CGST Reckoner

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Levy & collection (Sec. 1-11)

Date on which provisions come into force:

<table>
<thead>
<tr>
<th>Sections of CGST Act</th>
<th>Date</th>
<th>Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sections 1 to 5, 10, 22 to 30, 139, 146 and 164</td>
<td>22-Jun-17</td>
<td>1/2017</td>
</tr>
<tr>
<td>Section 51</td>
<td>01-Oct-18</td>
<td>50/2018</td>
</tr>
<tr>
<td>Section 52</td>
<td>01-Oct-18</td>
<td>51/2018</td>
</tr>
<tr>
<td>GST amendment act, 2018</td>
<td>01-Feb-19</td>
<td>02/2019</td>
</tr>
<tr>
<td>Proviso to section 42(9) and proviso to section 43(9)</td>
<td>Not yet notified</td>
<td>-</td>
</tr>
<tr>
<td>All other sections</td>
<td>1-Jul-17</td>
<td>9/2017</td>
</tr>
<tr>
<td>Section 103</td>
<td>01-Sep-19</td>
<td>39/2019</td>
</tr>
</tbody>
</table>

III: Levy & collection of tax

7 Scope of supply: Supply includes:

► All forms of supply of goods or services or both such as sale, transfer, exchange, license, lease etc. made for a consideration, for business
► Import of services for a consideration, whether or not for business
► The activities referred to in Schedule I

The classification of supplies of goods or service shall be made as per Schedule II.
Supply excludes:

- Activities referred in Schedule III
- Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution undertaken by government or local authority [Notification No. 14/2017]
- Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called undertaken by the state government [Notification No. 25/2019]

8 A composite /mixed supply shall be treated as if supply consists of principal supply & if there is no principal supply, then it consists of supply which attracts highest rate of tax.

9 CGST charging section:

- GST shall be at notified rate not exceeding 20% on all intra-State supplies except liquor. Note:- 20% as per CGST Act and 20% as per SGST Act. Therefore, total GST shall not exceed 40%.
- Tax on supply of petroleum, diesel etc. will be levied from date to be notified separately.
- Tax is to be paid by the recipient on reverse charge on supplies Notified u/s 9(3) or 9(4).
- Tax shall be paid by e-commerce operator on following intra-State services supplied through it:
  - Transportation of passengers by radio-taxi, motorcab, maxicab and motor cycle
  - Following services except where the person supplying such service through e-commerce operator is liable for registration u/s 22(1):
    - Providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes
    - Services by way of house-keeping, such as plumbing, carpentering etc. [Notification No. 17/2017] & [Notification No. 23/2017]

10 Composition Levy: If total turnover in the preceding FY is Rs.1.5 crore or below (Rs.75 lakhs or below for Special Category States specified in Notification No. 14/2019), may opt to pay an amount at following rate on turnover:

<table>
<thead>
<tr>
<th>Category of persons</th>
<th>Rate*</th>
<th>Rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 31.12.17</td>
<td>From 01.01.18</td>
</tr>
<tr>
<td></td>
<td>[8/2017]</td>
<td>[1/2018], [03/2019]</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>1%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Composite supplier of food or drink for human use [6(b) of Schedule II]</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Other suppliers of goods</td>
<td>0.5%</td>
<td>0.5% of turnover of taxable supplies of goods</td>
</tr>
<tr>
<td>Others suppliers covered u/s 10(2A) (service providers)</td>
<td>-</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Note: SGST Act also prescribes the same rate. Therefore, the total rate will be twice the above given rate.

**Conditions:**

- Cannot collect tax from the recipient
- Not entitled to ITC
- Not applicable for non-resident or casual taxpayer
- Not applicable for the supply of
  - non-GST goods
  - inter-State outward supplies
  - Supply through e-commerce operator who is required to collect TCS u/s 52
  - manufacture of following goods [Notification No. 14/2019, 43/2019]
    - Ice cream & other edible ice, whether or not containing cocoa [2105 00 00]
    - Pan masala [2106 90 20]
    - Aerated Water [2202 10 10]
    - All goods, i.e. Tobacco and manufactured tobacco substitutes [24]
- First 3 category of persons mentioned in above table cannot supply services (other than composite supply of food/drink) of value exceeding 10% of turnover in FY or Rs. 5 lakh, whichever is higher
  
  Note: Exempt services provided by way of extending deposits, loans or advances is excluded. The option shall lapse from the day on which turnover during a FY exceeds the limit.

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**Time & value of supply (Sec. 12-15)**

**Chapter IV: Time & value of supply**

Liability to pay tax on supplies shall arise at the **time of supply.** It is determined as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Time of supply is earliest of the following dates:</th>
</tr>
</thead>
<tbody>
<tr>
<td>12(2): Goods on which tax is paid <strong>other than on reverse charge</strong></td>
<td></td>
</tr>
</tbody>
</table>
  - Date of issue of invoice, if issued  
  - Last date for issue of invoice u/s 31  
  - Date of receipt of payment |
| 12(3): **Goods** on which tax is paid **on reverse charge** |  
  - Date of the receipt of goods  
  - Date of receipt of payment |
13(2): Services on which tax is paid other than on reverse charge
- Date of issue of invoice if within last date u/s 31 & if not, then date of provision of service
- Date of receipt of payment

13(3): Services on which tax is paid on reverse charge
- Date of receipt of payment
- Date immediately following 60 days from date of issue of invoice

- In the case of goods on which tax is paid on reverse charge and in the case of services, if it is not possible to determine the time of supply based on the events stated above, then date of entry in books of account of the recipient is the time of supply.
- If it is still not possible to determine the time of supply, then if periodical return is to be filed, date of filing and if not filed, then date of payment of tax is the time of supply [12(5) /13(5)].
- Date of receipt of payment shall be earlier of the dates on which the payment is, entered in books of account & credited to bank account.
- If the supplier receives an amount up to Rs. 1000 in excess of invoice amount, the time of supply for such excess shall, at the option of the supplier, be the date of issue of invoice.
- To the extent of addition in the value by way of interest, late fee or penalty for delayed payment of any consideration, the time of supply shall be date of receipt of such addition.

14 Section 12 & 13 are not applicable where there is a change in the rate of tax and any one of the following dates is after the change in rate of tax:
- Date of supply of goods/services
- Date of issue of invoice
- Date of receipt of payment

In such cases the time of supply is as follows:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Time of supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of supply of goods/services is after change in the rate of tax and either invoice or payment is after the change</td>
<td>Date of receipt of payment or date of issue of invoice whichever is later</td>
</tr>
<tr>
<td>All other cases</td>
<td>Date of receipt of payment or date of issue of invoice whichever is earlier</td>
</tr>
</tbody>
</table>

Date of receipt of payment shall be earlier of the dates on which the payment is, entered in his books of account & credited to his bank account. However it shall be the date of credit in the bank account if such credit is after 4 working days from the date of change in rate of tax.
The **value of supply** shall be the transaction value, which is the price actually paid or payable where the supplier & the recipient are not related. Price **includes:**

- Any **taxes, duties, cesses, charges** levied under any law other than the GST Acts if charged separately
- Any amount that the **supplier is liable to pay** but which has been incurred by the recipient & not included in the consideration
- **Incidental expenses** & any amount charged for anything done by the supplier at the time of or before delivery of supplies
- **Interest, late fee,** penalty for delayed payment of consideration
- **Subsidies** directly linked to the price except subsidies provided by the Central & State Governments

The value of the supply **shall exclude** discount which is given:

- before or at the time of the supply if such discount has been **recorded in the invoice**
- after time of supply, if **discount is in terms of an agreement,** specifically linked to relevant invoices & ITC attributable to the discount has been reversed by the recipient

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 25% or more** of the outstanding **voting stock** or shares of both of them;
(v) one of them directly or indirectly **controls the other**;
(vi) both of them are directly or indirectly **controlled by a third person**;
(vii) **together** they directly or indirectly **control a third person**; or
(viii) they are **members of the same family**;

(b) the term “person” also **includes 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** of the other, shall be deemed to be related.

### Input Tax Credit (Sec. 16-21)

**Chapter V: Input Tax Credit**

**16 Eligibility and conditions for taking ITC:**

- ITC charged on supply used for business can be taken only if:
  - **Invoice** or debit note is in **possession**
  - **Entire** supply has been **received**
Tax has been paid in cash or through utilization of ITC

Filed the return u/s 39

- If the recipient fails to pay the consideration & tax other than tax on reverse charge, within 180 days from date of issue of invoice, ITC taken & interest shall be added to his output tax liability. On payment, he can avail the ITC again.

- ITC cannot be taken after the due date for filing return u/s 39 for the month of September following the end of the FY or date of furnishing the relevant annual return, whichever is earlier.

- ITC shall not be allowed on the tax component of the cost of capital goods and plant & machinery if depreciation is claimed on tax component under IT Act.

ITC can be availed in following order as specified u/s 49:

<table>
<thead>
<tr>
<th>ITC available in electronic credit ledger</th>
<th>To be used only against following taxes in the same order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated tax</td>
<td>Integrated, Central &amp; State or Union territory tax</td>
</tr>
<tr>
<td>Central tax</td>
<td>Central &amp; integrated tax</td>
</tr>
<tr>
<td>State tax</td>
<td>State &amp; integrated tax</td>
</tr>
<tr>
<td>Union territory tax</td>
<td>Union territory &amp; integrated tax</td>
</tr>
</tbody>
</table>

The ITC on account of central tax, State tax or Union territory tax shall be utilized only after the ITC available on account of integrated tax has first been utilized fully. Further, for payment of Integrated tax, the ITC on account State tax or Union territory tax shall be utilized only after ITC on account Central tax has first been utilized fully.

**17 Restrictions on ITC:**

- If supply is used partly for business and partly otherwise, ITC shall be restricted to so much of input tax which is attributable to the purposes of business.

- If supply is used for effecting partly taxable supplies including zero-rated supplies and partly exempt supplies, ITC shall be restricted to so much of input tax which is attributable to the taxable supplies. The value of exempt supply shall include supplies on which tax is paid on reverse charge, transactions in securities, sale of land and subject to Schedule II 5(b), sale of building; but excludes the activities referred to in Schedule III (except paragraph 5).

- A banking company or a financial institution shall have the option to avail 50% of ITC every month and the rest shall lapse and the option once exercised shall not be withdrawn during the FY.

- ITC is not available for:
  - Motor vehicles having approved seating capacity up to 13 persons (including driver),
except when they are used for making taxable supply of transportation of passengers or for further supply of such vehicles or for training on driving of such vehicles.

- **Vessels and aircraft** except when they are used for transportation of goods or making taxable supply of transportation of passengers or for further supply of such vessels or aircraft or for training on navigating such vessels or flying such aircraft.

- Services of **general insurance, servicing, repair and maintenance of vehicles, vessels or aircraft** referred above except the case where it is used for the purpose specified above or the person receiving this service is either a manufacturer of such vehicles or provider of general insurance services on such vehicles.

- Supply of **food & beverages, outdoor catering, beauty treatment, health services, plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircrafts** referred above except when used for the purposes specified above, life insurance and health insurance. However, ITC is available for inward supply of a category is used for making an outward taxable supply of the same category or as a part of composite or mixed supply. Supply of membership of a club, health & fitness center

- **Travel benefits** given to employees on vacation if employer is not obligated to provide the same under any law.

- **Works contract services or supplies for construction of an immovable property** (other than plant & machinery) except where input service is used for output supply of works contract service

- Supply on which **composition levy** has been paid u/s 10

- Supply used for **personal consumption**

- Supply received by a **non-resident** taxable person except on goods imported by him

- **Goods lost**, stolen, destroyed, written off or disposed of by way of gift or free samples

- Any **tax paid u/s 74, 129 & 130**

### ITC on stock:

- A person can 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 day immediately preceding the dates given below:

<table>
<thead>
<tr>
<th>Case</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied for registration within 30 days from date of becoming liable to registration and has been granted such registration</td>
<td>Date from which liable to pay tax</td>
</tr>
<tr>
<td>Registered u/s 25(3)</td>
<td>Date of grant of registration</td>
</tr>
<tr>
<td>Switch from composition levy to normal levy</td>
<td>Date from which liable to pay tax u/s 9</td>
</tr>
</tbody>
</table>
Exempt supply becomes taxable supply

Date of on which the supply becomes taxable

- On switch from composition levy to normal levy or exempt supply becoming taxable supply, ITC can be taken on capital goods reduced by prescribed percentage points, held in stock on the day immediately preceding the date from which he becomes liable to pay tax.
- In the above cases, ITC cannot be taken after 1 year from the date of issue of invoice.
- If any person who has taken ITC opts to pay tax u/s 10 or the supply become wholly exempt, 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 prescribed percentage points, on the day immediately preceding the date of exercising of such option or the date of such exemption, shall be paid. After payment, the balance of ITC, if any, in electronic credit ledger shall lapse.
- On supply of capital goods or plant and machinery, on which ITC has been taken, an amount equal to the ITC taken on the said capital goods or plant and machinery reduced by prescribed percentage points or the tax on the transaction value, whichever is higher, shall be paid. However, where refractory bricks, moulds & dies, jigs & fixtures are supplied as scrap, the taxable person may pay tax on the transaction value.
- On sale, merger, demerger, amalgamation, lease or transfer of business with specific provisions for transfer of liabilities, ITC which remains unutilised can be transferred to successor.

19  The principal shall be allowed ITC on inputs & capital goods sent to a job-worker even if the goods are directly sent to the job worker without being brought to his place of business. However, inputs should be utilized or received back within 1 year and capital goods should be received back within 3 years (except moulds & dies, jigs & fixtures or tools).

20  The Input Service Distributor (ISD) shall distribute the credit against a document of credit. The ITC on input services attributable to a recipient shall be distributed only to that recipient. Credit shall be distributed on prorata basis of the turnover of such recipient to aggregate turnover of all recipients for relevant period.

Relevant period is:
- If the recipients have turnover in the FY preceding year of distribution, then that year
- Otherwise, the last quarter for which turnover of all the recipients is available, previous to the month during which credit is to be distributed

'Turnover' is the turnover reduced by tax levied under entries 84 and 92A of List I & entry 51 & 54 of List II of the 7th Schedule to the Constitution i.e., excise duties and VAT.
Registration (Sec. 22-30)

Chapter VI: Registration

### 22 & 24 Liable to register if he is a person:
- With a turnover in a FY > Rs. 20 Lakhs
  (10 Lakhs if place of supply is in Special category States i.e., Manipur, Mizoram, Nagaland and Tripura)
- Registered or holding license under an existing law
- Who is a transferee or successor of the business of a registered person
- Making inter-State taxable supply
- Who is casual or non-resident taxable person making taxable supply
- Required to pay tax under reverse charge or u/s 9(5)
- Making taxable supply on behalf of other taxable persons
- Required to deduct tax u/s 51 or ISD, whether or not separately registered under this Act
- Who effects supplies (other than supplies specified u/s 9(5)) through e-commerce operator who is required to collect TCS u/s 52
- E-commerce operator who is required to collect TCS u/s 52
- Supplying online information access/retrieval services from outside India to an unregistered person in India
- Notified class of persons

### 23 Person not liable to register:
- Person engaged in business of supplying only exempt supply under this Act or integrated GST Act
- An agriculturist, to the extent of supply of produce out of cultivation of land
- Persons making taxable supply, where entire tax is payable by the recipient under reverse charge basis u/s 9(3) of this Act [Notification 5/2017-Central Tax]
- Interstate supplies of handicraft goods notified in [Notification 56/2018] & [Notification 38/2017] in a FY does not exceed Rs. 20 lakhs (Rs.10 lakhs in special category states) provided the supplier has PAN and the goods move under the cover of an e-way bill.
- Interstate supply of job work by a job worker to a registered person provided the turnover in a FY does not exceed Rs. 20 lakhs (Rs.10 lakhs in special category states) and not involved in supply of services in relation to Jewellery, goldsmiths’ and silversmiths’ wares and other articles (Chapter 71) [Notification 7/2017, 02/2019].
- Supplies (other than supplies specified u/s 9(5)) through e-commerce operator who is required to collect TCS u/s 52 provided the turnover in a FY does not exceed Rs. 20 lakhs
(Rs.10 lakhs in special category states) [Notification 65/2017], [Notification 06/2019]

- Persons engaged in supply of goods other than -Ice cream and other edible ice (2105 00 00), Pan masala (2106 90 20), Tobacco and manufactured tobacco substitutes (24)- provided the turnover in a FY does not exceed Rs.40 lakhs and not liable for registration u/s 24, 25(3). This is not applicable for person engaged in intra-State supplies in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand [Notification 10/2019]

<table>
<thead>
<tr>
<th>25</th>
<th>Procedure for registration:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Registration to be applied for within 30 days from the date of becoming liable.</td>
</tr>
<tr>
<td></td>
<td>PAN is mandatory for registration. However, deductor may have a TAN instead of PAN</td>
</tr>
<tr>
<td></td>
<td>A person, though not liable may register voluntarily, &amp; all provisions of this Act, as are applicable to a registered person, shall apply to such person.</td>
</tr>
<tr>
<td></td>
<td>A casual or non-resident taxable person shall apply at least 5 days prior to the commencement of business.</td>
</tr>
<tr>
<td></td>
<td>A person having a unit, as defined in the Special Economic Zones Act, 2005 (28 of 2005), in a SEZ or being a SEZ developer has to apply for a separate registration, as distinct from his place of business located outside the SEZ in the same State or Union territory.</td>
</tr>
<tr>
<td></td>
<td>Only single registration in a State or Union territory shall be granted. However, for person having multiple places of business in a State, separate registration for each places of business can be granted subject to conditions.[Rule 11]</td>
</tr>
<tr>
<td></td>
<td>A person who has obtained registration for himself or his establishment in more than one State or Union territory shall, be treated as distinct persons under this Act for each such registration.</td>
</tr>
<tr>
<td></td>
<td>A certificate of registration shall be issued from prescribed date and shall be deemed to have been granted after expiry of notified period, if no deficiency has been communicated to the applicant within that period.</td>
</tr>
<tr>
<td></td>
<td>Every registered person shall furnish proof of possession of Aadhaar number or notified alternate means of identification in a notified manner.</td>
</tr>
</tbody>
</table>

Clarification: Inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified u/s 25(4) may not be treated as supply & consequently IGST will not be payable on such supply. However, applicable CGST/SGST/IGST shall be leviable on repairs & maintenance done for such conveyance. [Circular No. 1/1/2017-IGST]

<table>
<thead>
<tr>
<th>26</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Registration under State or Union territory Act is deemed as registration under this Act unless application for registration is rejected under this Act within time specified u/s 25(10)</td>
</tr>
<tr>
<td></td>
<td>Rejection of application for registration under State or Union territory Act is deemed as rejection under this Act</td>
</tr>
</tbody>
</table>
27 **In case of casual or non-resident** taxable person:

- Certificate of registration is valid for the period specified in the application or 90 days, whichever is earlier
- Taxable supplies to be made only after issue of certificate
- At the time of applying, advance deposit shall be made of estimated tax liability for the period for which the registration is sought by crediting the electronic cash ledger and the same shall be utilized only as per section 49

28 **Changes in the information** given for registration shall be communicated within prescribed period. The same may be rejected after giving an opportunity of being heard. Rejection of such information under State or Union territory GST Acts shall be deemed to be rejection under this Act.

29 **Registration may be cancelled** from any date including retrospective date, if person has:

   - Contravened provisions of the Act or rules
   - Not filed returns for 6 months continuously (3 consecutive tax periods if he is paying tax u/s 10)
   - Voluntarily registered u/s 25(3) & has not commenced business within 6 months from date of registration
   - Obtained registration by means of fraud, willful misstatement or suppression of facts

   - Cancellation of registration shall not affect the liability to pay tax or to discharge any obligation under this Act for any period prior to the date of cancellation.
   - Cancellation of registration under State or Union territory Act is deemed as cancellation under this Act.
   - On cancellation, e-ledger shall be debited by ITC determined u/s 18(1).

30 **A person may apply for revocation of cancellation** within 30 days from the date of service of the order of cancellation.

   - Revocation of cancellation of registration under State or Union territory GST Acts shall be deemed to be revocation of cancellation under this Act.

**Invoices & accounts (Sec.31-36)**

*Chapter VII: Tax invoice, credit and debit notes*

31 **Issue of invoice or any other document in lieu of invoice:**

   - A registered person making taxable supply shall issue an invoice showing the description, quantity of goods and value of supply, tax charged thereon & other prescribed details.
   - For goods, invoice to be issued before or at the time of,
**Removal of goods** for supply, if supply involves movement of goods

**Delivery of goods** to the recipient in other cases

- For services, invoice to be issued before or after the provision of service, but within prescribed period.
- **Need not issue** invoice if value of supply is less than Rs.200.
- Issue a **bill of supply** on exempted supply or pays tax u/s 10, unless the value of supply is less than Rs.200.
- Issue a **receipt voucher** on receipt of advance payment. However, if supply is not made and tax invoice is not issued, then the registered supplier may issue a **refund voucher** against such advance payment.
- If pays tax u/s 9(3)/(4), issue:
  - Invoice for supply received from unregistered supplier on the date of receipt of supply
  - Payment voucher at the time of making payment to the supplier.
- Issue a **revised invoice** within 1 month from issue of certificate of registration, against invoice already issued during the period from effective date of registration to date of issue of certificate.

**Invoice in Special cases:**

- If supply of services ceases **under a contract** before completion, the invoice shall be issued at the time when the supply ceases to the extent of the supply made before such cessation
- If goods being sent or taken on approval for sale or return are removed before supply, then invoice to be issued before or at the time of, earlier of, supply or 6 months from the date of removal

### In case of continuous supply of goods:

<table>
<thead>
<tr>
<th>Case</th>
<th>Invoice shall be issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>If successive statements of accounts or payment are involved</td>
<td>Before or at the time of issue or receipt of such statements or payments</td>
</tr>
</tbody>
</table>

### In case of continuous supply of services:

<table>
<thead>
<tr>
<th>Case</th>
<th>Invoice shall be issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>If due date of payment is there in the contract</td>
<td>On or before the due date of payment</td>
</tr>
<tr>
<td>If payment date is not there in the contract</td>
<td>Before or at the time of receipt of payment</td>
</tr>
<tr>
<td>If payment is linked to completion of an event</td>
<td>On or before the date of completion</td>
</tr>
</tbody>
</table>

32 **Prohibition of unauthorized collection of tax:**

- **Unregistered** person shall not collect tax under this Act.
### 33. Amount of tax should be indicated

Indicate the amount of tax in invoice and other documents.

### 34. Issue of credit or debit notes:

- Credit notes may be issued by registered supplier in the following cases:
  - Taxable value or tax charged in invoices exceeds actual value or tax payable
  - Supply is returned or is found to be deficient by the recipient
- Details of such note shall be declared in the return for the month of issue of note but not later than September following the end of the FY in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier
- Debit notes may be issued if taxable value or tax charged in invoices is less than the actual value or tax payable & details of such note shall be declared in the return in month of issue of such note
- No reduction in output tax liability of supplier on account of credit note shall be permitted, if the incidence of tax & interest on such supply has been passed on to other person

### Chapter VIII: Accounts & records

- Registered person shall maintain at principal place of business a true & correct account of:
  - Production, inward & outward supply
  - Stock of goods
  - ITC availed
  - Output tax payable & paid
  - Other prescribed particulars
- If multiple places of business are specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places
- Every owner or operator of any storage place & every transporter, whether registered or not, shall maintain records of the consigner, consignee & other prescribed details.
- If turnover during a FY exceeds 2 crore rupees accounts should be audited by a C.A. or a cost accountant & shall submit a copy of the audited annual accounts, the reconciliation statement u/s 44 (2) in FORM GSTR-9C and other prescribed documents. Reconciliation statement shall reconcile the value of supplies declared in the return and audited financial statement. This condition shall not apply to any department of the Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities.

- Every person required to maintain records u/s 35 shall retain them until the expiry of 72 months from the due date of furnishing of annual return for year for which record is kept.
Records pertaining to the subject **matter of proceedings** before any authority or investigation for an offence under Chapter XIX, shall be retained for 1 year after final disposal of such proceedings or for the period specified above, whichever is later.

**Returns (Sec. 37-48)**

Please [click here](#) to refer the Forms

<table>
<thead>
<tr>
<th>Chapter IX: Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>37</strong></td>
</tr>
<tr>
<td><strong>38</strong></td>
</tr>
<tr>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>
An ISD shall file monthly return within 13 days after the end of such month in Form GSTR-6.

A non-resident taxable person shall file monthly return within 20 days after the end of month or within 7 days after the last day of the period of registration specified u/s 27(1), whichever is earlier in Form GSTR-5.

The Commissioner may extend the time limit for furnishing the returns by notification.

Tax due as per return is to be paid before due date to file return.

Every registered person is required to file NIL return even if outward supply has not been made.

Rectification (other than error discovered by tax authorities) in monthly/quarterly returns shall be made in such form and manner as may be prescribed. Last date for such rectification is:
- Due date for filing return u/s 39 for the month of September following the end of the FY to which such details pertain or
- Date of furnishing the relevant annual return, whichever is earlier.

If return for any previous periods has not been filed then current return cannot be filed.

First return: Outward supplies made from the date on which he became liable to registration till the date of grant of registration shall be declared in the first return filed by him after registration.

ITC taken on provisional basis, as self-assessed in return will be added to electronic credit ledger which can be utilised only for payment of output tax as per return.

Matching of ITC:
- Details of inward supply furnished by the recipient shall be matched–
  - With the corresponding details of outward supply furnished by the supplier in his return
  - With the integrated GST paid u/s 3 of the Customs Tariff Act, 1975
  - For duplication of claims of ITC
- If the ITC claimed by a recipient is not matched or duplicated, the discrepancy shall be communicated to both such persons.
- If it is not rectified by supplier it shall be added to the output tax liability with interest (u/s 50(1)), of the recipient,
  - In case of non-matching, for next month after such communication
  - In case of duplication, for the month of communicated
- Addition to tax liability can be reversed with refund of interest if the supplier declares the details in his return within time specified u/s 39(9).

Matching of credit note: The details of credit note relating to outward supply furnished by the

Electrical Property
supplier shall be matched in same manner as matching of ITC.

43A **Availing input tax credit:**

The procedure for furnishing the details of outward supplies and availing of input tax credit shall be such as may be prescribed.

44 ▶ Every registered person, (other than ISD, casual taxable person, non-resident, Deductor u/s 51 or collector u/s 52, person in non-taxable territory providing OIDAR services to non-taxable online recipient) shall furnish an **annual return** for every FY on or before 31st December following the end of such FY.

▶ Every person (other than person in non-taxable territory providing OIDAR services to non-taxable online recipient) with Turnover >2 crore shall furnish annual return and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the FY with a copy of the annual accounts audited u/s 35(5).

45 Registered persons whose **registration has been cancelled** and who are required to furnish a return u/s 39(1) shall furnish a final return within 3 months of the date of cancellation or date of order of cancellation, whichever is later.

The persons whose registration has been cancelled by on or before 30-Sep-18 shall furnish a final return in **Form GSTR-10** within 31-Dec-18. [Notification No. 58/2018]

46 **Notice to return defaulters** u/s 39, 44, 45 can be issued to file return within 15 days.

47 **Levy of late fee:** On failure to file details u/s 37, 38, 39, 44 or 45 within due date, late fee of Rs.100 shall be paid per day subject to maximum of Rs.5000 except in case of annual return u/s 44. In case of annual return u/s 44, maximum limit is 0.25% of turnover. Note-: Rs. 100 late fee is as per CGST Act. SGST Acts also prescribe Rs. 100 per day. Therefore total late fee of Rs.200 per day is to be paid.

However, as per Section 128, the government has **waived the late fee** payable for some GSTRs. Click here

48 **GST practitioner:** Approved GST practitioner may be authorised to file details and returns u/s 37, 38, 39, 44, 45 and such other functions. The responsibility for correctness of any particulars filed shall be with the person on whose behalf such return and details are filed.

Manner of approval, eligibility, conditions, duties, manner of removal of GST practitioner is prescribed in **Rule 83**.

---

**Tax payment & assessment (Sec. 49-64)**

**Chapter X: Payment of tax**

<table>
<thead>
<tr>
<th>Item</th>
<th>Credited to</th>
<th>Used for any payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax, interest, penalty, fee, etc. paid</td>
<td>Electronic cash</td>
<td>Under this Act or rules</td>
</tr>
</tbody>
</table>
ITC can be availed in specific order mentioned u/s 49. The said order is given along with summary of section 16 (ITC).

- The balance in the e-ledger after payment may be refunded as per section 54.
- All liabilities under this Act shall be recorded in an electronic liability register.
- Dues shall be discharged in the following order:
  - Dues of previous tax periods
  - Dues of the current tax period
  - Any other amount payable including the demand determined u/s 73 or 74
- The amount available in an electronic cash ledger can be transferred to the electronic cash ledger for IGST, CGST, SGST, UTGST or Cess as notified.

Interest on delayed payment shall be paid at 18% from the day after due date for payment of tax.

On making excess claim of ITC u/s 42(10) or reduction in output tax liability u/s 43(10), interest shall be paid on such excess amount at 24%.

In case of late payment of tax (except the case having proceedings u/s 73 or 74), interest to be computed on cash payment only.

Notified deductor has to deduct TDS at the rate of 1% (1% as per CGST Act & 1% as per SGST Act. Therefore Total TDS deductible is 2%) from the payment made or credited to the supplier, w.e.f. 01-Oct-18, if the total value of supply excluding tax under a contract exceeds Rs.2,50,000. The supplier can claim credit of such TDS. Notified deductor includes the following [Notification No.50/2018]:

- a department or establishment of the Central Government or State Government; or
- local authority; or
- Governmental agencies; or
- As per Notification No.50/2018:
  - 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 fifty-one percent or more participation by way of equity or control, to carry out any function;
  - society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- public sector undertakings
  - As per Notification 57/2018, this shall not apply to the authorities under the Ministry of Defence, other than the authorities specified in the Annexure-A and their offices.
  - As per Notification 61/2018, this shall not apply to the supplies from a public sector undertaking to another public sector undertaking, whether or not a distinct person.
  - As per Notification 73/2018, this shall not apply to the supply between one person to another persons specified above.

  - However deduction shall not be made if the location of the supplier and the place of supply is in a State or Union territory which is different from registration of recipient.
  - Such deduction shall be paid within 10 days after the end of the month of deduction.
  - A certificate shall be furnished to the deductee mentioning contract value, rate of deduction, amount deducted, amount paid etc. within 5 days of payment.
  - If deductor fails to furnish certificate within prescribed time, he shall pay, by way of a late fee, Rs.100 per day from the day after the expiry of such five days till rectification of failure, subject to a maximum of Rs.5000.
  - Deductor or deductee can claim refund of TDS on account of excess or wrong deduction as per section 54 except where deductee has already taken credit of such amount.
  - Intra-State supply received by a deductor from unregistered supplier, is exempted from the whole of the central tax leviable thereon u/s 9(4), subject to the condition that the deductor is not liable to be registered otherwise than u/s 24(vi) [Notification No.9/2017].

  - E-commerce operator, not being an agent, shall collect TCS at notified rate not exceeding 0.5% (0.5% under CGST Act & 0.5% under SGST Act. Therefore Total TCS rate is 1%) of the net value of taxable supplies made through it by other suppliers w.e.f. 01-Oct-18 [Notification No.51/2018]. The supplier can claim credit for such TCS. [Notification No. 52/2018] & [Notification No. 02/2018]

  - TCS shall be paid to the Government within 10 days after the end of month of collection.
  - Monthly statement shall be filed with details within 10th of the succeeding month. Annual statement shall be filed before 31st December following the end of FY or a notified due date.
  - Errors can be rectified & interest shall be paid u/s 50(1). Rectification is not allowed after the due date for filing statement for the month of September following the end of the FY or the actual date of filing relevant annual statement, whichever is earlier.

Chapter XI: Refunds

- Application for refund to be filed within 2 years.
- Refund of balance in electronic cash ledger u/s 49(6) may be claimed in return filed u/s 39.
- Refund of any unutilised ITC at the end of tax period may be claimed for:
Zero rated supplies made without payment of tax

Credit accumulated on account of rate of tax on inputs being higher than rate on outputs except for nil rated, exempt & notified supplies except for goods specified in [Notification No. 5/2017], [Notification No. 29/2017] & [Notification No. 46/2017]
The goods notified in above notifications are applicable for provision given in Notification No. 21/2018. [clarification in Circular No.56/2018]

Refund is not allowed where:

- Goods exported out of India are subjected to export duty
- Supplier avails drawback in respect of central tax
- Supplier claims refund of the integrated tax paid
- Services specified under Schedule II 5(b) [Notification No. 15/2017]

Following persons are entitled to claim a refund of taxes paid on the notified supplies received by them subject to conditions [Notification No. 16/2017]:
(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

As per Notification No. 20/2018, specified persons as the class of persons who shall make an application for refund of tax paid by it on inward supplies of goods or services or both, to the jurisdictional tax authority, in such form and manner as specified, before the expiry of eighteen months from the last date of the quarter in which such supply was received.

If any tax ordered to be refunded u/s 54(5) is not refunded within 60 days from the date of receipt of application u/s 54(1) interest at 6% shall be paid.

Provided that where any claim of refund arises from an order passed by an authority or tribunal or court and the same is not refunded within 60 days from the date of receipt of application filed consequent to such order, interest at 9% shall be payable from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.

Chapter XII: Assessment

Tax payable under this Act shall be self-assessed in return filed u/s 39.

If unable to self-assess, tax may be paid on a provisional basis subject to conditions.

<table>
<thead>
<tr>
<th>Case</th>
<th>Person liable to pay any amount due</th>
</tr>
</thead>
</table>

Liability to pay & advance ruling (Sec. 85-106)
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>Transfer of business in any manner</td>
<td>Transferor &amp; transferee jointly &amp; severally, wholly or to the extent of such transfer, up to time of transfer</td>
</tr>
<tr>
<td>86</td>
<td>Agent supplies or receives taxable goods on behalf of principal</td>
<td>Agent &amp; principal jointly &amp; severally</td>
</tr>
<tr>
<td>90</td>
<td>Firm</td>
<td>Firm &amp; its partners, jointly &amp; severally except that retired partner shall be liable only up to date of retirement if date is intimated to the Commissioner</td>
</tr>
<tr>
<td>91</td>
<td>Business is carried on by guardian, trustee or agent of a minor or incapacitated person</td>
<td>Guardian, trustee or agent</td>
</tr>
<tr>
<td>92</td>
<td>Estate of person owning business is under the control of Court of Wards, the Administrator General, the official Trustee, receiver or manager</td>
<td>The Court of Wards, the Administrator General, the official Trustee, receiver or manager</td>
</tr>
<tr>
<td>93</td>
<td>Person who carries on a business dies</td>
<td>If business is continued after death by any person, then such person, otherwise legal representative</td>
</tr>
<tr>
<td></td>
<td>Partition of property of a HUF or AOP</td>
<td>Each member jointly &amp; severally, up to partition</td>
</tr>
<tr>
<td></td>
<td>Dissolution of firm</td>
<td>Every partner jointly &amp; severally up to dissolution</td>
</tr>
<tr>
<td></td>
<td>Termination of guardianship or trust</td>
<td>Ward or the beneficiary of trust, up to termination</td>
</tr>
<tr>
<td>94</td>
<td>Discontinuation of business of firm, AOP or HUF</td>
<td>Every partner or member jointly &amp; severally, up discontinuance</td>
</tr>
<tr>
<td></td>
<td>Change in the constitution of a firm or AOP</td>
<td>The partners or members jointly &amp; severally before its reconstitution</td>
</tr>
</tbody>
</table>

The amount due is to be paid by above mentioned persons even if liability is determined at a later date.

87 If on amalgamation or merger in pursuance of an order, companies involved have supplied or received any supplies to or from each other during date of effect of order to date of order, then such supply shall be included in the turnover or receipt of the respective companies.

88 & 89
- **Liquidator of company** shall give intimation of his appointment to the Commissioner within 30 days after the appointment.
- If any amount due from a private company for any period cannot be recovered, every director during such period shall, jointly & severally, be liable for such amount (except where the private company is later converted into a public company) unless he proves that 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.

Chapter XVII: Advance ruling

97 An **application** may be made for advance ruling, stating **question on which ruling is sought**, which shall be in respect of:

- Classification of any supplies
- Applicability of a notification
- Determination of time, value of supply & liability to pay tax
- Admissibility of ITC
- Whether applicant is required to be registered
- Whether any particular thing done by the applicant results in supply

Offences & penalties (Sec. 122-138)

Chapter XIX: Offences and penalties

122 122(1): **Penalty** of higher of Rs.10,000 or amount which is due under below offences shall be paid by a person who:

- **Does not issue** or issues incorrect or false invoice
- Issues any invoice or document by using the registration no. of another person
- Issues invoice without supply & avails ITC on such invoice
- **Suppresses turnover** or fraudulently obtains refund of tax
- **Collects any tax** which is not paid to the government within 3 months from due date of payment
- Deducts or collects, lesser amount than required u/s 51(1) or 52(1) or fails to pay u/s 51(2) or 52(3)
- Takes or distributes ITC in contravention of section 20
- **Falsifies** or fails to retain financial records, accounts or documents
- **Fails to furnish** or furnishes false information or return or documents
- **Fails to obtain registration** even though liable to do so
- **Transports** any taxable goods without the cover of documents
- Supplies, transports or stores goods which are liable to confiscation
- **Tampers** or destroys any material evidence or document or goods that have been detained, seized, or attached
- **Obstructs** or prevents any officer in discharge of his duties

122(2): Supplier of any supplies on which any **tax has not been paid** or short-paid or wrongly
<table>
<thead>
<tr>
<th>Offence</th>
<th>Penalty (Rs.)</th>
<th>Maximum (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>123 Not filing return u/s 150 within specified period</td>
<td>100 per day</td>
<td>5000</td>
</tr>
<tr>
<td>124 Failure to furnish any information or return u/s 151 or</td>
<td>Up to 10000</td>
<td>25000</td>
</tr>
<tr>
<td>furnishing of false information</td>
<td>and 100 per day</td>
<td></td>
</tr>
<tr>
<td>125 Contravention of any provisions of this Act or any rules</td>
<td>-</td>
<td>25000</td>
</tr>
<tr>
<td>for which no penalty is separately provided</td>
<td></td>
<td></td>
</tr>
<tr>
<td>126 Penalty is not imposed for minor breaches (tax is less than Rs.5,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>000) of tax regulations or procedural requirements &amp; any omission or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>mistake in documentation which is easily rectifiable &amp; made without</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fraudulent intent or gross negligence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>128 The late fee payable u/s 47 has been reduced for the following</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSTRs to Rs. 25/- per day. If Tax liability for the month is Nil, fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>is Rs. 10/- per day.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: SGST Act also prescribes the same amount of late fee. Therefore,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>total late fee payable will be twice of the above said amounts.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- GSTR-3B * 
  Notification No. 76/2018

- GSTR-1 * 
  Notification No. 4/2018

- GSTR-4 * 
  Notification No. 73/2017

- GSTR-5 
  Notification No. 5/2018

- GSTR-6 
  Notification No. 7/2018

* The late fee is waived in following cases:
  - GSTR-1/ GSTR-3B/ GSTR-4 for the months/quarters from July, 2017 to September, 2018
is not filed by the due date, but furnishes the said returns between the 22-Dec-18 to 31-Mar-19.[Notification No. 75/2018], [Notification No. 76/2018] & [Notification No. 77/2018]

- GSTR-3B for the month October-2017 if submitted, but not filed.
  GSTR-6 filed in between 1-Jan-2018 to 23-Jan-2018 Notification No. 41/2018

- If GSTR-6 and GSTR-1 monthly return for the month July-2019 is filed on or before 20-Sep-2019 by taxpayers of notified districts of Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Uttarakhand Notification No.41/2019

- If GSTR-6 return for the month July-2019 is filed on or before 20-Sep-2019 by taxpayers of Jammu and Kashmir Notification No.41/2019


129 If any person transports or stores goods in transit in contravention of the provisions of this Act or rules, such goods & conveyance used for transport & documents relating to such goods & conveyance shall be liable to detention or seizure & shall be released, on payment of penalty given below or Rs.25,000, whichever is less, tax payable & providing security equal to penalty & tax payable.

<table>
<thead>
<tr>
<th>Person who pays such tax &amp; penalty</th>
<th>Type of goods</th>
<th>Penalty % of the tax payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>Taxable goods</td>
<td>100%</td>
</tr>
<tr>
<td>Owner</td>
<td>Exempted goods</td>
<td>2%</td>
</tr>
<tr>
<td>Transporter</td>
<td>Taxable goods</td>
<td>50%</td>
</tr>
<tr>
<td>Transporter</td>
<td>Exempted goods</td>
<td>5%</td>
</tr>
</tbody>
</table>

If the transporter or owner fails to pay such amount within 14 days of such detention or seizure, further proceedings shall be initiated u/s 130.

**Note:** Total Penalty is the sum of the penalties leviable under other GST Acts.

130 If a person commits any of the following offences, then such goods or conveyances is liable to confiscation & penalty u/s 122 shall be paid:

- Supplies or receives any goods in contravention of provisions
- Does not account for goods on which he is liable to pay tax
- Supplies any goods liable to tax without having applied for registration
- Contravenes any provisions with intent to evade tax
- Uses any conveyance for transportation of goods in contravention of provisions (Unless the owner of the conveyance proves that it was so used without his knowledge)

132 Person commits or attempts to commit or abets any of the following offences:

- Does not issue invoice
- Issues invoice without supply & avails ITC on such invoice
- Collects any tax which is not paid to the government within 3 months from due date of payment
- Evades tax or fraudulently avails ITC or refund
- Possesses, transports, stores, supplies, purchases etc. goods which he believes are liable to confiscation
- Receives or deals with supply of services which believes are in contravention of any provisions
- Fails to supply information or furnishes false information without intention to avoid tax

<table>
<thead>
<tr>
<th>Tax evaded or ITC wrongly availed or refund wrongly taken exceeds</th>
<th>Fine &amp;/or imprisonment up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>500lakh</td>
<td>5 years</td>
</tr>
<tr>
<td>200 lakh</td>
<td>3 years</td>
</tr>
<tr>
<td>100 lakh</td>
<td>1 year</td>
</tr>
</tbody>
</table>

Person who commits or abets commission of following offences shall be punishable with imprisonment up to 6 months or with fine or both:
- Falsifies financial records, accounts or documents or furnishes false information
- Obstructs or prevents any officer in the discharge of his duties
- Tampers with or destroys any material evidence or documents

137 **Persons deemed to be guilty of offence:**
- Persons in charge of & responsible for the conduct of a body corporate, at the time of offence
- Any director, manager or officer of a company if offence has been committed with the consent or connivance of, or due to negligence of such person

**Transitional provisions (Sec. 139-142)**

**Chapter XX: Transitional provisions**

139
- **Certificate of registration** on provisional basis is issued subject to conditions to a person registered under existing law & having a valid PAN unless he has filed an application that he is not liable to register and the same is accepted.
- The final certificate of registration shall be granted in prescribed form & manner.

140 **Transitional arrangements for ITC:**

140(1): A person can avail CENVAT credit of eligible duties c/f in the return under the existing law relating to the period before the appointed day subject to following conditions:
- Such credit is admissible as ITC under this act
Credit does not relate to goods cleared under notified exemption notifications

All returns for the last 6 months under the existing law are filed before the appointed date

140(2): Persons can avail unavailed CENVAT credit of capital goods not c/f in the return under the existing law relating to the period before the appointed day, if such credit is admissible as ITC under this act.

140(8): A person having centralized registration under existing law can avail CENVAT credit c/f in the return under the existing law relating to the period before the appointed day, subject to following conditions:
- Such credit is admissible as ITC under this act
- All returns for the last 3 months under the existing law are filed before the appointed date

140(3): A person can take credit of eligible duties in respect of inputs held in stock & inputs contained in semi-finished or finished goods held in stock on appointed day, if he:
- Is not liable to be registered under the existing law
- Manufactures or provides exempted supply
- Provides works contract service & was availing benefit of notification No. 26/2012 of ST
- Is a first or second stage dealer or a registered importer or a depot of a manufacturer
- Conditions:
  ✽ The inputs or goods are used for making taxable supplies under this Act
  ✽ The registered person is eligible for ITC on such inputs under this Act
  ✽ Invoices evidencing payment of duty under existing law is in possession
  ✽ Such invoices were issued not earlier than 12 months before the appointed day
  ✽ The supplier of services is not eligible for any abatement under this Act

140(6): A person paying tax at a fixed rate or composition levy can take credit of eligible duties in respect of inputs held in stock & inputs contained in semi-finished or finished goods held in stock on appointed day, subject to conditions:
- The inputs or goods are used for making taxable supplies under this Act
- The registered person is eligible for ITC on such inputs under this Act
- Invoices evidencing payment of duty under existing law is in possession
- Such invoices were issued not earlier than 12 months before the appointed day

140(4): Credit can be taken u/s 140(1) & (3) for supply taxable under this act & previously assessable under the Central Excise Act, 1944 or Chapter V of the Finance Act, 1994.

140(5): Credit of eligible duties (except service tax) can be taken for supplies received on or after the appointed day if the invoice was recorded in the books of accounts within 30 days from the appointed day & statement is furnished.
140(7): ITC on services received prior to the appointed day by an ISD shall be eligible for distribution even if the invoices relating to such services are received on or after the appointed day.

140(9): If CENVAT credit for input services provided under the existing law has been reversed due to non-payment of consideration within 3 months, credit can be reclaimed payment is made within 3 months from the appointed day.

**Eligible duties & taxes** means the following taxes paid under existing laws:

<table>
<thead>
<tr>
<th>Tax/ duty</th>
<th>Section</th>
<th>Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise duty</td>
<td>3</td>
<td>Additional Duties of Excise (Goods of Special importance) Act, 1957</td>
</tr>
<tr>
<td></td>
<td>Schedule I , II</td>
<td>Central Excise Tariff Act, 1985</td>
</tr>
<tr>
<td>Customs duty</td>
<td>3 (1), (5)</td>
<td>Customs Tariff Act, 1975</td>
</tr>
<tr>
<td>NCCD</td>
<td>136</td>
<td>the Finance Act, 2001</td>
</tr>
<tr>
<td>Service tax</td>
<td>66B</td>
<td>Finance Act, 1994</td>
</tr>
</tbody>
</table>

The eligible duties & taxes excludes cess collected as additional duty of customs u/s 3(1) of Customs Tariff Act, 1975 and cess which is not mentioned above.

141 **Transitional provisions for job worker:**

- If any inputs or semi-finished goods or excisable goods are sent to a job worker without payment of tax under existing law prior to the appointed day & such inputs or goods are returned within 6 months from the appointed day, no tax shall be payable if manufacturer & job-worker declare the details of the inputs or goods held in stock by the job-worker on the appointed day.

- If said inputs or goods are not returned within the specified period, ITC shall be recovered u/s 142(8)(a).

- The manufacturer may transfer the said goods to the premises of any registered person for supplying therefrom, on payment of tax in India or without payment of tax for exports within specified period.

142 **Miscellaneous transitional provisions:**

142(1): If goods on which duty had been paid under the existing law at the time of removal (less than 6 months prior to the appointed day) are returned by an unregistered person within 6 months from the appointed day, the person shall be eligible for refund.

142(2): If in pursuance of a contract entered into prior to the appointed day, the price of supply is revised on or after the appointed day, supplementary invoice or debit or credit note
shall be issued within 30 days of such revision & such issue shall be deemed to be outward supply made under this Act.
If recipient has not reduced ITC relating to credit note, supplier cannot reduce his tax liability relating to credit note.

The following cases under existing law shall be disposed of as under:

<table>
<thead>
<tr>
<th>Section</th>
<th>Case</th>
<th>Initiated</th>
<th>Claim under existing law</th>
</tr>
</thead>
<tbody>
<tr>
<td>142(3)</td>
<td>Refund claim</td>
<td>At any time</td>
<td>CENVAT credit, tax, interest etc.</td>
</tr>
<tr>
<td>142(4)</td>
<td>Refund claim for exported supply</td>
<td>After appointed day</td>
<td>Any duty or tax</td>
</tr>
<tr>
<td>142(5)</td>
<td>Refund claim for services not provided</td>
<td>After appointed day</td>
<td>Tax paid</td>
</tr>
<tr>
<td>142(6)</td>
<td>Proceeding of appeal, review etc.</td>
<td>At any time</td>
<td>CENVAT credit</td>
</tr>
<tr>
<td>142(7)</td>
<td>Proceeding of appeal, review etc.</td>
<td>At any time</td>
<td>Output duty or tax</td>
</tr>
<tr>
<td>142(8)</td>
<td>Assessment /adjudication proceedings</td>
<td>At any time</td>
<td>CENVAT credit, tax, interest etc.</td>
</tr>
<tr>
<td>142(9)</td>
<td>Return under existing law is revised</td>
<td>After appointed day</td>
<td>CENVAT credit, tax, interest etc.</td>
</tr>
</tbody>
</table>

- For section 142(6) to (9): Rejected or recovered amount, if any, is not admissible as ITC under this Act.
- For section 142(3) & (4): If refund claim of CENVAT credit is rejected, the amount so rejected shall lapse.
- For section 142(3), (4) & (6): No refund of CENVAT credit is allowed if it has already been c/f under this Act.

142(11): Notwithstanding anything contained in section 12 or 13 no tax is payable to the extent the tax was leviable under the VAT Act of the State or Chapter V of the Finance Act, 1994 & if tax is already paid then credit can be taken for supplies after the appointed day.

142(12): If goods are sent on approval not less than 6 months before the appointed day are rejected or returned within 6 months after the appointed day, no tax is payable.

142(13): If invoice is issued before appointed day but payment is made on or after the appointed day, TDS is not deducted u/s 51 even if required to be deducted under any State or Union territory law relating to VAT.
### Chapter XXI: Miscellaneous

#### Job work procedure:
- A principal may send inputs or capital goods, without payment of tax, to a job worker & shall either bring back or supply such inputs or capital goods (other than moulds & dies, jigs & fixtures, or tools) within 1 year & 3 years, respectively, of being sent out. If not, such inputs/capital goods shall be deemed to be supplied by the principal on the day of sending out.
- The principal shall not supply the goods from the place of business of a job worker unless the principal declares such place of the job-worker as his additional place of business except where the job worker is registered u/s 25 or the principal supplies notified goods.

#### Admissibility of documents as evidence:
A micro film or reproduction of the images embodied in such film or a facsimile copy or printout or information stored electronically shall be deemed to be a document & is admissible in any proceedings.

#### Deemed exports:
- **www.gst.gov.in** is notified as the common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns and computation and settlement of integrated tax.

#### Deemed exports:
- **www.ewaybillgst.gov.in** is notified as the common Goods and Services Tax Electronic Portal for furnishing electronic way bill. [Notification No. 9/2018]

- **Deemed exports:** [Notification No. 48/2017] & [Circular No. 14/14 /2017 - GST]

- The supply of following goods are notified 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.
  - Supply of goods by a registered person against Advance Authorisation
    - Provided that goods so supplied, when exports have already been made after availing ITC on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a chartered accountant is submitted to the jurisdictional commissioner of GST or any other officer authorised by him within 6 months of such supply.
    - Provided further that no such certificate shall be required if ITC has not been availed on inputs used in manufacture of export goods. [Notification No. 01/2019]
  - Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation
  - Supply of goods by a registered person to Export Oriented Unit
  - Supply of gold by a bank or Public Sector Undertaking specified in the notification No.
Special procedures of registration, return, tax payment for certain classes of persons:

- Registered person who did not opt for the composition levy u/s 10 shall pay the central tax on the outward supply of goods at the time of supply as specified in section 12(2)(a) of the said Act including in the situations attracting the provisions of section 14 of the said Act, and shall accordingly furnish the details and returns as mentioned in Chapter IX of the said Act and the rules made there under and the period prescribed for the payment of tax by such class of registered persons shall be such as specified in the said Act [Notification No. 40/2017]

- In case below mentioned registered person, the liability to pay tax shall arise when such registered person transfers possession or the right in the constructed complex, building or civil structure, to the person supplying the development rights by entering into a conveyance deed or similar instrument (for example allotment letter):
  - registered persons who supply development rights to a developer, builder, construction company or any other registered person against consideration, wholly or partly, in the form of construction service of complex, building or civil structure; and
  - registered persons who supply construction service of complex, building or civil structure to supplier of development rights against consideration, wholly or partly, in the form of transfer of development rights. [Notification No. 4/2018]

- The person, who received a Provisional Identification Number, but did not file the complete FORM GST REG-26 till 31-Dec-17, can apply for GSTIN by following special procedure given in Notification No. 31/2018 (subject to amendments in Notification No. 67/2018).

Obligation to furnish information return by following persons if they are responsible to maintain specified records:

- A taxable person
- A local authority or other public body or association;
- Any authority responsible for collection of VAT, sales tax, excise duty or customs duty;
- An income tax authority appointed under the provisions of the Income-tax Act, 1961
- A banking company or any entity entrusted with distribution of electricity
- The Registrar/ Sub-Registrar under the Registration Act, 1908 or Companies Act, 2013
- Registering authority under the Motor Vehicles Act, 1988
- Collector referred to in the Right to Fair Compensation & Transparency in Land acquisition, Rehabilitation & Resettlement Act, 2013
- The recognized stock exchange referred to in Securities Contracts (Regulation) Act, 1956
- A depository referred to in the Depositories Act, 1996
- An officer of the RBI
- The GST Network, a company registered under the Companies Act, 2013
- A person to whom a Unique Identity Number has been granted u/s 25(9)
- Any other specified person

'Specified Record' means record of registration or statement of accounts or return or document containing details of tax payment & transaction of supplies 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.

168 **Power to issue instructions or directions:** 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.

For Manual filing and processing of refund claims in respect of zero-rated supplies, refer [Circular No.17/17/2017-GST](#).

170 **Rounding off:** Any sum payable or due, under this Act shall be rounded off to the nearest Rupee. Where part of a rupee is 50 paise or more, it shall be increased to one rupee & if less, it shall be ignored.

171 **Anti-profiteering measure:** Any reduction in rate of tax or the benefit of ITC shall be passed on to the recipient by way of commensurate reduction in prices.

If the profiteered amount is not deposited within 30 days from the date of passing of order by the Authority, the registered person, who has profiteered shall pay penalty equal to 10% of profiteered amount.