be equal to the money

value of the goods or services or both redeemable against such token, voucher, coupon, or stamp.

- (7) The value of taxable services provided by such class of service providers as may be notified by the Government, on the recommendations of the Council, as referred to in paragraph 2 of Schedule I of the said Act between distinct persons as referred to in section 25, where input tax credit is available, shall be deemed to be NIL.

33. Value of supply of services in case of pure agent.- Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely,-

- (i) the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;
- (ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and
- (iii) the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the

services he supplies on his own account. Explanation.- For the purposes of this rule, the expression “pure agent” means a person who-

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;
- (b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;
- (c) does not use for his own interest such goods or services so procured; and (d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

Illustration.- Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to the Registrar of Companies. The fees charged by the Registrar of Companies for the registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's

recovery of such expenses is a disbursement and not part of the value of supply made by A to B.

34. Rate of exchange of currency, other than Indian rupees, for determination of value.- (1) The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act. (2) The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the generally accepted accounting principles for the date of time of supply of such services in terms of section 13 of the Act

35. Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax.-Where the value of supply is inclusive of integrated tax or, as the case may be, central tax, State tax, Union territory tax, the tax amount shall be determined in the following manner, namely,-

Tax amount = (Value inclusive of taxes X tax rate in % of IGST or, as the case may be, CGST, SGST or UTGST) ÷ (100+ sum of tax rates, as applicable, in %)

Explanation.- For the purposes of the provisions of this Chapter, the expressions-

- (a) "open market value" of a supply of goods or services or both means the full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and the price is the sole consideration, to obtain such supply at the same time when the supply being valued is made;
- (b) "supply of goods or services or both of like kind and quality" means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and the reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.

Chapter V

Input Tax Credit (Rule 36 to 45)

36. Documentary requirements and conditions for claiming input tax credit.- (1)The input tax credit shall be availed by a

registered person, including the Input Service Distributor, on the basis of any of the following documents, namely,-

- (a) an invoice issued by the supplier of goods or services or both in accordance with the provisions of section 31;
- (b) an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31, subject to the payment of tax;
- (c) a debit note issued by a supplier in accordance with the provisions of section 34;
- (d) a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;
- (e) an Input Service Distributor invoice or Input Service Distributor credit note or any document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule 54.

(2) Input tax credit shall be availed by a registered person only if all the applicable particulars as specified in the provisions of Chapter VI are contained in the said document, and the relevant

information, as contained in the said document, is furnished in FORM GSTR-2 by such person.

(3) No input tax credit shall be availed by a registered person in respect of any tax that has been paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts.

37. Reversal of input tax credit in the case of non-payment of consideration.-(1) A registered person, who has availed of input tax credit on any inward supply of goods or services or both, but fails to pay to the supplier thereof, the value of such supply along with the tax payable thereon, within the time limit specified in the second proviso to sub-section (2) of section 16, shall furnish the details of such supply, the amount of value not paid and the amount of input tax credit availed of proportionate to such amount not paid to the supplier in FORM GSTR-2 for the month immediately following the period of one hundred and eighty days from the date of the issue of the invoice:

Provided that the value of supplies made without consideration as specified in Schedule I of the said Act shall be deemed to

have been paid for the purposes of the second proviso to sub-section (2) of section 16.

- (2) The amount of input tax credit referred to in sub-rule (1) shall be added to the output tax liability of the registered person for the month in which the details are furnished.
- (3) The registered person shall be liable to pay interest at the rate notified under sub-section (1) of section 50 for the period starting from the date of availing credit on such supplies till the date when the amount added to the output tax liability, as mentioned in sub-rule (2), is paid.
- (4) The time limit specified in sub-section (4) of section 16 shall not apply to a claim for reavailing of any credit, in accordance with the provisions of the Act or the provisions of this Chapter, that had been reversed earlier.

38. Claim of credit by a banking company or a financial institution.- A banking company or a financial institution, including a non-banking financial company, engaged in the

supply of services by way of accepting deposits or extending loans or advances that chooses not to comply with the provisions of sub-section (2) of section 17, in accordance with the option permitted under sub-section (4) of that section, shall follow the following procedure, namely,-

- (a) the said company or institution shall not avail the credit of,-
 - (i) the tax paid on inputs and input services that are used for non-business purposes; and
 - (ii) the credit attributable to the supplies specified in sub-section (5) of section 17, in FORM GSTR-2;
- (b) the said company or institution shall avail the credit of tax paid on inputs and input services referred to in the second proviso to sub-section (4) of section 17 and not covered under clause (a);
- (c) fifty per cent. of the remaining amount of input tax shall be the input tax credit admissible to the company or the institution and shall be furnished in FORM GSTR-2;

- (d) the amount referred to in clauses (b) and (c) shall, subject to the provisions of sections 41, 42 and 43, be credited to the electronic credit ledger of the said company or the institution.

39. Procedure for distribution of input tax credit by Input Service Distributor.- (1) An Input Service Distributor shall distribute input tax credit in the manner and subject to the following conditions, namely,-

- (a) the input tax credit available for distribution in a month shall be distributed in the same month and the details thereof shall be furnished in FORM GSTR-6 in accordance with the provisions of Chapter VIII of these rules;
- (b) the Input Service Distributor shall, in accordance with the provisions of clause (d), separately distribute the amount of ineligible input tax credit (ineligible under the provisions of sub-section (5) of section 17 or otherwise) and the amount of eligible input tax credit;

- (c) the input tax credit on account of central tax, State tax, Union territory tax and integrated tax shall be distributed separately in accordance with the provisions of clause (d);
- (d) the input tax credit that is required to be distributed in accordance with the provisions of clause (d) and (e) of sub-section (2) of section 20 to one of the recipients 'R₁', whether registered or not, from amongst the total of all the recipients to whom input tax credit is attributable, including the recipient(s) who are engaged in making exempt supply, or are otherwise not registered for any reason, shall be the amount, "C₁", to be calculated by applying the following formula -

$$C_1 = (t_1 \div T) \times C$$

where,

"C" is the amount of credit to be distributed,

"t₁" is the turnover, as referred to in section 20, of person R₁ during the relevant period, and

"T" is the aggregate of the turnover, during the relevant period, of all recipients to whom the input service is attributable in accordance with the provisions of section 20;

- (e) the input tax credit on account of integrated tax shall be distributed as input tax credit of integrated tax to every recipient;
- (f) the input tax credit on account of central tax and State tax or Union territory tax shall-
 - (i) in respect of a recipient located in the same State or Union territory in which the Input Service Distributor is located, be distributed as input tax credit of central tax and State tax or Union territory tax respectively;
 - (ii) in respect of a recipient located in a State or Union territory other than that of the Input Service Distributor, be distributed as integrated tax and the amount to be so distributed shall be equal to the aggregate of the amount of input tax credit of central tax and State tax or Union territory tax that qualifies for distribution to such recipient in accordance with clause (d);

- (g) the Input Service Distributor shall issue an Input Service Distributor invoice, as prescribed in sub-rule (1) of rule 54, clearly indicating in such invoice that it is issued only for distribution of input tax credit;
- (h) the Input Service Distributor shall issue an Input Service Distributor credit note, as prescribed in sub-rule (1) of rule 54, for reduction of credit in case the input tax credit already distributed gets reduced for any reason;
- (i) any additional amount of input tax credit on account of issuance of a debit note to an Input Service Distributor by the supplier shall be distributed in the manner and subject to the conditions specified in clauses (a) to (f) and the amount attributable to any recipient shall be calculated in the manner provided in clause (d) and such credit shall be distributed in the month in which the debit note is included in the return in FORM GSTR-6;
- (j) any input tax credit required to be reduced on account of issuance of a credit note to the Input Service Distributor by the supplier shall be apportioned to each recipient in the same ratio in which the input tax credit contained in the original invoice

was distributed in terms of clause (d), and the amount so apportioned shall be-

(i) reduced from the amount to be distributed in the month in which the credit note is included in the return in FORM GSTR-6; or

(ii) added to the output tax liability of the recipient where the amount so apportioned is in the negative by virtue of the amount of credit under distribution being less than the amount to be adjusted.

(2) If the amount of input tax credit distributed by an Input Service Distributor is reduced later on for any other reason for any of the recipients, including that it was distributed to a wrong recipient by the Input Service Distributor, the process specified in clause (j) of subrule (1) shall apply, mutatis mutandis, for reduction of credit.

(3) Subject to sub-rule (2), the Input Service Distributor shall, on the basis of the Input Service Distributor credit note specified in clause (h) of sub-rule (1), issue an Input Service Distributor

invoice to the recipient entitled to such credit and include the Input Service Distributor credit note and the Input Service Distributor invoice in the return in FORM GSTR-6 for the month in which such credit note and invoice was issued.

40. Manner of claiming credit in special circumstances.- (1)

The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely,-

- (a) the input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.
- (b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit

under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

(c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods–

(i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18;

(ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of sub-section (1) of section 18;

(iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of sub-section (1) of section 18;

(iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;

(d) the details furnished in the declaration under clause (b) shall be duly certified by a practicing chartered accountant or a cost accountant if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax exceeds two lakh rupees;

(e) the input tax credit claimed in accordance with the provisions of clauses (c) and (d) of sub-section (1) of section 18 shall be verified with the corresponding details furnished by the corresponding supplier in FORM GSTR-1 or as the case may be, in FORM GSTR- 4, on the common portal.

(2) The amount of credit in the case of supply of capital goods or plant and machinery, for the purposes of sub-section (6) of section 18, shall be calculated by reducing the input tax on the said goods at the rate of five percentage points for every quarter or part thereof from the date of the issue of the invoice for such goods.

41. Transfer of credit on sale, merger, amalgamation, lease or transfer of a business.- (1) A registered person shall, in the event of sale, merger, de-merger, amalgamation, lease or transfer or change in the ownership of business for any reason, furnish the details of sale, merger, de-merger, amalgamation, lease or transfer of business, in FORM GST ITC-02, electronically on the common portal along with a request for transfer of unutilized input tax credit lying in his electronic credit ledger to the transferee:

Provided that in the case of demerger, the input tax credit shall be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.

(2) The transferor shall also submit a copy of a certificate issued by a practicing chartered accountant or cost accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.

(3) The transferee shall, on the common portal, accept the details so furnished by the transferor and, upon such acceptance, the un-utilized credit specified in FORM GST ITC02 shall be credited to his electronic credit ledger.

(4) The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of account.

42. Manner of determination of input tax credit in respect of inputs or input services and reversal thereof.- (1) The input tax credit in respect of inputs or input services, which attract the provisions of sub-section (1) or sub-section (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, shall be attributed to the purposes of

business or for effecting taxable supplies in the following manner, namely,-

- (a) the total input tax involved on inputs and input services in a tax period, be denoted as 'T';
- (b) the amount of input tax, out of 'T', attributable to inputs and input services intended to be used exclusively for the purposes other than business, be denoted as 'T₁';
- (c) the amount of input tax, out of 'T', attributable to inputs and input services intended to be used exclusively for effecting exempt supplies, be denoted as 'T₂';
- (d) the amount of input tax, out of 'T', in respect of inputs and input services on which credit is not available under sub-section (5) of section 17, be denoted as 'T₃';
- (e) the amount of input tax credit credited to the electronic credit ledger of registered person, be denoted as 'C₁' and calculated as-

$$C_1 = T - (T_1 + T_2 + T_3);$$

- (f) the amount of input tax credit attributable to inputs and input services intended to be used exclusively for effecting supplies other than exempted but including zero rated supplies, be denoted as 'T₄';
- (g) 'T₁', 'T₂', 'T₃' and 'T₄' shall be determined and declared by the registered person at the invoice level in FORM GSTR-2;
- (h) input tax credit left after attribution of input tax credit under clause (g) shall be called common credit, be denoted as 'C₂' and calculated as-

$$C_2 = C_1 - T_4;$$

- (i) the amount of input tax credit attributable towards exempt supplies, be denoted as 'D₁' and calculated as-

$$D_1 = (E \div F) \times C_2$$

where,

'E' is the aggregate value of exempt supplies during the tax period, and

'F' is the total turnover in the State of the registered person during the tax period:

Provided that where the registered person does not have any turnover during the said tax period or the aforesaid information is not available, the value of 'E/F' shall be calculated by taking values of 'E' and 'F' of the last tax period for which the details of such turnover are available, previous to the month during which the said value of 'E/F' is to be calculated;

Explanation: For the purposes of this clause, it is hereby clarified that the aggregate value of exempt supplies and the total turnover shall exclude the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule;

(j) the amount of credit attributable to non-business purposes if common inputs and input services are used partly for business

and partly for non-business purposes, be denoted as 'D₂', and shall be equal to five per cent. of C₂; and

(k) the remainder of the common credit shall be the eligible input tax credit attributed to the purposes of business and for effecting supplies other than exempted supplies but including zero rated supplies and shall be denoted as 'C₃', where,-

$$C_3 = C_2 - (D_1 + D_2);$$

(l) the amount 'C₃' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax;

(m) the amount equal to aggregate of 'D₁' and 'D₂' shall be added to the output tax liability of the registered person:

Provided that where the amount of input tax relating to inputs or input services used partly for the purposes other than business and partly for effecting exempt supplies has been identified and segregated at the invoice level by the registered person, the same shall be included in 'T₁' and 'T₂'

respectively, and the remaining amount of credit on such inputs or input services shall be included in 'T₄'.

(2) The input tax credit determined under sub-rule (1) shall be calculated finally for the financial year before the due date for furnishing of the return for the month of September following the end of the financial year to which such credit relates, in the manner specified in the said sub-rule and-

(a) where the aggregate of the amounts calculated finally in respect of 'D₁' and 'D₂' exceeds the aggregate of the amounts determined under sub-rule (1) in respect of 'D₁' and 'D₂', such excess shall be added to the output tax liability of the registered person in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay interest on the said excess amount at the rate specified in sub-section (1) of section 50 for the period starting from the first day of April of the succeeding financial year till the date of payment; or

(b) where the aggregate of the amounts determined under sub-rule (1) in respect of 'D₁' and 'D₂' exceeds the

aggregate of the amounts calculated finally in respect of 'D₁' and 'D₂', such excess amount shall be claimed as credit by the registered person in his return for a month not later than the month of September following the end of the financial year to which such credit relates.

43. Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.- (1)

Subject to the provisions of sub-section (3) of section 16, the input tax credit in respect of capital goods, which attract the provisions of sub-sections (1) and (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, shall be attributed to the purposes of business or for effecting taxable supplies in the following manner, namely,-

- (a) the amount of input tax in respect of capital goods used or intended to be used exclusively for non-business purposes or used or intended to be used exclusively for effecting exempt supplies shall be indicated in FORM GSTR-2 and shall not be credited to his electronic credit ledger;

- (b) the amount of input tax in respect of capital goods used or intended to be used exclusively for effecting supplies other than exempted supplies but including zerorated supplies shall be indicated in FORM GSTR-2 and shall be credited to the electronic credit ledger;
- (c) the amount of input tax in respect of capital goods not covered under clauses (a) and (b), denoted as 'A', shall be credited to the electronic credit ledger and the useful life of such goods shall be taken as five years from the date of the invoice for such goods:

Provided that where any capital goods earlier covered under clause (a) is subsequently covered under this clause, the value of 'A' shall be arrived at by reducing the input tax at the rate of five percentage points for every quarter or part thereof and the amount 'A' shall be credited to the electronic credit ledger; Explanation.- An item of capital goods declared under clause (a) on its receipt shall not attract the provisions of sub-section (4) of section 18, if it is subsequently covered under this clause.

- (d) the aggregate of the amounts of 'A' credited to the electronic credit ledger under clause (c), to be denoted as 'T_c', shall be the common credit in respect of capital goods for a tax period:

Provided that where any capital goods earlier covered under clause (b) is subsequently covered under clause (c), the value of 'A' arrived at by reducing the input tax at the rate of five percentage points for every quarter or part thereof shall be added to the aggregate value 'T_c';

- (e) the amount of input tax credit attributable to a tax period on common capital goods during their useful life, be denoted as 'T_m' and calculated as-

$$T_m = T_c \div 60$$

- (f) the amount of input tax credit, at the beginning of a tax period, on all common capital goods whose useful life remains during the tax period, be denoted as 'T_r' and shall be the aggregate of 'T_m' for all such capital goods;

- (g) the amount of common credit attributable towards exempted supplies, be denoted as 'T_e', and calculated as-

$$T_e = (E \div F) \times T_r$$

where,

'E' is the aggregate value of exempt supplies, made, during the tax period, and

'F' is the total turnover of the registered person during the tax period:

Provided that where the registered person does not have any turnover during the said tax period or the aforesaid information is not available, the value of 'E/F' shall be calculated by taking values of 'E' and 'F' of the last tax period for which the details of such turnover are available, previous to the month during which the said value of 'E/F' is to be calculated;

Explanation.- For the purposes of this clause, it is hereby clarified that the aggregate value of exempt supplies and the total turnover shall exclude the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule;

(h) the amount T_e along with the applicable interest shall, during every tax period of the useful life of the concerned capital goods, be added to the output tax liability of the person making such claim of credit.

(2) The amount T_e shall be computed separately for central tax, State tax, Union territory tax and integrated tax.

44. Manner of reversal of credit under special circumstances.-

(1) The amount of input tax credit relating to inputs held in stock, inputs contained in semi-finished and finished goods held in stock, and capital goods held in stock shall, for the purposes of sub-section (4) of section 18 or sub-section (5) of section 29, be determined in the following manner, namely,-

- (a) for inputs held in stock and inputs contained in semi-finished and finished goods held in stock, the input tax credit shall be calculated proportionately on the basis of the corresponding invoices on which credit had been availed by the registered taxable person on such inputs;
- (b) for capital goods held in stock, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.

Illustration:

Capital goods have been in use for 4 years, 6 month and 15 days.

The useful remaining life in months= 5 months ignoring a part of the month

Input tax credit taken on such capital goods= C

Input tax credit attributable to remaining useful life= C multiplied by 5/60

(2) The amount, as specified in sub-rule (1) shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(3) Where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount under sub-rule (1) based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29

(4) The amount determined under sub-rule (1) shall form part of the output tax liability of the registered person and the details

of the amount shall be furnished in FORM GST ITC03, where such amount relates to any event specified in sub-section (4) of section 18 and in FORM GSTR-10, where such amount relates to the cancellation of registration.

(5) The details furnished in accordance with sub-rule (3) shall be duly certified by a practicing chartered accountant or cost accountant.

(6) The amount of input tax credit for the purposes of sub-section (6) of section 18 relating to capital goods shall be determined in the same manner as specified in clause (b) of subrule (1) and the amount shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax:

Provided that where the amount so determined is more than the tax determined on the transaction value of the capital goods, the amount determined shall form part of the output tax liability and the same shall be furnished in FORM GSTR-1.

44A. Manner of reversal of credit of Additional duty of

Customs in respect of Gold dore bar.- *The credit of Central tax in the electronic credit ledger taken in terms of the provisions of section 140 relating to the CENVAT Credit carried forward which had accrued on account of payment of the additional duty of customs levied under sub-section (1) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), paid at the time of importation of gold dore bar, on the stock of gold dore bar held on the 1st day of July, 2017 or contained in gold or gold jewellery held in stock on the 1st day of July, 2017 made out of such imported gold dore bar, shall be restricted to one-sixth of such credit and five-sixth of such credit shall be debited from the electronic credit ledger at the time of supply of such gold dore bar or the gold or the gold jewellery made therefrom and where such supply has already been made, such debit shall be within one week from the date of commencement of these Rules.*

45. Conditions and restrictions in respect of inputs and capital goods sent to the job worker.- (1) The inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a challan issued by the principal, including where such goods are sent directly to a job-worker.

(2) The challan issued by the principal to the job worker shall contain the details specified in rule 55.

(3) The details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another during a quarter shall be included in FORM GST ITC-04 furnished for that period on or before the twenty-fifth day of the month succeeding the said quarter.

(4) Where the inputs or capital goods are not returned to the principal within the time stipulated in section 143, it shall be deemed that such inputs or capital goods had been supplied by the principal to the job worker on the day when the said inputs or capital goods were sent out and the said supply shall be declared in FORM GSTR-1 and the principal shall be liable to pay the tax along with applicable interest.

Explanation.- For the purposes of this Chapter,-

(1) the expressions “capital goods” shall include “plant and machinery” as defined in the Explanation to section 17;

(2) for determining the value of an exempt supply as referred to in sub-section (3) of section 17-

(a) the value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and

(b) the value of security shall be taken as one per cent. of the sale value of such security.

Chapter VI

Tax Invoice, Credit And Debit Notes (Rule 47 to 55)

46. Tax invoice.- Subject to rule 54, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely,-
- (a) name, address and Goods and Services Tax Identification Number of the supplier;
 - (b) a consecutive serial number not exceeding sixteen characters, 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 Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more;
- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;
- (g) Harmonised System of Nomenclature code for goods or services;
- (h) description of goods or services;
- (i) quantity in case of goods and unit or Unique Quantity Code thereof;
- (j) total value of supply of goods or services or both;
- (k) taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
- (l) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);

- (m) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (n) place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
- (o) address of delivery where the same is different from the place of supply;
- (p) whether the tax is payable on reverse charge basis; and
- (q) signature or digital signature of the supplier or his authorised representative:

Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of Harmonised System of Nomenclature code for goods or 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 Harmonised System of Nomenclature code for goods or services, for such period as may be specified in the said notification:

Provided further that where an invoice is required to be issued under clause (f) of sub-section (3) of section 31, a

registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the suppliers:

Provided also that in the case of the export of goods or services, the invoice shall carry an endorsement "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX", as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details, namely,-
(i) name and address of the recipient; (ii) address of delivery; and (iii) name of the country of destination:";

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.

47. Time limit for issuing tax invoice.- The invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of thirty days from the date of the 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 the supply of service:

Provided further that 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, 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.

48. Manner of issuing invoice.- (1) The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely,-

- (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 the case of the supply of services, in the following manner, namely,-
- (a) the original copy being marked as ORIGINAL FOR RECIPIENT; 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.

49. 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, namely,-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, 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 Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) Harmonised System of Nomenclature Code for goods or services;
- (f) description of goods or services or both;
- (g) 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 authorised representative:

Provided that the provisos to rule 46 shall, mutatis mutandis, apply to the bill of supply issued under this rule:

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

50. Receipt voucher.- A receipt voucher referred to in clause (d) of sub-section (3) of section 31 shall contain the following particulars, namely,-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special charactershyphen 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 Goods and Services Tax Identification Number or Unique Identity Number, 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 (central tax, State tax, integrated tax, Union territory tax 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 authorised representative: Provided that where at the time of receipt of advance,-
 - (i) the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
 - (ii) the nature of supply is not determinable, the same shall be treated as inter-State supply.

51. Refund voucher.- A refund voucher referred to in clause (e) of sub-section (3) of section 31 shall contain the following particulars, namely:-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, 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 Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) number and date of receipt voucher issued in accordance with the provisions of rule 50;
- (f) description of goods or services in respect of which refund is made;
- (g) amount of refund made;
- (h) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (i) amount of tax paid in respect of such goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (j) whether the tax is payable on reverse charge basis; and
- (k) signature or digital signature of the supplier or his authorised representative.

52. Payment voucher.- A payment voucher referred to in clause (g) of sub-section (3) of section 31 shall contain the following particulars, namely:-

- (a) name, address and Goods and Services Tax Identification Number of the supplier if registered;
- (b) a consecutive serial number not exceeding sixteen characters, 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 Goods and Services Tax Identification Number of the recipient;
- (e) description of goods or services;
- (f) amount paid;
- (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (h) amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax 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; and
- (j) signature or digital signature of the supplier or his authorised representative.

53. Revised tax invoice and credit or debit notes.- (1) A revised tax invoice referred to in section 31 and credit or debit notes

referred to in section 34 shall contain the following particulars, namely:-

- (a) the word "Revised Invoice", wherever applicable, indicated prominently;
- (b) name, address and Goods and Services Tax Identification Number of the supplier;
- (c) nature of the document;
- (d) a consecutive serial number not exceeding sixteen characters, 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;
- (e) date of issue of the document;
- (f) name, address and Goods and Services Tax Identification Number or Unique Identity Number, 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 authorised 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 effected during the period starting from the effective date of registration till the date of the issuance of the 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 the 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 the 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 section 74 or section 129 or section 130 shall prominently contain the words "INPUT TAX CREDIT NOT ADMISSIBLE".

54. Tax invoice in special cases.- (1) An Input Service

Distributor invoice or, as the case may be, an Input Service

Distributor credit note issued by an Input Service Distributor

shall contain the following details:-

- (a) name, address and Goods and Services Tax Identification Number of the Input Service Distributor;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as- "-", "/", "/" respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number of the recipient to whom the credit is distributed;
- (e) amount of the credit distributed; and
- (f) signature or digital signature of the Input Service Distributor or his authorised representative:

Provided that where the Input Service Distributor is an office of a banking company or a financial institution, including a non-banking financial company, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as mentioned above.

(2) Where the supplier of taxable service is an insurer or a banking company or a financial institution, including a non-banking financial company, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, whether issued or made available, physically or electronically whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as mentioned under rule 46.

(3) Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the gross weight of the consignment, name of the consigner and the consignee, registration number of goods carriage in which the goods are transported, details of goods transported, details of place of origin and destination,

Goods and Services Tax Identification Number of the person liable for paying tax whether as consigner, consignee or goods transport agency, and also containing other information as mentioned under rule 46.

(4) Where the supplier of taxable service is supplying passenger transportation service, a tax invoice shall include ticket in any form, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as mentioned under rule 46.

(5) The provisions of sub-rule (2) or sub-rule (4) shall apply, mutatis mutandis, to the documents issued under rule 49 or rule 50 or rule 51 or rule 52 or rule 53.

55. 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 not

- exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, containing the following details, namely:- (i) date and number of the delivery challan;
- (ii) name, address and Goods and Services Tax Identification Number of the consigner, if registered;
 - (iii) name, address and Goods and Services Tax Identification Number or Unique Identity Number of the consignee, if registered;
 - (iv) Harmonised System of Nomenclature 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, namely:-
- (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 as specified in rule 138.
- (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.

Chapter VII

Accounts and Records (Rule 56 to 58)

56. Maintenance of accounts by registered persons.- (1) Every registered person shall keep and maintain, in addition to the particulars mentioned in sub-section (1) of section 35, a true and correct account of the goods or services imported or exported or of supplies attracting payment of tax on reverse charge along with the relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers.
- (2) Every registered person, other than a person paying tax under section 10, shall maintain the accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.

- (3) Every registered person shall keep and maintain a separate account of advances received, paid and adjustments made thereto.
- (4) Every registered person, other than a person paying tax under section 10, shall keep and maintain an account, containing the details of tax payable (including tax payable in accordance with the provisions of sub-section (3) and sub-section (4) of section 9), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.
- (5) Every registered person shall keep the particulars of -
 - (a) names and complete addresses of suppliers from whom he has received the goods or services chargeable to tax under the Act;
 - (b) names and complete addresses of the persons to whom he has supplied goods or services, where required under the provisions of this Chapter;
 - (c) the complete address of the premises where goods are stored by him, including goods stored during transit along with the particulars of the stock stored therein.

- (6) If any taxable goods are found to be stored at any place(s) other than those declared under sub-rule (5) without the cover of any valid documents, the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person.
- (7) Every registered person shall keep the books of account at the principal place of business and books of account relating to additional place of business mentioned in his certificate of registration and such books of account shall include any electronic form of data stored on any electronic device.
- (8) Any entry in registers, accounts and documents shall not be erased, effaced or overwritten, and all incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and thereafter, the correct entry shall be recorded and where the registers and other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.
- (9) Each volume of books of account maintained manually by the registered person shall be serially numbered.

- (10) Unless proved otherwise, if any documents, registers, or any books of account belonging to a registered person are found at any premises other than those mentioned in the certificate of registration, they shall be presumed to be maintained by the said registered person.
- (11) Every agent referred to in clause (5) of section 2 shall maintain accounts depicting the,-
- (a) particulars of authorisation received by him from each principal to receive or supply goods or services on behalf of such principal separately;
 - (b) particulars including description, value and quantity (wherever applicable) of goods or services received on behalf of every principal;
 - (c) particulars including description, value and quantity (wherever applicable) of goods or services supplied on behalf of every principal;
 - (d) details of accounts furnished to every principal; and
 - (e) tax paid on receipts or on supply of goods or services effected on behalf of every principal.

(12) Every registered person manufacturing goods shall maintain monthly production accounts showing quantitative details of raw materials or services used in the manufacture and quantitative details of the goods so manufactured including the waste and by products thereof.

(13) Every registered person supplying services shall maintain the accounts showing quantitative details of goods used in the provision of services, details of input services utilised and the services supplied.

(14) Every registered person executing works contract shall keep separate accounts for works contract showing -

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

- (e) the names and addresses of suppliers from whom he received goods or services.

(15) The records under the provisions of this Chapter may be maintained in electronic form and the record so maintained shall be authenticated by means of a digital signature.

(16) Accounts maintained by the registered person together with all the invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply shall be preserved for the period as provided in section 36 and shall, where such accounts and documents are maintained manually, be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally.

(17) Any person having custody over the goods in the capacity of a carrier or a clearing and forwarding agent for delivery or dispatch thereof to a recipient on behalf of any registered person shall maintain true and correct records in respect of such goods handled by him on behalf of such registered person and

shall produce the details thereof as and when required by the proper officer.

(18) Every registered person shall, on demand, produce the books of accounts which he is required to maintain under any law for the time being in force.

57. Generation and maintenance of electronic records.- (1)

Proper electronic back-up of records shall be maintained and preserved in such manner that, in the event of destruction of such records due to accidents or natural causes, the information can be restored within a reasonable period of time.

(2) The registered person maintaining electronic records shall produce, on demand, the relevant records or documents, duly authenticated by him, in hard copy or in any electronically readable format.

(3) Where the accounts and records are stored electronically by any registered person, he shall, on demand, provide the details of such files, passwords of such files and explanation for codes used, where necessary, for access and any other information

which is required for such access along with a sample copy in print form of the information stored in such files.

58. Records to be maintained by owner or operator of godown or warehouse and transporters.- (1) Every person required to maintain records and accounts in accordance with the provisions of sub-section (2) of section 35, if not already registered under the Act, shall submit the details regarding his business electronically on the common portal in FORM GST ENR-01, either directly or through a Facilitation Centre notified by the Commissioner and, upon validation of the details furnished, a unique enrolment number shall be generated and communicated to the said person.

(2) The person enrolled under sub-rule (1) as aforesaid in any other State or Union territory shall be deemed to be enrolled in the State or Union territory.

(3) Every person who is enrolled under sub-rule (1) shall, where required, amend the details furnished in FORM GST ENR-01 electronically on the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(4) Subject to the provisions of rule 56,-

(a) any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him alongwith the Goods and Services Tax Identification Number of the registered consigner and consignee for each of his branches.

(b) every owner or operator of a warehouse or godown shall maintain books of accounts with respect to the period for which particular goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt and disposal of such goods.

(5) The owner or the operator of the godown shall store the goods in such manner that they can be identified item-wise and owner-wise and shall facilitate any physical verification or inspection by the proper officer on demand.

Chapter VIII

Returns (Rule 59 to 84)

59. Form and manner of furnishing details of outward

supplies.- (1) Every registered person, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017, required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in FORM GSTR-1 electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (2) The details of outward supplies of goods or services or both furnished in FORM

GSTR-1 shall include the –

- (a) invoice wise details of all –

(i) inter-State and intra-State supplies made to the registered persons; and (ii) inter-State supplies with invoice value more than two and a half lakh rupees made to the unregistered persons;

- (b) consolidated details of all –

(i) intra-State supplies made to unregistered persons for each rate of tax; and (ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered persons for each rate of tax;

- (c) debit and credit notes, if any, issued during the month for invoices issued previously.
- (3) The details of outward supplies furnished by the supplier shall be made available electronically to the concerned registered persons (recipients) in Part A of FORM GSTR2A, in FORM GSTR-4A and in FORM GSTR-6A through the common portal after the due date of filing of FORM GSTR-1.
- (4) The details of inward supplies added, corrected or deleted by the recipient in his FORM GSTR-2 under section 38 or FORM GSTR-4 or FORM GSTR-6 under section 39 shall be made available to the supplier electronically in FORM GSTR-1A through the common portal and such supplier may either accept or reject the modifications made by the recipient and FORM GSTR-1 furnished earlier by the supplier shall stand amended to the extent of modifications accepted by him.

60. Form and manner of furnishing details of inward supplies.-

- (1) Every registered person, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017, required to furnish the details of inward supplies of goods or services or both received during a tax period under sub-section (2) of section 38 shall, on the basis of details contained in Part A, Part B and Part C of FORM GSTR-2A,

prepare such details as specified in sub-section (1) of the said section and furnish the same in FORM GSTR-2 electronically through the common portal, either directly or from a Facilitation Centre notified by the Commissioner, after including therein details of such other inward supplies, if any, required to be furnished under sub-section (2) of section 38.

(2) Every registered person shall furnish the details, if any, required under sub-section (5) of section 38 electronically in FORM GSTR-2.

- (3) The registered person shall specify the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit in FORM GSTR-2 where such eligibility can be determined at the invoice level.
- (4) The registered person shall declare the quantum of ineligible input tax credit on inward supplies which is relatable to non-taxable supplies or for purposes other than business and cannot be determined at the invoice level in FORM GSTR-2.

(4A) The details of invoices furnished by a non-resident taxable person in his return in FORM GSTR-5 under rule 63 shall be made available to the recipient of credit in Part A of

FORM GSTR 2A electronically through the common portal and the said recipient may include the same in FORM GSTR-2.

- (5) The details of invoices furnished by an Input Service Distributor in his return in FORM GSTR-6 under rule 65 shall be made available to the recipient of credit in Part B of FORM GSTR 2A electronically through the common portal and the said recipient may include the same in FORM GSTR-2.
- (6) The details of tax deducted at source furnished by the deductor under sub-section (3) of section 39 in FORM GSTR-7 shall be made available to the deductee in Part C of FORM GSTR-2A electronically through the common portal and the said deductee may include the same in FORM GSTR-2.
- (7) The details of tax collected at source furnished by an e-commerce operator under section 52 in FORM GSTR-8 shall be made available to the concerned person in Part C of FORM GSTR 2A electronically through the common portal and such person may include the same in FORM GSTR-2.
- (8) The details of inward supplies of goods or services or both furnished in FORM GSTR-2 shall include the -
 - (a) invoice wise details of all inter-State and intra-State supplies received from registered persons or unregistered persons;
 - (b) import of goods and services made; and

(c) debit and credit notes, if any, received from supplier.

61. Form and manner of submission of monthly return.- (1)

Every registered person other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 or an Input Service Distributor or a non-resident taxable person or a person paying tax under section 10 or section 51 or, as the case may be, under section 52 shall furnish a return specified under sub-section (1) of section 39 in FORM GSTR-3 electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(2) Part A of the return under sub-rule (1) shall be electronically generated on the basis of information furnished through FORM GSTR-1, FORM GSTR-2 and based on other liabilities of preceding tax periods.

(3) Every registered person furnishing the return under sub-rule (1) shall, subject to the provisions of section 49, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter by debiting the electronic cash ledger or electronic credit ledger and include the details in Part B of the return in FORM GSTR-3.

(4) A registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in Part B of the return in FORM GSTR-3 and such return shall be deemed to be an application filed under section 54.

(5) Where the time limit for furnishing of details in FORM GSTR-1 under section 37 and in FORM GSTR-2 under section 38 has been extended and the circumstances so warrant, the Commissioner may, by notification, specify that return shall be furnished in FORM GSTR-3B electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(6) Where a return in FORM GSTR-3B has been furnished, after the due date for furnishing of details in FORM GSTR-2—
(a) Part A of the return in FORM GSTR-3 shall be electronically generated on the basis of information furnished through FORM GSTR-1, FORM GSTR-2 and based on other liabilities of preceding tax periods and PART B of the said return shall be electronically generated on the basis of the return in FORM GSTR-3B furnished in respect of the tax period; (b) the

registered person shall modify Part B of the return in FORM GSTR-3 based on the discrepancies, if any, between the return in FORM GSTR-3B and the return in FORM GSTR-3 and discharge his tax and other liabilities, if any; (c) where the amount of input tax credit in FORM GSTR-3 exceeds the amount of input tax credit in terms of FORM GSTR-3B, the additional amount shall be credited to the electronic credit ledger of the registered person.

62. Form and manner of submission of quarterly return by the composition supplier.- (1) Every registered person paying tax under section 10 shall, on the basis of details contained in FORM GSTR-4A, and where required, after adding, correcting or deleting the details, furnish the quarterly return in FORM GSTR-4 electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (2) Every registered person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter by debiting the electronic cash ledger.

- (3) The return furnished under sub-rule (1) shall include the -
- (a) invoice wise inter-State and intra-State inward supplies received from registered and un-registered persons; and
 - (b) consolidated details of outward supplies made.
- (4) A registered person who has opted to pay tax under section 10 from the beginning of a financial year shall, where required, furnish the details of outward and inward supplies and return under rules 59, 60 and 61 relating to the period during which the person was liable to furnish such details and returns till the due date of furnishing the return for the month of September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.

Explanation.– For the purposes of this sub-rule, it is hereby declared that the person shall not be eligible to avail of input tax credit on receipt of invoices or debit notes from the supplier for the period prior to his opting for the composition scheme.

- (5) A registered person opting to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the proper officer shall, where required, furnish the details relating to the period prior to his opting for payment of tax under section 9 in FORM GSTR- 4 till the due date of

furnishing the return for the quarter ending September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.

63. Form and manner of submission of return by non-resident taxable person.- Every registered non-resident taxable person shall furnish a return in FORM GSTR-5 electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter within twenty days after the end of a tax period or within seven days after the last day of the validity period of registration, whichever is earlier.

64. Form and manner of submission of return by persons providing online information and database access or retrieval services.- Every registered person providing online information and data base access or retrieval services from a place outside India to a person in India other than a registered person shall file return in FORM GSTR-5A on or before the twentieth day of the month succeeding the calendar month or part thereof.

65. Form and manner of submission of return by an Input Service Distributor.- Every Input Service Distributor shall, on

the basis of details contained in FORM GSTR-6A, and where required, after adding, correcting or deleting the details, furnish electronically the return in FORM GSTR-6, containing the details of tax invoices on which credit has been received and those issued under section 20, through the common portal either directly or from a Facilitation Centre notified by the Commissioner.

66. Form and manner of submission of return by a person required to deduct tax at source.- (1) Every registered person required to deduct tax at source under section 51 (hereafter in this rule referred to as deductor) shall furnish a return in FORM GSTR-7 electronically through the common portal either directly or from a Facilitation Centre notified by the Commissioner.

(2) The details furnished by the deductor under sub-rule (1) shall be made available electronically to each of the suppliers in Part C of FORM GSTR-2A and FORM-GSTR4A on the common portal after the due date of filing of FORM GSTR-7.

(3) The certificate referred to in sub-section (3) of section 51 shall be made available electronically to the deductee on the common portal in FORM GSTR-7A on the basis of the return furnished under sub-rule (1).

67. Form and manner of submission of statement of supplies through an ecommerce operator.- (1) Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in FORM GSTR-8 electronically on the common portal, either directly or from a Facilitation Centre notified by the Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 52.

(2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in Part C of FORM GSTR-2A on the common portal after the due date of filing of FORM GSTR-8.

68. Notice to non-filers of returns.- A notice in FORM GSTR-3A shall be issued, electronically, to a registered person who fails to furnish return under section 39 or section 44 or section 45 or section 52.

69. Matching of claim of input tax credit .- The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 41, shall

be matched under section 42 after the due date for furnishing the return in FORM

GSTR-3-

- (a) Goods and Services Tax Identification Number of the supplier;
- (b) Goods and Services Tax Identification Number of the recipient;
- (c) invoice or debit note number;
- (d) invoice or debit note date; and (e) tax amount:

Provided that where the time limit for furnishing FORM GSTR-1 specified under section 37 and FORM GSTR-2 specified under section 38 has been extended, the date of matching relating to claim of input tax credit shall also be extended accordingly:

Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching relating to claim of input tax credit to such date as may be specified therein.

Explanation.- For the purposes of this rule, it is hereby declared that –

- (i) The claim of input tax credit in respect of invoices and debit notes in FORM GSTR2 that were accepted by the recipient on the basis of FORM GSTR-2A without amendment shall be

treated as matched if the corresponding supplier has furnished a valid return;

- (ii) The claim of input tax credit shall be considered as matched where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or debit note by the corresponding supplier.

70. Final acceptance of input tax credit and communication thereof.- (1) The final acceptance of claim of input tax credit in respect of any tax period, specified in sub-section (2) of section 42, shall be made available electronically to the registered person making such claim in FORM GST MIS-1 through the common portal.

(2) The claim of input tax credit in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in FORM GST MIS-1 through the common portal.

71. Communication and rectification of discrepancy in claim of input tax credit and reversal of claim of input tax credit.- (1)

Any discrepancy in the claim of input tax credit in respect of any tax period, specified in sub-section (3) of section 42 and the details of output tax liable to be added under sub-section (5) of the said section on account of continuation of such discrepancy, shall be made available to the recipient making such claim electronically in FORM GST MIS-1 and to the supplier electronically in FORM GST MIS-2 through the common portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the recipient in his return to be furnished in FORM GSTR-3 for the month succeeding the month in which the discrepancy is made available.

Explanation.- For the purposes of this rule, it is hereby declared that -

- (i) Rectification by a supplier means adding or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient;
- (ii) Rectification by the recipient means deleting or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

72. Claim of input tax credit on the same invoice more than once.- Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered person in FORM GST MIS-1 electronically through the common portal.

73. Matching of claim of reduction in the output tax liability .- The following details relating to the claim of reduction in output tax liability shall be matched under section 43 after the due date for furnishing the return in FORM GSTR-3, namely:-

- (a) Goods and Services Tax Identification Number of the supplier;

- (b) Goods and Services Tax Identification Number of the recipient;
- (c) credit note number;
- (d) credit note date; and
- (e) tax amount:

Provided that where the time limit for furnishing FORM GSTR-1 under section 37 and FORM GSTR-2 under section 38 has been extended, the date of matching of claim of reduction in the output tax liability shall be extended accordingly:

Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching relating to claim of reduction in output tax liability to such date as may be specified therein.

Explanation.- For the purposes of this rule, it is hereby declared that –

- (i) the claim of reduction in output tax liability due to issuance of credit notes in FORM GSTR-1 that were accepted by the corresponding recipient in FORM GSTR-2 without amendment shall be treated as matched if the said recipient has furnished a valid return.

- (ii) the claim of reduction in the output tax liability shall be considered as matched where the amount of output tax liability after taking into account the reduction claimed is equal to or more than the claim of input tax credit after taking into account the reduction admitted and discharged on such credit note by the corresponding recipient in his valid return.

74. Final acceptance of reduction in output tax liability and communication thereof.- (1) The final acceptance of claim of reduction in output tax liability in respect of any tax period, specified in sub-section (2) of section 43, shall be made available electronically to the person making such claim in FORM GST MIS-1 through the common portal.

(2) The claim of reduction in output tax liability in respect of any tax period which had been communicated as mis-matched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in FORM GST MIS-1 through the common portal.

75. Communication and rectification of discrepancy in reduction in output tax liability and reversal of claim of

reduction.- (1) Any discrepancy in claim of reduction in output tax liability, specified in sub-section (3) of section 43, and the details of output tax liability to be added under sub-section (5) of the said section on account of continuation of such discrepancy, shall be made available to the registered person making such claim electronically in FORM GST MIS- 1 and the recipient electronically in FORM GST MIS2 through the common portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier and debited to the electronic liability register and also shown in his return in FORM GSTR-3 for the month succeeding the month in which the

discrepancy is made available. Explanation.- For the purposes of this rule, it is hereby declared that –

- (i) rectification by a supplier means deleting or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient;
- (ii) rectification by the recipient means adding or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

76. Claim of reduction in output tax liability more than once.- The duplication of claims for reduction in output tax liability in the details of outward supplies shall be communicated to the registered person in FORM GST MIS-1 electronically through the common portal.

77. Refund of interest paid on reclaim of reversals.- The interest to be refunded under sub-section (9) of section 42 or sub-section (9) of section 43 shall be claimed by the registered person in his return in FORM GSTR-3 and shall be credited to his electronic cash ledger in FORM GST PMT-05 and the amount credited shall be available for payment of any future liability

towards interest or the taxable person may claim refund of the amount under section 54.

78. Matching of details furnished by the e-Commerce operator with the details furnished by the supplier.- The following details relating to the supplies made through an e-Commerce operator, as declared in FORM GSTR-8, shall be matched with the corresponding details declared by the supplier in FORM GSTR-1, (a) State of place of supply; and (b) net taxable value:

Provided that where the time limit for furnishing FORM GSTR-1 under section 37 has been extended, the date of matching of the above mentioned details shall be extended accordingly.

Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching to such date as may be specified therein.

79. Communication and rectification of discrepancy in details furnished by the ecommerce operator and the supplier.- (1) Any discrepancy in the details furnished by the operator and those

declared by the supplier shall be made available to the supplier electronically in FORM GST MIS-3 and to the e-commerce operator electronically in FORM GST MIS-4 on the common portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) An operator to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in FORM GSTR-3 for the month succeeding the month in which the details of discrepancy are made available and such addition to the output tax liability and interest payable thereon shall be made available to the supplier electronically on the common portal in FORM GST MIS-3.

80. Annual return.- (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a nonresident taxable person, shall furnish an annual return as specified under sub-section (1) of section 44 electronically in FORM GSTR-9 through the common portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a person paying tax under section 10 shall
furnish the annual return in
FORM GSTR-9A.

(2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement referred to in sub-section (5) of the said section in FORM GSTR-9B.

(3) Every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

81. Final return.- Every registered person required to furnish a final return under section 45, shall furnish such return electronically in FORM GSTR-10 through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

82. Details of inward supplies of persons having Unique Identity Number.- (1) Every person who has been issued a Unique Identity Number and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies of taxable goods or services or both electronically in FORM GSTR-11, along with application for such refund claim, through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(2) Every person who has been issued a Unique Identity Number for purposes other than refund of the taxes paid shall furnish the details of inward supplies of taxable goods or services or both as may be required by the proper officer in FORM GSTR-11.

83. Provisions relating to a goods and services tax practitioner.- (1) An application in FORM GST PCT-01 may be made electronically through the common portal either directly

or through a Facilitation Centre notified by the Commissioner for enrolment as goods and services tax practitioner by any person who,

- (i) is a citizen of India;
- (ii) is a person of sound mind;
- (iii) is not adjudicated as insolvent;
- (iv) has not been convicted by a competent court;

and satisfies any of the following conditions, namely:-

- (a) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than two years; or
- (b) that he has enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years; (c) he has passed,

- (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or

Business Management from any Indian University established by any law for the time being in force; or

(ii) a degree examination of any Foreign University recognised by any Indian University as equivalent to the degree examination mentioned in sub-clause (i); or

(iii) any other examination notified by the Government, on the recommendation of the Council, for this purpose; or

(iv) has passed any of the following examinations, namely:-

- (a) final examination of the Institute of Chartered Accountants of India; or
 - (b) final examination of the Institute of Cost Accountants of India; or
 - (c) final examination of the Institute of Company Secretaries of India.
- (2) On receipt of the application referred to in sub-rule (1), the officer authorised in this behalf shall, after making such enquiry as he considers necessary, either enrol the applicant as a goods and services tax practitioner and issue a certificate to that effect in FORM GST PCT-02 or reject his application where it is found that the applicant is not qualified to be enrolled as a goods and services tax practitioner.

- (3) The enrolment made under sub-rule (2) shall be valid until it is cancelled:

Provided that no person enrolled as a goods and services tax practitioner shall be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council:

Provided further that no person to whom the provisions of clause (b) of sub-rule (1) apply shall be eligible to remain enrolled unless he passes the said examination within a period of one year from the appointed date.

- (4) If any goods and services tax practitioner is found guilty of misconduct in connection with any proceedings under the Act, the authorised officer may, after giving him a notice to show cause in FORM GST PCT-03 for such misconduct and after giving him a reasonable opportunity of being heard, by order in FORM GST PCT -04 direct that he shall henceforth be disqualified under section 48 to function as a goods and services tax practitioner.
- (5) Any person against whom an order under sub-rule (4) is made may, within thirty days from the date of issue of such order, appeal to the Commissioner against such order.

- (6) Any registered person may, at his option, authorise a goods and services tax practitioner on the common portal in FORM GST PCT-05 or, at any time, withdraw such authorisation in FORM GST PCT-05 and the goods and services tax practitioner so authorised shall be allowed to undertake such tasks as indicated in the said authorisation during the period of authorisation.
- (7) Where a statement required to be furnished by a registered person has been furnished by the goods and services tax practitioner authorised by him, a confirmation shall be sought from the registered person over email or SMS and the statement furnished by the goods and services tax practitioner shall be made available to the registered person on the common portal:

Provided that where the registered person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statement furnished by the goods and services tax practitioner.

- (8) A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him to-
- (a) furnish the details of outward and inward supplies;

- (b) furnish monthly, quarterly, annual or final return;
- (c) make deposit for credit into the electronic cash ledger;
- (d) file a claim for refund; and
- (e) file an application for amendment or cancellation of registration:

Provided that where any application relating to a claim for refund or an application for amendment or cancellation of registration has been submitted by the goods and services tax practitioner authorised by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the common portal and such application shall not be proceeded with further until the registered person gives his consent to the same.

- (9) Any registered person opting to furnish his return through a goods and services tax practitioner shall-
 - (a) give his consent in FORM GST PCT-05 to any goods and services tax practitioner to prepare and furnish his return; and
 - (b) before confirming submission of any statement prepared by the goods and services tax practitioner, ensure that the facts mentioned in the return are true and correct.
- (10) The goods and services tax practitioner shall- (a) prepare the statements with due diligence; and

- (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.
- (11) A goods and services tax practitioner enrolled in any other State or Union territory shall be treated as enrolled in the State or Union territory for the purposes specified in sub-rule (8).

84. Conditions for purposes of appearance.- (1) No person shall be eligible to attend before any authority as a goods and services tax practitioner in connection with any proceedings under the Act on behalf of any registered or un-registered person unless he has been enrolled under rule 83.

(2) A goods and services tax practitioner attending on behalf of a registered or an unregistered person in any proceedings under the Act before any authority shall produce before such authority, if required, a copy of the authorisation given by such person in FORM GST PCT-05.

Chapter IX

Payment of Tax (Rule 85 to 88)

85. Electronic Liability Register.- (1) The electronic liability register specified under subsection (7) of section 49 shall be maintained in FORM GST PMT-01 for each person liable to pay tax, interest, penalty, late fee or any other amount on the common portal and all amounts payable by him shall be debited to the said register.

- (2) The electronic liability register of the person shall be debited by-
 - (a) the amount payable towards tax, interest, late fee or any other amount payable as per the return furnished by the said person;
 - (b) the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by the said person;
 - (c) the amount of tax and interest payable as a result of mismatch under section 42 or section 43 or section 50; or
 - (d) any amount of interest that may accrue from time to time.
- (3) Subject to the provisions of section 49, payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger maintained as per rule

86 or the electronic cash ledger maintained as per rule 87 and the electronic liability register shall be credited accordingly.

- (4) The amount deducted under section 51, or the amount collected under section 52, or the amount payable on reverse charge basis, or the amount payable under section 10, any amount payable towards interest, penalty, fee or any other amount under the Act shall be paid by debiting the electronic cash ledger maintained as per rule 87 and the electronic liability register shall be credited accordingly.
- (5) Any amount of demand debited in the electronic liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.
- (6) The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic liability register shall be credited accordingly.

- (7) A registered person shall, upon noticing any discrepancy in his electronic liability ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.

86. Electronic Credit Ledger.- (1) The electronic credit ledger shall be maintained in FORM GST PMT-02 for each registered person eligible for input tax credit under the Act on the common portal and every claim of input tax credit under the Act shall be credited to the said ledger.

(2) The electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with the provisions of section 49.

(3) Where a registered person has claimed refund of any unutilized amount from the electronic credit ledger in accordance with the provisions of section 54, the amount to the extent of the claim shall be debited in the said ledger.

(4) If the refund so filed is rejected, either fully or partly, the amount debited under subrule (3), to the extent of rejection,

shall be re-credited to the electronic credit ledger by the proper officer by an order made in FORM GST PMT-03.

(5) Save as provided in the provisions of this Chapter, no entry shall be made directly in the electronic credit ledger under any circumstance.

(6) A registered person shall, upon noticing any discrepancy in his electronic credit ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.

Explanation.– For the purposes of this rule, it is hereby clarified that a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

87. Electronic Cash Ledger.- (1) The electronic cash ledger under sub-section (1) of section 49 shall be maintained in FORM GST PMT-05 for each person, liable to pay tax, interest, penalty, late fee or any other amount, on the common portal

for crediting the amount deposited and debiting the payment therefrom towards tax, interest, penalty, fee or any other amount.

(2) Any person, or a person on his behalf, shall generate a challan in FORM GST PMT-06 on the common portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount.

Provided that the challan in FORM GST PMT-06 generated at the common portal shall be valid for a period of fifteen days.

Provided further that a person supplying online information and database access or retrieval services from a place outside India to a nontaxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) may also do so through the Board's payment system namely, Electronic Accounting System in Excise and Service Tax from the date to be notified by the Board.

(3) The deposit under sub-rule (2) shall be made through any of the following modes, namely:-

- (i) Internet Banking through authorised banks;

- (ii) Credit card or Debit card through the authorised bank;
- (iii) National Electronic Fund Transfer or Real Time Gross Settlement from any bank; or
- (iv) Over the Counter payment through authorised banks for deposits up to ten thousand rupees per challan per tax period, by cash, cheque or demand draft:

Provided further that a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) may also make the deposit under sub-rule (2) through international money transfer through Society for Worldwide Interbank Financial Telecommunication payment network, from the date to be notified by the Board.

- (b) Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
- (c) Proper officer or any other officer authorised for the amounts collected by way of cash, cheque or demand draft

during any investigation or enforcement activity or any ad hoc deposit:

Provided further that the challan in FORM GST PMT-06 generated at the common portal shall be valid for a period of fifteen days.

Explanation.– For the purposes of this sub-rule, it is hereby clarified that for making payment of any amount indicated in the challan, the commission, if any, payable in respect of such payment shall be borne by the person making such payment.

(4) Any payment required to be made by a person who is not registered under the Act, shall be made on the basis of a temporary identification number generated through the common portal.

(5) Where the payment is made by way of National Electronic Fund Transfer or Real Time Gross Settlement mode from any bank, the mandate form shall be generated along with the challan on the common portal and the same shall be submitted to the bank from where the payment is to be made:

Provided that the mandate form shall be valid for a period of fifteen days from the date of generation of challan.

(6) On successful credit of the amount to the concerned government account maintained in the authorised bank, a Challan Identification Number shall be generated by the collecting bank and the same shall be indicated in the challan.

(7) On receipt of the Challan Identification Number from the collecting bank, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made and the common portal shall make available a receipt to this effect.

(8) Where the bank account of the person concerned, or the person making the deposit on his behalf, is debited but no Challan Identification Number is generated or generated but not communicated to the common portal, the said person may represent electronically in FORM GST PMT-07 through the common portal to the bank or electronic gateway through which the deposit was initiated.

(9) Any amount deducted under section 51 or collected under section 52 and claimed in FORM GSTR-02 by the registered taxable person from whom the said amount was deducted or, as the case may be, collected shall be credited to his electronic cash ledger in accordance with the provisions of rule 87.

(10) Where a person has claimed refund of any amount from the electronic cash ledger, the said amount shall be debited to the electronic cash ledger.

(11) If the refund so claimed is rejected, either fully or partly, the amount debited under sub-rule (10), to the extent of rejection, shall be credited to the electronic cash ledger by the proper officer by an order made in FORM GST PMT-03.

(12) A registered person shall, upon noticing any discrepancy in his electronic cash ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.

Explanation 1.- The refund shall be deemed to be rejected if the appeal is finally rejected.

Explanation 2.– For the purposes of this rule, it is hereby clarified that a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

88. Identification number for each transaction.- (1) A unique identification number shall be generated at the common portal for each debit or credit to the electronic cash or credit ledger, as the case may be.

(2) The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic liability register.

(3) A unique identification number shall be generated at the common portal for each credit in the electronic liability register for reasons other than those covered under sub-rule (2).

Chapter X

Refund (Rule 89 to 97)

89. Application for refund of tax, interest, penalty, fees or any other amount.- (1)Any person, except the persons covered under notification issued under section 55, claiming refund of any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India, may file an application electronically in FORM GST RFD-01 through the common portal, either directly or through a Facilitation Centre notified by the Commissioner: Provided that any claim for refund relating to balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 may be made through the return furnished for the relevant tax period in FORM GSTR-3 or FORM GSTR-4 or FORM GSTR-7, as the case may be:

Provided further that in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the application for refund shall be filed by the –

- (a) supplier of goods after such goods have been admitted in full in the Special Economic Zone for authorised operations, as endorsed by the specified officer of the Zone;

- (b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone:

Provided also that in respect of supplies regarded as deemed exports, the application shall be filed by the recipient of deemed export supplies:

Provided also that refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him under section 27 at the time of registration, shall be claimed in the last return required to be furnished by him.

- (2) The application under sub-rule (1) shall be accompanied by any of the following documentary evidences in Annexure 1 in Form GST RFD-01, as applicable, to establish that a refund is due to the applicant, namely:-

- (a) the reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund or reference number of the payment of the amount specified in subsection (6) of section 107 and sub-section (8) of section 112 claimed as refund;

- (b) a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods;
- (c) a statement containing the number and date of invoices and the relevant Bank Realisation Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of the export of services;
- (d) a statement containing the number and date of invoices as provided in rule 46 along with the evidence regarding the endorsement specified in the second proviso to sub-rule (1) in the case of the supply of goods made to a Special Economic Zone unit or a Special Economic Zone developer;
- (e) a statement containing the number and date of invoices, the evidence regarding the endorsement specified in the second proviso to sub-rule (1) and the details of payment, along with the proof thereof, made by the recipient to the supplier for authorised operations as defined under the Special Economic Zone Act, 2005, in a case where the refund is on account of supply of services made to a Special Economic Zone unit or a Special Economic Zone developer;

- (f) a declaration to the effect that the Special Economic Zone unit or the Special Economic Zone developer has not availed the input tax credit of the tax paid by the supplier of goods or services or both, in a case where the refund is on account of supply of goods or services made to a Special Economic Zone unit or a Special Economic Zone developer;
- (g) a statement containing the number and date of invoices along with such other evidence as may be notified in this behalf, in a case where the refund is on account of deemed exports;
- (h) a statement containing the number and the date of the invoices received and issued during a tax period in a case where the claim pertains to refund of any unutilised input tax credit under sub-section (3) of section 54 where the credit has accumulated on account of the rate of tax on the inputs being higher than the rate of tax on output supplies, other than nil-rated or fully exempt supplies;
- (i) the reference number of the final assessment order and a copy of the said order in a case where the refund arises on account of the finalisation of provisional assessment;
- (j) a statement showing the details of transactions considered as intra-State supply but which is subsequently held to be inter-State supply;

(k) a statement showing the details of the amount of claim on account of excess payment of tax;

(l) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees:

Provided that a declaration is not required to be furnished in respect of the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of subsection (8) of section 54;

(m) a Certificate in Annexure 2 of FORM GST RFD-01 issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

Provided that a certificate is not required to be furnished in respect of cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of subsection (8) of section 54;

Explanation.– For the purposes of this rule-

- (i) in case of refunds referred to in clause (c) of sub-section (8) of section 54, the expression "invoice" means invoice conforming to the provisions contained in section 31;
- (ii) where the amount of tax has been recovered from the recipient, it shall be deemed that the incidence of tax has been passed on to the ultimate consumer.

(3) Where the application relates to refund of input tax credit, the electronic credit ledger shall be debited by the applicant by an amount equal to the refund so claimed.

(4) In the case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), refund of input tax credit shall be granted as per the following formula -

$$\text{Refund Amount} = \frac{(\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC}}{\div \text{Adjusted Total Turnover}}$$

Where,-

- (A) "Refund amount" means the maximum refund that is admissible;

- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period;
- (C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;
- (D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-
- Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;
- (E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;

(F) "Relevant period" means the period for which the claim has been filed.

(5) In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula -

Maximum Refund Amount = {(Turnover of inverted rated supply of goods) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods

Explanation.- For the purposes of this sub rule, the expressions "Net ITC" and "Adjusted Total turnover" shall have the same meanings as assigned to them in sub-rule (4).

90. Acknowledgement.- (1) Where the application relates to a claim for refund from the electronic cash ledger, an acknowledgement in FORM GST RFD-02 shall be made available to the applicant through the common portal electronically, clearly indicating the date of filing of the claim for refund and the time period specified in sub-section (7) of section 54 shall be counted from such date of filing.

(2) The application for refund, other than claim for refund from electronic cash ledger, shall be forwarded to the proper officer who shall, within a period of fifteen days of filing of the said

application, scrutinize the application for its completeness and where the application is found to be complete in terms of sub-rule (2), (3) and (4) of rule 89, an acknowledgement in FORM GST RFD-02 shall be made available to the applicant through the common portal electronically, clearly indicating the date of filing of the claim for refund and the time period specified in sub-section (7) of section 54 shall be counted from such date of filing.

(3) Where any deficiencies are noticed, the proper officer shall communicate the deficiencies to the applicant in FORM GST RFD-03 through the common portal electronically, requiring him to file a fresh refund application after rectification of such deficiencies.

(4) Where deficiencies have been communicated in FORM GST RFD-03 under the State Goods and Service Tax Rules, 2017, the same shall also deemed to have been communicated under this rule along with the deficiencies communicated under sub-rule (3).

91. Grant of provisional refund.-(1) The provisional refund in accordance with the provisions of sub-section (6) of section 54 shall be granted subject to the condition that the person claiming refund has, during any period of five years

immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds two hundred and fifty lakh rupees.

(2) The proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of sub-section (6) of section 54, shall make an order in FORM GST RFD-04, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of rule 90.

(3) The proper officer shall issue a payment advice in FORM GST RFD-05 for the amount sanctioned under sub-rule (2) and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

92. Order sanctioning refund.- (1) Where, upon examination of the application, the proper officer is satisfied that a refund under sub-section (5) of section 54 is due and payable to the applicant, he shall make an order in FORM GST RFD-06

sanctioning the amount of refund to which the applicant is entitled, mentioning therein the amount, if any, refunded to him on a provisional basis under sub-section (6) of section 54, amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable:

Provided that in cases where the amount of refund is completely adjusted against any outstanding demand under the Act or under any existing law, an order giving details of the adjustment shall be issued in Part A of FORM GST RFD-07.

(2) Where the proper officer or the Commissioner is of the opinion that the amount of refund is liable to be withheld under the provisions of sub-section (10) or, as the case may be, sub-section (11) of section 54, he shall pass an order in Part B of FORM GST RFD-07 informing him the reasons for withholding of such refund.

(3) Where the proper officer is satisfied, for reasons to be recorded in writing, that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice in FORM GST RFD-08 to the applicant, requiring him to furnish a reply in FORM GST RFD-09 within a period of fifteen days of the receipt of such notice and

after considering the reply, make an order in FORM GST RFD-06 sanctioning the amount of refund in whole or part, or rejecting the said refund claim and the said order shall be made available to the applicant electronically and the provisions of sub-rule (1) shall, mutatis mutandis, apply to the extent refund is allowed:

Provided that no application for refund shall be rejected without giving the applicant an opportunity of being heard.

(4) Where the proper officer is satisfied that the amount refundable under sub-rule (1) or sub-rule (2) is payable to the applicant under sub-section (8) of section 54, he shall make an order in FORM GST RFD-06 and issue a payment advice in FORM GST RFD-05 for the amount of refund and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

(5) Where the proper officer is satisfied that the amount refundable under sub-rule (1) or sub-rule (2) is not payable to the applicant under sub-section (8) of section 54, he shall make an order in FORM GST RFD-06 and issue an advice in FORM GST RFD-05, for the amount of refund to be credited to the Consumer Welfare Fund.

93. Credit of the amount of rejected refund claim.- (1) Where any deficiencies have been communicated under sub-rule (3) of rule 90, the amount debited under sub-rule (3) of rule 89 shall be re-credited to the electronic credit ledger.

(2) Where any amount claimed as refund is rejected under rule 92, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by an order made in FORM GST PMT-03.

Explanation.- For the purposes of this rule, a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking in writing to the proper officer that he shall not file an appeal.

94. Order sanctioning interest on delayed refunds.- Where any interest is due and payable to the applicant under section 56, the proper officer shall make an order along with a payment advice in FORM GST RFD-05, specifying therein the amount of refund which is delayed, the period of delay for which interest is payable and the amount of interest payable, and such amount of interest shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

95. Refund of tax to certain persons.- (1) Any person eligible to claim refund of tax paid by him on his inward supplies as per notification issued section 55 shall apply for refund in FORM GST RFD-10 once in every quarter, electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, along with a statement of the inward supplies of goods or services or both in FORM GSTR-11, prepared on the basis of the statement of the outward supplies furnished by the corresponding suppliers in FORM GSTR-1.
- (2) An acknowledgement for the receipt of the application for refund shall be issued in FORM GST RFD-02.
- (3) The refund of tax paid by the applicant shall be available if-
- (a) the inward supplies of goods or services or both were received from a registered person against a tax invoice and the price of the supply covered under a single tax invoice exceeds five thousand rupees, excluding tax paid, if any;
 - (b) name and Goods and Services Tax Identification Number or Unique Identity Number of the applicant is mentioned in the tax invoice; and
 - (c) such other restrictions or conditions as may be specified in the notification are satisfied.

- (4) The provisions of rule 92 shall, mutatis mutandis, apply for the sanction and payment of refund under this rule.
- (5) Where an express provision in a treaty or other international agreement, to which the President or the Government of India is a party, is inconsistent with the provisions of this Chapter, such treaty or international agreement shall prevail.

96. Refund of integrated tax paid on goods exported out of

India.-(1) The shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when:-

- (a) the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export; and
 - (b) the applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be;
- (2) The details of the relevant export invoices contained in FORM GSTR-1 shall be transmitted electronically by the common portal to the system designated by the Customs and the said system shall electronically transmit to the common portal, a confirmation that the goods covered by the said invoices have been exported out of India.

- (3) Upon the receipt of the information regarding the furnishing of a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be; from the common portal, the system designated by the Customs shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export shall be electronically credited to the bank account of the applicant mentioned in his registration particulars and as intimated to the Customs authorities.
- (4) The claim for refund shall be withheld where,-
- (a) a request has been received from the jurisdictional Commissioner of central tax, State tax or Union territory tax to withhold the payment of refund due to the person claiming refund in accordance with the provisions of sub-section (10) or sub-section (11) of section 54; or
 - (b) the proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act, 1962.
- (5) Where refund is withheld in accordance with the provisions of clause (a) of sub-rule (4), the proper officer of integrated tax at the Customs station shall intimate the applicant and the jurisdictional Commissioner of central tax, State tax or Union

territory tax, as the case may be, and a copy of such intimation shall be transmitted to the common portal.

- (6) Upon transmission of the intimation under sub-rule (5), the proper officer of central tax or State tax or Union territory tax, as the case may be, shall pass an order in Part B of FORM GST RFD-07.
- (7) Where the applicant becomes entitled to refund of the amount withheld under clause (a) of sub-rule (4), the concerned jurisdictional officer of central tax, State tax or Union territory tax, as the case may be, shall proceed to refund the amount after passing an order in FORM GST RFD-06.
- (8) The Central Government may pay refund of the integrated tax to the Government of Bhutan on the exports to Bhutan for such class of goods as may be notified in this behalf and where such refund is paid to the Government of Bhutan, the exporter shall not be paid any refund of the integrated tax.

96A. Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking.-

- (1) Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in

FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of —

- (a) fifteen days after the expiry of three months from the date of issue of the invoice for export, if the goods are not exported out of India; or
 - (b) fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.
- (2) The details of the export invoices contained in FORM GSTR-1 furnished on the common portal shall be electronically transmitted to the system designated by Customs and a confirmation that the goods covered by the said invoices have been exported out of India shall be electronically transmitted to the common portal from the said system.
- (3) Where the goods are not exported within the time specified in sub-rule (1) and the registered person fails to pay the amount mentioned in the said sub-rule, the export as allowed under bond or Letter of Undertaking shall be withdrawn forthwith and the said amount shall be recovered from the registered person in accordance with the provisions of section 79.

- (4) The export as allowed under bond or Letter of Undertaking withdrawn in terms of subrule (3) shall be restored immediately when the registered person pays the amount due.
- (5) The Board, by way of notification, may specify the conditions and safeguards under which a Letter of Undertaking may be furnished in place of a bond.

The provisions of sub rule (1) shall apply, mutatis mutandis, in respect of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit without payment of integrated tax.

97. Consumer Welfare Fund.-

- (1) All credits to the Consumer Welfare Fund shall be made under sub-rule (5) of rule 92.
- (2) Any amount, having been credited to the Fund, ordered or directed as payable to any claimant by orders of the proper officer, appellate authority or Appellate Tribunal or court, shall be paid from the Fund.
- (3) Any utilisation of amount from the Consumer Welfare Fund under sub-section (1) of section 58 shall be made by debiting the Consumer Welfare Fund account and crediting the account to which the amount is transferred for utilisation.

- (4) The Government shall, by an order, constitute a Standing Committee with a Chairman, a Vice-Chairman, a Member Secretary and such other Members as it may deem fit and the Committee shall make recommendations for proper utilisation of the money credited to the Consumer Welfare Fund for welfare of the consumers.
- (5) The Committee shall meet as and when necessary, but not less than once in three months.
- (6) Any agency or organisation engaged in consumer welfare activities for a period of three years registered under the provisions of the Companies Act, 2013 (18 of 2013) or under any other law for the time being in force, including village or mandal or samiti level cooperatives of consumers especially Women, Scheduled Castes and Scheduled Tribes, or any industry as defined in the Industrial Disputes Act, 1947 (14 of 1947) recommended by the Bureau of Indian Standards to be engaged for a period of five years in viable and useful research activity which has made, or is likely to make, significant contribution in formulation of standard mark of the products of mass consumption, the Central Government or the State Government may make an application for a grant from the Consumer Welfare Fund:

Provided that a consumer may make application for reimbursement of legal expenses incurred by him as a complainant in a consumer dispute, after its final adjudication.

(7) All applications for grant from the Consumer Welfare Fund shall be made by the applicant Member Secretary, but the Committee shall not consider an application, unless it has been inquired into in material details and recommended for consideration accordingly, by the Member Secretary.

(8) The Committee shall have powers -

- a. to require any applicant to produce before it, or before a duly authorised Officer of the Government such books, accounts, documents, instruments, or commodities in custody and control of the applicant, as may be necessary for proper evaluation of the application;
- b. to require any applicant to allow entry and inspection of any premises, from which activities claimed to be for the welfare of consumers are stated to be carried on, to a duly authorised officer of the Central Government or, as the case may be,

State Government;

- c. to get the accounts of the applicants audited, for ensuring proper utilisation of the grant;

- d. to require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum, the sanctioned grant to the Committee, and to be subject to prosecution under the Act;
- e. to recover any sum due from any applicant in accordance with the provisions of the Act;
- f. to require any applicant, or class of applicants to submit a periodical report, indicating proper utilisation of the grant;
- g. to reject an application placed before it on account of factual inconsistency, or inaccuracy in material particulars;
- h. to recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance and utility of nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised;
- i. to identify beneficial and safe sectors, where investments out of Consumer

Welfare Fund may be made and make recommendations, accordingly;

- j. to relax the conditions required for the period of engagement in consumer welfare activities of an applicant;

- k. to make guidelines for the management, administration and audit of the Consumer Welfare Fund.
- (9) The Central Consumer Protection Council and the Bureau of Indian Standards shall recommend to the Goods and Services Tax Council, the broad guidelines for considering the projects or proposals for the purpose of incurring expenditure from the Consumer Welfare Fund.

CHAPTER XI

Assessment and Audit (Rule 98 to 102)

98. Provisional Assessment.- (1) Every registered person requesting for payment of tax on a provisional basis in accordance with the provisions of sub-section (1) of section 60 shall furnish an application along with the documents in support of his request, electronically in FORM GST ASMT-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The proper officer may, on receipt of the application under sub-rule (1), issue a notice in FORM GST ASMT-02 requiring the registered person to furnish additional information or

documents in support of his request and the applicant shall file a reply to the notice in FORM GST ASMT – 03, and may appear in person before the said officer if he so desires.

(3) The proper officer shall issue an order in FORM GST ASMT-04 allowing the payment of tax on a provisional basis indicating the value or the rate or both on the basis of which the assessment is to be allowed on a provisional basis and the amount for which the bond is to be executed and security to be furnished not exceeding twenty five per cent. of the amount covered under the bond.

(4) The registered person shall execute a bond in accordance with the provisions of subsection (2) of section 60 in FORM GST ASMT-05 along with a security in the form of a bank guarantee for an amount as determined under sub-rule (3):

Provided that a bond furnished to the proper officer under the State Goods and Services Tax Act or Integrated Goods and Services Tax Act shall be deemed to be a bond furnished under the provisions of the Act and the rules made thereunder.

Explanation.- For the purposes of this rule, the expression “amount” shall include the amount of integrated tax, central tax, State tax or Union territory tax and cess payable in respect of the transaction.

(5) The proper officer shall issue a notice in FORM GST ASMT-06, calling for information and records required for finalization of assessment under sub-section (3) of section 60 and shall issue a final assessment order, specifying the amount payable by the registered person or the amount refundable, if any, in FORM GST ASMT-07.

(6) The applicant may file an application in FORM GST ASMT-08 for the release of the security furnished under sub-rule (4) after issue of the order under sub-rule (5).

(7) The proper officer shall release the security furnished under sub-rule (4), after ensuring that the applicant has paid the amount specified in sub-rule (5) and issue an order in FORM GST ASMT-09 within a period of seven working days from the date of the receipt of the application under sub-rule (6).

99. Scrutiny of returns.- (1) Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in FORM GST ASMT-10, informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.

(2) The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in FORM GST ASMT11 to the proper officer.

(3) Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in FORM GST ASMT-12.

100. Assessment in certain cases. (1) The order of assessment made under sub-section (1) of section 62 shall be issued in FORM GST ASMT-13.
- (2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in FORM GST ASMT-14 containing the grounds on which the assessment is proposed to be made on best judgment basis and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in FORM GST ASMT15.
- (3) The order of summary assessment under sub-section (1) of section 64 shall be issued in FORM GST ASMT-16.
- (4) The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the summary assessment order in FORM GST ASMT–17.

- (5) The order of withdrawal or, as the case may be, rejection of the application under subsection (2) of section 64 shall be issued in FORM GST ASMT-18.

101. Audit.- (1) The period of audit to be conducted under sub-section (1) of section 65 shall be a financial year or multiples thereof.

(2) Where it is decided to undertake the audit of a registered person in accordance with the provisions of section 65, the proper officer shall issue a notice in FORM GST ADT-01 in accordance with the provisions of sub-section (3) of the said section.

(3) The proper officer authorised to conduct audit of the records and the books of account of the registered person shall, with the assistance of the team of officers and officials accompanying him, verify the documents on the basis of which the books of account are maintained and the returns and statements furnished under the provisions of the Act and the rules made thereunder, the correctness of the turnover, exemptions and

deductions claimed, the rate of tax applied in respect of the supply of goods or services or both, the input tax credit availed and utilised, refund claimed, and other relevant issues and record the observations in his audit notes.

(4) The proper officer may inform the registered person of the discrepancies noticed, if any, as observed in the audit and the said person may file his reply and the proper officer shall finalise the findings of the audit after due consideration of the reply furnished.

(5) On conclusion of the audit, the proper officer shall inform the findings of audit to the registered person in accordance with the provisions of sub-section (6) of section 65 in FORM GST ADT-02.

102. Special Audit.- (1) Where special audit is required to be conducted in accordance with the provisions of section 66, the officer referred to in the said section shall issue a direction in FORM GST ADT-03 to the registered person to get his records

audited by a chartered accountant or a cost accountant specified in the said direction.

(2) On conclusion of the special audit, the registered person shall be informed of the findings of the special audit in FORM GST ADT-04.

Chapter – XII

Advance Ruling (Rule 102 to 107)

103. The Government shall appoint officers not below the rank of Joint Commissioner as member of the Authority for Advance Ruling.

104. Form and manner of application to the Authority for Advance Ruling.- (1) An application for obtaining an advance ruling under sub-section (1) of section 97 shall be made on the common portal in FORM GST ARA-01 and shall be accompanied by a fee of five thousand rupees, to be deposited in the manner specified in section 49.

(2) The application referred to in sub-rule (1), the verification contained therein and all the relevant documents

accompanying such application shall be signed in the manner specified in rule 26.

105. Certification of copies of advance rulings pronounced by the Authority.- A copy of the advance ruling shall be certified to be a true copy of its original by any member of the Authority for Advance Ruling.

106. Form and manner of appeal to the Appellate Authority for Advance Ruling.- (1) An appeal against the advance ruling issued under sub-section (6) of section 98 shall be made by an applicant on the common portal in FORM GST ARA-02 and shall be accompanied by a fee of ten thousand rupees to be deposited in the manner specified in section 49.

(2) An appeal against the advance ruling issued under sub-section (6) of section 98 shall be made by the concerned officer or the jurisdictional officer referred to in section 100 on the common portal in FORM GST ARA-03 and no fee shall be payable by the said officer for filing the appeal.

(3) The appeal referred to in sub-rule (1) or sub-rule (2), the verification contained therein and all the relevant documents accompanying such appeal shall be signed,-

- (a) in the case of the concerned officer or jurisdictional officer, by an officer authorised in writing by such officer; and

(b) in the case of an applicant, in the manner specified in rule 26.

107. Certification of copies of the advance rulings pronounced by the Appellate Authority. - A copy of the advance ruling pronounced by the Appellate Authority for Advance Ruling and duly signed by the Members shall be sent to-

- (a) the applicant and the appellant;
 - (b) the concerned officer of central tax and State or Union territory tax;
 - (c) the jurisdictional officer of central tax and State or Union territory tax; and (d) the Authority,
- in accordance with the provisions of sub-section (4) of section 101 of the Act.

Chapter – XIII

Appeals and Revision (Rule 108 to 116)

108. Appeal to the Appellate Authority.- (1) An appeal to the Appellate Authority under sub-section (1) of section 107 shall be filed in FORM GST APL-01, along with the relevant

documents, either electronically or otherwise as may be notified by the Commissioner, and a provisional acknowledgement shall be issued to the appellant immediately.

- (2) The grounds of appeal and the form of verification as contained in FORM GST APL01 shall be signed in the manner specified in rule 26.
- (3) A certified copy of the decision or order appealed against shall be submitted within seven days of filing the appeal under sub-rule (1) and a final acknowledgement, indicating appeal number shall be issued thereafter in FORM GST APL-02 by the Appellate Authority or an officer authorised by him in this behalf:

Provided that where the certified copy of the decision or order is submitted within seven days from the date of filing the FORM GST APL-01, the date of filing of the appeal shall be the date of the issue of the provisional acknowledgement and where the said copy is submitted after seven days, the date of filing of the appeal shall be the date of the submission of such copy.

Explanation.– For the provisions of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.

109. Application to the Appellate Authority.- (1) An application to the Appellate Authority under sub-section (2) of section 107 shall be made in FORM GST APL-03, along with the relevant documents, either electronically or otherwise as may be notified by the Commissioner.

(2) A certified copy of the decision or order appealed against shall be submitted within seven days of the filing the application under sub-rule (1) and an appeal number shall be generated by the Appellate Authority or an officer authorised by him in this behalf.

110. Appeal to the Appellate Tribunal.- (1) An appeal to the Appellate Tribunal under sub-section (1) of section 112 shall be filed along with the relevant documents either electronically or otherwise as may be notified by the Registrar, in FORM GST APL-05, on the common portal and a provisional acknowledgement shall be issued to the appellant immediately.

(2) A memorandum of cross-objections to the Appellate Tribunal under sub-section (5) of section 112 shall be filed

either electronically or otherwise as may be notified by the Registrar, in FORM GST APL-06.

(3) The appeal and the memorandum of cross objections shall be signed in the manner specified in rule 26.

(4) A certified copy of the decision or order appealed against along with fees as specified in sub-rule (5) shall be submitted to the Registrar within seven days of the filing of the appeal under sub-rule (1) and a final acknowledgement, indicating the appeal number shall be issued thereafter in FORM GST APL-02 by the Registrar:

Provided that where the certified copy of the decision or order is submitted within seven days from the date of filing the FORM GST APL-05, the date of filing of the appeal shall be the date of the issue of the provisional acknowledgement and where the said copy is submitted after seven days, the date of filing of the appeal shall be the date of the submission of such copy.

Explanation.– For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement indicating the appeal number is issued.

(5) The fees for filing of appeal or restoration of appeal shall be one thousand rupees for every one lakh rupees of tax or input

tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in the order appealed against, subject to a maximum of twenty five thousand rupees.

(6) There shall be no fee for application made before the Appellate Tribunal for rectification of errors referred to in sub-section (10) of section 112.

111. Application to the Appellate Tribunal.- (1) An application to the Appellate Tribunal under sub-section (3) of section 112 shall be made electronically or otherwise, in FORM GST APL-07, along with the relevant documents on the common portal.

(2) A certified copy of the decision or order appealed against shall be submitted within seven days of filing the application under sub-rule (1) and an appeal number shall be generated by the Registrar.

112. Production of additional evidence before the Appellate Authority or the Appellate Tribunal.- (1) The appellant shall not be allowed to produce before the Appellate Authority or the Appellate Tribunal any evidence, whether oral or documentary, other than the evidence produced by him during the course of the proceedings before the adjudicating authority or, as the

case may be, the Appellate Authority except in the following circumstances, namely:-

- (a) where the adjudicating authority or, as the case may be, the Appellate Authority has refused to admit evidence which ought to have been admitted; or
 - (b) where the appellant was prevented by sufficient cause from producing the evidence which he was called upon to produce by the adjudicating authority or, as the case may be, the Appellate Authority; or
 - (c) where the appellant was prevented by sufficient cause from producing before the adjudicating authority or, as the case may be, the Appellate Authority any evidence which is relevant to any ground of appeal; or
 - (d) where the adjudicating authority or, as the case may be, the Appellate Authority has made the order appealed against without giving sufficient opportunity to the appellant to adduce evidence relevant to any ground of appeal.
- (2) No evidence shall be admitted under sub-rule (1) unless the Appellate Authority or the Appellate Tribunal records in writing the reasons for its admission.

- (3) The Appellate Authority or the Appellate Tribunal shall not take any evidence produced under sub-rule (1) unless the adjudicating authority or an officer authorised in this behalf by the said authority has been allowed a reasonable opportunity -
- (a) to examine the evidence or document or to cross-examine any witness produced by the appellant; or
 - (b) to produce any evidence or any witness in rebuttal of the evidence produced by the appellant under sub-rule (1).
- (4) Nothing contained in this rule shall affect the power of the Appellate Authority or the Appellate Tribunal to direct the production of any document, or the examination of any witness, to enable it to dispose of the appeal.
113. Order of Appellate Authority or Appellate Tribunal.- (1) The Appellate Authority shall, along with its order under sub-section (11) of section 107, issue a summary of the order in FORM GST APL-04 clearly indicating the final amount of demand confirmed.
- (2) The jurisdictional officer shall issue a statement in FORM GST APL-04 clearly indicating the final amount of demand confirmed by the Appellate Tribunal.

114. Appeal to the High Court.- (1) An appeal to the High Court under sub-section (1) of section 117 shall be filed in FORM GST APL-08.
- (2) The grounds of appeal and the form of verification as contained in FORM GST APL-08 shall be signed in the manner specified in rule 26.
115. Demand confirmed by the Court.- The jurisdictional officer shall issue a statement in FORM GST APL-04 clearly indicating the final amount of demand confirmed by the High Court or, as the case may be, the Supreme Court.
116. Disqualification for misconduct of an authorised representative.- Where an authorised representative, other than those referred to in clause (b) or clause (c) of subsection (2) of section 116 is found, upon an enquiry into the matter, guilty of misconduct in connection with any proceedings under the Act, the Commissioner may, after providing him an opportunity of being heard, disqualify him from appearing as an authorised representative.

Chapter XIV

Transitional Provisions (Rule 117 to 121)

117. Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day.- (1) 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, of eligible duties and taxes, as defined in Explanation 2 to section 140 to which he is entitled under the provisions of the said section:

Provided that the Commissioner may, on the recommendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.

Provided further that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004.

- (2) Every declaration under sub-rule (1) shall-

(a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day-

(i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day; and

(ii) the amount 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;

(b) in the case of a claim under sub-section (3) or clause (b) of sub-section (4) or sub-section (6) or sub-section (8) of section 140, specify separately the details of stock held on the appointed day;

(c) in the case of a claim under sub-section (5) of section 140, furnish the following details, namely:—

- (i) 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;
- (ii) the description and value of the goods or services;
- (iii) the quantity in case of goods and the unit or unit quantity code thereof;

- (iv) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services; and
- (v) the date on which the receipt of goods or services is entered in the books of account of the recipient.

(3) 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.

(4) (a) (i) A registered person who was not registered under the existing law shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit on goods (on which the duty of central excise or, as the case may be, additional duties of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975, is leviable) held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.

(ii) The input tax credit referred to in sub-clause (i) shall be allowed at the rate of sixty per cent. on such goods which attract central tax at the rate of nine per cent. or more and forty

per cent. for other goods of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax;

(iii) The scheme shall be available for six tax periods from the appointed date. (b) The credit of central tax shall be availed subject to satisfying the following conditions, namely:-

(i) such goods were not unconditionally exempt from the whole of the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated in the said Schedule;

(ii) the document for procurement of such goods is available with the registered person;

(iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2), submits a statement in FORM GST TRAN 2 at the end of each of the six tax periods during which the scheme is in operation indicating

therein, the details of supplies of such goods effected during the tax period;

(iv) 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; and

(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

118. Declaration to be made under clause (c) of sub-section (11) of section 142.- Every person to whom the provision of clause (c) of sub-section (11) of section 142 applies, shall within a period of ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1 furnishing the proportion of supply on which Value Added Tax or service tax has been paid before the appointed day but the supply is made after the appointed day, and the Input Tax Credit admissible thereon.
119. Declaration of stock held by a principal and job-worker.- Every person to whom the provisions of section 141 apply shall, within ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1, specifying therein, the

stock of the inputs, semi-finished goods or finished goods, as applicable, held by him on the appointed day.

120. Details of goods sent on approval basis.- Every person having sent goods on approval under the existing law and to whom sub-section (12) of section 142 applies shall, within ninety days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.
121. Recovery of credit wrongly availed.- The amount credited under sub-rule (3) of rule 117 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.

Chapter XV

Anti-Profiteering (Rule 122 to 137)

122. Constitution of the Authority.- The Authority shall consist of,-
- (a) a Chairman who holds or has held a post equivalent in rank to a Secretary to the Government of India; and

(b) four Technical Members who are or have been Commissioners of State tax or central tax or have held an equivalent post under the existing law,

to be nominated by the Council.

123. Constitution of the Standing Committee and Screening Committees.- (1) The Council may constitute a Standing Committee on Anti-profiteering which shall consist of such officers of the State Government and Central Government as may be nominated by it.

(2) A State level Screening Committee shall be constituted in each State by the State Governments which shall consist of-

(a) one officer of the State Government, to be nominated by the Commissioner, and

(b) one officer of the Central Government, to be nominated by the Chief Commissioner.

124. Appointment, salary, allowances and other terms and conditions of service of the Chairman and Members of the Authority:- (1) The Chairman and Members of the Authority shall be appointed by the Central Government on the recommendations of a

Selection Committee to be constituted for the purpose by the Council.

- (2) The Chairman shall be paid a monthly salary of Rs. 2,25,000 (fixed) and other allowances and benefits as are admissible to a Central Government officer holding posts carrying the same pay:

Provided that where a retired officer is selected as a Chairman, he shall be paid a monthly salary of Rs. 2,25,000 reduced by the amount of pension.

- (3) The Technical Member shall be paid a monthly salary of Rs. 2,05,400 (fixed) and shall be entitled to draw allowances as are admissible to a Government of India officer holding Group 'A' post carrying the same pay:

Provided that where a retired officer is selected as a Technical Member, he shall be paid a monthly salary of Rs. 2,05,400 reduced by the amount of pension.

- (4) The Chairman shall hold office for a term of two years from the date on which he enters upon his office, or until he attains the age of sixty- five years, whichever is earlier and shall be eligible for reappointment:

Provided that person shall not be selected as the Chairman, if he has attained the age of sixty-two years.

- (5) The Technical Member of the Authority shall hold office for a term of two years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for reappointment:

Provided that person shall not be selected as a Technical Member if he has attained the age of sixty-two years.

125. Secretary to the Authority.- The Additional Director General of Safeguards under the Board shall be the Secretary to the Authority.
126. Power to determine the methodology and procedure.- The Authority may determine the methodology and procedure for determination as to whether the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit has been passed on by the registered person to the recipient by way of commensurate reduction in prices.
127. Duties of the Authority.- It shall be the duty of the Authority,-
- (i) to determine whether any reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has been passed on to the recipient by way of commensurate reduction in prices;

- (ii) to identify the registered person who has not passed on the benefit of reduction in the rate of tax on supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices;
- (iii) to order,
 - (a) reduction in prices;
 - (b) return to the recipient, an amount equivalent to the amount not passed on by way of commensurate reduction in prices along with interest at the rate of eighteen per cent. from the date of collection of the higher amount till the date of the return of such amount or recovery of the amount not returned, as the case may be, in case the eligible person does not claim return of the amount or is not identifiable, and depositing the same in the Fund referred to in section 57;
 - (c) imposition of penalty as specified in the Act; and (d) cancellation of registration under the Act.

128. Examination of application by the Standing Committee and Screening Committee.- (1) The Standing Committee shall, within a period of two months from the date of the receipt of a written application, in such form and manner as may be

specified by it, from an interested party or from a Commissioner or any other person, examine the accuracy and adequacy of the evidence provided in the application to determine whether there is prima-facie evidence to support the claim of the applicant that the benefit of reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has not been passed on to the recipient by way of commensurate reduction in prices.

(2) All applications from interested parties on issues of local nature shall first be examined by the State level Screening Committee and the Screening Committee shall, upon being satisfied that the supplier has contravened the provisions of section 171, forward the application with its recommendations to the Standing Committee for further action.

129. Initiation and conduct of proceedings.- (1) Where the Standing Committee is satisfied that there is a prima-facie evidence to show that the supplier has not passed on the benefit of reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, it shall refer the matter to the Director General of Safeguards for a detailed investigation.

(2) The Director General of Safeguards shall conduct investigation and collect evidence necessary to determine whether the benefit of reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has been passed on to the recipient by way of commensurate reduction in prices.

(3) The Director General of Safeguards shall, before initiation of the investigation, issue a notice to the interested parties containing, inter alia, information on the following, namely:-

- (a) the description of the goods or services in respect of which the proceedings have been initiated;
- (b) summary of the statement of facts on which the allegations are based; and
- (c) the time limit allowed to the interested parties and other persons who may have information related to the proceedings for furnishing their reply.

(4) The Director General of Safeguards may also issue notices to such other persons as deemed fit for a fair enquiry into the matter.

(5) The Director General of Safeguards shall make available the evidence presented to it by one interested party to the other interested parties, participating in the proceedings.

(6) The Director General of Safeguards shall complete the investigation within a period of three months of the receipt of the reference from the Standing Committee or within such extended period not exceeding a further period of three months for reasons to be recorded in writing as allowed by the Standing Committee and, upon completion of the investigation, furnish to the Authority, a report of its findings along with the relevant records.

130. Confidentiality of information.- (1) Notwithstanding anything contained in subrules (3) and (5) of rule 129 and sub-rule (2) of rule 133, the provisions of section 11 of the Right to Information Act, 2005 (22 of 2005), shall apply mutatis mutandis to the disclosure of any information which is provided on a confidential basis.

(2) The Director General of Safeguards may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of the party providing such information, the said information cannot be summarised, such party may submit to the Director General of Safeguards a statement of reasons as to why summarisation is not possible.

131. Cooperation with other agencies or statutory authorities.-

Where the Director General of Safeguards deems fit, he may seek opinion of any other agency or statutory authorities in the discharge of his duties.

132. Power to summon persons to give evidence and produce

documents.- (1) The Director General of Safeguards, or an officer authorised by him in this behalf, shall be deemed to be the proper officer to exercise the power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing under section 70 and shall have power in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908 (5 of 1908).

(2) Every such inquiry referred to in sub-rule (1) shall be deemed to be a judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

133. Order of the Authority.- (1) The Authority shall, within a period of three months from the date of the receipt of the report from the Director General of Safeguards determine whether a registered person has passed on the benefit of the

reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices.

(2) An opportunity of hearing shall be granted to the interested parties by the Authority where any request is received in writing from such interested parties.

(3) Where the Authority determines that a registered person has not passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, the Authority may order-

- (a) reduction in prices;
- (b) return to the recipient, an amount equivalent to the amount not passed on by way of commensurate reduction in prices along with interest at the rate of eighteen per cent. from the date of collection of the higher amount till the date of the return of such amount or recovery of the amount including interest not returned, as the case may be, in case the eligible person does not claim return of the amount or is not identifiable, and depositing the same in the Fund referred to in section 57; (c) imposition of penalty as specified under the Act; and (d) cancellation of registration under the Act.

134. Decision to be taken by the majority.- If the Members of the Authority differ in opinion on any point, the point shall be decided according to the opinion of the majority.

135. Compliance by the registered person.- Any order passed by the Authority under these rules shall be immediately complied with by the registered person failing which action shall be initiated to recover the amount in accordance with the provisions of the Integrated Goods and Services Tax Act or the Central Goods and Services Tax Act or the Union territory Goods and Services Tax Act or the State Goods and Services Tax Act of the respective States, as the case may be.

136. Monitoring of the order.- The Authority may require any authority of central tax, State tax or Union territory tax to monitor the implementation of the order passed by it.

137. Tenure of Authority.- The Authority shall cease to exist after the expiry of two years from the date on which the Chairman enters upon his office unless the Council recommends otherwise.

Explanation.- For the purposes of this Chapter,

- (a) "Authority" means the National Anti-profiteering Authority constituted under rule 122;
- (b) "Committee" means the Standing Committee on Anti-profiteering constituted by the Council in terms of sub-rule (1) of rule 123 of these rules;
- (c) "interested party" includes-
 - a. suppliers of goods or services under the proceedings; and
 - b. recipients of goods or services under the proceedings;
- (d) "Screening Committee" means the State level Screening Committee constituted in terms of sub-rule (2) of rule 123 of these rules.

Chapter XVI

E-way Rules (Rule 138 to 138D)

138. Information to be furnished prior to commencement of movement of goods and generation of e-way bill.- (1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees—

- (i) in relation to a supply; or
- (ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person, shall, before commencement of such movement, furnish information relating to the said goods in Part A of FORM GST EWB-01, electronically, on the common portal.

(2) Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or by railways or by air or by vessel, the said person or the recipient may generate the e-way bill in FORM GST EWB-01 electronically on the common portal after furnishing information in Part B of FORM GST EWB-01.

(3) Where the e-way bill is not generated under sub-rule (2) and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01:

Provided that the registered person or, as the case may be, the transporter may, at his option, generate and carry the

e-way bill even if the value of the consignment is less than fifty thousand rupees:

Provided further that where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may, at their option, generate the e-way bill in FORM GST EWB-01 on the common portal in the manner specified in this rule:

Provided also that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.

Explanation 1.– For the purposes of this sub-rule, where the goods are supplied by an unregistered supplier to a recipient who is registered, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods.

Explanation 2.-The information in Part A of FORM GST EWB-01 shall be furnished by the consignor or the recipient of the supply as consignee where the goods are transported by railways or by air or by vessel.

(4) Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

(5) Any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in FORM GST EWB-01:

Provided that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance may not be updated in the e-way bill.

(6) After e-way bill has been generated in accordance with the provisions of sub-rule (1), where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in FORM GST EWB-02 maybe generated by him on the said common portal prior to the movement of goods.

(7) Where the consignor or the consignee has not generated FORM GST EWB-01 in accordance with the provisions of sub-rule (1) and the value of goods carried in the conveyance is more than fifty thousand rupees, the transporter shall generate FORM GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in FORM GST EWB-02 on the common portal prior to the movement of goods.

(8) The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in FORM GSTR-1:

Provided that when the information has been furnished by an unregistered supplier in FORM GST EWB-01, he shall be informed electronically, if the mobile number or the email is available.

(9) Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill:

Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.

(10) An e-way bill or a consolidated e-way bill generated under this rule shall be valid for the period as mentioned in column (3) of the Table below from the relevant date, for the distance the goods have to be transported, as mentioned in column (2) of the said Table: Table

Sr. no.	Distance	Validity period
(1)	(2)	(3)
1.	Upto 100 km	One day
2.	For every 100 km or part thereof thereafter	One additional day

Provided that the Commissioner may, by notification, extend the validity period of e-way bill for certain categories of goods as may be specified therein:

Provided further that where, under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may

generate another e-way bill after updating the details in Part B of FORM GST EWB-01.

Explanation.—For the purposes of this rule, the “relevant date” shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty-four hours.

(11) The details of e-way bill generated under sub-rule (1) shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.

(12) Where the recipient referred to in sub-rule (11) does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.

(13) The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State shall be valid in every State and Union territory.

(14) Notwithstanding anything contained in this rule, no e-way bill is required to be generated—

- (a) where the goods being transported are specified in Annexure;

- (b) where the goods are being transported by a non-motorised conveyance;
- (c) where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; and
- (d) in respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the Goods and Services Tax Rules of the concerned State.

Explanation. - The facility of generation and cancellation of e-way bill may also be made available through SMS.

ANNEXURE

[(See rule 138 (14))]

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)

1.	0101	Live asses, mules and hinnies
2.	0102	Live bovine animals
3.	0103	Live swine
4.	0104	Live sheep and goats
5.	0105	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls.
6.	0106	Other live animal such as Mammals, Birds, Insects
7.	0201	Meat of bovine animals, fresh and chilled.
8.	0202	Meat of bovine animals frozen [other than frozen and put up in unit container]
9.	0203	Meat of swine, fresh, chilled or frozen [other than frozen and put up in unit container]
10.	0204	Meat of sheep or goats, fresh, chilled or frozen [other than frozen and put up in unit container]
11.	0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]
12.	0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or

		frozen [other than frozen and put up in unit container]
13.	0207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen [other than frozen and put up in unit container]

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
14.	0208	Other meat and edible meat offal, fresh, chilled or frozen [other than frozen and put up in unit container]
15.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled or frozen [other than frozen and put up in unit container]

16.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, salted, in brine, dried or smoked [other than put up in unit containers]
17.	0210	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal, other than put up in unit containers
18.	3	Fish seeds, prawn / shrimp seeds whether or not processed, cured or in frozen state [other than goods falling under Chapter 3 and attracting 2.5%]
19.	0301	Live fish.
20.	0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304
21.	0304	Fish fillets and other fish meat (whether or not minced), fresh or chilled.
22.	0306	Crustaceans, whether in shell or not, live, fresh or chilled; crustaceans, in shell, cooked by steaming or by boiling in water live, fresh or chilled.
23.	0307	Molluscs, whether in shell or not, live, fresh, chilled; aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.

24.	0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.
25.	0401	Fresh milk and pasteurised milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk
26.	0403	Curd; Lassi; Butter milk
27.	0406	Chena or paneer, other than put up in unit containers and bearing a registered brand name;
28.	0407	Birds' eggs, in shell, fresh, preserved or cooked
29.	0409	Natural honey, other than put up in unit container and bearing a registered brand name
30.	0501	Human hair, unworked, whether or not washed or scoured; waste of human hair
31.	0506	All goods i.e. Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or gelatinised; powder and waste of these products
32.	0507 90	All goods i.e. Hoof meal; horn meal; hooves, claws, nails and beaks; antlers; etc.
33.	0511	Semen including frozen semen

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
34.	6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
35.	0701	Potatoes, fresh or chilled.
36.	0702	Tomatoes, fresh or chilled.
37.	0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.
38.	0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.
39.	0705	Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium</i> spp.), fresh or chilled.
40.	0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.

41.	0707	Cucumbers and gherkins, fresh or chilled.
42.	0708	Leguminous vegetables, shelled or unshelled, fresh or chilled.
43.	0709	Other vegetables, fresh or chilled.
44.	0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.
45.	0713	Dried leguminous vegetables, shelled, whether or not skinned or split.
46.	0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh or chilled; sago pith.
47.	0801	Coconuts, fresh or dried, whether or not shelled or peeled
48.	0801	Brazil nuts, fresh, whether or not shelled or peeled
49.	0802	Other nuts, Other nuts, fresh such as Almonds, Hazelnuts or filberts (Coryius spp.), walnuts, Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Areca nuts, fresh, whether or not shelled or peeled
50.	0803	Bananas, including plantains, fresh or dried

51.	0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh.
52.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia), fresh.
53.	0806	Grapes, fresh
54.	0807	Melons (including watermelons) and papaws (papayas), fresh.
55.	0808	Apples, pears and quinces, fresh.
56.	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.
57.	0810	Other fruit such as strawberries, raspberries, blackberries, mulberries and loganberries, black, white or red currants and gooseberries, cranberries, bilberries and other fruits of the genus vaccinium, Kiwi fruit, Durians, Persimmons, Pomegranates, Tamarind, Sapota (chico), Custard-apple (ata), Bore, Lichi, fresh.

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
58.	0814	Peel of citrus fruit or melons (including watermelons), fresh.
59.	9	All goods of seed quality
60.	0901	Coffee beans, not roasted
61.	0902	Unprocessed green leaves of tea
62.	0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries [of seed quality]
63.	0910 11 10	Fresh ginger, other than in processed form
64.	0910 30 10	Fresh turmeric, other than in processed form

65.	1001	Wheat and meslin [other than those put up in unit container and bearing a registered brand name]
66.	1002	Rye [other than those put up in unit container and bearing a registered brand name]
67.	1003	Barley [other than those put up in unit container and bearing a registered brand name]
68.	1004	Oats [other than those put up in unit container and bearing a registered brand name]
69.	1005	Maize (corn) [other than those put up in unit container and bearing a registered brand name]
70.	1006	Rice [other than those put up in unit container and bearing a registered brand name]
71.	1007	Grain sorghum [other than those put up in unit container and bearing a registered brand name]
72.	1008	Buckwheat, millet and canary seed; other cereals such as Jawar, Bajra, Ragi] [other than those put up in unit container and bearing a registered brand name]
73.	1101	Wheat or meslin flour [other than those put up in unit container and bearing a registered brand name].

74.	1102	Cereal flours other than of wheat or meslin, [maize (corn) flour, Rye flour, etc.] [other than those put up in unit container and bearing a registered brand name]
75.	1103	Cereal groats, meal and pellets [other than those put up in unit container and bearing a registered brand name]
76.	1104	Cereal grains hulled
77.	1105	Flour, of potatoes [other than those put up in unit container and bearing a registered brand name]
78.	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. [other than those put up in unit container and bearing a registered brand name]
79.	12	All goods of seed quality
80.	1201	Soya beans, whether or not broken, of seed quality.
81.	1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
		or broken, of seed quality.
82.	1204	Linseed, whether or not broken, of seed quality.
83.	1205	Rape or colza seeds, whether or not broken, of seed quality.
84.	1206	Sunflower seeds, whether or not broken, of seed quality.
85.	1207	Other oil seeds and oleaginous fruits (i.e. Palm nuts and kernels, cotton seeds, Castor oil seeds, Sesamum seeds, Mustard seeds, Safflower (Carthamustinctorius) seeds, Melon seeds, Poppy seeds, Ajams, Mango kernel, Niger seed, Kokam) whether or not broken, of seed quality.

86.	1209	Seeds, fruit and spores, of a kind used for sowing.
87.	1210	Hop cones, fresh.
88.	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purpose, fresh or chilled.
89.	1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh or chilled.
90.	1213	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets
91.	1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets.
92.	1301	Lac and Shellac
93.	1404 90 40	Betel leaves
94.	1701 or 1702	Jaggery of all types including Cane Jaggery (gur) and Palmyra Jaggery
95.	1904	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched

		rice, commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as Murki
96.	1905	Pappad
97.	1905	Bread (branded or otherwise), <u>except</u> pizza bread
98.	2201	Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]
99.	2201	Non-alcoholic Toddy, Neera including date and palm neera
100.	2202 90 90	Tender coconut water other than put up in unit container and bearing a registered brand name
101.	2302, 2304, 2305, 2306, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed and cattle feed, including grass, hay and straw, supplement and husk of pulses, concentrates and additives, wheat bran and de-oiled cake
102.	2501	Salt, all types
103.	2835	Dicalcium phosphate (DCP) of animal feed grade conforming to IS specification No.5470 : 2002

104.	3002	Human Blood and its components
105.	3006	All types of contraceptives

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
106.	3101	All goods and organic manure [other than put up in unit containers and bearing a registered brand name]
107.	3304	Kajal [other than kajal pencil sticks], Kumkum, Bindi, Sindur, Alta
108.	3825	Municipal waste, sewage sludge, clinical waste
109.	3926	Plastic bangles
110.	4014	Condoms and contraceptives
111.	4401	Firewood or fuel wood

112.	4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
113.	4802 / 4907	Judicial, Non-judicial stamp papers, Court fee stamps when sold by the Government Treasuries or Vendors authorised by the Government
114.	4817 / 4907	Postal items, like envelope, Post card etc., sold by Government
115.	48 / 4907	Rupee notes when sold to the Reserve Bank of India
116.	4907	Cheques, lose or in book form
117.	4901	Printed books, including Braille books
118.	4902	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material
119.	4903	Children's picture, drawing or colouring books
120.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed
121.	5001	Silkworm laying, cocoon
122.	5002	Raw silk
123.	5003	Silk waste
124.	5101	Wool, not carded or combed

125.	5102	Fine or coarse animal hair, not carded or combed
126.	5103	Waste of wool or of fine or coarse animal hair
127.	52	Gandhi Topi
128.	52	Khadi yarn
129.	5303	Jute fibres, raw or processed but not spun
130.	5305	Coconut, coir fibre
131.	63	Indian National Flag
132.	6703	Human hair, dressed, thinned, bleached or otherwise worked
133.	6912 00 40	Earthen pot and clay lamps
134.	7018	Glass bangles (except those made from precious metals)
135.	8201	Agricultural implements manually operated or animal driven i.e. Hand tools, such as spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry.

136.	8445	Amber charkha
137.	8446	Handloom [weaving machinery]
138.	8802 60 00	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles
S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
139.	8803	Parts of goods of heading 8801
140.	9021	Hearing aids
141.	92	Indigenous handmade musical instruments
142.	9603	Muddhas made of sarkanda and phool bahari jhadoo
143.	9609	Slate pencils and chalk sticks
144.	9610 00 00	Slates
145.	9803	Passenger baggage

146.	Any chapter	Puja samagri namely,- (i) Rudraksha, rudraksha mala, tulsikanthi mala, panchgavya (mixture of cowdung, desi ghee, milk and curd); (ii) Sacred thread (commonly known as yagnopavit); (iii) Wooden khadau; (iv) Panchamrit, (v) Vibhuti sold by religious institutions, (vi) Unbranded honey (vii) Wick for diya. viii) Roli x) Kalava (Raksha sutra) c) Chandantika
147.		Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
148.		Kerosene oil sold under PDS
149.		Postal baggage transported by Department of Posts
150.		Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
151.		Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)

152.		Currency
153.		Used personal and household effects
154.		Coral, unworked (0508) and worked coral (9601);

(ii) in the principal rules, after rule 138, the following shall be inserted, namely:-

“138A. Documents and devices to be carried by a person-in-charge of a conveyance.-(1) The person in charge of a conveyance shall carry—

- (a) the invoice or bill of supply or delivery challan, as the case may be; and
- (b) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.

(2) A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in FORM GST INV-1 and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading.

(3) Where the registered person uploads the invoice under sub-rule (2), the information in Part A of FORM GST EWB-01 shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.

(4) The Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

(5) Notwithstanding anything contained clause (b) of sub-rule (1), where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill-

- (a) tax invoice or bill of supply or bill of entry; or
- (b) a delivery challan, where the goods are transported for reasons other than by way of supply.

138B. Verification of documents and conveyances.- (1) The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intraState movement of goods.

(2) The Commissioner shall get Radio Frequency Identification Device readers installed at places where the verification of movement of goods is required to be carried out and verification of movement of vehicles shall be done through such device readers where the away bill has been mapped with the said device.

(3) The physical verification of conveyances shall be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf:

Provided that on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

138C. Inspection and verification of goods.- (1) A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of FORM GST EWB-03 within twenty four hours of inspection and the final report in Part B of FORM GST EWB-03 shall be recorded within three days of such inspection.

(2) Where the physical verification of goods being transported on any conveyance has been done during transit at one place

within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently.

138D. Facility for uploading information regarding detention of vehicle.-Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in FORM GST EWB-04 on the common portal.

Chapter – XVII

Inspection, Search and Seizure (Rule 139 to 141)

139. Inspection, search and seizure.- (1) Where the proper officer not below the rank of a Joint Commissioner has reasons to believe that a place of business or any other place is to be visited for the purposes of inspection or search or, as the case may be, seizure in accordance with the provisions of section 67, he shall issue an authorisation in FORM GST INS-01 authorising any other officer subordinate to him to conduct the

inspection or search or, as the case may be, seizure of goods, documents, books or things liable to confiscation.

(2) Where any goods, documents, books or things are liable for seizure under sub-section (2) of section 67, the proper officer or an authorised officer shall make an order of seizure in FORM GST INS-02.

(3) The proper officer or an authorised officer may entrust upon the the owner or the custodian of goods, from whose custody such goods or things are seized, the custody of such goods or things for safe upkeep and the said person shall not remove, part with, or otherwise deal with the goods or things except with the previous permission of such officer.

(4) Where it is not practicable to seize any such goods, the proper officer or the authorised officer may serve on the owner or the custodian of the goods, an order of prohibition in FORM GST INS-03 that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.

(5) The officer seizing the goods, documents, books or things shall prepare an inventory of such goods or documents or books or things containing, inter alia, description, quantity or unit, make, mark or model, where applicable, and get it signed by

the person from whom such goods or documents or books or things are seized. 140. Bond and security for release of seized goods.- (1) The seized goods may be released on a provisional basis upon execution of a bond for the value of the goods in FORM GST INS-04 and furnishing of a security in the form of a bank guarantee equivalent to the amount of applicable tax, interest and penalty payable.

Explanation.- For the purposes of the rules under the provisions of this Chapter, the “applicable tax” shall include central tax and State tax or central tax and the Union territory tax, as the case may be and the cess, if any, payable under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).

(2) In case the person to whom the goods were released provisionally fails to produce the goods at the appointed date and place indicated by the proper officer, the security shall be encashed and adjusted against the tax, interest and penalty and fine, if any, payable in respect of such goods.

141. Procedure in respect of seized goods.- (1) Where the goods or things seized are of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the

market price of such goods or things or the amount of tax, interest and penalty that is or may become payable by the taxable person, whichever is lower, such goods or, as the case may be, things shall be released forthwith, by an order in FORM GST INS-05, on proof of payment.

(2) Where the taxable person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or things, the Commissioner may dispose of such goods or things and the amount realized thereby shall be adjusted against the tax, interest, penalty, or any other amount payable in respect of such goods or things.

CHAPTER - XVIII

Demands and Recovery (Rule 142 to 161)

142. Notice and order for demand of amounts payable under the Act.- (1) The proper officer shall serve, along with the

- (a) notice under sub-section (1) of section 73 or sub-section (1) of section 74 or sub-section (2) of section 76, a summary thereof electronically in FORM GST DRC-01,
- (b) statement under sub-section (3) of section 73 or sub-section (3) of section 74, a summary thereof electronically in FORM GST DRC-02,

specifying therein the details of the amount payable.

- (2) Where, before the service of notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of sub-section (5) of section 73 or, as the case may be, tax, interest and penalty in accordance with the provisions of sub-section (5) of section 74, he shall inform the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an acknowledgement, accepting the payment made by the said person in FORM GST DRC-04.
- (3) Where the person chargeable with tax makes payment of tax and interest under sub-section (8) of section 73 or, as the case may be, tax, interest and penalty under sub-section (8) of section 74 within thirty days of the service of a notice under sub-rule (1), he shall intimate the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an order in FORM GST DRC-05 concluding the proceedings in respect of the said notice.
- (4) The representation referred to in sub-section (9) of section 73 or sub-section (9) of section 74 or sub-section (3) of section 76 shall be in FORM GST DRC-06.

- (5) A summary of the order issued under sub-section (9) of section 73 or sub-section (9) of section 74 or subsection (3) of section 76 shall be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty payable by the person chargeable with tax.
- (6) The order referred to in sub-rule (5) shall be treated as the notice for recovery.
- (7) Any rectification of the order, in accordance with the provisions of section 161, shall be made by the proper officer in FORM GST DRC-08.

143. Recovery by deduction from any money owed.- Where any amount payable by a person (hereafter referred to in this rule as "the defaulter") to the Government under any of the provisions of the Act or the rules made thereunder is not paid, the proper officer may require, in FORM GST DRC-09, a specified officer to deduct the amount from any money owing to such defaulter in accordance with the provisions of clause (a) of sub-section (1) of section 79.

Explanation.- For the purposes of this rule, "specified officer" shall mean any officer of the Central Government or a State Government or the Government of a Union territory or a local authority, or of a Board or Corporation or a company owned or

controlled, wholly or partly, by the Central Government or a State Government or the Government of a Union territory or a local authority.

144. Recovery by sale of goods under the control of proper officer.- (1) Where any amount due from a defaulter is to be recovered by selling goods belonging to such person in accordance with the provisions of clause (b) of sub-section (1) of section 79, the proper officer shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods as may be required for recovering the amount payable along with the administrative expenditure incurred on the recovery process.

(2) The said goods shall be sold through a process of auction, including e-auction, for which a notice shall be issued in FORM GST DRC-10 clearly indicating the goods to be sold and the purpose of sale.

(3) The last day for submission of bid or the date of auction shall not be earlier than fifteen days from the date of issue of the notice referred to in sub-rule (2):

Provided that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are

likely to exceed their value, the proper officer may sell them forthwith.

(4) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders, forfeited in case the successful bidder fails to make the payment of the full amount, as the case may be.

(5) The proper officer shall issue a notice to the successful bidder in FORM GST DRC-11 requiring him to make the payment within a period of fifteen days from the date of auction. On payment of the full bid amount, the proper officer shall transfer the possession of the said goods to the successful bidder and issue a certificate in FORM GST DRC-12.

(6) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the notice under sub-rule (2), the proper officer shall cancel the process of auction and release the goods.

(7) The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids.

145. Recovery from a third person.- (1) The proper officer may serve upon a person referred to in clause (c) of sub-section (1) of section 79 (hereafter referred to in this rule as "the third person"), a notice in FORM GST DRC-13 directing him to deposit the amount specified in the notice.

(2) Where the third person makes the payment of the amount specified in the notice issued under sub-rule (1), the proper officer shall issue a certificate in FORM GST DRC-14 to the third person clearly indicating the details of the liability so discharged.

146. Recovery through execution of a decree, etc.- Where any amount is payable to the defaulter in the execution of a decree of a civil court for the payment of money or for sale in the enforcement of a mortgage or charge, the proper officer shall send a request in FORM GST DRC- 15 to the said court and the court shall, subject to the provisions of the Code of Civil Procedure, 1908 (5 of 1908), execute the attached decree, and credit the net proceeds for settlement of the amount recoverable.

147. Recovery by sale of movable or immovable property.- (1) The proper officer shall prepare a list of movable and immovable property belonging to the defaulter, estimate their value as per

the prevalent market price and issue an order of attachment or distraint and a notice for sale in FORM GST DRC- 16 prohibiting any transaction with regard to such movable and immovable property as may be required for the recovery of the amount due:

Provided that the attachment of any property in a debt not secured by a negotiable instrument, a share in a corporation, or other movable property not in the possession of the defaulter except for property deposited in, or in the custody of any Court, shall be attached in the manner provided in rule 151.

- (2) The proper officer shall send a copy of the order of attachment or distraint to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed only on the written instructions from the proper officer to that effect.
- (3) Where the property subject to the attachment or distraint under sub-rule (1) is-
 - (a) an immovable property, the order of attachment or distraint shall be affixed on the said property and shall remain affixed till the confirmation of sale;

- (b) a movable property, the proper officer shall seize the said property in accordance with the provisions of chapter XIV of the Act and the custody of the said property shall either be taken by the proper officer himself or an officer authorised by him.
- (4) The property attached or distrained shall be sold through auction, including e-auction, for which a notice shall be issued in FORM GST DRC- 17 clearly indicating the property to be sold and the purpose of sale.
- (5) Notwithstanding anything contained in the provision of this Chapter, where the property to be sold is a negotiable instrument or a share in a corporation, the proper officer may, instead of selling it by public auction, sell such instrument or a share through a broker and the said broker shall deposit to the Government so much of the proceeds of such sale, reduced by his commission, as may be required for the discharge of the amount under recovery and pay the amount remaining, if any, to the owner of such instrument or a share.
- (6) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders or, forfeited in case the

successful bidder fails to make the payment of the full amount, as the case may be.

- (7) The last day for the submission of the bid or the date of the auction shall not be earlier than fifteen days from the date of issue of the notice referred to in sub-rule (4):

Provided that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

- (8) Where any claim is preferred or any objection is raised with regard to the attachment or distraint of any property on the ground that such property is not liable to such attachment or distraint, the proper officer shall investigate the claim or objection and may postpone the sale for such time as he may deem fit.
- (9) The person making the claim or objection must adduce evidence to show that on the date of the order issued under sub-rule (1) he had some interest in, or was in possession of, the property in question under attachment or distraint.
- (10) Where, upon investigation, the proper officer is satisfied that, for the reason stated in the claim or objection, such property was not, on the said date, in the possession of the

defaulter or of any other person on his behalf or that, being in the possession of the defaulter on the said date, it was in his possession, not on his own account or as his own property, but on account of or in trust for any other person, or partly on his own account and partly on account of some other person, the proper officer shall make an order releasing the property, wholly or to such extent as he thinks fit, from attachment or distraint.

(11) Where the proper officer is satisfied that the property was, on the said date, in the possession of the defaulter as his own property and not on account of any other person, or was in the possession of some other person in trust for him, or in the occupancy of a tenant or other person paying rent to him, the proper officer shall reject the claim and proceed with the process of sale through auction.

(12) The proper officer shall issue a notice to the successful bidder in FORM GST DRC-11 requiring him to make the payment within a period of fifteen days from the date of such notice and after the said payment is made, he shall issue a certificate in FORM GST DRC-12 specifying the details of the property, date of transfer, the details of the bidder and the amount paid and upon issuance of such certificate, the rights, title and interest in the property shall be deemed to be transferred to such bidder:

Provided that where the highest bid is made by more than one person and one of them is a co-owner of the property, he shall be deemed to be the successful bidder.

- (13) Any amount, including stamp duty, tax or fee payable in respect of the transfer of the property specified in sub-rule (12), shall be paid to the Government by the person to whom the title in such property is transferred.
- (14) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the notice under sub-rule (4), the proper officer shall cancel the process of auction and release the goods.
- (15) The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids.

148. Prohibition against bidding or purchase by officer.- No officer or other person having any duty to perform in connection with any sale under the provisions of this Chapter shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property sold.

149. Prohibition against sale on holidays.- No sale under the rules under the provision of this chapter shall take place on a Sunday or other general holidays recognized by the Government or on any day which has been notified by the Government to be a holiday for the area in which the sale is to take place.

150. Assistance by police.- The proper officer may seek such assistance from the officer-in-charge of the jurisdictional police station as may be necessary in the discharge of his duties and the said officer-in-charge shall depute sufficient number of police officers for providing such assistance.

151. Attachment of debts and shares, etc.- (1) A debt not secured by a negotiable instrument, a share in a corporation, or other movable property not in the possession of the defaulter except for property deposited in, or in the custody of any court shall be attached by a written order in FORM GST DRC-16 prohibiting.-

(a) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof until the receipt of a further order from the proper officer;

- (b) in the case of a share, the person in whose name the share may be standing from transferring the same or receiving any dividend thereon;
 - (c) in the case of any other movable property, the person in possession of the same from giving it to the defaulter.
- (2) A copy of such order shall be affixed on some conspicuous part of the office of the proper officer, and another copy shall be sent, in the case of debt, to the debtor, and in the case of shares, to the registered address of the corporation and in the case of other movable property, to the person in possession of the same.
- (3) A debtor, prohibited under clause (a) of sub-rule (1), may pay the amount of his debt to the proper officer, and such payment shall be deemed as paid to the defaulter.

152. Attachment of property in custody of courts or Public Officer.- Where the property to be attached is in the custody of any court or Public Officer, the proper officer shall send the order of attachment to such court or officer, requesting that such property, and any interest or dividend becoming payable thereon, may be held till the recovery of the amount payable.

153. Attachment of interest in partnership.- (1) Where the property to be attached consists of an interest of the defaulter, being a partner, in the partnership property, the proper officer may make an order charging the share of such partner in the partnership property and profits with payment of the amount due under the certificate, and may, by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct accounts and enquiries and make an order for the sale of such interest or such other order as the circumstances of the case may require.

(2) The other partners shall be at liberty at any time to redeem the interest charged or, in the case of a sale being directed, to purchase the same.

154. Disposal of proceeds of sale of goods and movable or immovable property.- The amounts so realised from the sale of goods, movable or immovable property, for the recovery of dues from a defaulter shall,-

- (a) first, be appropriated against the administrative cost of the recovery process;
- (b) next, be appropriated against the amount to be recovered;

- (c) next, be appropriated against any other amount due from the defaulter under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017 and the rules made thereunder; and (d) any balance, be paid to the defaulter.

155. Recovery through land revenue authority.- Where an amount is to be recovered in accordance with the provisions of clause (e) of sub-section (1) of section 79, the proper officer shall send a certificate to the Collector or Deputy Commissioner of the district or any other officer authorised in this behalf in FORM GST DRC- 18 to recover from the person concerned, the amount specified in the certificate as if it were an arrear of land revenue.

156. Recovery through court.- Where an amount is to be recovered as if it were a fine imposed under the Code of Criminal Procedure, 1973, the proper officer shall make an application before the appropriate Magistrate in accordance with the provisions of clause (f) of sub-section (1) of section 79 in FORM GST DRC- 19 to recover from the person concerned, the amount specified thereunder as if it were a fine imposed by him.

157. Recovery from surety.- Where any person has become surety for the amount due by the defaulter, he may be proceeded against under this Chapter as if he were the defaulter.

158. Payment of tax and other amounts in instalments.- (1) On an application filed electronically by a taxable person, in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due under the Act or for allowing payment of such taxes or amount in instalments in accordance with the provisions of section 80, the Commissioner shall call for a report from the jurisdictional officer about the financial ability of the taxable person to pay the said amount.

- (2) Upon consideration of the request of the taxable person and the report of the jurisdictional officer, the Commissioner may issue an order in FORM GST DRC- 21 allowing the taxable person further time to make payment and/or to pay the amount in such monthly instalments, not exceeding twenty-four, as he may deem fit.
- (3) The facility referred to in sub-rule (2) shall not be allowed where-

- (a) the taxable person has already defaulted on the payment of any amount under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017, for which the recovery process is on;
- (b) the taxable person has not been allowed to make payment in instalments in the preceding financial year under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017;
- (c) the amount for which instalment facility is sought is less than twenty-five thousand rupees.

159. Provisional attachment of property.- (1) Where the Commissioner decides to attach any property, including bank account in accordance with the provisions of section 83, he shall pass an order in FORM GST DRC-22 to that effect mentioning therein, the details of property which is attached.

(2) The Commissioner shall send a copy of the order of attachment to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed

only on the written instructions from the Commissioner to that effect.

(3) Where the property attached is of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the market price of such property or the amount that is or may become payable by the taxable person, whichever is lower, then such property shall be released forthwith, by an order in FORM GST DRC-23, on proof of payment.

(4) Where the taxable person fails to pay the amount referred to in sub-rule (3) in respect of the said property of perishable or hazardous nature, the Commissioner may dispose of such property and the amount realized thereby shall be adjusted against the tax, interest, penalty, fee or any other amount payable by the taxable person.

(5) Any person whose property is attached may, within seven days of the attachment under sub-rule (1), file an objection to the effect that the property attached was or is not liable to attachment, and the Commissioner may, after affording an opportunity of being heard to the person filing the objection, release the said property by an order in FORM GST DRC- 23.

(6) The Commissioner may, upon being satisfied that the property was, or is no longer liable for attachment, release such property by issuing an order in FORM GST DRC- 23.

160. Recovery from company in liquidation.- Where the company is under liquidation as specified in section 88, the Commissioner shall notify the liquidator for the recovery of any amount representing tax, interest, penalty or any other amount due under the Act in FORM GST DRC -24.

161. **Continuation of certain recovery proceedings.-** The order for the reduction or enhancement of any demand under section 84 shall be issued in FORM GST DRC- 25.

Chapter - XIX

Offences and Penalties (Rule 162)

162. Procedure for compounding of offences.- (1) An applicant may, either before or after the institution of prosecution, make an application under sub-section (1) of section 138 in FORM GST CPD-01 to the Commissioner for compounding of an offence.

- (2) On receipt of the application, the Commissioner shall call for a report from the concerned officer with reference to the particulars furnished in the application, or any other information, which may be considered relevant for the examination of such application.
- (3) The Commissioner, after taking into account the contents of the said application, may, by order in FORM GST CPD-02, on being satisfied that the applicant has co-operated in the proceedings before him and has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within ninety days of the receipt of the application.
- (4) The application shall not be decided under sub-rule (3) without affording an opportunity of being heard to the applicant and recording the grounds of such rejection.
- (5) The application shall not be allowed unless the tax, interest and penalty liable to be paid have been paid in the case for which the application has been made.

- (6) The applicant shall, within a period of thirty days from the date of the receipt of the order under sub-rule (3), pay the compounding amount as ordered by the Commissioner and shall furnish the proof of such payment to him.
- (7) In case the applicant fails to pay the compounding amount within the time specified in sub-rule (6), the order made under sub-rule (3) shall be vitiated and be void.

Immunity granted to a person under sub-rule (3) may, at any time, be withdrawn by the Commissioner, if he is satisfied that such person had, in the course of the compounding proceedings, concealed any material particulars or had given false evidence. Thereupon such person may be tried for the offence with respect to which immunity was granted or for any other offence that appears to have been committed by him in connection with the compounding proceedings and the provisions the Act shall apply as if no such immunity had been granted.

CGST – Notifications (other than rate)

1/2017 – Sec. 1 to 5 and others notified

New Delhi, the 19th June, 2017

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby appoints the 22nd day of June, 2017, as the date on which the provisions of sections 1, 2, 3, 4, 5, 10, 22, 23, 24, 25, 26, 27, 28, 29, 30, 139, 146 and 164 of the said Act shall come into force.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

2/2017 – Appointment of officers

New Delhi, the 19th June, 2017

G.S.R (E).- In exercise of the powers under section 3 read with section 5 of the Central Goods and Services

Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the

Central Board of Excise and Customs hereby appoints-

- (a) Principal Chief Commissioners of Central Tax and Principal Directors General of Central Tax,
- (b) Chief Commissioners of Central Tax and Directors General of Central Tax,
- (c) Principal Commissioners of Central Tax and Principal Additional Directors General of Central Tax,
- (d) Commissioners of Central Tax and Additional Directors General of Central Tax,
- (e) Additional Commissioners of Central Tax and Additional Directors of Central Tax,
- (f) Joint Commissioners of Central Tax and Joint Directors of Central Tax,

- (g) Deputy Commissioners of Central Tax and Deputy Directors of Central Tax,
 - (h) Assistant Commissioners of Central Tax and Assistant Directors of Central Tax,
 - (i) Commissioners of Central Tax (Audit),
 - (j) Commissioners of Central Tax (Appeals),
 - (k) Additional Commissioners of Central Tax (Appeals),
- and the central tax officers sub-ordinate to them as central tax officers and vests them with all the powers under both the said Acts and the rules made thereunder with respect to the jurisdiction specified in the Tables given below.

2. The Principal Chief Commissioners of Central Tax or the Chief Commissioners of Central Tax, as the case may be, specified in column (2) of Table I, are hereby vested with the territorial jurisdiction over the-

- (a) Principal Commissioners of Central Tax and Commissioners of Central Tax, as the case may be, specified in the corresponding entry in column (3) of the said Table;
- (b) Commissioners of Central Tax (Appeals) specified in the corresponding entry in column (4) of the said Table;

- (c) Additional Commissioners of Central Tax (Appeals) specified in the corresponding entry in column (4) of the said Table; and
 - (d) Commissioners of Central Tax (Audit) specified in the corresponding entry in column (5) of the said Table.
- 3. The Principal Commissioners of Central Tax or the Commissioners of Central Tax, as the case may be, specified in column (2) of Table II and the central tax officers subordinate to them, are hereby vested with the territorial jurisdiction specified in the corresponding entry in column (3) of the said Table.
- 4. The Commissioners of Central Tax (Appeals) and Additional Commissioners of Central Tax (Appeals) specified in column (2) of Table III and the central tax officers subordinate to them are hereby vested with the territorial jurisdiction of the Principal Commissioners of Central Tax or the Commissioners of Central Tax, as the case may be, specified in the corresponding entry in column (3) of the said Table.

5. The Commissioners of Central Tax (Audit) specified in column (2) of Table IV and the central tax officers subordinate to them are hereby vested with the territorial jurisdiction of the Principal Commissioners of Central Tax or the Commissioners of Central Tax, as the case may be, specified in the corresponding entry in column (3) of the said Table.

Authors comments - For details / tables - Kindly refer

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-2-central-tax-english.pdf>

6. This notification shall come into force on the 22nd day of June, 2017.

[F.No 349/52/2017-GST]

(Dr. Sreeparvathy S. L.)
Government of India

Under Secretary to the

3 /2017 – CGST Rules (1 to 26 notified)

New Delhi, 19th June, 2017 29 Jyaistha, 1939 Saka

G.S.R. ()E.:– In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules, namely:–

Chapter I

PRELIMINARY

- 1. Short title, Extent and Commencement.**– (1) These rules may be called the Central Goods and Services Tax Rules, 2017.
(2) They shall come into force with effect from 22nd June, 2017.
- 2. Definitions.**– In these rules, unless the context otherwise requires,–
 - (a) “Act” means the Central Goods and Services Tax Act, 2017 (12 of 2017);
 - (b) “FORM” means a Form appended to these rules;
 - (c) “section” means a section of the Act;

- (d) "Special Economic Zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);
- (e) words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

Chapter II

COMPOSITION RULES

- 3. Intimation for composition levy.-** (1) Any person who has been granted registration on a provisional basis under clause (b) of sub-rule (1) of rule 24 and who opts to pay tax under section 10, shall electronically file an intimation in **FORM GST CMP-01**, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the appointed day, but not later than thirty days after the said day, or such further period as may be extended by the Commissioner in this behalf:

Provided that where the intimation in **FORM GST CMP-01** is filed after the appointed day, the registered

person shall not collect any tax from the appointed day but shall issue bill of supply for supplies made after the said day.

- (2) Any person who applies for registration under sub-rule (1) of rule 8 may give an option to pay tax under section 10 in Part B of **FORM GST REG-01**, which shall be considered as an intimation to pay tax under the said section.
- (3) Any registered person who opts to pay tax under section 10 shall electronically file an intimation in **FORM GST CMP-02**, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the commencement of the financial year for which the option to pay tax under the aforesaid section is exercised and shall furnish the statement in **FORM GST ITC-03** in accordance with the provisions of sub-rule (4) of rule 44 within a period of sixty days from the commencement of the relevant financial year.
- (4) Any person who files an intimation under sub-rule (1) to pay tax under section 10 shall furnish the details of

stock, including the inward supply of goods received from unregistered persons, held by him on the day preceding the date from which he opts to pay tax under the said section, electronically, in **FORM GST CMP-03**, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within a period of sixty days from the date on which the option for composition levy is exercised or within such further period as may be extended by the Commissioner in this behalf.

- (5) Any intimation under sub-rule (1) or sub-rule (3) in respect of any place of business in any State or Union territory shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number.

- 4. Effective date for composition levy.-** (1) The option to pay tax under section 10 shall be effective from the beginning of the financial year, where the intimation is filed under subrule (3) of rule 3 and the appointed day where the intimation is filed under sub-rule (1) of the said rule.

- (2) The intimation under sub-rule (2) of rule 3, shall be considered only after the grant of registration to the applicant and his option to pay tax under section 10 shall be effective from the date fixed under sub-rule (2) or (3) of rule 10.

5. Conditions and restrictions for composition levy.-

- (1) The person exercising the option to pay tax under section 10 shall comply with the following conditions, namely:-

- (a) he is neither a casual taxable person nor a non-resident taxable person; (b) the goods held in stock by him on the appointed day have not been purchased in the course of inter-State trade or commerce or imported from a place outside India or received from his branch situated outside the State or from his agent or principal outside the State, where the option is exercised under sub-rule (1) of rule 3;
- (c) the goods held in stock by him have not been purchased from an unregistered supplier and where purchased, he pays the tax under sub-section (4) of section 9; (d) he shall pay tax under sub-section (3)

or sub-section (4) of section 9 on inward supply of goods or services or both;

(e) he was not engaged in the manufacture of goods as notified under clause (e) of sub-section (2) of section 10, during the preceding financial year;

(f) he shall mention the words "composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him; and

(g) he shall mention the words "composition taxable person" on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.

- (2) The registered person paying tax under section 10 may not file a fresh intimation every year and he may continue to pay tax under the said section subject to the provisions of the Act and these rules.

6. Validity of composition levy.- (1) The option exercised by a registered person to pay tax under section 10 shall

remain valid so long as he satisfies all the conditions mentioned in the said section and under these rules.

(2) The person referred to in sub-rule (1) shall be liable to pay tax under sub-section (1) of section 9 from the day he ceases to satisfy any of the conditions mentioned in section 10 or the provisions of this Chapter and shall issue tax invoice for every taxable supply made thereafter and he shall also file an intimation for withdrawal from the scheme in **FORM GST CMP-04** within seven days of the occurrence of such event.

(3) The registered person who intends to withdraw from the composition scheme shall, before the date of such withdrawal, file an application in **FORM GST CMP-04**, duly signed or verified through electronic verification code, electronically on the common portal.

(4) Where the proper officer has reasons to believe that the registered person was not eligible to pay tax under section 10 or has contravened the provisions of the

Act or provisions of this Chapter, he may issue a notice to such person in **FORM GST CMP-05** to show cause within fifteen days of the receipt of such notice as to why the option to pay tax under section 10 shall not be denied.

- (5) Upon receipt of the reply to the show cause notice issued under sub-rule (4) from the registered person in **FORM GST CMP-06**, the proper officer shall issue an order in **FORM GST CMP-07** within a period of thirty days of the receipt of such reply, either accepting the reply, or denying the option to pay tax under section 10 from the date of the option or from the date of the event concerning such contravention, as the case may be.

- (6) Every person who has furnished an intimation under sub-rule (2) or filed an application for withdrawal under sub-rule (3) or a person in respect of whom an order of withdrawal of option has been passed in **FORM GST CMP-07** under sub-rule (5), may electronically furnish at the common portal, either

directly or through a Facilitation Centre notified by the Commissioner, a statement in **FORM GST ITC-01** containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date on which the option is withdrawn or denied, within a period of thirty days from the date from which the option is withdrawn or from the date of the order passed in **FORM GST CMP-07**, as the case may be.

- (7) Any intimation or application for withdrawal under sub-rule (2) or (3) or denial of the option to pay tax under section 10 in accordance with sub-rule (5) in respect of any place of business in any State or Union territory, shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number.

7. Rate of tax of the composition levy.- The category of registered persons, eligible for composition levy under section 10 and the provisions of this Chapter, specified in

column (2) of the Table below shall pay tax under section 10 at the rate specified in column (3) of the said Table:-

Sl. No.	Category of registered persons	Rate of tax
(1)	(2)	(3)
1.	Manufacturers, other than manufacturers of such goods as may be notified by the Government	one per cent.
2.	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	two and a half per cent.
3.	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	half per cent.

Chapter III

REGISTRATION

8. Application for registration.- (1) Every person, other than a non-resident taxable person, a person required to deduct tax at source under section 51, a person required to collect tax at source under section 52 and a person

supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under sub-section (3) of section 25 (hereafter in this Chapter referred to as “the applicant”) shall, before applying for registration, declare his Permanent Account Number, mobile number, e-mail address, State or Union territory in **Part A** of **FORM GST REG-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a person having a unit(s) in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from his other units located outside the Special Economic Zone:

Provided further that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.

(2) (a) The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes.

(b) The mobile number declared under sub-rule (1) shall be verified through a one-time password sent to the said mobile number; and

(c) The e-mail address declared under sub-rule (1) shall be verified through a separate one-time password sent to the said e-mail address.

(3) On successful verification of the Permanent Account Number, mobile number and email address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.

(4) Using the reference number generated under sub-rule (3), the applicant shall electronically submit an application in **Part B** of **FORM GST REG-01**, duly

signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(5) On receipt of an application under sub-rule (4), an acknowledgement shall be issued electronically to the applicant in **FORM GST REG-02**.

(6) A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit.

9. Verification of the application and approval.- (1) The application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant within a period of three working days from the date of submission of the application.

- (2) Where the application submitted under rule 8 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in **FORM GST REG-03** within a period of three working days from the date of submission of the application and the applicant shall furnish such clarification, information or documents electronically, in **FORM GST REG-04**, within a period of seven working days from the date of the receipt of such notice.

Explanation.- For the purposes of this sub-rule, the expression “clarification” includes modification or correction of particulars declared in the application for registration, other than Permanent Account Number, State, mobile number and e-mail address declared in **Part A** of **FORM GST REG-01**.

- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of

registration to the applicant within a period of seven working days from the date of the receipt of such clarification or information or documents.

- (4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) or where the proper officer is not satisfied with the clarification, information or documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05**.

- (5) If the proper officer fails to take any action, -

(a) within a period of three working days from the date of submission of the application; or

(b) within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2), the application for grant of registration shall be deemed to have been approved.

- 10. Issue of registration certificate.-** (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under rule 9, a certificate of registration in

FORM GST REG-06 showing the principal place of business and additional place or places of business shall be made available to the applicant on the common portal and a Goods and Services Tax Identification Number shall be assigned subject to the following characters, namely:-

- (a) two characters for the State code;
 - (b) ten characters for the Permanent Account Number or the Tax Deduction and Collection Account Number;
 - (c) two characters for the entity code; and (d) one checksum character.
- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date.
- (3) Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 9.

- (4) Every certificate of registration shall be digitally signed by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of rule 9, the applicant shall be communicated the registration number, and the certificate of registration under sub-rule (1), duly signed or verified through electronic verification code, shall be made available to him on the common portal, within a period of three days after the expiry of the period specified in sub-rule (5) of rule 9.

11. Separate registration for multiple business

verticals within a State or a Union territory.- (1) Any

person having multiple business verticals within a State or a Union territory, requiring a separate registration for any of its business verticals under subsection (2) of section 25 shall be granted separate registration in respect of each of the verticals subject to the following conditions, namely:-

- (a) such person has more than one business vertical as defined in clause (18) of section 2;

(b) the business vertical of a taxable person shall not be granted registration to pay tax under section 10 if any one of the other business verticals of the same person is paying tax under section 9;

(c) all separately registered business verticals of such person shall pay tax under the Act on supply of goods or services or both made to another registered business vertical of such person and issue a tax invoice for such supply.

Explanation.- For the purposes of clause (b), it is hereby clarified that where any business vertical of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other business verticals of the said person shall become ineligible to pay tax under the said section.

(2) A registered person eligible to obtain separate registration for business verticals may submit a separate application in **FORM GST REG-01** in respect of each such vertical.

(3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, *mutatis*

mutandis, apply to an application submitted under this rule.

12. Grant of registration to persons required to deduct

tax at source or to collect tax at source.- (1) Any person required to deduct tax in accordance with the provisions of section 51 or a person required to collect tax at source in accordance with the provisions of section 52 shall electronically submit an application, duly signed or verified through electronic verification code, in **FORM GST REG-07** for the grant of registration through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (2) The proper officer may grant registration after due verification and issue a certificate of registration in **FORM GST REG-06** within a period of three working days from the date of submission of the application.
- (3) Where, upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in **FORM GST REG-06** has been issued is no longer liable to deduct tax at source under section

51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person electronically in **FORM GST REG-08**:

Provided that the proper officer shall follow the procedure as provided in rule 22 for the cancellation of registration.

13. Grant of registration to non-resident taxable

person.- (1) A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in **FORM GST REG-09**, at least five days prior to the commencement of business at the common portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that in the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of

which the entity is identified by the Government of that country or its Permanent Account Number, if available.

(2) A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.

(3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.

(4) The application for registration made by a non-resident taxable person shall be signed by his authorised signatory who shall be a person resident in India having a valid Permanent Account Number.

14. Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient.-

(1) Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed or verified through electronic verification code, in **FORM GST REG-10**, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The applicant referred to in sub-rule (1) shall be granted registration, in **FORM GST REG-06**, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

15. Extension in period of operation by casual taxable person and non-resident taxable person.-

(1) Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an

application in **FORM GST REG-11** shall be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner, by such person before the end of the validity of registration granted to him.

- (2) The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

16. *Suo moto registration.*- (1) Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in **FORM GST REG- 12.**

- (2) The registration granted under sub-rule (1) shall be effective from the date of such order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, within a period of ninety days from the date of the grant of such

registration, submit an application for registration in the form and manner provided in rule 8 or rule 12:

Provided that where the said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within a period of thirty days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.

- (4) The provisions of rule 9 and rule 10 relating to verification and the issue of the certificate of registration shall, *mutatis mutandis*, apply to an application submitted under sub-rule (3).
- (5) The Goods and Services Tax Identification Number assigned, pursuant to the verification under sub-rule (4), shall be effective from the date of the order granting registration under sub-rule (1).

- 17. Assignment of Unique Identity Number to certain special entities.-** (1) Every person required to be granted a Unique Identity Number in accordance with the provisions of subsection (9) of section 25 may submit an application electronically in **FORM GST REG13**, duly signed or verified through electronic verification code, in

the manner specified in rule 8 at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

- (2) The proper officer may, upon submission of an application in **FORM GST REG-13** or after filling up the said form, assign a Unique Identity Number to the said person and issue a certificate in **FORM GST REG-06** within a period of three working days from the date of the submission of the application.

18. Display of registration certificate and Goods and Services Tax Identification Number on the name board.- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.

- (2) Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

19. Amendment of registration.- (1) Where there is any change in any of the particulars furnished in the

application for registration in **FORM GST REG-01** or **FORM GST REG-07** or **FORM GST REG-09** or **FORM GST REG-10** or for Unique Identity Number in **FORM GST-REG-13**, either at the time of obtaining registration or Unique Identity Number or as amended from time to time, the registered person shall, within a period of fifteen days of such change, submit an application, duly signed or verified through electronic verification code, electronically in **FORM GST REG-14**, along with the documents relating to such change at the common portal, either directly or through a

Facilitation Centre notified by the Commissioner:

Provided that – (a) where the change relates to,-

- (i) legal name of business;
- (ii) address of the principal place of business or any additional place(s) of business; or
- (iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent,

responsible for the day to day affairs of
the business,-

which does not warrant cancellation of registration under section 29, the proper officer shall, after due verification, approve the amendment within a period of fifteen working days from the date of the receipt of the application in **FORM GST REG-14** and issue an order in **FORM GST REG-15** electronically and such amendment shall take effect from the date of the occurrence of the event warranting such amendment;

(b) the change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under the provisions of this Chapter on the same Permanent Account Number;

(c) where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in **FORM GST REG- 14** on the common portal;

(d) where a change in the constitution of any business results in the change of the Permanent Account Number

of a registered person, the said person shall apply for fresh registration in **FORM GST REG-01**:

Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the common portal in the manner provided under the said rule.

- (2) Where the proper officer is of the opinion that the amendment sought under sub-rule (1) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within a period of fifteen working days from the date of the receipt of the application in **FORM GST REG-14**, serve a notice in **FORM GST REG-03**, requiring the registered person to show cause, within a period of seven working days of the service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.
- (3) The registered person shall furnish a reply to the notice to show cause, issued under sub-rule (2), in

FORM GST REG-04, within a period of seven working days from the date of the service of the said notice.

- (4) Where the reply furnished under sub-rule (3) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (2) within the period prescribed in sub-rule (3), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in **FORM GST REG -05**.

- (5) If the proper officer fails to take any action,-

(a) within a period of fifteen working days from the date of submission of the application, or

(b) within a period of seven working days from the date of the receipt of the reply to the notice to show cause under sub-rule (3), the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal.

20. **Application for cancellation of registration.-** A registered person, other than a person to whom a registration has been granted under rule 12 or a person to whom a Unique Identity Number has been granted

under rule 17, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in **FORM GST REG-16**, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought, liability thereon, the details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for the cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of one year from the effective date of registration.

21. Registration to be cancelled in certain cases.-

The registration granted to a person is liable to be cancelled, if the said person,-

(a) does not conduct any business from the declared place of business; or

(b) issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made thereunder.

22. Cancellation of registration.- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in **FORM GST REG-17**, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.

(2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in **FORM REG-18** within the period specified in the said sub-rule.

(3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in **FORM GST REG-19**, within a period of thirty days from the date of application submitted under sub-rule (1) of rule 20

or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under subsection (5) of section 29.

- (4) Where the reply furnished under sub-rule (2) is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in **FORM GST REG – 20**.
- (5) The provisions of sub-rule (3) shall, *mutatis mutandis*, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

23. Revocation of cancellation of registration.- (1) A registered person, whose registration is cancelled by the proper officer on his own motion, may submit an application for revocation of cancellation of registration, in **FORM GST REG-21**, to such proper officer, within a period of thirty days from the date of the service of the

order of cancellation of registration at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.

(2) (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

(b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

(3) The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within a period of seven working days from the date of the service of the notice in **FORM GST REG-24**.

(4) Upon receipt of the information or clarification in **FORM GST REG-24**, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days from the date of the receipt of such information or clarification from the applicant.

24. Migration of persons registered under the existing law.- (1) (a) Every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number issued under the provisions of the Income-tax Act, 1961 (Act 43 of 1961) shall enrol on the common portal by validating his e-mail address and

mobile number, either directly or through a Facilitation Centre notified by the Commissioner.

(b) Upon enrolment under clause (a), the said person shall be granted registration on a provisional basis and a certificate of registration in **FORM GST REG-25**, incorporating the Goods and Services Tax Identification Number therein, shall be made available to him on the common portal:

Provided that a taxable person who has been granted multiple registrations under the existing law on the basis of a single Permanent Account Number shall be granted only one provisional registration under the Act:

Provided further that a person having centralised registration under the provisions of Chapter V of the Finance Act, 1994 (32 of 1994) shall be granted only one provisional registration in the State or Union territory in which he is registered under the existing law.

(2) (a) Every person who has been granted a provisional registration under sub-rule (1) shall submit an application electronically in **FORM GST REG-26**, duly signed or verified through electronic verification code, along with the information and documents specified in

the said application, on the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(b) The information asked for in clause (a) shall be furnished within a period of three months or within such further period as may be extended by the Commissioner in this behalf.

(c) If the information and the particulars furnished in the application are found, by the proper officer, to be correct and complete, a certificate of registration in **FORM GST REG-06** shall be made available to the registered person electronically on the common portal.

(3) Where the particulars or information specified in sub-rule (2) have either not been furnished or not found to be correct or complete, the proper officer shall, after serving a notice to show cause in **FORM GST REG-27** and after affording the person concerned a reasonable opportunity of being heard, cancel the provisional registration granted under sub-rule (1) and issue an order in **FORM GST REG-28**:

Provided that the show cause notice issued in **FORM GST REG- 27** can be withdrawn by issuing an order in

FORM GST REG- 20, if it is found, after affording the person an opportunity of being heard, that no such cause exists for which the notice was issued.

(4) Every person registered under any of the existing laws, who is not liable to be registered under the Act may, within a period of thirty days from the appointed day, at his option, submit an application electronically in **FORM GST REG-29** at the common portal for the cancellation of registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.

25. Physical verification of business premises in certain cases.- Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the common portal within a period of fifteen working days following the date of such verification.

26. Method of authentication.- (1) All applications, including reply, if any, to the notices, returns including the details of outward and inward supplies, appeals or any other document required to be submitted under the provisions of these rules shall be so submitted electronically with digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf:

Provided that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall furnish the documents or application verified through digital signature certificate.

(2) Each document including the return furnished online shall be signed or verified through electronic verification code-

(a) in the case of an individual, by the individual himself or where he is absent from India, by some other person duly authorised by him in this behalf, and where the individual is mentally incapacitated from attending to

his affairs, by his guardian or by any other person competent to act on his behalf;

(b) in the case of a Hindu Undivided Family, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorised signatory of such Karta;

(c) in the case of a company, by the chief executive officer or authorised signatory thereof;

(d) in the case of a Government or any Governmental agency or local authority, by an officer authorised in this behalf;

(e) in the case of a firm, by any partner thereof, not being a minor or authorised signatory thereof;

(f) in the case of any other association, by any member of the association or persons or authorised signatory thereof;

(g) in the case of a trust, by the trustee or any trustee or authorised signatory thereof; or

(h) in the case of any other person, by some person competent to act on his behalf, or by a person authorised in accordance with the provisions of section 48.

- (3) All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate specified under the provisions of the Information Technology Act, 2000 (21 of 2000).

Authors comment: For forms kindly refer GSTN website

4/2017 – GST.gov.in notified

New Delhi, the 19th June, 2017

29 Jyaistha, 1939 Saka

G.S.R.....(E).- In exercise of the powers conferred by section 146 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government hereby notifies www.gst.gov.in as the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns, computation and settlement of integrated tax and electronic way bill.

Explanation.- For the purposes of this notification, “www.gst.gov.in” means the website managed by the Goods and Services Tax Network, a company incorporated under the provisions of section 8 of the Companies Act, 2013 (18 of 2013).

2. This notification shall come into force on the 22nd day of June, 2017.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

5/2017 – Registration not required for exempt supplies

New Delhi, the 19th June, 2017

29 Jyaistha, 1939 Saka

G.S.R. (E).- In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby specifies the persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under sub-section (3) of section 9 of the said Act as the category of persons exempted from obtaining registration under the aforesaid Act.

2. This notification shall come into force on the 22nd day of June, 2017.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

6/2017 – Modes of verification

New Delhi, the 19th June, 2017

29 Jyaistha, 1939 Saka

G.S.R. (E).- In exercise of the powers conferred by sub-rule (1) of rule 26 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said Rules), the Central Board of Excise and Customs hereby notifies the following modes of verification, for the purpose of the said rule, namely:- (i) Aadhaar based Electronic Verification Code (EVC); (ii) Bank account based One Time Password (OTP):

Provided that where the mode of authentication of any document is through any of the aforesaid modes, such verification shall be done within two days of furnishing the documents.

2. This notification shall come into force on the 22nd day of June, 2017.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

7/2017 – CGST Rules amendments

New Delhi, the 27th June, 2017

6 Ashadha, 1939 Saka

G.S.R. (E).- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Amendment) Rules, 2017.
(2) They shall be deemed to have come into force with effect from the 22nd day of June, 2017.
2. In the Central Goods and Services Tax Rules, 2017,-
 - (a) in rule 1, in the heading, the word “, Extent” shall be omitted;
 - (b) in rule 10, in sub-rule (4), for the words “digitally signed”, the words “duly signed or verified through electronic verification code” shall be substituted;

- (c) in rule 13, in sub-rule (4), for the word "signed", the words "duly signed or verified through electronic verification code" shall be substituted;
- (d) in rule 19, in sub-rule (1), in the second proviso, for the words "the said rule", the words, brackets and figures "sub-rule (2) of rule 8" shall be substituted;
- (e) in rule 21, for clause (b), the following clauses shall be substituted, namely:-
 - "(b) issues invoice or bill without supply of goods or services in violation of the provisions of the Act, or the rules made thereunder; or
 - (c) violates the provisions of section 171 of the Act or the rules made thereunder.";
- (f) in rule 22, in sub-rule (3), the words, brackets and figure "sub-rule (1) of " shall be omitted;
- (g) in rule 24,-
 - (i) in sub-rule (1), the second proviso shall be omitted;
 - (ii) after sub-rule (3), the following sub-rule shall be inserted, namely:-
 - "(3A) Where a certificate of registration has not been made available to the applicant on the

common portal within a period of fifteen days from the date of the furnishing of information and particulars referred to in clause (c) of sub-rule (2) and no notice has been issued under sub-rule (3) within the said period, the registration shall be deemed to have been granted and the said certificate of registration, duly signed or verified through electronic verification code, shall be made available to the registered person on the common portal.”;

- (h) in rule 26, in sub-rule (3), for the words “specified under the provisions of the Information Technology Act, 2000 (21 of 2000)”, the words “or through esignature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf.” shall be substituted;
- (i) in Form GST CMP-04, in the table, for serial number 5 and the entries related thereto, the following shall be substituted, namely:- “5. Category of Registered Person
 - (i) Manufacturers, other than manufacturers of such goods as may be notified by the Government

- (ii) Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II
- (iii) Any other supplier eligible for composition levy.”;
- (j) in Form GST CMP-07, for the brackets, words and figures “[See rule 6(6)]”, the brackets, words and figures “[See rule 6(5)] shall be substituted;
- (k) in Form GST REG-12, for the words and figures “within 30 days”, the words and figures “within 90 days” shall be substituted; (l) in Form GST REG-25,-
 - (i) for the words and letters, “Provisional ID”, the letters “GSTIN” shall be substituted;
 - (ii) the words “Place” and “<State>” shall be omitted.

[F. No. 349/58/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017 published vide G.S.R number 610 (E), dated the 19th June, 2017.

8/2017-Central Tax

New Delhi, the 27th June, 2017

G.S.R. (E).- In exercise of the powers conferred under the proviso to sub-section (1) of section 10 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby prescribes that an eligible 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 central tax payable by him, an amount calculated at the rate of,— (i) one per cent. of the turnover in State in case of a manufacturer,

- (ii) two and a half per cent. of the turnover in State in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II of the said Act, and

S. No.	Tariff item, subheading,	Description

	heading or Chapter	
(1)	(2)	(3)
1.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2.	2106 90 20	Pan masala
3.	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

(iii) half per cent. of the turnover in State in case of other suppliers:

Provided that the aggregate turnover in the preceding financial year shall be fifty lakh rupees in the case of an eligible registered person, registered under section 25 of the said Act, in any following States, namely: - (i) Arunachal Pradesh,

- (ii) Assam,
- (iii) Manipur,
- (iv) Meghalaya,
- (v) Mizoram,
- (vi) Nagaland, (vii) Sikkim,
- (viii) Tripura,
- (ix) Himachal Pradesh:

Provided further that the registered person shall not be eligible to opt for composition levy under sub-section (1) of section 10 of the said Act if such person is a manufacturer of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table:-

TABLE

Explanation. –

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

[F.No.354/117/2017-TRU]

(Mohit Tewari)

Under Secretary to the Government of India

8/2017 - Composition scheme GST rates

New Delhi, the 27th June, 2017

G.S.R. (E).- In exercise of the powers conferred under the proviso to sub-section (1) of section 10 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby prescribes that an eligible 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 central tax payable by him, an amount calculated at the rate of,--

- (i) **one per cent.** of the turnover in State in case of a manufacturer,
- (ii) **two and a half per cent.** of the turnover in State in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II of the said Act, and
- (iii) **half per cent.** of the turnover in State in case of other suppliers:

Provided that the aggregate turnover in the preceding financial year shall be fifty lakh rupees in the case of an eligible registered person, registered under section 25 of the said Act, in any following States, namely: - (i) Arunachal Pradesh,

- (ii) Assam,
- (iii) Manipur,
- (iv) Meghalaya,
- (v) Mizoram,
- (vi) Nagaland, (vii) Sikkim,
- (viii) Tripura,
- (ix) Himachal Pradesh:

Provided further that the registered person shall not be eligible to opt for composition levy under sub-section (1) of section 10 of the said Act if such person is a manufacturer of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table:-

TABLE

S. No.	Tariff item, subheading, heading or Chapter	Description
(1)	(2)	(3)
1.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2.	2106 90 20	Pan masala
3.	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

Explanation. –

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

[F.No.354/117/2017-TRU]

(Mohit Tewari)

Under Secretary to the Government of India

9/2017 – Charge, supply and other section notified

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby appoints the 1st day of July, 2017, as the date on which the provisions of sections 6 to 9, 11 to 21, 31 to 41, 42 except the proviso to sub-section (9) of section 42, 43 except the proviso to sub-section (9) of section 43, 44 to 50, 53 to 138, 140 to 145, 147 to 163, 165 to 174 of the said Act, shall come into force.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

10/2017- Central Tax – Refer [CGST Rules](#)

11/2017 – Modes of verification amendment

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R. (E).- In pursuance of sub-rule (1) of rule 26 of the Central Goods and Services Tax Rules, 2017, the Central Board of Excise and Customs hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.6/2017-Central Tax, dated the 19th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 608 (E), dated the 19th June, 2017, namely:-

In the said notification for the clause (ii), the following shall be substituted, namely:- “(ii) Electronic verification code generated through net banking login on the common portal; (iii) Electronic verification code generated on the common portal.”

2. This notification shall be deemed to have come into force with effect from the 22nd day of June, 2017.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

12/2017 – HSN requirement

New Delhi, the 28th June,

2017

7 Ashadha, 1939 Saka

G.S.R.(E).— In pursuance of the first proviso to rule 46 of the Central Goods and Services Tax Rules, 2017, the Central Board of Excise and Customs, on the recommendations of the Council, hereby notifies that a registered person having annual turnover in the preceding financial year as specified in column (2) of the Table below shall mention the digits of Harmonised System of Nomenclature (HSN) Codes, as specified in the corresponding entry in column (3) of the said Table, in a tax invoice issued by him under the said rules. Table

Serial Number	Annual Turnover in the preceding Financial Year	Number of Digits of HSN Code
(1)	(2)	(3)
1.	Upto rupees one crore fifty lakhs	Nil

2.	more than rupees one crore fifty lakhs and upto rupees five crores	2
3.	more than rupees five crores	4

2. This notification shall come into force from the 1st day of July, 2017.

[F. No.349/72/2017-
GST]

(Dr. Sreeparvathy S.L.) Under Secretary to the Government of
India

13/2017 – Rate of interest

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R.(E).—In exercise of the powers conferred by sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby fixes the rate of interest per annum, for the purposes of the sections as specified in column (2) of the Table below, as mentioned in the corresponding entry in column (3) of the said Table. Table

Serial Number	Section	Rate of interest (in per cent)
(1)	(2)	(3)
1.	Sub-section (1) of section 50	18
2.	sub-section (3) of section 50	24
3.	sub-section (12) of section 54	6
4.	section 56	6
5.	proviso to section 56	9

2. This notification shall come into force from the 1st day of July, 2017.

[F. No.349/72/2017-
GST]

(Dr. Sreeparvathy S.L.) Under Secretary to the Government of
India

14/2017 – Appointment of DGGSTI and DG Audit

New Delhi, the 1st July, 2017

10 Ashadha, 1939 Saka

G.S.R (E).- In exercise of the powers conferred under section 3 read with section 5 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Board of Excise and Customs hereby appoints the officers in the Directorate General of Goods and Services Tax Intelligence, Directorate General of Goods and Services Tax and Directorate General of Audit as specified in column (2) of the Table below, as central tax officers and invests them with all the powers under the Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017 and the rules made there under, throughout the territory of India, as are exercisable by the central tax officers of the corresponding rank as specified in column (3) of the said Table, namely:-

TABLE

Sl. No.	Officers	Officers whose powers are to be exercised

(1)	(2)	(3)
1.	Principal Director General, Goods and Services Tax Intelligence or Principal Director General, Goods and Services Tax	Principal Chief Commissioner
2.	Director General, Audit	Chief Commissioner
3.	Principal Additional Director General, Goods and Services Tax Intelligence or Principal Additional Director General, Goods and Services Tax or Principal Additional Director General, Audit	Principal Commissioner
4.	Additional Director General, Goods and Services Tax Intelligence or Additional Director General, Goods and Services Tax or Additional Director General, Audit	Commissioner
5.	Additional Director, Goods and Services Tax Intelligence or Additional Director, Goods and Services Tax or Additional Director, Audit	Additional Commissioner
6.	Joint Director, Goods and Services Tax	Joint Commissioner

	Intelligence or Joint Director, Goods and Services Tax or Joint Director, Audit	
7.	Deputy/Assistant Director, Goods and Services Tax Intelligence or Deputy/Assistant Director, Goods and Services Tax or Deputy/Assistant Director, Audit	Deputy Commissioner or Assistant Commissioner
8.	Senior Intelligence Officer, Goods and Services Tax Intelligence or Superintendent, Goods and Services Tax or Superintendent, Audit	Superintendent
9.	Intelligence Officer, Goods and Services Tax Intelligence or Inspector, Goods and Services Tax or Inspector, Audit	Inspector

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F. No. 349/52/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

15/2017 – CGST Rules amended

New Delhi, the 1st July, 2017

10 Ashadha, 1939 Saka

G.S.R. ()E.- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

- (1) These rules may be called the Central Goods and Services Tax (Third Amendment) Rules, 2017.
 - (2) They shall come into force with effect from the 1st day of July, 2017.
2. In the Central Goods and Services Tax Rules, 2017,
- (i) in rule 44,
 - (a) in sub-rule (2), for the words “integrated tax and central tax”, the words “central tax, State tax, Union territory tax and integrated tax” shall be substituted;

- (b) in sub-rule (2), after the words "integrated tax", for the brackets and figure "(2)", the brackets and figure "(3)" shall be substituted;
 - (c) in sub-rule (6), for the words and letters "IGST and CGST", the words "central tax, State tax, Union territory tax and integrated tax" shall be substituted;
- (ii) in rule 96,
 - (a) in sub-rule(1), in clause (b), and
 - (b) in sub-rule (3),

after the words, figures and letters "FORM GSTR 3", the words and figures "or FORM GSTR-3B, as the case may be;" shall be inserted;
- (iii) after rule 96, the following rule shall be inserted, namely:-

" 96A. Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking.- (1) Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner,

binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of —

- (a) fifteen days after the expiry of three months from the date of issue of the invoice for export, if the goods are not exported out of India; or
 - (b) fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.
- (2) The details of the export invoices contained in FORM GSTR-1 furnished on the common portal shall be electronically transmitted to the system designated by Customs and a confirmation that the goods covered by the said invoices have been exported out of India shall be electronically transmitted to the common portal from the said system.
- (3) Where the goods are not exported within the time specified in sub-rule (1) and the registered person fails to pay the amount mentioned in the said sub-

rule, the export as allowed under bond or Letter of Undertaking shall be withdrawn forthwith and the said amount shall be recovered from the registered person in accordance with the provisions of section 79.

- (4) The export as allowed under bond or Letter of Undertaking withdrawn in terms of subrule (3) shall be restored immediately when the registered person pays the amount due.
- (5) The Board, by way of notification, may specify the conditions and safeguards under which a Letter of Undertaking may be furnished in place of a bond.
- (6) The provisions of sub rule (1) shall apply, mutatis mutandis, in respect of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit without payment of integrated tax.”;
- (iv) in rule 117, in sub-rule (1), after the words “the amount of input tax credit”, the words “of eligible duties and taxes, as defined in Explanation 2 to section 140,” shall be inserted;

- (v) in rule 119, in the heading, for the word “agent”, the word “job-worker” shall be substituted; (vi) after rule 138, the following shall be inserted, namely:-

“Chapter – XVII

Inspection, Search and Seizure

139. Inspection, search and seizure.- (1) Where the proper officer not below the rank of a Joint Commissioner has reasons to believe that a place of business or any other place is to be visited for the purposes of inspection or search or, as the case may be, seizure in accordance with the provisions of section 67, he shall issue an authorisation in FORM GST INS-01 authorising any other officer subordinate to him to conduct the inspection or search or, as the case may be, seizure of goods, documents, books or things liable to confiscation.
- (2) Where any goods, documents, books or things are liable for seizure under sub-section (2) of section 67, the proper officer or an authorised officer shall make an order of seizure in FORM GST INS-02.
- (3) The proper officer or an authorised officer may entrust upon the owner or the custodian of goods, from whose custody such goods or things are seized, the custody of such goods or things

for safe upkeep and the said person shall not remove, part with, or otherwise deal with the goods or things except with the previous permission of such officer.

- (4) Where it is not practicable to seize any such goods, the proper officer or the authorised officer may serve on the owner or the custodian of the goods, an order of prohibition in FORM GST INS-03 that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.
- (5) The officer seizing the goods, documents, books or things shall prepare an inventory of such goods or documents or books or things containing, inter alia, description, quantity or unit, make, mark or model, where applicable, and get it signed by the person from whom such goods or documents or books or things are seized.
140. Bond and security for release of seized goods.- (1) The seized goods may be released on a provisional basis upon execution of a bond for the value of the goods in FORM GST INS-04 and furnishing of a security in the form of a bank guarantee equivalent to the amount of applicable tax, interest and penalty payable.

Explanation.- For the purposes of the rules under the provisions of this Chapter, the “applicable tax” shall include central tax and State tax or central tax and the Union territory tax, as the case

may be and the cess, if any, payable under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).

(2) In case the person to whom the goods were released provisionally fails to produce the goods at the appointed date and place indicated by the proper officer, the security shall be encashed and adjusted against the tax, interest and penalty and fine, if any, payable in respect of such goods.

141. Procedure in respect of seized goods.- (1) Where the goods or things seized are of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the market price of such goods or things or the amount of tax, interest and penalty that is or may become payable by the taxable person, whichever is lower, such goods or, as the case may be, things shall be released forthwith, by an order in FORM GST INS-05, on proof of payment.

(2) Where the taxable person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or things, the Commissioner may dispose of such goods or things and the amount realized thereby shall be adjusted against the tax, interest, penalty, or any other amount payable in respect of such goods or things.

CHAPTER - XVIII

DEMANDS AND RECOVERY

142. Notice and order for demand of amounts payable under the

Act.- (1) The proper officer shall serve, along with the

- (a) notice under sub-section (1) of section 73 or sub-section (1) of section 74 or sub-section (2) of section 76, a summary thereof electronically in FORM GST DRC-01,
- (b) statement under sub-section (3) of section 73 or sub-section (3) of section 74, a summary thereof electronically in FORM GST DRC-02,

specifying therein the details of the amount payable.

- (2) Where, before the service of notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of sub-section (5) of section 73 or, as the case may be, tax, interest and penalty in accordance with the provisions of sub-section (5) of section 74, he shall inform the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an acknowledgement, accepting the payment made by the said person in FORM GST DRC-04.

- (3) Where the person chargeable with tax makes payment of tax and interest under sub-section (8) of section 73 or, as the case may be, tax, interest and penalty under sub-section (8) of section 74 within thirty days of the service of a notice under sub-rule (1), he shall intimate the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an order in FORM GST DRC-05 concluding the proceedings in respect of the said notice.
- (4) The representation referred to in sub-section (9) of section 73 or sub-section (9) of section 74 or sub-section (3) of section 76 shall be in FORM GST DRC-06.
- (5) A summary of the order issued under sub-section (9) of section 73 or sub-section (9) of section 74 or subsection (3) of section 76 shall be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty payable by the person chargeable with tax.
- (6) The order referred to in sub-rule (5) shall be treated as the notice for recovery.
- (7) Any rectification of the order, in accordance with the provisions of section 161, shall be made by the proper officer in FORM GST DRC-08.

143.Recovery by deduction from any money owed.- Where any amount payable by a person (hereafter referred to in this rule as “the defaulter”) to the Government under any of the provisions of the Act or the rules made thereunder is not paid, the proper officer may require, in FORM GST DRC-09, a specified officer to deduct the amount from any money owing to such defaulter in accordance with the provisions of clause (a) of sub-section (1) of section 79.

Explanation.- For the purposes of this rule, “specified officer” shall mean any officer of the Central Government or a State Government or the Government of a Union territory or a local authority, or of a Board or Corporation or a company owned or controlled, wholly or partly, by the Central Government or a State Government or the Government of a Union territory or a local authority.

144.Recovery by sale of goods under the control of proper officer.- (1)
Where any amount due from a defaulter is to be recovered by selling goods belonging to such person in accordance with the provisions of clause (b) of sub-section (1) of section 79, the proper officer shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods

as may be required for recovering the amount payable along with the administrative expenditure incurred on the recovery process.

- (2) The said goods shall be sold through a process of auction, including e-auction, for which a notice shall be issued in FORM GST DRC-10 clearly indicating the goods to be sold and the purpose of sale.

- (3) The last day for submission of bid or the date of auction shall not be earlier than fifteen days from the date of issue of the notice referred to in sub-rule (2):

Provided that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

- (4) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders, forfeited in case the successful bidder fails to make the payment of the full amount, as the case may be.

- (5) The proper officer shall issue a notice to the successful bidder in FORM GST DRC-11 requiring him to make the payment within a period of fifteen days from the date of auction. On payment of the

full bid amount, the proper officer shall transfer the possession of the said goods to the successful bidder and issue a certificate in FORM GST DRC-12.

- (6) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the notice under sub-rule (2), the proper officer shall cancel the process of auction and release the goods.
- (7) The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids.

145. Recovery from a third person.- (1) The proper officer may serve upon a person referred to in clause (c) of sub-section (1) of section 79 (hereafter referred to in this rule as "the third person"), a notice in FORM GST DRC-13 directing him to deposit the amount specified in the notice.

(2) Where the third person makes the payment of the amount specified in the notice issued under sub-rule (1), the proper officer shall issue a certificate in FORM GST DRC-14 to the third person clearly indicating the details of the liability so discharged.

- 146. Recovery through execution of a decree, etc.- Where any amount is payable to the defaulter in the execution of a decree of a civil

court for the payment of money or for sale in the enforcement of a mortgage or charge, the proper officer shall send a request in FORM GST DRC- 15 to the said court and the court shall, subject to the provisions of the Code of Civil Procedure, 1908 (5 of 1908), execute the attached decree, and credit the net proceeds for settlement of the amount recoverable.

147. Recovery by sale of movable or immovable property.- (1) The proper officer shall prepare a list of movable and immovable property belonging to the defaulter, estimate their value as per the prevalent market price and issue an order of attachment or distraint and a notice for sale in FORM GST DRC- 16 prohibiting any transaction with regard to such movable and immovable property as may be required for the recovery of the amount due:

Provided that the attachment of any property in a debt not secured by a negotiable instrument, a share in a corporation, or other movable property not in the possession of the defaulter except for property deposited in, or in the custody of any Court, shall be attached in the manner provided in rule 151.

- (2) The proper officer shall send a copy of the order of attachment or distraint to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed

- only on the written instructions from the proper officer to that effect.
- (3) Where the property subject to the attachment or distraint under sub-rule (1) is-
- (a) an immovable property, the order of attachment or distraint shall be affixed on the said property and shall remain affixed till the confirmation of sale;
 - (b) a movable property, the proper officer shall seize the said property in accordance with the provisions of chapter XIV of the Act and the custody of the said property shall either be taken by the proper officer himself or an officer authorised by him.
- (4) The property attached or distrained shall be sold through auction, including e-auction, for which a notice shall be issued in FORM GST DRC- 17 clearly indicating the property to be sold and the purpose of sale.
- (5) Notwithstanding anything contained in the provision of this Chapter, where the property to be sold is a negotiable instrument or a share in a corporation, the proper officer may, instead of selling it by public auction, sell such instrument or a share through a broker and the said broker shall deposit to the Government so much of the proceeds of such sale, reduced by

his commission, as may be required for the discharge of the amount under recovery and pay the amount remaining, if any, to the owner of such instrument or a share.

- (6) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders or, forfeited in case the successful bidder fails to make the payment of the full amount, as the case may be.
- (7) The last day for the submission of the bid or the date of the auction shall not be earlier than fifteen days from the date of issue of the notice referred to in sub-rule (4):

Provided that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

- (8) Where any claim is preferred or any objection is raised with regard to the attachment or distraint of any property on the ground that such property is not liable to such attachment or distraint, the proper officer shall investigate the claim or objection and may postpone the sale for such time as he may deem fit.

- (9) The person making the claim or objection must adduce evidence to show that on the date of the order issued under sub-rule (1) he had some interest in, or was in possession of, the property in question under attachment or distraint.
- (10) Where, upon investigation, the proper officer is satisfied that, for the reason stated in the claim or objection, such property was not, on the said date, in the possession of the defaulter or of any other person on his behalf or that, being in the possession of the defaulter on the said date, it was in his possession, not on his own account or as his own property, but on account of or in trust for any other person, or partly on his own account and partly on account of some other person, the proper officer shall make an order releasing the property, wholly or to such extent as he thinks fit, from attachment or distraint.
- (11) Where the proper officer is satisfied that the property was, on the said date, in the possession of the defaulter as his own property and not on account of any other person, or was in the possession of some other person in trust for him, or in the occupancy of a tenant or other person paying rent to him, the proper officer shall reject the claim and proceed with the process of sale through auction.

- (12) The proper officer shall issue a notice to the successful bidder in FORM GST DRC-11 requiring him to make the payment within a period of fifteen days from the date of such notice and after the said payment is made, he shall issue a certificate in FORM GST DRC-12 specifying the details of the property, date of transfer, the details of the bidder and the amount paid and upon issuance of such certificate, the rights, title and interest in the property shall be deemed to be transferred to such bidder:

Provided that where the highest bid is made by more than one person and one of them is a co-owner of the property, he shall be deemed to be the successful bidder.

- (13) Any amount, including stamp duty, tax or fee payable in respect of the transfer of the property specified in sub-rule (12), shall be paid to the Government by the person to whom the title in such property is transferred.
- (14) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the notice under sub-rule (4), the proper officer shall cancel the process of auction and release the goods.

(15) The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids.

148. Prohibition against bidding or purchase by officer.- No officer or other person having any duty to perform in connection with any sale under the provisions of this Chapter shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property sold.

149. Prohibition against sale on holidays.- No sale under the rules under the provision of this chapter shall take place on a Sunday or other general holidays recognized by the Government or on any day which has been notified by the Government to be a holiday for the area in which the sale is to take place.

150. Assistance by police.- The proper officer may seek such assistance from the officer-in-charge of the jurisdictional police station as may be necessary in the discharge of his duties and the said officer-in-charge shall depute sufficient number of police officers for providing such assistance.

151. Attachment of debts and shares, etc.- (1) A debt not secured by a negotiable instrument, a share in a corporation, or other movable property not in the possession of the defaulter except for property deposited in, or in the custody of any court shall be attached by a written order in FORM GST DRC-16 prohibiting.-

- (a) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof until the receipt of a further order from the proper officer;
 - (b) in the case of a share, the person in whose name the share may be standing from transferring the same or receiving any dividend thereon;
 - (c) in the case of any other movable property, the person in possession of the same from giving it to the defaulter.
- (2) A copy of such order shall be affixed on some conspicuous part of the office of the proper officer, and another copy shall be sent, in the case of debt, to the debtor, and in the case of shares, to the registered address of the corporation and in the case of other movable property, to the person in possession of the same.
- (3) A debtor, prohibited under clause (a) of sub-rule (1), may pay the amount of his debt to the proper officer, and such payment shall be deemed as paid to the defaulter.

152. Attachment of property in custody of courts or Public Officer.-

Where the property to be attached is in the custody of any court or Public Officer, the proper officer shall send the order of attachment to such court or officer, requesting that such property, and any interest or dividend becoming payable thereon, may be held till the recovery of the amount payable.

153. Attachment of interest in partnership.- (1) Where the property

to be attached consists of an interest of the defaulter, being a partner, in the partnership property, the proper officer may make an order charging the share of such partner in the partnership property and profits with payment of the amount due under the certificate, and may, by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct accounts and enquiries and make an order for the sale of such interest or such other order as the circumstances of the case may require.

(2) The other partners shall be at liberty at any time to redeem the interest charged or, in the case of a sale being directed, to purchase the same.

154. Disposal of proceeds of sale of goods and movable or immovable property.- The amounts so realised from the sale of goods, movable or immovable property, for the recovery of dues from a defaulter shall,-

- (a) first, be appropriated against the administrative cost of the recovery process;
- (b) next, be appropriated against the amount to be recovered;
- (c) next, be appropriated against any other amount due from the defaulter under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017 and the rules made thereunder; and (d) any balance, be paid to the defaulter.

155. Recovery through land revenue authority.- Where an amount is to be recovered in accordance with the provisions of clause (e) of sub-section (1) of section 79, the proper officer shall send a certificate to the Collector or Deputy Commissioner of the district or any other officer authorised in this behalf in FORM GST DRC-18 to recover from the person concerned, the amount specified in the certificate as if it were an arrear of land revenue.

156.Recovery through court.- Where an amount is to be recovered as if it were a fine imposed under the Code of Criminal Procedure, 1973, the proper officer shall make an application before the appropriate Magistrate in accordance with the provisions of clause (f) of sub-section (1) of section 79 in FORM GST DRC- 19 to recover from the person concerned, the amount specified thereunder as if it were a fine imposed by him.

157.Recovery from surety.- Where any person has become surety for the amount due by the defaulter, he may be proceeded against under this Chapter as if he were the defaulter.

158.Payment of tax and other amounts in instalments.- (1) On an application filed electronically by a taxable person, in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due under the Act or for allowing payment of such taxes or amount in instalments in accordance with the provisions of section 80, the Commissioner shall call for a report from the jurisdictional officer about the financial ability of the taxable person to pay the said amount.

- (2) Upon consideration of the request of the taxable person and the report of the jurisdictional officer, the Commissioner may issue an order in FORM GST DRC- 21 allowing the taxable person further time to make payment and/or to pay the amount in such monthly instalments, not exceeding twenty-four, as he may deem fit.
- (3) The facility referred to in sub-rule (2) shall not be allowed where-
 - (a) the taxable person has already defaulted on the payment of any amount under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017, for which the recovery process is on;
 - (b) the taxable person has not been allowed to make payment in instalments in the preceding financial year under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017;
 - (c) the amount for which instalment facility is sought is less than twenty-five thousand rupees.

159. Provisional attachment of property.- (1) Where the Commissioner decides to attach any property, including bank account in accordance with the provisions of section 83, he shall pass an order in FORM GST DRC-22 to that effect mentioning therein, the details of property which is attached.

- (2) The Commissioner shall send a copy of the order of attachment to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed only on the written instructions from the Commissioner to that effect.
- (3) Where the property attached is of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the market price of such property or the amount that is or may become payable by the taxable person, whichever is lower, then such property shall be released forthwith, by an order in FORM GST DRC-23, on proof of payment.
- (4) Where the taxable person fails to pay the amount referred to in sub-rule (3) in respect of the said property of perishable or hazardous nature, the Commissioner may dispose of such property and the amount realized thereby shall be adjusted against the tax, interest, penalty, fee or any other amount payable by the taxable person.

- (5) Any person whose property is attached may, within seven days of the attachment under sub-rule (1), file an objection to the effect that the property attached was or is not liable to attachment, and the Commissioner may, after affording an opportunity of being heard to the person filing the objection, release the said property by an order in FORM GST DRC- 23.
- (6) The Commissioner may, upon being satisfied that the property was, or is no longer liable for attachment, release such property by issuing an order in FORM GST DRC- 23.

160.Recovery from company in liquidation.- Where the company is under liquidation as specified in section 88, the Commissioner shall notify the liquidator for the recovery of any amount representing tax, interest, penalty or any other amount due under the Act in FORM GST DRC -24.

161.Continuation of certain recovery proceedings.- The order for the reduction or enhancement of any demand under section 84 shall be issued in FORM GST DRC- 25.

Chapter - XIX

Offences and Penalties

162. Procedure for compounding of offences.- (1) An applicant may, either before or after the institution of prosecution, make an application under sub-section (1) of section 138 in FORM GST CPD-01 to the Commissioner for compounding of an offence.

(2) On receipt of the application, the Commissioner shall call for a report from the concerned officer with reference to the particulars furnished in the application, or any other information, which may be considered relevant for the examination of such application.

(3) The Commissioner, after taking into account the contents of the said application, may, by order in FORM GST CPD-02, on being satisfied that the applicant has co-operated in the proceedings before him and has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within ninety days of the receipt of the application.

- (4) The application shall not be decided under sub-rule (3) without affording an opportunity of being heard to the applicant and recording the grounds of such rejection.
- (5) The application shall not be allowed unless the tax, interest and penalty liable to be paid have been paid in the case for which the application has been made.
- (6) The applicant shall, within a period of thirty days from the date of the receipt of the order under sub-rule (3), pay the compounding amount as ordered by the Commissioner and shall furnish the proof of such payment to him.
- (7) In case the applicant fails to pay the compounding amount within the time specified in sub-rule (6), the order made under sub-rule (3) shall be vitiated and be void.
- (8) Immunity granted to a person under sub-rule (3) may, at any time, be withdrawn by the Commissioner, if he is satisfied that such person had, in the course of the compounding proceedings, concealed any material

particulars or had given false evidence. Thereupon such person may be tried for the offence with respect to which immunity was granted or for any other offence that appears to have been committed by him in connection with the compounding proceedings and the provisions the Act shall apply as if no such immunity had been granted.”;

(vii) for “FORM GST-RFD-01, FORM GST-RFD-02, FORM GST-RFD-04, FORM GST-RFD-05, FORM GST-RFD-06, FORM GST-RFD-07 and FORM GST-RFD-10”, the following FORMS shall respectively be substituted, namely:-

“FORM GST-RFD-01, FORM GST-RFD-02, FORM GST-RFD-04, FORM GST-RFD-05, FORM GST-RFD-06, FORM GST-RFD-07, FORM GST-RFD-10 and FORM GST-RFD-11”.

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Author note: To ensure that the book size is limited we have not reproduced forms in this book. Kindly refer GSTN website

16/2017 – LuT or bond for export

New Delhi, the 7th July, 2017

G.S.R... ()E.- In exercise of the powers conferred by sub-rule (5) of rule 96A of the Central Goods and Services Tax Rules, 2017, the Central Board of Excise and Customs hereby specifies the conditions and safeguards for the registered person who intends to supply goods or services for export without payment of integrated tax, for furnishing a Letter of Undertaking in place of a Bond.

- i. The following registered person shall be eligible for submission of Letter of Undertaking in place of a bond:-
 - (a) a status holder as specified in paragraph 5 of the Foreign Trade Policy 20152020; or
 - (b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year,

and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.

- ii. The Letter of Undertaking shall be furnished in duplicate for a financial year in the annexure to FORM GST RFD – 11 referred to in sub-rule (1) of rule 96A of the Central Goods and Services Tax Rules, 2017 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor on the letter head of the registered person.

[F. No. 349/74/2017 – GST]

(Dr. Sreeparvathy S. L.)

Under Secretary to the Government of India

16/2017 – Cenral Tax - Corrigendum

New Delhi, the 10th July, 2017

19 Ashadha, 1939 Saka

G.S.R. (E):- In the notification of the Government of India, in the Ministry of Finance, Department of Revenue, No.16/2017-

Central Tax , dated the 7th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 848(E), dated the 7th July, 2017,- in line 6, *for* “paragraph 5” *read* “paragraphs 3.20 and 3.21”.

[F.No 349/74/2017-GST(Pt)]

(Dr. Sreeparvathy S. L.)

Under Secretary to the Government of India

17/2017 – CGST Rules amended

New Delhi, the 27th July, 2017

G.S.R. ()E.- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

(1) These rules may be called the Central Goods and Services Tax (Fourth Amendment) Rules, 2017.

(2) Save as otherwise provided, they shall come into force on the date of publication in the Official Gazette.

2. In the Central Goods and Services Tax Rules, 2017,

(i) in rule 24, with effect from 22nd July, 2017, in sub-rule (4), for the words “within a period of thirty days from the appointed day”, the words and figures “on or before 30th September, 2017” shall be substituted;

(ii) for rule 34, the following shall be substituted, namely:-

“34. Rate of exchange of currency, other than

Indian rupees, for determination of value.- (1)

The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.

(2) The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the generally accepted accounting principles for the date of time of supply of such services in terms of section 13 of the Act.”;

(iii) in rule 44, with effect from 1st July, 2017, for sub-rules (2) and (3), the following shall be substituted, namely:-

“(2) The amount, as specified in sub-rule (1) shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(3) Where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount under sub-rule (1) based

on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29.”;

- (iv) in rule 46, for the third proviso, the following proviso shall be substituted, namely:-

“Provided also that in the case of the export of goods or services, the invoice shall carry an endorsement “SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX” or “SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details, namely,-

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

- (iii) name of the country of destination:";
- (v) in rule 61, with effect from 1st July, 2017, for sub-rule (5), the following sub-rules shall be substituted, namely:-

"(5) Where the time limit for furnishing of details in **FORM GSTR-1** under section 37 and in **FORM GSTR-2** under section 38 has been extended and the circumstances so warrant, the Commissioner may, by notification, specify that return shall be furnished in **FORM GSTR-3B** electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(6) Where a return in **FORM GSTR-3B** has been furnished, after the due date for furnishing of details in **FORM GSTR-2**—

- (a) **Part A** of the return in **FORM GSTR-3** shall be electronically generated on the basis of information furnished through **FORM GSTR-1**,

FORM GSTR-2 and based on other liabilities of preceding tax periods and **PART B** of the said return shall be electronically generated on the basis of the return in **FORM GSTR-3B** furnished in respect of the tax period;

(b) the registered person shall modify **Part B** of the return in **FORM GSTR-3**

based on the discrepancies, if any, between the return in **FORM GSTR-3B** and the return in **FORM GSTR-3** and discharge his tax and other liabilities, if any;

(c) where the amount of input tax credit in **FORM GSTR-3** exceeds the amount of input tax credit in terms of **FORM GSTR-3B**, the additional amount shall be credited to the electronic credit ledger of the registered person.”;

(vi) in rule 83, with effect from 1st July, 2017, in sub-rule (3), in the second proviso, for the word “sub-section”, the word “sub-rule” shall be substituted;

- (vii) in rule 89, with effect from 1st July, 2017, in sub-rule (4), in clause (E), for the word “sub-section”, the word “clause” shall be substituted;
- (viii) in **FORM GST TRAN-1**, with effect from 1st July, 2017, in Sl. No. 7, in Table (a), for the heading of column (2), the heading “HSN as applicable” shall be substituted;
- (ix) in **FORM GST TRAN-2**, with effect from 1st July, 2017, in Sl. No. 4 and 5, in the Table, for the heading of column (1), the heading “HSN as applicable” shall be substituted.

[F. No. 349/58/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* notification No. 3/2017-Central Tax, dated the 19th

June, 2017, published *vide* G.S.R number 610 (E), dated the 19th June, 2017 and last amended *vide* notification No. 15/2017-Central Tax, dated the 1st July, 2017, published *vide* G.S.R number 819 (E) dated the 1st July, 2017.

18/2017 – GSTR 1 extension

New Delhi, 08th August, 2017

G.S.R.(E).— In exercise of the powers conferred by the second proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details as specified in sub-section (1) of section 37 of the said Act for the month as specified in column (2) of the Table below, within the period as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Sl. No.	Month	Time period for filing of details of outward supplies in FORM GSTR-1
(1)	(2)	(3)
1	July, 2017	1 st to 5 th September, 2017
2	August, 2017	16 th to 20 th September, 2017.

2. This notification shall come into force with effect from the 8th day of August, 2017.

[F. No.349 /74 /2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

19/2017 – GSTR 2 extension

New Delhi, 08th August, 2017

G.S.R.(E).— In exercise of the powers conferred by the first proviso to sub-section (2) of section 38 read with section 168 of the Central Goods and Services Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details specified in sub-section (2) of section 38 of the said Act for the month as specified in column (2) of the Table below, within the period as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Sl. No.	Month	Time period for filing of details of inward supplies in FORM GSTR-2
(1)	(2)	(3)
1.	July, 2017	6 th to 10 th September, 2017
2.	August, 2017	21 st to 25 th September, 2017.

2. This notification shall come into force with effect from the 8th day of August, 2017.

F. No.349 /74 /2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

20/2017 – GSTR 3 extension

New Delhi, 08th August, 2017

G.S.R.(E).—In exercise of the powers conferred by the sub-section (6) of section 39 read with section 168 of the Central Goods and Services Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the return under sub-section (1) of section 39 of the said Act for the month as specified in column (2) of the Table below, within the period as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Serial Number	Month	Time period for filing of details in FORM GSTR-3
(1)	(2)	(3)
1.	July, 2017	11 th to 15 th September, 2017
2.	August, 2017	26 th to 30 th September, 2017

2. This notification shall come into force with effect from the 8th day of August, 2017.

[F. No.349 /74 /2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

21/2017 – GSTR 3B extension

New Delhi, 08th August, 2017

G.S.R.(E).— In exercise of the powers conferred by sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017, read with section 168 of the Central Goods and Services Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, specifies that the return for the month as specified in column (2) of the Table below shall be furnished in FORM GSTR-3B electronically through the common portal before the dates as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Serial Number	Month	Date for filing of GSTR-3B
(1)	(2)	(3)
1.	July, 2017	20 th August, 2017
2.	August, 2017	20 th September, 2017.

2. This notification shall come into force with effect from the 8th day of August, 2017.

[F. No.349 /74 /2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

22/2017 – CGST Rules amended

New Delhi, the 17th August, 2017

G.S.R. ()E.- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

- (1) These rules may be called the Central Goods and Services Tax (Fifth Amendment) Rules, 2017.
 - (2) Save as otherwise provided, they shall come into force on the date of their publication in the Official Gazette.
2. In the Central Goods and Services Tax Rules, 2017,
- (i) in rule 3, in sub-rule (4), for the words “sixty days”, the words “ninety days” shall be substituted;
 - (ii) in rule 17, with effect from the 22nd June, 2017, in sub-rule (2), after the words, “said form”, the words “or after receiving a recommendation from the Ministry of External Affairs, Government of India” shall be inserted;

(iii) in rule 40, with effect from the 1st day of July, 2017, in sub-rule (1), for clause (b), the following shall be substituted, namely:-

"(b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in **FORM GST ITC-01** to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.";

(iv) after rule 44, the following rule shall be inserted, namely:-

"44A. Manner of reversal of credit of

Additional duty of Customs in respect of Gold

dore bar.- *The credit of Central tax in the electronic credit ledger taken in terms of the provisions of section 140 relating to the CENVAT Credit carried forward which had accrued on account of payment of the additional duty of customs levied under sub-section (1) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), paid at the time of importation of gold dore bar, on the stock of gold dore bar held on the 1st day of July, 2017 or contained in gold or gold jewellery held in stock on the 1st day of July, 2017 made out of such imported gold dore bar, shall be restricted to one-sixth of such credit and five-sixth of such credit shall be debited from the electronic credit ledger at the time of supply of such gold dore bar or the gold or the gold jewellery made therefrom and where such supply has already been made, such debit shall be within one week from the date of commencement of these Rules."*

(v) in rule 61, with effect from the 1st day of July, 2017,

in sub-rule (5), for the words

“specify that”, the words “specify the manner and conditions subject to which the” shall be substituted;

(vi) in rule 87,-

(a) in sub-rule (2), the following shall be inserted, namely:-

“Provided that the challan in FORM GST PMT-06 generated at the common portal shall be valid for a period of fifteen days.

Provided further that a person supplying online information and database access or retrieval services from a place outside India to a nontaxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) may also do so through the Board’s payment system namely, Electronic Accounting System in Excise and Service Tax from the date to be notified by the Board.”;

(b) in sub-rule (3), for the second proviso, the following proviso shall be substituted, namely:-

“Provided further that a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) may also make the deposit under sub-rule (2) through international money transfer through Society for Worldwide Interbank Financial Telecommunication payment network, from the date to be notified by the Board.”;

(vii) for rule 103, with effect from the 1st day of July, 2017,

the following rule shall be substituted, namely:-

“103. The Government shall appoint officers not below the rank of Joint Commissioner as member of the Authority for Advance Ruling.”;

(viii) in “FORM GST REG-01” under the heading „Instructions for submission of Application for

Registration”, after Serial No. 15, the following Serial No. shall be inserted, namely:-

“16. Government departments applying for registration as suppliers may not furnish Bank Account details.”;

(ix) With effect from the 22nd June, 2017, for “FORM GST REG-13”, the following FORM shall be substituted, namely:-

“FORM GST REG-13

[See Rule 17]

Application/Form for grant of Unique Identity

Number (UIN) to UN

Bodies/ Embassies

/others

State /UT –

District –

PART A

(i)	Name of the Entity	
(ii)	Permanent Account Number (PAN) of entity (Not applicable for entities specified in clause (a) of sub-section (9) of section 25 of the Act)	

(iii)	Name of the Authorised Signatory	
(iv)	PAN of Authorised Signatory (Not applicable for entities specified in clause (a) of sub-section (9) of section 25 of the Act)	
(v)	Email Address of the Authorised Signatory	
(vi)	Mobile Number of the Authorised Signatory (+91)	

PART B

1.	Type of Entity (Choose one)	UN Body ☐	Embassy ☐	Other ☐
2.	Country			
2A.	Ministry of External Affairs, Government of India" Recommendation (if applicable)	Letter No.	Date	
3.	Notification details	Notification No.	Date	
4.	Address of the entity in State			
	Building No./Flat No.	Floor No.		
	Name of the Premises/Building	Road/Street		
	City/Town/Village	District		
	Block/Taluka			

	Latitude	Longitude

	State		PIN Code	
	Contact Information			
	Email Address		Telephone number	
	Fax Number		Mobile Number	
7.	Details of Authorized Signatory, if applicable			
	Particulars	First Name	Middle Name	Last name
	Name			
	Photo			
	Name of Father			
	Date of Birth	DD/MM/YYYY	Gender	<Male, Female, Other>
	Mobile Number		Email address	
	Telephone No.			
	Designation /Status		Director Identification Number (if any)	

	PAN (Not applicable for entities specified in clause (a) of subsection (9) of section 25 of the Act)		Aadhaar Number (Not applicable for entities specified in clause (a) of subsection (9) of section 25 of the Act)	
	Are you a citizen of India?	Yes / No	Passport No. (in case of foreigners)	
	Residential Address			
	Building No/Flat No		Floor No	
	Name of the Premises/Building		Road/Street	
	Town/City/Village		District	
	Block/Taluka			
	State		PIN Code	
8	Bank Account Details (add more if required)			
	Account Number		Type of Account	

	IFSC		Bank Name	
	Branch Address			
9.	Documents Uploaded <i>The authorized person who is in possession of the documentary evidence shall upload the scanned copy of such documents including the copy of resolution / power of attorney, authorizing the applicant to represent the entity.</i> Or <i>The proper officer who has collected the documentary evidence from the applicant shall upload the scanned copy of such documents including the copy of resolution / power of attorney, authorizing the applicant to represent the UN Body / Embassy etc. in India and link it along with the UIN generated and allotted to respective UN Body/ Embassy etc.</i>			
11.	Verification <i>I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.</i>			

Place: (Signature)

Date:

Name of Authorized Person: Or

(Signature

)

Place:

Name of Proper

Officer:

Date:

Designation:

Jurisdiction:

**Instructions for submission of application for registration for
UN Bodies/ Embassies/others notified by the
Government.**

- Every person required to obtain a unique identity number shall submit the application electronically.
- Application shall be filed through Common Portal or registration can be granted suomoto by proper officer.
- The application filed on the Common Portal is required to be signed electronically or through any other mode as specified by the Government.
- The details of the person authorized by the concerned entity to sign the refund application or otherwise,

should be filled up against the "Authorised Signatory details" in the application.

- PAN / Aadhaar will not be applicable for entities specified in clause (a) of sub-section

(9) of section 25 of the Act.";

(x) With effect from the 1st day of July, 2017, in FORM GST

TRAN-1 in Serial No. 7,-

- (i) in item (a), for the word, figures and brackets "and 140 (6)", the figures, brackets and word ", 140 (6) and 140 (7) shall be substituted;

(ii) in item (b), -

(a) after the word, figures and brackets, "section 140 (5)", the words, figures and brackets "and section 140(7)" shall be inserted;

(b) for column heading 1, the column heading "registration number of the supplier or input service distributor" shall be substituted;

(c) in the heading of column 8, after the words "Eligible duties and taxes", the brackets and words "(central taxes)" shall be inserted.

[F. No. 349/58/2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide G.S.R number 610 (E), dated the 19th June, 2017 and last amended *vide* notification No. 17/2017-Central Tax, dated the 27th July, 2017, published vide G.S.R number 965 (E) dated the 27th July, 2017.

23/2017 – GSTR 3B extension

New Delhi, the 17th August, 2017

G.S.R. ()E.- In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as “the said Act”) read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as “the said Rules”) and notification No. 21/2017Central Tax dated 08th August, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* G.S.R. number 997 (E), dated the 08th August, 2017, the Commissioner, on the recommendations of the Council, hereby specifies the conditions in column (4) of the Table below, for furnishing the return in FORM GSTR-3B electronically through the common portal for the month of July, 2017, for such class of registered persons as mentioned in the corresponding entry in column (2) of the said Table, by the date specified in the corresponding entry in column (3) of the said Table, namely:-

TABLE

Sl. No.	Class of registered persons	Last date for furnishing of return in FORM GSTR-3B	Conditions
(1)	(2)	(3)	(4)
1.	Registered persons entitled to avail input tax credit in terms of section 140 of the said Act read with rule 117 of the said Rules but opting not to file FORM GST TRAN-1 on or before the 28 th August, 2017	20 th August, 2017	...
2.	Registered persons entitled to avail input tax credit in terms of section 140 of the said Act read with	28 th August, 2017	(i) compute the "tax payable under the said Act" for the month of July, 2017 and deposit the same in cash as per the provisions of rule 87 of the

	rule 117 of the said Rules and opting to file FORM GST TRAN-1 on or before the 28 th August,		said Rules on or before the 20 th August, 2017; (ii) file FORM GST TRAN-1 under subrule (1) of rule 117 of the said Rules
	2017		before the filing of FORM GSTR-3B; (iii) where the amount of tax payable under the said Act for the month of July, 2017, as detailed in the return furnished in FORM GSTR-3B, exceeds the amount of tax deposited in cash as per item (i), the registered person shall pay such excess amount in cash in accordance with the provisions of rule 87 of the said Rules on or before 28 th August, 2017 along with the applicable interest calculated from the 21 st day of August,

			2017 till the date of such deposit.
3.	Any other registered person	20 th August, 2017	...

2. **Payment of taxes for discharge of tax liability as per GSTR-**

3B: Every registered person furnishing the return in FORM GSTR-3B shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act by debiting the electronic cash ledger or electronic credit ledger.

Explanation.- For the purposes of this notification, the expression-

- (i) “Registered person” means the person required to file return under sub-section (1) of section 39 of the said Act;

- (ii) “tax payable under the said Act” means the difference between the tax payable for the month of July, 2017 as detailed in the return furnished in FORM GSTR-3B and the amount of input tax credit entitled to for the month of July, 2017 under Chapter V and section 140 of the said Act read with the rules made thereunder.
3. This notification shall come into force with effect from the date of publication in the Official Gazette.

[F. No. 349/74/2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

24/2017 – **GSTR 3B extension**

New Delhi, the 21st August, 2017

G.S.R. _____. In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 and notification No. 21/2017-Central Tax dated 08th August, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide G.S.R. number 997 (E), dated the 08th August, 2017, the Board, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance vide No. 23/2017–Central Tax, G.S.R. 1024(E), dated the 17th August, 2017, namely:-

- (i) in the table,
 - (a) in Sl. No. 1, in column (3), for the figures, letters and word “20th August, 2017”, the figures, letters and word “25th August, 2017” shall be substituted;
 - (b) in Sl. No. 2, in column (4), in item (i), for the figures, letters and word “20th August, 2017”, the figures,

letters and word "25th August, 2017" shall be substituted;

(c) in Sl. No. 2, in column (4), in item (iii), for the figures, letters and words "21st day of August, 2017", the figures, letters and words "26th day of August, 2017" shall be substituted;

(d) in Sl. No. 3, in column (3), for the figures, letters and word "20th August, 2017", the figures, letters and word "25th August, 2017" shall be substituted;

(ii) in paragraph 2, after the words "electronic credit ledger" occurring before the Explanation, the words, figures and letters "on or before 25th August, 2017" shall be inserted.

2. This notification shall come into force with effect from the date of publication in the Official Gazette.

[F. No. 349/74/2017-GST(Pt.)]

(Shankar Prasad Sarma)

Under Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide notification No. 23/2017 Central Tax, dated the 17th August, 2017, published vide G.S.R number 1024 (E) dated the 17th August, 2017.

25/2017 – OIDS return extension

New Delhi, 28th August, 2017

G.S.R.(E).—In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Commissioner, hereby extends the time limit for furnishing the return for the month of July, 2017, by a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and

Services Tax Act, 2017 and rule 64 of the Central Goods and Services Tax Rules, 2017, till 15th day of September, 2017.

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No.349/74/2017-GST(Pt.)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

26 / 2017 – GSTR 6 (ISD) Return extension

New Delhi, 28th August, 2017

G.S.R.(E).—In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as “the said Act”), the Commissioner, hereby extends the time limit for furnishing the return by an Input Service Distributor under sub-section (4) of section 39 of the said Act read with rule 65 of the Central Goods and Services Tax Rules, 2017, for the month as specified in column (2) of the Table below, till the date as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Serial Number	Month	Last Date for filing of return in FORM GSTR-6
(1)	(2)	(3)
1.	July, 2017	8 th September
2.	August, 2017	23 rd September

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No.349/74 /2017-GST (Pt.)]

(Dr. Sreeparvathy S. L.)

Under Secretary to the Government of India

27 /2017 – E-way Bill notified (CGST Rules amended)

New Delhi, the 30th August, 2017

G.S.R. ()E.- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

(1) These rules may be called the Central Goods and Services Tax (Sixth Amendment) Rules, 2017.

(2) Save as otherwise provided in these rules, they shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the principal rules), -

(i) for rule 138, the following shall be substituted, namely:-

“138. Information to be furnished prior to commencement of movement of goods and generation of e-way bill.- (1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees—

(i) in relation to a supply; or

(ii) for reasons other than supply; or

- (iii) due to inward supply from an unregistered person, shall, before commencement of such movement, furnish information relating to the said goods in Part A of FORM GST EWB-01, electronically, on the common portal.
- (2) Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or by railways or by air or by vessel, the said person or the recipient may generate the e-way bill in FORM GST EWB-01 electronically on the common portal after furnishing information in Part B of FORM GST EWB-01.
- (3) Where the e-way bill is not generated under sub-rule (2) and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01:

Provided that the registered person or, as the case may be, the transporter may, at his option, generate and carry the e-way bill even if the value of the consignment is less than fifty thousand rupees:

Provided further that where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may, at their option, generate the e-way bill in FORM GST EWB-01 on the common portal in the manner specified in this rule:

Provided also that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.

Explanation 1.– For the purposes of this sub-rule, where the goods are supplied by an unregistered supplier to a recipient who is registered, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods.

Explanation 2.-The information in Part A of FORM GST EWB-01 shall be furnished by the consignor or the recipient of the supply as consignee where the goods are transported by railways or by air or by vessel.

(4) Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

(5) Any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in FORM GST EWB-01:

Provided that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance may not be updated in the e-way bill.

(6) After e-way bill has been generated in accordance with the provisions of sub-rule (1), where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in FORM GST EWB-02 maybe generated by him on the said common portal prior to the movement of goods.

(7) Where the consignor or the consignee has not generated FORM GST EWB-01 in accordance with the provisions of sub-rule (1) and

the value of goods carried in the conveyance is more than fifty thousand rupees, the transporter shall generate FORM GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in FORM GST EWB-02 on the common portal prior to the movement of goods.

- (8) The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in FORM GSTR-1: Provided that when the information has been furnished by an unregistered supplier in FORM GST EWB-01, he shall be informed electronically, if the mobile number or the email is available.
- (9) Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill: Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.

- (10) An e-way bill or a consolidated e-way bill generated under this rule shall be valid for the period as mentioned in column (3) of the Table below from the relevant date, for the distance the goods have to be transported, as mentioned in column (2) of the said Table: Table

Sr. no.	Distance	Validity period
(1)	(2)	(3)
1.	Upto 100 km	One day
2.	For every 100 km or part thereof thereafter	One additional day

Provided that the Commissioner may, by notification, extend the validity period of e-way bill for certain categories of goods as may be specified therein:

Provided further that where, under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may generate another e-way bill after updating the details in Part B of FORM GST EWB-01.

Explanation.—For the purposes of this rule, the “relevant date” shall mean the date on which the e-way bill has been generated

and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty-four hours.

- (11) The details of e-way bill generated under sub-rule (1) shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.
- (12) Where the recipient referred to in sub-rule (11) does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.
- (13) The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State shall be valid in every State and Union territory.
- (14) Notwithstanding anything contained in this rule, no e-way bill is required to be generated—
- (a) where the goods being transported are specified in Annexure;
 - (b) where the goods are being transported by a non-motorised conveyance;
 - (c) where the goods are being transported from the port, airport, air cargo complex and land customs station

to an inland container depot or a container freight station for clearance by Customs; and

- (d) in respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the Goods and Services Tax Rules of the concerned State.

Explanation. - The facility of generation and cancellation of e-way bill may also be made available through SMS.

ANNEXURE

[(See rule 138 (14)]

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
1.	0101	Live asses, mules and hinnies
2.	0102	Live bovine animals
3.	0103	Live swine
4.	0104	Live sheep and goats

5.	0105	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls.
6.	0106	Other live animal such as Mammals, Birds, Insects
7.	0201	Meat of bovine animals, fresh and chilled.
8.	0202	Meat of bovine animals frozen [other than frozen and put up in unit container]
9.	0203	Meat of swine, fresh, chilled or frozen [other than frozen and put up in unit container]
10.	0204	Meat of sheep or goats, fresh, chilled or frozen [other than frozen and put up in unit container]
11.	0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]
12.	0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]
13.	0207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen [other than frozen and put up in unit container]

S. No.	Chapter or	Description of Goods

	Heading or Sub- heading or Tariff item	
(1)	(2)	(3)
14.	0208	Other meat and edible meat offal, fresh, chilled or frozen [other than frozen and put up in unit container]
15.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled or frozen [other than frozen and put up in unit container]
16.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, salted, in brine, dried or smoked [other than put up in unit containers]
17.	0210	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal, other than put up in unit containers
18.	3	Fish seeds, prawn / shrimp seeds whether or not processed, cured or in frozen state [other than goods falling under Chapter 3 and attracting 2.5%]
19.	0301	Live fish.

20.	0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304
21.	0304	Fish fillets and other fish meat (whether or not minced), fresh or chilled.
22.	0306	Crustaceans, whether in shell or not, live, fresh or chilled; crustaceans, in shell, cooked by steaming or by boiling in water live, fresh or chilled.
23.	0307	Molluscs, whether in shell or not, live, fresh, chilled; aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.
24.	0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.
25.	0401	Fresh milk and pasteurised milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk
26.	0403	Curd; Lassi; Butter milk
27.	0406	Chena or paneer, other than put up in unit containers and bearing a registered brand name;
28.	0407	Birds' eggs, in shell, fresh, preserved or cooked

29.	0409	Natural honey, other than put up in unit container and bearing a registered brand name
30.	0501	Human hair, unworked, whether or not washed or scoured; waste of human hair
31.	0506	All goods i.e. Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or gelatinised; powder and waste of these products
32.	0507 90	All goods i.e. Hoof meal; horn meal; hooves, claws, nails and beaks; antlers; etc.
33.	0511	Semen including frozen semen

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
34.	6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage

35.	0701	Potatoes, fresh or chilled.
36.	0702	Tomatoes, fresh or chilled.
37.	0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.
38.	0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.
39.	0705	Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium</i> spp.), fresh or chilled.
40.	0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.
41.	0707	Cucumbers and gherkins, fresh or chilled.
42.	0708	Leguminous vegetables, shelled or unshelled, fresh or chilled.
43.	0709	Other vegetables, fresh or chilled.
44.	0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.
45.	0713	Dried leguminous vegetables, shelled, whether or not skinned or split.
46.	0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh or chilled; sago pith.

47.	0801	Coconuts, fresh or dried, whether or not shelled or peeled
48.	0801	Brazil nuts, fresh, whether or not shelled or peeled
49.	0802	Other nuts, Other nuts, fresh such as Almonds, Hazelnuts or filberts (<i>Corylus</i> spp.), walnuts, Chestnuts (<i>Castanea</i> spp.), Pistachios, Macadamia nuts, Kola nuts (<i>Cola</i> spp.), Areca nuts, fresh, whether or not shelled or peeled
50.	0803	Bananas, including plantains, fresh or dried
51.	0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh.
52.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons (<i>Citrus limon</i> , <i>Citrus limonum</i>) and limes (<i>Citrus aurantifolia</i> , <i>Citrus latifolia</i>), fresh.
53.	0806	Grapes, fresh
54.	0807	Melons (including watermelons) and papaws (papayas), fresh.
55.	0808	Apples, pears and quinces, fresh.

56.	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.
57.	0810	Other fruit such as strawberries, raspberries, blackberries, mulberries and loganberries, black, white or red currants and gooseberries, cranberries, bilberries and other fruits of the genus vaccinium, Kiwi fruit, Durians, Persimmons, Pomegranates, Tamarind, Sapota (chico), Custard-apple (ata), Bore, Lichi, fresh.

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
58.	0814	Peel of citrus fruit or melons (including watermelons), fresh.
59.	9	All goods of seed quality
60.	0901	Coffee beans, not roasted
61.	0902	Unprocessed green leaves of tea

62.	0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries [of seed quality]
63.	0910 11 10	Fresh ginger, other than in processed form
64.	0910 30 10	Fresh turmeric, other than in processed form
65.	1001	Wheat and meslin [other than those put up in unit container and bearing a registered brand name]
66.	1002	Rye [other than those put up in unit container and bearing a registered brand name]
67.	1003	Barley [other than those put up in unit container and bearing a registered brand name]
68.	1004	Oats [other than those put up in unit container and bearing a registered brand name]
69.	1005	Maize (corn) [other than those put up in unit container and bearing a registered brand name]
70.	1006	Rice [other than those put up in unit container and bearing a registered brand name]
71.	1007	Grain sorghum [other than those put up in unit container and bearing a registered brand name]

72.	1008	Buckwheat, millet and canary seed; other cereals such as Jawar, Bajra, Ragi] [other than those put up in unit container and bearing a registered brand name]
73.	1101	Wheat or meslin flour [other than those put up in unit container and bearing a registered brand name].
74.	1102	Cereal flours other than of wheat or meslin, [maize (corn) flour, Rye flour, etc.] [other than those put up in unit container and bearing a registered brand name]
75.	1103	Cereal groats, meal and pellets [other than those put up in unit container and bearing a registered brand name]
76.	1104	Cereal grains hulled
77.	1105	Flour, of potatoes [other than those put up in unit container and bearing a registered brand name]
78.	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. [other than those put up in unit container and bearing a registered brand name]
79.	12	All goods of seed quality

80.	1201	Soya beans, whether or not broken, of seed quality.
81.	1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
		or broken, of seed quality.
82.	1204	Linseed, whether or not broken, of seed quality.
83.	1205	Rape or colza seeds, whether or not broken, of seed quality.
84.	1206	Sunflower seeds, whether or not broken, of seed quality.
85.	1207	Other oil seeds and oleaginous fruits (i.e. Palm nuts and kernels, cotton seeds, Castor oil seeds, Sesamum seeds, Mustard seeds, Safflower (Carthamustinctorius) seeds, Melon seeds, Poppy seeds, Ajams, Mango kernel, Niger seed, Kokam) whether or not broken, of seed quality.

86.	1209	Seeds, fruit and spores, of a kind used for sowing.
87.	1210	Hop cones, fresh.
88.	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purpose, fresh or chilled.
89.	1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh or chilled.
90.	1213	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets
91.	1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets.
92.	1301	Lac and Shellac
93.	1404 90 40	Betel leaves
94.	1701 or 1702	Jaggery of all types including Cane Jaggery (gur) and Palmyra Jaggery
95.	1904	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched rice,

		commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as Murki
96.	1905	Pappad
97.	1905	Bread (branded or otherwise), <u>except</u> pizza bread
98.	2201	Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]
99.	2201	Non-alcoholic Toddy, Neera including date and palm neera
100.	2202 90 90	Tender coconut water other than put up in unit container and bearing a registered brand name
101.	2302, 2304, 2305, 2306, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed and cattle feed, including grass, hay and straw, supplement and husk of pulses, concentrates and additives, wheat bran and de-oiled cake
102.	2501	Salt, all types
103.	2835	Dicalcium phosphate (DCP) of animal feed grade conforming to IS specification No.5470 : 2002
104.	3002	Human Blood and its components

105.	3006	All types of contraceptives

S. No.	Chapter or Heading or Sub- heading or Tariff item	Description of Goods
(1)	(2)	(3)
106.	3101	All goods and organic manure [other than put up in unit containers and bearing a registered brand name]
107.	3304	Kajal [other than kajal pencil sticks], Kumkum, Bindi, Sindur, Alta
108.	3825	Municipal waste, sewage sludge, clinical waste
109.	3926	Plastic bangles
110.	4014	Condoms and contraceptives
111.	4401	Firewood or fuel wood
112.	4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
113.	4802 / 4907	Judicial, Non-judicial stamp papers, Court fee stamps when sold by the Government Treasuries or Vendors authorised by the Government

114.	4817 / 4907	Postal items, like envelope, Post card etc., sold by Government
115.	48 / 4907	Rupee notes when sold to the Reserve Bank of India
116.	4907	Cheques, lose or in book form
117.	4901	Printed books, including Braille books
118.	4902	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material
119.	4903	Children's picture, drawing or colouring books
120.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed
121.	5001	Silkworm laying, cocoon
122.	5002	Raw silk
123.	5003	Silk waste
124.	5101	Wool, not carded or combed
125.	5102	Fine or coarse animal hair, not carded or combed
126.	5103	Waste of wool or of fine or coarse animal hair
127.	52	Gandhi Topi
128.	52	Khadi yarn
129.	5303	Jute fibres, raw or processed but not spun
130.	5305	Coconut, coir fibre

131.	63	Indian National Flag
132.	6703	Human hair, dressed, thinned, bleached or otherwise worked
133.	6912 00 40	Earthen pot and clay lamps
134.	7018	Glass bangles (except those made from precious metals)
135.	8201	Agricultural implements manually operated or animal driven i.e. Hand tools, such as spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry.
136.	8445	Amber charkha
137.	8446	Handloom [weaving machinery]
138.	8802 60 00	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles
S. No.	Chapter or Heading or	Description of Goods

	Sub- heading or Tariff item	
(1)	(2)	(3)
139.	8803	Parts of goods of heading 8801
140.	9021	Hearing aids
141.	92	Indigenous handmade musical instruments
142.	9603	Muddhas made of sarkanda and phool bahari jhadoo
143.	9609	Slate pencils and chalk sticks
144.	9610 00 00	Slates
145.	9803	Passenger baggage
146.	Any chapter	Puja samagri namely,- (i) Rudraksha, rudraksha mala, tulsikanthi mala, panchgavya (mixture of cowdung, desi ghee, milk and curd); (ii) Sacred thread (commonly known as yagnopavit); (iii) Wooden khadau; (iv) Panchamrit, (v) Vibhuti sold by religious institutions, (vi) Unbranded honey (vii) Wick for diya.

		(viii) Roli (ix) Kalava (Raksha sutra) (x) Chandantika
147.		Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
148.		Kerosene oil sold under PDS
149.		Postal baggage transported by Department of Posts
150.		Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
151.		Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
152.		Currency
153.		Used personal and household effects
154.		Coral, unworked (0508) and worked coral (9601);

(ii) in the principal rules, after rule 138, the following shall be inserted, namely:-

"138A. Documents and devices to be carried by a person-in-charge of a conveyance.-(1) The person in charge of a conveyance shall carry—

- (a) the invoice or bill of supply or delivery challan, as the case may be; and
- (b) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.

(2) A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in FORM GST INV-1 and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading.

(3) Where the registered person uploads the invoice under sub-rule (2), the information in Part A of FORM GST EWB-01 shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.

(4) The Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification

Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

(5) Notwithstanding anything contained clause (b) of sub-rule (1), where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill-

- (a) tax invoice or bill of supply or bill of entry; or
- (b) a delivery challan, where the goods are transported for reasons other than by way of supply.

138B. Verification of documents and conveyances.- (1) The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intraState movement of goods.

(2) The Commissioner shall get Radio Frequency Identification Device readers installed at places where the verification of movement of goods is required to be carried out and verification of movement of vehicles shall be done through such device readers where the e-way bill has been mapped with the said device.

- (3) The physical verification of conveyances shall be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf:

Provided that on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

138C. Inspection and verification of goods.- (1) A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of FORM GST EWB-03 within twenty four hours of inspection and the final report in Part B of FORM GST EWB-03 shall be recorded within three days of such inspection.

(2) Where the physical verification of goods being transported on any conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently.

138D. Facility for uploading information regarding detention of vehicle.-Where a vehicle has been intercepted and

detained for a period exceeding thirty minutes, the transporter may upload the said information in FORM GST EWB-04 on the common portal.

FORM GST EWB-01

(See rule 138)

E-Way Bill

PART-A		
A.1	GSTIN of Recipient	
A.2	Place of Delivery	
A.3	Invoice or Challan Number	
A.4	Invoice or Challan Date	
A.5	Value of Goods	
A.6	HSN Code	
A.7	Reason for Transportation	
A.8	Transport Document Number	
PART-B		
B.	Vehicle Number	

Notes:

1. HSN Code in column A.6 shall be indicated at minimum two digit level for taxpayers having annual turnover upto five crore rupees in the preceding financial year and at four digit level for taxpayers having annual turnover above five crore rupees in the preceding financial year.
2. Transport Document number indicates Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number.
3. Place of Delivery shall indicate the PIN Code of place of delivery.
4. Reason for Transportation shall be chosen from one of the following:

Code	Description
1	Supply
2	Export or Import
3	Job Work
4	SKD or CKD
5	Recipient not known
6	Line Sales
7	Sales Return

- 8 Exhibition or
 fairs
 - 9 For own use
 - 0 Others
-

FORM GST EWB-02

(See rule 138)

Consolidated E-Way Bill

Number of E-Way Bills	
E-Way Bill Number	

FORM GST EWB-03

(See rule138C)

Verification Report

Part A	
Name of the Officer	
Place of inspection	
Time of inspection	
Vehicle Number	
E-Way Bill Number	
Invoice or Challan or Bill Date	
Invoice or Challan or Bill Number	
Name of person in-charge of vehicle	
Description of goods	
Declared quantity of goods	
Declared value of goods	
Brief description of the discrepancy	
Whether goods were detained?	

If not, date and time of release of vehicle	
Part B	
Actual quantity of goods	
Actual value of the Goods	
Tax payable	
Integrated tax	
Central tax	
State or UT tax	
Cess	
Penalty payable	
Integrated tax	
Central tax	
State or UT tax	
Cess	
Details of Notice	
Date	
Number	
Summary of findings	

FORM GST EWB-04

(See rule138D)

Report of detention

E-Way Bill Number	
Approximate Location of detention	
Period of detention	
Name of Officer incharge	(if known)
Date	
Time	

FORM GST INV – 1

(See rule 138A)

Generation of Invoice Reference Number

Authors comments - For Formats refer GSTN website

Signature

Name of the Signatory

Designation or Status”;

(iii) in the principal rules to FORMS, -

- I. with effect from the 1st July of 2017, for “FORM GST ENR-01”, the following FORM shall be substituted and shall be deemed to be have been substituted, namely:-

“FORM GST ENR-01

[See rule 58(1)]

Application for Enrolment under section 35 (2)

[only for un-registered persons]

1.	Name of the State	
2.	(a) Legal name	
	(b) Trade Name, if any	
	(c) PAN	

	(d) Aadhaar (applicable in case of proprietorship concerns only)		
3.	Type of enrolment		
	(i) Warehouse or Depot	(ii) Godown	
	(iii) Transport services	(iv) Cold Storage	
4.	Constitution of Business (Please Select the Appropriate)		
	(i) Proprietorship or HUF	(ii) Partnership	
	(iii) Company	(iv) Others	
5.	Particulars of Principal Place of Business		
(a)	Address		
	Building No. or Flat No.	Floor No.	
	Name of the Premises or Building	Road or Street	
	City or Town or Locality or Village	Taluka or Block	
	District		
	State	PIN Code	
	Latitude	Longitude	

(b)	Contact Information (the email address and mobile number will be used for authentication)				
Email Address		Telephone	STD		
Mobile Number		Fax	STD		
(c)	Nature of premises				
Own	Leased	Rented	Consent	Shared	Others (specify)
6.	Details of additional place of business – Add for additional place(s) of business, if any(Fill up the same information as in item 5 [(a), (b), and (c)])				
7.	Consent				
I on behalf of the holder of Aadhaar number <pre-filled based on Aadhaar number provided in the form> give consent to “Goods and Services Tax Network” to obtain my details from UIDAI for the purpose of authentication. “Goods and Services Tax Network” has informed me that identity information would only be used for validating identity of the Aadhaar holder and will be shared with Central Identities Data Repository only for the purpose of authentication.					
8. List of documents uploaded					

(Identity and address proof)	
9. Verification I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom. Place: _____ Date: _____ Signature _____ Name of Authorised Signatory _____	
For Office Use:	
Enrolment no	Date- _____.

- II. with effect from the 1st day of July, 2017 for "FORM GST RFD-01", the following FORM shall be substituted and shall be deemed to be have been substituted, namely:-

"FORM-GST-RFD-01

[See rule 89(1)]

Application for Refund

Authors comments - For Formats refer GSTN website

DECLARATION [second proviso to section 54(3)]

I hereby declare that the goods exported are not subject to any export duty. I also declare that I have not availed any drawback on goods or services or both and that I have not claimed refund of the integrated tax paid on supplies in respect of which refund is claimed.

Signature

Name –

Designation / Status

DECLARATION [section 54(3)(ii)]

I hereby declare that the refund of input tax credit claimed in the application does not include ITC availed on goods or services used for making 'nil' rated or fully exempt supplies.

Signature

Name –

Designation / Status

DECLARATION [rule 89(2)(f)]

I hereby declare that the Special Economic Zone unit /the Special Economic Zone developer has not availed of the input tax credit of the tax paid by the applicant, covered under this refund claim.

Signature

Name –

Designation / Status

DECLARATION [rule 89(2)(g)]

(For recipients of deemed export)

I hereby declare that the refund has been claimed only for those invoices which have been reported in statement of inward supplies filed in Form GSTR-2 for the tax period for which refund is being claimed and the amount does not exceed the amount of input tax credit availed in the valid return filed for the said tax period.

Signature

Name –

Designation / Status

SELF- DECLARATION [rule 89(2)(I)]

I _____ (Applicant) having GSTIN/ temporary Id -----, solemnly affirm and certify that in respect of the refund amounting to Rs. ---/ with respect to the tax, interest, or any other amount for the period from---to----, claimed in the refund application, the incidence of such tax and interest has not been passed on to any other person.

Signature

Name –

Designation / Status

(This Declaration is not required to be furnished by applicants, who are claiming refund under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54.)

10. Verification

I/We <Taxpayer Name> hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

I/We declare that no refund on this account has been received by me/us earlier.	
Place Date	Signature of Authorised Signatory (Name) Designation/
Status	

Annexure-1

Statement -1 [rule 89(5)]

Refund Type: ITC accumulated due to inverted tax structure

[clause (ii) of first proviso to section 54(3)]

(Amount

in Rs.)

Turnover of inverted rated supply of goods	Tax payable on such inverted rated supply of goods	Adjusted total turnover	Net input tax credit	Maximum refund amount to be claimed [(1×4÷3)-2]
1	2	3	4	5

Statement- 2 [rule 89(2)(c)]

Refund Type: Exports of services with payment of tax

(Amount in Rs.)

Authors comments - For Formats refer GSTN website

[F. No. 349/58/2017-GST]

(Dr.Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide G.S.R number 610 (E), dated the 19th June, 2017 and last amended vide notification No. 22/2017-Central Tax, dated the 17thAugust, 2017, published vide G.S.R number 1023(E), dated the 17th August, 2017.

28 /2017 – Waiver of penalty for delay in filing of 3B

New Delhi, the 01st September, 2017

G.S.R. ()E.- In exercise of the powers conferred by section 128 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby waives the late fee payable under section 47 of the said Act, for all registered persons who failed to furnish the return in FORM GSTR-3B for the month of July, 2017 by the due date.

[F. No. 349/74/2017-GST(Pt.)]

(Dr.Sreeparvathy S.L.)

Under Secretary to the Government of India

29/2017 – GSTR 1, 2 and 3 extension

New Delhi, the 5th September, 2017

G.S.R.(E).— In exercise of the powers conferred by the second proviso to sub-section (1) of section 37, first proviso to sub-section (2) of section 38 and sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and in supersession of notifications No. 18/2017-Central Tax, dated the 8th August, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 994 (E) dated the 8th August, 2017, No. 19/2017 Central Tax, dated the 8th August, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 995 (E), dated the 8th August, 2017 and No. 20/2017-Central Tax, dated the 8th August, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) vide number G.S.R. 996 (E), dated the 8th August, 2017, the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details or return, as the case may be, specified in sub-section (1) of section 37, sub-section (2) of section 38

and sub-section (1) of section 39 of the said Act as specified in column (3) of the Table below for the month as specified in column (2) of the said Table, till the time period as specified in the corresponding entry in column (4) of the said Table, namely:-

Table

Sl. No.	Month	Details/Return	Time period for furnishing of details/Return
(1)	(2)	(3)	(4)
1.	July, 2017	FORM GSTR-1	Upto 10 th September, 2017
		FORM GSTR-2	11 - 25 th September, 2017
		FORM GSTR-3	Upto 30 th September, 2017
2.	August, 2017	FORM GSTR-1	Upto 5 th October, 2017
		FORM GSTR-2	6 - 10 th October, 2017

		FORM GSTR-3	Upto 15 th October, 2017

[F. No. 349/74/2017-GST]

(Shankar Prasad Sarma)

Under Secretary to the Government of India

CGST – Notifications – Rate related

1/2017 - Refer cbec.gov.in for rate related notification

2/2017 - Refer cbec.gov.in for rate related notification

3/2017 - Refer cbec.gov.in for rate related notification

4/2017- RCM on goods (cashew etc)

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the supply of goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, subheading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, made by the person as specified in the corresponding entry in column (4), in respect of which the central tax shall be paid on reverse charge basis by the recipient of the intra-state supply of such goods as specified in the corresponding entry in column (5) and all the provisions of the said Act shall apply to such recipient, namely:-

TABLE

S. No.	Tariff item, sub-heading, heading or Chapter	Description of supply of Goods	Supplier of goods	Recipient of supply
(1)	(2)	(3)	(4)	(5)
1.	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2.	1404 90 10	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3.	2401	Tobacco leaves	Agriculturist	Any registered person

S. No.	Tariff item, sub-heading, heading or Chapter	Description of supply of Goods	Supplier of goods	Recipient of supply
4.	5004 to 5006	Silk yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person
5.	-	Supply of lottery.	State Government, Union Territory or any local authority	Lottery distributor or selling agent. <i>Explanation.-</i> For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the provisions of sub section 1 of section 11 of the Lotteries (Regulations) Act, 1998 (17 of 1998).

(1) In this Table, "tariff item", "sub-heading", "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading

or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)

Under Secretary to the Government of India

5/2017- No refund of un-utilised credits

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, heading, sub-heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, in respect of which **no refund of unutilised input tax** credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods (other than nil rated or fully exempt supplies).

TABLE

S. No.	Tariff item, heading, sub-heading or Chapter	Description of Goods
(1)	(2)	(3)
1.	5007	Woven fabrics of silk or of silk waste
2.	5111 to 5113	Woven fabrics of wool or of animal hair
3.	5208 to 5212	Woven fabrics of cotton
4.	5309 to 5311	Woven fabrics of other vegetable textile fibres, paper yarn

5.	5407, 5408	Woven fabrics of manmade textile materials
6.	5512 to 5516	Woven fabrics of manmade staple fibres
7.	60	Knitted or crocheted fabrics [All goods]
8.	8601	Rail locomotives powered from an external source of electricity or by electric accumulators
9.	8602	Other rail locomotives; locomotive tenders; such as Diesel-electric locomotives, Steam locomotives and tenders thereof
10.	8603	Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604
11.	8604	Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, trackliners, testing coaches and track inspection vehicles)
12.	8605	Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604)
13.	8606	Railway or tramway goods vans and wagons, not self-propelled
14.	8607	Parts of railway or tramway locomotives or rolling-stock such as Bogies, bissel-bogies, axles and wheels, and parts thereof
15.	8608	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing

Explanation. –

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading

or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

6/2017- Canteen Stores Department (CSD) exemption

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by section 55 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the **Canteen Stores Department** (hereinafter referred to as the CSD), under the Ministry of Defence, as a person who shall be entitled to claim a refund of **fifty per cent.** of the applicable central tax paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the CSD or to the authorized customers of the CSD.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2007-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

7/2017 - Canteen Stores Department (CSD) exemption

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts, supplies of goods, the description of which is specified in column (3) of the Table below, falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2), from the whole of the central tax leviable thereon under section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), namely:-

TABLE

S. No.	Tariff item, sub-heading, heading or Chapter	Description of supply of Goods
(1)	(2)	(3)
1.	Any chapter	The supply of goods by the CSD to the Unit Run Canteens
2.	Any chapter	The supply of goods by the CSD to the authorized customers

		Index CGST Act CGST Rules CGST Notifications CGST Circulars Press Releases
3.	Any chapter	The supply of goods by the Unit Run Canteens to the authorized customers

Explanation. –

(1) In this notification, “tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)

Under Secretary to the Government of India

8/2017- 5,000/- per day exemption

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts intra-State supplies of goods or services or both received by a registered person from any supplier, who is not registered, from the whole of the central tax leviable thereon under sub-section (4) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017):

Provided that the said exemption shall not be applicable where the aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds five thousand rupees in a day.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

9/2017 – Exemption under section 51

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts intra-State supplies of goods or services or both received by a deductor under section 51 of the said Act, from any supplier, who is not registered, from the whole of the central tax leviable thereon under sub-section (4) of section 9 of the said Act, subject to the condition that the deductor is not liable to be registered otherwise than under sub-clause (vi) of section 24 of the said Act.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

10/2017 – Exemption to intra-State second hand cars procurement

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods and who pays the central tax on the value of outward supply of such second hand goods as determined under sub-rule (5) of rule 32 of the Central Goods and Services tax Rules, 2017, from any supplier, who is not registered, from the whole of the central tax leviable thereon under sub-section (4) of section 9 of the Central Good and Services Tax Act, 2017 (12 of 2017).

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

11/2017- Rate of GST on services

New Delhi, the 28th June,
2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, subsection (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table:-

Table

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
2	Section 5	Construction Services		
3	Heading 9954 (Construction services)	(i) 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	9	-

		completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)		
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	9	-
		(iii) construction services other than (i) and (ii) above.	9	-
4	Section 6	Distributive Trade Services; Accommodation, Food and Beverage Service; Transport Services; Gas and		

		Electricity Distribution Services		
5	Heading 9961	Services in wholesale trade. <i>Explanation</i> -This service does not include sale or purchase of goods but includes: – Services of commission agents, commodity brokers, and auctioneers and all other traders who negotiate whole	9	-

		sale commercial transactions between buyers and sellers, for a fee or commission' – Services of electronic whole sale agents and brokers, – Services of whole sale auctioning houses.		
6	Heading 9962	Services in retail trade. <i>Explanation-</i> This service does not include sale or purchase of goods	9	-
7	Heading 9963 (Accommodation, food and beverage services)	(i) 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 drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, neither having the facility of airconditioning or central air-heating in any part of the establishment, at any time during the year nor having licence or permit or by whatever name called to serve alcoholic liquor for human consumption.	6	-

	(ii) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of one thousand rupees and above but less than two thousand five hundred rupees per unit per day or equivalent. <i>Explanation.-</i> "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	6	-
	(iii) 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, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant,	9	-

		eating joint including mess, canteen, having licence or		
		permit or by whatever name called to serve alcoholic liquor for human consumption.		
		(iv) 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, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having the facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year.	9	-
		(v) Supply, by way of or as part of any service or in any other manner whatsoever in outdoor catering wherein goods, being food or any other article for human consumption or any drink (whether or not	9	-

		alcoholic liquor for human consumption), as a part of such outdoor catering and such supply or service is for cash, deferred payment or other valuable consideration.		
		(vi) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of two thousand five hundred rupees and above but less than seven thousand five hundred rupees per unit per day or equivalent. <i>Explanation.-</i> "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	9	-

		(vii) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, including but not limited to food or any other article for human consumption or any drink (whether or not alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organising a function) together with renting of such premises.	9	-
		(viii) Accommodation in hotels including five	14	-
		star hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of seven thousand and five hundred rupees and above per unit per day or equivalent. <i>Explanation.</i> -"declared tariff " includes charges for all amenities provided in the unit of accommodation (given on		

		rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.		
		(ix) Accommodation, food and beverage services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above.	9	-
8	Heading 9964 (Passenger transport services)	(i) Transport of passengers, with or without accompanied belongings, by rail in first class or air conditioned coach.	2.5	Provided that credit of input tax charged in respect of goods used in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service

		(ii) Transport of passengers, with or without accompanied belongings by- (a) air conditioned contract carriage other than motorcab; (b) air conditioned stage carriage; (c) radio taxi. <i>Explanation.-</i> (a) "contract carriage" has the meaning assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988); (b) "stage carriage" has the meaning assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988) ; (c) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS).	2.5	Provided that credit of input tax charged on goods or services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]

		(iii) Transport of passengers, with or without accompanied belongings, by air in economy class.	2.5	Provided that credit of input tax charged on goods used in supplying
				the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport, as notified by the Ministry of Civil Aviation.	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(v) Transport of passengers by air, with or without accompanied belongings, in other than economy class.	6	-
		(vi) Transport of passengers by motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has

				not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(vii) Passenger transport services other than (i), (ii) (iii), (iv), (v) and (vi) above.	9	-
9	Heading 9965 (Goods transport services)	(i) Transport of goods by rail (other than services specified at item no. (iv)).	2.5	Provided that credit of input tax charged in respect of goods in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service
		(ii) Transport of goods in a vessel.	2.5	Provided that credit of input tax charged on goods (other than on ships, vessels including bulk carriers and tankers) used

				in supplying the service has not
				been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iii) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of goods in containers by rail by any person other than Indian Railways.	6	-
		(v) Goods transport services other than (i), (ii), (iii) and (iv) above.	9	-

10	Heading 9966 (Rental services of transport vehicles)	(i) Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Rental services of transport vehicles with or without operators, other than (i) above.	9	-
11	Heading 9967 (Supporting services in transport)	(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Supporting services in transport other than (i) above.	9	-
12	Heading 9968	Postal and courier services.	9	-

13	Heading 9969	Electricity, gas, water and other distribution services.	9	-
14	Section 7	Financial and related services; real estate services; and rental and leasing services.		
15	Heading 9971 (Financial and related services)	(i) Services provided by a foreman of a chit fund in relation to chit. <i>Explanation.-</i> (a) "chit" means a transaction whether called chit, chit fund, chitty, kuri, or by whatever name by or under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical instalments over a definite period and that each subscriber shall, in his turn, as determined by lot or by auction or by tender or in such other manner as may be specified in the chit agreement, be entitled to a prize amount; "foreman of a chit fund" shall have the same meaning as is assigned to the expression "foreman" in clause (j) of	6	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation no. (iv)</i>]

		section 2 of the Chit Funds Act, 1982 (40 of 1982).		

		(ii) 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.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(iii) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(iv) Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i>	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]

		(a) “operator” means a person, organisation or enterprise engaged in or offering to engage in aircraft operations; “scheduled air transport service” means an air transport service undertaken between the same two or more places operated according to a published time table or with flights so regular or frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public; (a) (c) “scheduled air cargo service” means air transportation of cargo or mail on a scheduled basis according to a published time table or with flights so regular or frequent that they constitute a recognisable systematic series, not open to use by passengers.		
		(v) Financial and related services other than (i), (ii), (iii), and (iv) above.	9	-

16	Heading 9972	Real estate services.	9	-
17	Heading 9973 (Leasing or rental services, with or without operator)	(i) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of goods other than Information Technology software.	6	-
		(ii) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of Information Technology software. [Please refer to <i>Explanation</i> no. (v)]	9	-
		(iii) 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.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-

		(iv) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(v) Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i> (a) "operator" means a person, organisation	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no.

		or enterprise engaged in or offering to engage in aircraft operations; (b) "scheduled air transport service" means an air transport service undertaken between the same two or more places operated according to a published time table or with flights so regular or frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public; (c) "scheduled air cargo service" means air transportation of cargo or mail on a scheduled basis according to a published time table or with flights so regular or frequent that they constitute a recognisable systematic series, not open to use by passengers.		(iv)]

		(vi) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv) and (v) above.	Same rate of central tax as applicable on supply of like goods involving transfer of title in goods	-
18	Section 8	Business and Production Services		
19	Heading 9981	Research and development services.	9	-
20	Heading 9982	Legal and accounting services.	9	-
21	Heading 9983 (Other professional, technical and business services)	(i) Selling of space for advertisement in print media.	2.5	-
		(ii) Other professional, technical and business services other than (i) above.	9	-
22	Heading 9984	Telecommunications, broadcasting and information supply services.	9	-

23	Heading 9985 (Support services)	(i) Supply of tour operators services. <i>Explanation.-</i> "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tours.	2.5	1. Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)] The bill issued for supply of this service indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of 2. accommodation and transportation required for such a tour.
		(ii) Support services other than (i) above	9	-

24	Heading 9986	(i) Support services to agriculture, forestry, fishing, animal husbandry. <i>Explanation.</i> – “Support services to agriculture, forestry, fishing, animal husbandry” mean - (i) Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of— (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun	Nil	-

		drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;		

		(e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; (g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce. (ii) Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables. (iii) Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.		
		(ii) Support services to mining, electricity, gas and water distribution.	9	-
25	Heading 9987	Maintenance, repair and installation (except construction) services.	9	-

26	Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)	(i) Services by way of job work in relation to- (a) Printing of newspapers; (b) Textile yarns (other than of man-made fibres) and textile fabrics; (c) Cut and polished diamonds; precious and semi-precious stones; or plain and studded jewellery of gold and other precious metals, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); (d) Printing of books (including Braille books), journals and periodicals; (e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). <i>Explanation.-</i> "man made fibres" means staple fibres and filaments of organic polymers produced by manufacturing processes either,- (a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical	2.5	-

		modification of polymers produced by this process [for example, poly(vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate)]; or (b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.		
		(ii) Manufacturing services on physical inputs (goods) owned by others, other than (i) above.	9	-
27	Heading 9989	Other manufacturing services; publishing, printing and reproduction services; materials recovery services.	9	-
28	Section 9	Community, Social and Personal Services and other miscellaneous services		
29	Heading 9991	Public administration and other services provided to the community as a whole; compulsory social security services.	9	-

30	Heading 9992	Education services.	9	-
31	Heading 9993	Human health and social care services.	9	-
32	Heading 9994	Sewage and waste collection, treatment and disposal and other environmental protection services.	9	-
33	Heading 9995	Services of membership organisations.	9	-
34	Heading 9996 (Recreational, cultural and sporting services)	(i) Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama.	9	-
		(ii) Services by way of admission exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.	9	-
		(iii) Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as Indian Premier League and the like.	14	-
		(iv) Services provided by a race club by way of totalisator or a license to bookmaker in such club.	14	-
		(v) Gambling.	14	-

		(vi) Recreational, cultural and sporting services other than (i), (ii), (iii), (iv) and (v) above.	9	-
35	Heading 9997	Other services (washing, cleaning and dyeing services; beauty and physical well-being services; and other miscellaneous services including services nowhere else classified).	9	-
36	Heading 9998	Domestic services.	9	-
37	Heading 9999	Services provided by extraterritorial organisations and bodies.	9	-

2. In case of supply of service specified in column (3) of the entry at item (i) against serial no. 3 of the Table above, involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case may be, and the value of land or undivided share of land, as the case may be, in such supply shall be deemed to be one third of the total amount charged for such supply.

Explanation .- For the purposes of paragraph 2, "total amount" means the sum total of,-

- (a) consideration charged for aforesaid service; and
- (b) amount charged for transfer of land or undivided share of land, as the case may be.

3. Value of supply of lottery shall be 100/112 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery run by State Government and

100/128 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery authorised by State Government.

4. *Explanation.*- For the purposes of this notification,- (i) Goods includes capital goods.

(ii) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter, "Section" and "Heading" in the annexed scheme of classification of services (Annexure).

(iii) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of heading 9988.

(iv) Wherever a rate has been prescribed in this notification subject to the condition that credit of input tax charged on goods or services used in supplying the service has not been taken, it shall mean that,-

(a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and

(b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder.

(v) "information technology software" means any representation of instructions, data, sound or image, including source code and object code, recorded in a machine readable form, and capable of being manipulated or providing interactivity to a user, by means of a computer or an automatic data processing machine or any other device or equipment.

(vi) “agricultural extension” means application of scientific research and knowledge to agricultural practices through farmer education or training.

(vii) “agricultural produce” means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

(viii) “Agricultural Produce Marketing Committee or Board” means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce.

5. This notification shall come into force with effect from 1st day of July, 2017.

[F.No. 334/1/2017-TRU]

(Ruchi Bisht) Under
Secretary to the
Government of India

Annex. Not. 11 - Services Accounting Code (SAC)

Annexure: Scheme of Classification of Services			
S.No.	Chapter, Section, Heading or Group	Service Code (Tariff)	Service Description
(1)	(2)	(3)	(4)
1	Chapter 99		All Services
2	Section 5		Construction Services
3	Heading 9954		Construction services
4	Group 99541		Construction services of buildings
5		995411	Construction services of single dwelling or multi dwelling or multistoried residential buildings
6		995412	Construction services of other residential buildings such as old age homes, homeless shelters, hostels and the like
7		995413	Construction services of industrial buildings such as buildings used for production activities (used for assembly line activities), workshops, storage buildings and other similar industrial buildings
8		995414	Construction services of commercial buildings such as office buildings, exhibition and marriage halls, malls, hotels, restaurants, airports, rail or road terminals, parking garages, petrol and service stations, theatres and other similar buildings
9		995415	Construction services of other non-residential buildings such as educational institutions, hospitals,

			clinics including veterinary clinics, religious establishments, courts, prisons, museums and other similar buildings
10		995416	Construction services of other buildings nowhere else classified
11		995419	Services involving repair, alterations, additions, replacements, renovation, maintenance or remodeling of the buildings covered above
12	Group 99542		General construction services of civil engineering works
13		995421	General construction services of highways, streets, roads, railways and airfield runways, bridges and tunnels
14		995422	General construction services of harbours, waterways, dams, water mains and lines, irrigation and other waterworks
15		995423	General construction services of long-distance underground/ overland/ submarine pipelines, communication and electric power lines (cables); pumping stations and related works; transformer stations and related works
16		995424	General construction services of local water and sewage pipelines, electricity and communication cables and related works
17		995425	General construction services of mines and industrial plants
18		995426	General Construction services of Power Plants and its related infrastructure
19		995427	General construction services of outdoor sport and recreation facilities

20		995428	General construction services of other civil engineering works nowhere else classified
21		995429	Services involving repair, alterations, additions, replacements, renovation, maintenance or remodeling of the constructions covered above
22	Group 99543		Site preparation services
23		995431	Demolition services
24		995432	Site formation and clearance services including preparation services to make sites ready for subsequent construction work, test drilling and boring and core extraction, digging of trenches
25		995433	Excavating and earthmoving services
26		995434	Water well drilling services and septic system installation services
27		995435	Other site preparation services nowhere else classified
28		995439	Services involving repair, alterations, additions, replacements, maintenance of the constructions covered above
29	Group 99544		Assembly and erection of prefabricated constructions
30		995441	Installation, assembly and erection services of prefabricated buildings
31		995442	Installation, assembly and erection services of other prefabricated structures and constructions
32		995443	Installation services of all types of street furniture (such as bus shelters, benches, telephone booths, public toilets, and the like)
33		995444	Other assembly and erection services nowhere else classified

34		995449	Services involving repair, alterations, additions, replacements, maintenance of the constructions covered above
35	Group 99545		Special trade construction services
36		995451	Pile driving and foundation services
37		995452	Building framing and roof framing services
38		995453	Roofing and waterproofing services
39		995454	Concrete services
40		995455	Structural steel erection services
41		995456	Masonry services
42		995457	Scaffolding services
43		995458	Other special trade construction services nowhere else classified
44		995459	Services involving repair, alterations, additions, replacements, maintenance of the constructions covered above
45	Group 99546		Installation services
46		995461	Electrical installation services including Electrical wiring and fitting services, fire alarm installation services, burglar alarm system installation services
47		995462	Water plumbing and drain laying services
48		995463	Heating, ventilation and air conditioning equipment installation services
49		995464	Gas fitting installation services
50		995465	Insulation services
51		995466	Lift and escalator installation services
52		995468	Other installation services nowhere else classified

53		995469	Services involving repair, alterations, additions, replacements, maintenance of the installations covered above
54	Group 99547		Building completion and finishing services
55		995471	Glazing services
56		995472	Plastering services
57		995473	Painting services
58		995474	Floor and wall tiling services
59		995475	Other floor laying, wall covering and wall papering services
60		995476	Joinery and carpentry services
61		995477	Fencing and railing services
62		995478	Other building completion and finishing services nowhere else classified
63		995479	Services involving repair, alterations, additions, replacements, maintenance of the completion/finishing works covered above
64	Section 6		Distributive Trade Services ; Accommodation, Food and Beverage Service; Transport Services; Gas and Electricity Distribution Services
65	Heading 9961		Services in wholesale trade
66	Group 99611		
67		996111	Services provided for a fee or commission or on contract basis on wholesale trade
68	Heading 9962		Services in retail trade
69	Group 99621		

70		996211	Services provided for a fee or commission or on contract basis on retail trade
71	Heading 9963		Accommodation, food and beverage services
72	Group 99631		Accommodation services
73		996311	Room or unit accommodation services provided by Hotels, Inn, Guest House, Club and the like
74		996312	Camp site services
75		996313	Recreational and vacation camp services
76	Group 99632		Other accommodation services
77		996321	Room or unit accommodation services for students in student residences
78		996322	Room or unit accommodation services provided by Hostels, Camps, Paying Guest and the like
79		996329	Other room or unit accommodation services nowhere else classified
80	Group 99633		Food, edible preparations, alcoholic and non-alcoholic beverages serving services
81		996331	Services provided by restaurants, cafes and similar eating facilities including takeaway services, room services and door delivery of food
82		996332	Services provided by Hotels, Inn, Guest House, Club and the like including room services, takeaway services and door delivery of food
83		996333	Services provided in canteen and other similar establishments
84		996334	Catering Services in exhibition halls, events, marriage halls and other outdoor/indoor functions
85		996335	Catering services in trains, flights and the like

86		996336	Preparation or supply services of food, edible preparations, alcoholic and non-alcoholic beverages to airlines and other transportation operators
87		996337	Other contract food services
88		996339	Other food, edible preparations, alcoholic and non-alcoholic beverages serving services nowhere else classified
89	Heading 9964		Passenger transport services
90	Group 99641		Local transport and sightseeing transportation services of passengers
91		996411	Local land transport services of passengers by railways, metro, monorail, bus, tramway, autos, three wheelers, scooters and other motor vehicles
92		996412	Taxi services including radio taxi and other similar services
93		996413	Non-scheduled local bus and coach charter services
94		996414	Other land transportation services of passengers
95		996415	Local water transport services of passengers by ferries, cruises and the like
96		996416	Sightseeing transportation services by rail, land, water and air
97		996419	Other local transportation services of passengers nowhere else classified
98	Group 99642		Long-distance transport services of passengers
99		996421	Long-distance transport services of passengers through rail network by railways, metro and the like
100		996422	Long-distance transport services of passengers through road by bus, car, non-scheduled long

			distance bus and coach services, stage carriage and the like
101		996423	Taxi services including radio taxi and other similar services
102		996424	Coastal and transoceanic (overseas) water transport services of passengers by Ferries, Cruise Ships and the like
103		996425	Domestic/ international scheduled air transport services of passengers
104		996426	Domestic/ international non-scheduled air transport services of passengers
105		996427	Space transport services of passengers
106		996429	Other long-distance transportation services of passengers nowhere else classified
107	Heading 9965		Goods Transport Services
108	Group 99651		Land transport services of Goods
109		996511	Road transport services of Goods including letters, parcels, live animals, household and office furniture, containers and the like by refrigerator vehicles, trucks, trailers, man or animal drawn vehicles or any other vehicles
110		996512	Railway transport services of Goods including letters, parcels, live animals, household and office furniture, intermodal containers, bulk cargo and the like
111		996513	Transport services of petroleum and natural gas, water, sewerage and other goods via pipeline
112		996519	Other land transport services of goods nowhere else classified

113	Group 99652		Water transport services of goods
114		996521	Coastal and transoceanic (overseas) water transport services of goods by refrigerator vessels, tankers, bulk cargo vessels, container ships and the like
115		996522	Inland water transport services of goods by refrigerator vessels, tankers and other vessels
116	Group 99653		Air and space transport services of goods
117		996531	Air transport services of letters and parcels and other goods
118		996532	Space transport services of freight
119	Heading 9966		Rental services of transport vehicles with or without operators
120	Group 99660		Rental services of transport vehicles with or without operators
121		996601	Rental services of road vehicles including buses, coaches, cars, trucks and other motor vehicles, with or without operator
122		996602	Rental services of water vessels including passenger vessels, freight vessels and the like with or without operator
123		996603	Rental services of aircraft including passenger aircrafts, freight aircrafts and the like with or without operator
124		996609	Rental services of other transport vehicles nowhere else classified with or without operator
125	Heading 9967		Supporting services in transport
126	Group 99671		Cargo handling services

127		996711	Container handling services
128		996712	Customs house agent services
129		996713	Clearing and forwarding services
130		996719	Other cargo and baggage handling services
131	Group 99672		Storage and warehousing services
132		996721	Refrigerated storage services
133		996722	Bulk liquid or gas storage services
134		996729	Other storage and warehousing services
135	Group 99673		Supporting services for railway transport
136		996731	Railway pushing or towing services
137		996739	Other supporting services for railway transport nowhere else classified
138	Group 99674		Supporting services for road transport
139		996741	Bus station services
140		996742	Operation services of national highways, state highways, expressways, roads and streets; bridges and tunnel operation services
141		996743	Parking lot services
142		996744	Towing services for commercial and private vehicles
143		996749	Other supporting services for road transport nowhere else classified
144	Group 99675		Supporting services for water transport (coastal, transoceanic and inland waterways)
145		996751	Port and waterway operation services (excluding cargo handling) such as operation services of ports, docks, light houses, light ships and the like
146		996752	Pilotage and berthing services
147		996753	Vessel salvage and refloating services

148		996759	Other supporting services for water transport nowhere else classified
149	Group 99676		Supporting services for air or space transport
150		996761	Airport operation services (excluding cargo handling)
151		996762	Air traffic control services
152		996763	Other supporting services for air transport
153		996764	Supporting services for space transport
154	Group 99679		Other supporting transport services
155		996791	Goods transport agency services for road transport
156		996792	Goods transport agency services for other modes of transport
157		996793	Other goods transport services
158		996799	Other supporting transport services nowhere else classified
159	Heading 9968		Postal and courier services
160	Group 99681		Postal and courier services
161		996811	Postal services including post office counter services, mail box rental services
162		996812	Courier services
163		996813	Local delivery services
164		996819	Other Delivery Services nowhere else classified
165	Heading 9969		Electricity, gas, water and other distribution services
166	Group 99691		Electricity and gas distribution services
167		996911	Electricity transmission services
168		996912	Electricity distribution services

169		996913	Gas distribution services
170	Group 99692		Water distribution and other services
171		996921	Water distribution services
172		996922	Services involving distribution of steam, hot water and air conditioning supply and the like
173		996929	Other similar services
174	Section 7		Financial and related services; real estate services; and rental and leasing services
175	Heading 9971		Financial and related services
176	Group 99711		Financial services (except investment banking, insurance services and pension services)
177		997111	Central banking services
178		997112	Deposit services
179		997113	Credit-granting services including stand-by commitment, guarantees and securities
180		997114	Financial leasing services
181		997119	Other financial services (except investment banking, insurance services and pension services)
182	Group 99712		Investment banking services
183		997120	Investment banking services
184	Group 99713		Insurance and pension services (excluding reinsurance services)
185		997131	pension services
186		997132	Life insurance services (excluding reinsurance services)
187		997133	Accident and health insurance services
188		997134	Motor vehicle insurance services

189		997135	Marine, aviation, and other transport insurance services
190		997136	Freight insurance services and travel insurance services
191		997137	Other property insurance services
192		997139	Other non-life insurance services (excluding reinsurance services)
193	Group 99714		Reinsurance services
194		997141	Life reinsurance services
195		997142	Accident and health reinsurance services
196		997143	Motor vehicle reinsurance services
197		997144	Marine, aviation and other transport reinsurance services
198		997145	Freight reinsurance services
199		997146	Other property reinsurance services
200		997149	Other non-life reinsurance services
201	Group 99715		Services auxiliary to financial services (other than to insurance and pensions)
202		997151	Services related to investment banking such as mergers and acquisition services, corporate finance and venture capital services
203		997152	Brokerage and related securities and commodities services including commodity exchange services
204		997153	Portfolio management services except pension funds
205		997154	Trust and custody services
206		997155	Services related to the administration of financial markets
207		997156	Financial consultancy services
208		997157	Foreign exchange services

209		997158	Financial transactions processing and clearing house services
210		997159	Other services auxiliary to financial services
211	Group 99716		Services auxiliary to insurance and pensions
212		997161	Services auxiliary to insurance and pensions
213		997162	Insurance claims adjustment services
214		997163	Actuarial services
215		997164	Pension fund management services
216		997169	Other services auxiliary to insurance and pensions
217	Group 99717		Services of holding financial assets
218		997171	Services of holding equity of subsidiary companies
219		997172	Services of holding securities and other assets of trusts and funds and similar financial entities
220	Heading 9972		Real estate services
221	Group 99721		Real estate services involving owned or leased property
222		997211	Rental or leasing services involving own or leased residential property
223		997212	Rental or leasing services involving own or leased non-residential property
224		997213	Trade services of buildings
225		997214	Trade services of time-share properties
226		997215	Trade services of vacant and subdivided land
227	Group 99722		Real estate services on a fee or commission basis or on contract basis
228		997221	Property management services on a fee or commission basis or on contract basis

229		997222	Building sales on a fee or commission basis or on contract basis
230		997223	Land sales on a fee or commission basis or on contract basis
231		997224	Real estate appraisal services on a fee or commission basis or on contract basis
232	Heading 9973		Leasing or rental services with or without operator
233	Group 99731		Leasing or rental services concerning machinery and equipment with or without operator
234		997311	Leasing or rental services concerning transport equipments including containers, with or without operator
235		997312	Leasing or rental services concerning agricultural machinery and equipment with or without operator
236		997313	Leasing or rental services concerning construction machinery and equipment with or without operator
237		997314	Leasing or rental services concerning office machinery and equipment (except computers) with or without operator
238		997315	Leasing or rental services concerning computers with or without operators
239		997316	Leasing or rental services concerning telecommunications equipment with or without operator
240		997319	Leasing or rental services concerning other machinery and equipments with or without operator
241	Group 99732		Leasing or rental services concerning other goods
242		997321	Leasing or rental services concerning televisions, radios, video cassette recorders, projectors, audio

			systems and related equipment and accessories (home entertainment equipment)
243		997322	Leasing or rental services concerning video tapes and disks (home entertainment equipment)
244		997323	Leasing or rental services concerning furniture and other household appliances
245		997324	Leasing or rental services concerning pleasure and leisure equipment
246		997325	Leasing or rental services concerning household linen
247		997326	Leasing or rental services concerning textiles, clothing and footwear
248		997327	Leasing or rental services concerning do-it-yourself machinery and equipment
249		997329	Leasing or rental services concerning other goods
250	Group 99733		Licensing services for the right to use intellectual property and similar products
251		997331	Licensing services for the right to use computer software and databases
252		997332	Licensing services for the right to broadcast and show original films, sound recordings, radio and television programme and the like
253		997333	Licensing services for the right to reproduce original art works
254		997334	Licensing services for the right to reprint and copy manuscripts, books, journals and periodicals
255		997335	Licensing services for the right to use research and development products
256		997336	Licensing services for the right to use trademarks and franchises
257		997337	Licensing services for the right to use minerals including its exploration and evaluation

258		997338	Licensing services for right to use other natural resources including telecommunication spectrum
259		997339	Licensing services for the right to use other intellectual property products and other resources nowhere else classified
260	Section 8		Business and Production Services
261	Heading 9981		Research and development services
262	Group 99811		Research and experimental development services in natural sciences and engineering
263		998111	Research and experimental development services in natural sciences
264		998112	Research and experimental development services in engineering and technology
265		998113	Research and experimental development services in medical sciences and pharmacy
266		998114	Research and experimental development services in agricultural sciences

267	Group 99812		Research and experimental development services in social sciences and humanities
268		998121	Research and experimental development services in social sciences
269		998122	Research and experimental development services in humanities
270	Group 99813		Interdisciplinary research services
271		998130	Interdisciplinary research and experimental development services
272	Group 99814		Research and development originals

273		998141	Research and development originals in pharmaceuticals
274		998142	Research and development originals in agriculture
275		998143	Research and development originals in biotechnology
276		998144	Research and development originals in computer related sciences
277		998145	Research and development originals in other fields nowhere else classified
278	Heading 9982		Legal and accounting services
279	Group 99821		Legal services
280		998211	Legal advisory and representation services concerning criminal law
281		998212	Legal advisory and representation services concerning other fields of law
282		998213	Legal documentation and certification services concerning patents, copyrights and other intellectual property rights
283		998214	Legal documentation and certification services concerning other documents
284		998215	Arbitration and conciliation services
285		998216	Other legal services nowhere else classified
286	Group 99822		Accounting, auditing and bookkeeping services
287		998221	Financial auditing services
288		998222	Accounting and bookkeeping services
289		998223	Payroll services
290		998224	Other similar services nowhere else classified
291	Group 99823		Tax consultancy and preparation services
292		998231	Corporate tax consulting and preparation services

293		998232	Individual tax preparation and planning services
294	Group 99824		Insolvency and receivership services
295		998240	Insolvency and receivership services
296	Heading 9983		Other professional, technical and business services
297	Group 99831		Management consulting and management services; information technology services
298		998311	Management consulting and management services including financial, strategic, human resources, marketing, operations and supply chain management
299		998312	Business consulting services including public relations services
300		998313	Information technology consulting and support services
301		998314	Information technology design and development services
302		998315	Hosting and information technology infrastructure provisioning services
303		998316	Information technology infrastructure and network management services
304		998319	Other information technology services nowhere else classified
305	Group 99832		Architectural services, urban and land planning and landscape architectural services
306		998321	Architectural advisory services
307		998322	Architectural services for residential building projects
308		998323	Architectural services for non-residential building projects
309		998324	Historical restoration architectural services
310		998325	Urban planning services
311		998326	Rural land planning services

312		998327	Project site master planning services
313		998328	Landscape architectural services and advisory services
314	Group 99833		Engineering services
315		998331	Engineering advisory services
316		998332	Engineering services for building projects
317		998333	Engineering services for industrial and manufacturing projects
318		998334	Engineering services for transportation projects
319		998335	Engineering services for power projects
320		998336	Engineering services for telecommunications and broadcasting projects
321		998337	Engineering services for waste management projects (hazardous and non-hazardous), for water, sewerage and drainage projects
322		998338	Engineering services for other projects nowhere else classified
323		998339	Project management services for construction projects
324	Group 99834		Scientific and other technical services
325		998341	Geological and geophysical consulting services
326		998342	Subsurface surveying services
327		998343	Mineral exploration and evaluation
328		998344	Surface surveying and map-making services
329		998345	Weather forecasting and meteorological services
330		998346	Technical testing and analysis services
331		998347	Certification of ships, aircraft, dams, and the like
332		998348	Certification and authentication of works of art
333		998349	Other technical and scientific services nowhere else classified

334	Group 99835		Veterinary services
335		998351	Veterinary services for pet animals
336		998352	Veterinary services for livestock
337		998359	Other veterinary services nowhere else classified
338	Group 99836		Advertising services and provision of advertising space or time
339		998361	Advertising Services
340		998362	Purchase or sale of advertising space or time, on commission
341		998363	Sale of advertising space in print media (except on commission)
342		998364	Sale of television and radio advertising time
343		998365	Sale of internet advertising space
344		998366	Sale of other advertising space or time (except on commission)
345	Group 99837		Market research and public opinion polling services
346		998371	Market research services
347		998372	Public opinion polling services
348	Group 99838		Photography and videography and their processing services
349		998381	Portrait photography services
350		998382	Advertising and related photography services
351		998383	Event photography and event videography services
352		998384	Specialty photography services
353		998385	Restoration and retouching services of photography
354		998386	Photographic and videographic processing services
355		998387	Other photography and videography and their processing services nowhere else classified

356	Group 99839		Other professional, technical and business services
357		998391	Specialty design services including interior design, fashion design, industrial design and other specialty design services
358		998392	Design originals
359		998393	Scientific and technical consulting services
360		998394	Original compilations of facts or information
361		998395	Translation and interpretation services
362		998396	Trademarks and franchises
363		998397	Sponsorship services and brand promotion services
364		998399	Other professional, technical and business services nowhere else classified
365	Heading 9984		Telecommunications, broadcasting and information supply services
366	Group 99841		Telephony and other telecommunications services
367		998411	Carrier services
368		998412	Fixed telephony services
369		998413	Mobile telecommunications services
370		998414	Private network services
371		998415	Data transmission services
372		998419	Other telecommunications services including fax services, telex services nowhere else classified
373	Group 99842		Internet telecommunications services
374		998421	Internet backbone services
375		998422	Internet access services in wired and wireless mode
376		998423	Fax, telephony over the internet
377		998424	Audio conferencing and video conferencing over the internet

378		998429	Other internet telecommunications services nowhere else classified
379	Group 99843		On-line content services
380		998431	On-line text based information such as online books, newspapers, periodicals, directories and the like
381		998432	On-line audio content
382		998433	On-line video content
383		998434	Software downloads
384		998439	Other on-line contents nowhere else classified
385	Group 99844		News agency services
386		998441	News agency services to newspapers and periodicals
387		998442	Services of independent journalists and press photographers
388		998443	News agency services to audiovisual media
389	Group 99845		Library and archive services
390		998451	Library services
391		998452	Operation services of public archives including digital archives
392		998453	Operation services of historical archives including digital archives
393	Group 99846		Broadcasting, programming and programme distribution services
394		998461	Radio broadcast originals
395		998462	Television broadcast originals
396		998463	Radio channel programmes
397		998464	Television channel programmes
398		998465	Broadcasting services
399		998466	Home programme distribution services

400	Heading 9985		Support services
401	Group 99851		Employment services including personnel search, referral service and labour supply service
402		998511	Executive or retained personnel search services
403		998512	Permanent placement services, other than executive search services
404		998513	Contract staffing services
405		998514	Temporary staffing services
406		998515	Long-term staffing (pay rolling) services
407		998516	Temporary staffing-to-permanent placement services
408		998517	Co-employment staffing services
409		998519	Other employment and labour supply services nowhere else classified
410	Group 99852		Investigation and security services
411		998521	Investigation services
412		998522	Security consulting services
413		998523	Security systems services
414		998524	Armoured car services
415		998525	Guard services
416		998526	Training of guard dogs
417		998527	Polygraph services
418		998528	Fingerprinting services
419		998529	Other security services nowhere else classified
420	Group 99853		Cleaning services
421		998531	Disinfecting and exterminating services
422		998532	Window cleaning services
423		998533	General cleaning services
424		998534	Specialised cleaning services for reservoirs and tanks

425		998535	Sterilisation of objects or premises (operating rooms)
426		998536	Furnace and chimney cleaning services
427		998537	Exterior cleaning of buildings of all types
428		998538	Cleaning of transportation equipment
429		998539	Other cleaning services nowhere else classified
430	Group 99854		Packaging services
431		998540	Packaging services of goods for others
432		998541	Parcel packing and gift wrapping
433		998542	Coin and currency packing services
434		998549	Other packaging services nowhere else classified
435	Group 99855		Travel arrangement, tour operator and related services
436		998551	Reservation services for transportation
437		998552	Reservation services for accommodation, cruises and package tours
438		998553	Reservation services for convention centres, congress centres and exhibition halls
439		998554	Reservation services for event tickets, cinema halls, entertainment and recreational services and other reservation services
440		998555	Tour operator services
441		998556	Tourist guide services
442		998557	Tourism promotion and visitor information services
443		998559	Other travel arrangement and related services nowhere else classified
444	Group 99859		Other support services
445		998591	Credit reporting and rating services
446		998592	Collection agency services
447		998593	Telephone-based support services

448		998594	Combined office administrative services
449		998595	Specialised office support services such as duplicating services, mailing services, document preparation and the like
450		998596	Events, exhibitions, conventions and trade shows organisation and assistance services
451		998597	Landscape care and maintenance services
452		998598	Other information services nowhere else classified
453		998599	Other support services nowhere else classified
454	Heading 9986		Support services to agriculture, hunting, forestry, fishing, mining and utilities
455	Group 99861		Support services to agriculture, hunting, forestry and fishing
456		998611	Support services to crop production
457		998612	Animal husbandry services
458		998613	Support services to hunting
459		998614	Support services to forestry and logging
460		998615	Support services to fishing
461		998619	Other support services to agriculture, hunting, forestry and fishing
462	Group 99862		Support services to mining
463		998621	Support services to oil and gas extraction
464		998622	Support services to other mining nowhere else classified
465	Group 99863		Support services to electricity, gas and water distribution
466		998631	Support services to electricity transmission and distribution
467		998632	Support services to gas distribution
468		998633	Support services to water distribution

469		998634	Support services to distribution services of steam, hot water and airconditioning supply
470	Heading 9987		Maintenance, repair and installation (except construction) services
471	Group 99871		Maintenance and repair services of fabricated metal products, machinery and equipment
472		998711	Maintenance and repair services of fabricated metal products, except machinery and equipment
473		998712	Maintenance and repair services of office and accounting machinery
474		998713	Maintenance and repair services of computers and peripheral equipment
475		998714	Maintenance and repair services of transport machinery and equipment
476		998715	Maintenance and repair services of electrical household appliances
477		998716	Maintenance and repair services of telecommunication equipments and apparatus
478		998717	Maintenance and repair services of commercial and industrial machinery
479		998718	Maintenance and repair services of elevators and escalators
480		998719	Maintenance and repair services of other machinery and equipments
481	Group 99872		Repair services of other goods
482		998721	Repair services of footwear and leather goods
483		998722	Repair services of watches, clocks and jewellery
484		998723	Repair services of garments and household textiles
485		998724	Repair services of furniture
486		998725	Repair services of bicycles

487		998726	Maintenance and repair services of musical instruments
488		998727	Repair services for photographic equipment and cameras
489		998729	Maintenance and repair services of other goods nowhere else classified
490	Group 99873		Installation services (other than construction)
491		998731	Installation services of fabricated metal products, except machinery and equipment
492		998732	Installation services of industrial, manufacturing and service industry machinery and equipment
493		998733	Installation services of office and accounting machinery and computers
494		998734	Installation services of radio, television and communications equipment and apparatus
495		998735	Installation services of professional medical machinery and equipment, and precision and optical instruments
496		998736	Installation services of electrical machinery and apparatus nowhere else classified
497		998739	Installation services of other goods nowhere else classified
498	Heading 9988		Manufacturing services on physical inputs (goods) owned by others
499	Group 99881		Food, beverage and tobacco manufacturing services
500		998811	Meat processing services
501		998812	Fish processing services
502		998813	Fruit and vegetables processing services
503		998814	Vegetable and animal oil and fat manufacturing services
504		998815	Dairy product manufacturing services

505		998816	Other food product manufacturing services
506		998817	Prepared animal feeds manufacturing services
507		998818	Beverage manufacturing services
508		998819	Tobacco manufacturing services nowhere else classified
509	Group 99882		Textile, wearing apparel and leather manufacturing services
510		998821	Textile manufacturing services
511		998822	Wearing apparel manufacturing services
512		998823	Leather and leather product manufacturing services
513	Group 99883		Wood and paper manufacturing services
514		998831	Wood and wood product manufacturing services
515		998832	Paper and paper product manufacturing services
516	Group 99884		Petroleum, chemical and pharmaceutical product manufacturing services
517		998841	Coke and refined petroleum product manufacturing services
518		998842	Chemical product manufacturing services
519		998843	Pharmaceutical product manufacturing services
520	Group 99885		Rubber, plastic and other non-metallic mineral product manufacturing service
521		998851	Rubber and plastic product manufacturing services
522		998852	Plastic product manufacturing services
523		998853	Other non-metallic mineral product manufacturing services
524	Group 99886		Basic metal manufacturing services
525		998860	Basic metal manufacturing services
526	Group 99887		Fabricated metal product, machinery and equipment manufacturing services

527		998871	Structural metal product, tank, reservoir and steam generator manufacturing services
528		998872	Weapon and ammunition manufacturing services
529		998873	Other fabricated metal product manufacturing and metal treatment services
530		998874	Computer, electronic and optical product manufacturing services
531		998875	Electrical equipment manufacturing services
532		998876	General-purpose machinery manufacturing services nowhere else classified
533		998877	Special-purpose machinery manufacturing services
534	Group 99888		Transport equipment manufacturing services
535		998881	Motor vehicle and trailer manufacturing services
536		998882	Other transport equipment manufacturing services
537	Group 99889		Other manufacturing services
538		998891	Furniture manufacturing services
539		998892	Jewellery manufacturing services
540		998893	Imitation jewellery manufacturing services
541		998894	Musical instrument manufacturing services
542		998895	Sports goods manufacturing services
543		998896	Game and toy manufacturing services
544		998897	Medical and dental instrument and supply manufacturing services
545		998898	Other manufacturing services nowhere else classified
546	Heading 9989		Other manufacturing services; publishing, printing and reproduction services; materials recovery services
547	Group 99891		Publishing, printing and reproduction services

548		998911	Publishing, on a fee or contract basis
549		998912	Printing and reproduction services of recorded media, on a fee or contract basis
550	Group 99892		Moulding, pressing, stamping, extruding and similar plastic manufacturing services
551		998920	Moulding, pressing, stamping, extruding and similar plastic manufacturing services
552	Group 99893		Casting, forging, stamping and similar metal manufacturing services
553		998931	Iron and steel casting services

554		998932	Non-ferrous metal casting services
555		998933	Metal forging, pressing, stamping, roll forming and powder metallurgy services
556	Group 99894		Materials recovery (recycling) services, on a fee or contract basis
557		998941	Metal waste and scrap recovery (recycling) services, on a fee or contract basis
558		998942	Non-metal waste and scrap recovery (recycling) services, on a fee or contract basis
559	Section 9		Community, social and personal services and other miscellaneous services
560	Heading 9991		Public administration and other services provided to the community as a whole; compulsory social security services
561	Group 99911		Administrative services of the government
562		999111	Overall Government public services
563		999112	Public administrative services related to the provision of educational, health care, cultural and other social services, excluding social security service

564		999113	Public administrative services related to the more efficient operation of business
565		999119	Other administrative services of the government nowhere else classified
566	Group 99912		Public administrative services provided to the community as a whole
567		999121	Public administrative services related to External Affairs, Diplomatic and Consular services abroad
568		999122	Services related to foreign economic aid
569		999123	Services related to foreign military aid
570		999124	Military defence services
571		999125	Civil defence services
572		999126	Police and fire protection services
573		999127	Public administrative services related to law courts
574		999128	Administrative services related to the detention or rehabilitation of criminals
575		999129	Public administrative services related to other public order and safety affairs nowhere else classified
576	Group 99913		Administrative services related to compulsory social security schemes
577		999131	Administrative services related to sickness, maternity or temporary disablement benefit schemes
578		999132	Administrative services related to government employee pension schemes; old-age disability or survivors' benefit schemes, other than for government employees
579		999133	Administrative services related to unemployment compensation benefit schemes
580		999134	Administrative services related to family and child allowance programmes

581	Heading 9992		Education services
582	Group 99921		Pre-primary education services
583		999210	Pre-primary education services
584	Group 99922		Primary education services
585		999220	Primary education services
586	Group 99923		Secondary Education Services
587		999231	Secondary education services, general
588		999232	Secondary education services, technical and vocational
589	Group 99924		Higher education services
590		999241	Higher education services, general
591		999242	Higher education services, technical
592		999243	Higher education services, vocational
593		999249	Other higher education services
594	Group 99925		Specialised education services
595		999259	Specialised education services
596	Group 99929		Other education and training services and educational support services
597		999291	Cultural education services
598		999292	Sports and recreation education services
599		999293	Commercial training and coaching services
600		999294	Other education and training services nowhere else classified
601		999295	services involving conduct of examination for admission to educational institutions
602		999299	Other educational support services

603	Heading 9993		Human health and social care services
604	Group 99931		Human health services
605		999311	Inpatient services
606		999312	Medical and dental services
607		999313	Childbirth and related services
608		999314	Nursing and physiotherapeutic services
609		999315	Ambulance services
610		999316	Medical laboratory and diagnostic-imaging services
611		999317	Blood, sperm and organ bank services
612		999319	Other human health services including homeopathy, unani, ayurveda, naturopathy, acupuncture and the like
613	Group 99932		Residential care services for the elderly and disabled
614		999321	Residential health-care services other than by hospitals
615		999322	Residential care services for the elderly and persons with disabilities
616	Group 99933		Other social services with accommodation
617		999331	Residential care services for children suffering from mental retardation, mental health illnesses or substance abuse
618		999332	Other social services with accommodation for children
619		999333	Residential care services for adults suffering from mental retardation, mental health illnesses or substance abuse
620		999334	Other social services with accommodation for adults
621	Group 99934		Social services without accommodation for the elderly and disabled
622		999341	Vocational rehabilitation services

623		999349	Other social services without accommodation for the elderly and disabled nowhere else classified
624	Group 99935		Other social services without accommodation
625		999351	Child day-care services
626		999352	Guidance and counseling services nowhere else classified related to children
627		999353	Welfare services without accommodation
628		999359	Other social services without accommodation nowhere else classified
629	Heading 9994		Sewage and waste collection, treatment and disposal and other environmental protection services
630	Group 99941		Sewerage, sewage treatment and septic tank cleaning services
631		999411	Sewerage and sewage treatment services
632		999412	Septic tank emptying and cleaning services
633	Group 99942		Waste collection services
634		999421	Collection services of hazardous waste
635		999422	Collection services of non-hazardous recyclable materials
636		999423	General waste collection services, residential
637		999424	General waste collection services, other nowhere else classified
638	Group 99943		Waste treatment and disposal services
639		999431	Waste preparation, consolidation and storage services
640		999432	Hazardous waste treatment and disposal services
641		999433	Non-hazardous waste treatment and disposal services

642	Group 99944		Remediation services
643		999441	Site remediation and clean-up services
644		999442	Containment, control and monitoring services and other site remediation services
645		999443	Building remediation services
646		999449	Other remediation services nowhere else classified
647	Group 99945		Sanitation and similar services
648		999451	Sweeping and snow removal services
649		999459	Other sanitation services nowhere else classified
650	Group 99949		Others
651		999490	Other environmental protection services nowhere else classified
652	Heading 9995		Services of membership organisations
653	Group 99951		Services furnished by business, employers and professional organisations Services
654		999511	Services furnished by business and employers organisations
655		999512	Services furnished by professional organisations
656	Group 99952		Services furnished by trade unions
657		999520	Services furnished by trade unions
658	Group 99959		Services furnished by other membership organisations
659		999591	Religious services
660		999592	Services furnished by political organisations
661		999593	Services furnished by human rights organisations
662		999594	Cultural and recreational associations

663		999595	Services furnished by environmental advocacy groups
664		999596	Services provided by youth associations
665		999597	Other civic and social organisations
666		999598	Home owners associations
667		999599	Services provided by other membership organisations nowhere else classified
668	Heading 9996		Recreational, cultural and sporting services
669	Group 99961		Audiovisual and related services
670		999611	Sound recording services
671		999612	Motion picture, videotape, television and radio programme production services
672		999613	Audiovisual post-production services
673		999614	Motion picture, videotape and television programme distribution services
674		999615	Motion picture projection services
675	Group 99962		Performing arts and other live entertainment event presentation and promotion services
676		999621	Performing arts event promotion and organisation services
677		999622	Performing arts event production and presentation services
678		999623	Performing arts facility operation services
679		999629	Other performing arts and live entertainment services nowhere else classified
680	Group 99963		Services of performing and other artists
681		999631	Services of performing artists including actors, readers, musicians, singers, dancers, television personalities, independent models and the like

682		999632	Services of authors, composers, sculptors and other artists, except performing artists
683		999633	Original works of authors, composers and other artists except performing artists, painters and sculptors
684	Group 99964		Museum and preservation services
685		999641	Museum and preservation services of historical sites and buildings
686		999642	Botanical, zoological and nature reserve services
687	Group 99965		Sports and recreational sports services
688		999651	Sports and recreational sports event promotion and organisation services
689		999652	Sports and recreational sports facility operation services
690		999659	Other sports and recreational sports services nowhere else classified
691	Group 99966		Services of athletes and related support services
692		999661	Services of athletes
693		999662	Support services related to sports and recreation
694	Group 99969		Other amusement and recreational services
695		999691	Amusement park and similar attraction services
696		999692	Gambling and betting services including similar online services
697		999693	Coin-operated amusement machine services
698		999694	Lottery services
699		999699	Other recreation and amusement services nowhere else classified

700	Heading 9997		Other services
701	Group 99971		Washing, cleaning and dyeing services
702		999711	Coin-operated laundry services
703		999712	Dry-cleaning services (including fur product cleaning services)
704		999713	Other textile cleaning services
705		999714	Pressing services
706		999715	Dyeing and colouring services
707		999719	Other washing, cleaning and dyeing services nowhere else classified
708	Group 99972		Beauty and physical well-being services
709		999721	Hairdressing and barbers services
710		999722	Cosmetic treatment (including cosmetic or plastic surgery), manicuring and pedicuring services
711		999723	Physical well-being services including health club and fitness centre
712		999729	Other beauty treatment services nowhere else classified
713	Group 99973		Funeral, cremation and undertaking services
714		999731	Cemeteries and cremation services
715		999732	Undertaking services
716	Group 99979		Other miscellaneous services
717		999791	Services involving commercial use or exploitation of any event
718		999792	Agreeing to do an act
719		999793	Agreeing to refrain from doing an act

720		999794	Agreeing to tolerate an act
721		999795	Conduct of religious ceremonies or rituals by persons
722		999799	Other services nowhere else classified
723	Heading 9998		Domestic services
724	Group 99980		Domestic services
725		999800	Domestic services both part time and full time
726	Heading 9999		Services provided by extraterritorial organisations and bodies
727	Group 99990		Services provided by extraterritorial organisations and bodies
728		999900	Services provided by extraterritorial organisations and bodies

12/2017- Mega exemption notification for services

New Delhi, the 28th

June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of services of description as specified in column (3) of the Table below from so much of the central tax leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table, namely:-

Table

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities.	Nil	Nil

2	Chapter 99	Services by way of transfer of a going concern, as a whole or an independent part thereof.	Nil	Nil
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.	Nil	Nil
4	Chapter 99	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.	Nil	Nil
5	Chapter 99	Services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution.	Nil	Nil

6	Chapter 99	Services by the Central Government, State Government, Union territory or local authority excluding the following services— (a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (c) transport of goods or passengers; or (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.	Nil	Nil

7	Chapter 99	Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to twenty lakh rupees (ten lakh rupees in case of a special category state) in the preceding financial year. <i>Explanation.-</i> For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to- (a) services,- (i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers; and (b) services by way of renting of immovable property.	Nil	Nil

8	Chapter 99	Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority: Provided that nothing contained in this entry shall apply to services- (i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers.	Nil	Nil
9	Chapter 99	Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees: Provided that nothing contained in this entry shall apply to-	Nil	Nil

		(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers: Provided further that in case where continuous supply of service, as defined in sub-section (33) of section 2 of the Central Goods and Services Tax Act, 2017, is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed five thousand rupees in a financial year.		

10	Heading 9954	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.	Nil	Nil
11	Heading 9954	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.	Nil	Nil
12	Heading 9963 or Heading 9972	Services by way of renting of residential dwelling for use as residence.	Nil	Nil
13	Heading 9963 or Heading 9972 or Heading 9995 or	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section	Nil	Nil

	any other Heading of Section 9	12AA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) or a trust or an institution registered under sub clause (v) of clause (23C) of section 10 of the Income-tax Act or a body or an authority covered under clause (23BBA) of section 10 of the said Income-tax Act: Provided that nothing contained in entry (b) of this exemption shall apply to,- (i) renting of rooms where charges are one thousand rupees or more per day; (ii) renting of premises, community halls, kalyanmandapam or open area, and the like where charges are ten thousand rupees or more per day; renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.		
14	Heading 9963	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one	Nil	Nil

		thousand rupees per day or equivalent.		
15	Heading 9964	Transport of passengers, with or without accompanied belongings, by – (a) air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal; (b) non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or (c) stage carriage other than airconditioned stage carriage.	Nil	Nil
16	Heading 9964	Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport,	Nil	Nil

		against consideration in the form of viability gap funding: Provided that nothing contained in this entry shall apply on or after the expiry of a period of one year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.		
17	Heading 9964	Service of transportation of passengers, with or without accompanied belongings, by— (a) railways in a class other than— (i) first class; or (ii) an air-conditioned coach; (b) metro, monorail or tramway; (c) inland waterways; (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (e) metered cabs or auto rickshaws (including e-rickshaws).	Nil	Nil
18	Heading 9965	Services by way of transportation of goods- (a) by road except the services of— (i) a goods transportation agency;	Nil	Nil

		(ii) a courier agency; (b) by inland waterways.		
19	Heading 9965	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.	Nil	Nil
20	Heading 9965	Services by way of transportation by rail or a vessel from one place in India to another of the following goods – (a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; (b) defence or military equipments; (c) newspaper or magazines registered with the Registrar of Newspapers; (d) railway equipments or materials; (e) agricultural produce; (f) milk, salt and food grain including flours, pulses and rice; and (g) organic manure.	Nil	Nil

21	Heading 9965 or Heading 9967	Services provided by a goods transport agency, by way of transport in a goods carriage of - (a) agricultural produce; (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees; (c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty; (d) milk, salt and food grain including flour, pulses and rice; (e) organic manure; (f) newspaper or magazines registered with the Registrar of Newspapers; (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or (h) defence or military equipments.	Nil	Nil

22	Heading 9966 or Heading 9973	Services by way of giving on hire – (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or (b) to a goods transport agency, a means of transportation of goods.	Nil	Nil
23	Heading 9967	Service by way of access to a road or a bridge on payment of toll charges.	Nil	Nil
24	Heading 9967 or Heading 9985	Services by way of loading, unloading, packing, storage or warehousing of rice.	Nil	Nil
25	Heading 9969	Transmission or distribution of electricity by an electricity transmission or distribution utility.	Nil	Nil
26	Heading 9971	Services by the Reserve Bank of India.	Nil	Nil
27	Heading 9971	Services by way of— (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) <i>inter se</i> sale or purchase of foreign currency amongst banks	Nil	Nil

		or authorised dealers of foreign exchange or amongst banks and such dealers.		
28	Heading 9971 or Heading 9991	Services of life insurance business provided by way of annuity under the National Pension System regulated by the Pension Fund Regulatory and Development Authority of India under the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013).	Nil	Nil
29	Heading 9971 or Heading 9991	Services of life insurance business provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of the Central Government.	Nil	Nil
30	Heading 9971 or Heading 9991	Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948 (34 of 1948).	Nil	Nil
31	Heading 9971	Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees	Nil	Nil

		Provident Funds and the Miscellaneous Provisions Act, 1952 (19 of 1952).		
32	Heading 9971	Services provided by the Insurance Regulatory and Development Authority of India to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999).	Nil	Nil
33	Heading 9971	Services provided by the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.	Nil	Nil
34	Heading 9971	Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service. <i>Explanation.</i>— For the purposes of this entry, “acquiring bank” means any banking	Nil	Nil

		company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.		
35	Heading 9971 or Heading 9991	Services of general insurance business provided under following schemes – (a) Hut Insurance Scheme; (b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme); (c) Scheme for Insurance of Tribals; (d) Janata Personal Accident Policy and Gramin Accident Policy; (e) Group Personal Accident Policy for Self-Employed Women; (f) Agricultural Pumpset and Failed Well Insurance; (g) premia collected on export credit insurance; (h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture;	Nil	Nil

		(i) Jan Arogya Bima Policy; (j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana); (k) Pilot Scheme on Seed Crop Insurance; (l) Central Sector Scheme on Cattle Insurance; (m) Universal Health Insurance Scheme; (n) Rashtriya Swasthya Bima Yojana; Coconut Palm Insurance Scheme; (p) Pradhan Mantri Suraksha BimaYojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and (o) Multiple Disabilities Act, 1999 (44 of 1999).		

36	Heading 9971 or Heading 9991	Services of life insurance business provided under following schemes- (a) Janashree Bima Yojana; (b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees; (d) Varishtha Pension Bima Yojana; (e) Pradhan Mantri Jeevan Jyoti Bima Yojana; (f) Pradhan Mantri Jan Dhan Yojana; (g) Pradhan Mantri Vaya Vandana Yojana.	Nil	Nil
37	Heading 9971 or Heading 9991	Services by way of collection of contribution under the Atal Pension Yojana.	Nil	Nil
38	Heading 9971 or Heading 9991	Services by way of collection of contribution under any pension scheme of the State Governments.	Nil	Nil

39	Heading 9971 or Heading 9985	Services by the following persons in respective capacities – (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator or a business correspondent to an insurance company in a rural area.	Nil	Nil
40	Heading 9971 or Heading 9991	Services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory.	Nil	Nil
41	Heading 9972	One time upfront amount (called as premium, salami, cost, price, development charges or by any other name) leviable in respect of the service, by way of granting long term (thirty years, or more) lease of industrial plots, provided by the State Government Industrial	Nil	Nil

		Development Corporations or Undertakings to industrial units.		
42	Heading 9973 or Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of allowing a business entity to operate as a telecom service provider or use radio frequency spectrum during the period prior to the 1 st April, 2016, on payment of licence fee or spectrum user charges, as the case may be.	Nil	Nil
43	Heading 9973	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	Nil	Nil
44	Heading 9981	Services provided by an incubatee up to a total turnover of fifty lakh rupees in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh rupees during the preceding financial year; and	Nil	Nil

		(b) a period of three years has not elapsed from the date of entering into an agreement as an incubatee.		
45	Heading 9982 or Heading 9991	Services provided by- (a) an arbitral tribunal to – (i) any person other than a business entity; or (ii) a business entity with an	Nil	Nil

		aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year; (b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to- (i) an advocate or partnership firm of advocates providing legal services; (ii) any person other than a business entity; or (iii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year; (c) a senior advocate by way of legal services to- (i) any person other than a business entity; or (ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year.		

46	Heading 9983	Services by a veterinary clinic in relation to health care of animals or birds.	Nil	Nil
47	Heading 9983 or Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of- (a) registration required under any law for the time being in force; (b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.	Nil	Nil
48	Heading 9983 or any other Heading of Chapter 99	Taxable services, provided or to be provided, by a Technology Business Incubator or a Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board of the Department of Science and Technology, Government of India or bio-incubators recognised by the Biotechnology Industry Research Assistance Council, under the Department of Biotechnology, Government of India.	Nil	Nil

49	Heading 9984	Services by way of collecting or providing news by an independent journalist, Press Trust of India or United News of India.	Nil	Nil
50	Heading 9984	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.	Nil	Nil
51	Heading 9984	Services provided by the Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.	Nil	Nil
52	Heading 9985	Services by an organiser to any person in respect of a business exhibition held outside India.	Nil	Nil

53	Heading 9985	Services by way of sponsorship of sporting events organised - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat; (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.	Nil	Nil
54	Heading 9986	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of— (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting,	Nil	Nil

		threshing, plant protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use; (e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.		

55	Heading 9986	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.	Nil	Nil
56	Heading 9988	Services by way of slaughtering of animals.	Nil	Nil
57	Heading 9988 or any other Heading of Section 8 and Section 9	Services by way of pre-conditioning, precooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.	Nil	Nil
58	Heading 9988 or Heading 9992	Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.	Nil	Nil
59	Heading 9999	Services by a foreign diplomatic mission located in India.	Nil	Nil
60	Heading 9991	Services by a specified organisation in respect of a religious pilgrimage facilitated by the Ministry of External Affairs, the Government of India, under bilateral arrangement.	Nil	Nil

61	Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.	Nil	Nil
62	Heading 9991 or Heading 9997	Services provided by the Central Government, State Government, Union territory or local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Central Government, State Government, Union territory or local authority under such contract.	Nil	Nil
63	Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.	Nil	Nil
64	Heading 9991 or Heading 9973	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use any natural resource where	Nil	Nil

		such right to use was assigned by the Central Government, State Government, Union territory or local authority before the 1 st April, 2016: Provided that the exemption shall apply only to tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource.		
65	Heading 9991	Services provided by the Central Government, State Government, Union territory by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.	Nil	Nil

66	Heading 9992	Services provided - (a) by an educational institution to its students, faculty and staff; (b) to an educational institution, by way of,- (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory; (iii) security or cleaning or housekeeping services performed in such educational institution; (iv) services relating to admission to, or conduct of examination by, such institution; upto higher secondary: Provided that nothing contained in entry (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.	Nil	Nil
67	Heading 9992	Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by	Nil	Nil

		way of the following educational programmes, except Executive Development Programme: - (a) two year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management; (b) fellow programme in Management; (c) five year integrated programme in Management.		
68	Heading 9992 or Heading 9996	Services provided to a recognised sports body by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a recognized sports body; (b) another recognised sports body.	Nil	Nil

69	Heading 9992 or Heading 9983 or Heading 9991	Any services provided by, – (a) the National Skill Development Corporation set up by the Government of India; (b) a Sector Skill Council approved by the National Skill Development Corporation; (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council, in relation to- (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation.	Nil	Nil

70	Heading 9983 or Heading 9985 or Heading 9992	Services of assessing bodies empanelled centrally by the Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under the Skill Development Initiative Scheme.	Nil	Nil
71	Heading 9992	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Training.	Nil	Nil
72	Heading 9992	Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration.	Nil	Nil
73	Heading 9993	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.	Nil	Nil

74	Heading 9993	Services by way of- (a) health care services by a clinical establishment, an authorised medical practitioner or para-medics; (b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.	Nil	Nil
75	Heading 9994	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.	Nil	Nil
76	Heading 9994	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.	Nil	Nil
77	Heading 9995	Service by an unincorporated body or a non- profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or	Nil	Nil

		(c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.		
78	Heading 9996	Services by an artist by way of a performance in folk or classical art forms of- (a) music, or (b) dance, or (c) theatre, if the consideration charged for such performance is not more than one lakh and fifty thousand rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador.	Nil	Nil
79	Heading 9996	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo.	Nil	Nil
80	Heading 9996	Services by way of training or coaching in recreational activities relating to- (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.	Nil	Nil

81	Heading 9996	Services by way of right to admission to- (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event, where the consideration for admission is not more than Rs 250 per person as referred to in (a), (b) and (c) above.	Nil	Nil

2. Definitions. - For the purposes of this notification, unless the context otherwise requires, -

- (a) "advertisement" means any form of presentation for promotion of, or bringing awareness about, any event, idea, immovable property, person, service, goods or actionable claim through newspaper, television, radio or any other means but does not include any presentation made in person;
- (b) "advocate" has the same meaning as assigned to it in clause (a) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);
- (c) "agricultural extension" means application of scientific research and knowledge to agricultural practices through farmer education or training;
- (d) "agricultural produce" means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products,

on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market;

(e) "Agricultural Produce Marketing Committee or Board" means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce;

(f) "aircraft" has the same meaning as assigned to it in clause (1) of section 2 of the Aircraft Act, 1934 (22 of 1934);

(g) "airport" has the same meaning as assigned to it in clause (b) of section 2 of the Airports Authority of India Act, 1994 (55 of 1994.);

(h) "approved vocational education course" means, -

(i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or

(ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship;

(i) "arbitral tribunal" has the same meaning as assigned to it in clause (d) of section 2 of the Arbitration and Conciliation Act, 1996 (26 of 1996);

(j) "authorised dealer of foreign exchange" shall have the same meaning assigned to "Authorised person" in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999); (k)

"authorised medical practitioner" means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any

recognised system of medicines in India as per any law for the time being in force;

- (l) "banking company" has the same meaning as assigned to it in clause (a) of section 45A of the Reserve Bank of India Act, 1934 (2 of 1934);
- (m) "brand ambassador" means a person engaged for promotion or marketing of a brand of goods, service, property or actionable claim, event or endorsement of name, including a trade name, logo or house mark of any person;
- (n) "business entity" means any person carrying out business;
- (o) "business facilitator or business correspondent" means an intermediary appointed under the business facilitator model or the business correspondent model by a banking company or an insurance company under the guidelines issued by the Reserve Bank of India;
- (p) "Central Electricity Authority" means the authority constituted under section 3 of the Electricity (Supply) Act, 1948 (54 of 1948);
- (q) "Central Transmission Utility" shall have the same meaning as assigned to it in clause (10) of section 2 of the Electricity Act, 2003 (36 of 2003);
- (r) "charitable activities" means activities relating to -
 - (i) public health by way of , -
 - (A) care or counseling of
 - (I) terminally ill persons or persons with severe physical or mental disability;
 - (II) persons afflicted with HIV or AIDS;
 - (III) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 - (B) public awareness of preventive health, family planning or prevention of HIV infection;
 - (ii) advancement of religion , spirituality or yoga;

- (iii) advancement of educational programmes or skill development relating to,-
 - (A) abandoned, orphaned or homeless children;
 - (B) physically or mentally abused and traumatized persons;
 - (C) prisoners; or
 - (D) persons over the age of 65 years residing in a rural area;
- (iv) preservation of environment including watershed, forests and wildlife;
- (s) "clinical establishment" means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases;
- (t) "contract carriage" has the same meaning as assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);
- (u) "courier agency" means any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles;
- (v) "Customs station" shall have the same meaning as assigned to it in clause (13) of section 2 of the Customs Act, 1962 (52 of 1962);
- (w) "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit;
- (x) "distributor or selling agent" means an individual or a firm or a body corporate or other legal entity under law so appointed by the Organising State through an agreement to market and sell lotteries on behalf of the Organising State;

- (y) "educational institution" means an institution providing services by way of,- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- (iii) education as a part of an approved vocational education course;
- (z) "electricity transmission or distribution utility" means the Central Electricity Authority; a State Electricity Board; the Central Transmission Utility or a State Transmission Utility notified under the Electricity Act, 2003 (36 of 2003); or a distribution or transmission licensee under the said Act, or any other entity entrusted with such function by the Central Government or, as the case may be, the State Government;
- (za) "e-rickshaw" means a special purpose battery powered vehicle of power not exceeding 4000 watts, having three wheels for carrying goods or passengers, as the case may be, for hire or reward, manufactured, constructed or adapted, equipped and maintained in accordance with such specifications, as may be prescribed in this behalf;
- (zb) "general insurance business" has the same meaning as assigned to it in clause (g) of section 3 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (zc) "general public" means the body of people at large sufficiently defined by some common quality of public or impersonal nature;
- (zd) "goods carriage" has the same meaning as assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);
- (ze) "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;

(zf) “governmental authority” has the same meaning as assigned to it in the *Explanation* to clause (16) of section 2 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017);

(zg) “health care services” means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;

(zh) “incubatee” means an entrepreneur located within the premises of a Technology Business Incubator or Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology, Government of India and who has entered into an agreement with the Technology Business Incubator or the Science and Technology Entrepreneurship Park to enable himself to develop and produce hi-tech and innovative products;

(zi) “inland waterway” means national waterways as defined in clause (h) of section 2 of the Inland Waterways Authority of India Act, 1985 (82 of 1985) or other waterway on any inland water, as defined in clause (b) of section 2 of the Inland Vessels Act, 1917 (1 of 1917);

(zj) “insurance company” means a company carrying on life insurance business or general insurance business;

(zk) “interest” means interest payable in any manner in respect of any moneys borrowed or debt incurred (including a deposit, claim or other similar right or obligation) but does not include any service fee or other charge in respect of the moneys borrowed or debt incurred or in respect of any credit facility which has not been utilised;

(zl) "intermediary" has the same meaning as assigned to it in sub-section (13) of section 2 of the Integrated Goods and Services Tax Act, 2017;

(zm) "legal service" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority;

(zn) "life insurance business" has the same meaning as assigned to it in clause (11) of section 2 of the Insurance Act, 1938 (4 of 1938);

(zo) "life micro-insurance product" shall have the same meaning as assigned to it in clause (e) of regulation 2 of the Insurance Regulatory and Development Authority (Micro-insurance) Regulations, 2005;

(zp) "metered cab" means any contract carriage on which an automatic device, of the type and make approved under the relevant rules by the State Transport Authority, is fitted which indicates reading of the fare chargeable at any moment and that is charged accordingly under the conditions of its permit issued under the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder (but does not include radio taxi);

(zq) "national park" has the same meaning as assigned to it in clause (21) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972);

(zr) "online information and database access or retrieval services" shall have the same meaning as assigned to it in clause (17) of the section 2 of the Integrated goods and Services Tax Act, 2017 (13 of 2017);

(zs) "original works" means- all new constructions;

- (i) all types of additions and alterations to abandoned or damaged structures on land that are required to make them workable;

(ii) erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise;

(zt) "print media" means,—

(i) 'book' as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867), but does not include business directories, yellow pages and trade catalogues which are primarily meant for commercial purposes;

(ii) 'newspaper' as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867);

(zu) "port" has the same meaning as assigned to it in clause (q) of section 2 of the Major Port Trusts Act, 1963 (38 of 1963) or in clause (4) of section 3 of the Indian Ports Act, 1908 (15 of 1908);

(zv) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using the Global Positioning System or General Packet Radio Service;

(zw) "recognised sporting event" means any sporting event,-

(i) organised by a recognised sports body where the participating team or individual represent any district, state, zone or country;

(ii) organised -

(A) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, state or zone;

(B) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;

(C) by Central Civil Services Cultural and Sports Board;

(D) as part of national games, by Indian Olympic Association;
or

(E) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKA)
Scheme;

(zx) "recognised
sports body"
means –

(i) the Indian Olympic Association;

(ii) Sports Authority of India;

(iii) a national sports federation recognised by the Ministry of
Sports and Youth Affairs of the Central Government, and its
affiliate federations;

(iv) national sports promotion organisations recognised by the
Ministry of Sports and Youth Affairs of the Central
Government;

(v) the International Olympic Association or a federation
recognised by the International Olympic Association; or

(vi) a federation or a body which regulates a sport at international
level and its affiliated federations or bodies regulating a sport
in India;

(zy) "religious place" means a place which is primarily meant for
conduct of prayers or worship pertaining to a religion, meditation, or
spirituality;

(zz) "renting in relation to immovable property" means allowing,
permitting or granting access, entry, occupation, use or any such
facility, wholly or partly, in an immovable property, with or without
the transfer of possession or control of the said immovable property
and includes letting, leasing, licensing or other similar arrangements
in respect of immovable property;

(zza) "Reserve Bank of India" means the bank established under
section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(zzb) "residential complex" means any complex comprising of a
building or buildings, having more than one single residential unit;

(zzc) "rural area" means the area comprised in a village as defined in land revenue records, excluding-

the area under any municipal committee, municipal corporation, town area committee, cantonment board or notified area committee; or any area that may be notified as an urban area by the Central Government or a State Government;

(zzd) "senior advocate" has the same meaning as assigned to it in section 16 of the Advocates Act, 1961 (25 of 1961);

(zze) "single residential unit" means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family;

(zzf) "special category States" shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution,

(zzg) "specified organisation" shall mean,-

(i) Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking; or

(ii) 'Committee' or 'State Committee' as defined in section 2 of the Haj Committee Act, 2002 (35 of 2002);

(zzh) "stage carriage" shall have the same meaning as assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(zzi) "State Electricity Board" means the Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948);

(zzj) "State Transmission Utility" shall have the same meaning as assigned to it in clause (67) of section 2 of the Electricity Act, 2003 (36 of 2003);

(zzk) "state transport undertaking" has the same meaning as assigned to it in clause (42) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(zzl) "tiger reserve" has the same meaning as assigned to it in clause (e) of section 38K of the Wild Life (Protection) Act, 1972 (53 of 1972);

(zzm) "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tours;

(zzn) "trade union" has the same meaning as assigned to it in clause (h) of section 2 of the Trade Unions Act, 1926 (16 of 1926);

(zzo) "vessel" has the same meaning as assigned to it in clause (z) of section 2 of the Major Port Trusts Act, 1963 (38 of 1963);

(zzp) "wildlife sanctuary" means a sanctuary as defined in the clause (26) of the section 2 of The Wild Life (Protection) Act, 1972 (53 of 1972);

(zzq) "zoo" has the same meaning as assigned to it in the clause (39) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972).

3. *Explanation.*- For the purposes of this notification,- (i) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter, "Section" and "Heading" in the scheme of classification of services.

(ii) Chapter, Section, Heading, Group, or Service Code mentioned in Column (2) of the Table are only indicative.

4. This notification shall come into force on the 1st day of July, 2017.

[F. No.334/1/2017 -
TRU]

(Ruchi Bisht) Under
Secretary to the
Government of India

13/2017- Reverse Charge Mechanism (RCM) services

New Delhi, the 28th

June, 2017

GSR.....(E).- In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government on the recommendations of the Council hereby notifies that on categories of supply of services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, the whole of central tax leviable under section 9 of the said Central Goods and Services Tax Act, shall be paid on reverse charge basis by the recipient of the such services as specified in column (4) of the said Table:-

Table

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
1	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to- (a) any factory registered under or governed by the Factories Act, 1948(63 of 1948);or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or	Goods Transport Agency (GTA)	(a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any law; or (d) any person

	(c) any co-operative society established by or under any law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or any partnership firm whether registered or not under any law including association of persons; or (g) any casual taxable person.		registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law including association of persons; or any casual taxable person; located in the taxable territory.
2	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.

	firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.		
3	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory.
4	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.
5	Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, - (1) renting of immovable property, and services specified below- (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government,	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.

	State Government or Union territory or local authority; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (2) transport of goods or passengers.		
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
7	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.
8	Services supplied by a recovery agent to a banking company or a financial institution or a nonbanking financial company.	A recovery agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.
9	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary,	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.

	dramatic, musical or artistic works to a publisher, music company, producer or the like.		

Explanation.- For purpose of this notification,-

- (a) The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification.
- (b) "Body Corporate" has the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013.
- (c) the business entity located in the taxable territory who is litigant, applicant or petitioner, as the case may be, shall be treated as the person who receives the legal services for the purpose of this notification.
- (d) the words and expressions used and not defined in this notification but defined in the Central Goods and Services Tax Act, the Integrated Goods and Services Tax Act, and the Union Territory Goods and Services Tax Act shall have the same meanings as assigned to them in those Acts.

2. This notification shall come into force on the 1st day of July, 2017.

[F. No. 334/1/2017-
TRU]

(Ruchi Bisht) Under
Secretary to the
Government of India

14/2017- Services by Panchayat

New Delhi, the 28th June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (2) of section 7 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council hereby notifies that the following activities or transactions undertaken by the Central Government or State Government or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:-

“Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution.”

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F. No.334/1/2017 -TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

15/2017 – No refund of un-utilised credit to works contractors

New Delhi, the 28th

June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council hereby notifies that no refund of unutilised input tax credit shall be allowed under sub-section (3) of section 54 of the said Central Goods and Services Tax Act, in case of **supply of services specified in sub-item (b) of item 5** of Schedule II of the Central Goods and Services Tax Act.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F. No.334/1/2017

-TRU]

(Ruchi Bisht)

Under Secretary to
the Government of
India

16/2017 – UN related notification

New Delhi, the 28th

June, 2017

G.S.R.....(E).-In exercise of the powers conferred by section 55 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby specifies, -

- (i) United Nations or a specified international organisation; and
- (ii) Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein,

for the purposes of the said section subject to the following conditions:-

- (a) United Nations or a specified international organisation shall be entitled to claim refund of central tax paid on the supplies of goods or services or both received by them subject to a certificate from United Nations or that specified international organisation that the goods and services have been used or are intended to be used for official use of the United Nations or the specified international organisation.
- (b) Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein shall be entitled to claim refund of central tax paid on the supplies of goods or services or both received by them subject to, -
 - (i) that the foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein, are entitled to refund of central tax, as stipulated in

the certificate issued by the Protocol Division of the Ministry of External Affairs, based on the principle of reciprocity;

(ii) that in case of supply of services, the head of the foreign diplomatic mission or consular post, or any person of such mission or post authorised by him, shall furnish an undertaking in original, signed by him or the authorised person, stating that the supply of services received are for official purpose of the said foreign diplomatic mission or consular post; or for personal use of the said diplomatic agent or career consular officer or members of his/her family;

(iii) that in case of supply of goods, concerned diplomatic mission or consulate or an officer duly authorized by him will produce a certificate that,–

(I) the goods have been put to use, or are in the use, as the case may be, of the mission or consulate;

(II) the goods will not be supplied further or otherwise disposed of before the expiry of three years from the date of receipt of the goods; and

(III) in the event of non-compliance of clause (I), the diplomatic or consular mission will pay back the refund amount paid to them;

(iv) in case the Protocol Division of the Ministry of External Affairs, after having issued a certificate to any foreign diplomatic mission or consular post in India, decides to withdraw the same subsequently, it shall communicate the withdrawal of such certificate to the foreign diplomatic mission or consular post;

(v) the refund of the whole of the central tax granted to the foreign diplomatic mission or consular post in India for official purpose or for the personal use or use of their family members

shall not be available from the date of withdrawal of such certificate.

Explanation. - For the purposes of this notification, unless the context otherwise requires, "specified international organisation" means an international organisation declared by the Central Government in pursuance of section 3 of the United Nations (Privileges and Immunities Act) 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

2. This notification shall come into force with effect from the 1st day of July, 2017

[F. No. 334/1/2017-TRU]

(Ruchi Bisht) Under
Secretary to the
Government of India

16 - Corrigendum

New Delhi, the 10th July, 2017

19 Ashadha, 1939 Saka

G.S.R. (E).:- In the notification of the Government of India, in the Ministry of Finance, Department of Revenue, No.16/2017-Central Tax , dated the 7th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 848(E), dated the 7th July, 2017,- in line 6, *for* "paragraph 5" *read* "paragraphs 3.20 and 3.21".

[F.No 349/74/2017-GST(Pt)]

-sd-

(Dr. Sreeparvathy S. L.)

Under Secretary to the Government of India

17/2017- E-commerce operator (cab and accommodation)

New Delhi, the 28th June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that in case of the following categories of services, the tax on intra-State supplies shall be paid by the electronic commerce operator –

- (i) services by way of transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle;
- (ii) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through **electronic commerce operator** is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.

Explanation.- For the purposes of this notification,-

- (a) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in twoway radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS);
- (b) "maxicab", "motorcab" and "motor cycle" shall have the same meanings as assigned to them respectively in clauses (22), (25) and (26) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).

2. This notification shall come into force with effect from the 1st day of July, 2017

[F.No. 334/1/2017-TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

18/2017-Central Tax (Rate) – Refer cbec.gov.in for rate related notification

19/2017-Central Tax (Rate) – Refer cbec.gov.in for rate related notification

20/2017- Works contract, GTA etc rate amended

New Delhi, the 22nd August, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, subsection (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 11/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table,-

- (i) against serial number 3, for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites	6	-

and Remains Act, 1958 (24 of 1958); (b) canal, dam or other irrigation works; (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.		
(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,- (a) a road, bridge, tunnel, or terminal for road transportation for use by general public; (b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana; (c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban)	6	-

Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers; (d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (e) a pollution control or effluent treatment plant, except located as a part of a factory; or (f) a structure meant for funeral, burial or cremation of deceased.		
(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, or installation of original works pertaining to,- (a) railways, excluding monorail and metro; (b) a single residential unit otherwise than as a part of a residential complex; (c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;	6	-

(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved		
by the competent authority under- (1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (2) any housing scheme of a State Government; (e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or (f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages.		
(vi) Construction services other than (i), (ii), (iii), (iv) and (v) above.	9	-";

- (ii) against serial number 8, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(vi) Transport of passengers by motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
	or	
	6	–”;

- (iii) against serial number 9, for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(iii) Services of goods transport agency (GTA) in relation to transportation of goods (including used	2.5	Provided that credit of input tax charged

household goods for personal use). <i>Explanation.-</i> "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.		on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
	or	
	6	Provided that the goods transport agency opting to pay central tax @ 6% under this entry shall, thenceforth, be liable to pay central tax @ 6% on all the services of GTA supplied by it.";

(iv) against serial number 10, for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)

“(i) Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
	or	
	6	–”;

(v) against serial number 11, for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.</i> – “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
	or	

	6	Provided that the goods transport agency opting to pay central tax @ 6% under this entry shall, thenceforth, be liable to pay central tax @ 6% on all the services of GTA supplied by it.”;

(vi) against serial number 26,-

(a) in column (3), in item (i),-

(A) for sub-item (b), the following sub-item shall be substituted, namely:-

“(b) Textiles and textile products falling under Chapter 50 to 63 in the First

Schedule to the Customs Tariff Act, 1975 (51 of 1975);”;

(B) the *Explanation* shall be omitted;

(b) for item (ii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(ii) Services by way of any treatment or process on goods belonging to another person, in relation to- (a) printing of newspapers; (b) printing of books (including Braille books), journals and periodicals.	2.5	-

(iii) Manufacturing services on physical inputs (goods) owned by others, other than (i) and (ii) above.	9	-";

(vii) for serial number 27 and the entries relating thereto, the following shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)
"27	Heading 9989	(i) Services by way of printing of newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	6	-
		(ii) Other manufacturing services; publishing, printing and reproduction services; materials recovery services, other than (i) above.	9	-";

(viii) against serial number 34, in column (3), in item (i), after the word "drama", the words "or planetarium" shall be inserted.

[F. No.354/173/2017 -TRU]

(Ruchi Bisht) Under
Secretary to the
Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 11/2017 - Central Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 690 (E), dated the 28th June, 2017.

21/2017- FIFA exemption

New Delhi, the 22nd

August, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.12/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 691(E), dated the 28th June, 2017, namely:-
In the said notification,-

(i) in the Table,-

(a) after serial number 9 and the entries relating thereto, the following shall be inserted namely:-

(1)	(2)	(3)	(4)	(5)
"9A	Chapter 99	Services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 World Cup 2017 to be hosted in India.	Nil	Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U17 World Cup 2017.";

(b) after serial number 11 and the entries relating thereto, the following shall be inserted namely:-

(1)	(2)	(3)	(4)	(5)
"11A	Heading 9961 or Heading 9962	Service provided by Fair Price Shops to Central Government by way of sale of wheat, rice and coarse grains under Public Distribution System(PDS) against consideration in the form of commission or margin.	Nil	Nil
11B	Heading 9961 or Heading 9962	Service provided by Fair Price Shops to State Governments or Union territories by way of sale of kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin.	Nil	Nil";

(c) against serial number 35, in column (3),-

- (A) in item (h), for the words "Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme", the words, brackets and letters "Restructured Weather Based Crop Insurance Scheme (RWCIS)", shall be substituted;
- (B) in item (j), for the words "National Agricultural Insurance Scheme (Rashtriya Krishi

Bima Yojana)", the words, brackets and letters "Pradhan Mantri Fasal BimaYojana (PMFBY)", shall be substituted;

(ii) in paragraph 3, in the Explanation, after clause (ii), the following clause shall be inserted, namely:-

"(iii) A "Limited Liability Partnership" formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm."

[F. No.354/173/2017

-TRU]

(Ruchi Bisht)

Under Secretary to
the Government of
India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 12/2017 - Central Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 691 (E), dated the 28th June, 2017.

22/2017- Not. No. 13 amended (GTA and LLP)

New Delhi, the 22nd August, 2017

GSR.....(E).- In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government on the recommendations of the Council hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.13/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 692(E), dated the 28th June, 2017, namely:-

In the said notification,-

- (i) in the Table, against serial number 1, in column (2), after the words and brackets "goods transport agency (GTA)" the words and figure ", who has not paid central tax at the rate of 6%," shall be inserted;
- (ii) in the Explanation, after clause (d), the following clause shall be inserted, namely:-
 - "(e) A "Limited Liability Partnership" formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm."

[F. No. 354/173/2017- TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 13/2017 - Central Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 692 (E), dated the 28th June, 2017.

23/2017- E-commerce operator (housekeeping etc)

New Delhi, the 22nd August, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.17/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 696(E) dated the 28th June, 2017, namely:-

In the said notification, in the first paragraph, after clause (ii) the following clause shall be inserted, namely:-

“(iii) services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.”.

[F.No.354/173/2017-TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

CGST Circulars

1/1/2017 – Proper officer

F. No. 349/75/2017-GST

Central Board of Excise and Customs

New Delhi, Dated the 26th June, 2017

To,

The Principal Chief Commissioner/Chief Commissioners/
Principal Commissioner/ Commissioner of Central Tax (All) /
Director General of Systems

Madam/Sir,

**Subject: Proper officer for provisions relating to
Registration and Composition levy under the Central
Goods and Services Tax Act, 2017 or the rules made
thereunder – Reg.**

In exercise of the powers conferred by Clause (91) of
section 2 of the Central Goods and Services Tax Act, 2017 (12 of
2017) (hereinafter referred to as the Act) read with Section 20

of the Integrated Goods and Services Tax Act (13 of 2017) and subject to sub-section (2) of section 5 of the said Act, the Board, hereby assigns the officers mentioned in Column (2) of the Table below, the functions as the proper officers in relation to the various sections of the of the said Act or the rules made thereunder mentioned in the corresponding entry in Column (3) of the said Table:-

Table

Serial Number	Designation of the Officer	Functions under Section of the Central Goods and Services Tax Act, 2017 or the rules made thereunder
(1)	(2)	(3)
1.	Assistant or Deputy Commissioners of Central Tax and Assistant or Deputy Directors of Central Tax	i. Sub-Section (5) of Section 10 ii. Proviso to Sub-Section (1) iii. of Section 27 Section 30 iv. Rule 6 v. Rule 23

		vi. Rule 25
2.	Superintendent of Central Tax	i. Sub-section (8) of Section ii. 25 iii. Section 28 iv. Section 29 v. Rule 9 vi. Rule 10 Rule 12 vii. Rule 16 viii. Rule 17 ix. Rule 19 x. Rule 22 xi. Rule 24

2. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

3. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board.
Hindi version would follow.

-sd-

(Upender Gupta) Commissioner (GST)

2/2/2017-GST – Bond and LuT

F. No. 349/82/2017-GST

Central Board of Excise and Customs

GST Policy Wing

New Delhi, Dated the 4th July, 2017

To,

The Principal Chief Commissioners/Chief
Commissioners/Principal Commissioners/ Commissioners of
Central Tax (All)

Madam/Sir,

**Subject: Issues related to furnishing of Bond/ Letter of
Undertaking for Exports–Reg.**

Various communications have been received from the field
formations and exporters on the issue of difficulties being faced
while supplying the goods or services for export without
payment of integrated tax and filing the FORM GST RFD -11 on

the common portal (www.gst.gov.in), because of which exports are being held up.

2. Whereas, as per rule 96A of the Central Goods and Services Tax Rules, 2017, any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking. This bond or Letter of Undertaking is required to be furnished in FORM GST RFD-11 on the common portal. Further, Circular No. 26/2017- Customs dated 1st July, 2017 has clarified that the procedure as prescribed under rule 96A of the said rules requires to be followed for the export of goods from 1st July, 2017.

3. Another issue being raised by various stakeholders is that the Bond/Letter of Undertaking is required to be given through the proper officer which is to be furnished to the jurisdictional Commissioner as per sub-rule (1) of rule 96A of the said rules. Taking cognizance of the fact that a large number of such Bonds/Letter of Undertakings would be required to be filed by the registered exporters who would be located at a distance from the office of the jurisdictional Commissioner, it is understood that the furnishing of such bonds/undertakings before the jurisdictional Commissioner may cause hardship to the exporters.

4. Thus, in exercise of the powers conferred by sub-section (3) of section 5 of the CGST Act, 2017, it is hereby stated that the acceptance of the Bond/Letter of Undertaking required to be furnished by the exporter under rule 96A of the said rules shall be done by the jurisdictional Deputy/Assistant Commissioner.

5. Further, in exercise of the powers conferred by section 168 of the said Act, for the purpose of uniformity in the implementation of the said Act, the Bond/Letter of Undertaking required to be furnished under rule 96A of the said rules may be furnished manually to the jurisdictional Deputy/Assistant Commissioner in the format specified in FORM RFD-11 till the module for furnishing of FORM RFD-11 is available on the common portal. The exporters may download the FORM GST RFD-11 from the website of the Central Board of Excise and Customs (www.cbec.gov.in) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner.

6. The above specified provisions shall be applicable to all applications which have been filed on or after 1st July, 2017. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board.
Hindi version would follow.

Sd/-

(Upender Gupta)

Commissioner (GST)

3/3/2017 – Proper officer

F. No. 349/75/2017-GST

Central Board of Excise and Customs

GST Policy Wing

New Delhi, Dated the 5th July, 2017

To,

The Principal Chief Commissioners/Chief

Commissioners/Principal Commissioners/ Commissioners of

Central Tax (All)/ Director General of Systems

**Subject: Proper officer relating to provisions other than
Registration and Composition under the Central Goods
and Services Tax Act, 2017–Reg.**

Madam/Sir,

In exercise of the powers conferred by clause (91) of section 2 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with Section 20 of the Integrated Goods and Services Tax Act (13 of 2017) and subject to sub-section (2) of section 5 of the Central Goods and Services Tax Act, 2017, the Board, hereby assigns the officers mentioned in Column (2) of the Table below, the functions as the proper officers in relation to the various sections of the Central Goods and Services Tax Act, 2017 or the rules made thereunder given in the corresponding entry in Column (3) of the said Table:-

Table

S. No.	Designation of the officer	Functions under Section of the Central Goods and Services Tax Act, 2017 or the rules made thereunder
(1)	(2)	(3)
1.	Principal Commissioner/ Commissioner of Central Tax	i. Sub- section (7) of Section 67 ii. Proviso to Section 78

2.	Additional or Joint Commissioner of Central Tax	i. Sub- sections (1), (2), (5) and (9) of Section 67 ii. Sub-section (1) and (2) of Section 71 iii. Proviso to section 81 iv. Proviso to sub-section (6) of Section 129 v. Sub-rules (1),(2),(3) and (4) of Rule 139 vi. Sub-rule (2) of Rule 140
3.	Deputy or Assistant Commissioner of Central Tax	i. Sub-sections (5), (6), (7) and (10) of Section 54 ii. Sub-sections (1), (2) and (3) of Section 60 iii. Section 63 iv. Sub-section (1) of Section 64 v. Sub-section (6) of Section 65 vi. Sub-sections (1), (2), (3), (5), (6), (7),

	(9), (10) of Section 74
vii.	Sub-sections (2), (3), (6) and (8) of Section 76
viii.	Sub-section (1) of Section 79
ix.	Section 123
x.	Section 127
xi.	Sub-section (3) of Section 129
xii.	Sub- sections (6) and (7) of Section 130
xiii.	Sub- section (1) of Section 142
xiv.	Sub-rule (2) of Rule 82
xv.	Sub-rule (4) of Rule 86
xvi.	Explanation to Rule 86
xvii.	Sub-rule (11) of Rule 87
xviii.	Explanation 2 to Rule 87
xix.	Sub-rules (2) and (3) of Rule 90
xx.	Sub-rules (2) and (3) of Rule 91
xxi.	Sub-rules(1), (2), (3), (4) and (5) of Rule 92
xxii.	Explanation to Rule 93
xxiii.	Rule 94
xxiv.	Sub-rule (6) of Rule 96

		xxv. Sub-rule (2) of Rule 97 xxvi. Sub-rule (2), (3), (4), (5) and (7) of Rule 98 xxvii. Sub-rule (2) of Rule 100 xxviii. Sub-rules (2), (3), (4) and (5) of Rule 101 xxix. Rule 143 xxx. Sub-rules (1), (3), (4), (5), (6) and (7) of Rule 144 xxxi. Sub-rules (1) and (2) of Rule 145 xxxii. Rule 146 xxxiii. Sub-rules (1), (2), (3), (5), (6), (7), (8), (10),(11), (12), (14) and (15) of Rule 147 xxxiv. Sub-rules(1),(2) and (3) of Rule 151 xxxv. Rule 152 xxxvi. Rule 153 xxxvii. Rule 155 xxxviii. Rule 156
4.	Superintendent of Central Tax	i. Sub- section (6) of Section 35 ii.

		Sub-sections (1) and (3) of Section 61 iii. Sub-section (1) of Section 62 iv. Sub-section (7) of Section 65 v. Sub-section (6) of Section 66 vi. Sub-section (11) of Section 67 vii. Sub-section (1) of Section 70 viii. Sub-sections (1), (2), (3), (5), (6), (7), (9) and (10) of Section 73 ix. Sub-rule (6) of Rule 56 x. Sub-rules (1), (2) and (3) of Rule 99 xi. Sub-rule (1) of Rule 132 xii. Sub-rule (1), (2), (3) and (7) of Rule 142 xiii. Rule 150
5.	Inspector of Central Tax	i. Sub-section (3) of Section 68 ii. Sub- rule (17) of Rule 56 iii. Sub- rule (5) of Rule 58

2. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

3. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board.

Hindi version would follow.

-sd-

(Upender Gupta) Commissioner (GST)

4/4/2017- Bond and LuT

F. No. 349/82/2017-GST

Central Board of Excise and Customs

(GST Policy Wing)

New Delhi, the 7th July, 2017

To,

**The Principal Chief Commissioners / Chief Commissioners
/ Principal Commissioners/ Commissioners of Central Tax
(All)**

Madam/Sir,

**Subject: Issues related to Bond/Letter of Undertaking for
exports without payment of integrated tax – Reg.**

Various communications have been received from the field formations and exporters that difficulties are being faced in complying with the procedure prescribed for making exports of goods and services without payment of integrated tax with respect to furnishing of bonds/Letter of Undertaking. Therefore,

in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, these issues are being clarified hereunder.

2. As per rule 96A of the Central Goods and Services Tax Rules, 2017 (The CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.

3. Attention is invited to notification No. 16/2017-Central Tax dated 01-07-2017 vide which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification, would submit bond. The procedure for submission and acceptance of bond has already been prescribed vide circular No. 2/2/2017-GST dated 4th July, 2017. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

4. A clarification has been sought as to whether bond to be furnished for exports is a running bond (with debit / credit facility) or a one-time bond (separate bond for each consignment / export). It is observed consignment wise bond would be a

significant compliance burden on the exporters. It is directed that the exporters shall furnish a running bond, in case he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

5. FORM RFD -11 under rule 96A of the CGST Rules requires furnishing a bank guarantee with bond. Field formations have requested for clarity on the amount of bank guarantee as a security for the bond. In this regard it is directed that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15% of the bond amount.

6. As regards LUT, it is clarified that it shall be valid for twelve months. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. Exports may be allowed

under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

7. It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayer to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central tax officer till such time the said administrative mechanism is implemented. Central Tax officers are directed to take every step to facilitate the exporters.

8. Attention is further invited to circular No. 26/2017 – Customs dated 1st July 2017, vide which it has been clarified that the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue till 01st September, 2017. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant

Commissioner having jurisdiction over the principal place of business.

9. These instructions shall apply to exports on or after 1st July, 2017. It is requested that suitable trade notices may be issued to publicize the contents of this circular. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

-sd-

(Upender Gupta)

Commissioner (GST)

5/5/2017 – Bond and LuT

F. No. 349/82/2017-GST

Central Board of Excise and Customs

GST Policy Wing

New Delhi, Dated the 11th August, 2017

To,

The Principal Chief Commissioners/Chief

Commissioners/Principal Commissioners/

Commissioners of Central Tax (All)

The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: Clarification on issues related to furnishing of
Bond/Letter of Undertaking for Exports–Reg.**

Please refer to Notification No. 16/2017 – GST dated 7th July, 2017 and Circular No. 2/2/2017 – GST dated 5th July, 2017 and Circular No. 4/4/2017 – GST dated 7th July, 2017. A large

number of communications have been received from the field formations and exporters citing variation in the interpretation of above referred notification and circulars.

2. Therefore, in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, following issues are being clarified hereunder:

a. **Eligibility to export under LUT:** Notification No. 16/2017 – Central Tax dated 7th July, 2017 specifies conditions to be fulfilled for export under Letter of Undertaking (LUT) in place of bond. In the extant Central Excise provisions, LUTs were limited to manufacturer exporters only. The intent of the said notification is to liberalize the facility of LUT and extend it to all kind of suppliers. It is hereby clarified that any registered person who has received a minimum foreign inward remittance of 10% of export turnover in the preceding financial year is eligible for availing the facility of LUT provided that the amount received as foreign inward remittance is not less than Rs. one crore. This means that only such exporters are eligible to LUT facilities who have received a remittance of Rs. one crore or 10% of export turnover, whichever is a

higher amount, in the previous financial year. A few illustrations are as follows:

- i. An exporter had a turnover of Rs. 15 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.5 crore or more (10% of export turnover is more than Rs. 1 crore)
- ii. An exporter had a turnover of Rs. 5 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.0 crore or more (10% of export turnover is less than Rs. 1 crore)
- iii. An exporter has an export turnover of Rs. 2 crore. He has received Rs. 80 lacs as foreign inward remittances in FY 2016-17 which is 40% of the export turnover. He will not be eligible for LUT facility as remittance received is less than Rs. 1 crore.
- iv. An exporter has export turnover of Rs. 40 crore. He has received Rs. 2 Crores as foreign inward remittances in FY 2016-17 which is 5% of the export turnover. He will not be eligible for LUT facility as remittance

received is less than 10% of export turnover, even though it is in excess of Rs. 1 crore.

- v. An exporter has received Rs. 1 Crore 10 lacs as foreign inward remittances in FY 2016-17 which is 20% of the export turnover. In this scenario, he will be eligible for LUT facility.

It may however be noted that a status holder as specified in paragraphs 3.20 and 3.21 of the Foreign Trade Policy 2015-2020 is eligible for LUT facility regardless of whether he satisfies the above conditions.

b. Form for LUT: Bonds are furnished on non-judicial stamp paper, while LUTs are generally submitted on the letterhead containing signature and seal of the person or the person authorized in this behalf as provided in said Notification.

c. Time for acceptance of LUT/Bond: As LUT/bond is *a priori* requirement for export, including supplies to a SEZ developer or a SEZ unit, the LUT/bond should be processed on top most priority and should be accepted within a period of three working days from the date

of submission of LUT/bond along with complete documents by the exporter.

d. Purchases from manufacturer and form

CT-1: It is learnt that there is lack of clarity about treatment of CT-1 form which was earlier used for purchase of goods by a merchant exporter from a manufacturer without payment of central excise duty. The scheme holds no relevance under GST since transaction between a manufacturer and a merchant exporter is in the nature of supply and the same has not been exempted under GST even on submission of LUT/bond. Therefore, such supplies would be subject to GST. The zero rating of exports, including supplies to SEZ, is allowed only with respect to supply by the actual exporter under LUT/bond or payment of IGST.

e. Transactions with EOUs: Zero rating is not applicable to supplies to EOUs and there is no special dispensation for them. Therefore, supplies to EOUs are taxable under GST just like any other taxable supplies. The EOUs, to the extent of exports, are eligible for zero rating like any other exporter.

f. Forward inward remittance in Indian

Rupee: Various representations have been

received with respect to receipts of proceeds of supplies in Indian Rupee especially with respect to exports to Nepal, Bhutan and SEZ developer/SEZ unit. Attention is invited to Para A (v) Part-I of RBI Master Circular no. 14/2015-16 dated July 1, 2015 (updated as on November 5, 2015), which states *“there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan”*.

Accordingly, it is clarified that acceptance of LUT instead of a bond for supplies of goods to Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the

payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with applicable RBI guidelines. It may also be noted that supply of services to SEZ developer or SEZ unit will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.

g. **Bank guarantee:** Circular No. 4/4/2017 dated 7th July, 2017 provides that bank guarantee should normally not exceed 15% of the bond amount. However, the Commissioner may waive off the requirement to furnish bank guarantee taking into account the facts and circumstances of each case. It is expected that this provision would be implemented liberally. Some of the instances of liberal interpretation are as follows:

i. an exporter registered with recognized Export Promotion Council can be allowed to submit bond without bank guarantee on submission of a self-attested copy of the proof of registration with a recognized Export Promotion Council

ii. In the GST regime, registration is State-wise which means that the expression 'registered person' used in the said notification may mean different registered persons (distinct persons in terms of sub-section (1) of section 25 of the Act) if a person having one Permanent Account Number is registered in more than one State. It may so happen that a registered person may not satisfy the condition regarding foreign inward remittances in respect of one particular registration, because of splitting and accountal of receipts and turnover across different registered person with the same PAN. But the total amount of inward foreign remittances received by all the registered persons, having one Permanent Account Number, maybe Rs. 1 crore or more and it also maybe 10% or more of total export turnover. In such cases, the registered person can be allowed to submit bond without bank guarantee.

h. **Jurisdictional officer:** It has been clarified in Circular Nos. 2/2/2017 – GST dated 4th July, 2017 and 4/4/2017 – GST dated 7th July, 2017 that Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish

the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. It is reiterated that the Central Tax officers shall facilitate all exporters whether or not the exporter was registered with the Central Government in the earlier regime.

i. **Documents for LUT:** Documents submitted as proof of fulfilling the conditions of LUT shall be accepted unless there is any evidence to the contrary. Self-declaration shall be accepted unless there is specific information otherwise. For example, a self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of notification No. 16/2017 - Central tax dated 7th July, 2017. Verification, if any, may be done on post facto basis. Similarly, Status holder exporters have been given the facility of LUT under the said notification and a self-attested copy of the proof of Status should be sufficient.

j. **Applicability of circulars on Bond/LUTs:** It is learnt that some field officers have inferred that the instructions given by the said circulars are effective in respect of exports made only from the date of its issue

despite the fact that it has been categorically clarified specifically in the said circular (dated 7th July, 2017) that the instructions shall be applicable for exports on or after 1st July, 2017. It is reiterated that the instructions issued vide said circular and this circular are applicable to any export made on or after the 1st July 2017.

3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

4. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)

6/06/2017- GST rate on lottery ticket

F. No. 354/149/2017-TRU

Tax Research Unit

New Delhi, the 27th August, 2017

To,

The Principal Chief Commissioner/Chief Commissioners/
Principal Commissioner/ Commissioner of Central Tax (All)
/ Director General of Systems

Madam/Sir,

**Subject: - Issue related to classification and GST rate on
lottery tickets – regarding**

Supply of lottery has been treated as supply of goods
under the Central Goods and Services Tax (CGST) Act, 2017.

2. Accordingly, based on the recommendation of the GST
Council, the GST rate for supply of lottery has been notified under
relevant GST rate notification relating to

CGST/IGST/UTGST/SGST. However, entries in the respective notifications mention classification for lottery as “-”.

3. In this connection, references have been received, *inter-alia*, stating that due to discrepancy in code allotted, i.e., lottery is defined as goods but code allotted for lottery is under services, the assesseees are not able to upload return or deposit tax in time.

4. The matter has been examined. It should be noted that the process of filing return is linked with rate of tax specified for supply. Further, there is complete clarity about rate of tax on lotteries. As mentioned above, in GST, lottery is goods and the classification indicated in relevant notification for lottery is “-”, which means any chapter.

5. That being so, it is clarified that the classification for lottery in respective CGST, IGST, UTGST and SGST notifications shall be ‘Any Chapter’ of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and tax on lottery should be paid accordingly at prescribed rates, 12% or 28%, as the case may be.

(Ruchi Bisht)

Under Secretary (TRU)

7/7/2017-Reconciliation of 3B with GSTR

F. No. 349/164/2017/

Central Board of Excise and Customs

GST Policy Wing

New Delhi, Dated the 01st September, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/

Commissioners of Central Tax (All)

The Principal Director Generals/ Director Generals (All)

Subject: System based reconciliation of information furnished in FORM GSTR-1 and FORM GSTR-2 with FORM GSTR-3B - regarding

Sections 37, 38 and section 39 of the CGST Act, 2017(hereinafter referred to as 'the Act') read with rules 59, 60 and 61 of the CGST Rules, 2017(hereinafter referred to as 'the Rules') require every registered person to furnish details of outward supplies made in a month in FORM GSTR-1, details of inward supplies received in a month in FORM GSTR-2 and a return in FORM GSTR-3 by the 10th, 15th and 20th of the next month respectively. Keeping in view that taxpayers may face

certain issues in the initial days after the introduction of GST, the GST Council extended the date for filing of FORM GSTR-1 and FORM GSTR-2 for the months of July and August, 2017 and approved the filing of a simplified return in FORM GSTR-3B for these two months by the notified due dates after making the due payment of tax.

2. Registered persons opting to utilize transitional credit available under section 140 of the Act read with the rules made there under for discharging the tax liability for the month of July, 2017 were required to file FORM GST TRAN -1 on or before 28th August, 2017. This transitional credit was to be credited to the electronic credit ledger and be available for discharging the tax liability.

3. As per the provisions of sub-rule (5) of rule 61 of the Rules, the return in FORM GSTR-3B was required to be furnished when the due dates for filing of FORM GSTR-1 and FORM GSTR-2 have been extended. After the return in FORM GSTR-3B has been furnished, the process of reconciliation between the information furnished in FORM GSTR3B with that furnished in FORM GSTR-1 and FORM GSTR-2 would be carried out in accordance with the provisions of sub-rule (6) of rule 61 of the Rules.

4. The detailed procedure for reconciliation of information furnished in FORM GSTR-3 and FORM GSTR-3B is detailed in succeeding paras.

Furnishing of information in FORM GSTR- 1 & FORM GSTR-2:

5. It may be noted that after the registered person has filed his return in FORM GSTR3B and the statement of outward supplies in FORM GSTR-1, the inward supplies shall be auto drafted for all registered persons (corresponding recipients of supply) and made available to them in FORM GSTR-2A as per sub-rule (3) of rule 59 of the Rules. FORM GSTR-2A is the exact replica of FORM GSTR-2 containing only those details that are autopopulated from the details furnished in FORM GSTR-1 by the corresponding suppliers. Based on the details communicated in FORM GSTR-2A, the registered person shall prepare the statement of inward supplies in FORM GSTR-2 by:-

- a. adding, deleting or modifying the invoice level details communicated in FORM GSTR-2A;
- b. adding information pertaining to details that are required to be furnished in GSTR-2 but are not part of FORM GSTR-2A like details of imports, details of supplies attracting reverse charge that have been received by registered person;

- c. providing details of supplies received from composition suppliers and exempt, nil-rated & non GST inward supplies;
- d. providing details of advances paid on inward supplies attracting reverse charge, if any, along with adjustments;
- e. providing details of reversal of ITC as per the provisions of rules 37, 39, 42 and 43 of the Rules, if any; and
- f. providing HSN wise summary details of inward supplies.

Correction of erroneous details furnished in FORM GSTR-3B:

6. In case the registered person intends to amend any details furnished in FORM GSTR3B, it maybe done in the FORM GSTR-1 or FORM GSTR-2, as the case may be. For example, while preparing and furnishing the details in FORM GSTR-1, if the outward supplies have been under reported or excess reported in FORM GSTR-3B, the same maybe correctly reported in the FORM GSTR-1. Similarly, if the details of inward supplies or the eligible ITC have been reported less or more than what they should have been, the same maybe reported correctly in the FORM GSTR-2. This will get reflected in the revised output tax liability or eligible ITC, as the case may be, of the registered person. The details

furnished in FORM GSTR-1 and FORM GSTR-2 will be auto-populated and reflected in the return in FORM GSTR-3 for that particular month.

Action on the system-based reconciliation:

7. After the registered person has furnished the statement of inward supplies in FORM GSTR-2 by the extended date, the common portal shall auto-draft Part-A of the return in FORM GSTR-3 for the said month based on the information furnished in FORM GSTR-1 and FORM GSTR-2. Based on the revised figures of output tax liability and eligible input tax credit, Table 12 of Part B of FORM GSTR-3 shall be made available. The common portal would populate the correct figures of tax payable in column (2) of Table 12 of FORM GSTR3, based on the information furnished in FORM GSTR-1 and FORM GSTR-2. The tax paid through the electronic cash ledger and electronic credit ledger in the return in FORM GSTR3B shall be displayed by the system in column (3) to (7) of the Table 12 of Part B of FORM GSTR-3. Where there is no difference between the details of output tax liability and eligible input tax credit furnished in FORM GSTR-3B and the details furnished in FORM GSTR-1 and FORM GSTR-2, the amount of tax payable and tax paid shall be the same in FORM GSTR-3B and

FORM GSTR-3. The person can sign and submit FORM GSTR-3 without any additional payment of tax.

Additional payment of taxes:

8. Where the tax payable by a registered person as per FORM GSTR-3 is more than what has been paid as per FORM GSTR-3B, the common portal would show another instance of Table 12 for making additional payment of taxes, in accordance with the mandate of clause (b) of sub-rule (6) of rule 61. As the tax payable in column (2) of Table 12 of FORM GSTR-3 is more than what was shown in FORM GSTR-3B, the additional amount of tax payable can be paid by debiting the electronic cash or credit ledger as per the provisions contained in section 49 of the Act along with applicable interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash or credit ledger. If the eligible ITC claimed by the person in FORM GSTR-2 is less than the ITC claimed and utilised by the registered person in FORM GSTR-3B, the same would be added to his output tax liability and shall have to be paid by him along with interest by debiting the electronic cash or credit ledger as per the provisions contained in section 49 of the Act before submitting the return in FORM GSTR-3 to complete the process. It may be noted that where the transitional credit

as declared in FORM GST TRAN-1 is credited to the electronic credit ledger, the same can be utilised for the payment of the said additional tax liability.

Additional claim of eligible ITC:

9. Where the eligible ITC claimed by the taxpayer in FORM GSTR-3B is less than the ITC eligible as per the details furnished in FORM GSTR-2, the additional amount of ITC shall be credited to the electronic credit ledger of the registered person when he submits the return in FORM GSTR-3 (in accordance with clause (c) of sub-rule (6) of rule 61). However, simultaneously, if there is an increase in the output tax liability, the registered person can utilise this additional amount of ITC eligible as per the details furnished in FORM GSTR-2 along with the balance in the electronic cash ledger, if required, for the payment of the increased output tax liability and submit his return in FORM GSTR-3.

Reduction in output tax liability:

10. Where the output tax liability of the registered person as per the details furnished in FORM GSTR-1 and FORM GSTR-2 is less than the output tax liability as per the details furnished in the FORM GSTR-3B and the same is not offset by a corresponding reduction in the input tax credit to which he is entitled, the excess shall be carried forward to the next month's return to be offset

against the output liability of the next month by the taxpayer when he signs and submits the return in FORM GSTR-3. However, simultaneously, if there is a decrease in the eligible input tax credit, the same will be adjusted against the above mentioned reduction in output tax liability and the balance, if any, of the reduction in output tax liability shall be carried forward to the next month's return to be offset against the output liability of the next month.

Submission of GSTR-3B without payment of taxes:

11. Where, for some reasons, the registered person has only submitted the return in FORM GSTR-3B and has not made the payment of taxes by debiting the same from his electronic cash or credit ledger, the return shall still be subjected to the reconciliation process as detailed above. Such registered person should furnish the details in FORM GSTR-1, FORM GSTR-2 and sign and submit the return in FORM GSTR-3 along with the payment of the due taxes as per the provisions of section 49 of the Act. However, since the payment was not made on or before the due date, the registered person shall be liable for payment of interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash and / or credit ledger but will not be liable to pay any late fee provided the

requisite return in FORM GSTR-3B was submitted on or before the due date.

12. Where the registered person has not submitted the return in FORM GSTR-3B, he is required to furnish the details in FORM GSTR-1 and FORM GSTR-2 and sign and submit the return in FORM GSTR-3 along with the payment of the due taxes as per the provisions of section 49 of the Act. However, since the payment was not made on or before the due date, the registered person shall be liable for payment of interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash and / or credit ledger. No late fee, however, would be levied for late filing of return in terms of section 47 of the Act, in accordance with the recommendation of the GST Council, as notified vide Notification No. 28/2017-Central tax dated 01.09.2017.

Processing of information furnished:

13. After submission of the information in FORM GSTR-1 and FORM GSTR-2, the process of matching as per section 41, 42 and 43 of the Act read with rules 69 to 76 of the Rules shall be carried out as if these details were submitted in the regular course. Any amendment in the details furnished in FORM GSTR-1 and GSTR-2 shall be done following the procedure laid down under sub-section

(3) of section 37 and sub-section (5) of section 38 of the Act respectively. The return shall be considered to be a valid return when the tax payable as per FORM GSTR-3 has been paid in full after which the return shall be taken up for matching.

14. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

15. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)

Commissioner (GST)

CGST Order

01/2017- Extension of intimation for composition

F. No. 345/114/2017-GST

Central Board of Excise and Customs

GST Policy Wing

New Delhi, the 21st July, 2017

Subject: Extension of time limit for filing intimation for composition levy under subrule (1) of rule 3 of the CGST Rules, 2017

In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017, the Board hereby extends the period for filing an intimation in **FORM GST CMP-01** under sub-rule (1) of rule 3 of the Central Goods and Services Tax Rules, 2017 upto 16th August, 2017.

-sd-

(Upender Gupta)

Commissioner (GST)

Press Releases

J & K joins GST

08th July 2017

Goods and Services Tax was launched in the country from the midnight of 1st July, 2017. However, because of the special provisions applicable to the State of Jammu and Kashmir extra steps had to be taken before the State could join the GST fold. On 6th July 2017, the State of Jammu and Kashmir took the first step towards adopting the GST regime with the President of India giving assent to the Constitution (Application to Jammu and Kashmir) Amendment Order, 2017. Resultantly, the One Hundred and First Amendment Act, 2016 to the Constitution of India that paved the way for introduction of GST in the country, became applicable to the State of Jammu and Kashmir also. Following this, on 7th July, 2017 the Jammu and Kashmir Goods and Services Tax Bill, 2017 was passed by the State legislature, empowering the State to levy State GST on intra-state supplies with effect from 8th July, 2017.

Concomitantly, the President of India has promulgated two ordinances, namely, the Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017 and the Integrated Goods and Services Tax (Extension to Jammu and

Kashmir) Ordinance, 2017 extending the domain of Central GST Act and the Integrated GST Act to the State of Jammu and Kashmir, with effect from 8th July, 2017. With this, the State of Jammu and Kashmir has become part of the GST regime, making GST truly a “one nation, one tax” regime.

Availability of Transitional Credit for GST

PRESS RELEASE

17th August 2017

As per the rules, the GST for the month of July 2017 has to be paid by 20th August, 2017.

Only after the payment of full GST, return in summary Form 3B can be filed.

Concerns have been raised about the form for claiming transitional input tax credit not being available on the GSTN website. This form will be available on the GSTN website from 21st August, 2017. In view of this, a small window of opportunity is being given to all the taxpayers. For those taxpayers who do not want to claim any transitional input tax credit have to necessarily pay the tax and file return in Form 3B before the due date of 20th August, 2017. The taxpayers who want to avail the transitional input tax credit should also calculate their tax liability after estimating the amount of transitional credit as per Form TRANS I. They have to make full settlement of the liability after adjusting the transitional input tax credit before 20th August, 2017. However, in such cases, they will get time upto 28th August, 2017 to submit Form TRANS

I and Form 3B. In case of shortfall in the amount already paid vis-à-vis the amount payable on submission of Form 3B, the same will have to be paid with interest @ 18% for the period between 21st August, 2017 till the payment of such differential amount.

Services provided by RWA (Resident Welfare Association) / Housing Society

PRESS RELEASE

There are some press reports that services provided by a Housing Society [Resident Welfare Association (RWA)] will become expensive under GST. These are completely unsubstantiated.

2. It may be mentioned that supply of service by RWA (unincorporated body or a registered non- profit entity) to its own members by way of reimbursement of charges or share of contribution up to an amount of five thousand rupees per month per member for providing services and goods for the common use of its members in a housing society or a residential complex are exempt from GST.
3. Further, if the aggregate turnover of such RWA is upto Rs.20 Lakh in a financial year, then such supplies would be exempted from GST even if charges per member are more than Rs. five thousand.
4. RWA shall be required to pay GST on monthly subscription/contribution charged from its members if such subscription is more than Rs. 5000 per member and the annual turnover of RWA by way of supplying of services and

goods is also Rs. 20 lakhs or more. Under GST, the tax burden on RWAs will be lower for the reason that they would now be entitled to ITC in respect of taxes paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/hardware fillings etc.) and input services such as repair and maintenance services. ITC of Central Excise and VAT paid on goods and capital goods was not available in the pre-GST period and these were a cost to the RWA.

5. Thus, there is no change made to services provided by the Housing Society (RWA) to its members in the GST era.

Reverse charge on gold ornaments

PRESS RELEASE

13th July, 2017

In the GST master class held on 13/07/2017, in one of the replies given to an on-the-spot-question, it was informed that purchase of old gold jewellery by a jeweller from a consumer will be subject to GST @ 3% under reverse charge mechanism in terms of the provisions contained in Section 9(4) of the CGST Act, 2017.

- 2.** On further examination, it is felt that the issue needs to be clarified.
- 3.** Section 9(4) of the said Act mandates that tax on supply of taxable goods (gold in this case) by an unregistered supplier (an individual in this case) to a registered person (the jeweller in this case) will be paid by the registered person (the jeweller in this case) under reverse charge mechanism. This provision, however, has to be read in conjunction with section 2(105) read with section 7 of the said Act. Section 2 (105) defines supplier as a person supplying the goods or services. Section 7 provides that a supply is a

transaction, for a consideration by a person in the course or furtherance of business.

4. Even though the sale of old gold by an individual is for a consideration, it cannot be said to be in the course or furtherance of his business (as selling old gold jewellery is not the business of the said individual), and hence does not qualify to be a supply per se. Accordingly the sale of old jewellery by an individual to a jeweller will not attract the provisions of section 9(4) and jeweller will not be liable to pay tax under reverse charge mechanism on such purchases. However, if an unregistered supplier of gold ornaments sells it to registered supplier, the tax under RCM will apply.

Regarding Old and Used Bottles

PRESS RELEASE

15th July, 2017

Doubts have been raised regarding the applicability of the margin scheme under GST for dealers in second hand goods in general and for dealers in old and used empty bottles in particular.

2. Rule 32(5) of the Central Goods and Services Tax Rules, 2017 provides that where a taxable supply is provided by a person dealing in buying and selling of second hand goods i.e., used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on the purchase of such goods, the value of supply shall be the difference between the selling price and the purchase price and where the value of such supply is negative, it shall be ignored. This is known as the margin scheme.

3. Further, notification No.10/2017-Central Tax (Rate), dated 28.06.2017 exempts central tax leviable on intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods [who pays the central tax on the value of outward supply of such second hand goods as determined under sub-rule (5)] from any supplier, who is not registered. This has been done to avoid double taxation on the outward supplies made by such registered person, since such person operating under the margin scheme cannot avail input tax credit on the purchase of second hand goods.
4. Thus, margin scheme can be availed of by any registered person dealing in buying and selling of second hand goods [including old and used empty bottles] and who satisfies the conditions as laid down in rule 32(5) of the Central Goods and Services Tax Rules, 2017.

Legal Services by Advocates including Senior advocates

Press Release

15th July, 2017

There are points being raised about the applicability of GST on legal services provided by advocates – whether it is in forward charge or reverse charge. It may be mentioned that there is no change made in taxation of legal services in the GST era.

2. In this context, it is further clarified that legal service has been defined to mean any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority.
3. It is further clarified that notification No. 13/2017-Central Tax (Rate) dated 28.6.2017 (Serial No. 2) specifies, *inter alia*, the following service under reverse charge mechanism,-

"Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory,

including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.”

4. The words “*by way of legal services*” are preceded and succeeded by comma. Therefore, the said words apply to an individual advocate including a senior advocate and a firm of advocates. Legal services provided by either of them are liable for payment of GST under reverse charge by the business entity. The words “*by way of representational services before any court, tribunal or authority....*” appear in conjunction with senior advocate without a comma and merely describe the nature and mode of representational services provided by a senior advocate to a business entity. It, therefore, follows that legal services, which includes representational services, provided by advocates are under reverse charge.

Migration, new registration, opting for composition scheme and issue of bills of supply

The rules related to registration and composition scheme have been notified on 19th June, 2017. These rules have been brought into effect from 22nd June, 2017. The intent of notifying these rules is to start the process of issue of registration certificate, called Goods and Services Tax Identification Number (GSTIN), to taxpayers who have already been issued provisional ID for registration(PID) as well as to the new taxpayers.

2. Any person who has been granted PID and who opts for composition scheme, should submit an intimation of option in a prescribed form on GSTN on or before 21st July, 2017.
3. Any persons who has PID may submit the required documents on GSTN for getting the certificate of registration. It is clarified that a period of three months is allowed to complete this procedure i.e. the formalities can be completed on or before 22nd September, 2017. In the interim, they can issue tax invoice using the PID already allotted to them.
4. A person seeking fresh registration can apply for registration within thirty days from the date on which he becomes liable for registration. They can also opt for composition scheme at the time of filing of registration form.

5. The applicant for grant of new registration can issue a bill of supply for supplying goods or services during the period from the date of liability to obtain registration till date of issuance of the registration certificate, if he has applied for registration within thirty days from the date he has become liable for registration. On grant of certificate of registration he can issue revised tax invoices for the supplies made during this period.

Clarification on GST rates on hotel accommodation

PRESS RELEASE

18th July, 2017

Reports have been received expressing doubts whether 5-star hotels are liable to pay GST @ 28% irrespective of the declared tariff of a unit of accommodation.

In this context, it is hereby clarified that accommodation in any hotel, including 5-star hotels having declared tariff of a unit of accommodation of less than INR 7500 per unit per day, will attract GST @ 18%. Star rating of hotels is, therefore, irrelevant for determining the applicable rate of GST.

Lodging in Hostels

13th July, 2017

There are some reports that GST@18% will be levied on annual subscription/fees charged for lodging in hostels. This is not true. There is no change in tax liability relating to education and related services in the GST era, except reduction in tax rate on certain items of education.

2. It may be mentioned that services provided by an educational institution to students, faculty and staff are fully exempt. Educational institution has been defined as an institution imparting

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- (iii) education as a part of an approved vocational education course.

3. Thus, services of lodging/boarding in hostels provided by such educational institutions which are providing pre-school education and education up to higher secondary school or equivalent or education leading to a qualification recognised by law, are fully

exempt from GST. Annual subscription/fees charged as lodging/boarding charges by such educational institutions from its students for hostel accommodation shall not attract GST.

Free food supplied in anna kshetras

PRESS RELEASE

There are media reports suggesting that GST applies on free food supplied in anna kshetras run by religious institutions. This is completely untrue. **No GST is applicable on such food supplied free.**

2. Further, prasadam supplied by religious places like temples, mosques, churches, gurudwaras, dargahs, etc. attracts Nil CGST and SGST or IGST, as the case may be.
3. However, some of the inputs and input services required for making prasadam would be subject to GST. These include sugar, vegetable edible oils, ghee, butter, service for transportation of these goods etc. Most of these inputs or input services have multiple uses. Under GST regime, it is difficult to prescribe a separate rate of tax for sugar, etc. when supplied for a particular purpose.
4. Further, GST being a multi-stage tax, end use based exemptions or concessions are difficult to administer. Therefore, GST does not envisage end use based exemptions. It would, therefore, not be desirable to provide end use based exemption for inputs or input

services for making prasadam or food for free distribution by religious institutions.

Gift and perquisites

PRESS RELEASE

It is being reported that gifts and perquisites supplied by companies to their employees will be taxed in GST. Gifts upto a value of Rs 50,000/- per year by an employer to his employee are outside the ambit of GST. However, gifts of value more than Rs 50,000/- made without consideration are subject to GST, when made in the course or furtherance of business.

The question arises as to what constitutes a gift. Gift has not been defined in the GST law. In common parlance, gift is made without consideration, is voluntary in nature and is made occasionally. It cannot be demanded as a matter of right by the employee and the employee cannot move a court of law for obtaining a gift.

Another issue is the taxation of perquisites. It is pertinent to point out here that the services by an employee to the employer in the course of or in relation to his employment is outside the scope of GST (neither supply of goods or supply of services). It follows therefrom that supply by the employer to the employee in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST.

Further, the input tax credit (ITC) scheme under GST does not allow ITC of membership of a club, health and fitness centre [section 17 (5) (b) (ii)]. It follows, therefore, that if such services are provided free of charge to all the employees by the employer then the same will not be subjected to GST, provided appropriate GST was paid when procured by the employer. The same would hold true for free housing to the employees, when the same is provided in terms of the contract between the employer and employee and is part and parcel of the cost-to-company (C2C).

Education and GST

There are some press reports that education will become expensive under GST. These are completely unsubstantiated.

There is no change made in any subject relating to education in the GST era, except to reduce tax rate on certain items of education such as school bags etc.

2. It may be mentioned that services provided by an educational institution to students, faculty and staff are exempt:
 - (i) pre-school education and education up to higher secondary school or equivalent;
 - (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
 - (iii) education as a part of an approved vocational education course.
3. Transportation of students, faculty and staff services provided to an educational institution (providing pre-school education and education up to higher secondary school or equivalent) are exempt from GST. Similarly, catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory, to an educational institution providing education upto higher secondary school or equivalent,

are also exempt from GST. Further, security or cleaning or housekeeping services performed in such educational institutions are also exempt from GST. Finally, services relating to admission to, or conducting of examination by, such institutions, upto higher secondary, too are exempt from GST.

Thus, education upto Higher Secondary School level does not suffer GST on output services and also on most of the important input services. Some of the input services like transport, canteen etc. provided by private players to educational institutions were subject to service tax in pre-GST era and the same is continued in GST regime.

4. Furthermore, services by an entity registered under section 12AA of the Income-tax Act by way of charitable activities relating to advancement of educational programmes or skill development for
 - (a) abandoned, orphaned or homeless children
 - (b) physically or mentally abused and traumatized persons
 - (c) prisoners
 - (d) persons over the age of 65 years residing in a rural areaare also exempt from GST.
5. Hence, there has been no change in taxability of educational and other services on account of GST.

Transition to GST regime

PRESS RELEASE

22nd July, 2017

Government is mindful of the concerns of tax payers, especially the small taxpayers, arising from transition to the GST regime from 1st of July, 2017.

2. With a view to ease the compliance burden of provisionally migrated small taxpayers opting to pay tax under the Composition scheme, it has been decided to extend the time limit for filing intimation for Composition levy (filing of intimation FORM GST CMP-01) up to 16th August, 2017.
3. Similarly, the taxpayers who were provisionally migrated by virtue of being registered under the existing laws, but who are no longer required to be registered under GST, the period of applying for cancellation of registration is being extended up to 30th September, 2017. Relevant notifications are being issued.

On Compensation Cess on Motor Vehicles

PRESS RELEASE

07th August, 2017

The Schedule to the Goods and Service Tax (GST) (Compensation to State) Act 2017 specifies the maximum rate at which Goods and Service Tax Compensation Cess may be collected. In respect of motor vehicles, the maximum rate at which Goods and Service Tax Compensation Cess may be collected is 15%.

2. After introduction of GST, the total tax incidence on motor vehicles [GST + Compensation Cess] has come down vis-a-vis the total tax incidence in pre-GST regime. The GST Council considered this issue in its 20th meeting held on 05.08.2017 and recommended that Central Government may move legislative amendments required for increasing the maximum ceiling of cess leviable on motor vehicles falling under headings 8702 and 8703 to 25% instead of present 15% . However, the

decision on when to raise the actual cess leviable on the same
will be taken by the GST Council in due course.

Cess on vehicles

PRESS RELEASE.

Dated 30th August 2017

The Schedule to the Goods and Service Tax (GST) (Compensation to States) Act 2017, specifies the maximum rate at which Goods and Service Tax Compensation Cess may be collected. In respect of motor vehicles, the maximum rate, at which Goods and Service Tax Compensation Cess may be collected, is 15%.

2. Consequent to the GST Council's recommendation, the Cabinet in its meeting on 30th August, 2017 approved promulgation of an ordinance to suitably amend the Goods and Services Tax (Compensation to States) Act, 2017, so as to increase the maximum rate, at which the Compensation cess can be levied from 15% to 25% on:
 - a) motor vehicles for transport of not more than thirteen persons, including the driver

[falling under sub-headings 8702 10, 8702 20, 8702 30 or 8702 90]; and

b) motor vehicles falling under headings 8703.

3. However, there is no change in the effective rates of Compensation cess [as prescribed vide Notification No. 1/2017-Compencess Cess [Rate] dated 28.06.2017] on specified motor vehicles. The issue regarding the increase in effective rate of Compensation cess on motor vehicles will be examined by the GST Council in due course.

Increase in the Compensation Cess rate on cigarettes

PRESS RELEASE

17th July, 2017

In pursuance of the recommendations of the GST Council in its 14th meeting held on 18.05.2017 and 19.05.2017, the Compensation Cess rates under section 8 (2) of the Goods and Services Tax (Compensation to States) Act, 2017, was notified vide notification No.1/2017-Compensation Cess (Rate), dated 28.06.2017 on intra-state or inter-state supply of the specified goods, including cigarettes.

2. In respect of cigarettes, the Fitment Committee had recommended that in line with the weighted average VAT rate [28.7%] the GST rate on cigarettes may be kept at 28%. In addition, Compensation Cess may be levied on cigarettes at rates equal to 1.05 times the specific excise duty rates [net of NCCD]. However, this method of calibrating the Compensation cess did not take into consideration the cascading of taxes [that is in earlier regime VAT being charged on value inclusive of the excise duty].

As a result, the total tax incidence on cigarettes in GST regime has come down, as compared to the total tax in preGST regime.

3. While any reduction in tax incidence on items of mass consumption would be welcome, the same would be unacceptable in case of demerit goods like cigarettes.
4. The GST Council in its meeting on 17.07.2017 reviewed the Compensation Cess rates on cigarettes and recommended the following increase in the same with effect from 00 hours on 18th July, 2017 i.e. the midnight of 17th and 18th July, 2017:

		Compensation Cess Rates		
Tariff Item		Present rate	Proposed Increase	New rates
	Non- filter			
2402 20 10	Not exceeding 65 mm	5% + Rs.1591 per thousand	Rs.485 per thousand	5% + Rs. 2076 per thousand
2402 20 20	Exceeding 65 mm but not 70 mm	5% + Rs.2876 per thousand	Rs.792 per thousand	5% + Rs. 3668 per thousand

	Filter			
2402 20 30	Not exceeding 65 mm	5% + Rs.1591 per thousand	Rs.485 per thousand	5% + Rs. 2076 per thousand
2402 20 40	Exceeding 65 mm but not 70 mm	5% + Rs.2126 per thousand	Rs.621 per thousand	5% + Rs. 2747 per thousand
2402 20 50	Exceeding 70 mm but not 75 mm	5% + Rs.2876 per thousand	Rs.792 per thousand	5% + Rs. 3668 per thousand
2402 20 90	Others	5% + Rs.4170 per thousand	31%	36% + Rs.4170 per thousand

Brand name

PRESS RELEASE

The CGST rate on supply of certain goods, such as chena or paneer, natural honey, wheat, rice and other cereals, pulses, flour of cereals and pulses, other than those put up in unit container and bearing a registered brand name, is Nil. Supply of such goods, when put up in unit container and bearing a registered brand name attracts 2.5% CGST rate.

2. Doubts are being raised as to the meaning of registered brand name. In this context, the Notification No.1/2017-Central Tax (Rate), dated 28.06.2017 [which notifies the CGST rates of intra-state supply of goods] and notification No.2/2017-Central Tax (Rate), dated 28.06.2017 [which exempts intra-state supply of the specified goods] clearly defines “registered brand name” as **brand name or trade name, which is registered under the Trade Marks Act, 1999**. In this regard, section 2 (w) read with section 2 (t) of the Trade Marks Act, 1999 provide that a registered trade mark means a

trade mark which is actually on the Register of Trade Marks and remaining in force.

3. Thus, unless the brand name or trade name is actually on the Register of Trade Marks and is in force under the Trade Marks Act, 1999, the CGST rate of 5% will not be applicable on the supply of such goods.

Carry Forward of unavailed Cenvat Credit

(in respect of assignment of right to use any natural resource under GST--reg.)

Cenvat Credit Rules, 2004 provide that credit of Service Tax paid in a financial year, on the onetime charges payable in full upfront or in instalments, for the service of assignment of the right to use any natural resource by the Government, local authority or any other person, shall be spread evenly over a period of three years.

2. Cenvat Credit Rules have been amended vide notification No. 15/2017-Central Excise (N.T.) dated 12.06.2017 so as to provide that Cenvat credit in respect of such services which remains unavailed on the day immediately preceding the 'appointed day' may be availed of in full on that very day. Appointed day means the day when Central GST comes into effect. The amendment would enable service recipients to carry forward such unavailed credit of Service Tax under the GST regime. As a result Telecom Service Providers, who have been allotted Spectrum in auction conducted in 2016 and have already availed one third credit in respect of Service Tax paid by them, during 2016-17, would be eligible to take the remaining two thirds credit pertaining to

2016-17 in the GST regime, scheduled to roll out on 1st July, 2017.

On National Anti-profiteering Authority under GST

PRESS RELEASE

25th July, 2017

The GST Council has formed a Selection Committee under the Chairmanship of Cabinet Secretary to identify and recommend eligible persons for appointment as Chairman and Members of the National Anti-profiteering Authority under GST. The National Antiprofiteering Authority is tasked with ensuring the full benefits of a reduction in tax on supply of goods or services flow to the consumers.

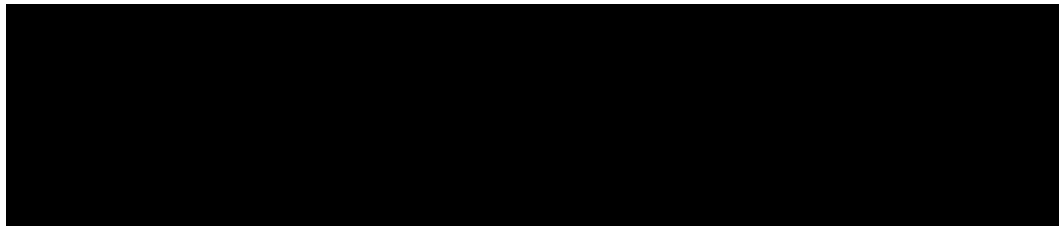
2. When constituted by the GST Council, the National Anti-profiteering Authority shall be responsible for applying anti-profiteering measures in the event of a reduction in rate of GST on supply of goods or services or, if the benefit of input tax credit is not passed on to the recipients by way of commensurate reduction in prices. The National Antiprofiteering Authority shall be headed by a senior officer of the level of a Secretary to the Government of India and shall have four technical members from the Centre and/or the States.

3. The already notified Rules on Anti-profiteering measures provide that applications seeking to invoke anti-profiteering measures shall be examined by a Standing Committee. However, if the application relates to a local matter which the business is located in only one state, it shall be first examined by a State level Screening Committee. The Standing Committee is empowered to refer cases requiring detailed enquiry to Director General of Safeguards, CBEC who shall give his recommendation for consideration of the National Anti-profiteering Authority.
4. In the event the National Anti-profiteering Authority confirms the necessity of applying anti-profiteering measures, it has the power to order the business concerned to reduce its prices or return the undue benefit availed alongwith interest to the recipient of the goods or services. If the undue benefit cannot be passed on to the recipient, it can be ordered to be deposited in the Consumer Welfare Fund. In extreme cases the National Antiprofiteering Authority can impose a penalty on the defaulting business entity and even order the cancellation of its registration under GST.
5. The constitution of the National Anti-profiteering Authority is expected to bolster consumer confidence and ensure all stakeholders reap the intended benefits of GST.

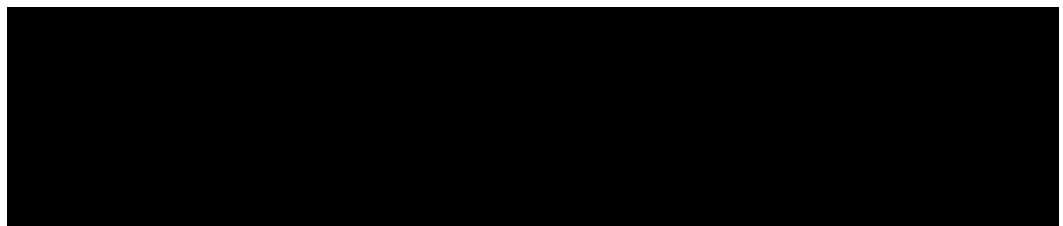
Selling of space for advertisement in print media

Query has been raised before this Ministry regarding GST applicable on selling of space for advertisement in print media.

2. Selling of space for advertisement in print media is leviable to GST @ 5%. If the advertisement agency works on principal to principal basis, that is, buys space from the newspaper and sells such space for advertisement to clients on its own account, that is, as a principal, it would be liable to pay GST @5% on the full amount charged by advertisement agency from the client.



3. On the other hand, if the advertisement agency sells space for advertisement as an agent of the newspaper on commission basis, it would be liable to pay GST@ 18% on the sale commission it receives from the Newspaper. ITC of GST paid on such sale commission would be available to Newspaper.



4. However, if the advertisement agency supplies any service other than selling of space for advertisement, such as designing or drafting the advertisement, and such supply is not a part of any composite supply, the same would be liable to tax @18%. If such supplies are part of any composite supply, the rate applicable for the principal supply shall apply.
5. Therefore, everything depends on the terms of the contract between the newspaper, advertisement agency and the client.

GST Rate for Sanitary Napkins.

1. There are some remarks made by various column writers on GST rate on sanitary napkins. It may be mentioned that the tax incidence on this item before and after GST is the same or less.
2. Sanitary napkins are classifiable under heading 9619. In pre-GST, they attracted **concessional excise duty of 6%** and 5% VAT and, the pre-GST estimated total tax incidence on sanitary napkins was 13.68%. Therefore, 12% GST rate had been provided for sanitary napkin.
3. Major raw materials for manufacture of sanitary napkins and applicable GST rates on them are as under:
 - a) **18% GST rate**
 - Super Absorbent Polymer
 - Poly Ethylene Film
 - Glue
 - LLDPE– Packing Cover
 - b) **12% GST rate**
 - Thermo Bonded Non-woven

- Release Paper
- Wood Pulp

4. As raw materials for manufacture of sanitary napkins attract GST of 18% of 12%, even with 12% GST on sanitary napkins there is an inversion in the GST structure. Though, within the existing GST law such accumulated ITC will be refunded, it will have associated financial costs [interest burden] and administrative cost, putting them at a disadvantage vis-à-vis imports, which will also attract 12% IGST on their imports, with no additional financial costs on account of fund blockage and associated administrative cost of refunds.
5. If the GST rate on sanitary napkins were to be reduced from 12% to 5%, it will further accentuate the tax inversion and result in even higher accumulated ITC, with correspondingly higher financial costs on account of fund blockage and associated administrative cost of refunds, putting domestic manufacturers at even greater disadvantage vis-à-vis imports.
6. Reducing the GST rate on sanitary napkins to Nil, will however, result in complete denial of ITC to domestic manufacturers of

sanitary napkins and zero rating imports. This will make domestically manufactured sanitary napkins at a huge disadvantage vis-à-vis imports, which will be zero rated.

FAQ (Available on cbec-gst.gov.in)

Generic FAQ (Available on cbec-gst.gov.in)

Registration		
1	Does aggregate turnover include value of inward supplies received on which RCM is payable?	Refer Section 2(6) of CGST Act. Aggregate turnover does not include value of inward supplies on which tax is payable on reverse charge basis.
2	What if the dealer migrated with wrong PAN as the status of firm was changed from proprietorship to partnership?	New registration would be required as partnership firm would have new PAN.
3	A taxable person's business is in many states. All supplies are below 10 Lakhs. He makes an Inter State supply from one state. Is he liable for registration?	He is liable to register if the aggregate turnover (all India) is more than 20 lacs (Rs. 10 lacs in Special Category States) or if he is engaged in inter-State supplies.

4	Can we use provisional GSTIN or do we get new GSTIN? Can we start using provisional GSTIN till new one is issued?	Provisional GSTIN (PID) should be converted into final GSTIN within 90 days. Yes, provisional GSTIN can be used till final GSTIN is issued. PID & final GSTIN would be same.
5	Whether trader of country liquor is required to migrate to GST from VAT as liquor is out of GST law?	If the person is involved in 100% supply of goods which are not liable for GST, then no registration is required.
6	Not liable to tax as mentioned u/s 23 of CGST means nil rated supply or abated value of supply?	Not liable to tax means supplies which is not leviable to tax under the CGST/SGST/IGST Act. Please refer to definition under Section 2(78) of the CGST Act.
7	Whether civil contractor doing projects in various states requires separate registration for all states or a single registration at state of head office will suffice?	A supplier of service will have to register at the location from where he is supplying services.

8	Whether aggregate turnover includes turnover of supplies on which tax is payable by the recipient under reverse charge?	Outward supplies on which tax is paid on reverse charge basis by the recipient will be included in the aggregate turnover of the supplier.
9	If there are two SEZ units within same state, whether two registrations are required to be obtained?	SEZs under same PAN in a state require one registration. Please see proviso to rule 8(1) of CGST Rules.
10	Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?	Exemption from registration has been provided to such suppliers who are making only those supplies on which recipient is liable to discharge GST under RCM.
11	When is registration in other state required? Will giving service from Nasik to other state require registration in other state?	If services are being provided from Nasik then registration is required to be taken only in Maharashtra and IGST to be paid on inter-state supplies.

12	I have migrated under GST but want to register as ISD. Whether I can apply now & what is the procedure?	A separate & new registration is required for ISD.
13.	I have enrolled in GST but I forgot to enter SAC codes. What should I do? The status is migrated.	The same can be filled while filing FORM REG-26 for converting provisional ID to final registration.
14	I have ST number on individual name and have migrated to GST. I wish to transfer this on my proprietorship firm.	This conversion may be done while filling FORM REG-26 for converting provisional ID to final registration.
15	Please tell if rental income up to 20 lacs attracts GST or attracts any other charge?	GST is leviable only if aggregate turnover is more than 20 lacs. (Rs. 10 lacs in 11 special category States). For computing aggregate supplies turnover of all supplies made by you would be added.

16	If someone trades only 0% GST items (grains, pulses) then is it necessary to register for GST, if the turnover exceeds ₹20 lacs?	A person dealing with 100% exempted supply is not liable to register irrespective of turnover.
17	Is it correct that person dealing exclusively in NIL rated or exempt goods/ services liable to register if turnover > 20/10 Lakh?	There is no liability of registration if the person is dealing with 100% exempt supplies.
18	If I register voluntarily though turnover is less than 20 Lakhs, am I required to pay tax from 1st supply I make post registration?	Yes, you would be treated as a normal taxable person.
19	Whether a separate GSTIN would be allotted to a registered person for deducting TDS (he	Separate registration as tax deductor is required.

	has PAN and TAN as well)?	
20	Is separate registration required for trading and manufacturing by same entity in one state?	There will be only one registration per State for all activities. But, you have the option to be registered as a separate business vertical.
21	I am registered in TN and getting the service from unregistered dealer of AP, should I take registration in AP to discharge GST under RCM?	Any person who makes inter-state taxable supply is required to take registration. Therefore in this case AP dealer shall take registration and pay tax.
22	Is there any concept of area based exemption under GST?	There will be no area based exemptions in GST.
23	If a company in Maharashtra holds only one event in Delhi, will they have to register in Delhi? Will paying IGST	Only if you provide any supply from Delhi you need to take registration in Delhi. Else, registration at Mumbai is sufficient (and pay IGST on supplies made from Mumbai to Delhi)

	from Maharashtra suffice?	
24	How long can I wait to register in GST ?	An unregistered person has 30 days to complete its registration formalities from its date of liability to obtain registration.
25	What If I am not liable to register under GST but I was registered under Service tax ?	You can apply for cancellation of Provisional ID on or before 31st July 2017.
26	When turnover of agents will be added to that of the principal for registration?	No.
27	If I am not an existing taxpayer and wish to newly register under GST, when can I do so?	You would be able to apply for new registration at the GST Portal gst.gov.in
28	If I buy raw material from supplier unregistered in GST, do I have to pay GST in RCM	Yes, you have to pay GST via RCM. You can avail ITC of the GST so paid if you are otherwise eligible.

	and can I avail ITC of the same?	
29	Can an unregistered dealer supply goods to other States if his turnover is below Rs. 20 lakhs?	No. The supplier would be liable to obtain registration in case of inter-State supplies irrespective of his turnover.
30	Existing taxpayer registering a branch office in another state comes under fresh registration or under existing tax payer registration?	The registration in other State would come under fresh registration.
31	Is registration necessary if only interstate supply of Nil rated goods is being made?	If exclusively making supplies of Nil rated supplies, registration is not compulsory. Kindly refer section 23 of CGST Act.
32	Whether franchisor company will have to take registration in each	No, a franchisor company need not take registration in a state where only its franchisee is located.

	state where outlets are located?	
33	If I'm starting new business today, still need to get TIN and then apply for GST? Or can I directly register with GST?	You may directly take GST registration on www.gst.gov.in
34	A firm dealing exclusively in exempted products has GST registration; does it need to file return?	If registered, then you need to file returns. You may choose to cancel your registration since you are dealing only in exempted products.
35	My all outward supplies are export services. In this case is it compulsory to register under GST?	Yes. Since, exports are zero rated, one needs to register for GST to claim refunds.
36	Can a person operating two different companies with different names but with same PAN get two GST registrations?	One PAN holder gets one registration in every state, but he has the option of getting different registrations for different business verticals.

37	Whether job worker is required to register? Whether composition scheme is available to a job worker?	Job workers making taxable supplies above the threshold aggregate turnover need to register. Composition scheme is not available to job-workers. They, however, can avail benefit of section 143 of the CGST Act.
38	I am a service provider with turnover of Rs. 50 lakhs in one state only. Am I eligible for the composition scheme?	Service providers, except restaurants/caterers, are not eligible for composition scheme.
39	I am an ice cream manufacturer with sales in one state only. Can I avail the option of composition?	No. The following three classes of persons, namely - Ice cream and other edible ice, whether or not containing cocoa. - Pan masala - All goods, i.e. Tobacco and manufactured tobacco substitutes are not eligible for benefit of composition scheme.

40	If I register under the composition scheme, can I opt out of it later? What happens to my stock if I do so?	Those availing composition can exit and opt for normal tax scheme anytime. They would be eligible for ITC on stocks available on the date of switchover in terms of section 18(1)(c) of CGST Act, 2017.
41	Can I register as a normal taxable person now and avail of the composition scheme later?	You can opt for composition scheme from the beginning of the next financial year on submitting the option to avail composition scheme before beginning of the financial year. It may please be noted that composition scheme cannot be availed from the middle of a financial year.
42	I have registered as a composition dealer. If my turnover crosses Rs. 75 lakhs, can I continue in the scheme for the remaining financial year?	No, taxpayer becomes ineligible for composition scheme on the day the turnover crosses Rs. 75 lakhs.

43	If I was registered earlier but am not required to register under GST, what to do about provisional ID and accumulated ITC?	Please apply for cancellation of registration under Section 29(1) of the CGST Act, 2017 read with Rule 24(4) of CGST Rules, 2017. You will be required to calculate and pay ITC availed on goods held in stock on the date of cancellation of registration.
44	I was registered under Central Excise or Service Tax, but could not migrate and therefore have taken a new registration. Will I be eligible for transitional credit?	In your new registration application, if you have referred to your past registration no. of Central Excise or Service Tax, you will be eligible for transitional credit under Section 140 of CGST Act, 2017 read with Rule 117 of CGST Rules, 2017.
45	I have migrated and received provisional ID but not GSTIN, how do I supply goods or services or both?	Provisional ID (PID) will be your GSTIN. You can supply goods or services or both specifying PID as your GSTIN on Invoice.
46	I have not received ARN or have received ARN but	You can supply goods or services or both on bill of supply without

	not GSTIN, how do I supply goods or services or both?	Mentioning GSTIN and/or ARN. On receipt of GSTIN, you will need to issue revised invoice mentioning GSTIN. You are required to reflect this supply in your return and also pay tax thereon.
47	I am a supplier of exempted goods based out of Delhi and procure raw material from Kerala. My supplier from Kerala insists that I have to be registered in Delhi for procurement of Inter-State goods. Is he right ?	No, if you are dealing in 100% exempted supplies you are not liable to be registered in GST. There is no requirement of registration for making inter-state purchases.
48	Is GST registration mandatory for small retailers to buy from dealers/wholesalers?	There is no such requirement under GST law.
Refund		

49	I have a pending export refund in Service Tax. What will happen?	Refunds under earlier laws will be given under the respective laws only
50	As an exporter, how do I ensure that my working capital is not blocked as refunds?	Appropriate provisions have been made in the law by providing for grant of 90% refund on provisional basis within 7 days from filing of registration.
Cess		
51	What will be the impact of GST on coal? Will the clean energy Cess on coal go or will it stay?	Clean Environmental Cess on coal will be replaced by GST Compensation Cess.
Composition Scheme		
52	Suppose I am in composition scheme in GST. If I purchase goods from unregistered person, then GST will be paid to Government by me or not?	Yes, you will be liable to pay tax on reverse charge basis for supplies from unregistered person.
Customs		

53	What duties will be levied on import of goods?	Customs duty and cess as applicable + IGST+ GST compensation cess. IGST and GST compensation cess shall be paid after adding all customs duty and customs cess to the value of imports.
Exports		
54	Present Procedures have Service Tax on Nepal, But no Goods Tax on Nepal. But, With GST, what tax will apply?	The export procedure for Nepal would be same as that to other Countries.
55	Are there exemptions for SEZ? How will a SEZ transaction happen in GST regime?	Supplies to SEZs are zero-rated supplies as defined in Section 16 of IGST Act.
56	How would the sale and purchase of goods to and from SEZ will be treated? Will it be export / input?	Supply to SEZs is zero rated supplies and supplies by SEZs to DTA are treated as imports.
57	Please clarify status of international export	POS for transport of goods determinable in terms of sec 12(8) or

	freight under GST as the same was exempt under POPS rules. It is zero rated in most countries.	sect 13(8) of IGST Act, 2017, depending upon location of service provider/service receiver. Exports are treated as zero rated supplies.
58	When goods are being imported from SEZ who will pay IGST?	Such supply is treated as import and present procedure of payment of duty continues with the variation that IGST is levied in place of CVD.
59	Who will pay IGST when goods are procured from SEZ? Today importer is paying both BCD and CVD.	Such supply is treated as import and present procedure of payment continues with the variation that IGST is levied in place of CVD.
Input Tax Credit		
60	Is SGST of Rajasthan charged by supplier on purchase from Rajasthan can be utilize for payment of SGST in Madhya Pradesh?	SGST of one State cannot be utilized for discharging of output tax liability of another State.

61	How one can use SGST credit for the payment of IGST on another state?	SGST Credit can be used for payment of IGST liability under the same GSTIN only.
62	Can one State CGST be used to pay another state CGST?	The CGST and SGST Credit for a State can be utilized for payment of their respective CGST/SGST liabilities within that State for the same GSTIN only.
63	In case of service supplied, should the credit be given to the state where it is billed or the state it is rendered?	Tax will be collected in the State from which the supply is made. The supplier will collect IGST and the recipient will take IGST credit.
64	Company is engaged in manufacturing of cement & power. Which rule to be referred for reversal of credit related to power business?	Detailed rules for reversal of ITC when the supplier is providing exempted and non-exempted supplies have been provided in ITC Rules.
65	How will the credit / debit note from unregistered supplier be	Like invoice, credit/debit notes on behalf of unregistered person will be given by registered person only.

	reported to GSTN and ITC claimed in the same?	Further, GSTR2 provides for reporting of same by the recipient.
Invoice		
66	A shop sells taxable & exempt products to the same person (B2C), is it required to issue tax invoice and bill of supply separately?	In such a case the person can issue one tax invoice for the taxable invoice and also declare exempted supply in the same invoice.
67	Do registered dealers have to record Aadhaar/PAN while selling goods to unregistered dealers?	There is no requirement to take Aadhaar / PAN details of the customer under the GST Act.
68	All expenses like freight / transport / packing which are charged in Sales Invoice are taxable in GST? How to charge in bill?	All expenses will have to be included in the value and invoice needs to be issued accordingly. Please refer to Section 15 of CGST Act and Invoice Rules.
69	Can we move construction material to	If the goods are meant to be supplied in the course of construction an

	builders on delivery challan and issue tax invoice post completion of activity?	invoice is necessary. If the goods are tools which are to be used for construction then delivery challan should be issued.
70	How to treat following transaction in GST (i) Delivered supply shortages in Transit. (ii) Customer gets less quantity and pays less.	The supplier may issue credit note to the customers.
71	Should we issue Self Invoice for GST liability discharge on RCM or GST can be discharge through expenses booking voucher?	For RCM liabilities tax invoice has to be issued on self.
Returns		
72	What would be done on tax paid on advance receipt if advance has to be refunded in any circumstance	Advance refunded can be adjusted in return.

73	Do registered dealers have to upload sale details of unregistered dealers also in GST?	Generally not. But required in case of inter-State supplies having invoice value of more than Rs 2.50 Lakhs.
74	How to incorporate two supplies in return for Pharma with same HSN code of four digits but having different tax rates?	Returns provide for furnishing rate wise details.
Supply		
75	Should we discharge GST liability for all reverse charge having small amounts of Transaction or any amount limit is there?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person. For supplies above this amount, a monthly consolidated bill can be raised.
76	What is treatment of promotional item given free to end consumers by FMCG companies?	Tax will be charged only on the total consideration charged for such supply.

77	How to comply with 9(4) of CGST Act if POS is in another State of the unregistered supplier	Any person making inter-state supply has to compulsorily obtain registration and therefore in such cases, section 9(4) will not come into play.
78	Under supply from unregistered dealer the purchaser have to pay GST on RCM basis.so whether stipend paid to intern will also come under RCM?	Stipend paid to interns will be employer-employee transactions. Hence, not liable for GST.
79	Salary by partnership firm to Partners as per Income Tax Act liable to GST?	Salary will not be liable for GST.
80	Sec 9(4) of CGST Act 2017. Do I need to pay under RCM if I purchase stationary worth Rs.100 from an unregistered stationery shop?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person.

81	What is the treatment of promotional item given free to end consumers by FMCG companies? If taxable, whether ITC is allowed?	Tax is payable on consideration received for the supply and ITC will be available accordingly.
82	Whether GST will be leviable in case of returnable packing material like drums supplied with finished goods?	GST will be levied on the value charged for the supply only.
83	How will disposal of scrap be treated in GST?	If the disposal is in the course or furtherance of business purposes, it will be considered as a supply.
84	I am from MP and providing service to a customer in Maharashtra. I outsource the work to a service provider in	Generally these will be two supplies where the supplier from MP will charge IGST from the recipient in Maharashtra. Whereas, the service provider in Maharashtra will charge IGST from the recipient in MP.

	Maharashtra, what tax i need to charge?	
85	If address of buyer is Punjab and place of supply is same state of supplier (Rajasthan), then IGST will apply or CGST/SGST?	If the place of supply and the location of the supplier are in the same State then it will be intra-State supply and CGST / SGST will be applicable.
86	Why is bifurcation of cash deposit as CGST-SGST-IGST required? Is cash held against a GSTIN, to be adjusted via return u/s 39	Three levies are under three different statutes and are required to be separately accounted for.
87	What is the difference in between 'Nil rated', 'taxable at 0%' and exempted goods and services? Especially in relation with ITC	Exempt supply includes Nil rated (taxable at 0%) and non-Taxable supplies and no ITC is available for such supplies.
88	Will professional tax will be abolished in	Professional tax is not a tax on supply of goods or services but on being in a

	Maharashtra after introducing of GST?	profession. Professional tax not subsumed in GST.
89	Employer provides bus service, meal coupon, telephone at residence, gives vehicle for official and personal use, uniform and shoes, any GST?	Where the value of such supplies is in the nature of gifts, no GST will apply till value of such gifts exceeds Rs. 50000/- in a financial year.
90	The definition of composite supply and the description of same under Section 8 differ. Please explain consequences.	Section 2(30) defines what will be considered as a composite supply. Whereas, Section 8 provides that in case of a composite supply, the treatment for tax rate etc. will be that of principal supply.
91	Whether slump sale will attract GST. If yes then under which Section?	It will have the same treatment as normal supply.
92	Salary by Partnership firm to Partners as per Income Tax Act liable to	Salary will not be leviable of GST.

	GST? Partners are not employees of the firm.	
Transition		
93	How do I avail transition credit ?	Transition credit can be availed by filing the respective forms under Transition rules.
94	Please provide the clarity on area based exemption 50/2003 in UK & HP.	Area based exemptions will not be continued under GST. It will be operated through the route of reimbursement as prescribed.
95	We manufactured excisable goods. But unit availed the exception benefits 50/2003. What about my dealers stock?	The dealer will get deemed credit @ 40% / 60% of the CGST paid on supply of such goods in GST. If the goods are branded and greater than Rs. 25,000, full credit using CTD can be availed.
96	A trader buys from manufacturer not registered in excise as his turnover is below 1.5cr. Then in such case	Yes deemed credit will be available subject to satisfaction of other conditions as prescribed.

	can trader take ITC on stock up to 40%?	
97	I am a trader. I have excise paid purchase invoice. Whether I can claim credit of full excise duty on closing stock of 1st July 2017	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
98	If a trader purchases directly from manufacturer & has documents showing excise, will he get full excise credit or 40% of CGST?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
99	If a FSD (First Stage Dealer) purchases directly from manufacturer and has value cum excise duty and excise duty is not	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.

	separately shown will he get full credit?	
100	Is the full excise credit also available to traders who purchases directly from manufacturers and excise is separately shown in invoice?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
101	In June 17 Vat return no amount carried forward & held stock of Rs. 50 lakhs. Then can we take credit of that stock or not?	The supplier would be eligible to carry forward the closing balance of ITC from VAT return for June 17.
102	What will be the impact of closing stock which has been already paid vat on 1st July?	The supplier would be eligible to carry forward ITC on such stock from VAT return for June 17.
103	If in Vat return refund claimed in June 17 & no balance credit in GST.	Refund claimed under existing law will be handled as per the provisions of the existing law. Form C to be submitted in terms of provision of Rule 1(1) of

	Then what's the position of submission of Form C	Transition Rules of the respective State SGST Rules.
104.	Some service was provided on 28.06.2017 but Invoice will be raised on 05.07.2017. Whether we have to charge Service Tax or GST?	If Point of Tax arises after appointed date, then GST will be chargeable on such supply.
105	Would we be eligible for credit on Capital Goods in transit and received post GST?	No provision for such credit is there in GST law.
106	What about VAT balance pending on transition date?	Balance VAT credit in the return will be transferred as SGST Credit.
107	What about deemed export against Form H?	Form H will not be there in GST.
108	Who will bear tax difference on closing stocks as on 30th June 2017? Whether the	Closing ITC in VAT return will be allowed to be carry forward in GST.

	manufacturer/dealer or government?	
109	How will we get input credit on stock in hand for spare parts billed from other state, excise, CST and entry tax paid?	For all inputs with duty paying documents available respective CGST/ SGST credit will be available. But credit of CST will not be available.
110	A trader buys from manufacturer not registered in excise as his turnover is below 1.5 crore. then in such case can traders take ITC on stock up to 40%	Deemed Credit will be available on stock in hand provided the conditions of section 140(3) read with Rule 1(4) of Transition Rules are satisfied.
111	Whether we will be eligible for credit of duty paid on Capital Goods in transit and received post GST?	No such provision in GST.
112	Can ITC of Swach Bharat Cess or Krishi Kalyan	No

	Cess be carried forward under GST?	
113.	Will Clean Energy CESS on imported Coal @ Rs. 400 PMT continue to be applicable in GST?	No. Clean Energy Cess is being repealed. Coal, however, will be subject to compensation cess @ Rs 400/- per tonne.
114	Whether closing balance of edu cess and secondary higher education cess prior to 1st Mar 2015 can be carried forward in GST?	No it will not be carried forward in GST as it is not covered by definition of “eligible duties and taxes” under Section 140 of the CGST Act.
115	Can u clarify for 40% benefit on closing stock does 1 year limit apply or not ?	Deemed credit will be available for all stock procured within a 1 year period.
116	Till what time is transition credit available? Where do I need to declare my input stock?	The window to declare transition credit forms is three months from the appointed day. Please refer to transition rules for more details.

117	After implementation of GST, will EOU scheme continue or not?	GST has no special dispensation for EOU's. As to whether they exist for any other purpose may be seen from the FTP.
118	I was unregistered in excise before and now in 18% slab? Can I take credit of stock if I don't have invoices?	Deemed credit will be available to you for stock as duty paying documents are not available, subject to provisions of section 140 (3) of the CGST Act, 2017 read with Rule 140(4) of CGST Rules, 2017.
119	I enjoyed SSI Exemption in Excise and did not register; how do I now take credit of stock lying with me?	Credit may be availed on the basis of document evidencing payment of duty on inputs as per section 140(3) of the CGST Act, 2017 read with Rule 140(4) of CGST Rules, 2017.
120.	For textile trader or manufacturers, with input stock without payment of excise duty but GST being charged on final sale, shall we get credit of such stock?	Credit of stock which was unconditionally exempt from excise duty or was NIL rated shall not be available. Please see Rule 117(4) of the CGST Rules, 2017.

121	Can a spice manufacturer take ITC of central excise paid on packing material lying in stock as on 30/06/17?	If he has duty paying documents then he will get full credit of central excise duty paid on stock held by him.
122	I made booking for hotel for a trip in October. Invoice raised already. Would I need to pay GST if payment will be done on 15 July?	If the invoice has been raised and payment made before the 1st of July 2017 then GST will not be applicable.
123	If rent received in advance before appointed day and person not liable to service tax then does RCM liability arise?	The liability of RCM under GST will arise only after 1st of July 2017.
124	Is there any format for invoice under GST? If yes, please provide the link of the same.	No there is no particular format. Rule 46 of the CGST Rules, 2017 prescribes the particulars to be contained in Invoice.

125	Whether from 1st July sequence of invoice no. will change? Or can we follow the same sequence?	Same sequence can be followed provided conditions laid down in Section 31 of the CGST Act, 2017 read with Rule 46 of CGST Rules, 2017 are met.
126	Whether existing UT-1, Bond will suffice? Whether existing ARE 1 form will exist?	Circular No. 4/4/2017-GST dated 07.07.2017 has clarified that the existing Bonds/LUTs shall be valid till 31.07.2017 after which the Bonds/LUTs shall have to be executed in the newly prescribed formats. New formats of bond and LUT have been prescribed under Rule 96A of CGST Rules, 2017. ARE-1 procedure is being dispensed with except in respect to commodities which continue to attract Central Excise duty.
127	Can we get ITC for capital expenditures like	ITC on capital goods is generally available if they are used in the course or furtherance of business. However,

	vehicles, solar panels etc for company use?	credit is not available on cars, unless you are in a business of imparting driving training, or supplying such cars. A list of item on which ITC is not available is provided in Section 17 of the CGST Act, 2017.
128	If my turnover is less than 1.5 crores, do I need to mention HSN code on my invoice?	Specifying HSN code on invoice is Optional for taxpayers having turnover upto 1.5 crores.
129	We are Excise registered dealers and have stock older than 1 year for which Excise is paid. Will we get Input tax credit?	You will be entitled to carry forward closing balance of CENVAT credit shown in your last return filed under Central Excise Act.
130	I was unregistered earlier. Now I want to register under composition scheme. Can I take ITC of my duty paid stock?	No, a person registering under the composition scheme cannot take ITC on inputs.

131	I have Excise registration. I now want to migrate using composition scheme. What is to be the treatment of ITC?	Not eligible for ITC under composition scheme. Your ITC lying in balance will lapse.
132	I paid for a service in June 2017 but am likely to receive the service in August 2017. Can I avail ITC for the same?	Credit on such inputs services will be allowed subject to satisfaction of conditions prescribed in Section 140(5) of the CGST Act.
133	For taxpayers with centralized registration under Excise/ST, what is to be treatment of CENVAT after migration?	CENVAT credit lying in balance in the return filed for period upto 30.06.17 is to be allowed as CGST credit as per Section 140(8) of the CGST Act, 2017 read with Rule 117(2) of CGST Rules, 2017.
UTGST		
134	Will there be GST in A&N Islands as previously there was no VAT	Yes. For supplies within A&N, CGST plus UTGST would be leviable.
Others		

135	Whether IGST would be levied twice on high seas sales? First on high seas sales and second on custom clearance. IGST paid on 1 available as ITC?	IGST shall be levied only once on imports.
136	Will Krishi Mandi Fee (imposed in U.P.) be waived off in GST?	GST does not concern such fee so GST does not affect it.
137	Is E-Way Bill applicable from 1st July 2017	The present system for E-way Bill in States to continue, till the E-Way Bill procedures are finalized.
138	Is there a sunset clause for Anti-Profiteering law?	Yes, the sunset clause for Anti-profiteering Authority is of two years.
139	Which documents should be used in case of inter-state supply of goods until e-way bill rules are notified?	The documents specified under Rule 48 of the CGST Rules, 2017 may please be referred. Triplicate copy of invoices for supply of goods and duplicate copy of invoice for supply of services may be used.

140	If I use my credit card to pay utility bills, will I end up paying GST twice; once for the service and second time for the credit card bill?	No, GST is not leviable on the entire credit card bill; it is charged only on the fee/commission charged by the credit card company.
141	We currently transport material on delivery challan and make a single bill at the end of the month. Can the same be done under GST?	If on every instance you are making a supply then an invoice needs to be issued. For any other movement of goods other than supply (as specified in Rule 55 of CGST Rules, 2017), a delivery challan may be issued.
142	Will service charge, as charged by some restaurants, be treated as consideration for a supply and hence considered liable for tax?	There is no distinction between goods or services under GST. Service charge like any other supply will be leviable to GST. It is also clarified that service charge is not a statutory levy. It is not levied by the Government.
143	What to do with stock lying with me on 1.07.2017. Do I need to charge GST?	Yes, you need to charge GST but you can use transition credit, if available on the said goods.

144	I am a small manufacturer who supplies cycle parts to two manufacturing units in the same area. For every supply, I generate an invoice and take 500 Rs. flat for cartage and loading charges. What tax rate to be charged on the cartage and loading expenses?	This will be a composite supply where the principal supply (the goods) cannot be supplied without the cartage / unloading / transportation expenses. Therefore, the GST rate applicable will be the same as that of the principal supply, i.e, cycle parts, as provided under Section 8 of the CGST Act, 2017.
145	I run a restaurant where I serve alcohol and provide food etc. How do I generate my invoices. What will attract GST and what will attract VAT?	Since, you are providing both taxable and non-taxable supply. You will charge VAT on the non-taxable supply (which is alcohol for human consumption) and GST on all other taxable supplies.
146	In big bazaar, if I purchase some vegetables and one bottle of coke where one	No, these are two independent supplies at two different prices, they will be charged at the GST rate

	of them is exempt and the other is to be charged with 40% GST. Will I be charged 40% on the whole amount?	applicable to them even if they are purchased on the same invoice.
147	I am going to a jewelry shop and selling 10 gm gold and purchasing a 20 gm set in return. GST will be charged on 10 gm or 20 gm?	The value to be charged on such transaction will be the open market value of the entire transaction as per Rule 27(a) of the CGST Rules, 2017. Therefore, GST be charged on entire 20 gm.
148	As a composition dealer, will I have to issue a self invoice if I purchase goods from an unregistered person?	Yes, a composition dealer will issue a self invoice as he is required to pay GST. He will not be eligible for ITC also.
149	Can I use my CGST/SGST credit to set off my IGST liability?	CGST credit can be first used to set off CGST liability. Whatever is left can be used to set off IGST liability. It cannot be used to set off SGST liability. Similarly, SGST credit can be used to set off SGST and IGST liability, in that

		order. It cannot be used to set off CGST liability. Please see Section 49 of the CGST Act, 2017.
150	Can tax paid in one state be used as ITC by the same firm in another state?	No, if a firm is registered in more than one state, then each such registration will be treated as a separate registered person. Cross utilization of credit available with two different registered persons is not allowed.

Disclaimer: Answer is only for educational and guidance purposes and do not hold any legal validity. For complete details (law, rules, notifications and other information) please refer to the CBEC website (www.cbec.gov.in) or this website.

Sectoral FAQ (Available on cbec-gst.gov.in)

1	How will imports be taxed under GST?	All imports will be deemed as inter-State supplies for the purposes of levy of GST. IGST is leviable on imports in addition to other duties of customs. Full set-off will be available as ITC of the IGST paid on import on goods and services.
2	How will exports be treated under GST?	All exports will be deemed as inter-State supplies. Exports of goods and services will be treated as zero rated supplies. The exporter has the option either to export under bond/Letter of Undertaking without payment of tax and claim refund of ITC or pay IGST by utilizing ITC or in cash at the time of export and claim refund of IGST paid.
3	How can IGST be paid?	The IGST can be paid by utilizing ITC to the extent available and balance by cash. The use of ITC for payment

		of IGST will be done in the following order: • - ITC of IGST shall be used for payment of IGST first; • - Once ITC of IGST is exhausted, the ITC of CGST shall be used; • - If ITC of both IGST and CGST are exhausted, ITC of SGST shall be used. • - o Remaining IGST liability shall be discharged in cash. GST System will ensure maintenance of this hierarchy for payment of IGST using the credit. • - However, IGST on imports has to be paid in cash only.
4	What are the provisions for refund of taxes for exporters in GST ?	Provisions relating to refund are contained in section 54 of the CGST Act, 2017. It provides for refund of tax paid on zero-rated supplies of goods or services or on inputs or

		input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilized input tax credit. Identical provisions exist under the IGST Act, 2017 and relevant SGST/UTGST Acts.
5	Can unutilized input tax credit be allowed as refund to exporters?	Yes. Section 54(3) of the CGST Act, 2017 provides for refund of any unutilised input tax credit of inputs and input services at the end of any tax period except where • i) the goods exported out of India are subjected to export duty; or • ii) the exporter claims drawback of CGST or refund of IGST paid on such export.
6	What is the procedure for claiming refund by exporters?	Refund can be claimed by filing an application electronically in prescribed form along with required

	documents through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner. The refundable amount shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund. For details Chapter X of the CGST Rules, 2017 relating to refund may be referred to. In case of refund of IGST, the shipping bill filed with the Customs is treated as an application for refund if the exporter has filed a valid return in Form GSTR-3/3B and the person in-charge of the conveyance carrying the goods to be exported has furnished an export manifest/report. Upon receipt of

		information regarding furnishing of a valid return in FORM GSTR-3 or FORM GSTR-3B by the exporter from the Common Portal, the Customs authorities at the port of export shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill shall be electronically credited to the bank account of the exporter.
7	What is the time limit for grant of refund?	Refundable amount shall be sanctioned within 60 days from the date of receipt of application complete in all respects. However, as a measure of facilitation to exporters, except for certain notified categories, ninety per cent of the amount excluding the amount of input tax credit provisionally accepted will be refunded

		provisionally within seven days from the date of acknowledgement.
8	Will the principle of unjust enrichment apply to exports?	The principle of unjust enrichment is not applicable in case of exports of goods or services as the recipient is located outside the taxable territory.
9	Today under VAT/CST merchant exporters can purchase goods without payment of tax on furnishing of a declaration form. Will this system be there in GST?	No, there is no such provision in GST. Tax will be payable on their inward supplies and they can claim refund of the accumulated ITC.
10	Whether goods sent by a taxable person to a job worker be treated as supply and will they be liable to GST?	No, the goods sent by a registered person to a job worker is not a supply, as there is no transfer of title and no consideration for the goods is involved. In terms of section 143 of the CGST Act, 2017 a registered taxable person (the principal), after following the prescribed procedure, may send any inputs or capital goods, without payment of GST, to

		a job worker for job work and the principal shall either • i) bring back such inputs or capital goods after completion of job work or otherwise within the prescribed period i.e. 1 year in case of inputs and 3 years in case of capital goods, or • ii) supply such inputs or capital goods, within such prescribed period, on payment of tax within India, or with or without payment of tax for export, as the case may be. If the goods or, capital goods, as the case may be, are not returned to the principal within the time specified above, the same shall be deemed to have been supplied by the principal to the job worker on the date the goods were sent out to the job worker and the principal shall be

		required to pay tax accordingly on such supplies.
1 1	Is a job worker required to take registration?	As job work is a service, it would be considered a supply and the job worker would be required to obtain registration if his aggregate turnover exceeds the prescribed threshold of Rs.20 lakhs or, as the case may be, Rs.10 Lakhs.
1 2	Whether exemption from all duties of Customs be available on imports under exemption schemes such as EPCG, Advance licence etc under GST regime.	No. Exemption will be available only from Basic Customs Duty. IGST will be payable on such imports. However, the importer can avail ITC of IGST paid and utilise the same or claim refund in accordance with the provisions of the CGST Act, 2017 and rules made thereunder.
1 3 .	Can duty credit scrips received as incentive by exporters such as MEIS, SEIS etc be utilised for payment of	No, these scrips can be utilised only for payment of Basic Customs duty. IGST cannot be paid by utilising these scrips.

	all duties at the time of import?	
14	Will drawback at higher rate be available to handicraft exporters who do not avail Input Tax Credit (ITC) like presently available to those who do not avail CENVAT credit?	No. There will be no difference in rate of Drawback for exporters not availing ITC in GST regime. In GST regime, drawback will be admissible only at lower rate determined on the basis of customs duties paid on imported materials used in the manufacture of export goods. However, as an export facilitation measure, for the transition period of 3 months from July to September, 2017, drawback at higher composite rates will continue to be granted subject to the condition that no input tax credit of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward.

1 5	Is GST payable on consideration received for sale of scrips?	Yes. Scrips are goods and sale of scrips has to be treated as supply of goods. GST at applicable rate will therefore be payable.
1 6	Would GST be payable on goods not intended to be sold, taken out for participation in overseas exhibitions and trade fairs and brought back into India as these goods are meant for exhibition only ?	GST is not payable in such cases. Exporters will need exhibition participation letter and no foreign exchange involved letter from the concerned bank for the purpose of exchange control requirements. At the time of re-import, identity of goods imported with export goods needs to be established to seek exemption from import duty in accordance with Customs provisions. IGST will be exempted at the time of re-import in view of exemptions granted under Customs.
1 7	Will an exporter be required to pay GST in case of goods procured from unregistered persons?	In case of supply by an unregistered person, the registered person i.e., exporter shall be liable to pay GST under reverse charge mechanism

		for purchases above five thousand rupees in a day. However the exporter can avail ITC of such GST paid and either utilise the ITC or claim refund of the same.
18	Will credit of duties be available on inputs and inputs contained in semi-finished goods/finished goods lying in stock of an exporter who was not registered under existing laws, as on appointed day of GST?	Yes, provided the exporter was not liable to be registered under the existing law.
Mining		
1	Can small mining leaseholders with a turnover less than Rs.75 lacs operate under composition scheme?	As per Sec. 10(1) of the CGST Act, 2017, a registered person whose aggregate turnover in the preceding FY did not exceed Rs.75 lakhs, would be eligible for paying GST under the composition scheme.

2	What is the GST rate for minerals and ores in Composition Scheme?	In a case where the process amounts into manufacture, the rate of tax will be 1% (CGST) and 1% (SGST/UTGST). In any other case, the rate will be ½% (CGST) and ½% (SGST/UTGST).
3	Will they have to deposit GST under SGST / CGST heads separately?	Yes. GST has to be paid separately under CGST and SGST/UTGST by generating a single challan through the common portal under a single return.
4	Can a small Mine Lease holder undertake inter-State supply if it avails composition scheme?	No. If a supplier chooses to avail of composition scheme, he shall not undertake inter-State supply.
5	What is the IGST rate for minerals and ores in case of inter – State supply?	At present, the IGST rate is the sum of CGST and SGST/ UTGST rate. These rates have been notified and are available in public domain.
6	Can the buyer get input credit on the supply of minerals from a mine	No, the buyer cannot avail of the credit of tax paid by the supplier who is under the composition scheme as the person paying tax under

	owner in composition scheme?	composition scheme cannot issue a tax invoice and collect taxes on his supplies.
7	Will the recipient have to pay tax under reverse charge?	GST on reverse charge mechanism is payable under section 9(4) of the CGST Act, 2017 only in case of purchases from unregistered suppliers. As the mine owner who is paying tax under composition scheme is registered, the recipients need not pay GST on reverse charge mechanism.
8	What is the threshold limit and conditions when a small mine owner/lease holder under Composition Scheme has to migrate into full GST System?	As per section 10(3) of the CGST Act, 2017, the option availed of by the small mine owner/lease holder shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds Rs. 75 lakhs. For details regarding other conditions, section 10 of the CGST Act, 2017 and the rules framed thereunder may be referred to.

9	Is the Return filing and compliance simpler under composition scheme?	Yes, Return filing and compliance is simpler under the composition scheme. The registered person has to file only one return on a quarterly basis in Form GSTR-4.
10	Will the basic exemption limit from GST be applicable to the tiny & micro segment in mining?	Yes, the basic exemption limit of Rs. 20 lakhs (Rs.10 lakhs in the case of special category States) is applicable to the tiny and micro segment even in mining. However, a person engaged in making taxable supply and having aggregate annual turnover (more than Rs.20 lakhs in any State other than the special category States) would be liable to obtain registration under GST. The return has to be filed on monthly basis by regular taxable persons and on quarterly basis by the taxable persons registered under the composition scheme.

11	Is the Return filing and compliance simpler under composition scheme?	Yes, Return filing and compliance is simpler under the composition scheme. The registered person has to file only one return on a quarterly basis in Form GSTR-4.
12	Will the basic exemption limit from GST be applicable to the tiny & micro segment in mining?	Yes, the basic exemption limit of Rs. 20 lakhs (Rs.10 lakhs in the case of special category States) is applicable to the tiny and micro segment even in mining. However, a person engaged in making taxable supply and having aggregate annual turnover (more than Rs.20 lakhs in any State other than the special category States) would be liable to obtain registration under GST. The return has to be filed on monthly basis by regular taxable persons and on quarterly basis by the taxable persons registered under the composition scheme.
13	What is aggregate turnover?	As per section 2(6) of the CGST Act, 2017, "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 be computed on all India basis but excludes Central tax, State tax, Union territory tax, integrated tax and compensation cess.
14	Will the buyer of goods from unregistered person pay reverse tax?	A registered person receiving taxable goods or services from a supplier who is not registered, would be liable to pay GST under reverse charge mechanism. However, in terms of notification no. 8/2017-Central Tax (rate) dated 28th June, 2017, aggregate value of supplies of goods and/or service received by a registered person from any or all the

		suppliers, who is or are not registered, upto five thousand rupees in a day is exempt from tax under reverse charge mechanism. This exemption will not apply if the value exceeds Rs.5000/-.
15	Can a buyer of goods and services pay the value of services / goods to the supplier and deposit the GST component of the invoice in the supplier's account so that when the buyer claims input credit, he may get the same cross entry tallied from the supplier's account?	No. This option is not available under GST Law.
16	In case there are disputes regarding quality, weight, etc. between the buyer and the supplier and the goods are returned fully or	In such cases, the supplier may issue a credit note to the recipient in accordance with the provisions of section 34(1) of the CGST Act, 2017.

	partially, as found unfit for use, can the excess paid tax component be adjusted from future tax liability?	
17	Whether deduction of Liquidity Damage (LD)/Penalty deduction from contractor's bills and charging Penalty for non-lifting of coal till targeted minimum level to Annual Contractual Quantity (ACQ) will attract GST?	Yes, it is a service being "tolerating an act" as per Schedule II of the CGST Act, 2017 thus GST shall apply.
18	Will GST be payable at the time of raising an invoice for supply of goods from a mining lease holder or it will be applicable on the amount of advance received by the mining company for booking the order?	As per the provisions of section 12(2) of the CGST Act, 2017 the time of supply of goods shall be the date of issue of invoice or the date of receipt of payment, whichever is earlier. Accordingly, GST would be payable on advance payment received prior to issuance of the invoice.

19	Will the supplier have to issue "receipt voucher" against each advance received?	Yes, as per section 31(3)(d) of the CGST Act, 2017 the supplier has to issue a "receipt voucher" for every advance received.
20	How do I show the advance received in GSTR 1?	Where against an advance the invoice is issued in the same tax period, the advance need not be shown separately in Form GSTR-1 but the specified details of invoice itself can be directly uploaded on the system. Details of all advances against which the invoices have not been issued till the end of the tax period shall have to be reported on a consolidated basis in Table 11 of Form GSTR-1. As and when the invoices against these advances are issued, they have to be declared in Form GSTR-1 and the adjustment of the tax paid on advances against the tax payable on the invoices uploaded in Form GSTR-

		1 shall have to be done in Table 11 of Form GSTR-1.
21	In case no supplies are made against an advance, will the dealer have to issue a "refund voucher" only for the advance or for advance including GST?	Refund voucher has to be made for the full value of advance, including the amount of GST.
22	It will be difficult to link between "Advance Receipt Voucher" and invoices in case of sales billing on Cash Sale (Rail/Road)/e-Auction etc., especially in case of Rail Cash sale, where purchasers deposit money in advance to the tune of many crores for which lifting of coal has to be made from various loading point and time. In such situation how will the	Under GST gross amount of advance is to be reported and tax has to be paid. Advance can be adjusted in totality. While raising the invoice subsequent to receipt of advance, the tax payable will get reduced by the amount of tax paid on the advance and balance amount of advance may be adjusted against future supplies.

	billing person at one point realize how much “balance advance” is available for adjustment while raising invoice at his end at a specific point of time?	
23	Will GST charged on purchase of all earth moving machinery including JCB, tippers, dumpers by a mining company be allowed as input credit?	The provision of Sec. 17(5) (a) of the CGST Act, 2017 restricts credit on motor vehicle for specified purposes listed therein. Further, in terms of the provision of Section 2(76) of the CGST Act, 2017 the expression ‘motor vehicle’ shall have the same meaning as assigned to it in Clause (28) of Section 2 of the Motor Vehicle Act, 1988, which does not include the mining equipment, viz., tippers, dumpers. Thus, as per present provisions, the GST charged on purchase of earth moving machinery including tippers, dumpers used for transportation of goods by a mining

		company will be allowed as input credit.
24	Whether GST is payable on royalty (to be paid to Government) for Mining Lease granted by State Govt.	Yes, on royalty GST will apply under reverse charge mechanism. Further, such payment of GST under reverse charge mechanism would be eligible as ITC in the hands of the recipient of supply for payment of GST.
25	Is ITC available on hiring of immovable properties (land, office, warehouse, processing unit, stock yards) for facilitation of mining operations?	Yes. GST paid on hiring of land, office, warehouse, processing unit, stock yards when these are used in the course or furtherance of business, would be allowed as ITC.
26	What is the time limit for availing input credit under GST?	As per provisions of Section 16(4) of the CGST Act, 2017 the ITC is not available after the due date of furnishing the return for the month of September of the next year or furnishing of the annual return, whichever is earlier.

27	Would the net outstanding amount of unutilised input credit be refunded by the Government?	In terms of the provision of Section 54(3) of the CGST Act, 2017 subject to conditions, refund of unutilized input tax credit would be available in respect of zero rated supply or where ITC has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supply. However, such refund of ITC would not be available if export duty is payable on the goods so exported out of India.
28	Will GST charged by tax consultants, advocates, Chartered Accountants, environmental consultants, canteen service providers and other service providers to mining companies be allowed as input credit?	ITC on any input service/ inputs used in the course or furtherance of business would be available subject to restrictions and other conditions as per the provisions of Chapter-V of the CGST Act, 2017. However, tax paid in respect of canteen service providers shall not be available as credit.
29	Whether free issue of coal to employees paid in course	Gifts not exceeding fifty thousand rupees in value in a financial year by

	of employment and on the basis of wage agreement with value below Rs. 50,000/- per employee will attract GST?	an employer to an employee shall not be treated as supply of goods or services or both (as per Schedule 1 of the CGST Act, 2017). Free issue of coal based on the wage agreement is not a gift. Therefore, free issue of coal in this case will attract GST.
30	Can GST charged as per transport bilti on movement of mineral from mine to the buyer be allowed as ITC to the buyer irrespective of the ownership of the transporting vehicle?	In case of an FOR contract for supply of mineral from the mine to the buyer, it is a composite supply where the consideration will be inclusive of the transportation cost. Therefore, GST on forward charge will be payable by the supplier of the mineral and credit will be available to the buyer if otherwise available. The supplier of the mineral will also pay tax on reverse charge basis on the freight charged by the GTA and the credit of the same will be available to the supplier of the mineral.

		In case of an ex-works contract of supply, where the GTA service has been booked by the supplier at the instance of the buyer and the service is billed by the GTA to the buyer and the minerals are billed by the supplier of the mineral to the buyer, then GTA on reverse charge shall be paid by the buyer who shall be entitled to take credit of the same. The tax on the mineral will be paid on forward charge by the supplier of the mineral and credit will be available to the buyer if otherwise available.
31	Will the situation as mentioned above be different if the value of mineral is less than the cost of freight in long distance consignments?	In the aforesaid example relating to FOR contract, the supply under the contract shall be classified as 'composite supply' where there is a principal supply and other supplies are naturally bundled and supplied in conjunction with each other in the ordinary course of business. The GST

		rate of principal supply shall be applicable in this case i.e. GST rate as applicable to the mineral.
32	Exploration companies undertake exploration activities for preparing mining blocks for auction in different States in the country. They use rigs for exploration. CENVAT credit was available on rig operations under the existing law. Will the company be eligible to take ITC under GST?	Rigs, capitalized in the books of accounts as capital goods are used in the course or furtherance of business. Hence, it will be eligible as capital goods and ITC will be available under GST.
33	Will ITC be available for holding Environmental Clearance (EC) and Forestry Clearance (FC) meetings and for obtaining 'consent to operate' the Mines?	Yes, ITC on expenses incurred in the course or furtherance of business shall be available.

34	Will the mining companies be eligible to take ITC for construction of townships, hospitals and schools?	No. Mining companies will not be eligible for ITC on such activities even if used in course or furtherance of business. In this connection, the provisions contained in section 17(5)(c) of the CGST Act, 2017 refer.
35	Are minerals sent for export in processed or raw form fully exempted from payment of GST or IGST?	In terms of the provision of Section 16(1) of the IGST Act, 2017 export of goods is considered as zero rated supply. Further, in terms of the provision of Section 16(3) of the IGST Act, 2017 a registered person may export goods (i) without payment of IGST against bond/letter of undertaking and claim refund of unutilised ITC, or (ii) on payment of IGST, utilising eligible ITC and claim refund of such IGST.
36	What is the procedure for return of goods under GST?	In terms of Section 34(1) of the CGST Act, 2017 in case of return of goods on which GST was paid at the time of supply, the supplier of such goods

		may issue a credit note for the full value, including the amount of GST in favour of the recipient, and will be entitled to reduce his output tax liability subject to the condition that the recipient of such supply has not availed credit of such GST and if availed, has reversed his ITC on the same.
37	How can we take support during filing of returns, as huge mines are located throughout the districts in the country, especially in rural and backward areas, and the problem will be aggravated as the huge number of mines are operating without any IT infrastructure?	Returns may be filed from the central office of the Company which are usually located in areas with infrastructure required for filing such returns.
38	Whether GST TDS will be applicable on Works	TDS, under section 51 (1) of the CGST Act, 2017 will apply to supplies made

Contract Jobs (to be renamed as Supply of Services) in case of PSUs, since such GST TDS U/s 51(1) of CGST Act. 2017 is applicable on: a) Dept. or establishment of the Central Govt. or State Govt.; or b) Local authority; or c) Govt. agencies; or d) Such persons or category of persons as may be notified by the Govt. on the recommendations of the Council.	to such agencies as may be mandated by the Government for TDS. As of now, this section has not been notified and therefore TDS is not applicable on any supplies.
39 What is the requirement for E-way bill for companies operating in the sector?	As per rule 138 of the CGST Rules, 2017, till such time as final rules are issued, the Government may, by notification, specify the documents that the person in-charge of a conveyance shall carry while the goods are in movement or in transit

		storage. As and when the new e-way bill rules are notified, the person transporting the goods shall carry the said e-way bill generated from the common portal along with the invoice (challan in the case of movement other than by way of supply).
40	Whether an Input Service Distributer (ISD) will be eligible to distribute the ITC in respect of services received during April 17 to June 17 even if the invoices are raised and submitted by contractors after appointed date i.e. in July 17.	In terms of section 140 (7) of the CGST Act, 2017 the ISD will be able to distribute the available credit even if the invoices are received after the appointed day.
41	In Table 5 (b) of GST-TRAN-1, the details of Form C, F and H/I are to be given for the period April 15 to June 17 (i.e. for 27 months)	In cases where sales were covered by Forms C, F, H and I, the input tax credit has remained in the account of the taxpayer because the taxpayer has availed of the benefit of

which would be a voluminous task. Reasons of furnishing the details for last 27 months may please be clarified?	concessional rate/nil rate of tax on the sale/stock transfer under CST Act. The benefit of concessional rate/nil rate is available conditional upon production of the statutory forms. Therefore, allowing migration of the credit that has accrued on account of sale/stock transfer having been made on concessional rate/nil rate should be given only on production of the statutory forms. Even otherwise, the taxpayer would have claimed refund of this ITC and such refund would have been given only on production of the statutory forms. It has been presumed that forms for periods before April '15 would have either been presented or the State would have recovered the additional tax payable on account of non-production of statutory forms. Production of these forms is a statutory liability and

		the taxpayers have already availed the benefit.
42	Education Cess and S&H Education Cess carried forward in ER-1 – whether eligible for ITC under the CGST Act, 2017?	No. Credit of Education Cess and SH Education Cess cannot be carried forward.
43	What will happen to the balance available in the current account (PLA) under Central excise, deposited in cash in advance by any assessee?	Balance in PLA will not be under transition to GST since that has not been appropriated to the Government account which will be determined post completion of the pending assessment. The same can be claimed as refund under the Central Excise Law.
44	Whether credit of Green Cess (Clean Energy Cess) paid on coal and available at the time of transition be eligible for being carried over?	No. Credit of Clean Energy Cess cannot be carried forward on transition.

45	Whether stock held by mining companies on which Clean Energy Cess has been paid be chargeable to compensation cess in GST regime?	Yes. Compensation cess will be charged on supply of such stock.
46	Can supplies of coal under a particular order or under FSA (Fuel Supply Agreement) be eligible under the definition of 'continuous supply of goods'?	Such supplies are in the nature of continuous supply as the invoices are raised periodically. The individual dispatches may be covered under delivery challans and invoice may be issued for the supplies made during a period as per the contract.
47	In case of coal, the applicable Compensation Cess is a Fixed Amount of Rs.400/- per MT. Under above situation, how such apportionment is possible since in case of FSA Sale, supply of different grade of coal as per availability of	If tax rate is not determinable, the tax rate may be determined and paid on the amount of advance at 18%.

	stock against single bulk receipt of “Advance” is to be adjusted?	
48	Whether Railway siding in mining industry exclusively utilized for effecting dispatch of taxable goods vz. coal (i.e. directly used in the course or furtherance of business) will be treated as Plant and Machinery and ITC under GST will be allowed or treated as civil structure and ITC will be denied?	ITC will not be available as railway siding is not plant and machinery as defined in section 17 of the CGST Act, 2017.
49	According to HSN Code 2516 calcareous building stone comes under 5% tax rate, but simultaneously under HSN Code 6802 it comes under 28% tax rate. Clarity on the same may be	Chapter 68 covers value added articles of sandstone etc. which are further worked other than by way of roughly trimmed or merely cut into blocks or slabs.

	provided by the Government.	
50	Whether supply of HSD free of cost for mining operation would attract GST and whether the input tax credit would be available for GST so charged by the Service provider?	HSD is outside GST and therefore, input tax credit would not be admissible.
51	Will ITC be available on steel, timber and sometimes cement which are used in the underground mines to provide a protective device for security purpose?	Credit will not be available if these goods are supplied for construction of an immovable property. But if these are temporarily placed for protective purposes, credit will be available.
52	50 As per Section 54 (3), it is clear that no refund of ITC will be available for export in the cases where product is subject to export duty. Iron Ore export is	The refund of ITC credit is not admissible in view of the second proviso to section 54(3) of the CGST Act, 2017.

	subjected to export duty. In the earlier regime, the exporters were allowed to take refund of service tax paid on exports. Will not our exports become uncompetitive as no refund of ITC will be available?	
	Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also. Similarly reference to CGST Rules, 2017 includes reference to SGST Rules, 2017	
Drugs & Pharmaceuticals		
1	Whether formulations cleared have to be assessed to GST under transfer price mechanism or on the basis of MRP printed on them?	The assessment of drugs and formulations under GST would be on the basis of transaction value at each level of supply with end to end ITC chain for neutralizing the GST paid at the procurement level.

2	What are the requirements for clearance of physician samples distributed free of cost?	In case of clearance of physician samples distributed free of cost, the ITC availed on the said samples has to be reversed in view of the provisions under Section 17(5)(h) of the CGST Act, 2017. No tax is payable on clearance of physician samples distributed free of cost as the value of supply is zero and no credit has been availed.
3	What is the procedure for movement of time expired medicines from the retail outlets to the manufacturer for destruction?	In such cases, the manufacturer may issue a credit note within the time specified in sub-section (2) of section 34 of the CGST Act, 2017 subject to the condition that the person returning the expired medicines reduces his ITC. Subsequently, when the time expired goods are destroyed, the manufacturer has to reverse his ITC on account of goods being destroyed. Where the goods are returned after the time limit specified

		in section 34(2) of the CGST Act, 2017, the registered person returning the goods shall issue a tax invoice, as it is a supply within the meaning of Section 7 of the CGST Act, 2017.
4	How loan and licensee units carry out their operations in GST regime?	GST law does not have any special provision for loan and licensee units. Where the contract are in the nature of performance of job-work, these units can opt to follow the procedure laid down in section 143 of the CGST Act, 2017 i.e. the principal can send any inputs etc. to such units without payment of tax and the principal can clear the goods from the premises of such units if the principal declares these units as his additional place of business or where such units are themselves registered under section 25 of CGST Act, 2017.

5	What is the treatment of clearances effected to Special Economic Zones?	The clearances effected to the SEZ are zero rated supplies in terms of Section 16 of the IGST Act, 2017. Accordingly, the supplier can claim refund of IGST paid on such supplies or clear the same under bond/ letter of undertaking and claim refund of the unutilised ITC.
6	Whether SEZ unit located in a State requires a separate registration under GST?	The SEZ unit located in a State is treated as a business vertical distinct from other units located in the State outside the SEZ [first proviso to Rule 8 of the CGST Rules, 2017 read with Section 25 of the CGST Act, 2017]. Hence, separate registration is required to be obtained for the unit located in SEZ.
7	Whether ISD registration is required to be obtained separately?	In terms of second proviso to Rule 8 of the CGST Rules, 2017 read with Section 25 of the GST Act, 2017, every person being an Input Service

		Distributor has to make a separate application for registration.
8	What is the transitional credit that can be availed on the existing stocks held by a registered person under GST, who was not required to be registered under the existing law?	In terms of Rule 117(4) of the CGST Rules, 2017 (transitional provisions) read with Section 140(3) of the CGST Act, 2017, a registered person who was not registered under the existing law and who is not in possession of any document evidencing payment of central excise duty in respect of the goods held in stock, shall be allowed credit at the rate of sixty per cent on such goods which attract central tax at the rate of nine per cent or more and forty per cent for the other goods of the central tax applicable on supply of such goods after 01st July 2017 and the said amount shall be credited in the electronic credit ledger after the central tax payable on such supply has been paid. In case where integrated tax is paid, the amount of

		ITC would be at the rate of thirty per cent and twenty per cent respectively of integrated tax. This facility is available for a maximum period of 6 months from the appointed day (i.e. upto 31st December, 2017) or till the goods are sold out, whichever is earlier.
9	Whether a manufacturer can avail deemed credit in respect of transitional stocks on the appointed day in respect of the stocks for which duty paying document is not available?	In terms of the proviso to Section 140(3) of the CGST Act, 2017, the manufacturer is not eligible to avail deemed credit in respect of transitional stocks, for which duty paying document is not available. Such credit is not available in case of SGST except where VAT was payable on the basis of MRP.
10	Whether deemed credit is available in respect of goods purchased from tax free zones?	The deemed credit in terms of Rule 117(4) of the CGST Rules, 2017 (transitional provisions) read with Section 140(3) of the CGST Act, 2017 would be available in respect of the

		goods, which were not unconditionally exempt from the whole of the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated in the said Schedule. As the goods purchased from tax free zones were exempted from duty payment under a Notification issued under Section 5 of the Central Excise Act, 1944 and not Nil rated in the First Schedule to the Central Excise Tariff Act, 1985, the deemed credit would be available in respect of such goods held in stock on the appointed day.
11	What is the obligation cast on the Registered Person in case of purchases from Unregistered Person?	In terms of Section 9(4) of the CGST Act, 2017 read with Section 31(3) ibid, the Registered Person procuring the taxable supplies from an Unregistered Supplier has to raise invoice and pay GST on reverse

		charge basis in respect of such supplies.
12	What is the treatment of supplies made from erstwhile tax free zones?	Since GST is a destination based consumption tax with seamless transfer of ITC credit, no exemptions are accorded to supplies made by erstwhile tax free zones. Accordingly, the goods cleared from erstwhile tax free zones would be subjected to GST from the appointed day (01st July, 2017).
13	What is the effect of non-payment of consideration in respect of taxable supplies received by the recipient?	If the recipient fails to pay to the supplier 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, the amount of input tax credit availed proportionate to the amount of consideration not paid would be added to his output tax liability along with interest thereon.

		The ITC so reversed can be reclaimed by the recipient after payment of consideration along with tax payable thereon subsequently. This provision is not applicable in respect of deemed supplies made without consideration in terms of Schedule I to the CGST Act, 2017.
14	Whether separate sequence numbers can be maintained for invoices issued by the Registered Person in respect of supplies made under GST?	In terms of Rule 46(b) of the CGST Rules, 2017 single or multiple series of invoices can be raised by the Registered Person for the supplies made under GST as long as such invoice numbers are unique for a financial year.
15	Which is the document required to be issued by the Registered Person for supply of goods from one premises to another premises under the same registration number?	In terms of Rule 55(1)(c) of the CGST Rules, 2017 such movements have to be effected under the cover of a delivery challan along with any other document that may be prescribed in lieu of the e-way bill.

16	Whether discounts can be claimed as an abatement from the price for assessing GST?	In terms of Section 15(3) of the CGST Act, 2017, the value of supply for charging GST shall not include any discount which is given before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply. The value of supply shall also not include any discount which is given after the supply has been effected, if 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 ITC attributable to such discount has been reversed by the recipient of the supply.
17	What are the relevant provisions for movement of transitional goods lying at the premises of contract Manufacturers/Loan Licencee is	The procedure for movement of transitional goods lying at the premises of Contract Manufacturers/Loan Licencee is governed by the provisions under

	manufacturer on or after appointed day?	Section 141(1), (2) & (3) of the CGST Act, 2017.
	Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also. Similarly reference to CGST Rules, 2017 includes reference to SGST Rules, 2017	
E-Commerce		
1	What is Electronic Commerce?	Electronic Commerce has been defined in Sec. 2(44) of the CGST Act, 2017 to mean the supply of goods or services or both, including digital products over digital or electronic network.
2	Who is an e-commerce operator?	Electronic Commerce Operator has been defined in Sec. 2(45) of the CGST Act, 2017 to mean any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

3	Is it mandatory for e-commerce operator to obtain registration?	Yes. As per Section 24(x) of the CGST Act, 2017 the benefit of threshold exemption is not available to e-commerce operators and they are liable to be registered irrespective of the value of supply made by them.
4	Whether a person supplying goods or services through e-commerce operator would be entitled to threshold exemption?	No. Section 24(ix) of the CGST Act, 2017 lays down that the threshold exemption is not available to such persons and they would be liable to be registered irrespective of the value of supply made by them. This requirement is, however, applicable only if the supply is made through such electronic commerce operator who is required to collect tax at source under section 52 of the CGST Act, 2017. However, where the e-commerce operators are liable to pay tax on behalf of the suppliers under a notification issued under section 9 (5) of the CGST Act, 2017, the suppliers

		of such services are entitled for threshold exemption.
5	Will an e-commerce operator be liable to pay tax in respect of supply of goods or services made through it, instead of actual supplier?	Yes, but only in case of services notified under Sec. 9(5) of the CGST Act, 2017. In such cases tax shall be paid by the electronic commerce operator if such services are supplied through it and all the provisions of the Act shall apply to such electronic commerce operator as if he is the supplier liable to pay tax in relation to the supply of such services. A similar provision for inter-State supply is provided for in Sec. 5(5) of the IGST Act, 2017. (Refer to Notification No. 17/2017- Central Tax (Rate) and 14/2017- Integrated Tax (Rate) dated 28.06.2017).
6	Will threshold exemption be available to electronic commerce operators liable	No. Threshold exemption is not available to e-commerce operators who are required to pay tax on

	to pay tax on notified services?	notified services supplied through them.
7	What is Tax Collection at Source (TCS)?	The e-commerce operator is required to collect an amount at the rate of one percent (0.5% CGST + 0.5% SGST) of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator. The amount so collected is called as Tax Collection at Source (TCS). (Refer to Section 52(1) of the CGST Act, 2017.)
8	It is very common that customers of e-commerce companies return goods. How these returns are going to be adjusted?	An e-commerce company is required to collect tax only on the net value of taxable supplies. In other words, the value of supplies which are returned are adjusted in the aggregate value of taxable supplies. (Refer to Explanation to Sec. 52(1) of the CGST Act, 2017.)

9	What is meant by “net value of taxable supplies”?	The “net value of taxable supplies” means the aggregate value of taxable supplies of goods or services or both, other than the services on which entire tax is payable by the e-commerce operator, made during any month by all registered persons through such operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month. (Refer to Explanation to Section 52(1) of the CGST Act, 2017.)
10	Is every e-commerce operator required to collect tax on behalf of actual supplier?	Yes, every e-commerce operator (other than an operator required to pay tax under section 9(5) of the CGST Act, 2017) is required to collect tax where consideration with respect to a taxable supply is collected by such e-commerce operator. (Refer to Section 52(1) of the CGST Act, 2017.)

11	What time should the e-commerce operator make such collection?	The e-commerce operator should make the collection during the month in which the consideration amount is collected from the recipient.
12	What is the time within which such TCS is to be remitted by the e-commerce operator to Government?	The amount collected by the operator is to be paid to the government within 10 days after the end of the month in which amount was so collected. (Refer to Section 52(3) of the CGST Act, 2017.)
13	How can actual suppliers claim credit of this TCS?	The amount of TCS paid by the operator to the government will be reflected in the GSTR-2 of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator. The same can be used at the time of discharge of tax liability in respect of the supplies made by the actual supplier. (Refer to Section 52(7) of the CGST Act, 2017.)

14	Is the e-commerce operator required to submit any statement? What are the details that are required to be submitted in the statement?	Yes, every operator is required to furnish a statement, electronically, containing the details of outward supplies of goods or services effected through it, including the supplies of goods or services returned through it, and the amount collected by it as TCS during a month within ten days after the end of such month. The statement will be filed in FORM GSTR-8. The operator is also required to file an annual statement by 31st day of December following the end of the financial year in which the tax was collected. (Refer to Section 52(4) and Section 52(5) of the CGST Act, 2017.)
15	What is the concept of matching in e-commerce provisions and how it is going to work?	The details of supplies furnished by every operator in his statement for the month will be matched with the corresponding details of outward supplies furnished by the concerned supplier in his valid return for the

		same month or any preceding month. Where the details of outward supplies declared by the operator in his statement do not match with the corresponding details declared by the supplier, the discrepancy shall be communicated to both persons. (Refer to Section 52(8) and Section 52(9) of the CGST Act, 2017.)
16	What will happen if the details remain mismatched?	The amount in respect of which any discrepancy is communicated and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated shall be added to the output liability of the said supplier in his return for the month succeeding the month in which the discrepancy is communicated. The concerned supplier in whose output tax liability any amount has been added, shall be liable to pay the

		tax payable in respect of such supply along with interest on the amount so added from the date such tax was due till the date of its payment. (Refer to Section 52(10) and Section 52(11) of the CGST Act, 2017.)
17	Are there any powers given to tax officials under the GST Act to seek information on supply/stock details from e-commerce operators?	Yes. Any officer not below the rank of Deputy Commissioner may issue a notice to the electronic commerce operator to furnish such details within a period of 15 working days from the date of service of such notice. (Refer to Section 52(12), (13) and (14) of the CGST Act, 2017).
18	The sellers supplying goods through e-Commerce operators (ECO) may have common places of business, especially if their goods are stored in a shared facility operated by the ECO. This will result in	Yes, this is allowed. Any registered person can declare a premises as a place of business if he has requisite documents for use of the premises as his place of business (like ownership document, agreement with the owner etc.) and there is no restriction about use of a premises by multiple

	the same additional place of business being registered by multiple suppliers. Is this allowed?	persons. The registered person shall have to comply with the requirements of maintaining records as per section 35 of the CGST Act, 2017 and Rules 56 to 58 of the CGST Rules, 2017.
19	Do travel agents providing services through digital or electronic platform qualify as ECOs? Will they be required to collect tax at source as per the provisions of Section 52 of the GST Act?	Online travel agents providing services through digital or electronic platform will fall under the category of ECOs liable to deduct TCS under Section 52 of the CGST Act, 2017.
20	There are transactions in which two or more ECOs are involved. In such cases who would deduct the TCS?	In such cases, each transaction needs to be treated separately and examined according to the provisions of Section 52 of the CGST Act, 2017. The TCS will be deducted accordingly.
21	There are cases in which the ECO does not provide invoicing solution to the seller. In such cases,	Section 52(1) of the CGST Act, 2017 mandates that TCS is to be collected on the net taxable value of such supplies in respect of which the ECO

	invoice is generated by the seller and received by the buyer without ECO getting to know about it. The payment flows through the ECO. In such cases, on what value is TCS to be collected? Can TCS be collected on the entire value of the transaction?	collects the consideration. The amount collected should be duly reported in GSTR-8 and remitted to the Government. Any such amount collected will be available to the concerned supplier as credit in his electronic cash ledger.
22	GST requires a dealer to maintain a consecutive serial number for invoices. If we are supplying from multiple locations, do we need to centrally maintain the invoice numbers serially?	Section 46 of the CGST Rules, 2017 provides that invoice may have "a consecutive serial number not exceeding sixteen characters, 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". Therefore, a supplier can have multiple series for the same year, so

		long as the same series is not used across financial years. Therefore, you may have a different invoice series for each location having consecutive serial numbers running across that series.
23	There are sellers who are selling exempted or zero-tax goods like books through ECOs. Will marketplaces be required to collect TCS on such supplies?	As per Section 52(1) of the CGST Act, 2017 TCS is to be collected on “the net value of taxable supplies” made through an ECO. When the supply itself is not taxable, the question of TCS does not arise.
24	I am a supplier selling my own products through a web site hosted by me. Do I fall under the definition of an “electronic commerce operator”? Am I required to collect TCS on such supplies?	As per the definitions in Section 2 (44) and 2(45) of the CGST Act, 2017, you will come under the definition of an “electronic commerce operator”. However, according to Section 52 of the Act <i>ibid</i>, TCS is required to be collected on the net value of taxable supplies made through it by other suppliers where the consideration is

		to be collected by the ECO. In cases where someone is selling their own products through a website, there is no requirement to collect tax at source as per the provisions of this Section. These transactions will be liable to GST at the prevailing rates.
25	We purchase goods from different vendors and are selling them on our website under our own billing. Is TCS required to be collected on such supplies?	No. According to Section 52 of the CGST Act, 2017, TCS is required to be collected on the net value of taxable supplies made through it by other suppliers where the consideration is to be collected by the ECO. In this case, there are two transactions - where you purchase the goods from the vendors, and where you sell it through your website. For the first transaction, GST is leviable, and will need to be paid to your vendor, on which credit is available for you. The second transaction is a supply on your own account, and not by other

		suppliers and there is no requirement to collect tax at source. The transaction will attract GST at the prevailing rates.
	Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also.	
Food Processing		
1	If I have multiple manufacturing units in a State/UT, do I have to register all my companies separately or as a group?	You shall be granted a single registration in the State/UT. However, you have the option to take separate registration for each of your business verticals (as defined in section 2(18) of the CGST Act, 2017) in the State/UT.
2	A registered person is sending semi-cooked food from his manufacturing unit at Gurgaon to his branch in Delhi. Is he required to pay any tax?	In accordance with the provisions of section 25(4) of the CGST Act, 2017, branches in different States are considered as distinct persons. Further, as per Schedule I, this constitutes supply made in the course

		or furtherance of business between distinct persons even if made without consideration. As it is an inter-State supply, the registered person is required to pay IGST.
3	A registered person is supplying manufactured food products to another person. Transportation charges are required to be paid by the supplier but are actually paid by the recipient. Whether this transportation charges would be added in the supply value?	If the supplier is liable to pay any amount in relation to a supply, such amount would be a part of transaction value, even if the same has been paid by the recipient. In this case, the transportation charges shall be added to the value of supply.
4	A registered person is a manufacturer of taxable food items. His factory is in rental premises. Whether this person is eligible to	Yes, the person is eligible to claim ITC of tax charged on the rental amount.

	claim ITC on tax charged on the rental amount?	
5	Whether the supplier can reduce the tax elements against goods returned to him?	Yes, the person is eligible to reduce the tax liability by issuing credit notes to his recipient for such returned goods subject to the condition that the recipient reduces the claim of ITC to that extent if ITC was availed by him. (Credit Note must bear reference of original invoice No.)
6	What will be the rate of tax on cold drinks (non-alcoholic beverages) and ice cream when served in non-AC Restaurant along with food ?	The rate of tax shall be 12 %. In the event of the supply being made in an AC restaurant, the rate of tax shall be 18%. If the restaurant was availing composition scheme (can do so only if ice cream is not manufactured by the restaurant), the rate of tax shall be 5% of the aggregate turnover.
7	The supplier has sold machinery for hotel industry on 28-06-2017. The purchaser has received	No. Such credit is not admissible in case of machinery, being capital goods. As per Section 140 (5) of the CGST Act, 2017, credit of eligible

	the invoice and machinery on 05-07-2017. Whether ITC of Duty / VAT paid (under the existing law) on machinery can be allowed to be claimed?	duties and taxes in respect of only inputs / input services in transit during transition from Pre-GST to Post-GST is allowable. This is subject to the condition that the tax on such supply is paid under the existing law and the recipient records this receipt in his books of accounts within thirty days of the appointed day.
8	Is Atta / Maida/ Besan supplied in bulk liable to tax under GST?	Outward supply of these goods if effected without registered brand name is exempt under GST. However , if the outward supply is made under a registered brand name and put up in unit container then it would be liable to tax @ 5%.
9	I am a whole seller of rice dealing in both branded and un-branded rice. I purchase them locally (i.e. from within the State) and also from outside the State	(i) Will I have to get myself registered now? Rice put in a unit container and bearing a registered brand name is taxable @ 5%. In accordance with the provisions of section 22 of the CGST

(inter-State purchase). In the last financial year my turnover was Rs 5.5 Crore. Today, I am not registered under VAT. My questions are:-	Act, 2017 (applicable in your case), a person becomes liable to be registered in the State/UT from where he makes taxable supply of goods or services or both if his aggregate turnover (which includes value of exempt supplies as well) in a financial year exceeds Rs. 20 Lakh. Hence, liability to get registration accrues in your case from the date the aggregate turnover in the current financial year exceeds Rs. 20 lakh. (ii) The suppliers of basmati rice (branded) are saying that they will charge 5% IGST and I must get myself registered to avail the ITC. What do I do? As rice put up in a unit container and bearing a registered brand name is taxable @ 5%, the suppliers of branded basmati rice located in other

	States would be charging IGST @ 5%, whose credit can be availed only when the recipient is registered under the CGST Act, 2017. Therefore, if you want to avail of input tax credit, you must get yourself registered. That said, for making inter-State purchases one is not mandatorily required to be registered. (iii) 90% of my turnover will of un-branded rice, while 10% only will of branded one. Can I sell both of them in one invoice? As per Invoice Rules, a registered person supplying taxable goods is required to issue a tax invoice and in case of exempted goods, he is required to issue a bill of supply. As all the contents of bill of supply are included in the tax invoice, a separate bill of supply need not be issued in

	case of the exempt component. Thus, both branded and unbranded rice can be included in one invoice. (iv) As an un-registered taxable person now, am I required to furnish information like HSN, place of supply, taxable value, etc in my invoice? (I know that it is mandatory for a tax invoice only). HSN codes, taxable value, place of supply are required to be recorded in a tax invoice to be issued by a registered person under rule 46 of the CGST Rules, 2017. An unregistered person cannot issue a tax invoice. (v) Assuming, I apply for voluntary registration and obtain GST registration -

				Yes, a person who takes voluntary registration is entitled to take credit of input tax Will I get ITC on the IGST paid on branded rice lying in stock on the date prior to the date of my liability?	in respect of inputs held in stock on the day immediately preceding the date of grant of registration. In this connection, section 18(1)(b) read with section 25(3) of the CGST Act, 2017 refers.	
		(a)				
		(b)		Will I get ITC on CGST & SGST paid on packing materials, office stationery,	A person who takes voluntary registration is entitled to take credit of input tax	

		computer and accounting software purchased and lying with me as stock as business assets on the date preceding the date from which I have become liable to pay tax under GST?	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. Two important points being that the goods in stock must qualify as “input” and that the tax paid at the time of its purchase must qualify as “input tax” under GST.	

			Any goods which have been capitalised in the books of account will not be treated as an input. Hence credit on computers will not be available if the value of the same has been capitalized in the books of accounts. Further, in terms of section 18(1)(b) of the CGST Act, 2017, taxes paid on accounting software which were acquired before registration will not be	

			available as credit since credit is not available in respect of services in such cases. Other than that, credit shall be available on CGST/SGST paid on packing materials, etc. subject to conditions and restrictions spelt out in sections 16 to 18 of CGST Act, 2017.
		When shall I start charging tax i.e. from the date I apply for registration or only after I have	- Only from date the registration has been granted. - The tax invoice also can be issued from that date

		got my registration number?	only. - Prior to it neither you can issue tax invoice nor charge any tax on the invoice.	
		Will I have to issue tax invoice for all sales that (d I make i.e.) branded or un-branded after getting registered?	Rice put up in a unit container and bearing a registered brand name is taxable @ 5% and tax invoice has to be issued for supply of taxable goods [Section 31(1) of the CGST Act, 2017 read with Rule 46 of the CGST Rules, 2017]. For sale of goods exempt	

			from tax i.e. unbranded rice, a bill of supply has to be issued [Section 31(3)(c) of the CGST Act, 2017 read with Rule 49 of the CGST Rules, 2017].	
		(e) Is it compulsory to show the tax amount separately on the face of the tax invoice?	Yes, it is mandatory under section 33 of the CGST Act, 2017.	
		(f) I have three shops in the city, can I issue tax invoices using prefix for these	Yes. It may, however, be ensured that the invoice conforms to the requirements	

		different locations?	under Rule 46(b) of the CGST Rules, 2017.
		Is place of supply required to be mentioned in the tax invoice for local sales also?	No. Under Rule 46(b) of the CGST Rules, 2017, the place of supply along with the name of the State is required to be mentioned in case of an inter-State supply only.
10	Caterpillar is a restaurant cum bar in Kolkata. It has successfully migrated to ground floor or 18%? GST. While the first floor area of the restaurant is air conditioned and supplies food as well as liquor, the ground floor serves only food and is non-air-	(i) Whether they will charge GST @ 12% on supplies made from ground floor or 18%?	Tax will have to be charged @ 18% irrespective of from where the supply is made, first floor or second floor. If any part of the establishment has a facility of air conditioning then the rate will be 18% for all supplies from

conditioned. Cater pillar wants to know,–	the restaurant. (ii) Whether they can raise one tax invoice for both food and liquor or not? Tax invoice has to be issued for supply of food, while for liquor a bill of supply has to be issued or any invoice as may be required under the provisions of local VAT or sales tax law of the concerned State. (iii) What will the rate of tax to be charged for supplies of food made from their takeaway counter? Tax has to be charged @18% on supplies of food made from their takeaway counter. (iv) Can they claim ITC of CGST and SGST paid on crockery items to be used in the restaurant?

	Yes, they can claim ITC of CGST and SGST paid on crockery items to be used in the restaurant. It may be stated that they are entitled to the credit of even IGST paid where such goods are procured from outside the State against a tax invoice. (v) Whether they will be eligible for ITC on crockery items purchased locally in the month of March, 2017 paying VAT of Rs. 72,500/-. The goods have been shown as business assets. If the State VAT law allowed ITC on such goods, the credit was available on the date of purchase. Section 140(1) of the SGST Act, 2017 allows them to carry forward the credit on account of VAT. (vi) Whether they can opt for

	composition (last year their turnover was more than rupees one Crore)? No. they are not eligible for composition levy as they are also supplying liquor. (vii) Can they issue separate series of tax invoices for their supplies from first floor, ground floor and takeaway counter? In accordance with the provisions of Rule 46(b) of the CGST Rules, 2017 the tax invoice need to be serially numbered not exceeding sixteen characters, in one or multiple series. As such, they can issue different series of tax invoices as stated but it must conform to the requirements as given in the said rule.
Note: Reference to CGST Act, 2017 includes reference to	

SGST Act, 2017 and UTGST Act, 2017 also. Similarly reference to CGST Rules, 2017 includes reference to SGST Rules, 2017

Textiles

1	As per Chapter 53 heading 5303 of the GST rate schedule, raw jute has been kept at the NIL rate slab. Thus, it is presumed that suppliers dealing only in raw jute are not required to register themselves under GST. But Jute Mills are asking their raw jute suppliers to mandatorily register themselves else their supplies would not be accepted. Please clarify whether raw jute suppliers are liable for registration?	Raw jute has been kept at NIL rate of GST i.e. there would be no tax on raw jute. Therefore, as per Section 23(1)(a) of the CGST Act, 2017 the suppliers dealing only in raw jute are not required to register. Jute mills are not required to pay tax under Reverse Charge Mechanism (RCM) as mentioned under Section 9(4) of the CGST Act, 2017 because both the goods have been kept at NIL rate of duty. Similarly, Raw Silk has also been kept at NIL rate of GST i.e. there would be no tax on raw silk. Therefore, the

		suppliers dealing only in raw silk are also not required to register.
2	Cotton under chapter heading 5201 and 5203 has been kept in 5% rate slab. Does this mean that cotton farmer is required to register under GST?	No. As per Section 23(1)(b) of the CGST Act, 2017 an agriculturist, to the extent of supply of produce out of cultivation of land is not liable to registration.
3	Does the buyer of raw cotton (who is a registered person) from the farmer need to pay GST on Reverse Charge basis?	Yes. As the cotton under heading 5201 and 5203 has been placed under 5% rate and the cotton farmer is not liable to registration, the buyers of raw cotton (who are registered persons) from the farmers are required to pay tax on reverse charge basis as per Section 9 (4) of the CGST Act, 2017.
4	In respect of goods classified under Chapters 61, 62 and 63, the rate of tax for goods of sale value not exceeding Rs.1000/- is	As per the rate schedule, all goods of sale value not exceeding Rs.1000/- per piece would be taxed at 5% and the goods of sale value exceeding Rs.1000/- per piece would be taxed at

	5% and for those exceeding Rs.1000/- is 12%. Is this value transaction value or MRP?	12%. Therefore, it is the sale value i.e. the transaction value on which the tax has to be paid and not the MRP.
5	No rates have been announced for Jute bags and Jute blended bags. It is feared that they may be placed under Chapter 42 for leather wherein the rate for leather bags is indicated as 28%. It is suggested that the Jute bags may be kept at zero % to promote production of green Jute Diversified products for combating pollution and safe guarding environment?	The bags made of jute are clearly specified in the rate schedule under heading 4202 22 30. The rates for Hand bags and shopping bags of jute is 18%.
6	Man-made textile yarns have been kept at 18% while fabrics have been	You will be eligible for full ITC of Rs. 18/- paid on your inputs i.e. yarn but whatever credit remains unutilized

	kept at 5%. If I buy yarn worth Rs. 100 by paying tax at 18% i.e. Rs. 18/- and I sell grey fabrics at Rs. 150/- considering 50% value addition by paying tax at 5% i.e. Rs. 7.50, what will be the treatment of remaining input credit of Rs. 11.50. Whether I would get refund of remaining credit and how much credit would I get?	will remain in your electronic credit ledger and no refund of the same will be allowed.
7	We are a small saree manufacturer at Surat. We buy ready dyed fabrics and get job work, hand work, stitching etc. done to create designer sarees. Wholesalers and retailers from all over India buy these sarees on credit basis	(a) You can issue a credit note in respect of the goods returned and adjust your tax liability if the person returning the goods has reversed the credit availed by him at the time of original supply. Such credit note cannot be issued after September of the following year or filing of annual return whichever is earlier.

for 30 days to 240 days. I as a trader have some queries regarding implementation of GST from 1st July 2017:- (a) Whatever is sold, 15-30% is returned. What would be treatment of goods returned and how would I adjust my tax liability if the entire GST has already been paid. (b) What would happen to my opening stock on 1st July 2017. Will I get input credit on it or do I just need to supply it after adding 5% GST on it. (c) Is government assuring of payment within 180 days. There are rumours that the	(b) Full credit of the tax paid on the stock would be available if the documents evidencing tax payment are available. However, if only documents relating to procurement are available with no documents evidencing tax payment, deemed credit would be admissible in respect of textiles only if the goods were taxable under the Central Excise Act. Such credit would be available after the tax has been paid on supply of these goods. This facility is available for 6 months period only or till the date of sale of such stock whichever is earlier and is limited to 40% of the central tax paid by you. (c) As per the second proviso to Section 16(2)(d) of the CGST Act, 2017 if a recipient of the supply does not pay to its supplier the value of the supply along with the tax within 180

wholesaler/retailer has to pay within 180 days. Is it true? • (d) How will I make my invoices if a buyer under the composition scheme come to buy our sarees. • (e) We are confused about GST implementation as there was no tax on us before. Will we get relaxation for the return filing?	days from the date of issue of invoice by the supplier, the amount of ITC availed proportionate to the unpaid amount would be added to the output tax liability of the recipient of the supply along with the interest thereon. The credit so reversed can be reclaimed when the value is paid to the supplier along with the tax thereon. Thus the government is not assuring payment within 180 days. • (d) A normal invoice has to be issued irrespective of whether the buyer is under composition scheme or not. The difference would be only when you receive supplies from the person registered under the composition scheme. • (e) Relaxation in filing of returns for the month of July and August, 2017 has already been provided as per which for the first two

months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month. However, the invoice-wise details in regular GSTR – 1 would have to be filed for the month of July and August, 2017 as per the timelines given below –			
Month	GSTR 3B	-GSTR - 1	GSTR-2 (auto populated from GSTR-1)
July, 2017	By 20th August	By 5th September	6th - 10th September

		August 2017	By 20th September	By 20th September	21st - 25th September
8	I have a manufacturing unit of Cotton trouser where customer gives me fabric and I have to convert it into trouser. What would be the rate applicable on me 5 % or 18 %?	The services provided by you fall under the category of job work by virtue of the definition of job work provided under Section 2 (68) of the CGST Act, 2017. The rate for job work in relation to trouser, which is a wearing apparel, is 18%.			
9	We are manufacturing Floor Coverings falling under Chapter 57. As per GST Council meeting dated 11.06.2017, the rate on Coir mats, mattings and floor coverings falling under Chapter 57 have been reduced from 12% to 5%. Kindly clarify as to whether rate of 5% will be	5% rate will apply to only the specified items of coir.			

	applicable on all types of mattings and floor coverings of Chapter 57 or only to those made of coir?	
10	We are manufacturing laminated textile under chapter 59. Previously, our product was exempted under Notification no. 30/2004-CE. But in States we were paying 4% VAT. Also we are doing job work of textile lamination for some customers. Our invoice value is sum total of raw material used for job work, labour charges and profit. Under GST regime:- (a) Whether we will get input credit on material?	(a) Yes. You would be eligible for credit of tax paid on material used for job work. (b) No. You are not required to raise two different invoices. You would be raising one invoice similar one to what you have been doing till now and GST at the applicable rate will be charged on the invoice value. You can pay your tax liability by using Input Tax Credit (ITC). However, invoice should carry all the details as required by the CGST Act, 2017 and the CGST Rules.

	(b) How can we make invoice, which rate, or we have to make two different invoice, one for material used for lamination and other for service charges?	
11	We are in Furnishing Fabrics Industries for curtain and upholstery fabrics. We mainly deal in Woven, Knitted, Polyester and Coated fabrics. You are requested to help us to know the chapter number under which our fabrics as mentioned herein above are covered and GST rate applicable to us?	The woven fabrics are classifiable under the various headings depending upon their composition. The knitted or crocheted fabrics fall under Chapter 60. Polyester fabrics fall under Chapter 54 and 55 and Coated fabrics fall under Chapter 59.
12	There is a gross confusion on the tax applicable for Embroidered Sarees and Fabric. Typically, principal	The rate of 5% would be chargeable on the job process relating to the textile yarns (other than Man Made Fibre/Filament) and fabrics. Sarees

	manufacturers supply fabric/Sarees to Job workers and get various embroidery designs done on the fabric/sarees. We understand that the textile jobworker would charge an output supply GST of 5% on the composite jobwork supply. This embroidery fabric/saree are then sold by the principal manufacturers to wholesale and retail sellers. What would be the output GST applicable on such embroidered fabric/sarees when the same is sold by the principal manufacturer?	are treated as fabrics and a saree remains fabrics only as no new item emerges having distinct name, character and use. Stitching of two or more different kinds of fabrics also does not take away its classification. Therefore, the sarees whether embroidered or not would be taxed at the same rate at which the fabric is taxed.
13	Will the 5 % fabric GST be applied or 12% GST of	Embroidery strips/ badges (narrow woven fabrics) are classified under

	embroidery strips / badges be applied?	heading 5810 and chargeable to tax at 12%.
14	What is the difference between Fabric and Made-ups? Whether Shawl is a fabric or apparel or made-up. What is the rate on Shawls?	Shawls fall in the category of articles of apparel and clothing accessories and are classified under heading 61.17, if knitted or crocheted and under heading 62.14, if not knitted or crocheted. The rate of tax is 5% if the sale value of shawl does not exceed Rs.1000/- per piece and the rate is 12% if the sale value exceeds Rs.1000/- per piece.
15	Dress material are sold by length. They can include upto 3 pieces. These can be plain or embroidered (value-addition or further worked upon). Where should dress material be classified?	Dress sets are classified under heading 6307 and the rate of tax on the dress materials/patterns is similar to the apparels i.e. for dress material of sale value not exceeding Rs.1000/-, tax at 5% would be charged and for dress material of sale value exceeding Rs.1000/-, tax at 12% would be charged.

16	Please clarify the ITC (HS) of yarn made from worn clothing, the material composition of which varies from lot to lot. It is uncertain as the clothing may be of cotton/woollen/man made fibre?	Under HSN, the classification of yarn is on predominance basis. So the yarn having predominance of wool would fall under Chapter 51. If all kinds are in equal proportion i.e. no fibre is predominant, it will get classified in the chapter covering the fibre last in the numerical order, so Chapter 54 or 55 in case MMF are present.
17	What would be the GST rate on old cotton dhoti used for cleaning purpose? It is a used product recycled for cleaning purpose. Is there any GST on old dhoti because there is no VAT on old dhoti?	Dhoti is classifiable under Chapter 52 or Chapter 54 as fabrics. Old dhoti is classifiable under heading 63.09 as worn clothing. The tax for chapter 63 is similar to apparels and related to sale value whereas cotton fabrics/man-made fabrics, irrespective of value, are taxed at 5%. Whatever be the classification, as presumably the old cotton dhoti would be below the sale value of Rs.1000/- per piece, it would be taxed at 5%.

18	We are small traders of textile dealing in Suiting, Shirting, Sarees, Dress Material, Blankets, Dhoti etc. We have some queries regarding implementation of GST from 1st July 2017:- a) What will be the status of opening Stock of Textile items? Will 5% be added on closing stock as on 30th June 2017? b) What is the GST rate in Fabrics, as there are various types of fabrics like cotton, synthetics, man-made fabrics, acrylic, Mixture of cotton and other fabrics etc. Will there be flat rate of 5% on all fabrics or different rate?	(a) When you make supplies out of this stock after 1st July, 2017 you will be liable to pay tax as applicable to the goods sold by you. (b) GST rate on fabric is flat 5% irrespective of composition. (c) Upto Rs. 1.5 cr turnover, no HSN code is required to be mentioned. For those having turnover of Rs. 1.5 to 5 Cr, first 2 digits of the HSN code are required i.e. the chapter number. Only those who have turnover above Rs. 5 Cr are required to mention 4 digits of the HSN code. You will start getting the HSN code in your supplier's invoice, so it would not cause any issues once the supplies under new regime take place. (d) ITC would be admissible as per the Transitional provisions of GST Law. (e) Rate of tax linked to the sale value

	• c) Please provide clarification on HSN number. Is it mandatory to quote in invoice by B2C traders & B2B traders? Further there are various codes in one type of item, would it not create confusion among traders? • d) As per news in CNBC, input tax credit would not be allowed in textile for some period? Please clarify. • e) Is Rs 1000/- bracket for 18% rate applicable on Sarees and suit lengths or will it attract flat rate?	applies only to garments and not for sarees and suit lengths which are fabrics.
19	I am an un-registered trader dealing in textile fabrics which was	Since the goods you are dealing with are exempted from tax under the State Act, you will not be eligible to

exempted from tax under the State VAT Act. If I get registered under the GST Act, will I be eligible to avail of input tax credit on my stock of goods lying on the appointed day?	avail input tax credit as SGST under the SGST Act, 2017 on your stock of goods lying on the appointed day. But, you will be eligible to enjoy CENVAT credit as Central Tax on your stock if you have invoices or other prescribed documents evidencing payment of excise duty under the existing law and such invoices/prescribed documents were issued not earlier than twelve months immediately preceding the appointed day. Your product was not unconditionally exempt from the whole of the duty of excise under the Central Excise Tariff. If you do not possess invoices/other documents evidencing payment of excise duty in respect of your stock of goods, you will be allowed to avail input tax credit on goods held in stock on the appointed day at the rate of

		40% of the central tax on your intra-State supply of goods after the appointed day or 20% of the integrated tax on your inter-State supply of goods after paying central tax/integrated tax on such supply. You are allowed to enjoy the scheme for six months from the appointed day or till such stock is sold out, whichever is earlier, and tax paid by you shall be credited as central tax in your electronic credit ledger.
20	I am a manufacturer of readymade garments. If I send any inputs to the job worker, will it be treated as taxable supply under the GST Act? Can I supply the goods after completion of job work from the place of business of the job worker?	You can send your inputs or capital goods to a job-worker for job work without payment of tax and also bring back the same, after completion of job work, within one year or three years respectively. You can also supply the inputs or capital goods from the place of business of the job worker subject to the condition that you have to declare

		the place of business of the job-worker as your additional place of business if the job-worker is not a registered person. However, if the inputs or the capital goods, other than moulds and dies, jigs and fixtures or tools, which have been sent to the job-worker are not received back within the specified time period, it shall be deemed that you have supplied the inputs or capital goods on the day when you have sent it to the job-worker and you have to pay tax on such supply accordingly.
	Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also.	
Exports		
1	How are exports treated under the GST Law?	Under the GST Law, export of goods or services has been treated as:

		• inter-State supply and covered under the IGST Act. • 'zero rated supply' i.e. the goods or services exported shall be relieved of GST levied upon them either at the input stage or at the final product stage.
2	What will be the impact of GST on zero rating of export of goods?	This will make Indian exports competitive in the international market.
3	Have the procedures relating to exports by manufacturer exporters been simplified in GST regime?	Yes. The procedures relating to export have been simplified so as to do away with the paper work and intervention of the department at various stages of export. The salient features of the scheme of export under GST regime are as follows: • The goods and services can be exported either on payment of IGST which can be claimed as refund after the goods have been exported, or

		under bond or Letter of Undertaking (LUT) without payment of IGST. • In case of goods and services exported under bond or LUT, the exporter can claim refund of accumulated ITC on account of export. • In case of goods the shipping bill is the only document required to be filed with the Customs for making exports. Requirement of filing the ARE 1/ARE 2 has been done away with. • The supplies made for export are to be made under self-sealing and self-certification without any intervention of the departmental officer. • The shipping bill filed with the Customs is treated as an application for refund of IGST and shall be deemed to have been filed after submission of export general manifest

		and furnishing of a valid return in Form GSTR-3 by the applicant.
4	For merchant exporters, is there any change in the Export Procedure under the GST regime?	The concept of merchant or manufacturer exporter would become irrelevant under the GST regime. The procedure in respect of the supplies made for export is same for both merchant exporter and a manufacturer exporter.
5	The supplies to a SEZ unit or SEZ developer are treated as zero rated supplies in the GST Law. Then why there is no specific mention in the GST Law about not charging of tax in respect of supplies from DTA unit to a SEZ unit or SEZ developer?	Yes, supplies made to an SEZ unit or a SEZ developer are zero rated. The supplies made to an SEZ unit or a SEZ developer can be made in the same manner as supplies made for export: either on payment of IGST under claim of refund; or under bond or LUT without payment of any IGST.
6	When a SEZ unit or SEZ developer procures any goods or services from an	Supplies to SEZ unit or SEZ developer have been accorded the status of inter-State supplies under the IGST

	unregistered supplier, whether the SEZ unit or SEZ developer needs to pay IGST under reverse charge or these will be zero rated supplies?	Act. Under the GST Law, any supplier making inter-State supplies has to compulsorily get registered under GST. Thus anyone making a supply to a SEZ unit or SEZ developer has to necessarily obtain GST registration.
7	How soon will refund in respect of export of goods or services be granted during the GST regime?	(a) In case of refund of tax on inputs used in exports: - Refund of 90% will be granted provisionally within seven days of acknowledgement of refund application. - Remaining 10% will be paid within a maximum period of 60 days from the date of receipt of application complete in all respects. - Interest @ 6% is payable if full refund is not granted within 60 days. (b) In the case of refund of IGST paid on exports: Upon receipt of information regarding furnishing of valid return in Form

		GSTR-3 by the exporter from the common portal, the Customs shall process the claim for refund and an amount equal to the IGST paid in respect of each shipping bill shall be credited to the bank account of the exporter.
8	Will export of goods to Nepal and Bhutan treated as zero rated and thereby qualify for all the benefits available to zero rated supplies under the GST regime?	Export of goods to Nepal or Bhutan fulfils the condition of GST Law regarding taking goods out of India. Hence, export of goods to Nepal and Bhutan will be treated as zero rated and consequently will also qualify for all the benefits available to zero rated supplies under the GST regime. However, the definition of 'export of services' in the GST Law requires that the payment for such services should have been received by the supplier of services in convertible foreign exchange.

9	What is deemed export under GST Law? Whether any supply has been categorized as deemed export by the Government?	Deemed export has been defined under Section 2(39) of CGST Act, 2017 as supplies of goods as may be notified under section 147 of the said Act. Under section 147, the Government may, on the recommendations of the Council, notify certain supplies of goods manufactured in India as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange. However, till date, the government has not notified any supply as deemed export.
10	Whether the EOU scheme will continue to be in operation in the GST regime and whether EOU is required to take	EOU is like any other supplier under GST and all the provisions of the GST Law will apply. However, the benefit of Basic Customs Duty exemption on imports will continue.

	registration under the GST Law?	
11	What tax benefits will be available to EOU scheme in GST regime?	The duty free imports under GST regime will be restricted to Basic Customs Duty. Exemption from the additional duties of Customs, if any, under section 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 and exemption from Central Excise duty will be available for goods specified under the fourth Schedule to the Central Excise Act. IGST or CGST plus SGST will be payable by the suppliers who make supplies to the EOU. The EOU will be eligible, like any other registered person, to take Input Tax Credit of the said GST paid by its suppliers.
12	Whether supplies to or from EOU will be exempted from GST?	No. Under the GST Law, IGST or CGST plus SGST will be payable by the suppliers who make supplies to

		the EOU. The EOU will be eligible to take Input Tax Credit of the said GST paid by its suppliers. The supplies from EOU will not be exempted from GST, except in the case of zero rated supplies defined under section 16 of the IGST Act, i.e. supplies made by EOU in the form of physical export or supplies to a SEZ Unit or SEZ Developer for authorized operations.
13	What procedure will be followed by EOU to import goods without payment of Customs duty in the GST regime?	To avail such import benefits, EOUs will have to follow the procedure under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.
14	Whether an EOU can clear goods to another EOU (inter-unit transfer)? And whether an EOU can send goods for carrying out job work on such goods? In	Supply of goods from one EOU to another EOU will be treated as any other supply under GST Law. An EOU can send goods for job work as per section 143 of the CGST Act, 2017 and rule 45 of the CGST Rules, 2017

	such situations, how will be the tax liability be discharged?	and the tax liability shall be discharged accordingly.
15	M/s XYZ is engaged in export of goods only having exports of approx. Rs. 500 crores and no clearances for home consumption are affected. M/s XYZ was not required to be registered under Central Excise. Whether M/s XYZ would be required to get itself registered under GST?	Yes, because exports have been treated as inter-State supplies under IGST Law.
16	We are engaged in the manufacture of exempted excisable goods for export. We availed input stage rebate used in the manufacture of exported goods. How would our case be dealt under GST law if	Under IGST law a person engaged in export of goods which is an exempt supply is eligible to avail input stage credit for zero rated supplies. Once goods are exported, refund of unutilized credit can be availed under Section 16(3)(a) of IGST Act, 2017

	our supply remains an exempt supply?	and Section 54 of the CGST Act, 2017 and the rules made thereunder.
17	We are merchant exporters dealing in various products. As per current procedure, we purchase goods from a particular factory against CT1/ARE1 so that no excise is levied on us. After goods are exported, we provide proof of export and Form H (for sales tax exemption) to the concerned factory. How would GST impact us and what will be the process now?	Taxable event in the GST regime is supply of goods. Exports being inter-State supply, you would be required to obtain GST registration. The manufacturer would be supplying you the goods on the payment of IGST or CGST and SGST/UTGST as applicable. You may avail of input stage credit of the tax paid on goods and services and export the goods under bond/LUT. Unutilized credit can be availed as refund. Alternatively, you may export the goods on payment of integrated tax and refund of integrated tax would be available to you.
18	I have stock of inputs, semi-finished goods and finished goods on the date on which GST comes into	A transition period of three months has been provided for availing of drawback. For exports during this period, higher rate of duty drawback

	force. But I have no duty paying documents. How am I going to be compensated for the taxes paid on the said inputs, semi-finished goods, and finished goods before GST for the exports made after GST is implemented?	(composite AIR) shall be available subject to conditions that no ITC of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward.
19	I supply goods to SEZ units and developers. For such supplies, presently drawback is available to the recipient or to me (if recipient gives a disclaimer). What is status of such drawback under GST regime?	There is no change except for the fact that if drawback is claimed by DTA supplier, the claim needs to be filed with the jurisdictional Customs Authorities.
20	Whether an EOU can clear goods in DTA?	Yes, an EOU can clear goods in DTA in accordance with the provisions laid in the Foreign Trade Policy.

21	Will an exporter be required to pay GST in case of goods procured from unregistered persons (including unregistered job workers)?	In case of supply by an unregistered person (including unregistered job workers), the registered person i.e., exporter shall be liable to pay GST under reverse charge mechanism. However the exporter can avail ITC of such GST paid and either utilise the ITC or claim refund of the same.
22	Is GST payable on Agency Commission earned by buying agents of foreign buyers?	Yes. Since commission is received by agents in India, and the place of supply of service is in India, GST will be payable.
23	Whether every registered person who intends to export requires fresh Bond/LUT even if the same was issued on or before 30 Jun, 2017 and is still live i.e. not one year old.	Circular No. 4/4/2017 - GST dated 07.07.2017 clarifies this. Old LUT/bond is valid till 31.07.2017, after which fresh LUT/Bond in the new format is required to be submitted.
24	Some assesseees had multiple central excise registrations under the	Circular No. 4/4/2017 - GST dated 07.07.2017 clarifies this. Old LUT/bond is valid till 31.07.2017,

	earlier regime and were having different LUT/ Bond for each premises. In GST, there will be single registration for such assesses. Do they require furnishing fresh bond/LUT for their principal place of business or the existing Bond/LUT issued to them prior to 30.06.2017 shall be applicable for the export purpose.	after which fresh LUT/Bond in the new format is required to be submitted.
25	With reference to clause 5 of Rule 96 A as inserted vide Ntf No. 15/2017 – Central Tax dated 01st July 2017 “(5) The Board, by way of notification, may specify the conditions and safeguards under which a Letter of Undertaking may	Yes, conditions and safeguards have been specified by Notification No. 16/2017-Central Tax dated 07.07.2017 and clarified in detail in Circular No. 4/4/2017 - GST dated 07.07.2017. The sum and substance of these documents is that the facility of Letter of Undertaking in place of a bond is available to a registered

	be furnished in place of a bond.” It may be clarified as to whether any conditions and safeguard has been notified by the Board as on date, as certain parties have filed LUT for export in this office	person who is either (a) a status holder as specified in the Foreign Trade Policy 2015-2020; or (b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year. The person should not have been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in a case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.
26	In case of export of services, who will pay the service tax as for Bhutan, Nepal and Bangladesh?	The place of supply is outside India but as the supplier is located in India, it is a case of inter-State supply and subject to IGST. It will be zero rated if the sale proceeds are realized in convertible foreign exchange.

27	Will GST be debited in duty credit scrips such as Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS)?	No.
28	In view of definition of 'export of goods' given in Section 2(5) of the IGST Act, 2017, the supply of goods by the manufacturer to merchant exporter cannot be treated as exports as he is not taking out the goods out of India. He is supplying the goods to the merchant-exporter. Therefore, is the manufacturer required to pay CGST and SGST in all cases of exports by merchant-exporter even	Yes The manufacturer would be liable to pay CGST and SGST. The merchant-exporter has the option either to avail option of Bond/LUT or to pay IGST for export of such goods. There is no provision on the lines of Form H under the CST Act in the GST.

	though the goods are being sealed in container for export from the premises of manufacturer-exporter? Does the merchant-exporter have the option either to avail option of Bond/LUT or to pay IGST for export of such goods?	
29	As per Rule 96A of Central Tax, the LUT is to be accepted by the Jurisdictional Commissioner, Udaipur whereas in pre GST era the same was accepted by the jurisdictional Deputy/Assistant Commissioner Kota. The Commissioner of Kota region has office at Udaipur which is 290 Kilometers	Circular No. 2/2/2017-GST dated 04.07.2017 has clarified that an exporter wishing to export without payment of integrated tax may approach the jurisdictional AC/DC for acceptance of bond/LUT. Circular No. 4/4/2017-GST dated 07.07.2017 has further clarified that the bond /LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter.

	away from Kota due to which it is impractical to file LUT at Udaipur with Commissioner as compared to previous procedure.	
30	As per sub-rule 5 of rule 96A of Central Tax Rule, Board will notify where LUT is to be furnished in place of Bond. Since Board has not notified so far, therefore, this office is of the view that Bond is to be furnished in all cases as of now. Please clarify	The Board has, vide Notification 16/2017-Central Tax dated 07.07.2017, specified the conditions and safeguards under which an exporter may file a LUT instead of a bond.
31	Whether in case of assesses exporting goods under LUT in Central Excise Act 1944, can export goods after 01.07.2017 under GST on the basis of the said LUT filed under Central Excise	In terms of Para 6 of Circular No. 4/4/2017 dated 07.07.2017 exports are allowed under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

	Act, 1944 until that LUT expires.	
32	There is lack of clarity in the trade regarding the eligibility conditions for the LUT/Bond as per the Notification No. 16/2017 – Central Tax. Para i(b) of the said notification requires the exporter to receive the due foreign inward remittances amounting to a minimum 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year. It is not clear for the exporters having an export turnover of say Rs. 5 Crore. For such people whose 10% of the export turnover	Condition i(b) in the said Notification means that: the registered person should have received at least 10% of his/her export turnover as foreign inward remittance in the preceding financial year and the foreign inward remittance in the preceding financial year should not be less than one crore rupees. E.g. if a registered person has an export turnover in FY 2016-17 of Rs. 5 crores and has received foreign inward remittance of Rs. 5 crores in the same FY, then he shall satisfy Condition i(b), and shall be eligible for execution of LUT.

	is below one crore, what is the implication? Are those exporters who have received their total due inward remittance of e.g. Rs. 5 Crore eligible for availing the facility of LUT?	
Transition of Export Promotion Scheme on implementation of GST		
1	Will duty Drawback scheme continue under GST regime? If yes, what will be the rates of Drawback?	Yes. Duty Drawback scheme with certain modifications will continue under the GST regime. The changes in the said scheme are as follows: • The Drawback shall be available only of Customs duties on imported inputs and Central Excise duty on items specified in the Fourth Schedule to the Central Excise Act 1944 (specified petroleum products, tobacco etc.) used as inputs or fuel for captive power generation. • As an export facilitation measure, for the transition period of

		3 months, from July to September, 2017, Drawback at higher composite rates will continue to be granted subject to certain safeguards i.e. for claiming the higher rate of drawback, the exporter has to make a declaration and certificate is required that no Input Tax Credit (ITC) of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward. In absence of such certification, drawback will be restricted to the customs portion of drawback.
2	Is Drawback at a higher All Industry Rate (AIR) admissible if an exporter has not availed Input Tax Credit of GST or refund of IGST paid on exported goods ?	No. After 30th September 2017, drawback will be admissible only at lower rate determined on the basis of the custom duties paid on the goods imported for supplying goods for export.

3	If an exporter has stock of GST paid inputs as well as inputs from pre-GST period and if inputs from both lots are used in export goods, what shall be Drawback on such exports?	During the transition period upto 30th September 2017, exporters can avail drawback at higher rate subject to the conditions that no Input Tax Credit (ITC) of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward.
4	Will brand rate of Drawback be admissible for Central Excise duty and Service Tax in respect of exports made prior to GST implementation, for which application is filed after 1st July 2017?	For the exports made prior to 1st July 2017, application for fixation of brand rate as per the Drawback scheme under the earlier law (defined as 'existing law' in section 2(48) of the CGST Act, 2017) can be filed even after 1st July 2017.
5	Applications for fixation of brand rate used to be filed with jurisdictional Commissioner of Central Excise having jurisdiction over the factory where	With effect from 1st July 2017, applications for fixation of brand rate shall be filed with the Commissioner of Customs having jurisdiction over place of export of goods i.e the port/Airport/ICD etc. where Shipping

	export goods were manufactured. Under GST regime, will there be any change regarding filing of application for fixation of brand rate?	Bill was filed. This shall be applicable even for exports made prior to 1st July 2017 for which application is yet to be filed. In case exports are from multiple places, application shall be filed with the Commissioner of Customs having jurisdiction over any one of the places of export of goods.
6	Is there also a change under the GST regime in respect of filing of application for fixation of brand rate of Drawback for supplies to SEZ units and SEZ Developers?	Prior to 1st July 2017, applications for fixation of brand rate for supplies to SEZ units and SEZ Developers used to be filed with the jurisdictional Commissioner of Central Excise. With effect from 1st July 2017, applications for fixation of brand rate will be required to be filed with the Commissioner of Customs having jurisdiction over the principal place of business of the DTA supplier. This shall be applicable even for exports made prior to 1st July 2017 for which

		application for fixation of brand rate is yet to be filed.
7	On re-export of imported goods, drawback of all duties paid at the time of importation was admissible earlier, as per the rates prescribed in this regard. What will be the position in respect of re-export made after 1st July 2017, of the goods imported prior to 1st July 2017? After 1st July 2017, IGST and Compensation Cess will also be payable on the imported goods. If such imported goods on which IGST and Compensation Cess were paid, are re-exported, whether Drawback of IGST and	Drawback under Section 74 of the Customs Act, 1962 is available for duties paid at the time of importation. Therefore, whatever duties / taxes are paid at the time of importation of goods, Drawback of the same will be granted. Drawback of Basic Customs Duty plus Additional Duty of Customs (CVD) plus Special Additional Duty (SAD) paid on the goods imported prior to 1st July 2017 will be paid even if the re-export is made after 1st July 2017. Similarly, in respect of the goods imported after 1st July 2017, Basic Customs Duty plus IGST plus Compensation Cess will be paid and Drawback of all of these would be paid on re-export of such imported goods.

	Compensation Cess will also be granted?	
8	Under the GST regime, will benefit of exemption from all duties available under Advance authorization scheme, EPCG scheme and duty credit scrips such as Merchandise Exports from India Scheme (MEIS) & Service Exports from India Scheme (SEIS) will continue?	After 1st July 2017, the benefits under all the said schemes shall be restricted only to Basic Customs Duty, Safeguard Duty, Transitional Product Specific Safeguard Duty and Anti-dumping Duty in respect of goods leviable to IGST. For items specified in the Fourth Schedule to the Central Excise Act, 1944 (specified petroleum products, tobacco etc.) exemption from Additional Duty leviable under Sections 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 shall be available.
9	Under GST regime, can we get duty free benefit (all duties exempted) if we import capital goods using EPCG authorization?	Only basic customs duty will be exempted on imports made under EPCG Authorization. The EPCG holder will have to pay IGST on import of

		capital goods and take Input Tax Credit.
10	Can duty credit scrips such as Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) be used for payment of GST?	No. MEIS and SEIS scrip can be used only for payment of Basic Customs Duty or additional duties of Customs on items not covered under GST for imports under GST regime.
11	What will be exemptions available for various authorizations/scrips which have been issued prior to 1.7.2017 and remain unutilized on 1.7.2017?	No exemption under GST Law is provided. The EXIM scrips under the export incentive schemes of chapter 3 of FTP (for example MEIS and SEIS) can be utilised only for payment of Customs duties or additional duties of Customs, on items not covered by GST, at the time of import. The scrips cannot be utilized for payment of Integrated Tax and Compensation Cess. Similarly, scrips cannot be used for payment of CGST, SGST or IGST for domestic procurements.

Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also.

MSME

1	What is GST?	GST stands for Goods and Services Tax, which is levied on supply of goods or services. "Supply" is a legal term which has very broad sweep and various types of economic activities are covered by it. For example, sale of goods is a type of supply.
2	On what supply is GST levied?	GST is levied on all types of supplies which are – (i) made for a consideration and (ii) are for the purpose of furtherance of business. There are some exceptions when these conditions are not met, yet supply is considered to have been made, for example, interstate stock transfer of goods even without consideration or importation of

		services even if not in the furtherance of business.
3	Will GST be levied on all goods or services or both?	No, GST will not be levied on alcohol for human consumption. GST on Crude, Motor Spirit (Petrol), High Speed Diesel, Aviation Turbine Fuel and Natural Gas will be levied with effect from a date to be decided by the GST Council. Electricity and sale of land and building are exempted from levy of GST. Securities are neither goods nor services for the purposes of the CGST Act, 2017 and therefore supply of securities is not taxable.
4	How many types of GST will be levied on different kinds of supply of goods or services?	GST is a dual levy to be simultaneously levied by both Centre and State. On every supply within a State / Union Territory without legislature (intra-State supply), GST levied will have two components - Central Tax and State Tax/ Union

		Territory Tax popularly called CGST and SGST/UTGST. On every supply across States (inter-State), Integrated Tax popularly called IGST will be levied. The rate of CGST and SGST/UTGST would be equal. IGST would be levied at a rate equal to the sum total of CGST and SGST/UTGST.
5	Whether a registered person will have to approach two authorities - Centre as well as State for various permissions, audit etc. under the Act?	No, a registered person will have to approach only one tax authority for all practical purposes. Each registered person would have one tax administration office, either of the Centre or of the State. Legal provisions (called cross-empowerment) have been made to ensure that one officer can discharge all functions under CGST, SGST and IGST Act. The registered person would be informed of the tax administration concerned with him. A single registration is granted for the

		purposes of CGST, SGST/UTGST and IGST.
6	What is destination based consumption tax?	When a supply originates in one State and is consumed in another State, tax can accrue to either of the two States. In a destination based consumption tax, taxes accrue to the State where the supply is consumed. In origin based tax, the tax accrues to the State where the supply originates. GST is basically a destination based consumption tax. For example, if a car is manufactured in Chennai but is purchased eventually by a consumer in Mumbai, SGST (or the State component in IGST) would accrue to Maharashtra and not to Tamil Nadu.
7	Who will pay GST?	GST is generally paid by the supplier, i.e. the one who makes the supply after collecting it from the recipient. The supplier collects GST from the recipient of the supply as part of the

		consideration. However, in a few exceptional cases, the recipient, would be liable to pay GST to the Government on reverse charge basis.
8	What is Input Tax Credit?	A person doing business will be purchasing goods/availing services for making further supplies in the course or furtherance of business. When such purchases are made by him, tax would have been charged by his supplier and collected from him. Since tax is collected from him, he can avail credit of the tax paid by him to his supplier (that is to say, he can use this amount for making payment of tax due from him on further supply made by him). This is known as input tax credit for the recipient.
9	Is GST going to increase compliance burden on the trade?	No. On the contrary GST will result in streamlining of processes and reduction of compliance burden. GST is a simple tax which uniformly

		applies across the country. GST has been designed to have minimal human interface and would be implemented through strong IT platform run by GSTN. Also, in the earlier regime there were multiple compliances required for taxes such as Central Excise, Service tax, VAT etc. with Centre and State. GST makes it single and uniform compliance for indirect taxes across the country. Under GST, there is just one interface with no face-to-face meeting between taxpayers and tax authorities and practically every activity will be done online.
10	What is the threshold for registration in GST?	A person having business which has aggregate turnover of more than Rs. 20 lakhs calculated for a given PAN across the country would need to register under GST. There are some exceptions to this rule as mentioned

		in section 24 of the CGST Act, 2017. Aggregate turnover is defined in section 2(6) of the said Act. For example, assume that a taxable person's business is in many States on same PAN. All supplies are below Rs. 10 lakhs but collectively they are above Rs. 20 lakhs. He would be required to register under GST.
11	Is an agriculturist liable to registration?	No. An agriculturist, to the extent of supply of produce out of cultivation of land, is not liable to registration.
12	What is the most important precaution to be taken to avail the facility of threshold exemption?	An MSME availing threshold exemption should not make any inter-State supply whatsoever, though the MSME may receive supply from other States.
13	I am engaged exclusively in the business of supplying goods or services which are exempt from GST. Am I liable for registration?	No.

14	How do I make supply, if I have not applied for registration?	You should apply for registration at the earliest on the GST common portal and obtain application reference number (ARN). You need not disrupt your business and may continue to make supplies on invoices without GSTIN. The application for registration must be made within 30 days of the turnover crossing Rs.20 lakhs or attracting any of the conditions mentioned in section 24 of the CGST Act, 2017. After registration, you can issue revised invoices as permitted under section 31(3)(a) of the said Act. These supplies should be shown in the return and taxes paid on them.
15	How can an application for fresh registration be made under GST? Within what time will registration be granted?	Application for fresh registration is to be made electronically on the GST common portal (www.gst.gov.in) in FORM GST REG-01. If the details and documents are in order, registration

		will be granted within 3 working days, except in cases where an objection has been raised within this period in which case registration will be granted within a maximum period of 17 days.
16	I was registered under VAT but not under Central Excise. Do I need to apply for new registration?	No. Existing registrants of VAT having valid PAN have been issued Provisional ID and password. If you have not received provisional ID, please contact your tax administration to obtain the same. This Provisional Identity Number (PID) would eventually be your GSTIN, when the migration process is completed.
17	If I have obtained provisional GSTIN (PID), can I use the same on the invoice to make supply without waiting for final GSTIN?	Provisional GSTIN (PID) would eventually be your final GSTIN. The number would remain the same. Yes, you can use this PID on invoice for making supply without waiting for final GSTIN.

18	I am a SME selling printed books after printing and have a turnover of twenty-five lakhs rupees per annum. I print only Children's picture, drawing or colouring books which are exempt from GST. Do I need to register?	No. A person dealing with only exempted supplies is not liable to registration irrespective of his turnover. Section 23(1)(a) of the CGST Act, 2017 refers.
19	If I register voluntarily though my turnover is less than Rs. 20 lakhs, am I required to pay tax on supplies made post registration?	Yes. If you obtain voluntary registration despite the turnover being below Rs. 20 lakhs, you would be treated as a normal taxable person and would need to pay tax on supplies even if they are below the threshold for registration. You will also be entitled to take input tax credit.
20	How will taxpayer get the certificate of registration?	The taxpayer can himself download the certificate of registration online from the GST common portal (www.gst.gov.in).

21	Can registration particulars once furnished be amended?	Yes, request for amendment has to be made online. All amendments in registration particulars, except some core fields, can be amended in the system without the intervention of any official by merely filing the details of the amendment. Also for some amendments, approval may be needed. Examples of fields which require approval are- legal name of business, address of the place of business and addition, deletion or retirement of partners or directors etc. responsible for day to day affairs of the business. Examples of fields which can be amended without any approval are- change of telephone number, email ID, bank account etc.
22	In which State will a person be registered?	A person liable to be registered has to apply for registration in each State from where he makes or intends to make outward supplies under GST.

		Within each State, generally only one registration is required to be obtained.
23	Are all manufacturers necessarily required to be registered under GST?	No, there is no provision requiring that a manufacturer irrespective of threshold or nature of supply to register himself under GST. For example, a manufacturer dealing only in exempted goods or where his turnover is only intra-State and below Rs. 20 lakhs, is not required to be registered.
24	Who is liable to issue a 'tax invoice' and how many copies are required to be issued?	Every registered person (other than a registered person availing the benefit of composition or a registered person supplying exempted goods or services) supplying goods or services or both is required to issue 'tax invoice'. Invoice should be issued in triplicate in case of supply of goods. The original copy is meant for buyer, duplicate for transporter and triplicate

		copy for record of the seller. A registered person under composition scheme or supplying exempted goods or services shall issue a bill of supply instead of a tax invoice.
25	What details are to be contained in a 'tax invoice'?	The tax invoice shall contain details as specified in the rule in this regard. The key details specified in the rules are - name, address and GSTIN of the supplier and the recipient (if registered), a unique number of the invoice and the date of issue, description of goods, value of goods, rate of tax, amount of tax and signature.
26	Is it necessary to issue invoices even if the value of transaction is very low?	A registered person may not issue a tax invoice if the value of the goods/services supplied is less than Rs.200/-, subject to the condition that the recipient is not a registered person and the recipient does not ask for such invoice (if the recipient asks

		for the invoice then the same must be issued, irrespective of the value). In such cases, the registered person shall issue a consolidated invoice at the end of the day in respect of all such supplies.
27	When should a tax invoice be issued for goods?	Tax invoice for goods shall be issued on or before the time of removal/delivery of goods. In case of continuous supply of goods, it shall be issued on or before the time of issue of statement of accounts /receipt of payment.
28	In case of supply of exempt goods or when tax is paid under Composition Scheme, is the registered person required to issue a tax invoice? How a bill of supply is different from a tax invoice?	No. In such cases, the registered person shall issue a Bill of Supply and not a tax invoice. The bill of supply is different from a tax invoice both in name and details contained. While most of the details to be provided in a bill of supply are similar to tax invoice, the bill of supply does not contain the rate of tax and the amount of tax

		charged as the same cannot be collected.
29	If goods are transported in semi-knocked down condition, when shall the complete invoice be issued?	When goods are transported in semi-knocked down condition, the complete invoice shall be issued before dispatch of the first consignment. Delivery challan shall be issued for subsequent consignments. Original copy of invoice shall be sent along with the last consignment.
30	Is there any scheme for payment of taxes under GST for small traders and manufacturers?	Yes. Composition levy is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs. 75 lakhs (Rs.50 lakhs for special category States, excluding J&K and Uttrakhand). It is a kind of turnover tax. The objective of the scheme is to provide a simplified tax payment regime for the small tax payers. The scheme is optional and is

		mainly for small traders, manufacturers and restaurants.
31	What is the eligibility criteria for opting for composition levy? Which are the Special Category States in which the turnover limit for Composition Levy for CGST and SGST purpose shall be Rs. 50 lakhs?	Composition scheme is a scheme for payment of GST available to small taxpayers whose aggregate turnover in the preceding financial year did not cross Rs.75 Lakhs. In the case of 9 special category States, the limit of turnover is Rs.50 Lakhs in the preceding financial year, namely - Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Himachal Pradesh. However, if you are a manufacturer of ice-cream, pan masala or tobacco or tobacco products or if you are a service provider other than a restaurant, you are not eligible for composition scheme.
32	What is the form in which an intimation to pay tax	Composition scheme is optional and intimation that option has been

	under the composition scheme needs to be made by the taxable person?	availed should be made electronically in FORM GST CMP-01 by the migrating taxable person. A person who has already obtained registration and opts for payment under composition levy subsequently needs to give intimation electronically in FORM GST CMP-02.
33	What is the rate of tax under Composition levy for a manufacturer?	Composition rate for manufacturers is 2% (1% CGST and 1% SGST).
34	Are all manufacturers eligible for composition scheme?	A manufacturer is eligible to avail composition scheme except manufacturers - a) whose aggregate turnover in the preceding financial year crossed Rs. 75 lakhs; b) who have purchased goods or services from unregistered suppliers unless they have paid GST on such goods or services on reverse charge basis;

		c) who make any inter-State outward supplies of goods; d) who make supply of goods through an electronic commerce operator; e) who manufacture the following goods: <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Tariff Head</th><th>Description</th></tr> </thead> <tbody> <tr> <td>1</td><td>2105 00 00</td><td>Ice cream and other edible ice, whether or not containing cocoa</td></tr> <tr> <td>2</td><td>2106 90 20</td><td>Pan Masala</td></tr> <tr> <td>3</td><td>24</td><td>Tobacco and manufactured tobacco substitutes</td></tr> </tbody> </table>	Sl. No.	Tariff Head	Description	1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	2	2106 90 20	Pan Masala	3	24	Tobacco and manufactured tobacco substitutes
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35	When will a registered person have to pay tax?	A registered person will have to pay GST on monthly basis on or before 20th of the succeeding month and if he has opted for composition levy he will have to pay GST on a quarterly												

		basis on or before the 18th day of the month after the end of the quarter.
36	A person availing composition scheme during a financial year crosses the turnover of Rs. 75 Lakhs / Rs. 50 Lakhs during the course of the year i.e. say, he crosses the turnover of Rs. 75 Lakhs/Rs. 50 Lakhs in December? Will he be allowed to pay tax under composition scheme for the remainder of the year i.e. till 31st March?	No. The option to pay tax under composition scheme shall lapse from the day on which his aggregate turnover during the financial year exceeds Rs. 75 Lakhs/50 Lakhs. Once he crosses the threshold, he shall file an intimation for withdrawal from the scheme in FORM GST CMP-04 within seven days of the occurrence of such event. He shall also furnish a statement in FORM GST ITC-01 containing details of the stock of inputs and capital goods as per the rules in this regard. This would help him join the input tax credit chain and avail credit of tax that he has paid on his inputs/goods lying in stock on the day he crosses over.

37	For the purpose of availing composition how will aggregate turnover be computed for the purpose of composition?	Aggregate turnover shall be computed on the basis of turnover on all India basis. It includes 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 but excludes GST and cess.
38	Can a person who has opted to pay tax under the composition scheme avail Input Tax Credit on his inward supplies?	No, a taxable person opting to pay tax under the composition scheme is out of the credit chain. He cannot take input tax credit on the supplies received.
39	How is a manufacturer under the composition scheme required to bill his supply? Can a registered person, who purchases	A manufacturer opting to pay tax under the composition scheme cannot issue a tax invoice to his buyer but would issue a Bill of Supply. He cannot collect any tax supplies made

	goods from a composition manufacturer take input tax credit?	by him on his Bill of Supply and is required to show only the price charged for the supply. Consequently, the registered person buying goods from a composition manufacturer cannot take input tax credit.
40	How would a manufacturer under the composition scheme who receives inputs or input services from an unregistered person pay GST? What will be the tax rate if the purchase is from a person availing composition?	GST will have to be paid on inputs and input services received by such manufacturer under reverse charge at normal rates and not at the composition rates. Purchase from a person under the composition scheme is purchase from a registered person and hence will not attract tax under reverse charge under section 9(4) of the CGST Act, 2017. Any person migrating from the existing law to a composition scheme and holding stock of goods purchased from unregistered persons is required to pay tax on such goods.

41	In case a person has registration in multiple States, can he opt for payment of tax under composition levy only in one State and not in other States?	No. An intimation that composition scheme has been availed in one State shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number in other States.	
42	What is the effective date of composition levy?	There can be three situations with respective effective dates as shown below:	
		Situation	Effective date of composition levy
		Persons who have been granted provisional registration and who opt for composition levy (Intimation is filed under Rule 3(1) in	1st July, 2017.

		FORM GST CMP-01)	
		Persons opting for composition levy at the time of making application for new registration in the same registration application itself (The intimation under Rule 3(2) in FORM GST REG-01)	Effective date of registration; Intimation shall be considered only after the grant of registration and his option to pay tax under composition scheme shall be effective from the effective date of registration.
		Persons opting for composition levy after obtaining registration	The beginning of the next financial year

		(The intimation is filed under Rule 3(3) in FORM GST CMP-02)	
43	What is the validity of composition levy?	The option exercised by a registered person to pay tax under the composition scheme shall remain valid so long as he satisfies all the conditions specified in the law. The option is not required to be renewed.	
44	What are the other compliances which a provisionally registered person opting to pay tax under the composition levy need to make?	Such person is required to furnish the details of stock, including the inward supply of goods received from unregistered persons, held by him on the 30th day of June, 2017 electronically, in FORM GST CMP-03, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within a period of sixty days from the date on which the option for composition	

		levy is exercised or within such further period as may be extended by the Commissioner in this behalf. Further, if on 1st July, 2017 such person holds in stock goods that have been received from outside the State or imported from outside the Country, he is not eligible to opt for composition scheme.
45	Can a person paying tax under composition levy, withdraw voluntarily from the scheme?	Yes, the registered person who intends to withdraw from the composition scheme can file a duly signed or verified application in FORM GST CMP-04. In case he wants to claim input tax credit on the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date of withdrawal, he is required to furnish a statement in FORM GST ITC-01 containing the details of such stock

		within a period of thirty days of withdrawal.
46	Will withdrawal intimation in any one place be applicable to all places of business?	Yes. Any intimation or application for withdrawal in respect of any place of business in any State or Union territory, shall be deemed to be an intimation for withdrawal in respect of all other places of business registered on the same Permanent Account Number.
47	Can a person paying tax under composition scheme make exports or supply goods to SEZ?	No, because exports and supplies to SEZ from Domestic Tariff Area are treated as inter-State supply. A person paying tax under composition scheme cannot make inter-State outward supply of goods.
48	Can a manufacturer under composition scheme do job-work for other manufacturers?	Job-work is a supply of service and not eligible for composition scheme. Any manufacturer or processor who wishes to carry out job-work for others would not be eligible for composition scheme.

49	How can tax payments be made by a registered person under the composition scheme?	A registered person under composition scheme would not have input tax credit and he would make all his tax payments by debit in the electronic cash ledger maintained at the common portal. The taxpayer can deposit cash anytime in the electronic cash ledger at his convenience. The payment in electronic cash ledger can be made through all modes available like e-payment through net-banking, credit card and debit card, over the counter of banks, RTGS or NEFT.
50	Does a registered person under the composition scheme pay his taxes every month?	No, registered person under the composition scheme will not pay taxes every month. He would file return and pay taxes on a quarterly basis i.e. for each quarter of the financial year. Due date for payment of tax for them would be on or before the 18th day after the end of such quarter.

51	What are the accounts a manufacturer under the composition scheme needs to maintain ?	Rules on Accounts and Records provide details of the accounts to be maintained. They are maintained under normal course of business by any small manufacturer. The details to be maintained in accounts inter-alia consists of goods supplied, inward supplies attracting reverse charge, invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers, refund vouchers etc.
52	Does a manufacturer under the composition scheme need to maintain details of accounts of every supply received and made?	No, the requirement to maintain detailed accounts of stocks in respect of goods received and supplied, work in progress, lost, destroyed etc. does not apply to a manufacturer under the composition scheme. Such a person shall maintain a true and correct account of production or manufacture of goods, inward and outward supply

		of goods, stock of goods, tax payable and paid.
53	Does a manufacturer under the composition scheme needs to maintain account of inputs tax credit?	A manufacturer under the composition scheme need not maintain account of input tax, input tax credit claimed etc. as he is neither allowed to avail of input tax credit nor can he issue an invoice showing tax using which buyer can avail input tax credit.
54	Can a manufacturer under the composition scheme maintain his accounts manually? And can he issue his bill of supply manually?	Yes, a manufacturer under the composition scheme can maintain his accounts in registers serially numbered and also issue bill of supply manually following the conditions specified in rules in this regard.
55	Whether a registered person under the composition scheme needs to learn HSN code of any input purchases and output supplies?	No, a registered person under the composition scheme would not need to specify HSN code of their products in bill of supply or return.

56	What return a registered person under the composition scheme needs to file and at what frequency?	A registered person under the composition scheme of GST is required to furnish quarterly return called GSTR-4 between the 11th day and 18th day of the month succeeding the quarter.
57	What details are required to be furnished in the return to be filed by the registered person under the composition scheme?	GSTR-4 may be referred for details required to be filled in the return. It is a very simple return containing consolidated details of outward supplies, details of import of services or other supplies attracting reverse charge and inward supplies which shall be auto-populated.
Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also.		
Reverse Charge Mechanism		
1	What is meant by Reverse Charge?	It means the liability to pay tax is on the recipient of supply of goods or services instead of the supplier of

		such goods or services in respect of notified categories of supply.
2	Is the reverse charge mechanism applicable only to services?	No, reverse charge applies to supplies of both goods or services, as notified by the Government on the recommendations of the GST Council.
3	What will be the implications in case of receipt of supply from unregistered persons?	In case of receipt of supply from an unregistered person, the registered person who is receiving goods or services shall be liable to pay tax under reverse charge mechanism.
4	How will a recipient who receives a supply under reverse charge mechanism pay GST?	A person who is required to pay tax under reverse charge has to compulsorily register under GST. The threshold limit of Rs. 20 lakhs (Rs. 10 lakhs for special category States) is not applicable in such case.
5	What is the time of supply of goods in case of tax payable under reverse charge?	The time of supply will be the earliest of the following dates: a) date of receipt of goods; or b) date of payment as per books of account or date of debit in bank

		account, whichever is earlier; or c) the date immediately following 30 days from the date of issue of invoice by the supplier.
6	What is the time of supply of service in case of tax payable under reverse charge?	The time of supply will be the earlier of the following dates: a) date of payment as per books of account or date of debit in bank account, whichever is earlier; or b) the date immediately following sixty days from the date of issue of invoice by the supplier.
7	Can GST paid on reverse charge basis be considered as input tax?	Yes. The definition of input tax includes the tax payable under reverse charge mechanism.
8	Can a person take input tax credit without payment of consideration for the supply along with tax to the supplier?	Yes, the recipient can take ITC. The condition of payment of consideration to along with tax within 180 days from the date of issue of invoice is not applicable where tax is payable on reverse charge basis.

9	Whether old gold jewellery sold by an individual to a jeweller will be taxed under reverse charge mechanism?	No, even though the sale of old gold by an individual is for a consideration, it cannot be said to be in the course or furtherance of his business (as selling old gold jewellery is not the business of the said individual), and hence does not qualify to be a supply per se. Accordingly, the sale of old jewellery by an individual to a jeweller will not attract the provisions of Section 9(4) and jeweller will not be liable to pay tax under reverse charge mechanism on such purchases.
10	Whether old gold jewellery sold by an unregistered supplier will be taxed under reverse charge mechanism?	Yes, as the sale is for consideration and is in the course or furtherance of business of such unregistered supplier.
11	Does aggregate turnover include value of inward supplies received on which RCM is payable?	Aggregate turnover does not include value of inward supplies on which tax is payable on reverse charge basis. In other words, aggregate turnover, in

		the hands of supplier, would include value of those supplies on which tax is not payable by him but by the recipient of such supplies.
12	Whether legal services provided by advocate firm are under reverse charge?	Yes.
13	Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?	No, suppliers who are making only those supplies on which recipient is liable to discharge GST under RCM are exempted from registration.
14	A person receives a supply from an unregistered person in another state. Whether he has to pay tax on reverse charge basis?	No, the person supplying the inter-state supply will have to compulsorily register irrespective of his turnover and will be liable to pay tax, unless the supplier has been exempted from taking registration. Thus question of unregistered supplies making inter-state supplies does not arise.

15	Who will issue the tax invoice in case of reverse charge supplies?	The recipient receiving supplies from unregistered supplier will have to issue invoice on self and pay tax. In other words, the recipient receiving supplies, which are subject to reverse charge, from a registered person need not issue a tax invoice.
16	Under supply from unregistered dealer the purchaser have to pay GST on RCM basis. so whether stipend paid to intern will also come under RCM?	No, stipend paid to interns will be employer-employee transactions. Hence, not liable for GST.
17	Do even small sundry purchases from unregistered persons have to be levied to tax on reverse charge basis?	No, purchases by registered persons from any or all unregistered persons of up to Rs. 5000/- per day are exempted from GST.
18	A registered person purchases goods worth Rs. 6000/- on a single day from unregistered persons.	He will have to pay GST on Rs. 6000/- . Exemption is available only if the value of purchases per day is less than Rs. 5000/-.

	Whether he has to pay GST on Rs. 1000/- or Rs. 6000/- ?	
19	If an Assessee pays GST on behalf of an unregistered supplier/SSI/exempted unit, will he be able to take Input Tax Credit of the GST paid on reverse charge basis?	Yes, input tax credit of tax paid on reverse charge basis by the recipient is allowed to the recipient and the credit can be taken even in the same month.
20	Whether, any Indian providing services to PayPal on contract basis is required to pay reverse charges on charges deducted by PayPal?	It depends on the nature of charges deducted. The place of supply is outside India but as the supplier is located in India, it is a case of inter-State supply and subject to IGST. It will be zero rated if the sale proceeds are realized in convertible foreign exchange.
21	Under the new GST Act, the liability or payment of GST still with consignee or consignor?	Reverse charge mechanism has been provided in GST law for GTA and the recipient of GTA service (he may be consignor or consignee) is required to

		pay GST. Notification No 13/2017-Central tax (rate) may be referred to.
22	Whether RCM is applicable on payments made for hiring of transport from unregistered GST traders?	RCM under section 9(3) is applicable for GTA and not for transport of goods. Where the vehicle is taken on rent or lease , it will be supply of service under 9966 or 9973 and supply of service will be taxable under RCM under section 9(4).
23	We are also paying small payments like unloading charges, detention charges and under miscellaneous payments to petty contractors. Is GSTN under reverse charge applicable for these payments?	If you are not registered, payment on reverse charge under section 9(4) of CGST Act, 2017 is not required. That said, if such services availed fall within the domain of any service that is subject to reverse charge under section 9(3) of CGST Act, 2017 you have to get yourself registered and GST has to be paid.
24	Can any unregistered transporter having a turnover below 20 lacks	Yes, GTA can carry the goods. GST on GTA services is liable to be paid on RCM basis by the recipient. The supply of services of goods transport

	carry the goods for a registered dealer?	by road transporter other than a GTA and a courier is exempted under Notification No. 9/2017- Central Tax (rate).
25	Whether reimbursement of expenses to staff comes under RCM?	Re-imbursement is an expense in the course or furtherance of business and if the same is against a taxable supply taken from an unregistered supplier, RCM will apply.
26	Whether tax under RCM is applicable for expenses incurred towards doctor sponsorship programme?	As per notification no. 13/2017- Central Tax (Rate), Sl. No. 4 sponsorship to anybody Corporate/Partnership firm comes under RCM.
Gems & Jewellery		
1	Whether advertising and communication material (banners/hoardings/posters) provided to distributors would be treated as supply in the course of business by the company thereby not	(a) Where the material is provided free of cost: This would not amount to a supply and hence no tax is payable on such transaction and in such a case credit availed by the company would need to be reversed in accordance with

	requiring any reversal of ITC.	section 17(5) of the CGST Act, 2017. (b) Where the material is provided for a consideration: This would amount to a normal supply.
2	Currently Banks do not pay any VAT on import of precious metals. Banks/nominated agencies pay only customs duty on imports. In the new regime of GST, will the Banks have to pay IGST while importing?	Yes, 3% IGST is payable on all imports of precious metals in addition to the basic customs duty. IGST paid can be taken as input tax credit by the banks.
3	Banks import gold / silver on consignment basis wherein the ownership of the metal is with the supplier of the bullion which maybe an overseas entity. Is the overseas entity required to have GST	This amounts to an import in accordance with the definition of the word "import" in the IGST Act, 2017 which provides that "bringing into India of any goods from any place outside India" is an import of the goods. What is material in this definition is the mere act of bringing

	registration because currently they do not file returns and are governed by multi-nation treaties?	into India; the ownership is not material for determining whether an import has taken place. Banks, being registered entities, would be liable to pay IGST on such imports but not the overseas entities since they are not effecting the import.
4	Gold and silver imported by banks/nominated agencies on consignment basis are lying in stock as on 1st July. Clarification is required on how to charge the customers in transition phase from VAT to GST. Will customers be liable to pay GST rates?	GST is payable @ 3% with effect from 01.07.2017.
5	Banks lend gold in physical form for a period not exceeding 6 months. Banks receive interest on the gold ounces disbursed and the	Yes, Banks may avail of the benefit of provisional assessment provided under section 60 of the CGST Act, 2017.

	same is converted into Rupees after calculation of interest on the ounces and the USD/INR conversion. Will the same methodology continue in case of GST as well wherein Banks shall pay a provisional GST (i.e. IGST/SGST/CGST) on ongoing market prices and pay the final GST as and when the prices are fixed?	
6	Banks pay provisional VAT currently at the time of delivery of gold on the basis of ongoing market prices. When customer fixes the price of metal, Banks pay actual VAT on the maturity date of the Gold Loan. Banks must be allowed to set-off the	Banks may claim refund in accordance with the provisions of section 54 of the CGST Act, 2017. Interest is payable in such cases as provided in section 56 of the CGST Act, 2017. In this connection, section 60(5) of the CGST Act, 2017 may be referred to.

	excess provisional GST paid to the government against future fixation of prices. In case of excess payment, the same should be refunded on Pan - India basis and not on the basis of States.	
7	When we are selling Gold, Diamond or Silver Jewellery to the end consumer (Customer) like a Gold Chain weighing 10 gm at a total value of Rs. 30,000/- (gold value is Rs. 28000/- and making charges on that gold chain is Rs 2000/-), can we charge GST @3% on the total value or @3% on the gold value and @5% on making charges.?	GST is payable at the rate of 3% of the total transaction value of jewellery, whether the making charge is shown separately or not.

8	When we issue gold as raw material to our Job Worker for Job Work and he returns that gold as finished goods, what GST treatment will be done and how to calculate the value?	The job worker, if registered, would be required to pay GST at the rate of 5% on job charges only. The jewellery manufacturer would in turn take credit of GST paid on such job work and may utilize the same for payment of GST on his outward supply of manufactured jewellery. However, if the job worker is exempted from registration, the jewellery manufacturer would be required to pay GST on his input supply from the job worker [of jewellery made out of precious metal given by him] on reverse charge basis. Nonetheless, he would be eligible to avail input credit of the tax so paid under reverse charge mechanism.
	Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also.	

IT/ITES		
1	Whether software is regarded as goods or services in GST?	In terms of Schedule II of the CGST Act 2017, development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software and temporary transfer or permitting the use or enjoyment of any intellectual property right are treated as services. But, if a pre-developed or pre-designed software is supplied in any medium/storage (commonly bought off-the-shelf) or made available through the use of encryption keys, the same is treated as a supply of goods classifiable under heading 8523.
2	What are the implications of recognising the development, design,	The primary implication is that the place of supply rules applicable to services would apply in determining

	programming, customisation, adaptation, upgradation, enhancement, and implementation of information technology software as a service?	taxability of the supply of software services. The same would be applicable in situations of supply of services involving a temporary transfer or permitting the use or enjoyment of any intellectual property right. The other implication is that the supplier of software services would not be eligible for the composition scheme.
3	'A' is a dealer in Computers and Computer parts having turnover of Rs. 8 lakh in a year; does 'A' have to register under GST?	Every supplier located in a State or Union territory, whose "aggregate turnover" in a financial year exceeds twenty lakh rupees, is liable to be registered under GST. This limit of turnover for a special category State is ten lakh rupees. 'A', whose aggregate turnover is only Rs. 8 lakh in a year, is therefore not liable to registration.
4	The registered person 'B' receives small portions of	If the supplies are made by unregistered suppliers, GST is liable

	software code from individuals which he then integrates and supply as a package to clients. These individuals are having small turnover of Rs 5 to 10 lakh, and therefore are not registered in GST. Whether there is any liability on 'B' in respect of services provided by such individuals?	to be paid by the recipient, who is a registered person, under section 9(4) of the CGST Act, 2017. Therefore, in this case 'B' is liable to pay GST on services provided by these individuals. 'B' can claim credit of this tax paid by him on reverse charge.
5	What is the rate of tax on IT services?	The rate of GST on IT services is 18%.
6	Whether exports of software services attract GST?	Exports and supplies to SEZ units and SEZ developers are zero-rated in GST. Zero-rating effectively means that no tax is payable on exports but the exporter/supplier is entitled to the input tax credit on inputs/input services used in relation to exports. The exporters have two options for

		zero rating, which are as follows,- (1) To pay integrated tax on supplies meant to be exported and get refund of tax so paid after the supply is exported. (2) To make export supplies under a bond or letter of undertaking and claim refund of taxes suffered on inputs and input services in relation to such exports.
7	How do I determine whether IT services provided by me constitute export of service?	The supply of any service is considered an export of service, where the following conditions are met: 1) the supplier of service is located in India; 2) the recipient of service is located outside India; 3) the place of supply of service is outside India; 4) the payment for such service has been received by the supplier of

		service in convertible foreign exchange; and 5) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with explanation 1 of section 8 of the IGST Act, 2017.
8	How do I determine the place of supply of IT/ITES services?	Place of supply of IT/ITES services is the location of the recipient in terms of section 12 and 13 of the IGST Act, 2017. However, if the recipient is not registered and his address is not available on the records of the supplier, the place of supply would be the location of the supplier.
9	How to determine the location of the recipient?	Location of the recipient of service is defined in section 2(14) of the IGST Act. A recipient of services is treated as located outside India if his place of business where he receives services is outside India or, if he does not have a

		place of business, his usual place of residence is outside India.
10	Would I be liable to pay GST on reverse charge even if the foreign supplier of software from whom I buy for use in my firm registered under GST was to accept the payment in Indian Rupees?	Yes, you would be liable to pay GST. A supply is treated as an import of service if the following conditions are satisfied: 1) the supplier of service is located outside India; 2) the recipient of service is located in India; and 3) the place of supply of service is in India. The place of such supply would be taken to be the location where the firm is registered (in GST) and the supplies would attract integrated tax (IGST). The factum of which currency was used to pay the consideration is immaterial.
10	I am an Indian Company who makes software and sells it outside the country.	No. In this case, 'C' is covered by the definition of 'intermediary' [section 2(13) of the IGST Act, 2017]. The

	I have hired a firm (not a related party) 'C' located abroad to facilitate the supply of software in Europe and the USA; would I be liable to pay GST on the payments that I make to this entity abroad?	place of supply of such intermediary service is location of the supplier in terms of section 13(8) of the IGST Act, 2017. As 'C' is located outside India, GST is not payable in this case.
11	What factors determine the location of 'C' (in question 11) as being outside India?	In terms of section 2 (15) of the IGST Act, 2017, the location of a service provider is to be determined by applying the following steps sequentially: 1) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business; 2) 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; 3) 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 provision of the supply; and 4) in absence of such places, the location of the usual place of residence of the supplier. The location of 'C' is to be determined by applying the criterion from (2), or (3), or as the case may be, (4).
12	I am an agent in India of a foreign IT/ITES provider (principal located outside India). For agency services, I bill the principal in convertible foreign exchange. Whether GST liability arises in this case?	You are an intermediary and the place of supply of the service provided by you to the principal is in India irrespective of the mode of payment. Hence, GST is payable on the services provided by you as an intermediary to the principal.

13	I have more than one SEZ unit in different States; do I need to take separate registrations? Also, I have two SEZ units in one State. Can I take a single registration?	1) Yes. Under GST, every entity shall take GST registration in each State from which it makes taxable supplies. However, a single registration can be taken for all your SEZ units within a State, whether located in one SEZ or more than one SEZ. 2) A person having unit(s) in a Special Economic Zone as well as outside the SEZ in a State shall make a separate application for registration for SEZ unit(s) as a business vertical distinct from his other units located outside the Special Economic Zone in that State (Refer Rule 8(1) of CGST Rules, 2017).
14	I have a unit in the DTA and another in the SEZ; can I take a common registration?	No. A person having unit(s) in a Special Economic Zone as well as outside the SEZ in a State, shall make a separate application for registration for SEZ unit(s) as a business vertical distinct from his other units located

		outside the Special Economic Zone in that State (Refer Rule 8(1) of CGST Rules, 2017).
15	If I supply a laptop bag along with the laptop to my customer, what would be the rate of tax leviable?	If the laptop bag is supplied along with the laptop in the ordinary course of business, the principal supply is that of the laptop and the bag is an ancillary. Therefore, it is a composite supply and the rate of tax would that as applicable to the laptop.
16	I am obtaining online database access services from a company abroad over the net, would I have to pay tax on reverse charge?	The recipient, if registered, has to pay the applicable IGST on reverse charge basis. If the recipient is not registered, the matter is treated as an online information and database access or retrieval service (OIDAR) and the OIDAR service provider is liable to take registration and pay tax.
17	When would it be construed that I have made a supply of services involving temporary	Generally, the End User Licence Agreement (EULA) is the legal contract between a software application author or publisher and

	transfer or permitting the use or enjoyment of any intellectual property right?	the user of that application governing the usage. The agreement is renewable and/or could be amended from time to time. To find out as to whether there is an element of supply involved when software is delivered to its customer, the terms and conditions of EULA are material. The contract for supply therefore assumes significance in this test to decide whether or not there has been 'temporary transfer or permitting the use or enjoyment of any intellectual property right'.
18	What special provisions are attracted in GST with regard to associated enterprises?	An enterprise which participates, either directly or indirectly, through one or more intermediaries, in the management, or control or capital of the other enterprise is an associated enterprise. In the context of GST, associated enterprise is particularly relevant in the case of supply of

		services, where the supplier is located outside India. In such cases, the time of supply will be the earlier of date of entry in the books of account of the recipient of supply or the date of payment – thus, within ‘associated enterprises’, the levy under GST is attracted once such book entries are made even if no actual payment takes place or no invoice is issued.
19	What would be the tax liability on replacement of parts (no consideration is charged from a customer) under a warranty and whether the supplier is required to reverse the input tax credit?	As parts are provided to the customer without a consideration under warranty, no GST is chargeable on such replacement. The value of supply made earlier includes the charges to be incurred during the warranty period. Therefore, the supplier who has undertaken the warranty replacement is not required to reverse the input tax credit on the parts/components replaced.

20	An Original Equipment Manufacturer (OEM) has an obligation to provide repair services to their customers in the warranty period. This activity is outsourced by OEM to 'D', who bills the OEM for the services he provides to the customer. What is the tax liability of 'D'?	'D' is providing service to the OEM. GST is payable on the value of any supplies made by 'D' to OEM i.e. in respect of bills raised by 'D' on the OEM.
21	How will the defective parts be sent to the mother warehouse/repairing centre for repair by the downstream repairing centres? What is the tax liability?	The defective parts shall be sent for repair on a delivery challan accompanied by such e-way bill as may be prescribed. GST shall be chargeable on the repair amount, including the cost of parts, charged by the repairing centre.
22	What is the tax liability in a scenario where supplies are made from multiple locations (in different	Delivering services from various locations and integrated pricing for the contract as a whole is the norm in IT/ITES industry. Normally the

States) of the supplier to the recipient under a single contract?	contract or agreement with the recipient is entered into by one of the branches (let us say “Main Branch”). Therefore, in such cases of service delivery from multiple locations of the supplier to the recipient, the supply could be visualized as consisting of two distinct supplies. First supply- the different branches of the supplier located across different States are making the supply to the main branch which entered into a contact or an agreement with the recipient for the supply of such service. Second supply- main branch is making a supply to the customer. GST is to be levied accordingly. In such a scenario, the main branch would get input tax credit of GST paid by the other branches on supplies made by them to the main branch.

23	In the scenario envisaged in previous question, the main branch is said to be entitled to ITC of the GST paid by the other branches. Thus, it is a revenue neutral situation. What are the valuation guidelines for such services?	The second proviso to rule 28 of the CGST Rules, 2017 provides that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods and services.
24	Can payment of IGST on reverse charge basis on import of goods/services be done through book entry or ITC?	No. GST payable on reverse charge basis is to be discharged through cash only. Rule 85(4) of the CGST Rules, 2017 refers.
25	Is the requirement of transferring of credit through ISD mechanism mandatory?	The ISD provision under the CGST Act, 2017 is not mandatory. It only provides the manner of distribution of ITC wherever the business entity wishes to distribute the ITC as an Input Service Distributor.
26	What is the format for invoices to be issued in the	No separate format for any type of invoicing including self-invoicing has

	case of reverse charge payment of GST?	been prescribed. The contents of the invoice have been prescribed in Rule 46 of the CGST Rules, 2017.
27	I am a software provider, registered at Mumbai. I supply software to my clients in Bangalore- would I be required to take a registration in Karnataka?	No. The supplies would be treated as inter -State supplies and IGST is chargeable on the same.
27	I am a software provider, registered at Mumbai. I supply software to my clients in Bangalore- would I be required to take a registration in Karnataka?	No. The supplies would be treated as inter -State supplies and IGST is chargeable on the same.
28	I am an exporter of services. Would I be entitled to refund after the 1st of July (appointed day)?	For exports upto 30th June, 2017 refund may be claimed under the provisions of the Chapter V of the Finance Act, 1994. Exports made on and after 1st July would be eligible for refund under the GST law.

Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also. Similarly reference to CGST Rules, 2017 includes reference to SGST Rules, 2017.

Government Services

1	Are all services provided by the Government or local authority exempted from payment of tax?	No, all services provided by the Government or a local authority are not exempt from tax. As for instance, services, namely, (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of an airport or a port; (iii) transport of goods or passengers; or (iv) any service, other than services covered under (i) to (iii)

		above, provided to business entities are not exempt and that these services are liable to tax. That said, most of the services provided by the Central Government, State Government, Union Territory or local authority are exempt from tax. These include services provided by government or a local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under Article 243W of the Constitution and services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution.
2	Are Government or local authority or governmental authority liable to pay tax?	Yes. The Government or a local authority or a governmental authority is liable to pay tax on supply of services other than the services

		notified as exempt or notified as neither a supply of goods nor a supply of services under clause (b) of sub-section (2) of section 7 of the CGST Act, 2017. In respect of services other than – (i) renting of immovable property; (ii) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; and (iii) services in relation to an aircraft or a vessel, inside or outside the precincts of an airport or a port, the service recipients are required to pay the tax under reverse charge mechanism.
3	What is the meaning of 'Government'?	As per section 2(53) of the CGST Act, 2017, 'Government' means the Central Government. As per clause (23) of section 3 of the General Clauses Act, 1897 the 'Government'

		includes both the Central Government and any State Government. As per clause (8) of section 3 of the said Act, the 'Central Government', in relation to anything done or to be done after the commencement of the Constitution, means the President. As per Article 53 of the Constitution, the executive power of the Union shall be vested in the President and shall be exercised by him either directly or indirectly through officers subordinate to him in accordance with the Constitution. Further, in terms of Article 77 of the Constitution, all executive actions of the Government of India shall be expressed to be taken in the name of the President. Therefore, the Central Government means the President and the officers subordinate to him while exercising the executive powers of the Union

		vested in the President and in the name of the President. Similarly, as per clause (60) of section 3 of the General Clauses Act, 1897, the 'State Government', as respects anything done after the commencement of the Constitution, shall be in a State the Governor, and in an Union Territory the Central Government. As per Article 154 of the Constitution, the executive power of the State shall be vested in the Governor and shall be exercised by him either directly or indirectly through officers subordinate to him in accordance with the Constitution. Further, as per article 166 of the Constitution, all executive actions of the Government of State shall be expressed to be taken in the name of Governor. Therefore, State Government means the Governor or the officers subordinate to him who

		exercise the executive powers of the State vested in the Governor and in the name of the Governor.
4	Who is a local authority?	Local authority is defined in clause (69) of section 2 of the CGST Act, 2017 and means the following:- a "Panchayat" as defined in clause (d) of article 243 of the Constitution; a "Municipality" as defined in clause (e) of article 243P of the Constitution; a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund; a Cantonment Board as defined in section 3 of the Cantonments Act, 2006; a Regional Council or a District

		Council constituted under the Sixth Schedule to the Constitution; a Development Board constituted under article 371 of the Constitution; or a Regional Council constituted under article 371A of the Constitution;
5	Are all local bodies constituted by a State or Central Law regarded as local authorities for the purposes of the GST Acts?	No. The definition of 'local authority' is very specific and means only those bodies which are mentioned as 'local authorities' in clause (69) of section 2 of the CGST Act, 2017. It would not include other bodies which are merely described as a 'local body' by virtue of a local law. For example, State Governments have setup local developmental authorities to undertake developmental works like infrastructure, housing, residential & commercial development, construction of houses, etc. The

		Governments setup these authorities under the Town and Planning Act. Examples of such developmental authorities are Delhi Development Authority, Ahmedabad Development Authority, Bangalore Development Authority, Chennai Metropolitan Development Authority, Bihar Industrial Area Development Authority, etc. Such developmental authorities formed under the Town and Planning Act are not qualified as local authorities for the purposes of the GST Acts.
6	Would a statutory body, corporation or an authority constituted under an Act passed by the Parliament or any of the State Legislatures be regarded as 'Government' or "local	A statutory body, corporation or an authority created by the Parliament or State Legislature is neither 'Government' nor a 'local authority'. Such statutory bodies, corporations or authorities are normally created by the Parliament or a State Legislature in exercise of the powers conferred

authority” for the purposes of the GST Acts?	under article 53(3)(b) and article 154(2)(b) of the Constitution respectively. It is a settled position of law (Agarwal Vs. Hindustan Steel AIR 1970 Supreme Court 1150) that the manpower of such statutory authorities or bodies do not become officers subordinate to the President under article 53(1) of the Constitution and similarly to the Governor under article 154(1). Such a statutory body, corporation or an authority as a juridical entity is separate from the State and cannot be regarded as the Central or a State Government and also do not fall in the definition of ‘local authority’. Thus, regulatory bodies and other autonomous entities would not be regarded as the government or local authorities for the purposes of the GST Acts.

7	Would services provided by one department of the Government to another Department of the Government be taxable?	Services provided by one department of the Central Government/State Government to another department of the Central Government/ State Government are exempt under notification No. 12/2017-Central Tax (Rate), dated 28.06.2017 [S No 8 of the Table]. However, this exemption is not applicable to: a) services provided by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, the State Government and Union Territory; b) services in relation to a vessel or an aircraft inside or outside the precincts of a port or an airport; c) services of transport of goods and/or passengers.

8	What are the transport services provided by the Government or local authorities exempt from tax?	Transport services provided by the Government to passengers by — (i) railways in a class other than— (a) first class; or (b) an air-conditioned coach; (ii) metro, monorail or tramway; (iii) inland waterways; (iv) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (v) metered cabs or auto rickshaws (including E-rickshaws) are exempt from tax.
9	Are various corporations formed under the Central Acts or State Acts or various government companies registered under the Companies Act, 1956/2013 or autonomous institutions set up by special Acts covered under	No. The corporations formed under the Central or a State Act or various companies registered under the Companies Act, 1956/2013 or autonomous institutions set up by the State Acts will not be covered under the definition of 'Government' and therefore, services provided by them will be taxable unless exempted by a notification.

	the definition of 'Government'?	
10	Are various regulatory bodies formed by the Government covered under the definition of 'Government'?	No. A regulatory body, also called regulatory agency, is a public authority or a governmental body which exercises functions assigned to them in a regulatory or supervisory capacity. These bodies do not fall under the definition of Government. Examples of regulatory bodies are - Competition Commission of India, Press Council of India, Directorate General of Civil Aviation, Forward Market Commission, Inland Water Supply Authority of India, Central Pollution Control Board, Securities and Exchange Board of India.
11	Will the services provided by Police or security agencies of Government to PSUs or corporate entities	Yes. Services provided by Police or security agencies of Government to PSU/private business entities are not exempt from GST. Such services are taxable supplies and the recipients

or sports events held by private entities be taxable?	are required to pay the tax under reverse charge mechanism on the amount of consideration paid to Government for such supply of services. Illustration: The Karnataka Cricket Association, Bangalore requests the Commissioner of Police, Bangalore to provide security in and around the Cricket Stadium for the purpose of conducting the cricket match. The Commissioner of Police arranges the required security for a consideration. In this case, services of providing security by the police personnel are not exempt. As the services are provided by Government, Karnataka Cricket Association is liable to pay the tax on the amount of consideration paid under reverse charge mechanism.

12	The Department of Posts provides a number of services. What is the status of those services for the purpose of levy of tax?	The services by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Government or Union territory are not exempt. In respect of these services the Department of Posts is liable to pay tax without application of reverse charge. However, the following services provided by the Department of Posts are not liable to tax. a) Basic mail services known as postal services such as post card, inland letter, book post, registered post provided exclusively by the Department of Posts to meet the universal postal obligations. b) Transfer of money through money orders, operation of savings accounts, issue of postal orders, pension payments and other such services.

13	What is the scope of agency services provided by the Department of Posts mentioned in the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017?	The Department of Posts also provides services like distribution of mutual funds, bonds, passport applications, collection of telephone and electricity bills on commission basis. These services are in the nature of intermediary and generally called agency services. In these cases, the Department of Posts is liable to pay tax without application of reverse charge.
14	Would services received by Government, a local authority, a governmental authority from a provider of service located outside India be taxable?	No tax is payable on the services received by the Government / local authority/ governmental authority from a provider of service located outside India. However, the exemption is applicable to only those services which are received for the purpose other than commerce, industry or any other business or profession. In other words, if the Government receives such services

		for the purpose of business or commerce, then tax would apply on the same.
15	Whether the exemption is applicable to online information and database access or retrieval services received by Government or local authorities from provider of service located in non taxable territory?	No. Online information and database access or retrieval services received by Government or local authorities from non taxable territory for any purpose including furtherance of business or commerce are liable to tax.
16	What are the functions entrusted to a municipality under Article 243W of the Constitution?	The functions entrusted to a municipality under the Twelfth Schedule to Article 243W of the Constitution are as under: a) Urban planning including town planning. b) Regulation of land-use and construction of buildings. c) Planning for economic and social development. d) Roads and bridges.

	e) Water supply for domestic, industrial and commercial purposes. f) Public health, sanitation conservancy and solid waste management. g) Fire services. h) Urban forestry, protection of the environment and promotion of ecological aspects. i) Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded. j) Slum improvement and upgradation. k) Urban poverty alleviation. l) Provision of urban amenities and facilities such as parks, gardens, playgrounds. m) Promotion of cultural, educational and aesthetic aspects. n) Burials and burial grounds;

		cremations, cremation grounds; and electric crematoriums. o) Cattle pounds; prevention of cruelty to animals. p) Vital statistics including registration of births and deaths. q) Public amenities including street lighting, parking lots, bus stops and public conveniences. r) Regulation of slaughter houses and tanneries.
17	What are the functions entrusted to a Panchayat under Article 243G of the Constitution?	The functions entrusted to a Panchayat under the Eleventh Schedule to Article 243G of the Constitution are as under: (i) Agriculture, including agricultural extension. (ii) Land improvement, implementation of land reforms, land consolidation and soil conservation. (iii) Minor irrigation, water management and watershed development. (iv) Animal husbandry,

		dairying and poultry. (v) Fisheries. (vi) Social forestry and farm forestry. (vii) Minor forest produce. (viii) Small scale industries, including food processing industries. (ix) Khadi, village and cottage industries. (x) Rural housing. (xi) Drinking water. (xii) Fuel and fodder. (xiii) Roads, culverts, bridges, ferries, waterways and other means of communication. (xiv) Rural electrification, including distribution of electricity. (xv) Non-conventional energy sources. (xvi) Poverty alleviation programme. (xvii) Education, including primary and secondary schools. (xviii) Technical training and vocational education. (xix) Adult and non-formal education. (xx) Libraries. (xxi) Cultural activities. (xxii) Markets and fairs. (xxiii) Health and sanitation, including hospitals, primary health centres and

		dispensaries. (xxiv) Family welfare. (xxv) Women and child development. (xxvi) Social welfare, including welfare of the handicapped and mentally retarded. (xxvii) Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes. (xxviii) Public distribution system. (xxix) Maintenance of community assets.
18	What is the significance of services provided by Government or a local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Government or the local authority?	Non-performance of a contract or breach of contract is one of the conditions normally stipulated in the Government contracts for supply of goods or services. The agreement entered into between the parties stipulates that both the service provider and service recipient abide by the terms and conditions of the contract. In case any of the parties breach the contract for any reason including non-performance of the

	contract, then such person is liable to pay damages in the form of fines or penalty to the other party. Non-performance of a contract is an activity or transaction which is treated as a supply of service and the person is deemed to have received the consideration in the form of fines or penalty and is, accordingly, required to pay tax on such amount. However non performance of contract by the supplier of service in case of supplies to Government is covered under the exemption from payment of tax. Thus any consideration received by the Government from any person or supplier for non performance of contract is exempted from tax. Illustration: Public Works Department of Karnataka entered into an agreement with M/s. ABC, a construction company for

	construction of office complex for certain amount of consideration. In the agreement dated 10.7.2017, it was agreed by both the parties that M/s. ABC shall complete the construction work and handover the project on or before 31.12.2017. It was further agreed that any breach of the terms of contract by either party would give right to the other party to claim for damages or penalty. Assuming that M/s. ABC does not complete the construction and handover the project by the specified date i.e., on or before 31.12.2017. As per the contract, the department asks for damages/penalty from M/s. ABC and threatened to go to the court if not paid. Assuming that M/s ABC has paid an amount of Rs. 10,00,000/- to the department for non performance of contract. Such amount paid to

		department is exempted from payment of tax.
19	Whether services in the nature of change of land use, commercial building approval, utility services provided by a governmental authority are taxable?	Regulation of land-use, construction of buildings and other services listed in the Twelfth Schedule to the Constitution which have been entrusted to Municipalities under Article 243W of the Constitution, when provided by governmental authority are exempt from payment of tax.
20	Whether fines and penalty imposed by Government or a local authority for violation of a statute, bye-laws, rules or regulations are liable to tax?	No. This gets covered under the exemption by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Government or the local authority.
21	Whether services provided by Government or a local authority to a business entity located in a special	The expression "special category States" provided in Explanation (iii) to section 22 of the CGST Act, shall mean the States as specified in sub-clause (g) of clause (4) of Article 279A

category State are subject to tax?	of the Constitution. As per the said clause, the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand have been given the status of special category States for the purpose of GST Acts. Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017 (Sl. No. 7 of the Table) provides for exemption from payment of tax in respect of services provided to a business entity located in a special category State with a turnover up to Rs. 10 lakh rupees. However, this exemption is not be applicable to (a) services - (i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (ii) in

		relation to an aircraft or a vessel, inside or outside the precincts of an airport or a port; (iii) of transport of goods or passengers and (iv) services by way of renting of immovable property.
22	A small business entity is carrying on a business relating to consulting engineer services in Delhi. Does it need to pay tax on the services received from Government or a local authority?	If turnover of the entity is less than the limit of Rs. 20 lakhs in a financial year, no tax would be payable. The exemption from payment of tax is applicable to services provided to a business entity having a turnover up to Rs. 20 lakh rupees. However, this exemption is not applicable to (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of an airport or a port; (iii) services of

		transport of goods or passengers and (iv) services by way of renting of immovable property.
23	What is reverse charge in GST?	As per 2(98) of the CGST Act, 2017, “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 of the CGST Act, 2017, or under sub-section (3) or subsection (4) of section 5 of the IGST Act, 2017.
24	Whether reverse charge is applicable to services provided by Government or local authorities?	Yes, reverse charge is applicable in respect of services provided by Government or local authorities to any person whose turnover exceeds Rs. 20 lakhs (Rs. 10 lakhs for Special Category States) excluding the following services; (i) renting of immovable property; (ii) services by the Department of

		Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (iii) services in relation to an aircraft or a vessel, inside or outside the precincts of an airport or a port; (iv) transport of goods or passengers. Thus, the recipient of supply of goods or services is liable to pay the entire amount of tax involved in such supply of services or goods or both.
25	What is the scope of 'pure services' mentioned in the exemption notification No. 12/2017-Central Tax (Rate), dated 28.06.2017?	In the context of the language used in the notification, supply of services without involving any supply of goods would be treated as supply of 'pure services'. For example, supply of man power for cleanliness of roads, public places, architect services, consulting engineer services, advisory services, and like services provided by business

		entities not involving any supply of goods would be treated as supply of pure services. On the other hand, let us take the example of a governmental authority awarding the work of maintenance of street lights in a Municipal area to an agency which involves apart from maintenance, replacement of defunct lights and other spares. In this case, the scope of the service involves maintenance work and supply of goods, which falls under the works contract services. The exemption is provided to services involves only supply of services and not for works contract services.
26	Would services in relation to supply of motor vehicles to Government be taxable?	Supply of a motor vehicle meant to carry more than twelve passengers by way of giving on hire to a state transport undertaking is exempted from tax. The exemption is applicable to services provided to state transport

		undertaking and not to other departments of Government or local authority. Generally, such State transport undertakings/corporations are established by law with a view to providing public transport facility to the commuters. In some cases, transport undertakings hire the buses on lease basis from private persons on payment of consideration. The services by way of supply of motor vehicles to such state transport undertaking are exempt from payment of tax. However, supplies of motor vehicles to Government Departments other than the state transport undertakings are taxable.
27	Can the supplier of services claim the tax paid under reverse charger mechanism as input tax credit?	Yes. The supplier of services may claim the input tax credit on the amount of tax paid under reverse charge mechanism subject to the provisions of Chapter V of CGST Act,

		2017 read with Chapter V of the CGST Rules, 2017.
28	What is the concept called 'tax deduction at source'?	As per section 51 of the CGST Act, 2017, the Government may mandate (a) a department or establishment of the Central Government or State Government; or (b) local authority; or (c) Governmental agencies; or (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council, to deduct tax at the rate of one per cent on account of CGST and one percent on account of SGST from the payment made or credited to the supplier where the total value of the supply under a contract exceeds two lakh and fifty thousand rupees (excluding tax payable under the GST Acts). The deductor shall remit the deducted amount to the Government and is also required to furnish a

	certificate to the deductee by mentioning the details of the amount deducted and payment of such deducted amount. Illustration: ABC Ltd supplies the service valued at Rs. 3,00,000/- excluding tax to Government department. The department while making the payment of Rs. 3,00,000/- should deduct Rs. 3000/- on account of CGST and Rs. 3000/- on account of SGST and make a net payment of Rs. 2,94, 000/- to ABC Ltd. Thereafter, the department shall pay the amount of Rs. 3,000/- to the Central Government and Rs. 3,000/- to the State Government and furnish a certificate to the deductee, containing the details of such deduction including the details of such deductee.

29	Whether the deductee can claim the input tax credit on the deduction of tax at source amount?	No. The tax deducted at source is not input tax credit. However, the amount deducted shall be credited to the electronic cash ledger (upon being accepted by the deductee in his Form GSTR-2A) of the deductee and can be utilized for payment of output tax.
30	Whether an amount in the form of royalty or any other form paid/payable to the Government for assigning the rights to use of natural resources is taxable?	The Government provides license to various companies including Public Sector Undertakings for exploration of natural resources like oil, hydrocarbons, iron ore, manganese, etc. For having assigned the rights to use the natural resources, the licensee companies are required to pay consideration in the form of annual license fee, lease charges, royalty, etc to the Government. The activity of assignment of rights to use natural resources is treated as supply of services and the licensee is required to pay tax on the amount of

		consideration paid in the form of royalty or any other form under reverse charge mechanism.
31	Whether a Government Department, required to deduct tax at source, is liable to take registration as a normal taxpayer?	The Government Department is required to take registration as a normal taxpayer only if it makes a taxable supply of goods and/or services and in such cases, the registration shall be obtained on the basis of PAN but Bank account is not mandatory. However, if it is not making any taxable supply of goods and/or services, it is required to register only as a deductor of tax at source on the basis of TAN/PAN.
	Note: Reference to CGST Act, 2017 includes reference to SGST Act, 2017 and UTGST Act, 2017 also. Similarly reference to CGST Rules, 2017 includes reference to SGST Rules, 2017.	

Composition

1	Whether a person can avail the composition scheme on Small Retail Trading of goods if he is holding both incomes like Sale of business: Rs.25 lakh (Small Retail Trader) and Rental income: Rs.12lakhs, whereas the person was registered earlier in VAT Composition Scheme and was paying Service Tax on rental income?	Renting is a service and supplier of service, except restaurant service, cannot opt for composition scheme. Since you are supplying both goods & services, you are not eligible for composition scheme.
2	Can traders selling on ecommerce portals avail composition scheme if their turnover is less than 75 lakhs?	No, Sub-section (2) of section 10 refers.

Invoice & Returns

1	If an Assessee has two or more units with single registration, how the invoices are to be maintained viz., separate invoices unit wise or single invoice for all units?	He can issue unit-wise invoice also. But there should not be any duplication in numbering system.
2	Do we have clarity on when invoice data uploading will begin on the GSTN?	Government is ready to launch this. However, a simpler return called GSTR-3B has also been devised due to the demands from the trade and industry for extension of time limit for filing of normal returns.
3	Would head offices providing centralized HR, Finance and IT functions also need to raise invoices to its branches?	Yes, if the head office and branches are distinct persons as specified in section 25(4), invoice is required to be issued and GST should also be paid.
4	Kindly clarify the accounting treatment of Credit Note while raising	For the purpose of GST law, credit note can be issued to reduce the taxable value or to reduce tax payable or to claim goods return, where the

	Invoice after implementation of GST?	relevant invoice had already been issued and taxable value or tax charged in that tax invoice is in excess. Section 34 of CGST Act, 2017 may be referred to for further details.
5	Whether any trader having turnover of less than Rs. 20 lakh needs to sell his goods on proper invoice/billing?	Only registered persons are required to issue tax invoices as per provision of Section 31 read with rules. An unregistered person may supply goods on ordinary commercial invoices and he cannot issue tax invoice.
6	What is the procedure/documents required for sending free replacement to the customers at free of cost?	Where free replacement is provided to the customers without consideration under warranty, no GST is chargeable on such replacement. In such cases goods may be sent on delivery challan as provided in rule 55 of the CGST Rules, 2017.
7	If we are only dealing in exempted items what is the type of invoice we are	You may issue a commercial invoice in such cases. However, if you are a

	required to issue to our buyers? Is it bill of supply or regular GST Invoice?	registered person, you may issue a bill of supply for exempt supplies.
8	How the invoicing should be done for free goods given along with sale so that corresponding input tax credit is not required to be reversed for products under scheme?	Invoice value would include value of all goods including those supplied free. In such cases, ITC is not required to be reversed.
9	Under GST, how to send demonstration equipment and instruments to customers or branch offices with in India on returnable basis? – No sale is involved	As the goods are sent on returnable basis and no transfer of title is involved, it is not a supply of goods. If some element of service is involved, the same will be a taxable supply. The goods may be sent on delivery challan without invoice as it is not a supply of goods.
10	How to send equipment and instruments to manufacturers' factory for repairs and calibration with	Challan for movement of goods without supply is to be issued in terms of Rule 55 of CGST Rules.

	in India on returnable basis? – No sale is involved.	
11	Clarification is sought on the following: Revision in GSTR Returns	Mistakes can be corrected in subsequent returns to be filed through amendment Table (For example Table 11 of GSTR-1). Such mistakes can be corrected till the due date for filing of the return for the month of September subsequent to end of the year or filing of the annual return, whichever is earlier.
Input Tax Credit		
1	How can a trader avail ITC while selling goods/services to unregistered/exempted GST traders?	The fact that a registered person is supplying goods to an unregistered or exempted person has no consequence on availment of ITC by the supplier.
2	Please clarify the procedure of availing ITC on Additional Compensation Cess on	ITC of cess can be used only for payment of cess

	some products like Tobacco, Coke, Cigarettes.	
3	Please clarify ITC Credit status for the following condition: If Recipient (Good & Service) is registered under GST & Reseller/Supplier is under exemption OR composition schemes	In case of unregistered dealer, recipient will pay tax on reverse charge basis. He can get the ITC provided he fulfills other conditions as mentioned in section 16 of the CGST Act, 2017. In case of purchase from composition taxable person, the composition person cannot charge any tax and hence the question of availing ITC does not arise.
4	Please clarify ITC Credit status for the following condition: On GST Deducted Commission for Distributor registered under GST Taxpayer	The GST deducted out of your commission as TDS will be claimed by you in your cash ledger.
5	Please clarify ITC Credit status for the following condition: if Commission	The section concerning GST deduction (Section 51 of CGST Act, 2017) has not been operationalized till now. But

	received Without Deducting GST in cases where distributor under Exemption OR composition Scheme	if the distributor is under threshold exemption or under composition scheme, the requirement for GST deduction depends upon the taxable supply and value of contract rather than the nature of the supplier.
6	How should importers take credit of clean energy cess paid on goods lying as stock 30.06.2017?	No credit for clean energy cess can be taken.
7	Since our products are under 0% and we are using various services like telephone, professional charges for which we will be paying GST to our registered service providers and this amount will not be utilized towards any payment of outward goods. Are we eligible for refund on the services	You are not eligible for refund of unutilized Input Tax Credit as there is no tax on output supply. Tax paid on such services may be accounted along with the services availed i.e. booked as expenses.

	obtained and GSTN paid for the same? If yes what is the procedure? If no what is the accounting effect?	
8	Whether ITC Transition provisions on goods purchased within the State on which tax on MRP has been paid, covered under 140(3) or 140(1)? If covered under 140(1) then how a credit claim be made, as presently in Vat return only the amount is reflected and it is non-adjustable?	ITC could be availed on the goods, on which tax on MRP has been paid at earlier stage, therefore it could get covered by section 140(3), if the state GST provides for that. In any case, section 140(1) would not be applicable, because section 140(1) is applicable only if the supplier is carrying forward ITC in his return for June, 2017. The dealer, who was not eligible for ITC under existing law, because the goods had suffered tax at first point of sale only obviously cannot claim ITC in the said return also.
9	Please clarify on availment of input tax credit of GST paid on trucks, commonly	No ITC is permitted to GTA engaged in providing GTA services which are under RCM and are treated as

	used for G.T.A business, Safex, Multi-modal and packing business?	exempted supplies in the hand of GTA. However, if GTA is also liable to pay tax under forward charge as supplier, he is not permitted to avail ITC if he is claiming the concessional rate of 5%. If ITC is claimed, the GST rate for GTA in forward charge will be 18%.
10	What will be the Input Credit of newly launched project of building construction after 01.07.2017?	ITC is permitted to pay output tax of construction/work contract services. Please see section 17(5) (c) and (d) of CGST Act, 2017.
11	What are the provisions under CGST Act as to the eligibility of CENVAT credit of service tax on invoices which are received after the appointed date for the services received under the service tax regime?	ITC is available in terms of section 140(5) of CGST Act, 2017.

12	How a service Provider can get input GST credit benefit in pure labour Contract under Input Credit?	He needs to use input for furtherance of business and should fulfill the conditions mentioned in section 16 of CGST Act, 2017. The input should not fall within the negative list provided in section 17(5) of the CGST Act, 2017.
13	GSTR-1 (Point 9) – As banks are eligible to claim only 50% of Input credit consider excluding banks from reporting of exempt/non-GST supplies in GSTR-1?	Return Rules have already been notified. It is not possible to make exception for one sector.
14	Clarification is sought for the following: Penal Interest on loans and advances	Penal interest is a consideration for tolerating an act and it is a supply of service and will be taxable.
15	In case of takeover of a Partnership firm by a Private Limited Company, then who will get the ITC	If the business is transferred as a going concern, and liabilities are also transferred then ITC can be transferred to the company. The company can file TRAN-1.

	credit? And who should file the GST TRAN-1?	
Job Work		
1	Whether the job worker (who converts barley into Malt) has to charge GST from the Principal only on the Job Work charges or full value of goods, i.e. (Value of Raw Material + Job Work Charges)?	The job worker has to pay GST on job work charges only.
2	In case of job workers not operating under Notification 214/86-CE (i.e. registered under excise at present), whether they can carry forward the credit availed on RM/PM supplied to them by the principal manufacturer? Also is there any restriction on carry forward of the	The credit on RM/PM supplied by the principal manufacturer can be availed by the manufacturer rather than the job worker. Section 141 of CGST Act, 2017 refers. Further if job worker is registered under existing law, Cenvat Credit in respect of input services received from ISD as shown in return can be carried forward.

	credit on input services distributed to them by the principal as ISD under Rule 7 of the Credit Rules and remaining unutilized on the day of GST implementation?	
Levy		
1	Should GST be charged on labour charges in an invoice?	Yes, if the activity is taxable.
2	Would tax be payable on sale of business assets on which no credit was claimed?	Yes provided the aggregate value of supplies is more than Rs. 20 lakhs (Rs. 10 lakhs in special category States).
3	What kind of facilities provided by employer to employee would be liable to GST? For instance, whether club membership provided will be considered as "service"?	The compensation to employees in the form of money is not a supply. However, fringe benefits are supply of goods or services and are liable to tax if not exempted. These are transactions in furtherance of business and even if supplied without

		consideration, the same are deemed supply.
4	PayPal is USA based company. It provides services to its account holders spread worldwide. Whether services given by PayPal would be covered under Section 13(8) of IGST Act?	If the place of supply is in India, the registered recipient will have to pay tax under reverse charge and if the recipient is unregistered, PayPal will pay GST in accordance with section 14 of IGST Act.
5	Whether 5% GST applicable to the Transport service provider is to be charged on the total freight amount bill?	It will be on the invoice value of GTA services determined in terms of section 15
6	Does Rental Income less than Rs. 20 Lac per annum attract GST?	No. That said, where the rental income from a single property is less than Rs. 20 lakhs but the aggregate rental income from various properties exceed rupees twenty lakhs, the requirement for registration and GST payment will be there.

7	In reference to Section 15 of GST, CTT and STT are statutory levy under Income Tax. Is there any GST tax on another governmental Tax, SEBI Fees and Stamp Duty as per Various State Government rates?	As per Section 15 the value will be inclusive of all taxes except CGST, SGST, UTGST and IGST. So all taxes will be included in the value for the purpose of GST except where benefit of Pure agent as provided in Rule 33 of CGST Rules, 2017 is availed.
8	Provisions of Notification no. 7/2017 are applicable under CGST only. Kindly clarify whether provisions of notification no. 7/2017 will be applicable for SGST ACT, IGST ACT and UTGST ACT?	Separate notifications are issued under SGST Act, IGST Act and UTGST Act.
9	Whether GST would be payable in case of demand of excise duty made upon finalization of provisional	Demands arising from finalization of provisional assessments under the Central Excise Act, unless recovered under the said Act, shall be recovered as an arrear of tax under GST Act.

	excise assessment in post GST period?	
10	What option shall be opted while clearing samples from factory to warehouse location: a) No GST should be levied but corresponding ITC should be reversed b) GST should be levied but GST (ITC) paid on samples cleared should be reversed at receiving warehouse location.	Depends upon the location of the factory and warehouse. If both are located in the same State and not registered separately, no GST is to be charged. Once finally supplied to any other recipient, no GST is to be charged but ITC on the same is to be reversed.
11	What is the taxable treatment of the services provided by a Service Provider in respect of such services which are covered under circular 25/2012-Mega Exemption Notification for	Exemption notification for services have been notified. Refer Not. No. 12/2017- Central Tax (Rate) & Not. No. 9/2017-Integrated Tax (Rate).

	Government, railways and other Departments? Such Services are exempt from Service Tax, hence who will bear the GST tax element of 18%, the Service Provider or the Principal Employer?	
12	Normally the Service Provider does not issue invoice in Government Jobs. The Sectional /departmental engineers prepare the measurement books and record the details of work done on a subsequent date. Hence how Point of Service will be reckoned since the Service Provider does not raise the Invoice?	Time of supply of services has been explained in Section 13 of CGST Act. The supplier of services will have to issue a tax invoice within 30 days of supply of service (the measurement is finalized by the departmental engineers or service provider whichever is earlier.) In case of reverse charge , Govt. Dept. will raise invoice accordingly. [Refer Section 13(3)].
13	In construction work, after raising of the Invoice,	Time of supply of services has been explained in Section 13 of CGST Act.

	physical verification of the same is done by the Engineers of the Client and this work is delayed abnormally: in some instances the period taken goes up to two months, then how the Point of Service will be determined?	The date of issue of Invoice will the time of supply
14	Is it practically feasible that Service Provider submits an Invoice after execution of work and the Principal Employer makes arrangement for payment of the bill after three months whereas as per point of service rule, the Point of Service stands for one month from the date of issue of raise invoice or services whichever is	Time of supply of services has been explained in Section 13 of CGST Act. The terms for payment do not decide the taxability of a particular transaction. So even if payment for a particular supply has not been received it will still be liable for GST.

	earlier and the Service Provider has to pay Service Tax @ 18% on value of work done although he has not received any payment from the client till date?	
15	Clarification is sought for the following:- 1. Intermediary services and services provided by Banking Company to its Account Holders – Intra-state or Inter-state supply?	Place of supply provisions in sub-section (12) of section 12 of IGST Act may be referred to.
16	Cross border services provided by an Indian branch to offshore branch /HO which are not “Intermediary Services” – are they exempted?	Section 13 of IGST Act, 2017 may be referred. The place of supply is outside India but as the supplier is located in India, it is a case of inter-State supply and subject to IGST. It will be zero rated if the sale proceeds are realized in Convertible foreign exchange.

17	Pure Agent – Issuance of a circular similar to CBEC Circular on STT/Stamp duty dated 17th Sept. 2010	Detailed Rule provided. Pl see Rule 33 of CGST Rules.
18	Charging of GST in case of travel by a passenger to beyond India's border viz., to Pakistan or Bangladesh?	The place of supply is the place of embarkation for the continuous journey. If a passenger embarks at Amritsar for journey to a place in Pakistan, it is taxable because the place of embarkation is in the taxable territory.
19	Levy of GST in respect of ticket booked in India if place of boarding is outside India?	The place of supply is outside India but as the supplier is located in India, it is a case of inter-State supply and subject to IGST. It will be zero rated if the sale proceeds are realized in convertible foreign exchange.
Registration		
1	Dealers below Rs.20 lakhs turnover cannot do business through online portals like Amazon	This requirement is there only in those cases where the supplier is supplying through e-commerce company is liable for TCS.

	without mandatorily taking registration. Why the additional and discriminatory burden on unregistered dealers?	
2	Does a Medical Service Provider needs to get registered under GST if his aggregate turnover (u/s 2 (6) is more than Rs. 20 Lakhs but has taxable supply of only an amount of Rs.2.4 Lakh p.a.?	Yes, he should get registered and also pay GST on taxable supply.
3	Whether the registration under GST is compulsory by Transport Service Provider.	No, if the entire services supplied by the transporter are covered under the reverse charge mechanism under section 9 (3).
4	Will from 1/7/17, my corner kariyanawala charge me GST on goods or services depending on his turnover or both and give	Liability for registration under GST arises if the aggregate turnover is more than Rs. 20 Lakhs. If the corner kariyanawla has turnover greater than Rs. 20 lakhs in the preceding

	me an authentic/printed memo for purchases?	financial year he is liable to be registered, charge GST and provide you an invoice for your purchase.
5	How will I know if his turnover is below Rs 20L and if he is exempt from GST and that he will not charge me any GST?	Person having turnover over Rs. 20 lakhs will take registration and registration certificate will be displayed at a prominent location along with GSTIN on the name board. If you suspect that he has not taken registration, a complaint can be made and suo-moto registration will be given under rule 16 of CGST Rules, 2017.
6	Will all establishments display a certificate from government (displaying his turnover category) and their GST Registration No. which should appear on all his cash memos/bills?	Yes. For details, rule 18 of CGST Rules, 2017 may be referred to.
7	Does a trader who has turnover of less than 20	Yes, if such e-commerce operator is required to collect tax at source.

	lakh and are selling on ecommerce websites, have to register for GST?	Please see Section 24 of CGST Act, 2017.
8	Can a trader whose account has been blocked by ecommerce portal apply for GST and still be eligible to sell for some period of time without GST, till they get their GST registrations completed?	Supply can take place during the process of registration and revised invoices can be issued in accordance with the provisions of section 31(3) of the CGST Act, 2017.
9	Do traders having turnover less than Rs. 20 Lakhs need to get registered under GST? If not, how can they purchase primary goods from other states without having GST Registration No?	Traders having turnover of less than Rs 20 lakhs can buy from other States also without registration except in case of those goods which are subject to reverse charge.
10	Do I, a Mutual fund Distributor working in Delhi, need to register	If you are supplying services to the branch office in the same State, it will be intra-State supply and you will not

	under GST, having income Less than Rs. 20 Lakhs but working for offices that are registered in Mumbai and have branch offices in Delhi?	be liable for registration. If you are making inter-State supply, you will be liable for registration and benefit of threshold exemption would not be admissible.
11	We are a private ltd. Co. having Head Office at Mumbai and Branch Office in Gujarat and U.P. dealing in products having Tax Rate @0% dealing intra state and interstate supply: Since the products are 0% GST products are we require to register under GST if turnover is above 20 Lakhs?	No
12	We are purchasing from Haryana and selling in Haryana and also interstate sales. Currently we do not	No. Registration is not required as you are dealing exclusively in products that are wholly exempted.

	have any GST registration in Haryana. Since the Product is 0% GST are we suppose to register in Haryana?	
13	We are paying freight charges to our GTA for which currently we are paying service tax at applicable rate. In case of GST what we understand is GTA is exempt from obtaining GST registration no. Are we required to pay GSTN @5% on freight for transportation of goods which are 0%. In case we are not required to obtain registration under GST if we are under 0% products how do we make payment for the same?	As you are business entity and availing GTA services you are liable to pay GST on GTA services on reverse charge basis and therefore liable to be registered. Section 24 of CGST Act, 2017 may be referred.

14	Please clarify the position of GST in case of licensed Tour Guides having registered office in one state but providing services Pan India?	If the presence of tour guide is required in each State and he is supplying services from those States then registration requirement in each state would be there.
15	Under GST regime input tax credit on goods / services can be availed against GST Output liability and there may be zero input tax credit; hence is it necessary to obtain ISD registration?	ISD is required to take separate registration under the Act.
Transition		
1	How the deemed credit of available stock and Work in progress (WIP) to be availed by an Assessee?	The provisions relating to deemed credit are contained in the proviso to section 140(3) of the CGST Act, 2017 and rule 117 (4) of the CGST Rules, 2017. ITC at the rate of 60% is allowed where the Central tax rate on goods is 9% or more; it is allowed at the rate of 40% in other cases. It is

		allowed only after the payment of applicable tax. It can be taken in the first six tax periods only. Deemed credit is allowed only to traders and not to manufacturers.
2	Is there any provision/instruction under the CGST Act for taking/verifying the physical stock of the units as on 30th June 2017. It is pertinent to mention here that the Punjab Excise & Taxation department is undertaking the exercise of stock taking/verification of the units which were earlier registered with them. Matter may please be clarified.	There is no such bar under the CGST Act, 2017.
3	Till the time E-way bill system is fully developed which documents/	The goods can be transported with documents like tax invoice, bill of supply and delivery challan.

	procedure should be followed for inter-state supply of goods	Document as may be prescribed under Rule 138 of the SGST Rules, 2017 will also have to be carried by the person in charge of the conveyance.
4	Government has allowed increase in MRP due to additional incidence of GST. Can it be done for stock lying with dealers & retailers or only for stock lying with manufacturer or importers?	The prices can be revised where the incidence of tax has increased under the GST. However, one should adhere to the requirements under other statutes like the Legal Metrology Act also.
5	Does tax need to be paid on advances in hand as of June 30th for goods to be supplied from July 1?	No
6	Builder is demanding balance money due to tax rate changed under GST. Do we have to pay service tax on entire amount of	GST is operational from 01.07.2017. Only on the balance amount GST will be applicable on future payments. For tax paid under the earlier law, section

	registration under GST, also if abatement provided before GST is available or not?	142(11) of the CGST Act, 2017 may be referred to.
7	How to avail credit on raw material and packing materials stored outside factory on which credit could not have been availed due to the specific restriction in the permission given by the Excise department? Whether these goods can be treated as "in-transit" and credit be availed under Section 140(5) within 30 days of GST implementation?	Goods can be treated in transit only when the same have not been received by the recipient which is not the case in this scenario.
8	Clarity is needed on the period for which details of turnover needs to be given	Period is given in the form itself i.e. 01.04.2015 to 30.06.2017.

	in Table 5(b) and 5(c) of Form GST TRAN-1.	
9	The tax paid in excess in one month is allowed to be adjusted against the tax liability due for the next month. What would be treatment of such excess payment of tax (service tax/ VAT) for the last month prior to appointed date?	Under transitional provisions all such excess ITC and Cash can be carried forward and GST can be paid from this amount.
10	The rebate given @ 60% from CGST or SGST at the higher tax rate will be provided to either whole-seller and retailer or the manufacturer or both?	The facility is not available to manufacturers.
11	There is a GST of 28% on a product of MRP Rs.100 and the costing price of that product is Rs. 90.90/-	MRP can be revised albeit with certain precautions and for only for certain time period. Press Note of Ministry of Consumer Affairs, Food & Public

	(taxable value + 14.5% VAT) so the taxable value of that product will be 79.38 and if the GST of 28% will be added to the amount without adding any profit then it will be 79.38+22.22(28% GST) and the total value of the product will be Rs.101.60/- which is higher than MRP. So how it will be sold at the value higher than the MRP?	Distribution dated 04.07.17 may be referred to.
12	2. Where original invoice pertained to provision of services and was subject to service tax at 14% Swachh Bharat Cess @0.5% and Krishi Kalyan Cess @0.5% and the said services are subject to GST @18% or any other rate?	GST rate depends upon the service being supplied and not what was its rate under the service tax regime.

	i. What tax would be reversed in the given case CGST, SGST or IGST? ii. What would be the rate which would be captured in the credit note since service tax is @15% and GST on the said services is at 18%? iii. Does the credit note would still be required to capture the reference of the original invoice against which the credit note is issued?	
13	What shall be impact of tax on the works after 30.06.2017 for which tenders have been processed but acceptance letters not issued?	GST is payable on services supplied after 01.07.2017

14	Certain fabrics were exempt from payment of central excise duty vide Notification No. 30/2004-CE dated 09-07-2004. This exemption was subject to the condition that the manufacturer has not availed Cenvat credit of duty paid on inputs. Thus the said exemption was not unconditional. Will ITC @40% of CGST be admissible to the taxable person in respect of such fabrics held in stock?	Yes, ITC would be admissible.
Miscellaneous		
1	When would advance ruling applications submission begin?	The Government is in the process of constituting the Authority. It would be notified soon.
2	When are the recommendations of the	Representation can be submitted to the sectoral working groups.

	sector wise task force expected to be submitted to the GST Council. Can representations still be made to the sectoral task force ?	
3	How will I know whatever GST I pay is really paid to government by various makers/sellers and not pocketed by the seller?	Person, selling to you, would have purchased his products/inputs from some supplier. That supplier while filing his outward supply details (GSTR1) will quote the GSTIN of the your seller. And he will have to accept the same in his GSTR2. Therefore the system captures the data of your seller. Action can be subsequently taken in case of evasion of tax.
4	Is stock transfer possible without paying GST in case of takeover of a Partnership firm by a Private Limited Company	One has to see the conditions given in entry 4 of Schedule II of the CGST Act, 2017. If it is a supply as per this entry, it is taxable.

Integrated Goods and Services Tax Act, 2017

1. Short title, extent and commencement

- (1) This Act may be called the Integrated Goods and Services Tax Act, 2017.
- (2) It shall extend to the whole of India except the State of Jammu and Kashmir.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. Definitions

In this Act, unless the context otherwise requires,--

- (1) **“Central Goods and Services Tax Act”** means the Central Goods and Services Tax Act, 2017;
- (2) **“central tax”** means the tax levied and collected under the Central Goods and Services Tax Act;
- (3) **“continuous journey”** means a journey for which a single or more than one ticket or invoice is issued at the same time,

either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.

Explanation.--For the purposes of this clause, the term

“stopover” means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time;

- (4) **“customs frontiers of India”** means the limits of a customs area as defined in section 2 of the Customs Act, 1962;
- (5) **“export of goods”** with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;
- (6) **“export of services”** means the supply of any service when,--
 - (i) the supplier of service is located in India;
 - (ii) the recipient of service is located outside India;
 - (iii) the place of supply of service is outside India;

- (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; and

- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;
- (7) **“fixed establishment”** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs;
- (8) **“Goods and Services Tax (Compensation to States) Act”** means the Goods and Services Tax (Compensation to States) Act, 2017;
- (9) **“Government”** means the Central Government;
- (10) **“import of goods”** with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;
- (11) **“import of services”** means the supply of any service, where--
 - (i) the supplier of service is located outside India;
 - (ii) the recipient of service is located in India; and
 - (iii) the place of supply of service is in India;

- (12) **“integrated tax”** means the integrated goods and services tax levied under this Act;
- (13) **“intermediary”** means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account;
- (14) **“location of the recipient of services”** means,—
- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;
 - (b) where a supply is received at 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 received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and

- (d) in absence of such places, the location of the usual place of residence of the recipient;

(15) **“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 provision of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the supplier;

(16) **“non-taxable online recipient”** means any Government, local authority, governmental authority, an individual or any other person not registered and receiving online information and database access or retrieval services in relation to any

purpose other than commerce, industry or any other business or profession, located in taxable territory.

Explanation.--For the purposes of this clause, the expression "**governmental authority**" means an authority or a board or any other body,--

(i) set up by an Act of Parliament or a State Legislature;
or

(ii) established by any Government, with ninety per cent. or more participation by

way of equity or control, to carry out any function

entrusted to a municipality under article 243W of the Constitution;

(17) "**online information and database access or retrieval**

services" means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,--

- (i) advertising on the internet;
 - (ii) providing cloud services;
 - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
 - (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
 - (v) online supplies of digital content (movies, television shows, music and the like);
 - (vi) digital data storage; and
 - (vii) online gaming;
- (18) **“output tax”**, in relation to a taxable person, means the integrated tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (19) **“Special Economic Zone”** shall have the same meaning as assigned to it in clause
- (za) of section 2 of the Special Economic Zones Act, 2005;

- (20) **“Special Economic Zone developer”** shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;
- (21) **“supply”** shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;
- (22) **“taxable territory”** means the territory to which the provisions of this Act apply;
- (23) **“zero-rated supply”** shall have the meaning assigned to it in section 16;
- (24) words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts;
- (25) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State or Union territory be construed as a reference to the corresponding law, if any, in force in that State.

CHAPTER-II ADMINISTRATION

3. **Appointment of officers**

The Board may appoint such central tax officers as it thinks fit for exercising the powers under this Act.

4. **Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances**

Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such exceptions and conditions as the Government shall, on the recommendations of the Council, by notification, specify.

CHAPTER-III LEVY AND COLLECTION OF TAX

5. Levy and Collection

- (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-State supplies of goods or services or both; except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding forty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person:

Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.

- (2) The integrated tax 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.

- (3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both 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.
- (4) The integrated 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.
- (5) The Government may, on the recommendations of the Council, by notification, specify categories of services, the tax on inter-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the

supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

6. Power to grant exemption from tax

- (1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax

leviable thereon with effect from such date as may be specified in such notification.

- (2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.
- (3) The Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an Explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such Explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.

Explanation.— For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services

or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

CHAPTER-IV DETERMINATION OF NATURE OF SUPPLY

7. Inter-State supply

- (1) Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in--
 - (a) two different States;
 - (b) two different Union territories; or (c) a State and a Union territory, shall be treated as a supply of goods in the course of inter-State trade or commerce.
- (2) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.
- (3) Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in--
 - (a) two different States;
 - (b) two different Union territories; or (c) a State and a Union territory, shall be treated as a supply of services in the course of inter-State trade or commerce.

- (4) Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.
- (5) Supply of goods or services or both,--
 - (a) when the supplier is located in India and the place of supply is outside India;
 - (b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or
 - (c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

8. Intra-State supply

(1) Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:

Provided that the following supply of goods shall not be treated as intra-State supply, namely:--

- (i) supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;
- (ii) goods imported into the territory of India till they cross the customs frontiers of India; or
- (iii) supplies made to a tourist referred to in section 15.

(2) Subject to the provisions of section 12, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:

Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.

Explanation 1.--For the purposes of this Act, where a person has,-- (i) an establishment in India and any other establishment outside India;

- (ii) an establishment in a State or Union territory and any other establishment outside *that State or Union territory*; or
- (iii) an establishment in a State or Union territory and any other establishment being a business vertical registered within that State

or Union territory, then such establishments shall be treated as establishments of distinct persons.

Explanation 2.--A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

9. Supplies in territorial waters

Notwithstanding anything contained in this Act,--

- (a) where the location of the supplier is in the territorial waters, the location of such supplier; or
- (b) where the place of supply is in the territorial waters, the place of supply, shall, for the purposes of this Act, be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

CHAPTER-V PLACE OF SUPPLY OF GOODS OR SERVICES OR BOTH

10. Place of supply of goods other than supply of goods imported into, or exported from India

- (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,--

- (a) where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;
- (b) where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;
- (c) where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient;
- (d) where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly;
- (e) where the goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, the place of

supply shall be the location at which such goods are taken on board.

- (2) Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed.

11. Place of supply of goods imported into, or exported from India

The place of supply of goods,--

- (a) imported into India shall be the location of the importer;
- (b) exported from India shall be the location outside India.

12. Place of supply of services where location of supplier and recipient is in India

- (1) The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.
- (2) The place of supply of services, except the services specified in sub-sections (3) to (14),--
- (a) made to a registered person shall be the location of such person;

- (b) made to any person other than a registered person shall be,--
 - (i) the location of the recipient where the address on record exists; and
 - (ii) the location of the supplier of services in other cases.
- (3) The place of supply of services,--
 - (a) directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work; or
 - (b) by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or
 - (c) by way of accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property; or

- (d) any services ancillary to the services referred to in clauses (a), (b) and (c), shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located:

Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient.

Explanation.--Where the immovable property or boat or vessel is located in more than one State or Union territory, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (4) The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery shall be the location where the services are actually performed.

- (5) The place of supply of services in relation to training and performance appraisal to,—
- (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the location where the services are actually performed.
- (6) The place of supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or *amusement* park or any other place and services ancillary thereto, shall be the place where the event is actually held or where the park or such other place is located.
- (7) The place of supply of services provided by way of,—
- (a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or
 - (b) services ancillary to organisation of any of the events or services referred to in clause (a) , or assigning of sponsorship to such events,—
 - (i) to a registered person, shall be the location of such person;

- (ii) to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.

Explanation.—Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (8) The place of supply of services by way of transportation of goods, including by mail or courier to,—
 - (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.
- (9) The place of supply of passenger transportation service to,—
 - (a) a registered person, shall be the location of such person;

- (b) a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:

Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in accordance with the provisions of sub-section (2).

Explanation.—For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.

- (10) The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.
- (11) The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall,—
- (a) in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna,

be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;

- (b) in case of mobile connection for telecommunication and internet services

provided on post-paid basis, be the location of billing address of the recipient of services on the record of the supplier of services;

- (c) in cases where mobile connection for telecommunication, internet service and direct to home television services are provided on pre-payment basis through a voucher or any other means,--

- (i) through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher, be the address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or
 - (ii) by any person to the final subscriber, be the location where such prepayment is received or such vouchers are sold;

- (d) in other cases, be the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services:

Provided that where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services:

Provided further that if such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.

Explanation.—Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (12) The place of supply of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services:

Provided that if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.

- (13) The place of supply of insurance services shall,--

- (a) to a registered person, be the location of such person;
- (b) to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.

- (14) The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement shall be taken as being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be determined in terms of the contract or agreement entered into in this regard or, in the

absence of such contract or agreement, on such other basis as may be prescribed.

13. Place of supply of services where location of supplier or location of recipient is outside India

(1) The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.

(2) The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:

Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.

(3) The place of supply of the following services shall be the location where the services are actually performed, namely:—

(a) services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:

Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the

location where goods are situated at the time of supply of services:

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;

- (b) services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services.
- (4) The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or coordination of construction work, including that of architects or interior decorators, shall be the place where the immovable property is located or intended to be located.

- (5) The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where the event is actually held.
- (6) Where any services referred to in sub-section (3) or sub-section (4) or sub-section (5) is supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.
- (7) Where the services referred to in sub-section (3) or sub-section (4) or sub-section (5) are supplied in more than one State or Union territory, the place of supply of such services shall be taken as being in each of the respective States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.
- (8) The place of supply of the following services shall be the location of the supplier of services, namely:--

- (a) services supplied by a banking company, or a financial institution, or a nonbanking financial company, to account holders;
- (b) intermediary services;
- (c) services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month.

Explanation.--For the purposes of this sub-section, the expression,--

- (a) **"account"** means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;
- (b) **"banking company"** shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;
- (c) **"financial institution"** shall have the same meaning as assigned to it in clause
(c) of section 45-I of the Reserve Bank of India Act, 1934;
- (d) **"non-banking financial company"** means,--

- (i) a financial institution which is a company;
 - (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
 - (iii) such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.
- (9) The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods.
- (10) The place of supply in respect of passenger transportation services shall be the place where the passenger embarks on the conveyance for a continuous journey.
- (11) The place of supply of services provided on board a conveyance during the course of a passenger transport operation, including services intended to be wholly or substantially consumed while on board, shall be the first scheduled point of departure of that conveyance for the journey.

- (12) The place of supply of online information and database access or retrieval services shall be the location of the recipient of services.

Explanation--For the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following noncontradictory conditions are satisfied, namely:--

- (a) the location of address presented by the recipient of services through internet is in the taxable territory;
- (b) the credit card or debit card or store value card or charge card or smart card or
any other card by which the recipient of services settles payment has been issued in the taxable territory;
- (c) the billing address of the recipient of services is in the taxable territory;
- (d) the internet protocol address of the device used by the recipient of services is in the taxable territory;
- (e) the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;
- (f) the country code of the subscriber identity module card used by the recipient of services is of taxable territory;

(g) the location of the fixed land line through which the service is received by the recipient is in the taxable territory.

(13) In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.

14. Special provision for payment of tax by a supplier of online information and database access or retrieval services

(1) On supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, the supplier of services located in a non-taxable territory shall be the person liable for paying integrated tax on such supply of services:

Provided that in the case of supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, an intermediary located in the non-taxable territory, who arranges or facilitates the supply of such services, shall be deemed to be the recipient of such services from the supplier of services in non-taxable

territory and supplying such services to the non-taxable online recipient except when such intermediary satisfies the following conditions, namely:--

- (a) the invoice or customer's bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory;
 - (b) the intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services;
 - (c) the intermediary involved in the supply does not authorise delivery; and
 - (d) the general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.
- (2) The supplier of online information and database access or retrieval services referred to in sub-section (1) shall, for payment of integrated tax, take a single registration under the Simplified Registration Scheme to be notified by the Government:

Provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay integrated tax on behalf of the supplier:

Provided further that if such supplier does not have a physical presence or does not have a representative for any purpose in the taxable territory, he may appoint a person in the taxable territory for the purpose of paying integrated tax and such person shall be liable for payment of such tax.

For the purposes of this section, -

- (a) "online information and database access or retrieval services" has the same meaning as assigned to it in sub-section (17) of section 2 of the said Act;
- (b) "non-taxable online recipient" has the same meaning as assigned to it in sub-section (16) of section 2 of the said Act.

REFUND OF INTEGRATED TAX TO INTERNATIONAL TOURIST

15. Refund of integrated tax paid on supply of goods to tourist leaving India

The integrated tax paid by tourist leaving India on any supply of goods taken out of India by him shall be refunded in such manner and subject to such conditions and safeguards as may be prescribed.

Explanation--For the purposes of this section, the term "**tourist**" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

ZERO RATED SUPPLY

16. Zero rated supply

- (1) **“zero rated supply”** means any of the following supplies of goods or services or both, namely:--
 - (a) export of goods or services or both; or
 - (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.
- (2) Subject to the provisions of sub-section (5) of section 17 of the Central Goods and Services Tax Act, credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply.
- (3) A registered person making zero rated supply shall be eligible to claim refund 30 under either of the following options, namely:--
 - (a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or
 - (b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on

goods or services or both supplied, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

APPORTIONMENT OF TAX AND SETTLEMENT OF FUNDS

17. Apportionment of tax and settlement of funds

- (1) Out of the integrated tax paid to the Central Government,--
 - (a) in respect of inter-State supply of goods or services or both to an unregistered person or to a registered person paying tax under section 10 of the Central Goods and Services Tax Act;
 - (b) in respect of inter-State supply of goods or services or both where registered person is not eligible for input tax credit;
 - (c) in respect of inter-State supply of goods or services or both made in a financial year to a registered person, where he does not avail of the input tax credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was made;

- (d) in respect of import of goods or services or both by an unregistered person or by a registered person paying tax under section 10 of the Central Goods and Services Tax Act;
 - (e) in respect of import of goods or services or both where the registered person is not eligible for input tax credit;
 - (f) in respect of import of goods or services or both made in a financial year by a registered person, where he does not avail of the said credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was received, the amount of tax calculated at the rate equivalent to the central tax on similar intra-State supply shall be apportioned to the Central Government.
- (2) The balance amount of integrated tax remaining in the integrated tax account in respect of the supply for which an apportionment to the Central Government has been done under sub-section (1) shall be apportioned to the,--
- (a) State where such supply takes place; and
 - (b) Central Government where such supply takes place in a Union territory:

Provided that where the place of such supply made by any taxable person cannot be determined separately, the said balance amount shall be apportioned to,--

- (a) Each of the States; and
- (b) Central Government in relation to Union territories, in proportion to the total supplies made by such taxable person to each of such States or Union territories, as the case may be, in a financial year:

Provided further that where the taxable person making such supplies is not identifiable, the said balance amount shall be apportioned to all States and the Central Government in proportion to the amount collected as State tax or, as the case may be, Union territory tax, by the respective State or, as the case may be, by the Central Government during the immediately preceding financial year.

- (3) The provisions of sub-sections (1) and (2) relating to apportionment of integrated tax shall, mutatis mutandis apply to the apportionment of interest, penalty and compounding amount realised in connection with the tax so apportioned.

- (4) Where an amount has been apportioned to the Central Government or a State Government under sub-section (1) or sub-section (2) or sub-section (3), the amount collected as integrated tax shall stand reduced by an amount equal to the amount so apportioned and the Central Government shall transfer to the central tax account or Union territory tax account, an amount equal to the respective amounts apportioned to the Central Government and shall transfer to the State tax account of the respective States an amount equal to the amount apportioned to that State, in such manner and within such time as may be prescribed.
- (5) Any integrated tax apportioned to a State or, as the case may be, to the Central Government on account of a Union territory, if subsequently found to be refundable to any person and refunded to such person, shall be reduced from the amount to be apportioned under this section, to such State, or Central Government on account of such Union territory, in such manner and within such time as may be prescribed.

18. Transfer of input tax credit

On utilisation of credit of integrated tax availed under this Act for payment of,--

- (a) Central tax in accordance with the provisions of sub-section (5) of section 49 of the Central Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the central tax account in such manner and within such time as may be prescribed;
- (b) Union territory tax in accordance with the provisions of section 9 of the Union Territory Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the Union territory tax account in such manner and within such time as may be prescribed;
- (c) State tax in accordance with the provisions of the respective State Goods and Services

Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and shall be apportioned to the appropriate State Government and the Central Government shall transfer the amount so apportioned to the account of the appropriate

State Government in such manner and within such time as may be prescribed.

Explanation--For the purposes of this Chapter, “**appropriate State**” in relation to a taxable person, means the State or Union territory where he is registered or is liable to be registered under the provisions of the Central Goods and Services Tax Act.

19. Tax wrongfully collected and paid to Central Government or State Government

- (1) A registered person who has paid integrated tax on a supply considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed.
- (2) A registered person who has paid central tax and State tax or Union territory tax, as the case may be, on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall not be required to pay any interest on the amount of integrated tax payable.

MISCELLANEOUS

20. Application of provisions of Central Goods and Services Tax Act

Subject to the provisions of this Act and the rules made thereunder, the provisions 35 of Central Goods and Services Tax Act relating to,–

- (i) scope of supply;
- (ii) composite supply and mixed supply;
- (iii) time and value of supply;
- (iv) input tax credit;
- (v) registration;
- (vi) tax invoice, credit and debit notes;
- (vii) accounts and records;
- (viii) returns, other than late fee;
- (ix) payment of tax;
- (x) tax deduction at source;
- (xi) collection of tax at source;
- (xii) assessment;
- (xiii) refunds;
- (xiv) audit;
- (xv) inspection, search, seizure and arrest;
- (xvi) demands and recovery;

(xvii) liability to pay in certain cases;

(xviii) advance ruling;

(xix) appeals and revision;

(xx) presumption as to documents;

(xxi) offences and penalties;

(xxii) job work;

(xxiii) electronic commerce;

(xxiv) transitional provisions; and

(xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty, shall, *mutatis mutandis*, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act:

Provided that in the case of tax deducted at source, the deductor shall deduct tax at the rate of two per cent from the payment made or credited to the supplier:

Provided further that in the case of tax collected at source, the operator shall collect tax at such rate not exceeding two per cent, as may be notified on the recommendations of the Council, of the net value of taxable supplies:

Provided also that for the purposes of this Act, the value of a supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier:

Provided also that in cases where the penalty is leviable under the Central Goods and Services Tax Act and the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, the penalty leviable under this Act shall be the sum total of the said penalties.

21. Import of services made on or after the appointed day

Import of services made on or after the appointed day shall be liable to tax under the provisions of this Act regardless of whether the transactions for such import of services had been initiated before the appointed day:

Provided that if the tax on such import of services had been paid in full under the existing law, no tax shall be payable on such import under this Act:

Provided further that if the tax on such import of services had been paid in part under the existing law, the balance amount of tax shall be payable on such import under this Act.

Explanation--For the purposes of this section, a transaction shall be deemed to have been initiated before the appointed day if either the invoice relating to such supply or payment, either in full or in part, has been received or made before the appointed day.

22. Power to make rules

- (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.
- (2) Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.
- (3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.

(4) Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.

23. Power to make regulations

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

24. Laying of rules, regulations and notifications

Every rule made by the Government, every regulation made by the Board and every notification issued by the Government under this Act, shall be laid, as soon as may be, after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of

no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.

25. Removal of difficulties

- (1) If any difficulty arises in giving effect to any provision of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

- (2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

IGST – Notifications (Other than rate)

1/2017 – Section 1 to 3 and other notified

New Delhi, the 19th June, 2017

29 Jyaistha, 1939 Saka

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government hereby appoints the 22nd day of June, 2017, as the date on which the provisions of sections 1, 2, 3, 14, 20 and 22 of the said Act shall come into force.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

2/2017 – OIDS registration

New Delhi, the 19th June, 2017

29 Jyaistha, 1939 Saka

G.S.R . (E). - In exercise of the powers conferred by sub-section (2) of section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) (hereinafter referred to as the said Act), read with sub-rule (2) of rule 14 of the Central Goods and Services Tax Rules, 2017, the Central Government hereby notifies the Principal Commissioner of Central Tax, Bengaluru West and all the officers subordinate to him as the officers empowered to grant registration in case of online information and database access or retrieval services provided or agreed to be provided by a person located in non-taxable territory and received by a non-taxable online recipient.

Explanation.- For the purposes of this notification,-

(a) “online information and database access or retrieval services” has the same meaning as assigned to it in sub-section (17) of section 2 of the said Act;

(b) “non-taxable online recipient” has the same meaning as assigned to it in sub-section (16) of section 2 of the said Act.

2. This notification shall come into force on the 22nd day of June, 2017.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy.S.L.) Under
Secretary to the Government of India

3/2017 – Section 4 to 13 and other notified

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government hereby appoints the 1st day of July, 2017, as the date on which the provisions of sections 4 to 13, 16 to 19, 21, 23 to 25 of the said Act, shall come into force.

[F. No. 349/72/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

4/2017 – CGST Rules applicable

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R. (E).- In exercise of the powers conferred by section 22 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with section 20 of the said Act, the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.-(1) These rules may be called the Integrated Goods and Services Tax Rules, 2017.

(2) They shall be deemed to have come into force on the 22nd day of June, 2017.

2. Application of Central Goods and Services Tax Rules.-The Central Goods and Services Tax Rules, 2017, for carrying out the provisions specified in section 20 of the Integrated Goods and Services Tax Act, 2017 shall, so far as may be, apply in relation to integrated tax as they apply in relation to central tax.

[F. No. 349/76/2017-GST]

(Dr. Sreeparvathy S.L.) Under Secretary to the Government of India

5/2017 – HSN requirement

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R.(E).— In pursuance of the first proviso to rule 46 of the Central Goods and Services Tax Rules, 2017 read with notification No. 4/2017-Integrated Tax, dated the 28th June 2017, the Central Board of Excise and Customs, on the recommendations of the Council, hereby notifies that a registered person having annual turnover in the preceding financial year as specified in column (2) of the Table below shall mention the digits of Harmonised System of Nomenclature (HSN) Codes, as specified in the corresponding entry in column (3) of the said Table, in a tax invoice issued by such person under the said rules. Table

Serial Number	Annual Turnover in the preceding Financial Year	Number of Digits of HSN Code
(1)	(2)	(3)
1.	Upto rupees one crore fifty lakhs	Nil
2.	more than rupees one crore fifty lakhs and upto rupees five crores	2
3.	more than rupees five crores	4

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F. No.349/72/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

6/2017 – Rate of interest

New Delhi, the 28th June, 2017

7 Ashadha, 1939 Saka

G.S.R.....(E).- In exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby fixes the rate of interest per annum, for the purposes of the sections as specified in column (2) of the Table below, as mentioned in the corresponding entry in column (3) of the said Table.

Table

Serial Number	Section	Rate of interest (in per cent)
(1)	(2)	(3)
1.	Section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-	18

	section (1) of section 50 of the Central Goods and Services Tax Act, 2017	
2.	section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (3) of section 50 of the Central Goods and Services Tax Act, 2017	24
3.	section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (12) of section 54 of the Central Goods and Services Tax Act, 2017	6
4.	section 20 of the Integrated Goods and Services Tax Act, 2017 read with section 56 of the Central Goods and Services Tax Act, 2017	6
5.	section 20 of the Integrated Goods and Services Tax Act, 2017 read with proviso to section 56 of the Central Goods and Services Tax Act, 2017	9

2. This notification shall come into force from the 1st day of July, 2017.

[F. No.349/72/2017-GST]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

IGST – Notifications – Rate related

1/2017 - Refer cbec.gov.in for rate related notification

2/2017 - Refer cbec.gov.in for rate related notification

3/2017 - Refer cbec.gov.in for rate related notification

4/2017- RCM on goods

Reverse Charges Scheme on specified goods under IGST

In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the supply of goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, made by the person as specified in the corresponding entry in column (4), in respect of which the integrated tax shall be paid on reverse charge basis by the recipient of the intra-state supply of such goods as specified in the corresponding entry in column (5) and all the provisions of the said Act shall apply to such recipient, namely :-

TABLE

S. No.	Tariff item,	Description of supply	Supplier of goods	Recipient of supply

	sub- heading, heading or Chapter	of Goods		
(1)	(2)	(3)	(4)	(5)
1.	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2.	1404 90 10	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3.	2401	Tobacco leaves	Agriculturist	Any registered person
4.	5004 to 5006	Silk yarn	Any person who manufactures silk yarn from	Any registered person

			raw silk or silk worm cocoons for supply of silk yarn	
5.	-	Supply of lottery.	State Government, Union Territory or any local authority	Lottery distributor or selling agent. <i>Explanation.</i> - For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of

				Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the provisions of sub section 1 of section 11 of the Lotteries (Regulations) Act, 1998 (17 of 1998).

Explanation. -

- (1) In this Table, "tariff item", "sub-heading", "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (2) The rules for the interpretation of the First Schedule to the said

Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

5/2017- No refund of un-utilised credits

Refund of unutilized/accumulated credit not permissible on specified goods when rate of tax on input is higher than rate of tax on output supplies

In exercise of the powers conferred by clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) the Central Government, on the recommendations of the Council, hereby notifies the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, heading, sub-heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, in respect of which no refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods (other than nil rated or fully exempt supplies).

TABLE

S. No.	Tariff item, heading, sub-	Description of Goods

	heading or Chapter	
(1)	(2)	(3)
1.	5007	Woven fabrics of silk or of silk waste
2.	5111 to 5113	Woven fabrics of wool or of animal hair
3.	5208 to 5212	Woven fabrics of cotton
4.	5309 to 5311	Woven fabrics of other vegetable textile fibres, paper yarn
5.	5407, 5408	Woven fabrics of manmade textile materials
6.	5512 to 5516	Woven fabrics of manmade staple fibres
7.	60	Knitted or crocheted fabrics [All goods]
8.	8601	Rail locomotives powered from an external source of electricity or by electric accumulators
9.	8602	Other rail locomotives; locomotive tenders; such as Diesel-electric locomotives, Steam locomotives and tenders thereof

10.	8603	Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604
11.	8604	Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, trackliners, testing coaches and track inspection vehicles)
12.	8605	Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604)
13.	8606	Railway or tramway goods vans and wagons, not self-propelled
14.	8607	Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies,

		axles and wheels, and parts thereof
15.	8608	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing

Explanation. -

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

6/2017- Canteen Stores Department (CSD) exemption

Exemption to Canteen Store Department for all inward supplies of goods for subsequent supplies to Unit Run Canteen of CSD or to the authorized Customers of CSD by way of 50% refund of IGST

In exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with section 55 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the Canteen Stores Department (hereinafter referred to as the CSD), under the Ministry of Defence, as a person who shall be entitled to claim a refund of fifty per cent. of the applicable integrated tax paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the CSD or to the authorized customers of the CSD.

2. This notification shall come into force with effect from the 1st day of July, 2017.

7/2017 - Canteen Stores Department (CSD) exemption

Exemption to goods supplied by CSD to Units Run Canteens and to the authorized customers by them from IGST

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts, the inward supplies of goods, the description of which is specified in column (3) of the Table below, falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2), from the whole of the integrated tax leviable thereon under section 5 of the Integrated Good and Services Tax Act, 2017 (13 of 2017), namely :-

TABLE

S. No.	Tariff item, sub- heading, heading	Description of supply of Goods

	or Chapter	
(1)	(2)	(3)
1	Any chapter	The supply of goods by the CSD to the Unit Run Canteens
2	Any chapter	The supply of goods by the CSD to the authorized customers
3	Any chapter	The supply of goods by the Unit Run Canteens to the authorized customers

Explanation. –

- (1) In this notification, “tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

8/2017- Rate of GST on services

Rate of GST on intra-State supply of specific services with Service Code Tariff (SAC)

In exercise of the powers conferred by sub-section (1) of section 5, sub-section (1) of section 6 and clause (iii) and clause (iv) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the integrated tax, on the inter-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table :-

TABLE

Sl. No	Chapter, Section or	Description of Service	Rate (per	Condition

.	Heading		cent.	
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
2	Section 5	Construction Services		
3	Heading 9954 (Construction services)	(i) 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	18	-

		after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)		
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	18	-
		(iii) construction services other than (i) and (ii) above.	18	-
4	Section 6	Distributive Trade Services; Accommodation, Food and Beverage Service; Transport Services;		

		Gas and Electricity Distribution Services		
5	Heading 9961	Services in wholesale trade. <i>Explanation.</i> - This service does not include sale or purchase of goods but includes : — Services of commission agents, commodity brokers, and auctioneers and all other traders who negotiate whole sale commercial transactions between buyers and sellers, for a fee or commission' — Services of electronic	18	-

		whole sale agents and brokers, — Services of whole sale auctioning houses.		
6	Heading 9962	Services in retail trade. <i>Explanation.</i> - This service does not include sale or purchase of goods	18	-
7	Heading 9963 (Accommodation , food and beverage services)	(i) 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 drink, where such supply or service is for cash, deferred payment or other valuable	12	-

		consideration, provided by a restaurant, eating joint including mess, canteen, neither having the facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year and nor having licence or permit or by whatever name called to serve alcoholic liquor for human consumption.		
		(ii) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for	12	-

		residential or lodging purposes having declared tariff of a unit of accommodation of one thousand rupees and above but less than two thousand five hundred rupees per unit per day or equivalent.		
		<i>Explanation.</i> - "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount		

		offered on the published charges for such unit.		
		(iii) 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, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having licence or permit or by whatever name called to serve	18	-

		alcoholic liquor for human consumption.		
		(iv) 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, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having the facility of air-conditioning or central air-heating in	18	-

		any part of the establishment, at any time during the year.		
		(v) Supply, by way of or as part of any service or in any other manner whatsoever in outdoor catering wherein goods, being food or any other article for human consumption or any drink (whether or not alcoholic liquor for human consumption), as a part of such outdoor catering and such supply or service is for cash, deferred payment or other valuable	18	-

		consideration.		
		(vi) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of two thousand five hundred rupees and above but less than seven thousand five hundred rupees per unit per day or equivalent. <i>Explanation.</i> - "declared tariff" includes charges for all amenities provided	18	-

		in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.		
		(vii) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, including but not limited to food or any other article for human consumption or any drink (whether or not alcoholic liquor for human	18	-

		consumption), where such supply or service is for cash, deferred payment or other valuable consideration, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organising a function) together with renting of such premises.		
		(viii) Accommodation in hotels including five star hotels, inns, guest houses, clubs, campsites or other commercial places meant for	28	-

		residential or lodging purposes having declared tariff of a unit of accommodation of seven thousand and five hundred rupees and above per unit per day or equivalent. <i>Explanation.</i> - "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for		

		such unit.		
		(ix) Accommodation, food and beverage services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above.	18	-
8	Heading 9964 (Passenger transport services)	(i) Transport of passengers, with or without accompanied belongings, by rail in first class or air conditioned coach.	5	Provided that credit of input tax charged in respect of goods used in supplying the service is not utilised for paying integrated tax, central tax, state tax or union territory

				tax on the supply of the service
		(ii) Transport of passengers, with or without accompanied belongings by- (a) air conditioned contract carriage other than motorcab; (b) air conditioned stage carriage; (c) radio taxi. <i>Explanation.-</i> (a) "contract carriage" has the meaning assigned to it in clause (7) of	5	Provided that credit of input tax charged on goods or services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]

		section 2 of the Motor Vehicles Act, 1988 (59 of 1988); (b) "stage carriage" has the meaning assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988) ; (c) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central		

		control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS).		
		(iii) Transport of passengers, with or without accompanied belongings, by air in economy class.	5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of	5	Provided that

		passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport, as notified by the Ministry of Civil Aviation.		credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(v) Transport of passengers by air, with or without accompanied belongings, in other than economy class.	12	-
		(vi) Transport of passengers by motorcab where the	5	Provided that credit of input tax charged on

		cost of fuel is included in the consideration charged from the service recipient.		goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(vii) Passenger transport services other than (i), (ii), (iii), (iv), (v) and (vi) above.	18	-
9	Heading 9965 (Goods transport services)	(i) Transport of goods by rail (other than services specified at item no. (iv)).	5	Provided that credit of input tax charged in respect of goods in supplying the

				service is not utilised for paying integrated tax, central tax, state tax or union territory tax on the supply of the service
		(ii) Transport of goods in a vessel including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory	5	Provided that credit of input tax charged on goods (other than on ships, vessels including bulk carriers and tankers) used

		by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.		in supplying the service has not been taken <i>Explanation :</i> This condition will not apply where the supplier of service is located in non-taxable territory. [Please refer to <i>Explanation</i> no. (iv)]
		(iii) Services of goods transport agency (GTA) in relation to transportation of	5	Provided that credit of input tax charged on goods and

		goods (including used household goods for personal use). <i>Explanation.-</i> “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.		services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of goods in containers by rail by any person other than Indian Railways.	12	-
		(v) Goods transport	18	-

		services other than (i), (ii), (iii) and (iv) above.		
10	Heading 9966 (Rental services of transport vehicles)	(i) Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Rental services of transport vehicles with or without operators, other than (i) above.	9	-

11	Heading 9967 (Supporting services in transport)	(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Supporting services in transport	18	-

		other than (i) above.		
12	Heading 9968	Postal and courier services.	18	-
13	Heading 9969	Electricity, gas, water and other distribution services.	18	-
14	Section 7	Financial and related services; real estate services; and rental and leasing services.		
15	Heading 9971 (Financial and related services)	(i) Services provided by a foreman of a chit fund in relation to chit. <i>Explanation.-</i> (a) "chit" means a	12	Provided that credit of input tax charged on goods used in supplying the service has not

		transaction whether called chit, chit fund, chitty, kuri, or by whatever name by or under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical instalments over a definite period and that each subscriber shall, in his turn, as		been taken [Please refer to <i>Explanation</i> no. (iv)]

		determined by lot or by auction or by tender or in such other manner as may be specified in the chit agreement, be entitled to a prize amount; (b) "foreman of a chit fund" shall have the same meaning as is assigned to the expression "foreman" in clause (j) of section 2 of the Chit Funds Act, 1982 (40 of 1982).		
		(ii) Transfer of the right to use any	Same rate of	-

		goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.	integrate d tax as on supply of like goods involving transfer of title in goods	
		(iii) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of integrate d tax as on supply of like goods involving transfer of title in	-

			goods	
		(iv) Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i> (a) "operator" means a person, organisation or	5	Provided that credit of input tax charged on goods used in supplying the service has not been taken <i>Explanation :</i> This condition will not

		enterprise engaged in or offering to engage in aircraft operations;		
		(b) "scheduled air transport service" means an air transport service undertaken between the same two or more places operated according to a published time table or with		apply where the supplier of the leasing service is located in non-taxable territory. [Please refer to <i>Explanation</i> no. (iv)]

		flights so regular or frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public; (c) "scheduled air cargo service" means air transportation of cargo or mail on a scheduled basis according to a published		

		time table or with flights so regular or frequent that they constitute a recognisably systematic series, not open to use by passengers.		
		(v) Financial and related services other than (i), (ii), (iii) and (iv) above.	18	-
16	Heading 9972	Real estate services.	18	-
17	Heading 9973 (Leasing or rental services,	(i) Temporary or permanent transfer or permitting the use or enjoyment of	12	-

	with or without operator)	Intellectual Property (IP) right in respect of goods other than Information Technology software.		
		(ii) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of Information Technology software. [Please refer to <i>Explanation</i> no. (v)]	18	-
		(iii) Transfer of the right to use any goods for any purpose (whether or	Same rate of integrate d tax as	-

		not for a specified period) for cash, deferred payment or other valuable consideration.	on supply of like goods involving transfer of title in goods	
		(iv) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of integrated tax as on supply of like goods involving transfer of title in goods	-
		(v) Leasing of	5	Provided that

		aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i> (a) "operator" means a person, organisation or enterprise engaged in or		credit of input tax charged on goods used in supplying the service has not been taken <i>Explanation :</i> This condition will not apply where the supplier of the leasing service is located in non-taxable territory. [Please refer to <i>Explanation no. (iv)</i>]

		offering to engage in aircraft operations; (b) "scheduled air transport service" means an air transport service undertaken between the same two or more places operated according to a published time table or with flights so regular or		

		frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public; (c) "scheduled air cargo service" means air transportation of cargo or mail on a scheduled basis according to a published time table or with flights so		

		regular or frequent that they constitute a recognisably systematic series, not open to use by passengers.		
		(vi) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv) and (v) above.	Same rate of integrated tax as applicable on supply of like goods involving transfer of title in	-

			goods	
18	Section 8	Business and Production Services		
19	Heading 9981	Research and development services.	18	-
20	Heading 9982	Legal and accounting services.	18	-
21	Heading 9983 (Other professional, technical and business services)	(i) Selling of space for advertisement in print media.	5	-
		(ii) Other professional, technical and business services other than (i) above.	18	-
22	Heading 9984	Telecommunications,	18	-

		broadcasting and information supply services.		
23	Heading 9985 (Support services)	(i) Supply of tour operators services. <i>Explanation.</i> - "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person	5	1. Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)] 2. The bill issued for supply of this service

		engaged in the business of operating tours.		indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation

				required for such a tour.
		(ii) Support services other than (i) above	18	-
24	Heading 9986	(i) Support services to agriculture, forestry, fishing, animal husbandry. <i>Explanation.</i> - Support services to agriculture, forestry, fishing, animal husbandry mean - (i) Services relating to cultivation of plants and rearing of all life forms of animals, except	Nil	-

		the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of —		
		(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant		

		protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading,		

		cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with or without		

		a structure incidental to its use; (e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; (g) services by any Agricultural Produce Marketing Committee or Board or		

		services provided by a commission agent for sale or purchase of agricultural produce. (ii) Services by way of pre- conditioning, pre- cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or		

		vegetables. (iii) Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.		
		(ii) Support services to mining, electricity,	18	-

		gas and water distribution.		
25	Heading 9987	Maintenance, repair and installation (except construction) services.	18	-
26	Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)	(i) Services by way of job work in relation to - (a) Printing of newspapers; (b) Textile yarns (other than of man-made fibres) and textile fabrics; (c) Cut and polished diamonds;	5	-

		precious and semi-precious stones; or plain and studded jewellery of gold and other precious metals, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); (d) Printing of books (including Braille books), journals and		

		periodicals; (e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). <i>Explanation.</i> - “man made fibres” means staple fibres and filaments of organic polymers produced by manufacturing		

		processes either,- (a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by this process [for example, poly(vinyl alcohol)		

		prepared by the hydrolysis of poly(vinyl acetate)]; or		
		(b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical		

		modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.		
		(ii) Manufacturing services on physical inputs (goods) owned by others, other than (i) above.	18	-
27	Heading 9989	Other manufacturing	18	-

		services; publishing, printing and reproduction services; materials recovery services.		
28	Section 9	Community, Social and Personal Services and other miscellaneous services		
29	Heading 9991	Public administration and other services provided to the community as a whole; compulsory social security services.	18	-
30	Heading 9992	Education services.	18	-

31	Heading 9993	Human health and social care services.	18	-
32	Heading 9994	Sewage and waste collection, treatment and disposal and other environmental protection services.	18	-
33	Heading 9995	Services of membership organisations.	18	-
34	Heading 9996 (Recreational, cultural and sporting services)	(i) Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama.	18	-
		(ii) Services by way	18	-

		of admission exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.		
		(iii) Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as Indian Premier League and the like.	28	-
		(iv) Services provided by a race club by way of totalisator or a license to bookmaker in such club.	28	-
		(v) Gambling.	28	-
		(vi) Recreational, cultural and sporting services other than (i), (ii), (iii), (iv) and (v) above.	18	-
35	Heading 9997	Other services (washing,	18	-

		cleaning and dyeing services; beauty and physical well-being services; and other miscellaneous services including services nowhere else classified).		
36	Heading 9998	Domestic services.	18	-
37	Heading 9999	Services provided by extraterritorial organisations and bodies.	18	-

2. In case of supply of service specified in column (3) of the entry at item (i) against serial no. 3 of the Table above, involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case may be, and the value of land or undivided share of land, as the case may be, in such supply shall be deemed to be one third of the total amount charged for such supply.

Explanation. - For the purposes of paragraph 2, "total amount" means the sum total of, -

- (a) consideration charged for aforesaid service; and
- (b) amount charged for transfer of land or undivided share of land, as the case may be.

3. Value of supply of lottery shall be 100/112 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery run by State Government and 100/128 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery authorised by State Government.

4. *Explanation.* - For the purposes of this notification,-

- (i) Goods includes capital goods.
- (ii) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter", "Section" and "Heading" in the scheme of classification of services.
- (iii) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of heading 9988.
- (iv) Wherever a rate has been prescribed in this notification subject to the

condition that credit of input tax charged on goods or services used in supplying the service has not been taken, it shall mean that, -

- (a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and
 - (b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of clause (iv) of section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder.
- (v) "information technology software" means any representation of instructions, data, sound or image, including source code and object code, recorded in a machine readable form, and capable of being manipulated or providing interactivity to a user, by means of a computer or an automatic data processing machine or any other device or equipment.
- (vi) "agricultural extension" means application of scientific research and knowledge to agricultural practices through farmer education or training;
- (vii) "agricultural produce" means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market;
- (viii) "Agricultural Produce Marketing Committee or Board" means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce;
5. This notification shall come into force with effect from 1st day of July, 2017.

9/2017- Mega exemption notification for services

Exemption from GST on intra-State supply of specific services

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the inter-State supply of services of description as specified in column (3) of the Table below from so much of the Integrated Tax leviable thereon under sub-section (1) of section 5 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table, namely :-

TABLE

SI. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities.	Nil	Nil
2	Chapter 99	Services by way of transfer of a going concern, as a whole or an independent part thereof.	Nil	Nil
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any	Nil	Nil

		goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.		
4	Chapter 99	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.	Nil	Nil
5	Chapter 99	Services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the Constitution.	Nil	Nil
6	Chapter 99	Services by the Central Government, State Government, Union territory or local authority excluding the following	Nil	Nil

		services — (a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (c) transport of goods or passengers; or (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.		
7	Chapter 99	Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to twenty lakh rupees (ten lakh rupees in case of a special category state) in	Nil	Nil

		the preceding financial year. <i>Explanation</i> - For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to - (a) services,- (i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers; and (b) services by way of renting of immovable property.		
8	Chapter 99	Services provided by the Central Government, State Government, Union territory or local authority to another Central	Nil	Nil

		Government, State Government, Union territory or local authority: Provided that nothing contained in this entry shall apply to services - (i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers.		
9	Chapter 99	Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees: Provided that nothing contained in this entry shall apply to- (i) services by the Department of Posts	Nil	Nil

		by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers: Provided further that in case where continuous supply of service, as defined in sub-section (33) of section 2 of the Central Goods and Services Tax Act, 2017, is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed five thousand rupees in a financial year.		
10	Chapter 99	Services received from a provider of service located in a non-taxable territory by-	Nil	Nil

		(a) the Central Government, State Government, Union territory, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession; (b) an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) for the purposes of providing charitable activities; or (c) a person located in a non-taxable territory: Provided that the exemption shall not apply to - (i) online information and database access or retrieval services received by persons specified in entry (a) or entry (b); or (ii) services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in		

		India received by persons specified in the entry.		
11	Heading 9954	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.	Nil	Nil
12	Heading 9954	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.	Nil	Nil
13	Heading 9963 or Heading 9972	Services by way of renting of residential dwelling for use as residence.	Nil	Nil
14	Heading 9963 or	Services by a person by way of-	Nil	Nil

	Heading 9972 or Heading 9995 or any other Heading of Section 9	(a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) or a trust or an institution registered under sub clause (v) of clause (23C) of section 10 of the Income-tax Act or a body or an authority covered under clause (23BBA) of section 10 of the said Income-tax Act: Provided that nothing contained in entry (b) of this exemption shall apply to, - (i) renting of rooms where charges are one thousand rupees or more per day; (ii) renting of premises, community halls, kalyanmandapam or open area, and the like where charges are ten		

		thousand rupees or more per day; (iii) renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.		
15	Heading 9963	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent.	Nil	Nil
16	Heading 9964	Transport of passengers, with or without accompanied belongings, by - (a) air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal; (b) non-airconditioned contract carriage other than radio taxi, for transportation of	Nil	Nil

		passengers, excluding tourism, conducted tour, charter or hire; or (c) stage carriage other than air-conditioned stage carriage.		
17	Heading 9964	Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding: Provided that nothing contained in this entry shall apply on or after the expiry of a period of one year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.	Nil	Nil
18	Heading 9964	Service of transportation of passengers, with or without accompanied belongings, by— (a) railways in a class other than — (i) first class; or (ii) an air-conditioned	Nil	Nil

		coach; (b) metro, monorail or tramway; (c) inland waterways; (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (e) metered cabs or auto rickshaws (including e-rickshaws).		
19	Heading 9965	Services by way of transportation of goods- (a) by road except the services of— (i) a goods transportation agency; (ii) a courier agency; (b) by inland waterways.	Nil	Nil
20	Heading 9965	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.	Nil	Nil
21	Heading 9965	Services by way of transportation by rail or a vessel from one place in India to another of the following goods - (a) relief materials meant for victims of natural or	Nil	Nil

		man-made disasters, calamities, accidents or mishap; (b) defence or military equipments; (c) newspaper or magazines registered with the Registrar of Newspapers; (d) railway equipments or materials; (e) agricultural produce; (f) milk, salt and food grain including flours, pulses and rice; and (g) organic manure.		
22	Heading 9965 or Heading 9967	Services provided by a goods transport agency, by way of transport in a goods carriage of - (a) agricultural produce; (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees; (c) goods, where consideration charged for transportation of all such goods for a single consignee does not	Nil	Nil

		exceed rupees seven hundred and fifty; (d) milk, salt and food grain including flour, pulses and rice; (e) organic manure; (f) newspaper or magazines registered with the Registrar of Newspapers; (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or (h) defence or military equipments.		
23	Heading 9966 or Heading 9973	Services by way of giving on hire - (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or (b) to a goods transport agency, a means of transportation of goods.	Nil	Nil
24	Heading 9967	Service by way of access to a road or a bridge on payment of toll charges.	Nil	Nil
25	Heading 9967 or Heading	Services by way of loading, unloading, packing, storage or warehousing of rice.	Nil	Nil

	9985			
26	Heading 9969	Transmission or distribution of electricity by an electricity transmission or distribution utility.	Nil	Nil
27	Heading 9971	Services by the Reserve Bank of India.	Nil	Nil
28	Heading 9971	Services by way of — (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) <i>inter se</i> sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.	Nil	Nil
29	Heading 9971 or Heading 9991	Services of life insurance business provided by way of annuity under the National Pension System regulated by the Pension Fund Regulatory and Development Authority of India under the Pension Fund Regulatory and Development Authority	Nil	Nil

		Act, 2013 (23 of 2013).		
30	Heading 9971 or Heading 9991	Services of life insurance business provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of the Central Government.	Nil	Nil
31	Heading 9971 or Heading 9991	Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948 (34 of 1948).	Nil	Nil
32	Heading 9971	Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees Provident Funds and the Miscellaneous Provisions Act, 1952 (19 of 1952).	Nil	Nil
33	Heading 9971	Services provided by the Insurance Regulatory and the Development Authority of India to insurers under the Insurance Regulatory and the Development Authority of India Act, 1999 (41 of 1999).	Nil	Nil

34	Heading 9971	Services provided by the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.	Nil	Nil
35	Heading 9971	Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service. <i>Explanation.—</i> For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.	Nil	Nil
36	Heading 9971 or Heading 9991	Services of general insurance business provided under following schemes -	Nil	Nil

		(a) Hut Insurance Scheme; (b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme); (c) Scheme for Insurance of Tribals; (d) Janata Personal Accident Policy and Gramin Accident Policy; (e) Group Personal Accident Policy for Self-Employed Women; (f) Agricultural Pumpset and Failed Well Insurance; (g) premia collected on export credit insurance; (h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture; (i) Jan Arogya Bima		

		Policy; (j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana); (k) Pilot Scheme on Seed Crop Insurance; (l) Central Sector Scheme on Cattle Insurance; (m) Universal Health Insurance Scheme; (n) Rashtriya Swasthya Bima Yojana; (o) Coconut Palm Insurance Scheme; (p) Pradhan Mantri Suraksha Bima Yojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).		
37	Heading 9971 or Heading 9991	Services of life insurance business provided under following schemes- (a) Janashree Bima Yojana;	Nil	Nil

		(b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees; (d) Varishtha Pension Bima Yojana; (e) Pradhan Mantri Jeevan Jyoti Bima Yojana; (f) Pradhan Mantri Jan Dhan Yojana; (g) Pradhan Mantri Vaya Vandana Yojana.		
38	Heading 9971 or Heading 9991	Services by way of collection of contribution under the Atal Pension Yojana.	Nil	Nil
39	Heading 9971 or Heading 9991	Services by way of collection of contribution under any pension scheme of the State Governments.	Nil	Nil
40	Heading 9971 or Heading 9985	Services by the following persons in respective capacities - (a) business facilitator or a business correspondent to a banking company with respect to accounts in	Nil	Nil

		its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator or a business correspondent to an insurance company in a rural area.		
41	Heading 9971 or Heading 9991	Services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory.	Nil	Nil
42	Heading 9971	Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves.	Nil	Nil
43	Heading 9972	One time upfront amount (called as premium, salami, cost, price, development charges or by any other name) leviable in respect of the service, by way of granting long term	Nil	Nil

		(thirty years, or more) lease of industrial plots, provided by the State Government Industrial Development Corporations or Undertakings to industrial units.		
44	Heading 9973 or Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of allowing a business entity to operate as a telecom service provider or use radio frequency spectrum during the period prior to the 1st April, 2016, on payment of licence fee or spectrum user charges, as the case may be.	Nil	Nil
45	Heading 9973	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	Nil	Nil
46	Heading 9981	Services provided by an incubatee up to a total turnover of fifty lakh rupees in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh	Nil	Nil

		rupees during the preceding financial year; and (b) a period of three years has not elapsed from the date of entering into an agreement as an incubate.		
47	Heading 9982 or Heading 9991	Services provided by- (a) an arbitral tribunal to - (i) any person other than a business entity; or (ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year; (b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to - (i) an advocate or partnership firm of advocates providing legal services; (ii) any person other	Nil	Nil

		than a business entity; or (iii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year; (c) a senior advocate by way of legal services to- (i) any person other than a business entity; or (ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year.		
48	Heading 9983	Services by a veterinary clinic in relation to health care of animals or birds.	Nil	Nil
49	Heading 9983 or Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of-	Nil	Nil

		(a) registration required under any law for the time being in force; (b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.		
50	Heading 9983 or any other Heading of Chapter 99	Taxable services, provided or to be provided, by a Technology Business Incubator or a Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board of the Department of Science and Technology, Government of India or bio-incubators recognised by the Biotechnology Industry Research Assistance Council, under the Department of Biotechnology, Government of India.	Nil	Nil
51	Heading 9984	Services by way of collecting or providing news by an independent	Nil	Nil

		journalist, Press Trust of India or United News of India.		
52	Heading 9984	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.	Nil	Nil
53	Heading 9984	Services provided by the Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.	Nil	Nil
54	Heading 9985	Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.	Nil	Nil
55	Heading 9985	Services by an organiser to any person in respect of a business exhibition held outside India.	Nil	Nil
56	Heading 9985	Services by way of sponsorship of sporting events organised - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or	Nil	Nil

		Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat; (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.		
57	Heading 9986	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of — (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing,	Nil	Nil

		plant protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use; (e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; (g) services by any Agricultural Produce Marketing Committee		

		or Board or services provided by a commission agent for sale or purchase of agricultural produce.		
58	Heading 9986	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.	Nil	Nil
59	Heading 9988	Services by way of slaughtering of animals.	Nil	Nil
60	Heading 9988 or any other Heading of Section 8 and Section 9	Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.	Nil	Nil
61	Heading 9988 or Heading 9992	Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.	Nil	Nil

62	Heading 9999	Services by a foreign diplomatic mission located in India.	Nil	Nil
63	Heading 9991	Services by a specified organisation in respect of a religious pilgrimage facilitated by the Ministry of External Affairs, the Government of India, under bilateral arrangement.	Nil	Nil
64	Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.	Nil	Nil
65	Heading 9991 or Heading 9997	Services provided by the Central Government, State Government, Union territory or local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Central Government, State Government, Union territory or local authority under such contract.	Nil	Nil
66	Heading 9991	Services provided by the Central Government, State Government, Union	Nil	Nil

		territory or local authority by way of assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.		
67	Heading 9991 or Heading 9973	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use any natural resource where such right to use was assigned by the Central Government, State Government, Union territory or local authority before the 1st April, 2016: Provided that the exemption shall apply only to tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource.	Nil	Nil
68	Heading 9991	Services provided by the Central Government, State Government, Union territory by way of deputing officers after office hours or on holidays for inspection or container	Nil	Nil

		stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.		
69	Heading 9992	Services provided - (a) by an educational institution to its students, faculty and staff; (b) to an educational institution, by way of, - (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory; (iii) security or cleaning or housekeeping services performed in such educational institution; (iv) services relating to admission to, or conduct of examination by, such institution; upto higher secondary: Provided that nothing	Nil	Nil

		contained in entry (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.		
70	Heading 9992	Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme:- (a) two year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management; (b) fellow programme in Management; (c) five year integrated programme in Management.	Nil	Nil
71	Heading	Services provided to a	Nil	Nil

	9992 or Heading 9996	recognised sports body by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a recognized sports body; (b) another recognised sports body.		
72	Heading 9992 or Heading 9983 or Heading 9991	Any services provided by, — (a) the National Skill Development Corporation set up by the Government of India; (b) a Sector Skill Council approved by the National Skill Development Corporation; (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (d) a training partner approved by the National Skill Development Corporation or the	Nil	Nil

		Sector Skill Council, in relation to - (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation.		
73	Heading 9983 or Heading 9985 or Heading 9992	Services of assessing bodies empanelled centrally by the Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under the Skill Development Initiative Scheme.	Nil	Nil
74	Heading 9992	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana	Nil	Nil

		implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Training.		
75	Heading 9992	Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration.	Nil	Nil
76	Heading 9993	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.	Nil	Nil
77	Heading 9993	Services by way of- (a) health care services by a clinical establishment, an authorised medical practitioner or para-medics; (b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a)	Nil	Nil

		above.		
78	Heading 9994	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.	Nil	Nil
79	Heading 9994	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.	Nil	Nil
80	Heading 9995	Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution - (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common	Nil	Nil

		use of its members in a housing society or a residential complex.		
81	Heading 9996	Services by an artist by way of a performance in folk or classical art forms of- (a) music, or (b) dance, or (c) theatre, if the consideration charged for such performance is not more than one lakh and fifty thousand rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador.	Nil	Nil
82	Heading 9996	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo.	Nil	Nil
83	Heading 9996	Services by way of training or coaching in recreational activities relating to- (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.	Nil	Nil

84	Heading 9996	Services by way of right to admission to- (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event, where the consideration for admission is not more than Rs 250 per person as referred to in (a), (b) and (c) above.	Nil	Nil

2. **Definitions.** - For the purposes of this notification, unless the context otherwise requires, -

- (a) "advertisement" means any form of presentation for promotion of, or bringing awareness about, any event, idea, immovable property, person, service, goods or actionable claim through newspaper, television, radio or any other means but does not include any presentation made in person;
- (b) "advocate" has the same meaning as assigned to it in clause (a) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);
- (c) "agricultural extension" means application of scientific research and knowledge to agricultural practices through farmer education or training;
- (d) "agricultural produce" means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is

usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market;

- (e) "Agricultural Produce Marketing Committee or Board" means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce;
- (f) "aircraft" has the same meaning as assigned to it in clause (1) of section 2 of the Aircraft Act, 1934 (22 of 1934);
- (g) "airport" has the same meaning as assigned to it in clause (b) of section 2 of the Airports Authority of India Act, 1994 (55 of 1994.);
- (h) "approved vocational education course" means, -
 - (i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or
 - (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship;
- (i) "arbitral tribunal" has the same meaning as assigned to it in clause (d) of section 2 of the Arbitration and Conciliation Act, 1996 (26 of 1996);
- (j) "authorised dealer of foreign exchange" shall have the same meaning assigned to "Authorised person" in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);
- (k) "authorised medical practitioner" means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force;
- (l) "banking company" has the same meaning as assigned to it in clause (a) of section 45A of the Reserve Bank of India Act, 1934 (2 of 1934);
- (m) "brand ambassador" means a person engaged for promotion or marketing of a brand of goods, service, property or actionable claim, event or endorsement of name, including a trade name, logo or house

- mark of any person;
- (n) "business entity" means any person carrying out business;
 - (o) "business facilitator or business correspondent" means an intermediary appointed under the business facilitator model or the business correspondent model by a banking company or an insurance company under the guidelines issued by the Reserve Bank of India;
 - (p) "Central Electricity Authority" means the authority constituted under section 3 of the Electricity (Supply) Act, 1948 (54 of 1948);
 - (q) "Central Transmission Utility" shall have the same meaning as assigned to it in clause (10) of section 2 of the Electricity Act, 2003 (36 of 2003);
 - (r) "charitable activities" means activities relating to -
 - (i) public health by way of,-
 - (A) care or counseling of
 - (I) terminally ill persons or persons with severe physical or mental disability;
 - (II) persons afflicted with HIV or AIDS;
 - (III) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol;
 - (B) public awareness of preventive health, family planning or prevention of HIV infection;
 - (ii) advancement of religion, spirituality or yoga;
 - (iii) advancement of educational programmes or skill development relating to,-
 - (A) abandoned, orphaned or homeless children;
 - (B) physically or mentally abused and traumatized persons;
 - (C) prisoners; or
 - (D) persons over the age of 65 years residing in a rural area;
 - (iv) preservation of environment including watershed, forests and wildlife;
 - (s) "clinical establishment" means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India, or a place established as an independent

entity or a part of an establishment to carry out diagnostic or investigative services of diseases;

- (t) "contract carriage" has the same meaning as assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);
- (u) "courier agency" means any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles;
- (v) "Customs station" shall have the same meaning as assigned to it in clause (13) of section 2 of the Customs Act, 1962 (52 of 1962);
- (w) "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit;
- (x) "distributor or selling agent" means an individual or a firm or a body corporate or other legal entity under law so appointed by the Organising State through an agreement to market and sell lotteries on behalf of the Organising State;
- (y) "educational institution" means an institution providing services by way of,-
 - (i) pre-school education and education up to higher secondary school or equivalent;
 - (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
 - (iii) education as a part of an approved vocational education course;
- (z) "electricity transmission or distribution utility" means the Central Electricity Authority; a State Electricity Board; the Central Transmission Utility or a State Transmission Utility notified under the Electricity Act, 2003 (36 of 2003); or a distribution or transmission licensee under the said Act, or any other entity entrusted with such function by the Central Government or, as the case may be, the State Government;
- (za) "e-rickshaw" means a special purpose battery powered vehicle of power not exceeding 4000 watts, having three wheels for carrying goods or passengers, as the case may be, for hire or reward, manufactured, constructed or adapted, equipped and maintained in accordance with such specifications, as may be prescribed in this behalf;

- (zb) "general insurance business" has the same meaning as assigned to it in clause (g) of section 3 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (zc) "general public" means the body of people at large sufficiently defined by some common quality of public or impersonal nature;
- (zd) "goods carriage" has the same meaning as assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);
- (ze) "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;
- (zf) "governmental authority" has the same meaning as assigned to it in the *Explanation* to clause (16) of section 2 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017);
- (zg) "health care services" means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;
- (zh) "incubatee" means an entrepreneur located within the premises of a Technology Business Incubator or Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology, Government of India and who has entered into an agreement with the Technology Business Incubator or the Science and Technology Entrepreneurship Park to enable himself to develop and produce hi-tech and innovative products;
- (zi) "inland waterway" means national waterways as defined in clause (h) of section 2 of the Inland Waterways Authority of India Act, 1985 (82 of 1985) or other waterway on any inland water, as defined in clause (b) of section 2 of the Inland Vessels Act, 1917 (1 of 1917);
- (zj) "insurance company" means a company carrying on life insurance business or general insurance business;
- (zk) "interest" means interest payable in any manner in respect of any

moneys borrowed or debt incurred (including a deposit, claim or other similar right or obligation) but does not include any service fee or other charge in respect of the moneys borrowed or debt incurred or in respect of any credit facility which has not been utilised;

- (zl) "legal service" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority;
- (zm) "life insurance business" has the same meaning as assigned to it in clause (11) of section 2 of the Insurance Act, 1938 (4 of 1938);
- (zn) "life micro-insurance product" shall have the same meaning as assigned to it in clause (e) of regulation 2 of the Insurance Regulatory and Development Authority (Micro-insurance) Regulations, 2005;
- (zo) "metered cab" means any contract carriage on which an automatic device, of the type and make approved under the relevant rules by the State Transport Authority, is fitted which indicates reading of the fare chargeable at any moment and that is charged accordingly under the conditions of its permit issued under the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder (but does not include radio taxi);
- (zp) "national park" has the same meaning as assigned to it in clause (21) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972);
- (zq) "original works" means- all new constructions;
 - (i) all types of additions and alterations to abandoned or damaged structures on land that are required to make them workable;
 - (ii) erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise;
- (zr) "print media" means,—
 - (i) 'book' as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867), but does not include business directories, yellow pages and trade catalogues which are primarily meant for commercial purposes;
 - (ii) 'newspaper' as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867);
- (zs) "port" has the same meaning as assigned to it in clause (q) of section

2 of the Major Port Trusts Act, 1963 (38 of 1963) or in clause (4) of section 3 of the Indian Ports Act, 1908 (15 of 1908);

(zt) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using the Global Positioning System or General Packet Radio Service;

(zu) "recognised sporting event" means any sporting event,-

(i) organised by a recognised sports body where the participating team or individual represent any district, state, zone or country;

(ii) organised -

(A) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, state or zone;

(B) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;

(C) by Central Civil Services Cultural and Sports Board;

(D) as part of national games, by Indian Olympic Association; or

(E) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKKA) Scheme;

(zv) "recognised sports body" means -

(i) the Indian Olympic Association;

(ii) Sports Authority of India;

(iii) a national sports federation recognised by the Ministry of Sports and Youth Affairs of the Central Government, and its affiliate federations;

(iv) national sports promotion organisations recognised by the Ministry of Sports and Youth Affairs of the Central Government;

(v) the International Olympic Association or a federation recognised by the International Olympic Association; or

(vi) a federation or a body which regulates a sport at international level and its affiliated federations or bodies regulating a sport in India;

(zw) "religious place" means a place which is primarily meant for conduct

- of prayers or worship pertaining to a religion, meditation, or spirituality;
- (zx) "renting in relation to immovable property" means allowing, permitting or granting access, entry, occupation, use or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property;
- (zy) "Reserve Bank of India" means the bank established under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);
- (zz) "residential complex" means any complex comprising of a building or buildings, having more than one single residential unit;
- (zza) "rural area" means the area comprised in a village as defined in land revenue records, excluding-
- the area under any municipal committee, municipal corporation, town area committee, cantonment board or notified area committee; or any area that may be notified as an urban area by the Central Government or a State Government;
- (zzb) "senior advocate" has the same meaning as assigned to it in section 16 of the Advocates Act, 1961 (25 of 1961);
- (zzc) "single residential unit" means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family;
- (zzd) "special category States" shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution,
- (zze) "specified organisation" shall mean,-
- (i) Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking; or
 - (ii) 'Committee' or 'State Committee' as defined in section 2 of the Haj Committee Act, 2002 (35 of 2002);
- (zzf) "stage carriage" shall have the same meaning as assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);
- (zzg) "State Electricity Board" means the Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948);
- (zzh) "State Transmission Utility" shall have the same meaning as assigned to it in clause (67) of section 2 of the Electricity Act, 2003 (36

of 2003);

(zzi) "state transport undertaking" has the same meaning as assigned to it in clause (42) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(zzj) "tiger reserve" has the same meaning as assigned to it in clause (e) of section 38K of the Wild Life (Protection) Act, 1972 (53 of 1972);

(zzk) "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tours;

(zzl) "trade union" has the same meaning as assigned to it in clause (h) of section 2 of the Trade Unions Act, 1926 (16 of 1926);

(zzm) "vessel" has the same meaning as assigned to it in clause (z) of section 2 of the Major Port Trusts Act, 1963 (38 of 1963);

(znn) "wildlife sanctuary" means a sanctuary as defined in the clause (26) of the section 2 of The Wild Life (Protection) Act, 1972 (53 of 1972);

(zzo) "zoo" has the same meaning as assigned to it in the clause (39) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972);

3. *Explanation* - For the purposes of this notification,-

(i) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter", "Section" and "Heading" in the scheme of classification of services.

(ii) Chapter, Section, Heading, Group, or Service Code mentioned in Column (2) of the Table are only indicative.

4. This notification shall come into force on the 1st day of July, 2017.

10/2017- Reverse Charge Mechanism (RCM) services

Reverse Charge Scheme on specified goods under IGST

In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government on the recommendations of the Council hereby notifies that on categories of supply of services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, the whole of integrated tax leviable under section 5 of the said Integrated Goods and Services Tax Act, shall be paid on reverse charge basis by the recipient of the such services as specified in column (4) of the said Table :-

TABLE

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
1	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person Located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.
2	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to - (a) any factory registered under or governed by the Factories Act, 1948 (63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of	Goods Transport Agency (GTA)	(a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any

	India; or (c) any co-operative society established by or under any law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law including association of persons; or (g) any casual taxable person.		law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law including association of persons; or (g) any casual taxable person; located in the taxable territory.
3	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where Contract for provision of such	An individual advocate including a senior advocate or Firm of advocates.	Any business entity located in the taxable territory.

	service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.		
4	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory.
5	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.
6	Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, - (1) renting of immovable property, and (2) services specified below - (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a Person other than Central Government, State Government or Union territory	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.

	or local authority; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers.		
7	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
8	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.
9	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.
10	Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.	A person located in non-taxable territory	Importer, as defined in clause (26) of section 2 of the Customs Act, 1962(52 of 1962), located in the taxable territory.
11	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.

	covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like.		

Explanation.- For purpose of this notification,-

- (a) The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification.
 - (b) "Body Corporate" has the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013.
 - (c) the business entity located in the taxable territory who is litigant, applicant or petitioner, as the case may be, shall be treated as the person who receives the legal services for the purpose of this notification.
 - (d) the words and expressions used and not defined in this notification but defined in the Central Goods and Services Tax Act, the Integrated Goods and Services Tax Act, and the Union Territory Goods and Services Tax Act shall have the same meanings as assigned to them in those Acts.
2. This notification shall come into force on the 1st day of July, 2017.

11/2017- Services by Panchayat

Panchayat — Services and specified functions of Panchayat not to be taken as supply of goods or services under IGST

In exercise of the powers conferred by clause (i) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (2) of section 7 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council hereby notifies that the following activities or transactions undertaken by the Central Government or State Government or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely :-

“Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution.”

2. This notification shall come into force with effect from the 1st day of July, 2017.

12/2017 – No refund of un-utilised credit to works contractors

Refund of unutilized input tax supply credit of services not permissible for goods specified in Second Schedule of CGST Act read with Section 20(xiii) of the IGST Act, 2017

In exercise of the powers conferred by clause (xiii) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council hereby notifies that no refund of unutilised input tax credit shall be allowed under clause (xiii) of section 20 of the said Integrated Goods and Services Tax Act, read with sub-section (3) of section 54 of the said Central Goods And Services Tax Act, in case of supply of services specified in sub-item (b) of item 5 of Schedule II of the Central Goods and Services Tax Act, 2017.

2. This notification shall come into force with effect from the 1st day of July, 2017.

13/2017 – UN related notification

Exemption to goods and services supply to specialize agency of UNO, Embassies and other specified international organisation by way of refund under Section 55 of CGST Act read with Section 20(xiii) of the IGST Act, 2017

In exercise of the powers conferred by clause (xiii) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), read with section 55 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby specifies :

- (i) United Nations or a specified international organisation; and
- (ii) Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein,

for the purposes of the said section subject to the following conditions :-

- (a) United Nations or a specified international organisation shall be entitled to claim refund of integrated tax paid on the supplies of goods or services or both received by them subject to a certificate from United Nations or that specified international organisation that the goods and services have been used or are intended to be used for official use of the United Nations or the specified international organisation.
- (b) Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein shall be entitled to claim refund of integrated tax paid on the supplies of goods or services or both received by them subject to, -
 - (i) that the foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein, are entitled to refund of integrated tax, as stipulated in the certificate issued by the Protocol Division of the Ministry of External Affairs, based on the principle of reciprocity;
 - (ii) that in case of supply of services, the head of the foreign diplomatic mission or consular post, or any person of such mission or post authorised by him, shall furnish an undertaking in original, signed by him or the authorised person, stating that the supply of services received are for official purpose of the said foreign diplomatic mission or consular post; or for personal use of the said diplomatic agent or career consular officer or members of his/her family;
 - (iii) that in case of supply of goods, concerned diplomatic mission or consulate or an officer duly authorized by him will produce a certificate that, -
 - (I) the goods have been put to use, or are in the use, as the case may be, of the mission or consulate;
 - (II) the goods will not be supplied further or otherwise disposed of before

the expiry of three years from the date of receipt of the goods; and
(III) in the event of non-compliance of clause (I), the diplomatic or consular mission will pay back the refund amount paid to them;

- (iv) in case the Protocol Division of the Ministry of External Affairs, after having issued a certificate to any foreign diplomatic mission or consular post in India, decides to withdraw the same subsequently, it shall communicate the withdrawal of such certificate to the foreign diplomatic mission or consular post;
- (v) the refund of the whole of the integrated tax granted to the foreign diplomatic mission or consular post in India for official purpose or for the personal use or use of their family members shall not be available from the date of withdrawal of such certificate.

Explanation. - For the purposes of this notification, unless the context otherwise requires, "specified international organisation" means an international organisation declared by the Central Government in pursuance of section 3 of the United Nations (Privileges and Immunities Act) 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

2. This notification shall come into force with effect from the 1st day of July, 2017

14/2017- E-commerce operator (cab and accommodation)

Electronic Commerce Operator notify to pay tax for the services provided for transportation of passengers by Radio taxi, Motor Cab, Maxi Cab or Motor cycle and services of providing accommodation in hotels, Guest houses, Clubs, Campsites and other commercial places, etc. except where the person supplying such service is liable for registration under IGST

In exercise of the powers conferred by sub-section (5) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that in case of the following categories of services, the tax on inter-State supplies shall be paid by the electronic commerce operator –

- (i) services by way of transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle;
- (ii) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under clause (v) of section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (1) of section 22 of the said Central Goods and Services Tax Act.

Explanation. - For the purposes of this notification, -

- (a) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS);
- (b) "maxicab", "motorcab" and "motor cycle" shall have the same meanings as assigned to them respectively in clauses (22), (25) and (26) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).

2. This notification shall come into force with effect from the 1st day of July, 2017.

15/2017- SEZ exemption (rescinded later)

Exemption from IGST to import of goods and services by a unit or developer in SEZ

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods or services or both imported by a unit or a developer in the Special Economic Zone, from the whole of the integrated tax leviable thereon under sub-section (7) of section 3 of the Customs Tariff Act, 1975 (51 of 1975) for authorised operations.

2. This Notification shall come into force with effect from the 1st July, 2017.

16/2017- Fertiliser rate revision

Fertilisers — Central Tax and Union Territory Tax reduced to 2.5% from 6% and Integrated Tax reduced to 5% from 12% — Amendment to Notification No. 1/2017-I.T. (Rate)

In exercise of the powers conferred by sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 1/2017-Integrated Tax (Rate), dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 666(E), dated the 28th June, 2017, namely :-

2. In the said notification, -

(i) in Schedule I – 5%, after serial number 182 and the entries relating thereto, the following serial numbers and entries shall be inserted, namely :-

(1)	(2)	(3)
"182A	3102	Mineral or chemical fertilisers, nitrogenous, other than those which are clearly not to be used as fertilizers
182B	3103	Mineral or chemical fertilisers, phosphatic, other than those which are clearly not to be used as fertilizers
182C	3104	Mineral or chemical fertilisers, potassic, other than those which are clearly not to be used as fertilizers
182D	3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg; other than those which are clearly not to be used as fertilizers";

(ii) in Schedule II – 12%, serial numbers 66, 67, 68 and 69 and the entries relating thereto shall be omitted.

3. This notification shall come into force with effect from the 1st day of July, 2017.

17/2017- SEZ exemption rescinded

Exemption from IGST to imports of goods and services by a unit or developer in SEZ — Notification No. 15/2017-Integrated Tax (Rate) rescinded with saving clause

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Service Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby rescinds, except as respects things done or omitted to be done before such rescission, the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 15/2017-Integrated Tax (Rate), dated the 30th June, 2017, published in the Gazette of India, Extraordinary, *vide* number G.S.R. 740(E), dated the 30th June, 2017.

18/2017- SEZ exemption (rescinded later)

Exemption from IGST to services imported by a unit/developer in Special Economic Zone (SEZ) for authorised operators

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Service Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do and on the recommendations of the Council, hereby exempts services imported by a unit or a developer in the Special Economic Zone for authorised operations, from the whole of the integrated tax leviable thereon under section 5 of the Integrated Goods and Service Tax Act, 2017 (13 of 2017).

20/2017- Works contract, GTA etc rate amended

20/2017-Integrated Tax (Rate)

New Delhi, the 22nd August, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 5, subsection (1) of section 6 and clause (iii) and clause (iv) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 8/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India,

Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 683(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table,-

- (i) against serial number 3, for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958); (b) canal, dam or other irrigation works; (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.	12	-

(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,- (a) a road, bridge, tunnel, or terminal for road transportation for use by general public; (b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana; (c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers; (d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (e) a pollution control or effluent treatment plant, except located as a part of a factory; or (f) a structure meant for funeral, burial or cremation of deceased.	12	-

(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, or installation of original works pertaining to,- (a) railways, excluding monorail and metro; (b) a single residential unit otherwise than as a part of a residential complex; (c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;	12	-
(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under- (1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (2) any housing scheme of a State Government; (e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or (f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages.		
(vi) Construction services other than (i), (ii), (iii), (iv) and (v) above.	18	-";

- (ii) against serial number 8, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
“(vi) Transport of passengers by motorcab where the cost of fuel is included in the consideration charged from the service recipient.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
	or	
	12	–”;

- (iii) against serial number 9, for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
“(iii) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.</i> – “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
	or	

	12	Provided that the goods transport agency opting to pay integrated tax @ 12% under this entry shall, thenceforth, be liable to pay integrated tax @ 12% on all the services of GTA supplied by it.”;

- (iv) against serial number 10, for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
“(i) Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
	or	
	12	-”;

- (v) against serial number 11, for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)

“(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
	or	
	12	Provided that the goods transport agency opting to pay integrated tax @ 12% under this entry shall, thenceforth, be liable to pay integrated tax @ 12% on all the services of GTA supplied by it.”;

(vi) against serial number 26,-

(a) in column (3), in item (i),-

(A) for sub-item (b), the following sub-item shall be substituted, namely:-

“(b) Textiles and textile products falling under Chapter 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);”;

(B) the *Explanation* shall be omitted;

(b) for item (ii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
"(ii) Services by way of any treatment or process on goods belonging to another person, in relation to-	5	-
(a) printing of newspapers; (b) printing of books (including Braille books), journals and periodicals.		
(iii) Manufacturing services on physical inputs (goods) owned by others, other than (i) and (ii) above.	18	-";

(vii) for serial number 27 and the entries relating thereto, the following shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)
"27	Heading 9989	(i) Services by way of printing of newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	12	-
		(ii) Other manufacturing services; publishing, printing and reproduction services; materials recovery services, other than (i) above.	18	-";

(viii) against serial number 34, in column (3), in item (i), after the word "drama", the words "or planetarium" shall be inserted.

[F. No.354/173/2017 -TRU]

(Ruchi Bisht) Under Secretary to the
Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 8/2017 - Integrated Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 683 (E), dated the 28th June, 2017.

21/2017-Integrated Tax (Rate)

New Delhi, the 22nd August, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.9/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 684(E), dated the 28th June, 2017, namely:-

In the said notification,-

(i) in the Table,-

(a) after serial number 10 and the entries relating thereto, the following shall be inserted namely:-

(1)	(2)	(3)	(4)	(5)
"10A	Chapter 99	Services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 World Cup 2017 to be hosted in India.	Nil	Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U17 World Cup 2017.";

(b) after serial number 12 and the entries relating thereto, the following shall be inserted namely:-

(1)	(2)	(3)	(4)	(5)
"12A	Heading 9961	Service provided by Fair Price	Nil	Nil

	or Heading 9962	Shops to Central Government by way of sale of wheat, rice and coarse grains under Public Distribution System(PDS) against consideration in the form of commission or margin.		
12B	Heading 9961 or Heading 9962	Service provided by Fair Price Shops to State Governments or Union territories by way of sale of kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin.	Nil	Nil”;

(c) against serial number 36, in column (3),-

(A) in item (h), for the words “Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme”, the words, brackets and letters “Restructured Weather Based Crop Insurance Scheme (RWCIS)”, shall be substituted;

(B) in item (j), for the words “National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana)”, the words, brackets and letters “Pradhan Mantri Fasal BimaYojana (PMFBY)”, shall be substituted;

(ii) in paragraph 3, in the Explanation, after clause (ii), the following clause shall be inserted, namely:-

“(iii) A “Limited Liability Partnership” formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm.”.

[F. No.354/173/2017 -TRU]

(Ruchi Bisht)

Under Secretary to the
Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 9/2017 - Integrated Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 684 (E), dated the 28th June, 2017.

22/2017- Integrated Tax (Rate)

New Delhi, the 22nd
August, 2017

GSR.....(E).-In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government on the recommendations of the Council hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.10/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 685(E), dated the 28th June, 2017, namely:-

In the said notification,-

- (i) in the Table, against serial number 2, in column (2), after the words and brackets "goods transport agency (GTA)" the words and figure ", who has not paid integrated tax at the rate of 12%," shall be inserted;

- (ii) in the Explanation, after clause (d), the following clause shall be inserted, namely:-

"(e) A "Limited Liability Partnership" formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm."

[F. No. 354/173/2017- TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 10/2017 - Integrated Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 685 (E), dated the 28th June, 2017.

23/2017-Integrated Tax (Rate)

New Delhi, the 22nd August, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (5) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.14/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 689(E) dated the 28th June, 2017, namely:-

In the said notification, in the first paragraph, after clause (ii) the following clause shall be inserted, namely:-

“(iii) services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under clause (v) of section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (1) of section 22 of the said Central Goods and Services Tax Act.”.

[F.No.354/173/2017-TRU]

(Ruchi Bisht)
Under Secretary to the Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 14/2017 - Integrated Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 689 (E), dated the 28th June, 2017.

IGST Circulars

1/1/2017- Inter-State movement of buses etc

F. No. 354/119/2017 –TRU (Pt)

Tax Research Unit

North Block, New Delhi

Dated the 7th of July,

2017 To,

The Principal Chief Commissioner/Chief Commissioners/ Principal
Commissioner/ Commissioner of Central Tax (All) / Director
General of Systems

Subject: Clarification on Inter-state movement of various modes of
conveyance, carrying goods or passengers or for repairs and
maintenance- regarding.

The issue relating to levy of IGST exemption on inter-state
movement of various modes of conveyance, carrying goods or
passengers or for repairs and maintenance, between distinct persons as
specified in section 25(4) of the Central Goods and Services Tax Act,
2017, carrying goods or passengers or both; or for repairs and

maintenance, [except in cases where such movement is for further supply of the same conveyance] has been examined.

2. In the above context, the legal provisions in GST laws are as under:
 - a) As per section 24 (1) (i) of the Central Goods and Services Tax Act, 2017, persons making any inter-State taxable supply shall be required to be registered under this Act.
 - b) As per section 25(4) of the said Act 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.
 - c) Schedule I to the said Act specifies situations where activities are to be treated as supply even if made without consideration which also includes supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business
 - d) Section 7 (2) envisages that activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified

by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services.

3. Against the above background, the issue of inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the said Act, not involving further supply of such conveyance, including-

- i. Trai
ns,
- ii. Buse
s,
- iii. Trucks,

Circular No. 1/1/2017-IGST

- iv. Tankers,
- v. Trailers,
- vi. Vessels,
- vii. Containers,
- viii. Aircrafts,

(a) carrying goods or passengers or both; or (b) for repairs and maintenance, [except in cases where such movement is for further

supply of the same conveyance] was discussed in GST Council's meeting held on 11th June, 2017 and the Council recommended that such inter-state movement shall be treated 'neither as a supply of goods or supply of service' and therefore not be leviable to IGST.

4. In view of above, it is hereby clarified that "the inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the Central Goods and Services Tax Act, 2017, including the ones specified at (i) to (viii) of para 3, may not be treated as supply and consequently IGST will not be payable on such supply.

5. However, applicable CGST/SGST/IGST, as the case may be, shall be leviable on repairs and maintenance done for such conveyance.

(Ruch Bisht.)

Under Secretary (TRU)

Union Territory Goods and Services Tax Act, 2017

CHAPTER-I PRELIMINARY

1. Short title, extent and commencement

(1) This Act may be called the Union Territory Goods and Services Tax Act, 2017.

(2) It extends to the Union territories of the Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, Chandigarh and other territory.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. Definitions

In this Act, unless the context otherwise requires,—

(1) “appointed day” means the date on which the provisions of this Act shall come into force.

- (2) “Commissioner” means the Commissioner of Union territory tax appointed under section 3;
- (3) “designated authority” means such authority as may be notified by the Commissioner;
- (4) “exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be exempt from tax under section 8, or under section 6 of the Integrated Goods and Services Tax Act, and includes non taxable supply;
- (5) “existing law” means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods or services or both passed or made before the commencement of this Act by Parliament or any Authority or person having the power to make such law, notification, order, rule or regulation;
- (6) “Government” means the Administrator or any authority or officer authorised to act as Administrator by the Central Government;
- (7) “output tax” in relation to a taxable person, means the Union territory tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (8) “Union territory” means the territory of,—

- (i) the Andaman and Nicobar Islands;
- (ii) Lakshadweep;
- (iii) Dadra and Nagar Haveli;
- (iv) Daman and Diu;
- (v) Chandigarh; or (vi) other territory.

Explanation.—For the purposes of this Act, each of the territories specified in subclauses (i) to (vi) shall be considered to be a separate Union territory;

- (9) “Union territory tax” means the tax levied under this Act;
- (10) words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Integrated Goods and Services Tax Act, the State Goods and Services Tax Act, and the Goods and Services Tax (Compensation to States) Act, shall have the same meaning as assigned to them in those Acts.

CHAPTER-II ADMINISTRATION

3. Officers under this Act

The Administrator may, by notification, appoint Commissioners and such other class of officers as may be required for carrying out the purposes of this Act and such officers shall be deemed to be proper officers for such purposes as may be specified therein:

Provided that the officers appointed under the existing law shall be deemed to be the officers appointed under the provisions of this Act.

4. Authorisation of officers

The Administrator may, by order, authorise any officer to appoint officers of Union territory tax below the rank of Assistant Commissioner of Union territory tax for the administration of this Act.

5. Powers of officers

(1) Subject to such conditions and limitations as the Commissioner may impose, an officer of the Union territory tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.

(2) An officer of a Union territory tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of a Union territory tax who is subordinate to him.

(3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer subordinate to him.

(4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of Union territory tax.

6. Authorisation of officers of Central Tax as proper officer in certain circumstances

(1) Without prejudice to the provisions of this Act, the officers appointed under the Central Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.

(2) Subject to the conditions specified in the notification issued under sub-section (1),—

(a) where any proper officer issues an order under this Act, he shall also issue an

order under the Central Goods and Services Tax Act, as authorised by the said

Act under intimation to the jurisdictional officer of central tax;

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(b) where a proper officer under the Central Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.

(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act, shall not lie before an officer appointed under the Central Goods and Services Tax Act.

CHAPTER-III LEVY AND COLLECTION OF TAX

7. Levy and Collection

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty per cent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

(2) The Union territory tax 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 Central Government on the recommendations of the Council. .

(3) The Central Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both 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.

(4) The Union territory 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.

(5) The Central Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

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8. Power to grant exemption from tax

(1) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

(2) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the

Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

(3) The Central Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under subsection (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.

(4) Any notification issued by the Central Government under sub-section (1) of section 11 or order issued under sub-section (2) of the said section of the Central Goods and Services Tax Act shall be deemed to be a notification or, as the case may be, an order issued under this Act.

Explanation.—For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person

supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

PAYMENT OF TAX

9. Payment of tax

The amount of input tax credit available in the electronic credit ledger of the registered person on account of,—

(a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;

(c) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;

(d) the Union territory tax shall not be utilised towards payment of central tax.

10. Transfer of Input Tax Credit

On utilisation of input tax credit of Union territory tax for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with the provisions of sub-section (5) of section 49 of the Central Goods

and Services Tax Act, as reflected in the valid return furnished under sub-section (1) of section 39 of the Central Goods and Services Tax Act, the amount collected as Union territory tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the Union territory tax account to the integrated tax account in such manner and within such time as may be prescribed.

INSPECTION, SEARCH SEIZURE AND ARREST

11. Officers required to assist proper officers

(1) All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village officers, and officers of central tax and officers of the State tax shall assist the proper officers in the implementation of this Act.

(2) The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.

DEMANDS AND RECOVERY

12. Tax wrongfully collected and paid to Central Government or Union territory Government

(1) A registered person who has paid the central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.

(2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of the central tax and the Union territory tax payable.

13. Recovery of tax

(1) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the proper officer of central tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of central tax and credit the amount so recovered to the account of the Government under the appropriate head of Union territory tax.

(2) Where the amount recovered under sub-section (1) is less than the amount due to the Government under this Act and the Central Goods and Services Act, the amount to be credited to the account of the Government shall be in proportion to the amount due as Union territory tax and central tax.

ADVANCE RULING

14. Definitions

In this Chapter, unless the context otherwise requires,—

- (a) “advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100 of the Central Goods and Services Tax Act, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;
- (b) “Appellate Authority” means the Appellate Authority for Advance Ruling constituted under section 16.
- (c) “applicant” means any person registered or desirous of obtaining registration under this Act;

(d) “application” means an application made to the Authority under sub-section (1) of section 97 of the Central Goods and Services Tax Act;

(e) “Authority” means the Authority for Advance Ruling, constituted under section 15;

15. Constitution of Authority for Advance Ruling

(1) The Central Government shall, by notification, constitute an Authority to be known as the name of the Union territory, Authority for Advance Ruling:

Provided that the Central Government may, on the recommendations of the Council, notify any Authority located in any State or any other Union territory to act as the Authority for the purposes of this Act.

(2) The Authority shall consist of—

- (i) one member from amongst the officers of central tax; and
- (ii) one member from amongst the officers of Union territory tax, to be appointed by the Central Government.

(3) The qualifications, the method of appointment of the members and the terms and conditions of their service shall be such as may be prescribed.

16. Constitution of Appellate Authority for Advance Ruling

(1) The Central Government shall, by notification, constitute an Appellate Authority to be known as (the name of the Union territory) Appellate Authority for Advance Ruling for Goods and Services Tax for hearing appeals against the advance ruling pronounced by the Advance Ruling Authority:

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Provided that the Central Government may, on the recommendations of the Council, notify any Appellate Authority located in any State or any other Union territory to act as the Appellate Authority for the purposes of this Act.

(2) The Appellate Authority shall consist of—

- (i) the Chief Commissioner of central tax as designated by the Board; and
- (ii) the Commissioner of Union territory tax having jurisdiction over the applicant.

CHAPTER-VIII TRANSITIONAL PROVISIONS

17. Migration of existing tax payers

(1) On and from the appointed day, every person registered under any of the existing laws and having a valid Permanent Account Number shall be issued a certificate of registration on provisional basis, subject to such conditions and in such form and manner as may be prescribed, which unless replaced by a final certificate of registration under sub-section (2), shall be liable to be cancelled if the conditions so prescribed are not complied with.

(2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.

(3) The certificate of registration issued to a person under sub-section (1) shall be deemed to have not been issued if the said registration is cancelled in pursuance of an application filed by such person that he was not liable to registration under section 22 or section 24 of the Central Goods and Services Tax Act.

18. Transitional arrangements for Input Tax Credit

(1) A registered person, other than a person opting to pay tax under section 10 of the Central Goods and Services Tax Act, shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax and Entry Tax, if any, 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, not later than ninety days after the said day, 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 day; or
- (iii) where the said amount of credit relates to goods sold under such exemption notifications as are notified by the Government:

Provided further that so much of the said credit as is attributable to any claim related 10 to section 3, sub-section (3) of section 5, section 6 or section 6A or sub-section (8) of 74 of 1956. section 8 of the Central Sales Tax Act, 1956 that is not substantiated in the manner, and within the period, prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall not be eligible to be credited to the electronic credit ledger:

Provided also that an amount equivalent to the credit specified in the second proviso shall be refunded under the existing law when the said

claims are substantiated in the manner prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957.

(2) A registered person, other than a person opting to pay tax under section 10 of the Central Goods and Services Tax Act, shall be entitled to take, in his electronic credit ledger, credit of the unavailed input tax 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 input tax credit under the existing law and is also admissible as input tax credit under this Act.

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

(3) A registered person, who was not liable to be registered under the existing law or who was engaged in the sale of exempted goods or tax

free goods or goods which have suffered tax at first point of their sale in the Union territory and the subsequent sales of which are not subject to tax in the Union territory under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, shall be entitled to take, in his electronic credit ledger, credit of the value added tax and entry tax, if any, 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 tax under the existing law in respect of such inputs; and
- (iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day:

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 tax 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 and in such manner as may be prescribed.

(4) A registered person, who was engaged in the sale of taxable goods as well as exempted goods or tax free goods under the existing law but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger,—

(a) the amount of credit of the value added tax and entry tax, if any, 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 credit of the value added tax and entry tax, if any, 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 tax free goods 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 value added tax and entry tax, if any, in respect of inputs received on or after the appointed day but the 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 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:

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

(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 value added tax 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 of the Central Goods and Services Tax Act;
 - (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 tax 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.
- (7) The amount of credit under sub-sections (3), (4) and (6) shall be calculated in such manner as may be prescribed.

19. Transitional provisions relating to job work.

- (1) Where any inputs received at a place of business had been dispatched as such or dispatched 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 a period of six months or the extended period from the appointed day, 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 of the Central Goods and Services Tax Act.

(2) Where any semi-finished goods had been dispatched from any 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 (hereinafter 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 a 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 of the Central Goods and Services Tax Act:

Provided also that the person dispatching the goods 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 six months or the extended period, as the case may be, from the appointed day.

(3) Where any goods had been dispatched from the place of business without payment of tax for carrying out tests or any other process 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 of business 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 such 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 of the Central Goods and Services Tax Act:

Provided also that the person dispatching the goods 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 six months or the extended period, as the case may be, from the appointed day.

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

20. Miscellaneous transitional provisions

(1) Where any goods on which tax, if any, had been paid under the existing law at the time of sale 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 tax 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:

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 is revised upwards on or after the appointed day, the registered person who had sold such goods 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 is revised downwards on or after

the appointed day, the registered person who had sold such goods 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 input tax credit, 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 refunded to him in cash in accordance with the provisions of the said law:

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

Provided further that no refund shall be allowed of any amount of input tax 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 tax paid under the existing law in respect of the goods exported before or after the appointed day shall be disposed of in accordance with the provisions of the existing law:

Provided that where any for refund of input tax credit is fully or partially rejected, the amount so rejected shall lapse:

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

(5) (a) Every proceeding of appeal, revision, review or reference relating to a claim for input tax credit 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 of credit found to be admissible to the claimant shall be refunded to him in cash in accordance with the provisions of the existing law 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 input tax 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, revision, review or reference relating to recovery of input tax credit 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 of credit becomes recoverable as a result of such appeal, revision, 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.

(6) (a) Every proceeding of appeal, revision, review or reference relating to any output 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, revision, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and amount so recovered shall not be admissible as input tax credit under this Act.

(b) Every proceeding of appeal, revision, review or reference relating to any output 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 in accordance with the provisions of the existing law and the amount rejected, if any, shall not be admissible as input tax credit under this Act.

(7) (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 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.

(8) (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 input tax 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 input tax credit is found to be admissible to any taxable person, the same shall be refunded to him in cash under the existing law and the amount rejected, if any, shall not be admissible as input tax credit under this Act.

(9) 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.

(10) (a) Notwithstanding anything contained in section 12 of the Central Goods and Services Tax Act, no tax shall be payable on goods under this Act to the extent the tax was leviable on the said goods under the existing law.

(b) Notwithstanding anything contained in section 13 of the Central Goods and Services Tax Act, 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 any existing law relating to sale of goods 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.

(11) 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 the 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 the period specified in this sub-section.

(12) Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under any existing law relating to sale of goods and has also issued an invoice for the same before the appointed day, no deduction of tax at source under section 51 of the Central Goods and Services Tax Act, as made applicable to this Act, 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 expression “capital goods” shall have the same meaning as assigned to it in any existing law relating to sale of goods.

CHAPTER-IX MISCELLANEOUS

21. Application of provisions of Central Goods and Services Tax Act

Subject to the provisions of this Act and the rules made thereunder, the provisions of the Central Goods and Services Tax Act, relating to,—

- (i) scope of supply;
- (ii) composition levy;
- (iii) composite supply and mixed supply;
- (iv) time and value of supply;
- (v) input tax credit;
- (vi) registration;
- (vii) tax invoice, credit and debit notes;
- (viii) accounts and records;
- (ix) returns;
- (x) payment of tax;
- (xi) tax deduction at source;
- (xii) collection of tax at source;
- (xiii) assessment;
- (xiv) refunds;
- (xv) audit;
- (xvi) inspection, search, seizure and arrest;
- (xvii) demands and recovery;
- (xviii) liability to pay in certain cases;
- (xix) advance ruling;
- (xx) appeals and revision;

(xxi) presumption as to documents;

(xxii) offences and penalties;

(xxiii) job work;

(xxiv) electronic commerce;

(xxv) settlement of funds;

(xxvi) transitional provisions; and

(xxvii) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,

shall, mutatis mutandis, apply,—

(a) so far as may be, in relation to Union territory tax as they apply in relation to central tax as if they were enacted under this Act;

(b) subject to the following modifications and alterations which the Central Government consider necessary and desirable to adapt those provisions to the circumstances, namely:—

(i) references to “this Act” shall be deemed to be references to “the Union Territory Goods and Services Tax Act, 2017”;

(ii) references to “Commissioner” shall be deemed to be references to “Commissioner” of Union territory tax as defined in clause (2) of section 2 of this Act;

(iii) references to “officers of central tax” shall be deemed to be references to

“officers of Union territory tax”;

(iv) references to “central tax” shall be deemed to be references¹ to “Union territory tax” and vice versa;

(v) references to “Commissioner of State tax or Commissioner of Union territory tax” shall be deemed to be references to “Commissioner of central tax”;

(vi) references to “State Goods and Services tax Act or Union Territory Goods and Services Tax Act” shall be deemed to be references to “Central Goods and Services Tax Act”;

(vii) references to “State tax or Union territory tax” shall be deemed to be references to “central tax”.

22. Power to make rules

(1) The Central Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.

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(3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.

(4) Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.

23. General power to make regulations

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.

24. Laying of rules, regulations and notifications

Every rule made by the Central Government, every regulation made by the Board and every notification issued by the Central Government under this Act, shall be laid, as soon as may be, after it is made or issued,

before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.

25. Power to issue instructions or directions

The Commissioner may, if he considers it necessary or expedient so to do for the purpose of uniformity in the implementation of this Act, issue such orders, instructions or directions to the Union territory tax officers as he may deem fit, and thereupon all such officers and all other persons employed in the implementation of this Act shall observe and follow such orders, instructions or directions.

26. Removal of difficulties

(1) If any difficulty arises in giving effect to any provision of this Act, the Central Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

UTGST – Notifications (Other than rate)

1/2017– Section 1 to 5 and others notified

MINISTRY OF FINANCE (Department of Revenue)

NOTIFICATION

New Delhi, the 21st June, 2017

G.S.R. 616(E).—In exercise of the powers conferred by sub-section (3) of section 1 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Central Government hereby appoints the 22nd day of June, 2017, as the date on which the provisions of sections 1, 2, 3, 4, 5, 17, 21 and section 22 of the said Act shall come into force.

[F. No. S-31011/25/2017-ST- I-DOR]

S. R. MEENA, Under Secy.

2/2017- Composition rates

New Delhi, the 27th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) and sub-section (2) of section 10 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act) read with section 21 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Central Government, on the recommendations of the Council, hereby prescribes that an eligible 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 the rate of,--

- (i) one per cent. of the turnover in Union territory in case of a manufacturer,
- (ii) two and a half per cent. of the turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II of the said Act, and

(iii) half per cent. of the turnover in Union territory in case of other suppliers:

Provided that a registered person shall not be eligible to opt for composition levy under sub-section (1) of section 10 of the said Act read with section 21 of the Union Territory Goods and Services Tax Act, 2017 if such person is a manufacturer of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table:-

TABLE

S. No.	Tariff item, subheading, heading or Chapter	Description
(1)	(2)	(3)

1.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2.	2106 90 20	Pan masala
3.	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

Explanation. –

- (1) In this Table, “tariff item”, “sub-heading”, “heading” and “chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (2) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

[F.No.354/117/2017-TRU]

3/2017 – Section 6 to 16 and others notified

New Delhi, the 28th June, 2017

7 Ashadha, Saka 1939

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Central Government hereby appoints the 1st day of July, 2017, as the date on which the provisions of sections 6 to 16, 18 to 20 and 23 to 26 of the said Act shall come into force.

[F. No. S-31011/25/2017-ST-I-DOR]

(S. R. Meena) Under Secretary to the
Government of India

GST (Compensation To States) Act, 2017

An ACT to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. Short title, extent and commencement

(1) This Act may be called the Goods and Services Tax (Compensation to States) Act, 2017.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions

(1) In this Act, unless the context otherwise requires,—

(a) “central tax” means the central goods and services tax levied and collected under the Central Goods and Services Tax Act;

(b) “Central Goods and Services Tax Act” means the Central Goods and Services Tax Act, 2017;

- (c) “cess” means the goods and services tax compensation cess levied under section 8;
- (d) “compensation” means an amount, in the form of goods and services tax compensation, as determined under section 7;
- (e) “Council” means the Goods and Services Tax Council constituted under the provisions of article 279A of the Constitution;
- (f) “Fund” means the Goods and Services Tax Compensation Fund referred to in section 10;
- (g) “input tax” in relation to a taxable person, means,—
 - (i) cess charged on any supply of goods or services or both made to him;
 - (ii) cess charged on import of goods and includes the cess payable on reverse charge basis;
- (h) “Integrated Goods and Services Tax Act” means the Integrated Goods and Services Tax Act, 2017;
- (i) “integrated tax” means the integrated goods and services tax levied and collected under the Integrated Goods and Services Tax Act;
- (j) “prescribed” means prescribed by rules made, on the recommendations of the Council, under this Act;

(k) “projected growth rate” means the rate of growth projected for the transition period as per section 3;

(l) “Schedule” means the Schedule appended to this Act;

(m) “State” means,—

(i) for the purposes of sections 3, 4, 5, 6 and 7 the States as defined under the Central Goods and Services Tax Act; and

(ii) for the purposes of sections 8, 9, 10, 11, 12, 13 and 14 the States as defined

under the Central Goods and Services Tax Act and the Union territories as defined under the Union Territories Goods and Services Tax Act;

(n) “State tax” means the State goods and services tax levied and collected under the respective State Goods and Services Tax Act;

(o) “State Goods and Services Tax Act” means the law to be made by the State Legislature for levy and collection of tax by the concerned State on supply of goods or services or both;

(p) “taxable supply” means a supply of goods or services or both which is chargeable to the cess under this Act;

(q) “transition date” shall mean, in respect of any State, the date on which the State

Goods and Services Tax Act of the concerned State comes into force;

(r) “transition period” means a period of five years from the transition date; and

(s) “Union Territories Goods and Services Tax Act” means the Union Territories Goods and Services Tax Act, 2017.

(2) The words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act and the Integrated Goods and Services Tax Act shall have the meanings respectively assigned to them in those Acts.

3. Projected growth rate

The projected nominal growth rate of revenue subsumed for a State during the transition period shall be fourteen per cent per annum.

4. Base year

For the purpose of calculating the compensation amount payable in any financial year during the transition period, the financial year ending 31st March, 2016, shall be taken as the base year.

5. Base year revenue

(1) Subject to the provision of sub-sections (2), (3), (4), (5) and (6), the base year revenue for a State shall be the sum of the revenue collected by the State and the local bodies during the base year, on account of the taxes levied by the respective State or Union and

net of refunds, with respect to the following taxes, imposed by the respective State or Union, which are subsumed into goods and services tax, namely:–

- (a) the value added tax, sales tax, purchase tax, tax collected on works contract, or any other tax levied by the concerned State under the erstwhile entry 54 of List-II (State List) of the Seventh Schedule to the Constitution;
- (b) the central sales tax levied under the Central Sales Tax Act, 1956;
- (c) the entry tax, octroi, local body tax or any other tax levied by the concerned State under the erstwhile entry 52 of List-II (State List) of the Seventh Schedule to the Constitution;
- (d) the taxes on luxuries, including taxes on entertainments, amusements, betting and gambling or any other tax levied by the concerned State under the erstwhile entry 62 of List-II (State List) of the Seventh Schedule to the Constitution;

(e) the taxes on advertisement or any other tax levied by the concerned State under the erstwhile entry 55 of List-II (State List) of the Seventh Schedule to the Constitution;

(f) the duties of excise on medicinal and toilet preparations levied by the Union but collected and retained by the concerned State Government under the erstwhile article 268 of the Constitution;

(g) any cess or surcharge or fee leviable under entry 66 read with entries 52, 54, 55 and 62 of List-II of the Seventh Schedule to the Constitution by the State

Government under any Act notified under sub-section (4),

prior to the commencement of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016:

Provided that the revenue collected during the base year in a State, net of refunds, under the following taxes shall not be included in the calculation of the base year revenue for that State, namely:—

(a) any taxes levied under any Act enacted under the erstwhile entry 54 of List-II (State List) of the Seventh Schedule to the Constitution, prior to the coming into force of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016, on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as

petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption;

(b) tax levied under the Central Sales Tax Act, 1956, on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption;

(c) any cess imposed by the State Government on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption; and

(d) the entertainment tax levied by the State but collected by local bodies, under any Act enacted under the erstwhile entry 62 of List-II (State List) of the Seventh Schedule to the Constitution, prior to coming into force of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.

(2) In respect of the State of Jammu and Kashmir, the base year revenue shall include the amount of tax collected on sale of services by the said State Government during the base year.

(3) In respect of the States mentioned in sub-clause (g) of clause (4) of article 279A of the Constitution, the amount of revenue foregone on

account of exemptions or remission given by the said State

Governments to promote industrial investment in the State, with respect to such specific taxes referred to in sub-section (1), shall be included in the total base year revenue of the State, subject to such conditions as may be prescribed.

(4) The Acts of the Central Government and State Governments under which the specific taxes are being subsumed into the goods and services tax shall be such as may be notified.

(5) The base year revenue shall be calculated as per sub-sections (1), (2), (3) and (4) on the basis of the figures of revenue collected and net of refunds given in that year, as audited by the Comptroller and Auditor-General of India.

(6) In respect of any State, if any part of revenues mentioned in sub-sections (1), (2), (3) and (4) are not credited in the Consolidated Fund of the respective State, the same shall be included in the total base year revenue of the State, subject to such conditions as may be prescribed.

6. Projected revenue for any year

The projected revenue for any year in a State shall be calculated by applying the projected growth rate over the base year revenue of that State.

Illustration— If the base year revenue for 2015-16 for a concerned State, calculated as per section 5 is one hundred rupees, then the projected revenue for financial year 2018-19 shall be as follows—

Projected Revenue for 2018-19-100 (1+14/100)

7. Calculation and release of compensation

(1) The compensation under this Act shall be payable to any State during the transition period.

(2) The compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India:

Provided that in case any excess amount has been released as compensation to a State in any financial year during the transition period, as per the audited figures of revenue collected, the excess amount so released shall be adjusted against the compensation amount payable to such State in the subsequent financial year.

(3) The total compensation payable for any financial year during the transition period to any State shall be calculated in the following manner, namely:--

(a) the projected revenue for any financial year during the transition period, which could have accrued to a State in the absence of the goods and services tax, shall be calculated as per section 6;

(b) the actual revenue collected by a State in any financial year during the transition period shall be—

(i) the actual revenue from State tax collected by the State, net of refunds given by the said State under Chapters XI and XX of the State Goods and Services Tax Act;

(ii) the integrated goods and services tax apportioned to that State;
and

(iii) any collection of taxes on account of the taxes levied by the respective State under the Acts specified in sub-section (4) of section 5, net of refunds of such taxes,

as certified by the Comptroller and Auditor-General of India;

(c) the total compensation payable in any financial year shall be the difference

between the projected revenue for any financial year and the actual revenue collected by a State referred to in clause (b).

(4) The loss of revenue at the end of every two months period in any year for a State during the transition period shall be calculated, at the end of the said period, in the following manner, namely:--

(a) the projected revenue that could have been earned by the State in absence of the goods and services tax till the end of the relevant two months period of the respective financial year shall be calculated on a pro-rata basis as a percentage of the total projected revenue for any financial year during the transition period, calculated in accordance with section 6.

Illustration—If the projected revenue for any year calculated in accordance with section 6 is one hundred rupees, for calculating the projected revenue that could be earned till the end of the period of ten months for the purpose of this sub-section shall be

$100 \times (5/6) = \text{Rs.}83.33.$);

(b) the actual revenue collected by a State till the end of relevant two months period in any financial year during the transition period shall be-

- (i) the actual revenue from State tax collected by the State, net of refunds given by the State under Chapters XI and XX of the State Goods and Services Tax Act;
 - (ii) the integrated goods and services tax apportioned to that State, as certified by the Principal Chief Controller of Accounts of the Central Board of Excise and Customs; and
 - (iii) any collection of taxes levied by the said State, under the Acts specified in subsection (4) of section 5, net of refund of such taxes;
- (c) the provisional compensation payable to any State at the end of the relevant two month period in any financial year shall be the difference between the projected revenue till the end of the relevant period in accordance with clause (a) and the actual revenue collected by a State in the said period as referred to in clause (b), reduced by the provisional compensation paid to a State till the end of the previous two months period in the said financial year during the transition period.
- (5) In case of any difference between the final compensation amount payable to a State calculated in accordance with the provisions of subsection (3) upon receipt of the audited revenue figures from the Comptroller and Auditor-General of India, and the total provisional compensation amount released to a State in the said financial year in

accordance with the provisions of sub-section (4), the same shall be adjusted against release of compensation to the State in the subsequent financial year.

(6) Where no compensation is due to be released in any financial year, and in case any excess amount has been released to a State in the previous year, this amount shall be refunded by the State to the Central Government and such amount shall be credited to the Fund in such manner as may be prescribed.

8. Levy and Collection of Cess

(1) There shall be levied a cess on such intra-State supplies of goods or services or both, as provided for in section 9 of the Central Goods and Services Tax Act, and such inter-State supplies of goods or services or both as provided for in section 5 of the Integrated Goods and Services Tax Act, and collected in such manner as may be prescribed, on the recommendations of the Council, for the purposes of providing compensation to the States for loss of revenue arising on account of implementation of the goods and services tax with effect from the date from which the provisions of the Central Goods and Services Tax Act is brought into force, for a period of five years or for such period as may be prescribed on the recommendations of the Council:

Provided that no such cess shall be leviable on supplies made by a taxable person who has decided to opt for composition levy under section 10 of the Central Goods and Services Tax Act.

(2) The cess shall be levied on such supplies of goods and services as are specified in column (2) of the Schedule, on the basis of value, quantity or on such basis at such rate not exceeding the rate set forth in the corresponding entry in column (4) of the Schedule, as the Central Government may, on the recommendations of the Council, by notification in the Official Gazette, specify:

Provided that where the cess is chargeable on any supply of goods or services or both with reference to their value, for each such supply the value shall be determined under section 15 of the Central Goods and Services Tax Act for all intra-State and inter-State supplies of goods or services or both:

Provided further that the cess on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975, at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962, on a value determined under the Customs Tariff Act, 1975.

9. Returns, payments and refunds

- (1) Every taxable person, making a taxable supply of goods or services or both, shall—
- (a) pay the amount of cess as payable under this Act in such manner;
 - (b) furnish such returns in such forms, along with the returns to be filed under the Central Goods and Services Tax Act; and
 - (c) apply for refunds of such cess paid in such form, as may be prescribed.
- (2) For all purposes of furnishing of returns and claiming refunds, except for the form to be filed, the provisions of the Central Goods and Services Tax Act and the rules made thereunder, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under section 8 on all taxable supplies of goods or services or both, as they apply in relation to the levy and collection of central tax on such supplies under the said Act or the rules made thereunder.

10. Crediting proceeds of cess to Fund

- (1) The proceeds of the cess leviable under section 8 and such other amounts as may be recommended by the Council, shall be credited to a non-lapsable Fund known as the Goods and Services Tax Compensation

Fund, which shall form part of the public account of India and shall be utilised for purposes specified in the said section.

(2) All amounts payable to the States under section 7 shall be paid out of the Fund.

(3) Fifty per cent. of the amount remaining unutilised in the Fund at the end of the transition period shall be transferred to the Consolidated Fund of India as the share of Centre, and the balance fifty per cent. shall be distributed amongst the States in the ratio of their total revenues from the State tax or the Union territory goods and services tax, as the case may be, in the last year of the transition period.

(4) The accounts relating to Fund shall be audited by the Comptroller and Auditor-

General of India or any person appointed by him at such intervals as may be specified by him and any expenditure in connection with such audit shall be payable by the Central Government to the Comptroller and Auditor-General of India.

(5) The accounts of the Fund, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be laid before each House of Parliament.

11. Other provisions relating to cess

(1) The provisions of the Central Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall, as far as may be, mutatis mutandis, apply, in relation to the levy and collection of the cess leviable under section 8 on the intra-State supply of goods and services, as they apply in relation to the levy and collection of central tax on such intra-State supplies under the said Act or the rules made thereunder.

(2) The provisions of the Integrated Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall, mutatis mutandis, apply in relation to the levy and collection of the cess leviable under section 8 on the inter State supply of goods and services, as they apply in relation to the levy and collection of integrated tax on such inter State supplies under the said Act or the rules made thereunder:

Provided that the input tax credit in respect of cess on supply of goods and services leviable under section 8, shall be utilised only towards

payment of said cess on supply of goods and services leviable under the said section.

12. Power to make rules

(1) The Central Government shall, on the recommendations of the Council, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the conditions which were included in the total base year revenue of the States, referred to in sub-clause (g) of clause (4) of article 279A of the Constitution, under sub-section (3) of section 5;

(b) the conditions subject to which any part of revenues not credited in the Consolidated Fund of the respective State shall be included in the total base year revenue of the State, under sub-section (6) of section 5;

(c) the manner of refund of compensation by the States to the Central Government under sub-section (6) of section 7;

(d) the manner of levy and collection of cess and the period of its imposition under subsection (1) of section 8;

- (e) the manner and forms for payment of cess, furnishing of returns and refund of cess under sub-section (1) of section 9; and
- (f) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

13. Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

14. Laying of rules before Parliament

(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, on the recommendations of the Council, by order published in the Official Gazette, make such provisions, not

inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Schedule

[See section 8 (2)]

1. In this Schedule, reference to a “tariff item”, “heading”, “sub-heading” and “Chapter”, wherever they occur, shall mean respectively a tariff item, heading, sub-heading and Chapter in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
2. The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this Schedule.

S. No.	Description of supply of goods or services	Tariff item, heading, sub heading, Chapter, or supply of goods services, as the case may be	The maximum rate at which goods and services tax compensation cess may be collected

(1)	(2)	(3)	(4)
1.	Pan Masala.	2106 90 20	One hundred and thirty-five per cent. <i>ad valorem</i> .
2.	Tobacco and manufactured tobacco substitutes, including tobacco products.	24	Four thousand one hundred and seventy rupees per thousand sticks or two hundred and ninety per cent. <i>ad valorem</i> or a combination thereof, but not exceeding four thousand one hundred and seventy rupees per thousand sticks plus two hundred and ninety per cent <i>ad valorem</i> .
3.	Coal, briquettes, ovoids and similar solid fuels	2701, 2702 or 2703	Four hundred rupees per tonne.

	manufactured from coal, lignite, whether or not agglomerated, excluding jet, peat (including peat litter), whether or not agglomerated.		
4.	Aerated waters.	2202 10 10	Fifteen per cent. <i>ad valorem</i> .
5.	Motor cars and other motor vehicles principally designed for the transport of persons (other than motor vehicles for the transport of ten or more persons,	8703	Fifteen per cent. <i>ad valorem</i> .

	including the driver), including station wagons and racing cars.		
6.	Any other supplies.		Fifteen per cent. ad valorem.

Cess Notifications

1/2017 – Compensation Cess Act notified

New Delhi, the 28th June, 2017

7 Ashadha, Saka 1939

G.S.R.(E).— In exercise of the powers conferred by sub-section (3) of section 1 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), the Central Government hereby appoints the 1st day of July, 2017, as the date on which all the provisions of the said Act shall come into force.

[F. No. S-31011/28/2016-ST-I DOR]

(Mahendra Nath) Under Secretary to
the Government of India

Cess Circulars

1 /1/2017 - Zero rating of exports

F.No.354/136/2017-TRU

Government of India

Ministry of Finance

Department of

Revenue (Tax

Research Unit)

New Delhi, Dated 26th July, 2017

To

Principal Chief Commissioners/Principal Directors General,

Chief Commissioners/Directors

General, Principal

Commissioners/Commissioners

All under CBEC.

Madam/Sir,

Subject: Clarification regarding applicability of section 16 of the IGST Act, 2017, relating to zero rated supply for the purpose of Compensation Cess on exports – Regarding.

The issue of zero rating of exports with reference to Compensation Cess has been examined.

2. In this regard section 8 of the Goods and Services tax (Compensation to States) Act, 2017 hereinafter referred to as [GSTC Act, 2017] provides for levy and collection of Compensation Cess and reads as under:

“8. (1) There shall be levied a cess on such intra-State supplies of goods or services or both, as provided for in section 9 of the Central Goods and Services Tax Act, and such inter State supplies of goods or services or both as provided for in section 5 of the

Integrated Goods and Services Tax Act, and collected in such manner as may be prescribed, on the recommendations of the Council, for the purposes of providing compensation to the States for loss of revenue arising on account of implementation of the goods and services tax with effect from the date from which the provisions of the Central Goods and Services Tax Act is brought into force, for a period of five years or for such period as may be prescribed on the recommendations of the Council:

- (2) The cess shall be levied on such supplies of goods and services as are specified in column (2) of the Schedule, on the basis of value, quantity or on such basis at such rate not exceeding the rate set forth in the corresponding entry in column (4) of the Schedule, as the Central Government may, on the recommendations of the Council, by notification in the Official Gazette, specify.”
3. Accordingly, based on the recommendation of GST Council, the effective rates of Compensation Cess leviable on various supplies, stand notified vide Notification No.1/2017 Compensation Cess (Rate).

4. Further, as per sub-section (5) of section 7 of IGST Act, 2017, supply of goods or services or both, when the supplier is located in India and place of supply is outside India, will be treated as inter-state supply. Therefore, exports being inter-state supplies, they will be liable to Compensation Cess. This however will not be in line with the principle that no taxes be exported, and exports have to be zero rated.

5. Provisions relating to zero rating of exports are

“16. (1) “zero rated supply” means any of the following supplies of goods or services or both, namely: –

- (a) export of goods or services or both; or
- (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

(2) Subject to the provisions of sub-section (5) of section 17 of the Central Goods and Services Tax Act, credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply.

(3) A registered person making zero rated supply shall be eligible to claim refund under either of the following options, namely: --

(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or

(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied,

in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder”.

6. Moreover, the section 11 of the Goods and Services tax (Compensation to States) Act, 2017, provides that:

11. (1) The provisions of the Central Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, shortlevy, interest, appeals, offences and penalties, shall, as far as may be, mutatis

mutandis, apply, in relation to the levy and collection of the cess leviable under section 8 on the intra-State supply of goods and services, as they apply in relation to the levy and collection of central tax on such intra-State supplies under the said Act or the rules made thereunder.

- (2) The provisions of the Integrated Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, shortlevy, interest, appeals, offences and penalties, shall, mutatis mutandis, apply in relation to the levy and collection of the cess leviable under section 8 on the interState supply of goods and services, as they apply in relation to the levy and collection of integrated tax on such inter-State supplies under the said Act or the rules made thereunder:

Provided that the input tax credit in respect of cess on supply of goods and services leviable under section 8, shall be utilised only towards payment of said cess on supply of goods and services leviable under the said section.

7. Therefore, sub-section (2) of section 11 of the Goods and Services tax (Compensation to States) Act, 2017 provides that provisions of

Integrated Goods and Services Tax Act, and the rules made thereunder, shall, mutatis mutandis, apply in relation to the levy and collection of the cess leviable under section 8 on the inter-State supply of goods and services, as they apply in relation to the levy and collection of integrated tax on such inter-State supplies under the said Act or the rules made thereunder.

8. In view of the above, it is hereby clarified that provisions of section 16 of the IGST Act, 2017, relating to zero rated supply will apply mutatis mutandis for the purpose of Compensation Cess (wherever applicable), that is to say that:
 - a) Exporter will be eligible for refund of Compensation Cess paid on goods exported by him [on similar lines as refund of IGST under section 16(3) (b) of the IGST, 2017]; or
 - b) No Compensation Cess will be charged on goods exported by an exporter under bond and he will be eligible for refund of input tax credit of Compensation Cess relating to goods exported [on similar lines as refund of input taxes under section 16(3) (a) of the IGST, 2017].

9. All concerned are requested to acknowledge the receipt of this circular.
10. Trade Notice/Public Notice to be issued. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

Yours faithfully,

(Devranjan Mishra)
Technical Officer (TRU)