



# GST Jagriti



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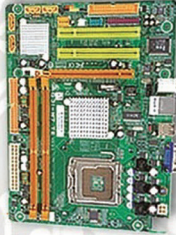
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Help Desk	Shri Namonarayan Sikaria Shri Prabhu Dayal Jain Shri Shankarlal Bhajanka Shri Dinesh Manglunia
Souvenir	Shri Vinod Kumar Lohia Shri Dinesh Gupta Shri Mrinal Jajodia

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**MARWARI SAMMELAN, KAMRUP SAKHA**

**GUWAHATI**

**DATED SATURDAY THE 17TH JUNE, 2017, GUWAHATI**

# मारवाड़ी सम्मेलन



कामरूप शाखा



## जुठन विरोधी जागरूकता अभियान

- थाली में जुठन छोड़कर अन्न का अपमान न करें
- उतना ही लो थाली में, व्यर्थ न जाये नाली में
- अन्न का अपमान करना पाप है
- जुठन ना छोड़े, अन्न बचाये



CONVENOR : PRABHU DAYAL JAIN : 94350-18795

# GST Jagriti, Guwahati

## 17/06/2017



**COMPILED BY**

**CA. T. K. AGARWALLA**

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### LIST OF ACTS & RULES:

#### ACTS:

1. CGST ACT, 2017
2. IGST ACT, 2017
3. UTGST ACT, 2017
4. GST (Compensation to the States Act), 2017
5. SGST ACT, 2017 ( Respective States)

#### RULES:

1. Composition Rules & Formats
2. Valuation Rules
3. ITC Rules & Formats
4. Payment Rules & Formats

5. Refund Rules & Formats

6. Return Rules & Formats, GSTP Formats, Mismatch Formats

7. Transition Rules & Formats

8. Accounts & Records Rules & Formats

9. Invoice, Debit & Credit Notes Rules

10. Registration Rules & Formats

11. Proposed CTD Document ( for exiting CENVAT Rules)

#### DRAFT RULES:

1. Advance Ruling

2. Appeals & Revision

3. Assessment & Audit

4. E-Way Bill

## BASICS OF GST:

- Single tax rate for a Product or service in any part of the country (except J & K)
- The following 17 different indirect taxes will be subsumed under GST

Central Taxes	State Taxes
1. Central Excise Duty;	9. State VAT;
2. Duties of Excise (Medicinal and Toilet Preparations);	10. Central Sales Tax;
3. Additional Duties of Excise (Goods of Special Importance);	11. Purchase Tax;
4. Additional Duties of Excise (Textiles and Textile Products);	12. Luxury Tax;
5. Additional Duties of Customs (Commonly known as CVD);	13. Entry Tax (All Forms);
6. Special Additional Duty of Customs (SAD)'	14. Entertainment Tax (except those levied by the local bodies);
7. Service Tax;	15. Taxes on advertisements;
8. Cesses and surcharges insofar as they relate to supply of goods or services	16. Taxes on lotteries, betting and gambling;
	17. State cesses and surcharges insofar as they relate to supply of goods or services

- Better compliance for trade and industry sector
- Seamless flow of credit across the value chain
- Removal of cascading effect
- Dual GST (Central GST & State GST ) and Integrated GST (IGST)
- Tax rates : 5% , 12%, 18% & 28%
- Destination based tax
- Taxable event – SUPPLY
- Threshold exemption limit: Rs. 20 lakhs & Rs 10 lakhs (for special category States & North Eastern States)
- Composition scheme threshold : Rs 75 lakhs
- Pan based registration
- Tax can be deposited by internet banking, NEFT/RTGS, debit card, credit card & Over the Counter (OTC).
- Goods and service tax network (GSTN), the technology backbone of GST. It provides IT infrastructure and services to the Central and State Governments, tax payers and other stakeholders for Implementation of the Goods and Services Tax (GST)
- GST suvidha Provider (GSP) is an online compliance platform which will enable the taxpayer to comply with the provisions of the GST law through its web platform.



## LEVY & CLASSIFICATION:

- Tax shall be levied as Dual GST separately but concurrently by the Union (CGST) as well as the States (including Union Territories with legislatures) (SGST) and Union territories without legislatures (UTGST).
- Alcohol for human consumption is kept out of the purview of GST.
- ST on specified petroleum products (crude, high speed diesel, petrol, ATF and natural gas) would be levied from a later date on the recommendation of the GST Council.
- Goods under GST regime, will be classified under, Harmonised System of Nomenclature (HSN) code whereas services will be classified as per the Services Accounting code (SAC).
- HSN is an internationally standardized system of names and numbers to classify traded products. At present, HSN code is used to classify goods under existing Excise and custom law and Vat in case of certain states.

## SUPPLY :

- Under the old regime, taxable events for various taxes were different.
- For excise duty the taxable event was manufacture or production of goods in India. Similarly, for services the taxable event was provision of service.
- Under Central Sales Tax (CST) and Value Added Tax (VAT) it was sale of goods.
- All this led to plethora of taxable events under different taxes.
- GST has brought a single and uniform taxable event, which is, SUPPLY
- The following list indicates different forms of supply which although on the surface sometimes may not be considered as supply but **fall under the ambit of supply in GST** regime.
  - Import of services which are for consideration (whether or not in the course or furtherance of business).
  - Schedule I activities (whether or not for consideration) like transfer of goods from principle-agent transaction etc.
  - Schedule II activities (activities to be treated as supply of goods or supply of services)

- Following few activities are specifically **not to be considered as SUPPLY** and these are:

**1. Schedule III activities** which include :

- Services from an employee to employer
- Services by any court or Tribunal
- Functions performed by Member of Parliament etc.
- Services of funeral, burial, crematorium or mortuary
- Sale of land and sale of **completed building** (*however building sold by builder before completion would continue to be taxed under GST, at present the same is taxable under service tax as well as VAT*)
- Actionable claims, other than lottery, betting and gambling

**2. Activities or transactions undertaken** by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council.

- Activities to be treated as Supply of Goods:

<i>Form of supply</i>	<i>Description</i>
<b>Transfer</b>	Transfer of title in goods
	Transfer of title in goods under an agreement where property in goods passes at a future date on payment of full consideration
<b>Transfer of business assets</b>	Permanent transfer or disposal of goods forming part of business assets by or under the directions of the person carrying on the business whether or not for consideration
	Any goods forming a part of business assets will be deemed to be transferred in furtherance of business, before any person ceases to be a taxable person Exception <ul style="list-style-type: none"> <li>• The business is transferred as a going concern</li> <li>• The business is carried on by a personal representative who is deemed to be a taxable person</li> </ul>
<b>Supply by unincorporated association</b>	Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.

- Activities to be treated as Supply of Services:

Form of Supply	Description
<b>Transfer</b>	Ant transfer of right in goods or undivided share in goods without transfer of title
<b>Land and Building</b>	Any lease, Tenancy, easement, licence to occupy land
	Any lease or letting out of the building including a commercial , industrial or residential complex for business or commerce, either wholly or partly
<b>Treatment or process</b>	Any treatment or process which is applied to another person's goods
<b>Transfer of business assets</b>	Where by or under the direction of a person carrying on a business, goods held or used for the purpose of business are put for any private use or made available to any person for any use other than for the purpose of business, at the direction of the person carrying on the business, whether or not for a consideration
<b>Immovable property</b>	`Renting of immovable property
<b>Construction or sale</b>	Construction of a complex, building, civil structure or a part there of, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier
<b>Immovable property</b>	Renting of immovable property
<b>Construction or Sale</b>	Construction of a complex building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier
<b>Intellectual property rights</b>	Temporary transfer or permitting the use or enjoyment of any intellectual property right
<b>Information technology software</b>	Development, design, programming, customization, adaptation, upgradation, enhancement, implementation of information technology software
<b>Action</b>	Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act
<b>Rights to use goods</b>	Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration
<b>Composite supplies</b>	Works Contract as defined under Section 2 (119) Supply of goods, as a part of any service or in any manner, being food or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration

## COMPOSITE & MIXED SUPPLY:

- Composite supply is similar to the concept of ‘bundled service’ as under service tax laws in the existing regime.
- Composite supply is naturally bundled i.e., goods or services are usually provided together in normal course of business and cannot be separated.
- In Mixed supply, the goods or services can be sold separately
- Booking of Air tickets which involves cost of the meal to be provided during travel will be Composite supply and tax will be calculated on the principle supply which in this case is transportation through flight.
- Diwali gift hamper which consist of different items packed in one pack is Mixed supply as these items can be sold separately and it shall be treated as a supply of that particular item which attracts the highest rate of tax.

## VALUE OF SUPPLY:

- Value of supply is the value on which tax rate shall be applied for estimating tax liability.
- the value of a supply of goods or services or both, shall be the transaction value. ( Value at which transaction taken place)
- Transaction value means
  - price actually paid or payable for the said supply of goods or services or both
  - where the supplier and the recipient of the supply are not related and
  - the price is the sole consideration for the supply

### Value of Supply Includes:

- all types of taxes, duties, cesses, fees and charges except those charged under GST laws.
- any amount that the supplier is liable to pay, in relation to supply, incurred by the recipient and not included in the price actually paid( transportation expenses paid by recipient in a FOR transaction)
- incidental expenses, charged by supplier from recipient or any amount charged to make the supply
- interest or late fee or penalty for delayed payment of any consideration for any supply
- subsidies directly linked to the price ( subsidised food for employees and the subsidy paid by company directly to the supplier of food)
- Value of Supply Excludes:
  - Before or at the time of supply : if discount has been duly recorded in invoice

- After the supply : such discount is established in terms of an agreement and specifically linked to relevant invoices & input tax credit , attributable to discount have been reversed by recipient.

*Valuation rules will apply to those value of supplies which are not covered under section 15 of the CGST Act, 2017.*

## **TIME OF SUPPLY:**

- The time of supply fixes the point when the liability to charge GST arises for goods or services
- The time of supply of goods shall be the date of occurrence of any of the following event,
  - (i) the date of issue of invoice by the supplier*
  - (ii) date of removal or delivery of goods; or*
  - (iii) the date on which the supplier receives the payment with respect to the supply.*
- In case of Reverse Charge, the time of supply of goods will be the earliest of the following dates:
  - a) date of receipt of goods; or*
  - b) date on which payment is made; or*
  - c) the date immediately following 30 days from the date of issue of invoice by the supplier.*
- The case of Reverse Charge, time of supply of Services will be the earlier of the following dates:
  - a) date on which payment is made; or*
  - b) the date immediately following sixty days from the date of issue of invoice by the supplier.*
- The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.
- Supply of services by associated enterprises : where the supplier of service is located outside India, the date of entry in the books of account of the recipient or the date of payment, whichever is earlier

## **PLACE OF SUPPLY:**

- The place of supply determines whether a transaction is intra-state or interstate.
- On removal of goods, the place of supply of goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.



# भारतें शान्ति, कामरुप शारदा



गुवाहाटी, असम द्वारा

## ‘पारिणाय बंधन’

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Contact : Pradip Jain : 94350-15734, Pradip Jajodia : 98640-66336, Vimal Kakra : 94351-06550, Ashok Aganwal (CA) : 94350-47557, Manoj Khemka : 97060-21000

- The presumption in case of supplies to registered person is the location of such person. Since the recipient is registered, address of recipient is always there and the same can be taken as proxy for place of supply.
- The place of supply if the goods are delivered by the supplier to a person on the direction of a third person would be deemed to be the principal place of business of such person.
- In respect of unregistered recipients, the usual place of supply is location of recipient. However, in many cases, the address of recipient is not available, in such cases, location of the supplier of services is taken as proxy for place of supply.
- In case of transportation of goods involving domestic supply: If the recipient is registered, the location of such person shall be the place of supply. If the recipient is not registered, the place of supply shall be the place where the goods are handed over for transportation.

## REGISTRATION:

- Registration is the most fundamental requirement for identification of tax payers ensuring tax compliance in the economy.
- **Need and advantages of registration**
  - Registration will confer the following advantages to a taxpayer.
  - He is legally recognized as supplier of goods or services.
  - He is legally authorized to collect taxes from his customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/recipients.
  - He can claim Input Tax Credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services.
  - Seamless flow of Input Tax Credit from suppliers to recipients at the national level.
- Small businesses having all India **Aggregate Turnover below Rupees 20 lakh** (10 lakh if business is in Assam, Arunachal Pradesh, J&K, Himachal Pradesh, Uttarakhand, Manipur, Mizoram, Sikkim, Meghalaya, Nagaland or Tripura) **need not register**.
- The registration in GST is PAN based and State specific.
- Supplier has to register in each of such State or Union territory from where he effects supply.
- In GST registration, the supplier is allotted a 15-digit GST identification number called "GSTIN", and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.
- A given PAN based legal entity would have one GSTIN per State, that means a business entity having its branches in multiple States will have to take separate State wise registration for the branches in different States.

- Within a State, an entity with different branches would have single registration wherein it can declare one place as principal place of business and other branches as additional place of business.
- A business entity having separate business verticals (as defined in section 2 (18) of the CGST Act, 2017) in a state may obtain separate registration for each of its business verticals.
- Compulsory registration, where threshold limit of 10/ 20 lakh does not applies:
  - Inter-state suppliers
  - A person receiving specified supplies on which tax is payable by recipient on reverse charge basis ( paying to transporter)
  - Casual taxable person who is not having fixed place of business in the State or Union Territory from where he wants to make supply
  - Non-resident taxable persons who are not having fixed place of business in India
  - A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)
  - E-commerce operators, who provide platform to the suppliers to supply through it
  - **Every Suppliers who supply through an e-commerce operator**
  - Those ecommerce operators who are notified as liable for GST payment under Section 9(5)
  - TDS Deductor
  - Those supplying online information and data base access or retrieval services from outside India to a non-registered person in India.
- A total of 30 forms/formats have been prescribed in the GST registration rules.
- An application has to be submitted online through the common portal (GSTN) within thirty days from the date when liability to register arose.
- The Proper Officer has to either raise a query or approve the grant of registration within three working days failing which, registration would be considered as deemed to have been approved.
- Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.
- In case the change is for legal name of the business, or the State of place of business or additional place of business, the taxable person will apply for amendment within 15 days of the event necessitating the change.
- The GST law provides for two scenarios where cancellation of registration can take place; the one when the taxable person no more requires it (voluntary cancellation), and another when the Proper Officer considers the registration liable for cancellation



in view of certain specified defaults (Suo-motu cancellation) like when the registrant is not doing business from the registered place of business or if he issues tax invoice without making the supply of goods or services.

- In case where registration is cancelled suo-motu by the Proper Officer, the taxable person can apply within 30 days of service of cancellation order, requesting the officer for revoking the cancellation ordered by him.
- Before applying, the person has to make good the defaults (by filing all pending returns, making payment of all dues and so) for which the registration was cancelled by the officer.
- Physical verification is to be resorted to only where it is found necessary in the subjective satisfaction of the proper officer.

### **INVOICE, DEBIT & CREDIT NOTES:**

- A registered taxable person shall issue a tax invoice showing description, quantity and value of goods, tax charged thereon and other prescribed particulars, before or at the time of
  - a) Removal of goods for supply to the recipient, where supply involves movement of goods or
  - b) Delivery of goods or making available thereof to the recipient in other cases.
- A registered taxable person shall, before or after the provision of service, but within a period prescribed in this behalf, issue a tax invoice showing description, value of goods, tax payable thereon and other prescribed particulars.
- In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.
- In case of continuous supply of services,
  - (a) where the due date of payment is ascertainable from the contract, the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of the service;
  - (b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf;
  - (c) where the payment is linked to the completion of an event, the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.
- The invoice in respect of goods sent or taken on approval for sale or return shall be issued before or at the time of supply or six months from the date of approval, whichever is earlier.

- The taxable person may issue the debit/credit note(s) or a supplementary invoice within 30 days of the price revision.
- **Manner of Issue of Invoice: [Rule 3 of the Tax Invoice, Credit & Debit Notes]**

Sl.No.	Description	Original	Duplicate	Triplicate
1.	Invoice to be issued in respect of goods	Recipient	Transporter	Supplier
2.	Invoice to be issued in respect of services within 30 days from date of supply of services.	Recipient	Supplier	N.A

## INPUT TAX CREDIT

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

Credit of	To be utilised first for payment of	May be utilised further for payment of
CGST	CGST	IGST
SGST/UTGST	SGST/UTGST	IGST
IGST	IGST	CGST, Then SGST/ITGST

- Credit of CGST cannot be used for payment of SGST/UTGST
- Credit of SGST/UTGST cannot be utilised for payment of CGST.
- Any registered person can avail credit of tax paid on the inward supply of goods or services or both, which is used or intended to be used in the course or furtherance of business.
- Pre-requisites for availing credit by registered person are:
  - a. He is in possession of tax invoice or any other specified tax paying document.
  - b. He has received the goods or services. “Bill to ship” scenarios also included.
  - c. Tax is actually paid by the supplier.
  - d. He has furnished the return.
  - e. If the inputs are received in lots, he will be eligible to avail the credit only when the last lot of the inputs is received.
  - f. He should pay the supplier, the value of the goods or services along with the tax within 180 days from the date of issue of invoice, failing which the amount of credit availed by the recipient would be added to his output tax liability, with interest [rule 2(1) & (2) of ITC Rules]. However, once the amount is paid, the recipient will be entitled to avail the credit again. In case part payment has been made, proportionate credit would be allowed.

- Documents on the basis of which credit can be availed are:
  - a. Invoice issued by a supplier of goods or services or both
  - b. Invoice issued by recipient alongwith proof of payment of tax
  - c. A debit note issued by supplier
  - d. Bill of entry or similar document prescribed under Customs Act
  - e. Revised invoice
  - f. Document issued by Input Service Distributor
- No ITC beyond September of the following FY to which invoice pertains or date of filing of annual return, whichever is earlier.
- The Input Service Distributor (ISD) may distribute the credit available for distribution in the same month in which, it is availed. The credit of CGST, SGST, UTGST and IGST shall be distributed as per the provisions of Rule 4(1) (d) of ITC Rules. ISD shall issue invoice in accordance with the provisions made under Rule 9(1) of Invoice Rules.
- ITC is not available in some cases as mentioned in section 17(5) of CGST Act, 2017. Some of them are as follows:
  - a. motor vehicles and other conveyances except under specified circumstances.
  - b. goods and/or services provided in relation to:
    - i. Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, except under specified circumstances;
    - ii. Membership of a club, health and fitness center;
    - iii. Rent-a-cab, life insurance, health insurance except where it is obligatory for an employer under any law;
    - iv. Travel benefits extended to employees on vacation such as leave or home travel concession;
  - c. Works contract services when supplied for construction of immovable property, other than plant & machinery, except where it is an input service for further supply of works contract;
  - d. Goods or services received by a taxable person for construction of immovable property on his own account, other than plant & machinery, even when used in course or furtherance of business;
  - e. Goods and/or services on which tax has been paid under composition scheme;
  - f. Goods and/or services used for private or personal consumption, to the extent they are so consumed;
  - g. Goods lost, stolen, destroyed, written off, gifted, or free samples;

- h. Any tax paid due to short payment on account of fraud, suppression, mis-declaration, seizure, detention.

## COMPOSITION LEVY:

- The threshold for Composition Levy is Rs.75 Lakhs of Aggregate Turnover in the preceding financial year.
- 'Aggregate Turnover in a State' means 'Value of all (Taxable supplies + Exempt supplies) – (GST Value of inward supplies taxable under reverse charge) of all persons having the same PAN.
- The threshold of Rs. 75 lacs would be applicable to a person having the same PAN and should be understood as follows:
  - All taxable persons covered by the same PAN shall be under composition across India. Any intimation of option to avail composition scheme in respect of any place of business in any State or UT shall be deemed to be an intimation in respect of all other places of business registered on the same PAN;
  - Goods supplied by the person which are chargeable to tax on reverse charge basis will not be includable in computing the aggregate turnover; such inward supplies will be liable to tax in the hands of the composition dealer, as it will be liable to tax when received by non-composition taxable persons.
  - Will include value of supply of goods in all forms (supply of goods simplicitor and mixed and composite supplies which are taxed as supply of goods);
  - Will include value of supplies of all business verticals of the same taxable person.
- Tax payment under this scheme is an option available to the taxable person.
- Composition scheme may be opted for by taxable persons, in respect of supply of any goods (without any reference to classification or type of goods).
- Suppliers of services are excluded from opting to pay tax under composition scheme, except composite supply, by way of or as a part of any service, in any other manner whatsoever of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption) which is deemed to be a service under Schedule II, Para 6 (b) (i.e. food/restaurant services).
- Rate of tax: The rate of tax would be as under:
  - (a) 2% (CGST+SGST) of the turnover in the State/UT in case of manufacturers.
  - (b) 5% (CGST+SGST) of the turnover in the State/UT in case of food/restaurant services.
  - (c) 1% of the turnover in the State/UT in case of other suppliers (like traders / agents)
- Conditions for opting to pay tax under composition scheme:
  - i) **Restricted from making supply of goods which are not liable to GST:** Certain

goods are not liable to GST, e.g. petroleum, alcohol for human consumption, etc. - a person opting for composition scheme shall not be entitled to make any supply of nonGST goods. A plain reading of the proviso to Section 9(1) would imply that the restriction on supplies would be applicable only to sales / dispatches (outwards supplies).

- ii) **Restricted from effecting inter-State outward supplies:** The taxable person should not affect any inter-State outward supplies. This means that even stock transfers to branches outside the State would not be permitted. However, insofar as it relates to inter-State inward procurements / receipts, there is no restriction. To explain further, where a taxable person effects inter-State barter transaction (supply) or inter-State warranty contract (supply), he will not be eligible to opt for composition scheme.
  - iii) **Restricted from making supplies through an e-commerce operator:** A person opting for composition scheme is not allowed to affect any supply of goods through an ecommerce portal, unless such portal is owned by the same person.
  - iv) **Restriction on manufacture of notified goods:** The person opting for the scheme should not be a manufacturer of certain goods as are notified in this regard. However, there is no restriction in case the person is engaged in trading of such goods.
  - v) **Would be applicable for all transactions under the same PAN:** Composition scheme would become applicable for all the business verticals having separate registrations within the State and all other registrations outside the State which are held by the person with same PAN.
  - vi) **Shall not collect tax:** Taxable person opting to pay tax under the composition scheme is prohibited from collecting tax on the outward supplies.
  - vii) **Not entitled to input tax credit:** Taxable person opting to pay tax under the composition scheme will not be eligible to claim any input tax credits.
  - viii) **Additional conditions under the Rules:** The following additional conditions are prescribed in the Composition Rules, in order to be eligible for the composition scheme
    - Not applicable to persons who are casual taxable persons or non-resident taxable persons.
    - In case of migration of existing registration into registration under GST, option to avail composition scheme under GST can be exercised only if the goods held in stock by such taxable person, on the appointed day have not been purchased in the course of inter-state trade or commerce or imported from a place outside India or received from his branch situated outside the State, or from his agent or principal outside the State.
- Composition scheme not applicable for tax payable under RCM.
  - The registered taxable person who intends to withdraw from the composition scheme shall before the date of such withdrawal, file an application in Form GST CMP 04.

- Where the proper officer has reasons to believe that the taxable person was not eligible to the composition scheme, the proper officer may cancel the permission and demand the following:
  - Differential tax and interest – viz., tax payable under the other provisions of the Act after deducting the tax paid under composition scheme
  - Penalty determined based on the demand provisions under Section 73 or 74.

## RETURNS AT A GLANCE:

Return Form	What to file?	By Whom?	By When?
GSTR-1	Details of outward supplies of taxable goods and/or services effected	Registered Taxable Supplier	10th of the next month
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Registered Taxable Recipient	15th of the next month
GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Registered Taxable Person	20th of the next month
GSTR-4	Quarterly return for compounding taxable person.	Composition Supplier	18th of the month succeeding quarter
GSTR-5	Return for Non-Resident foreign taxable person	Non-Resident Taxable Person	20th of the next month
GSTR-6	Return for Input Service Distributor	Input Service Distributor	13th of the next month
GSTR-7	Return for authorities deducting tax at source.	Tax Deductor	10th of the next month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	E-commerce Operator/Tax Collector	10th of the next month
GSTR-9	Annual Return	Registered Taxable Person	31st December of next financial year
GSTR-10	Final Return	Taxable person whose registration has been surrendered or cancelled.	Within three months of the date of cancellation or date of cancellation order, whichever is later.
GSTR-11	Details of inward supplies to be furnished by a person having UIN	Person having UIN and claiming refund	28th of the month following the month for which statement is filed

## TRANSITION PROVISIONS:

1. Traders, who are not a composition dealer, his actual ITC as per last VAT Return will be carried forward in the GST and set off while paying taxes under SGST.

### [Section 140(1) of SGST]

2. Traders, who are not Composition Dealers, his ITC as per last VAT return will not be carried forward in GST if he has not filed the required returns during 6 months preceding the appointed day. **[Section 140(1) of SGST]**
3. Traders, who are not a composition dealer, will not be eligible carry forward his VAT ITC in following *sales covered under CST Act, 1956*:
  - Sales in the course of inter-state trade or commerce – **Form C**
  - Sales in the Course of Export & **Form H** is pending
  - 6(2) Sales and **E I / E II Form** is pending.
  - inter-state branch transfers, or inter-state transfer of goods to Agent/Principal and **F Form** is pending.
  - Inter-state sale referred to in Section 8 (6) of CST Act, 1956 to a unit located in SEZ and **Form I** is pending

***The above shall be refunded under the OVAT when all the above Forms received.***

### 4. [Proviso to Section 140(1) of SGST with reference to Section 6 of CST Act, 1956]

5. Traders, who are not Composite Dealers, having unavailed ITC of VAT in respect of Capital Goods will be eligible to such unavailed Credit. **[Section 140(2) of SGST]**.
6. Traders, who are not Composite Dealers, will be eligible for unavailed ITC on Capital Goods, only if such ITC is eligible under present OVAT and also under OSGST. **[Proviso to Section 140(2) of SGST]**.
7. Following Traders to be eligible to take ITC of VAT in respect of inputs held in stock & inputs contained in Semi-finished or Finished Goods held in stock on appointed day:
  - Not liable to be registered under existing OVAT or
  - Engaged in Sale of Exempted or tax free goods but taxable under OSGST or
  - Goods having suffered Tax at first point & their subsequent sales are tax free

### **[Section 140(3) of SGST].**

7. Following traders not having duty paying invoices, shall be eligible to ITC of 40% of the CGST on supply of goods held in stock on appointed day,
  - Not liable to be registered under OVAT
  - Goods having suffered Tax at first point & their subsequent sales are tax free
8. Traders, dealing in both taxable as well as exempted goods or tax free goods, but which are now subject to tax under OSGST, shall be eligible to take credit. **[Section 140(4) of SGST]**.

9. Traders, dealing in both taxable as well as exempted goods or tax free goods, but not carried forward their ITC in their last VAT return, shall not be eligible to take credit. **[Section 140(4) of SGST].**
10. Traders, dealing in both taxable as well as exempted goods or tax free goods, eligible to take credit of VAT of inputs:
  - Held in Stock;
  - Contained in Semi-Finished or Finished Goods on appointed day.**[Section 140(4) of SGST].**
11. Traders receiving inputs after the Appointed Day but VAT already paid before the appointed date, shall be eligible to take credit of such VAT, if recorded in Books within 30 days from the appointed day. **[Section 140(5) of SGST].**
12. Traders who are a Composition Dealer under OVAT, eligible to take credit of VAT of inputs:
  - Held in Stock;
  - Contained in Semi-Finished or Finished Goods on appointed day.**[Section 140(6) of SGST].**
13. Trader who is a Composition Dealer under OVAT also opts for Composition levy under OSGST, then not eligible for ITC under OSGST. **[Section 140(6) of SGST].**
14. Traders not having Invoices or other document evidencing payment of taxes or in cases such Invoice or document is older than 12 months preceeding the appointed day, then no ITC shall be available. **[Section 140 (3) (4) & (6) of SGST].**
15. Traders using inputs for making exempted supplies under OSGST shall not be entitled to take any credit. **[Section 140 (3) (4) & (6) of SGST].**

## PROCEDURE FOR CLAIMING ITC

1. Form GST TRAN-1 to be filed electronically within 60 days of appointed day.  
**[Rule 1 of Transitional Provisions]**
2. To specify separately Value of claims in respect of the following,
  - Sales in the course of inter-state trade or commerce
  - Sales in the Course of Export
  - 6(2) Sales
  - inter-state branch transfers, or inter-state transfer of goods to Agent/Principal
  - Inter-state sale referred to in Section 8 (6) of CST Act, 1956 to a unit located in SEZ**[Proviso to Rule 1 of Transitional Provisions]**



3. Sl. No. & value of declarations in Form C/E/F/H/I, as applicable, submitted in support of claims in Point No.2 above.

***[Proviso to Rule 1 of Transitional Provisions]***

4. Traders claiming unavailed credit on capital goods to submit the following particulars:
  - ITC availed & utilised till appointed day
  - ITC yet to be availed & utilised till appointed day

***[Rule 2(a) of Transitional Provisions]***

5. Traders Claiming ITC U/s 140(5), shall furnish following details alongwith Form GST TRAN-1 :
  - Name of Supplier
  - Sl. No. & Date of Invoice
  - Description, Quantity & Value of goods
  - Amount of VAT/Entry Tax Charged.
  - Date of entry of receipt of goods in Books.

***[Rule 2(c) of Transitional Provisions]***

6. **Schemes for Registered Person who was not registered under the existing law:**
  1. To avail ITC on goods on which Central Excise Duty or Additional Duty of Customs U/s3(1) is leviable are held in stock on appointed day and Invoices/Document evidencing payment of Excise Duty not available.
  2. Where Central Tax is 9% or more, ITC allowed will be 60%.
  3. For Other goods, ITC allowed will be 40%
  4. Where IGST paid is 9% or more, ITC allowed will be 30%
  5. For other goods, ITC allowed will be 20%.
  6. Scheme available for 6 tax periods from appointed date.
7. **Schemes for Registered Traders having stock of goods which suffered tax at first point and subsequent sales are tax free and not having document evidencing payment of OVAT:**
  1. Where State Tax is 9% or more, ITC allowed will be 60%.
  2. For Other goods, ITC allowed will be 40%
  3. Where IGST paid is 9% or more, ITC allowed will be 30%
  4. For other goods, ITC allowed will be 20%.
  5. Scheme available for 6 tax periods from appointed date.

6. Statement in Form GST TRAN 2 at the end of each 6 tax periods during the operation of the scheme showing the details of supplies of such goods during the tax periods.

**[Rule 4(a)(i) of Transitional Provisions in SGST rules of States offering tax on MRP Scheme ]**

*The views and issues discussed are subject to change due to development of law changes, please do not constitute it as a legal opinion and please refer and consult your legal adviser before acting on it. The objective of this document is to circulate the basic information on GST in a handy manner.*

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