



GST (GOODS AND SERVICES TAX)

TDS MECHANISM UNDER GST

TDS Return: The deductor is also required to file a return in Form GSTR-7 within 10 days from the end of the month. If the supplier is unregistered, name of the supplier rather than GSTIN shall be mentioned in the return. The details of tax deducted at source furnished by the deductor in FORM GSTR-7 shall be made available to each of the suppliers in Part C of FORM GSTR-2A electronically through the Common Portal and the said supplier may include the same in FORM GSTR-2. The amounts deducted by the deductor get reflected in the GSTR-2 of the supplier (deductee). The supplier can take this amount as credit in his electronic cash register and use the same for payment of tax or any other liability.

Consequences of not complying with TDS provisions:

S. No.	Event	Consequence
1.	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
2.	TDS certificate not issued or delayed beyond the prescribed period of five days	Late fee of Rs. 100/- per day subject to a maximum of Rs. 5000/-
3.	TDS deducted but not paid to the Government or paid later than 10th of the succeeding month	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law

S. No.	Event	Consequence
4.	Late filing of TDS returns	Late fee of Rs. 100/- for every day during which such failure continues, subject to a maximum amount of five thousand rupees

Any excess or erroneous amount deducted and paid to the Government account shall be dealt for refund under section 54 of the CGST Act, 2017. However, if the deducted amount is already credited to the electronic cash ledger of the supplier, the same shall not be refunded.

Prepared by: National Academy of Customs, Indirect Taxes & Narcotics

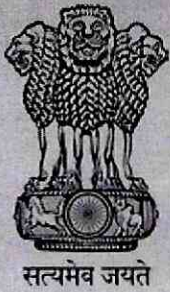
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GST (GOODS AND SERVICES TAX)

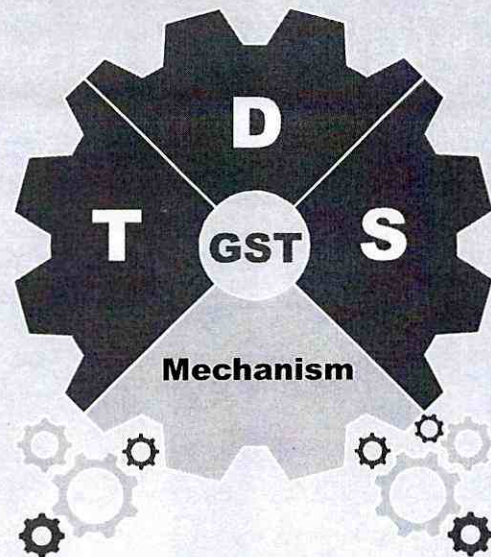
TDS MECHANISM UNDER GST

Tax Deduction at Source (TDS) is a system, initially introduced by the Income Tax Department. It is one of the modes/methods to collect tax, under which, certain percentage of amount is deducted by a recipient at the time of making payment to the supplier. It is similar to "pay as you earn" scheme also known as Withholding Tax, in many other countries. It facilitates sharing of responsibility of tax collection between the deductor and the tax administration. It also ensures regular inflow of cash resources to the Government. It acts as a powerful instrument to prevent tax evasion and expands the tax net, as it provides for the creation of an audit trail.

Under the GST regime, section 51 of the CGST Act, 2017 prescribes the authority and procedure for 'Tax Deduction at Source'. The Government may order the following persons (the deductor) to deduct tax at source:

- (a) A department or an 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.

The tax would be deducted @1% of the payment made to the supplier (the deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh fifty thousand rupees (excluding the amount of Central tax, State tax, Union Territory tax, Integrated tax and cess indicated in the invoice). Thus, individual supplies may be less than Rs. 2,50,000/-, but if contract value is more than Rs. 2,50,000/-, TDS will have to be deducted. However, 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.



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TDS MECHANISM UNDER GST

The earlier statement can be explained in the following situations:

- (a) Supplier, place of supply and recipient are in the same state. It would be intra-State supply and TDS (Central plus State tax) shall be deducted. It would be possible for the supplier (i.e. the deductee) to take credit of TDS in his electronic cash ledger.
- (b) Supplier as well as the place of supply are in different states. In such cases, Integrated tax would be levied. TDS to be deducted would be TDS (Integrated tax) and it would be possible for the supplier (i.e. the deductee) to take credit of TDS in his electronic cash ledger.
- (c) Supplier as well as the place of supply are in State A and the recipient is located in State B. The supply would be intra-State supply and Central tax and State tax would be levied. In such case, transfer of TDS (Central tax + State tax of State B) to the cash ledger of the supplier (Central tax + State tax of State A) would be difficult. So in such cases, TDS would not be deducted.

Thus, when both the supplier as well as the place of supply are different from that of the recipient, no tax deduction at source would be made.

Registration of TDS deductors: A TDS deductor has to compulsorily register without any threshold limit. The deductor has a privilege of obtaining registration under GST without requiring PAN. He can obtain registration using his Tax Deduction and Collection Account Number (TAN) issued under the Income Tax Act, 1961.

Deposit of TDS with the Government: The amount of tax deducted at source should be deposited to the Government account by the deductor by 10th of the succeeding month. The deductor would be liable to pay interest if the tax deducted is not deposited within the prescribed time limit.

TDS Certificate: A TDS certificate is required to be issued by deductor (the person who is deducting tax) in Form GSTR-7A to the deductee (the supplier from whose payment TDS is deducted), within 5 days of crediting the amount to the Government, failing which the deductor would be liable to pay a late fee of Rs. 100/- per day from the expiry of the 5th day till the certificate is issued. This late fee would not be more than Rs. 5000/-. 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.

For instance, suppose a supplier makes a supply worth Rs. 1000/- to a recipient and the GST @ rate of 18% is required to be paid. The recipient, while making the payment of Rs. 1000/- to the supplier, shall deduct 1% viz Rs. 10/- as TDS. The value for TDS purpose shall not include 18% GST. The TDS, so deducted, shall be deposited in the account of Government by 10th of the succeeding month. The TDS so deposited in the Government account shall be reflected in the electronic cash ledger of the supplier (i.e. deductee) who would be able to use the same for payment of tax or any other amount. The purpose of TDS is just to enable the Government to have a trail of transactions and to monitor and verify the compliances.

Prepared by: National Academy of Customs, Indirect Taxes & Narcotics

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► Be GST Ready ► GST coming from 1st July, 2017



Queries relating to GST received from various Sectors have been scrutinised and developed into short FAQs.

The first part, containing 50 questions and their answers, is given below.

PART-1

S. No.	Query	Reply	S. No.	Query	Reply
Registration			Input Tax Credit		
1.	Does aggregate turnover include value of inward supplies received on which tax is payable under reverse charge basis (RCM)?	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.	28.	Is SGST of Rajasthan charged by supplier on purchase from Rajasthan can be utilized for payment of SGST in Madhya Pradesh?	SGST of one State cannot be utilized for discharging of output tax liability of another State.
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.	29.	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.
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.	30.	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.
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.	31.	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.
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 engaged in 100% supply of goods which are not liable for GST, then no registration is required.	32.	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.
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.	33.	How will the credit / debit note from unregistered supplier be reported to GSTN and ITC claimed in the same?	Like invoice, credit/debit notes on behalf of unregistered person will be issued by registered person only. Further, GSTR2 provides for reporting of same by the recipient.
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.	Invoice		
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.	34.	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 supply and also declare exempted supply in the same invoice.
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.	35.	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.
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.	36.	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.
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.	37.	Can we move construction material to builders on delivery challan and issue tax invoice post completion of activity?	If the goods are meant to be supplied in the course of construction an invoice is necessary. If the goods are tools which are to be used for construction then delivery challan should be issued.
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.	38.	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.
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.	39.	Should we issue Self Invoice for GST liability on RCM or GST can be discharged through expenses booking voucher?	For RCM liabilities tax invoice has to be issued on self.
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 filing FORM REG-26 for converting provisional ID to final registration.	Composition Scheme		
15.	Please tell if rental income upto 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.	40.	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.
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.	Customs		
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.	41.	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.
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.	Exports		
19.	Whether a separate GSTIN would be allotted to a registered person for deducting TDS (he has PAN and TAN as well)?	Separate registration as tax deductor is required.	42.	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.
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.	43.	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.
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 make inter-state taxable supply is required to take registration. Therefore in this case AP dealer shall take registration and pay tax.	44.	How would the sale and purchase of goods to and from SEZ will be treated? Will it be export / import?	Supply to SEZs is zero rated supplies and supplies by SEZs to DTA are treated as imports.
22.	Is there any concept of area based exemption under GST?	There will be no area based exemptions in GST.	45.	Please clarify status of international export freight under GST as the same was exempt under POPS rules. It is zero rated in most countries.	POS for transport of goods determinable in terms of sec 12(8) or sec 13(8) of IGST Act, 2017, depending upon location of service provider/service receiver. Exports are treated as zero rated supplies.
23.	If a company in Maharashtra holds only one event in Delhi, will they have to register in Delhi? Will paying IGST from Maharashtra suffice?	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)	46.	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.
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.	47.	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.
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.	Refund		
26.	When turnover of agents will be added to that of the principal for registration?	No.	48.	I have a pending export refund in Service Tax. What will happen?	Refunds under earlier laws will be given under the respective laws only.
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 from 0800 hrs. on 25th June 2017	49.	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 of filing of refund.
			Cess		
			50.	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.

Disclaimer : Replies given above are only for educational and guidance purposes and do not hold any legal validity. For more details please see <http://www.cbec.gov.in/resources/htdocs-cbec/gst/tweet-faq.pdf>

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Items of common use to attract lower GST

Tax incidence under GST is lower than pre-GST incidence of Indirect Taxes on following items:-

Earlier Indirect Taxes			vs.	GST Rates				
Description of goods	*Pre-GST incidence	GST Rate	Description of goods	*Pre-GST incidence	GST Rate	Description of goods	*Pre-GST incidence	GST Rate
 Wheat	2.5%	0%	 Mineral Water	27%	18%	 Soap	27%	18%
 Rice	2.75%	0%	 Sugar Confectionery	21%	18%	 Other footwear	21%	18%
 Unbranded Flour	3.5%	0%	 Children's Picture, Drawing or Colouring Books	7%	0%	 LPG Stove	21%	18%
 Curd, Lassi, Butter Milk	4%	0%	 Footwear of RSP upto Rs. 500 per pair	10%	5%	 Aluminium foils	19%	18%
 Unbranded Natural Honey	6%	0%	 Kerosene Pressure Lantern	8%	5%	 School Bag	22%	18%
 Ultra High Temperature (UHT) Milk	6%	5%	 Coal	9%	5%	 Printers [other than multifunction printers]	19%	18%
 Tea (other than unprocessed green leaves of tea)	6%	5%	 Toothpowder	17%	12%	 Staplers	27%	18%
 Milk Powder	6%	5%	 LED	15%	12%	 Tractor rear tyres and tractor rear tyre tubes	20%	18%
 Sugar	6%	5%	 X ray films for medical use	23%	12%	 Helmet	20%	18%
 Sweetmeats	7%	5%	 Diagnostic kits and reagents	16%	12%	 CCTV	19%	18%
 Vegetable Edible Oils	6%	5%	 Fixed Speed Diesel Engines of power not exceeding 15HP	16%	12%	 Baby carriages	27%	18%
 Spices	6%	5%	 Fly ash bricks and fly ash blocks	16%	12%	 Plastic Tarpauln	19%	18%
 Ketchup & Sauces	12%	12%	 Sewing Machine	16%	12%	 Bamboo furniture	23%	18%
 Mustard Sauce	12%	12%	 Hair Oil	27%	18%	 Headgear and parts thereof	27%	18%
 Toppings, Spreads and Sauces (other than mayonnaise, salad dressings, mixed condiments and mixed seasonings)	12%	12%	 Toothpaste	27%	18%	 Cement	29%	28%

* The pre-GST tax incidence would be higher if the tax incidence on account of CST, Octroi, Entry tax, etc. [which is more than 2%] is also included.

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GST coming from 1st July, 2017.



Raising
GST
Invoice
is
SIMPLE !

There are some apprehensions in the trade circles that GST invoices have to be issued as per prescribed format and that issuing invoice is going to be burdensome process. This is not correct. Some important facts about GST provisions relating to invoice are highlighted for information of all stakeholders.

Important Facts about Tax Invoice

1. All GST taxpayers are free to design their own invoice format.
2. GST Law only requires that certain fields must mandatorily be in the invoice.
3. The time period prescribed for issuing invoice is different for goods & services - for goods, it is any time before its delivery and for services, it is within 30 days from the date of supply of service.
4. Small taxpayers, like small retailers, doing a large number of small transactions for upto a value of Rs. 200 per transaction to unregistered customers need not issue invoice for every such transaction. They can issue one consolidated invoice at the end of each day for all transactions done during the day. However, they should issue the invoice where the customer so demands.
5. In normal circumstances, one copy of invoice is required to be carried by the transporter. However, GSTN provides a facility to obtain an invoice reference number and if a taxpayer has generated this number, his goods need not be accompanied by paper invoice during transportation. This mechanism helps to address frequently reported problems like paper invoices getting misplaced, mutilated, torn or lost in course of transportation of goods.
6. In order to keep compliance burden low for small taxpayers, GST law provides that taxpayers with annual turnover of upto Rs. 1.5 crore need not mention the HSN Code of the goods in the invoices.
7. Keeping in view the large number of transactions in the banking, insurance and passenger transport sector, taxpayers need not mention the address of the customer and the serial number in their invoices.
8. Where the goods are transported for delivery but quantity to be supplied is not known at the time of removal, the good may be removed on delivery challan and invoice may be issued after delivery.
9. No need to issue separate Bill of supply if VAT invoice is issued for non-taxable supplies.



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MINISTRY OF FINANCE

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dgv 15502/13/0066/1718

GST coming from 1st July, 2017

Attention Importers and Exporters

Indian Customs gears up for GST roll-out

What you need to know?

IGST, GST Compensation Cess, Bill of Entry, Shipping Bill and Courier forms

1. With effect from 01-07-2017 Integrated Goods and Services Tax (IGST) and GST Compensation Act would come into force.
2. IGST and GST Compensation Cess, wherever applicable, would be levied on cargo arriving on 1st July, 2017. It would be effective from midnight of 30th June, 2017.
3. Cargo arrived up to 30th June, 2017 would not attract IGST and GST Compensation Cess even though the clearance may happen after 1st July, 2017.
4. Additional duty of Customs would continue to be levied for imports of Petroleum and Tobacco products.
5. Importers may familiarize themselves with IGST and GST Compensation Cess rate schedule and exemptions that are available on CBEC Website (<https://www.cbec.gov.in>).
6. Customs duty calculator inclusive of IGST and GST Compensation Cess would be available on CBEC Website (<https://www.cbec.gov.in>) and ICEGATE Website (<https://www.icegate.gov.in>) after rates are notified.
7. New Bill of entry, Shipping Bill and Courier import and export forms – both electronic and manual – are available on CBEC Website (<https://www.cbec.gov.in>).



Imports and Input Tax Credit

1. All Importers/Exporters have to mandatorily declare GST Registration number (GSTIN) along with Import Export Code (IEC) in the Bills of entry, Shipping bills and Courier forms.
2. Provisional IDs issued by GSTIN can be declared during the transition period. However, Importers and exporters are advised to complete their registration process for GSTIN.
3. Input Tax Credit of IGST would be available based on GSTIN declared in the bill of entry.
4. Customs EDI system would be GST ready by 1st July, 2017 and all out efforts are being made for smooth transition.
5. Customs EDI system would be interconnected with GSTIN for validation of Input Tax Credit.
6. Bill of entry data in non-EDI locations would be digitized and used for validation of input tax credit data provided by GSTIN.

Exports, Refunds, Drawback, Export Promotion Schemes, SEZ and EOUs

1. Exports are zero-rated supplies under GST law. Exporter would be entitled to refund of IGST paid on exports or refund of accumulated input tax credit on inputs used towards exports. Refund of IGST for exports would be based on GSTIN declared in the shipping bill.
2. Drawback scheme would continue. New Drawback Schedule would be released before 1st July, 2017.
3. Ex-warehouse drawback scheme shall continue for three months from date of introduction of GST as part of transition to GST.
4. Imports from SEZ to domestic tariff area would attract IGST from 1st July, 2017.
5. 100% Export Oriented Units would attract IGST on imports from 1st July, 2017.
6. EXIM Scrips cannot be used for payment of IGST and GST Compensation Cess in imports and CGST, IGST and GST Compensation Cess for domestic procurement.
7. Imports under Advance Licenses and Export promotion Capital Goods scheme (EPCG) are not exempted from payment of IGST and GST Compensation Cess.



Where do I look for information?

Outreach programmes are being organized by each Customs House for the benefit of Importers, Exporters, Custom Brokers, Freight Forwarders and other stakeholders.

For help and clarifications contact local Custom Houses and www.cbec.gov.in, www.cbec-gst.gov.in, www.gst.gov.in, www.icegate.gov.in

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SIMPLIFIED MIGRATION



GST IS COMING FROM 1st July, 2017

Are you worried about how to migrate to the new tax regime?

True to the principle of improving the ease of tax compliance and ease of doing business in the GST regime, the process of migration to GST tax regime has been kept simple and easy. The migration process has been re-opened on the 25th June, 2017 and will continue for three months.

Taxpayers already registered under existing laws will be automatically migrated, and their registration under GST will be confirmed after provision of requisite additional information by them.

Category of Taxpayer	Steps	Form
Registered under existing provisions and having a valid PAN	➤ Data automatically migrated to the GST system and a provisional id (PID) and password is issued	FORM GST REG-25
	➤ Migration process to be completed by furnishing information within three months	FORM GST REG-26
	➤ Verification and acceptance by department in FORM GST REG-06 or Application for cancellation of registration if not liable to be registered under GST law in FORM GST REG-29	FORM GST REG-06 FORM GST REG-29
Registered under existing laws but not migrated due to any reason	➤ Apply on the common portal with PAN, mobile no. and e-mail id	Part A of FORM GST REG-01
	➤ Temporary reference no. generated and communicated	
	➤ Electronically submit duly signed/verified application.	Part B of FORM GST REG-01
	➤ Acknowledgement issued on receipt of application in FORM GST REG-02	
	➤ Verification and approval of the application with final issuance in FORM GST REG-06	

PROVISION FOR LOW COMPLIANCE BURDEN

Law has provided for a low compliance burden on the taxpayers and the Government is committed to further lessen the burden by creating:-

- Facilitation Centres
- GST Practitioners
- GST Suvidha Providers
- Offline utility for return filing
- Application interfaces

YOU MAY ALSO ADDRESS YOUR QUERIES TO:

- a) GST Help desk:
cbecmitra.helpdesk@icegate.gov.in; 1800 1200 232
- b) GSTN Help desk:
helpdesk@gst.gov.in; 0120-4888999
- c) You can also tweet your queries on the twitter handle
@askGST_GOI and @askGSTech

For more details please see:

<http://www.cbec.gov.in/resources/htdocs-cbec/gst/regn-GST-onlineversion-07june2017.pdf>



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➤ Be GST Ready ➤ GST coming from 1st July, 2017



Freedom from maintaining too many records.

Under GST, One record is enough.

Accounts and Records

1. Compliance verification in GST will be done through examination of accounts and records maintained, only if required.
2. One tax, one type of record: No need to maintain separate records for different type of taxes as in the era of VAT, Excise and Service Tax.
3. There will be freedom to choose the format of the accounts & records, and only information needed is prescribed. The records can take the form of paper-based source documents including computer printouts or digital records.
4. The required records are:-
 - a) All records of goods and services that a person supplies or receives in the course of his business;
 - b) All records of goods imported; and
 - c) Any other supporting documents such as contracts and price quotation to show his liability to GST.
5. Digital GST: Records can be maintained in electronic format as well.
6. Where a certain class of taxable persons cannot keep and maintain records as prescribed, the Commissioner may permit them to maintain records otherwise as prescribed.
7. Taxable persons with turnover of less than 2 crores are not required to get their accounts audited or submit reconciliation statement with annual returns.
8. Simple records to be kept by agents, transporters and warehouse keepers:

Agents: A person working as an agent is required to maintain records depicting the description, value and quantity (wherever applicable) of goods or services received or supplied on behalf of principal, and details of accounts furnished to every principal.

Transporters: A person engaged in the business of transporting goods is required to maintain simple records of goods transported & delivered, and goods stored in transit by him.

Warehouse keepers: A person operating a warehouse or godown is required to keep records with respect to the dispatch, movement, receipt, disposal and period for which the goods remain in the warehouse or godown.



Tweet us at @askGST_GoI for any GST related query



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«GST- A good & simple tax»

GST ki Master Class

**All officers of CBEC and State Governments,
Tax Practitioners and Traders etc. are requested
to watch this class online.**

Schedule

Day (Date)	Time	Topic
In Hindi		
Thursday (06.07.2017)	1630 - 1730	Registration and Migration
Friday (07.07.2017)	1630 - 1730	Transition and Invoice Making
Saturday (08.07.2017)	1100 - 1200	Composition and Record Keeping
In English		
Monday (10.07.2017)	1630 - 1730	Registration and Migration
Tuesday (11.07.2017)	1630 - 1730	Transition and Invoice Making
Wednesday (12.07.2017)	1630 - 1730	Composition and Record Keeping

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GOODS AND SERVICES TAX

Frequently Asked Questions on Composition Levy Under GST



Q1. What is composition levy under GST?

Ans. The 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 in case of few States). The objective of composition scheme is to bring simplicity and to reduce the compliance cost for the small taxpayers. Moreover, it is optional and the eligible person opting to pay tax under this scheme can pay tax at a prescribed percentage of his turnover every quarter, instead of paying tax at normal rate.

Q2. What is the specified rate of composition levy?

S. No.	Category of Registered person	Rate of Tax
1.	Manufacturers, other than manufacturers of such goods as may be notified by the Government (Ice cream, Pan Masala, Tobacco products etc.)	2% (1% Central tax plus 1% State tax) of the turnover
2.	Restaurant Services	5% (2.5% Central tax plus 2.5% State Tax) of the turnover
3.	Traders or any other supplier eligible for composition levy	1% (0.5% Central tax plus 0.5% State tax) of the turnover

Q3. What is the eligibility category for opting for composition levy? Which are the Special Category States in which the turnover limit for Composition Levy for Central tax and State tax purpose shall be Rs. 50 lakhs?

Ans. 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 following States, limit of turnover is Rs. 50 lakhs:-

- | | | |
|----------------------|------------|---------------------|
| a) Arunachal Pradesh | b) Assam | c) Manipur |
| d) Meghalaya | e) Mizoram | f) Nagaland |
| g) Sikkim | h) Tripura | i) Himachal Pradesh |

Q4. Who are the persons not eligible for composition scheme?

Ans. Following persons are not allowed to opt for the composition scheme:

- a casual taxable person or a non-resident taxable person;
- suppliers whose aggregate turnover in the preceding financial year crossed Rs. 75 lakhs;
- supplier who has purchased any goods or services from unregistered supplier unless he has paid GST on such goods or services on reverse charge basis;
- supplier of services, other than restaurant services;
- persons supplying goods which are not taxable under GST law;
- persons making any inter-State outward supplies of goods;
- suppliers making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and
- a manufacturer of following goods:

S. No.	Classification (Tariff item/Chapter)	Description of Goods
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

Note : There is no restriction on procuring good from inter-state suppliers by persons opting for composition scheme.

Q5. When will a person opting for composition levy pay tax?

Ans. A person opting for composition levy will have to pay tax on quarterly basis before 18th of the month succeeding the quarter during which the supplies were made.

Q6. A person availing composition scheme during a financial year crosses the turnover of Rs. 75 lakhs/50 lakhs during the course of the year i.e. say he crosses the turnover of Rs. 75 lakhs/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?

Ans. No. The option to pay tax under composition scheme lapses from the day on which his aggregate turnover during the financial year exceeds the specified limit (Rs. 75 lakhs/ Rs. 50 lakhs). He is required to file an intimation for withdrawal from the scheme in FORM GST CMP-04 within seven days from the day on which the threshold limit has been crossed.

However, such person shall be allowed to avail the input tax credit in respect of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him and on capital goods held by him on the date of withdrawal and furnish a statement within 30 days of withdrawal containing the details of such stock held in FORM GST ITC-01 on the common portal.

Q7. How will the aggregate turnover be computed for the purpose of composition?

Ans. Aggregate turnover will be computed on the basis of turnover on an all India basis and will include value of all taxable supplies, exempt supplies and exports made by all persons with same PAN, but would exclude inward supplies under reverse charge as well as central, State/Union Territory and integrated taxes and cess.

Q8. Can a person who has opted to pay tax under the composition scheme avail Input Tax Credit on his inward supplies?

Ans. No. A taxable person opting to pay tax under the composition scheme is out of the credit chain. He cannot take credit on his input supplies. When he switches over from composition scheme to normal scheme, eligible credit on the date of transition would be allowed (refer Q 6 above).

Q9. Can a registered person, who purchases goods from a taxable person paying tax under the composition scheme, avail credit of tax paid on purchases made from the composition dealer?

Ans. No. As the composition dealer cannot collect tax paid by him on outward supplies from his customers, the registered person making purchases from a taxable person paying tax under the composition scheme cannot avail credit.

Q10. Can a person paying tax under the composition scheme issue a tax invoice under GST?

Ans. No. He can issue a bill of supply in lieu of tax invoice.

Q11. Are monthly returns required to be filed by the person opting to pay tax under the composition scheme?

Ans. No. Such persons need to electronically file quarterly returns in Form GSTR-4 on the GSTN common portal by the 18th of the month succeeding the quarter. For example, return in respect of supplies made during July, 2017 to September, 2017 is required to be filed by 18th October, 2017.

Q12. What are the basic information that need to be furnished in GSTR-4?

Ans. It would contain details of the turnover in the State or Union Territory, inward supplies of goods or services or both and tax payable.

Q13. A person opting to pay tax under the composition scheme receives inputs/input services from an unregistered person. Will the composition taxpayer have to pay GST under reverse charge? If yes, in what manner?

Ans. Yes. Tax will have to be paid on such supplies by the composition taxpayer under reverse charge mechanism. The tax can be paid by the 18th day of the month succeeding the quarter in which such supplies were received. The information relating to such supplies should be shown by the composition taxpayer in Table 4 of return in FORM GSTR-4.

Q14. What is the form in which an intimation for payment of tax under composition scheme needs to be made by the taxable person?

Ans. The intimation is to be filed electronically in FORM GST CMP-01 or FORM GST CMP-02.

Q15. A person registered under existing law (Central Excise/Service Tax/VAT) and who has been granted registration on a provisional basis wants to opt for composition scheme. How and when can he do that?

Ans. Such a person has to electronically file a duly signed/verified intimation in FORM GST CMP-01, on the common portal, prior to 22nd June, 2017 or such further period as may be allowed by the Commissioner.

Q16. What are the other compliances which a provisionally registered person opting to pay tax under the composition levy need to make?

Ans. 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 day preceding the date from which he opts to pay tax under the composition scheme, 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.

Q17. Can a person making application for fresh registration under GST opt for composition levy at the time of making application for registration?

Ans. Yes. Such persons can give the option to pay tax under the composition scheme in Part B of FORM GST REG-01. This will be considered as an intimation to pay tax under the composition scheme.

Q18. Can the option to pay tax under composition levy be exercised at any time of the year?

Ans. No. The option is required to be given electronically in FORM GST CMP-02, prior to the commencement of the relevant financial year.

Q19. Can a person who has already obtained registration, opt for payment under composition levy? If so, how?

Ans. Yes. Such persons need to give intimation electronically in Form GST CMP-02 but from beginning of the financial year only.

Q20. What are the compliances from ITC reversal point of view that need to be made by a person opting for composition levy?

Ans. The registered person opting to pay tax under composition scheme is required to pay an amount equal to the input tax credit 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 exercise of option. The ITC on inputs shall be calculated proportionately on the basis of corresponding invoices on which credit had been availed by the registered taxable person on such inputs.

In respect of capital goods held in stock on the day immediately preceding the date of exercise of option, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as 5 years. Assume capital goods have been in use for 4 years, 6 months and 15 days. The useful remaining life in months will be 5 months ignoring the part of the month. If ITC on such capital goods is taken as C, ITC attributable to the remaining useful life will be C multiplied by 5/60. This would be the amount payable on capital goods.

The ITC amount shall be determined separately for integrated tax, central tax and state tax/Union Territory tax. The payment can be made by debiting electronic credit ledger, if there is sufficient balance in the said ledger, or by debiting electronic cash ledger. The balance, if any in the electronic credit ledger would lapse. Such persons also have to furnish the statement in FORM GST ITC-03 which is a declaration for intimation of ITC reversal/payment of tax on inputs held in stock, inputs contained in semi-finished and finished goods held in stock and capital goods under Section 18(4) of the CGST Act, 2017 within a period of sixty days from the commencement of the relevant financial year.

Q21. 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 state?

Ans. The option to pay tax under composition scheme will have to be exercised for all States.

Q22. What is the effective date of composition levy?

Ans. There can be three situations:

Situation	Effective date of composition levy
Persons who have been granted provisional registration and who opt for composition levy (Intimation under Rule 3(1)).	The appointed date is 22nd June, 2017.
Persons opting for composition levy at the time of making application for new registration in the same registration application itself (Intimation under Rule 3(2)).	Effective date of registration, intimation shall be considered only after the grant of registration and his option to pay tax under section 10 shall be effective from the effective date of registration.
Persons opting for composition after obtaining registration (Intimation under Rule 3(3)).	The beginning of the financial year.

Q23. What are the other conditions and restrictions subject to which a person is allowed to avail of composition scheme?

Ans. The person exercising the option to pay tax under section 10 shall comply with the following other conditions (in addition to what is stated in answer to Q 4 above), namely:-

- a) 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
- b) 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.

Q24. What is the validity of composition levy?

Ans. The option to pay tax under composition levy would remain valid so long as conditions mentioned in section 10 of the CGST Act, 2017 and Rule 3 to 5 of the CGST Rules, 2017 remain satisfied.

Q25. Can a person paying tax under composition levy, withdraw voluntarily from the scheme? If so, how?

Ans. 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.

Every person who has filed an application for withdrawal from the composition scheme, may electronically furnish, 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 of withdrawal, within a period of thirty days of withdrawal.

Q26. What action can be taken by the proper officer for contravention of any provisions of composition levy and how?

Ans. Where any contravention is observed by the proper officer wherein the registered person was not eligible to pay tax under the composition scheme or has contravened the provisions of the CGST Act, 2017 or provisions of Chapter II of the CGST Rules, 2017, 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 the composition scheme shall not be denied.

Upon receipt of the reply to the said show cause notice 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 the composition scheme from the date of the option or from the date of the event concerning such contravention, as the case may be.

Q27. In case the option to pay tax under composition levy is denied by the proper officer, can the person avail ITC on stock after denial?

Ans. Yes. ITC can be availed by filing, 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 denied as per order in FORM GST CMP-07, within a period of thirty days from the order.

Q28. Will withdrawal intimation in any one place be applicable to all places of business?

Ans. 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 in respect of all other places of business registered on the same Permanent Account Number.

Q29. Can supplier of services opt for composition levy?

Ans. No, the only exception being supplier of restaurant services.

Q30. What are the penal consequences if a person opts for the composition scheme in violation of the conditions?

Ans. If a taxable person has paid tax under the composition scheme though he was not eligible for the scheme then the person would be liable to penalty and the provisions of section 73 or 74 shall be applicable for determination of tax and penalty.

Q31. Can a person paying tax under composition scheme make supplies of goods to SEZ?

Ans. No. Supplies to SEZ from domestic land area will be treated as inter-State supply. A person paying tax under composition scheme cannot make inter-State outward supply of goods. Thus, for making supplies to an SEZ unit, a person needs to take registration as a regular taxpayer. The supplies to SEZ will be zero rated and the supplier will be entitled to make supplies without payment of tax or if he pays tax, he will be entitled to refund of tax so paid.

Q32. A registered person has excess ITC of Rs 10,000/- in his last VAT return for the period immediately preceding the appointed day. Under GST, he opts for composition scheme. Can he carry forward the aforesaid excess ITC to GST?

Ans. The registered person will not be able to carry forward the excess ITC of VAT to GST, if he opts for composition scheme.



Items of common use to attract lower GST

Tax incidence under GST is lower than pre-GST incidence of Indirect Taxes on following items:-

Earlier Indirect Taxes			vs.	GST Rates				
Description of goods	*Pre-GST Incidence	GST Rate	Description of goods	*Pre-GST Incidence	GST Rate	Description of goods	*Pre-GST Incidence	GST Rate
 Wheat	2.5%	0%	 Mineral Water	27%	18%	 Soap	27%	18%
 Rice	2.75%	0%	 Sugar Confectionery	21%	18%	 Other footwear	21%	18%
 Unbranded Flour	3.5%	0%	 Children's Picture, Drawing or Colouring Books	7%	0%	 LPG Stove	21%	18%
 Curd, Lassi, Butter Milk	4%	0%	 Footwear of RSP upto Rs. 500 per pair	10%	5%	 Aluminium foils	19%	18%
 Unbranded Natural Honey	6%	0%	 Kerosene Pressure Lantern	8%	5%	 School Bag	22%	18%
 Ultra High Temperature (UHT) Milk	6%	5%	 Coal	9%	5%	 Printers [other than multifunction printers]	19%	18%
 Tea (other than unprocessed green leaves of tea)	6%	5%	 Toothpowder	17%	12%	 Staplers	27%	18%
 Milk Powder	6%	5%	 LED	15%	12%	 Tractor rear tyres and tractor rear tyre tubes	20%	18%
 Sugar	6%	5%	 X ray films for medical use	23%	12%	 Helmet	20%	18%
 Sweetmeats	7%	5%	 Diagnostic kits and reagents	16%	12%	 CCTV	19%	18%
 Vegetable Edible Oils	6%	5%	 Fixed Speed Diesel Engines of power not exceeding 15HP	16%	12%	 Baby carriages	27%	18%
 Spices	6%	5%	 Fly ash bricks and fly ash blocks	16%	12%	 Plastic Tarpauln	19%	18%
 Ketchup & Sauces	12%	12%	 Sewing Machine	16%	12%	 Bamboo furniture	23%	18%
 Mustard Sauce	12%	12%	 Hair Oil	27%	18%	 Headgear and parts thereof	27%	18%
 Toppings, Spreads and Sauces (other than mayonnaise, salad dressings, mixed condiments and mixed seasonings)	12%	12%	 Toothpaste	27%	18%	 Cement	29%	28%

* The pre-GST tax incidence would be higher if the tax incidence on account of CST, Octroi, Entry tax, etc. [which is more than 2%] is also included.

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FAQs relating to GST Migration/Registration

Queries relating to GST Migration/Registration received from various quarters have been scrutinised and developed into short FAQs.

These questions and their replies are given below:

S. No.	Question	Reply
1.	I have applied for registration and have not received ARN. What shall I do?	Please complete your application procedure, ARN will be generated.
2.	I have not received ARN or have received ARN but not GSTIN. How do I supply goods or services or both?	You can supply goods or services or both on invoice without 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.
3.	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.
4.	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.

Disclaimer : Replies given above are only for educational and guidance purposes and do not hold any legal validity.

GST – GOOD & SIMPLE TAX



**Raising
GST
Invoice is SIMPLE !**

There are some apprehensions in the trade circles that GST invoices have to be issued as per prescribed format and that issuing invoice is going to be burdensome process. This is not correct. Some important facts about GST provisions relating to invoice are highlighted for information of all stakeholders.

Important Facts about Tax Invoice

1. All GST taxpayers are free to design their own invoice format.
2. GST Law only requires that certain fields must mandatorily be in the invoice.
3. The time period prescribed for issuing invoice is different for goods & services - for goods, it is any time before its delivery and for services, it is within 30 days from the date of supply of service.
4. Small taxpayers, like small retailers, doing a large number of small transactions for upto a value of Rs. 200 per transaction to unregistered customers need not issue invoice for every such transaction. They can issue one consolidated invoice at the end of each day for all transactions done during the day. However, they should issue the invoice when the customer so demands.
5. In normal circumstances, one copy of invoice is required to be carried by the transporter. However, GSTN provides a facility to obtain an invoice reference number and if a taxpayer has generated this number, his goods need not be accompanied by paper invoice during transportation. This mechanism helps to address frequently reported problems like paper invoices getting misplaced, mutilated, torn or lost in course of transportation of goods.
6. In order to keep compliance burden low for small taxpayers, GST law provides that taxpayers with annual turnover of upto Rs. 1.5 crore need not mention the HSN Code of the goods in the invoices.
7. Keeping in view the large number of transactions in the banking, insurance and passenger transport sector, taxpayers need not mention the address of the customer and the serial number in their invoices.
8. Where the goods are transported for delivery but quantity to be supplied is not known at the time of removal, the good may be removed on delivery challan and invoice may be issued after delivery.
9. No need to issue separate Bill of supply if VAT invoice is issued for non-taxable supplies.



Tweet us at **@askGST_Gol** for any GST related query



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IN BRIEF

Cong. activists breached provisions of Metro Act

KOCHI
Some provisions of the Metro Railways (Operations and Maintenance) Act, 2002 were breached when Congress activists, including former Kerala CM Oommen Chandy, organised a 'Janakeya Yatra' on board Kochi Metro trains on June 20. KMRL Director Abraham Oommen has said in his probe. The activists had allegedly created pandemonium on the metro premises on the day.

Inclusion of coconut oil in Karnataka PDS mooted

BENGALURU
The Karnataka Agriculture Price Commission has recommended to the government to provide coconut oil as edible oil under the Public Distribution System in Malnad and coastal districts. KAPC chairman T.K. Prakash Kammaradi said the move would benefit both coconut growers and the public.

Belagere goes 'missing' from Dharwad hospital

Whereabouts unknown, say police; counsel to move HC against Assembly ruling

**STAFF REPORTER
DHARWAD**
Ravi Belagere, Editor, *Hai Bengaluru*, facing one year imprisonment for breach of privilege and hospitalised at SDM Medical College Hospital, Dharwad, went missing from the hospital on Monday morning. Mr. Belagere was given a one-year jail sentence by the Karnataka Legislative Assembly.



Ravi Belagere

The Bengaluru city police claimed that his whereabouts were "unknown" and that efforts were being made to trace him. This comes even as his counsel, Shankarappa, said he would file a writ petition before the High Court challenging the Assembly ruling.

"The decision by the Speaker violates the principles of natural justice and

is unconstitutional. While we will seek a stay order," he said.

Bengaluru Police Commissioner Praveen Sood confirmed that Mr. Belagere had not yet been arrested. "The city police team that went to

Dharwad to arrest him on Saturday returned the same day after the doctors said he required treatment for some more days," he said.

Malini Krishnamurthy, Additional Commissioner of Police (Bengaluru West), said the police had information that Mr. Belagere had walked out of the hospital "against medical advice" and was at large.

Moved out, say counsel
However, Mr. Shankarappa said his client was discharged from the hospital as he was being moved for treatment to a hospital with better facilities, since he was suffering from multiple complications. But he declined to share further information.

Journalist Anil Raj, editor of tabloid *Yelahanka News*, who was also sentenced to

one-year imprisonment by the Assembly for breach of privilege, is said to be absconding. Efforts are on to trace him, the police said.

Meanwhile, opposition to the Legislative Assembly's decision seems to be growing even among legislators.

The Congress sought to distance itself from the ruling of the Privileges Committee and the Assembly. Former Minister Dinesh Gundu Rao, working president, Karnataka Pradesh Congress Committee, on Monday tweeted calling for a review of the decision. He tweeted: "It's wrong on the part of Privileges Committee to sentence journalists... goes against all ethics. K'taka assembly must review this decision."

(With inputs from Bengaluru)

Tribals drank contaminated water, says A.P. Minister

Toll in suspected food poisoning case goes up to 16

**SPECIAL CORRESPONDENT
RAMPACHODAVARAM**

Andhra Pradesh Minister for Tribal Welfare Nakka Anandababu said on Monday the tribals of the Chaparal hamlet in Bodagandi panchayat of Y. Ramavaram mandal, many of whom died of suspected food poisoning in a span of two weeks, drank contaminated stream water instead of water from the seven bores dug by the Integrated Tribal Development Agency some years ago.

He asked officials to submit reports on the water and food the 375 tribals had consumed 10 days before the deaths.

Speaking to reporters after visiting the Rampachodavaram Area Hospital where 32 tribals are receiving treatment for fever and other diseases, the Minister said the stream water was



Words of comfort: Minister Nakka Anandababu at the Rampachodavaram Area Hospital. -S. RAMABABU

contaminated with animal carcass. He said it was regrettable that the incident had come to the notice of the officials quite late. There were 75 families living in Chaparal.

Water filters

According to latest reports 16 people, including three children, had died. Two medical teams had been

sent to Chaparal and some more teams to six hamlets in the mandal. The Minister said the divisional panchayat officer and Velugu officials were monitoring the situation. He said the government would supply water filters and train the tribals in using them. The Minister said the children would be shifted to a corporate hospital in Kakinada.

Actor blackmail case: phone recovered

**STAFF REPORTER
KOCHI**

The police team probing the abduction and assault of a Malayalam film actor have recovered the cell phone and the SIM card allegedly used by the accused Sunil Kumar Surenran, aka Pulsar Sumi, to blackmail actor Dileep from the district jail in Kakkannad.

According to officials, the recovery followed the arrest of Vishnu and Sanal, fellow inmates of Suni in jail.

T.N.-based address

Preliminary investigations suggested that the SIM card had been issued from a Tamil Nadu-based address. During interrogation, Vishnu confessed to smug-



Dileep

gling the phone into the prison by hiding it in his shoes. Contrary to earlier reports, it was Pulsar Sumi, and not Vishnu, who had contacted Appunni, a close aide of actor Dileep. The caller allegedly directed the actor to read a letter sent through Vishnu.

Sources said Suni, during interrogation, reportedly told police that the content of the letter was true.

'Spider webs can cause allergy'

Study by botanists finds fungal spores and pollen in samples

**ROHIT P.S.
TRIPURABAD**

Botanists have discovered in spider webs of the city its diversity in pollen species and fungal spores which could have a bearing on clinical management of allergies.

Researchers from the Department of Botany at University College of Science in Saifabad, a constituent institution of Osmania University, took a close look at spider webs woven in the college.

Samples collected were examined for known allergens and pollen. Researchers found the presence of both fungal spores and pollen known to cause allergies.

The study published in the journal *BioRxiv* is part of an ongoing work in Osmania University.

'Natural air traps'

"Our aim is to determine pollen and fungal spore species in the atmosphere. Spider webs are natural air traps and thus we decided to sample them," said Prof. H. Ramakrishna, Head of Botany Department, Osmania University, one of the authors.

Allergies are reactions of the immune system in a number of ways to triggers called allergens.

"From our work in other areas, we have seen that pol-

len and fungal spore species vary. We are now beginning to work with physicians to see if the species of pollen we find in traps of spider webs cause allergies in that area," he said.

Pollen allergies most commonly manifest as rhinitis or inflammation in the nose, with related symptoms including congestion, sneezing and increase in nasal secretions, often mimicking symptoms of common cold.

Researchers found that hygiene levels in an area had a bearing on the quantum of fungal spores. Areas with higher hygiene levels had a lower spore count, Prof. Ramakrishna said.

Treatment on for 'anthrax' patients

**SPECIAL CORRESPONDENT
VISAKHAPATNAM**

Five persons of Kodipunjilavalasa village of Araku mandal, who were admitted to the King George Hospital with symptoms of anthrax infection, are undergoing treatment in the isolation ward. They are out of danger.

The five had reportedly consumed meat of a dead goat about 20 days ago. A week later, boils developed on their hands.

They were shifted to the Area Hospital at Araku on June 24, and doctors suspected it to be a case of anthrax infection. They were shifted to the KGIH the next day.

Kerala posts its worst dengue figures

**SPECIAL CORRESPONDENT
THIRUVANANTHAPURAM**

Five more fever-related deaths were reported in Kerala on Monday. Two suspected dengue deaths, including the death of an 11-year-old boy from Attinagall, were reported from Thiruvananthapuram. One suspected leptospirosis death and one fever death were reported from Kozhikode while one confirmed H1N1 death was reported from Malappuram.

Of the 14,085 persons, who reported with fever in various government hospitals in the State, 118 were confirmed as having dengue fever. While 72 of the confirmed cases are from the capital district, Kollam reported 33 cases. The 2017 dengue epidemic has now chalked up a total of 8,171 confirmed cases and 29,582 suspected cases. It can officially be termed the worst dengue episode to hit the State so far.



The corridor of Kozhikode Medical College with patients suffering from fever. -K. RAGESH



> Be GST Ready >>

GST Coming from 1st July, 2017

GST gives big relief to small traders/manufacturers/restaurants



GST TIMES
Traders, manufacturers and restaurants
ke liye GST laya Shubh Samachar

Manufacturer/Service Provider/Trader whose annual turnover is below Rs. 20 Lakh* need not pay any GST and need not register.

Those with annual turnover upto Rs. 75 Lakh* can opt for composition scheme in which case the tax rates will be as follows:-

GST Rate of Composition		
Traders - 1%	Manufacturers - 2%	Restaurants - 5%

- In service sector, Composition Scheme is available only for one sector—restaurants.
- The composition scheme is not available for manufacturers of tobacco and manufactured tobacco substitutes, pan-masala & ice-cream and other edible ice, whether or not containing cocoa.
- The dealers who opt for composition scheme have to file only one quarterly return with details of total turnover. Invoice with details are not necessary, bill of supply will suffice.
- Small taxpayers are not required to give HSN code in their returns.
- However, in this option, no input tax credit can be taken or passed on.
- With online registration, return, payment, refund & other processes, delays and discretions would be reduced.
- Reduced compliance burden.
- Special dispensation for job-work to help job workers in the GST regime.

* This limit is Rs 10 Lakh for Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Uttarakhand and Himachal Pradesh.

This limit is Rs. 50 Lakh for Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Himachal Pradesh.

For more details on Composition Scheme, please see www.cbec.gov.in

Tweet us at @askGST_Gol for any GST related query

Central Board of Excise and Customs & Commercial Taxes Departments of States/Union Territories
www.cbec.gov.in



GOODS AND SERVICES TAX



GST: Frequently Asked Questions (FAQs) for Traders

Q1. How will GST benefit the Trading Community?

Ans. Under GST, a trader would be entitled to avail input tax credit paid on his domestic procurements of goods and services unlike the present indirect tax regime. Presently, a significant portion of indirect taxes namely Central Excise and Service Tax form part of the cost component for a trader. This will not be the case under GST. He will now be able to take credit of all taxes paid by him.

In respect of imports, the landed cost is expected to reduce significantly under GST. Hence, the traders will gain significantly in terms of input tax credit on their operating expenses thereby decreasing their operating costs.

CST which was non-creditable has been subsumed in GST. This will be a huge benefit for the traders. Entry tax has also been subsumed in GST. Removal of CST and entry tax shall immensely benefit the traders. Traders will be able to sell their goods to farthest areas.

Q2. Will all traders necessarily have to register under GST?

Ans. A trader dealing only in exempted goods or where his turnover is below Rs. 20 lakh in the financial year (but not engaged in inter-State supplies) is not required to register under GST.

Q3. Are monthly returns required to be filed by a trader not opting to pay tax under the composition scheme?

Ans. Traders not opting to pay tax under composition scheme need to file returns on a monthly basis. Form GSTR-1 is to be filed for outward supplies made by the trader (made in the month for which return is being filed) by the 10th of the next month. Other parts of the return Form GSTR-2 and Form GSTR-3 are auto-populated and only needs to be verified and submitted by the 15th and the 20th of the next month respectively.

Q4. What is the basic information that needs to be furnished in Form GSTR-1?

Ans. The details to be entered in the return of outward supplies Form GSTR-1, made by the trader depend upon the nature of supplies made. The provisions are as follows:-

- Intra-State supplies to consumers (B2C supplies) - tax-rate wise summary;
- Inter-State supplies to consumers (B2C supplies) of value up to Rs. 2.5 lakh - State-wise and tax-rate wise summary;
- Inter-State supplies to consumers (B2C supplies) of value above Rs. 2.5 lakh - specified invoice wise details;
- Supplies to resellers (B2B) - specified invoice-wise details.

Q5. Under GST, will traders be required to declare their IEC at the time of imports and exports?

Ans. For the time being, both GSTIN and IEC have to be declared. But over a period of time, traders need to declare only their GSTIN instead of IEC at the time of imports and exports.

Q6. Can traders get the credit of IGST paid at the time of imports for discharging their domestic liabilities under GST? If yes, how?

Ans. Yes. Under GST, traders will be on par with manufacturers. IGST paid at the time of import will be available as credit which can be used for payment of taxes on further supplies. GSTIN would be used for the purpose of credit flow of IGST on import of goods and refund of IGST paid in case of export.

Q7. When will a trader have to pay tax?

Ans. A trader, if registered under GST, will have to pay tax on monthly basis on or before 20th of the succeeding month.

A person who has opted for composition levy will have to pay tax on quarterly basis on or before 18th of the month succeeding the quarter relating to supplies.

Q8. Can a trader having duty paying documents (including a first stage dealer or a second stage dealer) claim the Cenvat credit on the stock held on the appointed date viz 1st July, 2017?

Ans. Yes, a trader having duty paying documents including a first stage dealer or second stage dealer can claim Cenvat Credit as per section 140(3) of the CGST Act, 2017 subject to fulfilment of following conditions:-

- Such inputs are used or intended to be used for making taxable supplies;
- The said taxable person is eligible for input tax credit on such inputs;
- The said taxable person is in possession of invoice and/or other prescribed documents evidencing payment of duty under the earlier law;
- Such invoices and/or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day;
- The supplier of services is not eligible for any abatement.

Q9. What is a credit transfer document? How can it help the traders?

Ans. A manufacturer may have cleared some goods to a dealer prior to the GST, and in case a dealer who was not registered under the Central Excise Act, however is registered under CGST Act, 2017. A special provision has been made in the CENVAT Credit Rules, 2004 to take care of such cases. In such a situation, the manufacturer may issue a credit transfer document (CTD in brief) to the dealer subject to the following conditions:-

- The value of such goods is higher than rupees twenty-five thousand per piece, bears the brand name of the manufacturer or the principal manufacturer and are identifiable as a distinct number such as chassis / engine no. of a car.
- Verifiable records of clearance and duty payment relating to each piece of such goods is maintained by the manufacturer and are made available for verification on demand by a Central Excise officer.
- CTD shall be serially numbered and shall contain the Central Excise registration number, address of the concerned Central Excise Division, name, address and GSTIN number of the person to whom it is issued, description, classification, invoice number with date of removal, mode of transport and vehicle registration number, rate of duty, quantity, value and duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 paid thereon.
- The manufacturer is satisfied that the dealer to whom CTD is issued is in possession of such manufactured goods in the form in which it was cleared by him (on 1st July 2017).
- CTD shall be issued upto 30th July 2017 and copy of the corresponding invoices shall be enclosed with the CTD.
- Copies of all invoices relating to buying and selling from manufacturer to the dealer, through intermediate dealers, is maintained by the dealer availing credit using CTDs.
- CTD shall not be issued in favour of a dealer to whom invoice was issued for the same goods before the appointed date.
- A dealer availing credit using CTD on manufactured goods shall not be eligible to avail credit under provision of rule 117(4) of the CGST Rules, 2017 on identical goods manufactured by the same manufacturer available in the stock of the dealer.

(i) The dealer availing credit on the basis of CTD shall, at the time of making supply of such goods, mention the corresponding CTD number in the invoice issued by him under section 31 of the CGST Act, 2017.

Q10. Traders are presently not entitled to take cenvat credit. They will be having duty paid stock as on 1st July, 2017. However, it is possible that the traders may not have duty paid documents in respect of such stock. Is there any scheme under GST, where such traders will be able to get credit of such taxes under GST?

Ans. Yes, if duty paid invoices are available with them, then full credit of ITC on existing stock can be carried over to GST (refer answer to Q 8 above). If duty paid invoices are not available, then a deemed credit scheme is made available to the traders as per the details below:-

S. No	Category of Taxpayer	Details to be provided	Amount of ITC available
1	Trader (not liable to be registered under Central Laws) (Form TRANS-1 is to be submitted on or before 30.09.2017)	Stock of Inputs (held as inputs/ semi-finished / finished goods) to be used for making taxable supplies where duty paying documents are available with the trader	Amount of duty paid as per invoice details submitted
2	Trader (not liable to be registered under Central Laws) (Form TRANS-2 is to be submitted at the end of each of the first six months)	Stock of Inputs (held as inputs/ semi-finished / finished goods) to be used for making taxable supplies where duty paying documents are not available with the trader	In case of Intra-State supplies:- • 60% of the Central Tax paid (in case rate of total tax is 18% or 28%) • 40% of the Central Tax paid (in case rate of total tax is 5% or 12%) In case of inter-State supplies, 30% or 20% of Integrated Tax paid will be allowed.

Q11. Will the compliance process under GST be complicated for traders under GST? What measures have been put in place to ease burden of compliance on small traders?

Ans. No. The compliance process is automated and easy for traders. The following steps have been taken by the Government in this regard:-

- Small traders with a turnover below Rs. 20 lakh need not register under GST.
- An easy to understand and comply composition scheme for traders having turnover upto Rs. 75 lakh where tax can be paid quarterly as a percentage of turnover.
- GST Seva Kendras have been opened in all Commissionerates (upto range office) under CBEC to help small traders in any matter concerning GST laws and processes.
- For uploading of invoice details, GST Network will be providing easy to use application free of cost which will enable hassle-free uploading of invoices by traders.
- The returns and payment of tax processes under GST are completely online. There will be minimal interface or no interface with the tax authorities.
- Small taxpayers can use the services of GST Practitioners at a nominal cost to take care of their compliances under GST.
- GST Suidha Providers (GSPs) will be providing easy to use applications which will provide an interface with the GST Network for easy and smooth compliances under GST.
- Strict time lines have been prescribed which shall be adhered to by all proper officers. Registration will be given in 3 working days if the documents are in order. In case no response is received from the proper officer within 3 days, registration shall be deemed to be granted.
- Application for refund will be completely online with minimal interface with the tax officer. Acknowledgment of refund claim will be given in 15 days and the claim will be processed in 60 days failing which interest will be paid. For exports, provisional refund up to 90% of the claim will be sanctioned upfront without any verification. The amount of refund will be directly credited to beneficiary's bank account.

Q12. Stock transfers have been made taxable in GST. Will it impact adversely?

Ans. The objective of taxing stock transfers is just to ensure that the ITC moves along with the supply of goods to the place where a supply is finally consumed. This is to ensure that the taxes accrue to the State where a supply is consumed. If the stock transfers are not taxed, the ITC would not flow to other State along with the supply and trader will not be able to utilise the credit in another State. Therefore, taxing of stock transfers is in the interest of traders and is perfectly revenue neutral for the trader.

Q13. How will the stock transfers be valued?

Ans. In case the recipient is eligible for full input tax credit, then the value declared by a trader in the invoice shall be taken as the open market value and shall be accepted for assessment purpose. Traders shall themselves assess the value of supplies. In such case the value shall normally be the value of inward supply plus the transport costs etc. involved in stock transfer.

Q14. Traders are not used to classifying the goods under the HSN nomenclature and are likely to face hardship in this regard. How will they cope with it?

Ans. Taxpayers whose turnover is above Rs. 1.5 crore but below Rs. 5 crore shall use 2-digit code and the taxpayers whose turnover is Rs. 5 crore and above shall use 4-digit code. Taxpayers whose turnover is below Rs. 1.5 crore are not required to mention HSN Code in their invoices. Further, the goods emanate either from manufacture or from imports. Traders usually don't change the nature of goods. The classification, in general, will be in continuity from the HSN declared by the manufacturer or importer both of whom have been using the system in the past also.

Q15. What if a trader/businessman is unable to undertake compliances under GST himself?

Ans. Under GST, the government will allow qualified persons to act as GST Practitioners. In case the trader is unable to undertake compliances himself, he can utilise the services of such GST Practitioners to fulfill his compliance requirement. There would also be Facilitation Centres, Helpdesks in each GST Commissionerate. There would also be facility of GST Suidha Providers (GSPs) who would be developing software for uploading data on to the GSTN portal.

For information relating to Composition Scheme, traders may please refer to the FAQs on Composition Levy at: <http://www.cbec.gov.in/resources/tidocs-cbec/gst/faq-composition-levy-revised.pdf>

Disclaimer : Replies given above are only for educational and guidance purposes and do not hold any legal validity.

GST - A Good & Simple Tax

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Be GST Ready >>>
GST coming from 1st July, 2017

**1 NATION
TAX
MARKET**

GST to Make Return filing Easy & Online

Keeping in mind the mantra that, "ease of tax compliance and ease of doing business" go hand in hand, the process of filing of returns under GST law is simple and easy. One simple return with auto-populated components not only makes the process smooth but also makes the experience stress free. The ease of compliance is even more for small tax payers.

MYTH AND REALITY

- **Myth 1:** Every taxpayer has to file invoice wise details in the return.
- **Reality:** Only suppliers to re-sellers (i.e. B2B suppliers) not under composition scheme have to file invoice wise details.

MYTH AND REALITY

- **Myth 2:** There are 3 returns to be filed every month.
- **Reality:** There is only one return to be filed by the taxpayer with other components getting auto-populated.

RETURN FILING DETAILS

Category of Taxpayer	Details to be given	Form to be used	Periodicity /Last date
Aggregate turnover less than Rs. 20 lakhs	NIL	NIL	NIL
Aggregate turnover up to Rs. 75 lakhs and availing the Composition Scheme	<ul style="list-style-type: none"> ➤ Consolidated details of outward supplies made by you during the quarter including that of advances received ➤ Details of supplies received (auto-populated from the GSTR-1 of the supplier) 	FORM GSTR-4	Quarterly / 18 th of the month following the quarter
Aggregate turnover more than Rs. 20 lakhs and not availing Composition Scheme but supplying to consumers (only B2C supplies)	Tax-rate wise summary of all intra-state supplies made	FORM GSTR-1	Monthly / 10 th of the following month
	Supplies received	FORM GSTR-2	Auto-populated by the computer and only needs to be verified and submitted by 15 th of the following month.
	Final return	FORM GSTR-3	Auto-populated by the computer and only needs to be verified and submitted by 20 th of the following month.
All other suppliers including suppliers to re-sellers and / or consumers (both B2B and/or B2C supplies)	<ul style="list-style-type: none"> ➤ Invoice-wise details of all B2B supplies and Inter-state B2C supplies of value above Rs. 2.5 lakh ➤ Tax-rate wise summary of B2C intra-state supplies ➤ State-wise and tax-rate wise summary of B2C inter-state supplies of value below Rs. 2.5 lakh 	FORM GSTR-1	Monthly / 10 th of the following month.
	Supplies received	FORM GSTR-2	Auto-populated by the computer and only needs to be verified and submitted by 15 th of the following month.
	Final return	FORM GSTR-3	Auto-populated by the computer and only needs to be verified and submitted by 20 th of the following month.

Remarks: Even in case where the details of invoice has to be provided, an offline free software utility provided by GSTN can be used during the month, which can automatically convert into return on uploading.

Provisions for first two months of transition

Return filing process has been simplified and a simplified **FORM GSTR-3B**, containing only summary details, has been provided for all classes of tax payers for acclimatisation of the taxpayers with the new GST tax regime. The details are as follows:-

Return for the month of	GSTR-1	GSTR-2	GSTR-3B
July 2017	5 th September instead of 10 th August	10 th September instead of 15 th August	20 th August
August 2017	20 th September instead of 10 th September	25 th September instead of 15 th September	20 th September

Provisions for low compliance burden

Law has provided for a low compliance burden on the taxpayers and the government is committed to further lessen the burden by creating:

- Facilitation Centres
- GST Practitioners
- GST Suvidha Providers
- Offline utility for return filing
- Application interfaces

➔ For more details please see <http://www.cbec.gov.in/resources/htdocs-cbec/gst/returns-of-GST-onlineversion-07june2017.pdf> ➔

You can address your queries to:

Help desk: cbecmitra.helpdesk@icegate.gov.in; 18001200232

Help desk: helpdesk@gst.gov.in; 01244688999

Twitter handle @askGST_GoI and @GSTN_IT



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GST coming from 1st July, 2017



GST Making Every Home Happy !

SINGLE TAX TO REDUCE PRICES OF MOST HOUSEHOLD ITEMS

**GST @
0%**

- Unpacked Foodgrains • Fresh Vegetables • Unbranded Atta • Unbranded Maida • Unbranded Besan • Gur • Milk • Eggs • Curd • Lassi • Unpacked Paneer • Unbranded Natural Honey • Prasad • Palmyra Jaggery • Salt • Kajal • Phool Bhari Jhadoo • Children's Drawing and Colouring Books • Education Services • Health Services

**GST @
5%**

- Sugar • Tea • Roasted Coffee Beans • Edible Oils • Skimmed Milk Powder • Milk Food for Babies • Packed Paneer • Cashew Nuts • Raisin • PDS Kerosene • Domestic LPG • Footwear (upto ₹ 500) • Apparels (upto ₹ 1,000) • Agarbatti • Coir Mats, Matting and Floor Covering

**GST @
12%**

- Butter • Ghee • Almonds • Fruit Juice • Packed Coconut Water • Preparations of Vegetables, Fruits, Nuts or other parts of Plants including Pickle, Murabba, Chutney, Jam & Jelly • Umbrella • Mobiles

**GST @
18%**

- Hair Oil • Toothpaste • Soap • Pasta • Corn Flakes • Soups • Ice-cream • Toiletries • Computers • Printers

81% of items to fall below/in 18% GST slab.



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List of Exempted Goods under GST

S. No.	Classification*	Description of Goods	S. No.	Classification*	Description of Goods	S. No.	Classification*	Description of Goods
1.	0101	Live asses, mules and hinnies	49.	0802	Other nuts, fresh such as Almonds, Hazelnuts or filberts (Corylus spp.), walnuts Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Areca nuts, fresh, whether or not shelled or peeled	96.	1905	parched rice, commonly known as khol, parched paddy or rice coated with sugar or gur, commonly known as Murki Pappad, by whatever name it is known, except when served for consumption
2.	0102	Live bovine animals	50.	0803	Bananas, including plantains, fresh or dried	97.	1905	Bread (branded or otherwise), except when served for consumption and pizza bread
3.	0103	Live swine	51.	0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh.	98.	2106	Prasadam supplied by religious places like temples, mosques, churches, gurudwaras, dargahs, etc.
4.	0104	Live sheep and goats	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.	99.	2201	Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]
5.	0105	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls.	53.	0806	Grapes, fresh	100.	2201	Non-alcoholic Toddy, Neera including date and palm neera
6.	0106	Other live animals such as Mammals, Birds, Insects	54.	0807	Melons (including watermelons) and papaws (papayas), fresh.	101.	2202 90 90	Tender coconut water other than put up in unit container and bearing a registered brand name
7.	0201	Meat of bovine animals, fresh and chilled.	55.	0808	Apples, pears and quinces, fresh.	102.	2302, 2304, 2305, 2306, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates additives, wheat bran & de-oiled cake
8.	0202	Meat of bovine animals frozen [other than frozen and put up in unit container]	56.	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	103.	2501	Salt, all types
9.	0203	Meat of swine, fresh, chilled or frozen [other than frozen and put up in unit container]	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.	104.	2716 00 00	Electrical energy
10.	0204	Meat of sheep or goats, fresh, chilled or frozen [other than frozen and put up in unit container]	58.	0814	Peel of citrus fruit or melons (including watermelons), fresh.	105.	2835	Dicalcium phosphate (DCP) of animal feed grade conforming to IS specification No. 5470 : 2002
11.	0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]	59.	9	All goods of seed quality	106.	3002	Human Blood and its components
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]	60.	0901	Coffee beans, not roasted	107.	3006	All types of contraceptives
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]	61.	0902	Unprocessed green leaves of tea	108.	3101	All goods and organic manure [other than put up in unit containers and bearing a registered brand name]
14.	0208	Other meat and edible meat offal, fresh, chilled or frozen [other than frozen and put up in unit container]	62.	0905	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries [of seed quality]	109.	3304	Kajal [other than kajal pencil sticks], Kumkum, Bindi, Sindur, Alta
15.	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 container]	63.	0910 11 10	Fresh ginger, other than in processed form	110.	3825	Municipal waste, sewage sludge, clinical waste
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 container]	64.	0910 30 10	Fresh turmeric, other than in processed form	111.	3926	Plastic bangles
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]	65.	1001	Wheat and meslin [other than those put up in unit container and bearing a registered brand name]	112.	4014	Condoms and contraceptives
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 5%]	66.	1002	Rye [other than those put up in unit container and bearing a registered brand name]	113.	4401	Firewood or fuelwood
19.	0301	Live fish.	67.	1003	Barley [other than those put up in unit container and bearing a registered brand name]	114.	4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
20.	0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304	68.	1004	Oats [other than those put up in unit container and bearing a registered brand name]	115.	4802 / 4907	Judicial, Non-judicial stamp papers, Court fee stamps when sold by the Government Treasuries or Vendors authorized by the Government
21.	0304	Fish fillets and other fish meat (whether or not minced), fresh or chilled.	69.	1005	Maize (corn) [other than those put up in unit container and bearing a registered brand name]	116.	4817 / 4907	Postal items, like envelope, Post card etc., sold by Government
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.	70.	1006	Rice [other than those put up in unit container and bearing a registered brand name]	117.	48/4907	Rupee notes when sold to the Reserve Bank of India
23.	0307	Molluscs, whether in shell or not, live, fresh, chilled; aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.	71.	1007	Grain sorghum [other than those put up in unit container and bearing a registered brand name]	118.	4907	Cheques, lose or in book form
24.	0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.	72.	1008	Buckwheat, millet and canary seed; other cereals such as Juar, Bajra, Raggi [other than those put up in unit container and bearing a registered brand name]	119.	4901	Printed books, including Braille books
25.	0401	Fresh milk and pasteurized milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk	73.	1101	Wheat or meslin flour [other than those put up in unit container and bearing a registered brand name]	120.	4902	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material
26.	0403	Curd; Lassi; Buttermilk	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]	121.	4903	Children's picture, drawing or colouring books
27.	0406	Chena or paneer, other than 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]	122.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed
28.	0407	Birds' eggs, in shell, fresh, preserved or cooked	76.	1104	Cereal grains hulled	123.	5001	Silkworm laying, cocoon
29.	0409	Natural honey, other than put up in unit container and bearing a registered brand name	77.	1105	Flour of potatoes [other than those put up in unit container and bearing a registered brand name]	124.	5002	Raw silk
30.	0501	Human hair, unworked, whether or not washed or scoured; waste of human hair	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]	125.	5003	Silk waste
31.	0506	All goods i.e. Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or gelatinized; powder and waste of these products	79.	12	All goods of seed quality	126.	5101	Wool, not carded or combed
32.	0507 90	All goods i.e. Hoof meal; horn meal; hooves, claws, nails and beaks; antlers; etc.	80.	1201	Soya beans, whether or not broken, of seed quality.	127.	5102	Fine or coarse animal hair, not carded or combed
33.	0511	Semen including frozen semen	81.	1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken, of seed quality.	128.	5103	Waste of wool or of fine or coarse animal hair
34.	6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	82.	1204	Linseed, whether or not broken, of seed quality.	129.	52	Gandhi Topi
35.	0701	Potatoes, fresh or chilled.	83.	1205	Rape or colza seeds, whether or not broken, of seed quality.	130.	52	Khadi yarn
36.	0702	Tomatoes, fresh or chilled.	84.	1206	Sunflower seeds, whether or not broken, of seed quality.	131.	5303	Jute fibres, raw or processed but not spun
37.	0703	Onions, shallots, garlic, leeks and other alliacaceous vegetables, fresh or chilled.	85.	1207	Other oil seeds and oleaginous fruits (i.e. Palm nuts and kernels, cotton seeds, Castor oil seeds, Sesamum seeds, Mustard seeds, Safflower (Carthamus tinctorius) seeds, Melon seeds, Poppy seeds, Ajams, Mango kernel, Niger seed, Kokam) whether or not broken, of seed quality.	132.	5305	Coconut, coir fibre
38.	0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.	86.	1209	Seeds, fruit and spores, of a kind used for sowing.	133.	63	Indian National Flag
39.	0705	Lettuce (Lactuca sativa) and chicory (Cichorium spp.), fresh or chilled.	87.	1210	Hop cones, fresh.	134.	6703	Human hair, dressed, thinned, bleached or otherwise worked
40.	0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.	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.	135.	6912 00 40	Earthen pot and clay lamps
41.	0707	Cucumbers and gherkins, fresh or chilled.	89.	1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh or chilled.	136.	7018	Glass bangles (except those made from precious metals)
42.	0708	Leguminous vegetables, shelled or unshelled, fresh or chilled.	90.	1213	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets	137.	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.
43.	0709	Other vegetables, fresh or chilled.	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.	138.	8445	Amber charkha
44.	0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.	92.	1301	Lac and Shellac	139.	8446	Handloom (weaving machinery)
45.	0713	Dried leguminous vegetables, shelled, whether or not skinned or split [other than put up in unit container and bearing a registered brand name]	93.	1404 90 40	Betel leaves	140.	8802 60 00	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles
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.	94.	1701 or 1702	Jaggery of all types including Cane Jaggery (gur) and Palmyra Jaggery	141.	8803	Parts of goods of heading 8801
47.	0801	Coconuts, fresh or dried, whether or not shelled or peeled	95.	1904	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira,	142.	9021	Hearing aids
48.	0801	Brazil nuts, fresh, whether or not shelled or peeled				143.	92	Indigenous handmade musical instruments

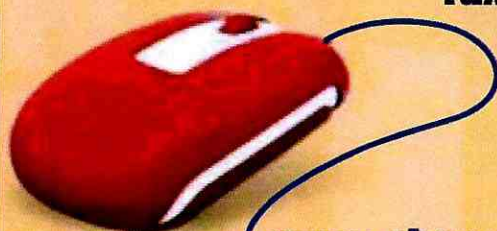
(* Chapter/Heading/Sub-heading/Tariff Item)

Note: For conditions and other details, please refer to relevant notifications on www.cbec.gov.in





GOODS AND SERVICES TAX



**For the guidance and assistance of
Taxpayers and other Stakeholders,
information relating to GST laws,
procedures, rules and rates
have been placed on CBEC website**

www.cbec.gov.in/htdocs-cbec/gst/index

AVAILABLE INFORMATION INCLUDES:-

LAWS

101st Constitution Amendment Act, 2016

CGST Act, 2017

IGST Act, 2017

UTGST Act, 2017

CGST Rules, 2017

FAQs

FAQs on GST

FAQs on Migration

FAQs on Composition

FAQs received via twitter

GST Rates

Rates of GST on Goods

Rates of GST on Services

E-VERSION OF FLYERS

Time of Supply in GST

Valuation in GST

Accounts and Records in GST

GST Practitioners

Transition Provisions

Meanings and Scope of Supply

GST Refunds

Imports under GST

Jobwork under GST

Input Tax Credit of GST

Returns of GST

Registration for GST

GST HELP DESK

Contact details of GST Seva Kendras

Contact details of Sectoral Groups on GST

YOU MAY ALSO ADDRESS YOUR QUERIES TO

a) CBEC MITRA Help desk: cbecmitra.helpdesk@icegate.gov.in; 1800-1200-232

b) GSTN Help desk: helpdesk@gst.gov.in; 0120-4888999

c) Queries could also be addressed to the twitter handle @askGST_GOI and @askGSTech

dayp 15502/13/0110/1718

GST- A Good & Simple Tax



**CENTRAL BOARD OF EXCISE AND CUSTOMS &
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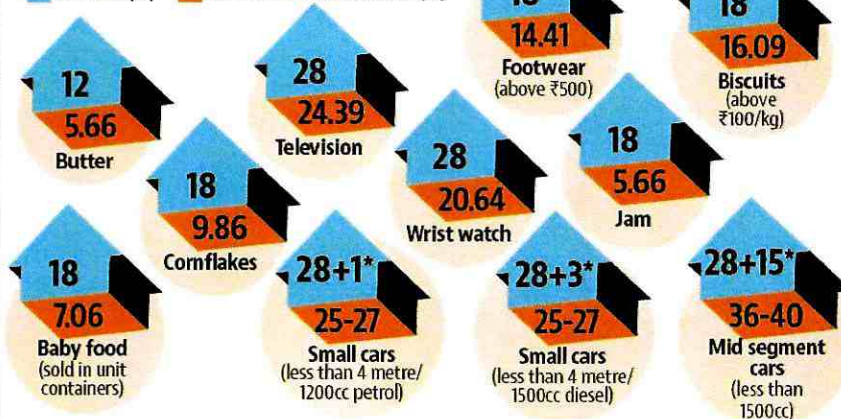
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GST: WHAT WILL YOU PAY?

Set to be launched on July 1, this is how GST will impact basic expenses

Tax burden goes up

■ GST rate (%) ■ Current effective tax rate (%)



CURRENT EFFECTIVE TAX RATE INCLUDES CENTRAL EXCISE DUTY, VAT AND ALL VARIOUS LOCAL LEVIES.

* THIS IS THE CESS THAT WILL BE APPLICABLE ON CARS

Tax burden comes down



Nil GST rates

- Meat, other than frozen and in unit containers
- Fish, fresh or chilled
- Dairy products
- Eggs, salt
- Human blood and components
- Contraceptives
- Fresh fruits and vegetables
- Non-branded cereals and flour, jaggery
- Non-branded organic manure
- Judicial, non-judicial stamp papers; inland, post cards
- Non-precious metal bangles and agricultural hand tools

CAVEAT
THESE ARE FOR ILLUSTRATION PURPOSES ONLY. NOT MEANT FOR DIRECT IMPLEMENTATION OR RELIANCE

THESE RATES ARE BASED ON BEST OF OUR UNDERSTANDING OF THE APPLICABLE RATES AND SHOULD NOT BE TAKEN AS AN ASSURANCE OF THE ULTIMATE RATES.

THE RATES ARE BASED ON SUBMISSION AS OF THE JUNE 20, 2017

SOURCE: EY, GST COUNCIL



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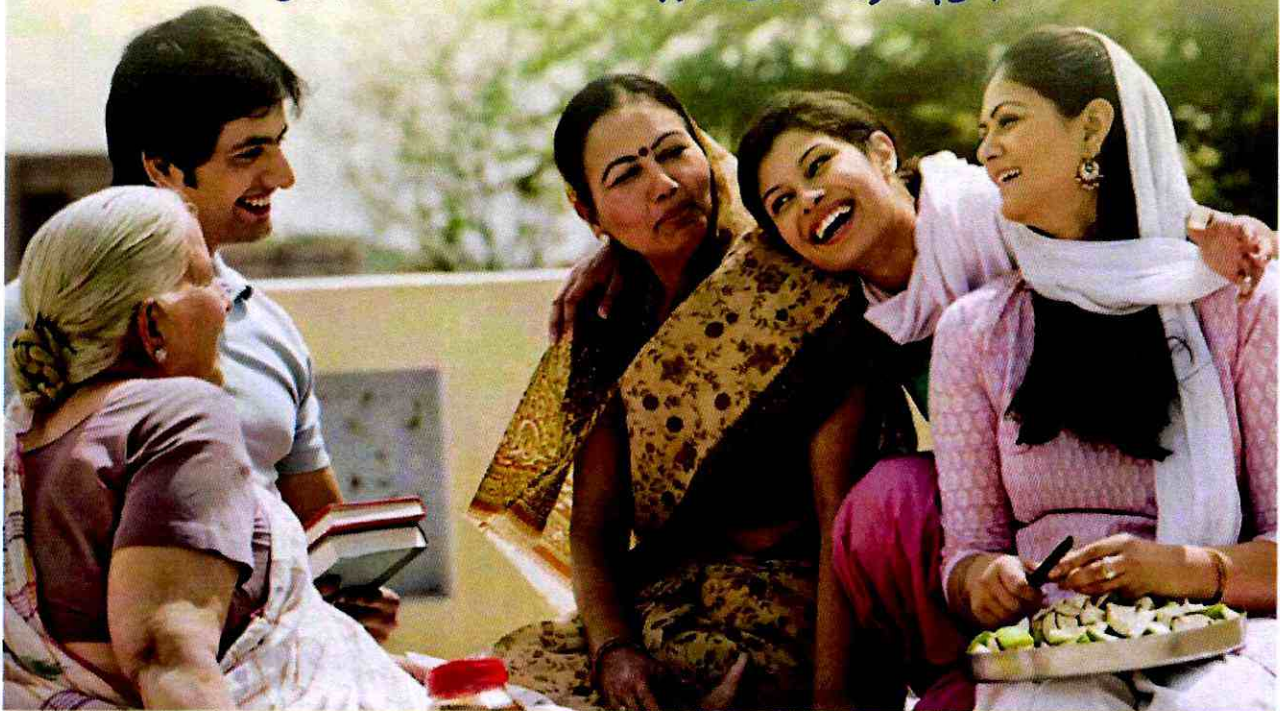
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Goods and Services Tax



GST A BOON FOR HOUSEHOLDS

Common man welcomes GST



GST @ 0%

- » Unpacked Foodgrains
- » Fresh Vegetables
- » Unbranded Atta
- » Unbranded Maida
- » Unbranded Besan
- » Gur
- » Milk
- » Eggs
- » Curd
- » Lassi
- » Unpacked Paneer
- » Unbranded Natural Honey
- » Palmyra Jaggery
- » Salt
- » Kajal
- » Phool Bhari Jhadoo
- » Children's Drawing and Colouring Books
- » Education Services
- » Health Services

GST @ 5%

- » Sugar
- » Tea
- » Roasted Coffee Beans
- » Edible Oils
- » Skimmed Milk Powder
- » Milk Food for Babies
- » Packed Paneer
- » Cashew Nuts
- » Raisin
- » PDS Kerosene
- » Domestic LPG
- » Footwear (upto ₹ 500)
- » Apparels (upto ₹ 1,000)
- » Agarbatti
- » Coir Mats

GST @ 12%

- » Butter
- » Ghee
- » Almonds
- » Fruit Juice
- » Packed Coconut Water
- » Preparations of Vegetables, Fruits, Nuts or other parts of Plants including Pickle
- » Murabba, Chutney, Jam and Jelly
- » Umbrella
- » Mobiles

GST@18%

- » Hair Oil
- » Toothpaste
- » Soap
- » Pasta
- » Corn Flakes
- » Soups
- » Ice-cream
- » Toiletries
- » Computers
- » Printers

**SINGLE TAX TO BRING DOWN
PRICES FOR MOST HOUSEHOLDS**

81% of items to fall below/in 18% GST slab.

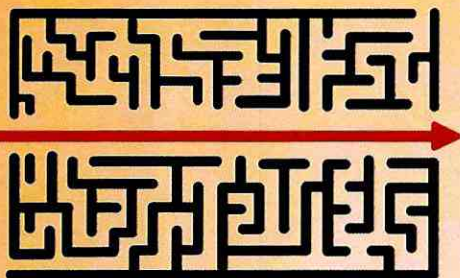


Tweet us at @askGST. Go for any GST related query



Central Board of Excise and Customs &
Commercial Taxes Departments of States/Union Territories

dwp 1502/13004/1718



Input tax credit will not be lost in transition to GST.

Are you worried about what will happen to the input tax credit (ITC) on your inputs (held as input / semi-finished goods / finished goods) / capital goods upon transition to GST?

The law allows you to carry forward your input tax credit and ensures that no ITC is lost while migrating into the new regime. The following table provides the details:-

S. No.	CATEGORY OF TAXPAYER	DETAILS TO BE PROVIDED	AMOUNT OF ITC AVAILABLE
1	Manufacturers and Service providers already registered under existing Central laws.	Closing balance of Cenvat credit.	Closing balance of Cenvat credit as per last return.
2	Manufacturers and Service providers already registered under existing Central laws.	Balance of un-availed Cenvat credit on capital goods.	Amount of Cenvat credit on Capital Goods not availed earlier.
3	Manufacturers and Service providers Supplying Exempted Goods / Services under existing laws (not liable to be registered under existing Central laws).	Stock of inputs (held as inputs / semi-finished goods / finished goods) to be used for making taxable supplies where duty paid invoices available.	Amount of duty paid as per available duty paid invoice.
4	Trader (not liable to be registered under existing Central laws).	Stock of inputs (held as inputs / semi-finished goods / finished goods) to be used for making taxable supplies where duty paid invoices available.	Amount of duty paid as per invoice details submitted.
5	Trader (not liable to be registered under existing Central laws).	Stock of inputs (held as inputs / semi-finished goods / finished goods) to be used for making taxable supplies where duty paid duty paid invoices not available.	<p>In case of intra-State supplies</p> <ul style="list-style-type: none"> • 60% of the Central tax paid (in case rate of total tax is 18% or 28%). • 40% of the Central tax paid (in case rate of total tax is 5% or 12%). <p>In case of inter-State supplies</p> <ul style="list-style-type: none"> • 30% of the integrated tax paid (in case rate of total tax is 18% or 28%). • 20% of the integrated tax paid (in case rate of total tax is 5% or 12%).

Form to be used: For Sl. Nos. 1 to 4, Form GST TRANS 1 is to be used, while for Sl. No. 5, GST TRANS 2 Form is to be used.

Timeline for submission: For Sl. Nos. 1 to 4, the form is to be submitted on or before 30.09.2017. Commissioner can extend the time limit for another 90 days.

More than one Form can be filed.

For Sl. No. 5, the form is to be submitted at the end of each of the first six months.

You can also address your queries to:

- Help desk: cbecmitra.helpdesk@icegate.gov.in ; 18001200232
- Help desk: helpdesk@gst.gov.in ; 01244688999
- Twitter handle @askGST_GOI and @GSTN_IT



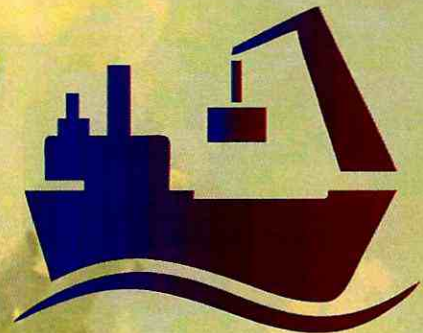
Tweet us at @askGST_Goi for any GST related query



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Attention Exporters

What you need to know for exporting under GST



GSTIN / PAN and Invoice information in Shipping Bill



- Quoting GSTIN in Shipping bill is mandatory, if the export product attracts GST for domestic clearance.
- Quoting PAN (Permanent Account Number), which is authorized as Import Export code by DGFT, would suffice if the exporter exclusively deals with products which are either wholly exempt from GST or out of GST regime.
- In case of exports by specialized agencies such as United Nations Organization or notified Multilateral Financial Institutions, Embassies and Consulates, the exporter can quote Unique Identity Number, instead of GSTIN, in the Shipping bill.
- Without GSTIN or PAN or UIN, the Shipping bill cannot be filed.
- The claim for refund of IGST paid or Input Tax Credit on inputs consumed in goods exported cannot be processed without GSTIN and GST Invoice details in Shipping Bill.
- Commercial Invoice information should be provided in the Shipping Bill. Wherever Commercial Invoice is different from Tax Invoice, details of both have to be provided in the Shipping Bill.
- Taxable value and Tax amount should be mentioned against each item in the Shipping bill for processing the refund amount. Multiple tax invoices issued by same GSTIN holder are allowed in one Shipping bill for the same consignee.
- State code is part of GSTIN numbering scheme. However, in the Shipping Bill for the field "State of origin" declare the State code from where export goods originated as it was being done before.

Bond or LUT along with Shipping Bill

- As per rule 96A of the Central Goods and Services Tax Rules, 2017, any registered person exporting goods without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.
- The following registered person shall be eligible for submission of Letter of Undertaking in place of a bond:-
 - a status holder as specified in the Foreign Trade Policy 2015-2020; or
 - 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 (Notification No. 16/2017-Central Tax dated 07th July, 2017 refers).
- The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.
- 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.
- Based on the track record of exporter, a bank guarantee required to be submitted along with the bond may be waived off by the jurisdictional GST Commissioner. The bank guarantee should normally not exceed 15% of the bond amount (Circular No. 4/4/2017-GST dated 07th July, 2017 refers).



Drawback



- During the transition period of three months i.e. 1.7.2017 to 30.9.2017, composite rates of All Industry Rate (AIR) drawback are available to exporters.
- These composite rates are subject to certain conditions during the transition period that ensure that input credit / refund under GST and drawback of composite rates notified are not taken together for the export product.
- Exporter has to produce a certificate to the above effect from jurisdictional GST officer to avail composite rate. This requirement is applicable to supplies for export made on or after 1.7.2017, as all exporters are required to operate under GST from that date.
- The requirement of certificate is not a new requirement. All registered persons who were exporting under bond or on claim for rebate were producing such certificate prior to 1.7.2017 also.
- In case export goods have been cleared from the factory or warehouse etc. prior to 1.7.2017 but let export order has not been given till 30.6.2017, certificate from GST officer is not required. For such goods, only a declaration from exporter or certificate from the then Central Excise officer, as applicable, is required.
- In case exporter is unable to produce the requisite certificate for claiming composite AIR at the time of export, then exporter should have the Shipping bill amended to claim lower AIR (Customs portion) at time of export. The exporter can claim balance amount of drawback as supplementary claim when he produces certificate.
- Instructions issued to all jurisdictional authorities to ensure smooth clearance of export consignments.



Today at the stroke of midnight hour,
*the single biggest tax reform in the
 history of the nation becomes a reality.*

STATE VAT CENTRAL EXCISE DUTY
 LOTTERY TAX COUNTERVAILING DUTY
 SPECIAL ADDITIONAL DUTY OF CUSTOMS PURCHASE TAX
 OCTROI/ CENTRAL SALE TAX
 ENTRY TAX ADDITIONAL EXCISE DUTY
 ENTERTAINMENT TAX SERVICE TAX

GST

Building Nation Together

HISTORIC LAUNCH OF GST AT MIDNIGHT TODAY

India's biggest tax reform since Independence, the Goods and Services Tax (GST), will be launched at midnight on 30th June, 2017 at a function in the Central Hall of the Parliament.

President Shri Pranab Mukherjee, Vice President Shri Hamid Ansari, Prime Minister Shri Narendra Modi, Speaker Smt. Sumitra Mahajan and former Prime Ministers Shri H.D. Deve Gowda and Dr. Manmohan Singh will be among those present at the event.

Let us all together welcome GST

GST brings benefits for all



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GOODS AND SERVICES TAX



CLARIFICATION ON RATES OF GST FOR RESTAURANTS



	Rate of tax (CGST + SGST)
Restaurant under Composition Scheme (upto aggregate turnover of Rs. 75 lakh*)	5%
Restaurant with no air-conditioning in any part thereof and not serving liquor	12%
Restaurant with partial or full air-conditioning or serving liquor	18%
Is there any restaurant where the rate of tax is 28%	No
Rate of tax on food parcel cooked as per order	As applicable to service of such food in that restaurant
Rate of tax on parcel of pre-packed and pre-cooked namkeens sold from restaurants	12%

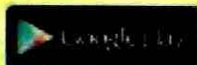
Note : The table above indicates GST rates applicable to supplies made by restaurants in different circumstances. However, the actual GST incidence will be lesser due to increased availability of input tax credit.

**This limit is Rs. 50 lakh for Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Himachal Pradesh.*



Search GST Rates and HSN codes on GST Rate Finder App

It is available on



You can also download it by scanning this QR code



GST rates and HSN codes are also available at URL:- goo.gl/CBnu5t

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> *GET GST READY* >>



GST coming from 1st July, 2017

Registration process for new taxpayers and migration of existing taxpayers to commence from 25th June, 2017



REGISTRATION OF NEW TAXPAYERS UNDER GST:

- Application for new registration under GST can be filed beginning from June 25, 2017.
- The application for registration can be submitted within a month of the date of liability to get registered.
- Taxpayers liable for registration on July 1, 2017 can submit registration application till July 31, 2017 on GST portal.
- There is ample time period for applying for fresh registration.

MIGRATION OF EXISTING VAT, SERVICE TAX AND CENTRAL EXCISE TAXPAYERS:

- Provisional ID which can't be used to migrate as they are showing 'RC cancelled', are being reactivated. Please use these to enroll on GST portal beginning June 25, 2017. Once enrolled, you get three months to submit your registration form.
- Migrating taxpayers can use enrolled provisional ID as their GSTIN for conducting their business from July 1, 2017 for three months without waiting for issue of certificate of registration (GSTIN).
- Taxpayers who have obtained Central Excise and Service tax registration in the month of June, 2017 would be issued provisional ID in the first week of July, 2017.



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Queries relating to GST received from various Sectors have been scrutinised and developed into short FAQs.

The second part, containing 50 questions and their answers, is given below.

PART-2

S. No.	Query	Reply	S. No.	Query	Reply
Returns					
1.	What would be done on the tax paid on advance receipt if advance has to be refunded in any circumstance?	Advance refunded can be adjusted in the return.	26.	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.
2.	Do registered dealers have to upload the 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.	27.	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.
3.	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.	28.	If a FSD (First Stage dealer) purchases directly from manufacturer and has value cum excise duty and excise duty is not separately shown will he get full credit?	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.
Supply					
4.	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.	29.	Is the full excise credit also available to traders who purchase 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.
5.	What will be the treatment of promotional items given free to end consumers by FMCG companies?	Tax will be charged only on the total consideration charged for such supply.	30.	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.
6.	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.	31.	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 last VAT return.
7.	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.	32.	If in Vat return refund claimed in June 17 & no balance credit in GST, then what's the position of submission of Form C?	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 Transition Rules.
8.	Salary by partnership firm to Partners as per Income Tax Act liable to GST?	Salary will not be liable for GST.	33.	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.
9.	Sec 9(4) of CGST Act 2017. Do I need to pay under RCM if I purchase stationary worth Rs.100 from an unregistered stationary shop?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person.	34.	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.
10.	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.	35.	What about VAT balance pending on transition date?	Balance VAT credit in the return for June 2017 will be transferred as SGST Credit.
11.	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.	36.	What about deemed export against Form H?	Form H will not be there in GST.
12.	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.	37.	Who will bear tax difference on closing stocks as on 30th June 2017? Whether the manufacturer/ dealer or government?	Closing ITC in VAT return will be allowed to be carry forward in GST.
13.	I am from MP and providing service to a customer in Maharashtra. I outsource the work to a service provider in Maharashtra, what tax I need to charge?	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.	38.	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.
14.	If address of buyer is Punjab and place of supply is same as 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.	39.	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.
15.	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.	40.	Whether we will be eligible for credit of duty paid on Capital Goods in transit and received post GST?	No such provision in GST.
16.	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.	41.	Can ITC of Swach Bharat Cess or Krishi Kalyan Cess be carried forward under GST?	No
17.	Will professional tax will be abolished in Maharashtra after introducing of GST?	Professional tax is not a tax on supply of goods or services but on being in a profession. Professional tax not subsumed in GST.	42.	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.
18.	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.	43.	Whether closing balance of education cess & secondary and 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.
19.	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.	44.	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.
20.	Whether slump sale will attract GST. If yes then under which Section?	It will have the same treatment as normal supply.	45.	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.
21.	Whether Salary by Partnership firm to Partners as per Income Tax Act liable to GST? Partners are not employees of the firm.	Salary will not be leviable of GST.	UTGST		
Transition					
22.	How do I avail transition credit?	Transition credit can be availed by filing the respective forms under Transition rules.	46.	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.
23.	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.	Others		
24.	We manufactured excisable goods. But unit availed the exemption 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 value more than Rs. 25,000, full credit using CTD can be availed.	47.	Whether IGST would be levied twice on high seas sales? First on high seas sales and second on custom clearance. IGST paid on one available as ITC?	IGST shall be levied only once on imports.
25.	A trader buys from manufacturer not registered in excise as his turnover is below 1.5 cr. Then in such case can trader take ITC on stock upto 40%?	Yes deemed credit will be available subject to satisfaction of other conditions as prescribed.	48.	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.
			49.	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.
			50.	Is there a sunset clause for Anti-Profitteering law?	Yes, the sunset clause for Anti-profitteering Law is of two years.

Disclaimer : Replies given above are only for educational and guidance purposes and do not hold any legal validity.

For more details please see <http://www.cbec.gov.in/resources/hdocs-cbec/gst/tweet-faq.pdf>

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