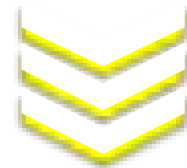


# E-Book on GST Rules CA Pritam Mahure



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The book is a compilation of GST Rules and brief  
commentary on key rules.

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- CA Pritam Mahure works in the field of Indirect Taxes (Service Tax, Excise and Goods and Service Tax) since more than a decade. Pritam has also worked with leading multinational consulting organisations.
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- 'Orange' colour is used for authors comments and key words in respective sections are highlighted in bold.

# Goods and Services Tax (GST) Rules in India

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## I. Determination of Value of Supply

Authors comment: As per section 15 (4) of CGST Bill empowers the Government to make Rules. Further, section 20 of IGST Bill and section 21 of UTGST Bill states that rules made under CGST Act shall mutatis mutandis, apply for IGST/ UTGST. Valuation Rules comprises of 8 Rules.

The Valuation Rules appear to be drafted by taking few provisions from current Valuation provisions of:

- Excise (for e.g. concept of 'transaction value', captive consumption),
- Service Tax (for e.g. concept of 'pure agent reimbursements') and
- Customs (for e.g. concept of 'goods of like kind and quality').

### 1. Value of supply of goods or services where the consideration is not wholly in money

Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall,

- (a) be the open market value of such supply;
- (b) if open market value is not available, be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money if such amount is known at the time of supply;
- (c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;
- (d) if value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by application of rule 4 or rule 5 in that order.



*Illustration:*

- (1) Where a new phone is supplied for Rs.20000 along with the exchange of an old phone and if the price of the new phone without exchange is Rs.24000, the open market value of the new phone is Rs 24000.*
- (2) Where a laptop is supplied for Rs.40000 along with a barter of printer that is manufactured by the recipient and the value of the printer known at the time of supply is Rs.4000 but the open market value of the laptop is not known, the value of the supply of laptop is Rs.44000.*

*Authors comment: This Rule helps in determination of value of goods or services where the consideration is not wholly in money. Typically, in such case the value would be open market value. As per Explanation given (at the end of the Rules), means the full value in money, excluding GST and the cess, where supplier and the recipient are not related and price is sole consideration. Determining open market value would pose practical challenges.*

## 2. Value of supply of goods or services or both between distinct or related persons, other than through an agent

The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall, -

- (a) be the open market value of such supply;
- (b) if open market value is not available, be the value of supply of goods or services of like kind and quality;
- (c) if value is not determinable under clause (a) or (b), be the value as determined by application of rule 4 or rule 5, in that order:

Provided where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods or services.

Authors comment: This Rule helps in determination of value between distinct or related persons, other than agent. Typically, this rules will apply for:

- a. Stock / branch transfers
- b. Supply of goods/ services between two distinct persons (say between head office in Maharashtra and Branch in Delhi)
- c. Supply of goods/ services between related persons

The facts could be captured in two scenarios:

- a. Where recipient is not eligible for full input tax credit – Determine value as per Rule 2. Determining open market value or value of like kind and quality supplies would pose practical challenges.
- b. Where recipient is eligible for full input tax credit - Value declared in invoice shall be deemed to be the open market value of goods or services. This is a big relief as the valuation will not be questioned by the Authorities where the credit is fully available. Certainly, this will ease out valuation pains of many sectors such as banks, telecom, insurance etc.

### 3. Value of supply of goods made or received through an agent

The value of supply of goods between the principal and his agent shall, -

- (a) be the open market value of the goods being supplied, or at the option of the supplier, be ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person, where the goods are intended for further supply by the said recipient;

*Illustration: Where a principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a*

price of Rs.5000 per quintal on the day of supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of Rs.4550 per quintal. The value of the supply made by the principal shall be Rs.4550 per quintal or where he exercises the option the value shall be 90% of the Rs.5000 i.e. is Rs.4500 per quintal.

(b) where the value of a supply is not determinable under clause (a), the same shall be determined by application of rule 4 or rule 5 in that order.

Authors comment: This Rule helps in determination of value of supply of goods made or received through agent. Typically, in such case the value would be

- a. Open market value
- b. 90% of the price charged by agent to his third party customer

Determining open market value would pose practical challenges. Further, though the Rule provides for alternate valuation mechanism i.e. 90% of value could be difficult as the value (at which agent will sell to end customer) will not be available at the time of supply of goods by principle to agent.

#### 4. Value of supply of goods or services or both based on cost

Where the value of a supply of goods or services or both is not determinable by any of the preceding rules, the value shall be one hundred and ten percent of the cost of production or manufacture or cost of acquisition of such goods or cost of provision of such services.

Authors comment: This Rule is borrowed from Rule 8 of Central Excise (Determination of Value Rules) 2000.

This Rule applies if value cannot be determinable as per any of the preceding Rules. As per this Rule the value will be:

- a. 110% of cost of production or manufacture
- b. 110% of cost of acquisition
- c. 110% of cost of provision of services

Application of this Rule has two hurdles:

1. This Rule is a residual Rule and will apply only if any of the preceding rules is not applicable. It would have been preferable if this Rule was available to the taxpayers as an option.
2. Application of this Rule will entail determination of cost. Herein, complications may increase if the Authorities request taxpayer to substantiate the value (say in terms of Cost Accounting Standard 4)

## 5. Residual method for determination of value of supply of goods or services or both

Where the value of supply of goods or services or both cannot be determined under rules 1 to 4, the same shall be determined using reasonable means consistent with the principles and general provisions of section 15 and these rules:

Provided that in case of supply of services, the supplier may opt for this rule, disregarding rule 4.

**Authors comment:** This is a residual Rule wherein the value needs to be determined using reasonable means. This Rule provides an option to supplier of services to opt for this Rule than Rule 4 (as determination of cost of provision of services could be challenging).

## 6. Determination of value in respect of certain supplies

- (1) Notwithstanding anything contained in the Act or in these rules, the value in respect of supplies specified below shall be determined in the manner provided hereinafter.

(2) The value of supply of services in relation to purchase or sale of foreign currency, including money changing, shall be determined by the supplier of service in the following manner: -

- (a) For a currency, when exchanged from, or to, Indian Rupees (INR), the value shall be equal to the difference in the buying rate or the selling rate, as the case may be, and the Reserve Bank of India (RBI) reference rate for that currency at that time, multiplied by the total units of currency:

*Provided* that in case where the RBI reference rate for a currency is not available, the value shall be 1% of the gross amount of Indian Rupees provided or received by the person changing the money:

*Provided* further that in case where neither of the currencies exchanged is Indian Rupee, the value shall be equal to 1% of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupee on that day at the reference rate provided by RBI.

*Provided* also that a person supplying the services may exercise option to ascertain value in terms of clause (b) for a financial year and such option shall not be withdrawn during the remaining part of that financial year.

- (b) At the option of supplier of services, the value in relation to supply of foreign currency, including money changing, shall be deemed to be
- (i) one per cent. of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of two hundred and fifty rupees;
  - (ii) one thousand rupees and half of a per cent. of the gross amount of currency exchanged for an amount exceeding one lakh rupees and up to ten lakh rupees; and

- (iii) five thousand rupees and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding ten lakh rupees, subject to maximum amount of sixty thousand rupees.

Authors comment: This sub-rule prescribes methodology to determine value in case of sale or purchase of foreign currency.

- (3) The value of supply of services in relation to booking of tickets for travel by air provided by an air travel agent, shall be deemed to be an amount calculated at the rate of five percent. of the basic fare in the case of domestic bookings, and at the rate of ten per cent. of the basic fare in the case of international bookings of passage for travel by air.

*Explanation* - For the purposes of this sub-rule, the expression “basic fare” means that part of the air fare on which commission is normally paid to the air travel agent by the airline.

Authors comment: This sub-rule prescribes methodology to determine value in case of sale of tickets by travel agent. The value in such cases will be:

- a. Domestic booking - 5% of basic fare
- b. International booking – 10% of basic fare

- (4) The value of supply of services in relation to life insurance business shall be:
- (a) the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such amount is intimated to the policy holder at the time of supply of service;
  - (b) in case of single premium annuity policies other than (a), ten per cent. of single premium charged from the policy holder; or
  - (c) in all other cases, twenty five per cent. of the premium charged from the policy holder in the first year and twelve and a half per cent. of the premium charged from policy holder in subsequent years:

*Provided* that nothing contained in this sub-rule shall apply where the entire premium paid by the policy holder is only towards the risk cover in life insurance.

Authors comment: This sub-rule prescribes methodology to determine value in case of life insurance. The value in such cases will be:

- a. If amount is intimated to the policy holder – Gross amount minus investment allocated
- b. Single premium annuity policies other than (a) – 10% of premium
- c. All other cases – 25% in first year and 12.50% in subsequent years

(5) Where a taxable supply is provided by a person dealing in buying and selling of second hand goods i.e. used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on purchase of such goods, the value of supply shall be the difference between the selling price and purchase price and where the value of such supply is negative it shall be ignored.

Authors comment: This is a special sub-rule for person buying and selling second hand goods (say used cars, tv, mobiles etc). This sub-rule will certainly be welcomed by all second hand car dealers, mobile dealers, persons dealing in re-furbished goods etc.

Herein, the sub-rule prescribes that the value will be difference between selling and purchase price (and where the value of such supply is negative it shall be ignored) provided credit is not availed by dealer.

(6) The value of a token, or a voucher, or a coupon, or a stamp (other than postage stamp) which is redeemable against a supply of goods or services or both shall be equal to the money value of the goods or services or both redeemable against such token, voucher, coupon, or stamp.

Authors comment: This is a special sub-rule for value of vouchers/ token etc. The value in such case will be equivalent monetary value of supply redeemed against.

(7)The value of taxable services provided by such class of service providers as may be notified by the Government on the recommendations of the Council as referred to in Entry 2 of Schedule I between distinct persons as referred to in section 25, other than those where input tax credit is not available under sub-section (5) of section 17, shall be deemed to be NIL.

Authors comment: This is a special sub-rule empowering Government to notify value of certain taxable services [other than negative list of credits specified in section 17 (5)] as Nil.

## 7. Value of supply of services in case of pure agent

Notwithstanding anything contained in these rules, the expenditure or costs incurred by the supplier as a pure agent of the recipient of supply of services shall be excluded from the value of supply, if all the following conditions are satisfied, namely: -

- (i) the supplier acts as a pure agent of the recipient of the supply, when he makes payment to the third party for the services procured as the contract for supply made by third party is between third party and the recipient of supply;
- (ii) the recipient of supply uses the services so procured by the supplier service provider in his capacity as pure agent of the recipient of supply;
- (iii) the recipient of supply is liable to make payment to the third party;
- (iv) the recipient of supply authorises the supplier to make payment on his behalf;
- (v) the recipient of supply knows that the services for which payment has been made by the supplier shall be provided by the third party;



- (vi) the payment made by the supplier on behalf of the recipient of supply has been separately indicated in the invoice issued by the supplier to the recipient of service;
- (vii) the supplier recovers from the recipient of supply only such amount as has been paid by him to the third party; and
- (viii) the services procured by the supplier from the third party as a pure agent of the recipient of supply are in addition to the supply he provides on his own account.

*Explanation .* - For the **purposes of this rule, "pure agent" means a person** who -

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;
- (b) neither intends to hold nor holds any title to the goods or services or both so procured or provided as pure agent of the recipient of supply;
- (c) does not use for his own interest such goods or services so procured; and
- (d) receives only the actual amount incurred to procure such goods or services.

Illustration. Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to Registrar of the Companies. The fees charged by the Registrar of the companies registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment **of those fees. Therefore, A's recovery of such expenses** is a disbursement and not part of the value of supply made by A to B.

Authors comment: This Rule deals with Pure Agent reimbursements.

Reimbursable expenses, in case qualify as 'pure agent' reimbursements then GST will not be payable on these reimbursements. However, to

qualify as pure agent reimbursements, twelve conditions needs to be satisfied!

#### 8. Rate of exchange of currency, other than Indian rupees, for determination of value

The rate of exchange for determination of value of taxable goods or services or both shall be the applicable reference rate for that currency as determined by the Reserve Bank of India on the date when point of taxation arises in respect of such supply in terms of section 12 or, as the case may be, section 13 of the Act.

Authors comment: This Rule deals with conversion of foreign currency invoices in INR. In such cases, one has to take the reference rate of Reserve Bank of India of that currency on the date of Point of Taxation.

Explanation.- For the purposes of this Chapter, -

- (a) **“open market value” of a supply of goods or services or both means the** full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and price is the sole consideration, to obtain such supply at the same time when the supply being valued is made.
- (b) **“supply of goods or services or both of like kind and quality” means** any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.

\*\*\*\*\*



## II. Input Tax Credit

Authors comment: This Rule deals with availment of credit.

### 1. Documentary requirements and conditions for claiming input tax credit

The input tax credit shall be availed by a registered person, including the Input Service Distributor, on the basis of any of the following documents, namely: -

- (a) an invoice issued by the supplier of goods or services or both in accordance with the provisions of section 31;
- (b) a debit note issued by a supplier in accordance with the provisions of section 34;
- (c) a bill of entry;
- (d) an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31;
- (e) a document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule invoice.7;
- (f) a document issued by an Input Service Distributor, as prescribed in clause (g) of sub-rule (1) of rule 4.

Authors comment: This Rule prescribes list of 6 documents i.e. invoice, debit notes, Bill of Entry, Reverse Charge invoice and ISD invoice basis which credit can be availed. It may be noted that credit cannot be availed on the basis of supplementary invoice as its not specified in the list.

- (2) Input tax credit shall be availed by a registered person only if all the applicable particulars as prescribed in Chapter ---- (*Invoice Rules*) are contained in the said document, and the relevant information, as contained in the said document, is furnished in **FORM GSTR-2** by such person.

Authors comment: This Rule prescribes that input tax credit shall be available only if:

- a. All the applicable particulars as prescribed in Invoice Rules are contained in the said document, and
- b. Relevant information, as contained in the said document, is furnished in FORM GSTR-2 by such person

Thus, invoice should contain all prescribed particulars.

- (3) No input tax credit shall be availed by a registered person in respect of any tax that has been paid in pursuance of any order where any demand has been raised on account of any fraud, willful misstatement or suppression of facts.

Authors comment: This Rule prescribes that credit cannot be claimed in case of any amount in pursuance of any order where any demand has been raised on account of any fraud, suppression etc.

This provision will lead to denial of credits in revenue neutral cases if show cause notice / order is issued alleging fraud (say demand raised, alleging suppression, for GST payable under Reverse Charge Mechanism on import of services).

## 2. Reversal of input tax credit in case of non-payment of consideration

- (1) A registered person, who has availed of input tax credit on any inward supply of goods or services or both, but fails to pay to the supplier thereof the value of such supply along with the tax payable thereon within the time limit specified in the second proviso to sub-section (2) of section 16, shall furnish the details of such supply and the amount of input tax credit availed of in FORM GSTR-2 for the month immediately following the period of one hundred and eighty days from the date of issue of invoice.

- (2) The amount of input tax credit referred to in sub-rule (1) shall be added to the output tax liability of the registered person for the month in which the details are furnished.
- (3) The registered person shall be liable to pay interest at the rate notified under sub-section (1) of section 50 for the period starting from the date of availing credit on such supplies till the date when the amount added to the output tax liability, as mentioned in sub-rule (2), is paid.

Authors comment: In accordance with second proviso to section 16 (2), this Rule prescribes for reversal of credit if the vendor is not paid within 180 days. If payment to vendor is not made within 180 days then the input tax credit will be required to be reversed and availed again on payment to vendor.

Further, interest will be payable in such cases and the interest paid will be cost!

### 3. Claim of credit by a banking company or a financial institution

A banking company or a financial institution, including a non-banking financial company, engaged in supply of services by way of accepting deposits or extending loans or advances that chooses not to comply with the provisions of sub-section (2) of section 17, in accordance with the option permitted under sub-section (4) of that section, shall follow the procedure specified below -

- (a) the said company or institution shall not avail the credit of tax paid on inputs and input services that are used for non-business purposes and the credit attributable to supplies specified in sub-section (5) of section 17, in **FORM GSTR-2**;

- (b) the said company or institution shall avail the credit of tax paid on inputs and input services referred to in the second proviso to sub-section (4) of section 16 and not covered under clause (a);
- (c) fifty per cent. of the remaining input tax shall be the input tax credit admissible to the company or the institution and shall be furnished in **FORM GSTR-2**;
- (d) the amount referred to in clauses (b) and (c) shall, subject to the provisions of sections 41, 42 and 43, be credited to the electronic credit ledger of the said company or the institution.

Authors comment: Section 17 (4) gives an option to banks, NBFC etc. for availment of 50% credit and this Rule prescribes various conditions for availment this option.

#### 4. Procedure for distribution of input tax credit by Input Service Distributor

- (1) An Input Service Distributor shall distribute input tax credit in the manner and subject to the conditions specified below-
  - (a) the input tax credit available for distribution in a month shall be distributed in the same month and the details thereof shall be furnished in **FORM GSTR-6** in accordance with the provisions of Chapter ---- (*Return Rules*);
  - (b) the Input Service Distributor shall, in accordance with the provisions of clause (d), separately distribute the amount in-eligible as input tax credit under the provisions of sub-section (5) of section 17 and the amount eligible as input tax credit;

- (c) the input tax credit on account of central tax, State tax, Union territory tax and integrated tax shall be distributed separately in accordance with the provisions of clause (d);
- (d) the input tax credit that is required to be distributed in accordance with the provisions of clause (d) and (e) of sub-section (2) of section 20 to one of the recipients ' $R_1$ ', whether registered or not, from amongst the total of all the recipients to whom input tax credit is attributable, including the recipient(s) who are engaged in making exempt supply, or are otherwise not registered for any reason, shall **be the amount, " $C_1$ ", to be calculated by applying the following formula: -**

$$C_1 = (t_1 \div T) \times C$$

where,

**"C" is the amount of credit to be distributed,**

**" $t_1$ " is the turnover,** as referred to in section 20, of person  $R_1$  during the relevant period, and

**"T" is the aggregate of the turnover of all recipients during the relevant period;**

- (e) the input tax credit on account of integrated tax shall be distributed as input tax credit of integrated tax to every recipient;
- (f) the input tax credit on account of central tax and State tax shall,
- (i) in respect of a recipient located in the same State in which the Input Service Distributor is located, be distributed as input tax credit of central tax and State tax respectively;
- (ii) in respect of a recipient located in a State other than that of the Input Service Distributor, be distributed as integrated tax



and the amount to be so distributed shall be equal to the aggregate of the amount of input tax credit of central tax and State tax that qualifies for distribution to such recipient in accordance with clause (d);

- (g) The Input Service Distributor shall issue an ISD invoice, as prescribed in sub-rule (1) of rule invoice-7, clearly indicating in such invoice that it is issued only for distribution of input tax credit.
- (h) The Input Service Distributor shall issue an ISD credit note, as prescribed in sub-rule (1) of rule Invoice-7, for reduction of credit in case the input tax credit already distributed gets reduced for any reason.
- (i) Any additional amount of input tax credit on account of issuance of a debit note to an Input Service Distributor by the supplier shall be distributed in the manner and subject to the conditions specified in clauses (a) to (g) and the amount attributable to any recipient shall be calculated in the manner provided in clause (d) above and such credit shall be distributed in the month in which the debit note has been included in the return in [FORM GSTR-6](#).
- (j) Any input tax credit required to be reduced on account of issuance of a credit note to the Input Service Distributor by the supplier shall be apportioned to each recipient in the same ratio in which input tax credit contained in the original invoice was distributed in terms of clause (d) above, and the amount so apportioned shall be,-
  - (i) reduced from the amount to be distributed in the month in which the credit note is included in the return in [FORM GSTR-6](#); and

- (ii) added to the output tax liability of the recipient and where the amount so apportioned is in the negative by virtue of the amount of credit to be distributed is less than the amount to be adjusted.
- (2) If the amount of input tax credit distributed by an Input Service Distributor is reduced later on for any other reason for any of the recipients, including that it was distributed to a wrong recipient by the Input Service Distributor, the process prescribed in clause (j) of sub-rule (1) shall, *mutatis mutandis* apply for reduction of credit.
- (3) Subject to sub-rule (2), the Input Service Distributor shall, on the basis of the ISD credit note specified in clause (h) of sub-rule (1), issue an ISD Invoice to the recipient entitled to such credit and include the ISD credit note and the ISD Invoice in the return in **FORM GSTR-6** for the month in which such credit note and invoice was issued.

Authors comment: This Rule prescribes various conditions credit distribution by ISD.

## 5. Manner of claiming credit in special circumstances

- (1) Input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs lying in stock or inputs contained in semi-finished or finished goods lying in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions -
  - (a) The input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the

tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of invoice or such other documents on which the capital goods were received by the taxable person.

- (b) The registered person shall within thirty days from the date of his becoming eligible to avail of input tax credit under sub-section (1) of section 18 shall make a declaration, electronically, on the Common Portal in **FORM GST ITC-01** to the effect that he is eligible to avail of input tax credit as aforesaid;
- (c) The declaration under clause (b) shall clearly specify the details relating to the inputs lying in stock or inputs contained in semi-finished or finished goods lying in stock, or as the case may be, capital goods—
  - (i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act, in the case of a claim under clause (a) of subsection (1) of Section 18,
  - (ii) on the day immediately preceding the date of grant of registration, in the case of a claim under clause (b) of subsection (1) of Section 18,
  - (iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of sub-section (1) of Section 18,
  - (iv) on the day immediately preceding the date from which supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of subsection (1) of Section 18.
- (d) The details furnished in the declaration under clause (c) shall be duly certified by a practicing chartered account or cost accountant if the aggregate value of claim on account of central tax, State tax and integrated tax exceeds two lakh rupees.

- (e) The input tax credit claimed in accordance with clauses (c) and (d) of sub-section (1) of section 18 shall be verified with the corresponding details furnished by the corresponding supplier in [FORM GSTR-1](#) or as the case may be, in [FORM GSTR- 4](#), on the Common Portal.

Authors comment: This Rule prescribes various conditions for claiming credits in special scenarios.

#### 6. Transfer of credit on sale, merger, amalgamation, lease or transfer of a business

- (1) A registered person shall, on sale, merger, de-merger, amalgamation, lease or transfer or change in ownership of business for any reason, furnish the details of sale, merger, de-merger, amalgamation, lease or transfer of business, in [FORM GST ITC-02](#) electronically on the Common Portal along with a request to transfer the unutilized input tax credit lying in his electronic credit ledger to the transferee:

Provided that in the case of demerger, the input tax credit shall be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.

- (2) The transferor shall also submit a copy of a certificate issued by a practicing chartered account or cost accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for transfer of liabilities.
- (3) The transferee shall, on the Common Portal, accept the details so furnished by the transferor and, upon such acceptance, the un-utilized

credit specified in [FORM GST ITC-02](#) shall be credited to his electronic credit ledger.

- (4) The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of account.

Authors comment: This Rule is similar to Rule 10 of CENVAT Credit Rules, 2004.

This Rule prescribes various conditions for claiming credits in case of:

- a. Sale
- b. Merger
- c. De-merger
- d. Amalgamation
- e. Lease
- f. Transfer or change in ownership of business

In this regard, five conditions are prescribed claiming of credit:

- a. Furnish the details and request, electronically, for transfer of credit
- b. In case of de-merger, credit should be apportioned
- c. Submit copy of certificate issued by CA/ CMA
- d. Transferee should accept the details furnished by transferor
- e. Inputs and capital goods are duly accounted for in books of account of transferee

## 7. Manner of determination of input tax credit in certain cases and reversal thereof

- (1) The input tax credit in respect of inputs or input services, which attract the provisions of sub-sections (1) or (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for

effecting exempted supplies, shall be attributed to the purposes of business or for effecting taxable supplies in the following manner, namely, -

- (a) total input tax involved on inputs and input services in a tax period, **be denoted as 'T'**;
- (b) **the amount of input tax, out of 'T', attributable to inputs and input services intended to be used exclusively for purposes other than business, be denoted as 'T<sub>1</sub>'**;
- (c) **the amount of input tax, out of 'T', attributable to inputs and input services intended to be used exclusively for effecting exempt supplies, be denoted as 'T<sub>2</sub>'**;
- (d) **the amount of input tax, out of 'T', in respect of inputs on which credit is not available under sub-section (5) of section 17, be denoted as 'T<sub>3</sub>'**;
- (e) the amount of input tax credit credited to the electronic credit ledger of registered person, be denoted as 'C<sub>1</sub>' and calculated as:

$$C_1 = T - (T_1 + T_2 + T_3);$$

- (f) the amount of input tax credit attributable to inputs and input services used exclusively in or in relation to taxable supplies including zero rated supplies, be denoted as 'T<sub>4</sub>';
- (g) 'T<sub>1</sub>', 'T<sub>2</sub>', 'T<sub>3</sub>' and 'T<sub>4</sub>' shall be determined and declared by the registered person at the invoice level in **FORM GSTR-2**;

- (h) Input tax credit left after attribution of input tax credit under clause (g) shall be called common credit, be denoted as 'C2' and calculated as:

$$C_2 = C_1 - T_4;$$

- (i) The amount of input tax credit attributable towards exempt supplies, be denoted as 'D1' and calculated as:

$$D_1 = (E \div F) \times C_2$$

where,

'E' is the aggregate value of exempt supplies, that is, all supplies other than taxable and zero rated supplies, during the tax period, and

'F' is the total turnover of the registered person during the tax period:

Provided that where the registered person does not have any turnover during the said tax period or the aforesaid information is not available, the value of 'E/F' shall be calculated by taking values of 'E' and 'F' of the last tax period for which details of such turnover are available, previous to the month during which the said value of 'E/F' is to be calculated;

*Explanation:* For the purposes of this clause, the aggregate value of exempt supplies and total turnover shall exclude the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule.

- (j) the amount of credit attributable to non-business purposes if common inputs and input services are used partly for business and partly for non-business purposes, be denoted as 'D2', and shall be equal to five per cent. of C2; and

(k) the remainder of the common credit shall be the eligible input tax credit attributed to the purposes of business and for effecting taxable supplies including zero rated supplies and shall **be denoted as 'C3', where,-**

$$C_3 = C_2 - (D_1 + D_2);$$

(l) **The amount 'C<sub>3</sub>' shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax;**

(m) **The amount equal to 'D<sub>1</sub>' and 'D<sub>2</sub>' shall be added to the output tax liability of the registered person:**

Provided that if the amount of input tax relating to inputs or input services which have been used partly for purposes other than business and partly for effecting exempt supplies has been identified and segregated at invoice level **by the registered person, the same shall be included in 'T<sub>1</sub>' and 'T<sub>2</sub>' respectively, and the remaining amount of credit on such input or input services shall be included in 'T<sub>4</sub>'.**

(2) The input tax credit determined under sub-rule (1) shall be calculated finally for the financial year before the due date for filing the return for the month of September following the end of the financial year to which such credit relates, in the manner prescribed in the said sub-rule and,

(a) **where the aggregate of the amounts calculated finally in respect of 'D<sub>1</sub>' and 'D<sub>2</sub>' exceeds the aggregate of the amounts determined under sub-rule (1) in respect of 'D<sub>1</sub>' and 'D<sub>2</sub>', such excess shall be added to the output tax liability of the registered person for a month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay interest on the said excess amount at the rate specified in sub-section (1) of section 50**



for the period starting from first day of April of the succeeding financial year till the date of payment; or

- (b) where the aggregate of the amounts determined under sub-rule (1) in **respect of 'D<sub>1</sub>' and 'D<sub>2</sub>' exceeds the aggregate** of the amounts calculated **finally in respect of 'D<sub>1</sub>' and 'D<sub>2</sub>', such excess amount shall be claimed** as credit by the registered person in his return for a month not later than the month of September following the end of the financial year to which such credit relates.

Authors comment: This Rule is similar to Rule 6 of CENVAT credit Rules, 2004.

This Rule prescribes for apportionment of credit on inputs and input services (for Capital goods – refer Rule 8) in various scenarios such as:

- a. Partly used for the purposes of business and partly for other purposes, or
- b. Partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempted supplies

The apportionment is required to be done on the basis of previous years turnover. The Rule also provides for segregation of credit, at invoice level itself.

Finally, on actual basis for the financial year, reversal should be done, before the due date for filing the return for the month of September following the end of the financial year to which such credit relates.

However, interest will be payable if finally it is determined that the credit availed was more. Herein, short availment will not entitle taxpayer to claim credit from Government!

## 8. Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases

(1) Subject to the provisions of sub-section (3) of section 16, the input tax credit in respect of capital goods, which attract the provisions of sub-sections (1) and (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, shall be attributed to the purposes of business or for effecting taxable supplies in the following manner, namely, -

- (a) the amount of input tax in respect of capital goods used or intended to be used exclusively for non-business purposes or used or intended to be used exclusively for effecting exempt supplies shall be indicated in **FORM GSTR-2** and shall not be credited to his electronic credit ledger;
- (b) the amount of input tax in respect of capital goods used or intended to be used exclusively for effecting taxable supplies including zero-rated supplies shall be indicated in **FORM GSTR-2** and shall be credited to the electronic credit ledger;
- (c) the amount of input tax in respect of capital goods not covered under **clauses (a) and (b), denoted as 'A', shall be credited to the electronic credit ledger** and the useful life of such goods shall be taken as five years:

Provided that where any capital goods earlier covered under clause (a) **is subsequently covered under this clause, the value of 'A' shall be arrived** at by reducing the input tax at the rate of five percentage points for every quarter or part **thereof and the amount 'A' shall be credited to the** electronic credit ledger;

- (d) **the aggregate of the amounts of 'A' credited to the electronic credit ledger under clause (c), to be denoted as 'T<sub>c</sub>', shall be the common** credit in respect of capital goods for a tax period:

Provided that where any capital goods earlier covered under clause (b) **is subsequently covered under this clause, the value of 'A' arrived at by reducing the input tax at the rate of five percentage points for every quarter or part thereof shall be added to the aggregate value 'Tc';**

(e) the amount of input tax credit attributable to a tax period on common **capital goods during their residual life, be denoted as 'T<sub>m</sub>' and calculated as: -**

$$T_m = T_c \div 60$$

(f) the amount of input tax credit, at the beginning of a tax period, on all common capital goods whose residual life remains during the tax **period, be denoted as 'T<sub>r</sub>' and shall be the aggregate of 'T<sub>m</sub>' for all such capital goods.**

(g) the amount of common credit attributable towards exempted supplies, be denoted **as 'T<sub>e</sub>', and calculated as:**

$$T_e = (E \div F) \times T_r$$

where,

**'E' is the aggregate value** of exempt supplies, that is, all supplies other than taxable and zero rated supplies, during the tax period, and

**'F' is the total turnover of the registered person during** the tax period:

Provided that where the registered person does not have any turnover during the said tax period or the aforesaid information is not available, the value of **'E/F' calculated by taking values of 'E' and 'F' of the last tax period for which details of such turnover are available, previous to the month during which the said value of 'E/F' is to calculated;**

*Explanation:* For the purposes of this clause, the aggregate value of exempt supplies and total turnover shall exclude the amount of any duty or tax levied

under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule;

- (h) the amount  $T_e$  along with applicable interest shall, during every tax period of the residual life of the concerned capital goods, be added to the output tax liability of the person making such claim of credit.

(2) The amount  $T_e$  shall be computed separately for central tax, State tax, Union territory tax and integrated tax.

Authors comment: This Rule prescribes for apportionment of credit on capital goods in various scenarios such as:

- a. Partly used for the purposes of business and partly for other purposes, or
- b. Partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempted supplies

Credit cannot be claimed on capital goods used exclusively for effecting exempt supplies whereas credit can be claimed on capital goods used exclusively for effecting taxable including zero rated supplies.

Useful life of capital goods is assumed 5 years and 5% are proposed for

## 9. Manner of reversal of credit under special circumstances

(1) The amount of input tax credit, relating to inputs lying in stock, inputs contained in semifinished and finished goods lying in stock, and capital goods lying in stock, for the purposes of sub-section (4) of section 18 or sub-section (5) of 29, shall be determined in the following manner namely, -

- (a) For inputs lying in stock, and inputs contained in semi-finished and finished goods lying in stock, the input tax credit shall be calculated proportionately on the basis of corresponding invoices on which credit had been availed by the registered taxable person on such input.
- (b) For capital goods lying in stock the input tax credit involved in the remaining residual life in months shall be computed on pro-rata basis, taking the residual life as five years;

*Illustration*

*Capital goods have been in use for 4 years, 6 month and 15 days.*

*The residual remaining life in months= 5 months ignoring a part of the month*

*Input tax credit taken on such capital goods=C*

*Input tax credit attributable to remaining residual life=C multiplied by 5/60*

- (2) The amount, as prescribed in sub-rule (1) shall be determined separately for input tax credit of IGST and CGST.
- (3) Where the tax invoices related to the inputs lying in stock are not available, the registered person shall estimate the amount under sub-rule (1) based on the prevailing market price of goods on the effective date of occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29.
- (4) The amount determined under sub-rule (1) shall form part of the output tax liability of the registered person and the details of the amount shall be furnished in **FORM GST ITC-03**, where such amount relates to any

event specified in sub-section (4) of section 18 and in **FORM GSTR-10**, where such amount relates to cancellation of registration.

**Authors comment: This Rule provides for conditions in special scenario.**

## 10. Conditions and restriction in respect of inputs and capital goods sent to the job worker

- (1) The inputs or capital goods shall be sent to the job worker under the cover of a challan issued by the principal, including where the inputs or capital goods are sent directly to jobworker.
- (2) The challan issued by the principal to the job worker shall contain the details specified in rule Invoice.8:
- (3) The details of challans in respect of goods dispatched to a job worker or received from a job worker during a tax period shall be included in **FORM GSTR-1** furnished for that period.
- (4) If the inputs or capital goods are not returned to the principal within the time stipulated in section 143, the challan issued under sub-rule (1) shall be deemed to be an invoice for the purposes of this Act.

**Authors comment: This Rule provides conditions and restriction in respect of inputs and capital goods sent to job worker.**

### Explanations

For the purposes of this Chapter, -

- (1) **“capital goods” shall include “plant and machinery” as defined in the Explanation to section 17;**
- (2) for determining the value of an exempt supply as referred to in sub-section (3) of section 17: -
  - (a) the value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and

(b) the value of security shall be taken as one per cent. of the sale value of such security.

Authors comment: As per Explanation provided:

- (a) Value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and
- (b) Value of security shall be taken as one per cent. of the sale value of such security

\* \* \* \* \*

### III. TAX INVOICE, CREDIT AND DEBIT NOTES

#### 1. Tax invoice

Subject to rule 7, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars: -

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and **slash symbolised as "-" and "/" respectively, and any combination thereof**, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered and where the value of taxable supply is fifty thousand rupees or more;
- (f) HSN code of goods or Accounting Code of services;
- (g) description of goods or services;
- (h) quantity in case of goods and unit or Unique Quantity Code thereof;
- (i) total value of supply of goods or services or both;
- (j) taxable value of supply of goods or services or both taking into account discount or abatement, if any;
- (k) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (l) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (m) place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
- (n) address of delivery where the same is different from the place of supply;
- (o) whether the tax is payable on reverse charge basis; and



(p) signature or digital signature of the supplier or his authorized representative:

Provided that the Commissioner may, on the recommendations of the Council, by notification, specify -

- (i) the number of digits of HSN code for goods or the Accounting Code for services, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and
- (ii) the class of registered persons that would not be required to mention the HSN code for goods or the Accounting Code for services, for such period as may be specified in the said notification:

Provided further that in case of exports of goods or services, the invoice shall carry an endorsement

**“SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST” or “SUPPLY MEANT FOR EXPORT UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF IGST”, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details:**

- (i) name and address of the recipient;
- (ii) address of delivery;
- (iii) name of the country of destination; and
- (iv) number and date of application for removal of goods for export:

Provided also that a registered person may not issue a tax invoice in accordance with the provisions of clause

(b) of sub-section (3) of section 31 subject to the following conditions, namely: -

- (a) the recipient is not a registered person; and
- (b) the recipient does not require such invoice, and shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

## 2. Time limit for issuing tax invoice

The invoice referred to in rule 1, in case of taxable supply of services, shall be issued within a period of thirty days from the date of supply of service:

Provided that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, the period within which the invoice or any document in lieu thereof is to be issued shall be forty five days from the date of supply of service:

Provided further that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, making taxable supplies of services between distinct persons as specified in section 25 as referred to in Entry 2 of Schedule I, may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.

Manner of issuing invoice

- (1) The invoice shall be prepared in triplicate, in case of supply of goods, in the following manner: –
  - (a) the original copy being marked as ORIGINAL FOR RECIPIENT;
  - (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and (c) the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
- (2) The invoice shall be prepared in duplicate, in case of supply of services, in the following manner: -
  - (a) the original copy being marked as ORIGINAL FOR RECIPIENT; and
  - (b) the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
- (3) The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in FORM GSTR-1.

### 3. Bill of supply

A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details: -

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and **slash symbolised as "-" and "/"respectively, and any combination thereof, unique for a financial year;**
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) HSN Code of goods or Accounting Code for services;
- (f) description of goods or services or both;
- (g) value of supply of goods or services or both taking into account discount or abatement, if any; and
- (h) signature or digital signature of the supplier or his authorized representative:

Provided that the provisos to rule 1 shall., mutatis mutandis, apply to the bill of supply issued under this rule.

### 4. Receipt voucher

A receipt voucher referred to in clause (d) of sub-section (3) of section 31 shall contain the following particulars:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number containing alphabets or numerals or special characters -hyphen or dash and **slash symbolised as "-" and "/"respectively, and any combination thereof, unique for a financial year**
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) description of goods or services;
- (f) amount of advance taken;
- (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);

- (h) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;
- (j) whether the tax is payable on reverse charge basis; and
- (k) signature or digital signature of the supplier or his authorized representative.

## 5. Supplementary tax invoice and Credit or debit notes

(1) A revised tax invoice referred to in section 31 and credit or debit note referred to in section 34 shall contain the following particulars -

- (a) **the word "Revised Invoice", wherever applicable, indicated prominently;**
- (b) name, address and GSTIN of the supplier;
- (c) nature of the document;
- (d) a consecutive serial number containing alphabets or numerals or special characters **-hyphen or dash and slash symbolised as "-" and "/"respectively,, and any combination thereof, unique for a financial year;**
- (e) date of issue of the document;
- (f) name, address and GSTIN or UIN, if registered, of the recipient;
- (g) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- (h) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
- (i) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
- (j) signature or digital signature of the supplier or his authorized representative:

(2) Every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to

him, may issue revised tax invoices in respect of taxable supplies effected during the period starting from the effective date of registration till the date of issuance of certificate of registration:

Provided that the registered person may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered under the Act during such period:

Provided further that in case of inter-State supplies, where the value of a supply does not exceed two lakh and fifty thousand rupees, a consolidated revised invoice may be issued separately in respect of all recipients located in a State, who are not registered under the Act.

- (3) Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or section 129 or section 130 shall prominently contain the words **"INPUT TAX CREDIT NOT ADMISSIBLE"**.

## 6. Tax Invoice in special cases

(1) An ISD invoice or, as the case may be, an ISD credit note issued by an Input Service Distributor shall contain the following details: -

- (a) name, address and GSTIN of the Input Service Distributor;
- (b) a consecutive serial number containing alphabets or numerals or **special characters hyphen or dash and slash symbolised as , "-"," /", respectively, and any combination thereof, unique for a financial year;**
- (c) date of its issue;
- (d) name, address and GSTIN of the recipient to whom the credit is distributed;
- (e) amount of the credit distributed; and

- (f) signature or digital signature of the Input Service Distributor or his authorized representative:

Provided that where the Input Service Distributor is an office of a banking company or a financial institution, including a non-banking financial company, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as prescribed above.

- (2) Where the supplier of taxable service is an insurer or a banking company or a financial institution, including a non-banking financial company, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under rule 1.
- (3) Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the gross weight of the consignment, name of the consignor and the consignee, registration number of goods carriage in which the goods are transported, details of goods transported, details of place of origin and destination, GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency, and also containing other information as prescribed under rule 1.
- (4) Where the supplier of taxable service is supplying passenger transportation service, a tax invoice shall include ticket in any form, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as prescribed under rule 1.

## 7. Transportation of goods without issue of invoice

- (1) For the purposes of
  - (a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
  - (b) transportation of goods for job work,
  - (c) transportation of goods for reasons other than by way of supply, or
  - (d) such other supplies as may be notified by the Board,the consigner may issue a delivery challan, serially numbered, in lieu of invoice at the time of removal of goods for transportation, containing following details:
  - (i) date and number of the delivery challan,
  - (ii) name, address and GSTIN of the consigner, if registered,
  - (iii) name, address and GSTIN or UIN of the consignee, if registered,
  - (iv) HSN code and description of goods,
  - (v) quantity (provisional, where the exact quantity being supplied is not known),
  - (vi) taxable value,
  - (vii) tax rate and tax amount – central tax, State tax, integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee, (viii) place of supply, in case of inter-State movement, and (ix) signature.
- (2) The delivery challan shall be prepared in triplicate, in case of supply of goods, in the following manner: –
  - (a) the original copy being marked as ORIGINAL FOR CONSIGNEE;
  - (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
  - (c) the triplicate copy being marked as TRIPLICATE FOR CONSIGNER.
- (3) Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in FORM [WAYBILL].

- (4) Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.
- (5) Where the goods are being transported in a semi knocked down or completely knocked down condition,
- (a) the supplier shall issue the complete invoice before dispatch of the first consignment;
  - (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
  - (c) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
  - (d) the original copy of the invoice shall be sent along with the last consignment.

\* \* \* \* \*



## IV. PAYMENT OF TAX

### 1. Electronic Tax Liability Register

- (1) The electronic tax liability register specified under sub-section (7) of section 49 shall be maintained in **FORM GST PMT-01** for each person liable to pay tax, interest, penalty, late fee or any other amount on the Common Portal and all amounts payable by him shall be debited to the said register.
- (2) The electronic tax liability register of the person shall be debited by: -
  - (a) the amount payable towards tax, interest, late fee or any other amount payable as per the return furnished by the said person;
  - (b) the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by the said person;
  - (c) the amount of tax and interest payable as a result of mismatch under section 42 or section 43 or section 50; or
  - (d) any amount of interest that may accrue from time to time.
- (3) Subject to the provisions of section 49, payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger maintained as per rule 2 or the electronic cash ledger maintained as per rule 3 and the electronic tax liability register shall be credited accordingly.
- (4) The amount deducted under section 51, or the amount collected under section 52, or the amount payable under sub-section (3) or sub-section (4) of section 9, or the amount payable under section 10, or sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Act or sub-section (3) or sub-section (4) of section 7 of the Union Territory Goods and Services Tax Act any amount payable towards

interest, penalty, fee or any other amount under the Act or the Integrated Goods and Services Act shall be paid by debiting the electronic cash ledger maintained as per rule 3 and the electronic tax liability register shall be credited accordingly.

- (5) Any amount of demand debited in the electronic tax liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.
- (6) The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic tax liability register shall be credited accordingly.

## 2. Electronic Credit Ledger

- (1) The electronic credit ledger shall be maintained in [FORM GST PMT-02](#) for each registered person eligible for input tax credit under the Act on the Common Portal and every claim of input tax credit under the Act shall be credited to the said Ledger.
- (2) The electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with section 49.
- (3) Where a registered person has claimed refund of any unutilized amount from the electronic credit ledger in accordance with the provisions of section 54, the amount to the extent of the claim shall be debited in the said ledger.
- (4) If the refund so filed is rejected, either fully or partly, the amount debited under subrule (3), to the extent of rejection, shall be re-credited

to the electronic credit ledger by the proper officer by an order made in [FORM GST PMT-03](#).

- (5) Save as provided in these rules, no entry shall be made directly in the electronic credit ledger under any circumstance.
- (6) A registered person shall, upon noticing any discrepancy in his electronic credit ledger, communicate the same to the officer exercising jurisdiction in the matter, through the Common Portal in [FORM GST PMT-04](#).

*Explanation.*– For the purpose of this rule, a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

### 3. Electronic Cash Ledger

- (1) The electronic cash ledger under sub-section (1) of section 49 shall be maintained in [FORM GST PMT-05](#) for each person, liable to pay tax, interest, penalty, late fee or any other amount, on the Common Portal for crediting the amount deposited and debiting the payment therefrom towards tax, interest, penalty, fee or any other amount.
- (2) Any person, or a person on his behalf, shall generate a challan in [FORM GST PMT06](#) on the Common Portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount.
- (3) The deposit under sub-rule (2) shall be made through any of the following modes:
  - (i) Internet Banking through authorized banks;
  - (ii) Credit card or Debit card through the authorised bank;

- (iii) National Electronic Fund Transfer (NeFT) or Real Time Gross Settlement (RTGS) from any bank;
- (iv) Over the Counter payment (OTC) through authorized banks for deposits up to ten thousand rupees per challan per tax period, by cash, cheque or demand draft:

Provided that the restriction for deposit up to ten thousand rupees per challan in case of an Over the Counter (OTC) payment shall not apply to deposit to be made by –

- (a) Government Departments or any other deposit to be made by persons as may be notified by the Commissioner in this behalf;
- (b) Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
- (c) Proper officer or any other officer authorized for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any *ad hoc* deposit:

Provided further that the challan in [FORM GST PMT-06](#) generated at the Common Portal shall be valid for a period of fifteen days.

*Explanation.* – For making payment of any amount indicated in the challan, the commission, if any, payable in respect of such payment shall be borne by the person making such payment.

- (4) Any payment required to be made by a person who is not registered under the Act, shall be made on the basis of a temporary identification number generated through the Common Portal.
- (5) Where the payment is made by way of NeFT or RTGS mode from any bank, the mandate form shall be generated along with the challan on the Common

Portal and the same shall be submitted to the bank from where the payment is to be made:

Provided that the mandate form shall be valid for a period of fifteen days from the date of generation of challan.

- (6) On successful credit of the amount to the concerned government account maintained in the authorised bank, a Challan Identification Number (CIN) will be generated by the collecting Bank and the same shall be indicated in the challan.
- (7) On receipt of CIN from the authorized Bank, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made and the Common Portal shall make available a receipt to this effect.
- (8) Where the bank account of the person concerned, or the person making the deposit on his behalf, is debited but no Challan Identification Number (CIN) is generated or generated but not communicated to the Common Portal, the said person may represent electronically in [FORM GST PMT-07](#) through the Common Portal to the Bank or electronic gateway through which the deposit was initiated.
- (9) Any amount deducted under section 51 or collected under section 52 and claimed in [FORM GSTR-02](#) by the registered taxable person from whom the said amount was deducted or, as the case may be, collected shall be credited to his electronic cash ledger in accordance with the provisions of rule 2. Return.
- (10) Where a person has claimed refund of any amount from the electronic cash ledger, the said amount shall be debited to the electronic cash ledger.

- (11) If the refund so claimed is rejected, either fully or partly, the amount debited under subrule (10), to the extent of rejection, shall be credited to the electronic cash ledger by the proper officer by an order made in **FORM GST PMT-03**.

*Explanation.*- For the purposes of this rule, a refund shall be deemed to be rejected if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

#### 4. Identification number for each transaction

- (1) A unique identification number shall be generated at the Common Portal for each debit or credit to the electronic cash or credit ledger, as the case may be.
- (2) The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic tax liability register.
- (3) A unique identification number shall be generated at the Common Portal for each credit in the electronic tax liability register for reasons other than those covered under sub-rule (2).

\*\*\*\*\*

## V. REFUND

### 1. Application for refund of tax, interest, penalty, fees or any other amount

(1) Any person, except the persons covered by notification issued under section 55, claiming refund of any tax, interest, penalty, fees or any other amount paid by him, may file an application in **FORM GST RFD-01** electronically through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that any claim for refund relating to balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 may also be made through the return furnished for the relevant tax period in **FORM GSTR-3**, **FORM GSTR-4** or **FORM GSTR-7**, as the case may be:

Provided further that in case of export of goods, application for refund shall be filed only after the export manifest or an export report, as the case may be, is delivered under section 41 of the Customs Act, 1962 in respect of such goods:

Provided also that in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the application for refund shall be filed by the supplier of goods after such goods have been admitted in full in the Special Economic Zone for authorized operations, as endorsed by the specified officer of the Zone:

Provided also that in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the application for refund shall be filed by the supplier of services along with such evidence regarding receipt of services for authorized operations as endorsed by the specified officer of the Zone:

Provided also that in respect of supplies regarded as deemed exports, the application shall be filed by the recipient of deemed export supplies:

Provided also that refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him under section 27 at the time of registration, shall be claimed either in the last return required to be furnished by him or only after furnishing of the said last return.

(2) The application under sub-rule (1) shall be accompanied by any of the following documentary evidences, as applicable, to establish that a refund is due to the applicant:

- (a) the reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund or reference number of the payment of the amount specified in sub-section (6) of section 107 and sub-section (8) of section 112 claimed as refund;
- (b) a statement containing the number and date of shipping bills or bills of export and the number and date of relevant export invoices, in a case where the refund is on account of export of goods;
- (c) a statement containing the number and date of invoices and the relevant Bank Realization Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of export of services;
- (d) a statement containing the number and date of invoices as prescribed in rule Invoice.1 along with the evidence regarding endorsement specified in the third proviso to sub-rule (1) in case of supply of goods made to a Special Economic Zone unit or a Special Economic Zone developer;
- (e) a statement containing the number and date of invoices, the evidence regarding endorsement specified in the fourth proviso to sub-rule (1) and the details of payment, along with proof thereof, made by the recipient to the supplier for authorized operations as



defined under the Special Economic Zone Act, 2005, in a case where the refund is on account of supply of services made to a Special Economic Zone unit or a Special Economic Zone developer:

- (f) a statement containing the number and date of invoices along with such other evidence as may be notified in this behalf, in a case where the refund is on account of deemed exports;
- (g) a statement in Annex 1 of **FORM GST RFD-01** containing the number and date of invoices received and issued during a tax period in a case where the claim pertains to refund of any unutilized input tax credit under sub-section (3) of section 54 where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies, other than nilrated or fully exempt supplies;
- (h) the reference number of the final assessment order and a copy of the said order in a case where the refund arises on account of finalisation of provisional assessment;
- (i) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees:

Provided that a declaration is not required to be furnished in respect of cases covered under clause (a) or clause (b) or clause (c) or clause (d) of sub-section (8) of section 54;

- (j) a Certificate in Annex 2 of **FORM GST RFD-01** issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

Provided that a certificate is not required to be furnished in respect of cases covered under clause

(a) or clause (b) or clause (c) or clause (d) of sub-section (8) of section 54;

*Explanation.* – For the purposes of this rule,

- (i) in case of refunds referred to in clause (c) of sub-section (8) of **section 54, "invoice" means invoice conforming to the provisions** contained in section 31 ;
  - (ii) where the amount of tax has been recovered from the recipient, it shall be deemed that the incidence of tax has been passed on to the ultimate consumer.
- (3) Where the application relates to refund of input tax credit, the electronic credit ledger shall be debited by the applicant in an amount equal to the refund so claimed.
- (4) In case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, refund of input tax credit shall be granted as per the following formula:

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x

$$\text{Net ITC} \div \text{Adjusted Total Turnover}$$

Where, -

- (A) "Refund amount" means the maximum refund that is admissible;
- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period;
- (C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;
- (D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely: -

Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;

(E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under subsection (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;

(F) "Relevant period" means the period for which the claim has been filed.

## 2. Acknowledgement

- (1) Where the application relates to a claim for refund from the electronic cash ledger, an acknowledgement in [FORM GST RFD-02](#) shall be made available to the applicant through the Common Portal electronically, clearly indicating the date of filing of the claim for refund.
- (2) The application for refund, other than claim for refund from electronic cash ledger, shall be forwarded to the proper officer who shall, within fifteen days of filing of the said application, scrutinize the application for its completeness and where the application is found to be complete in terms of sub-rule (2), (3) and (4) of rule 1, an acknowledgement in [FORM GST RFD-02](#) shall be made available to the applicant through the Common Portal electronically, clearly indicating the date of filing of the claim for refund.
- (3) Where any deficiencies are noticed, the proper officer shall communicate the deficiencies to the applicant in [FORM GST RFD-03](#) through the Common Portal electronically, requiring him to file a refund application after rectification of such deficiencies.
- (4) Where deficiencies have been communicated in [FORM GST RFD-03](#) under the GST Rules of the State, the same shall also deemed to have been

communicated under this Rule along with deficiencies communicated under sub-rule (3).

[CGST Rules]

- (4) Where deficiencies have been communicated in [FORM GST RFD-03](#) under the CGST Rules, the same shall also deemed to have been communicated under this Rule along with deficiencies communicated under sub-rule (3).

[SGST Rules]

### 3. Grant of provisional refund

- (1) The provisional refund under sub-section (6) of section 54 shall be granted subject to the following conditions -
- (a) the person claiming refund has, during any period of five years immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds two hundred and fifty lakh rupees;
  - (b) the GST compliance rating, where available, of the applicant is not less than five on a scale of ten;
  - (c) no proceedings of any appeal, review or revision is pending on any of the issues which form the basis of the refund and if pending, the same has not been stayed by the appropriate authority or court.
- (2) The proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of sub-section (6) of section 54, shall make an order in [FORM GST RFD04](#), sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of acknowledgement under sub-rule (1) or sub-rule (2) of rule 2.
- (3) The proper officer shall issue a payment advice in [FORM GST RFD-05](#) for the amount sanctioned under sub-rule (2) and the same shall be

electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

#### 4. Order sanctioning refund

- (1) Where, upon examination of the application, the proper officer is satisfied that a refund under subsection (5) of section 54 is due and payable to the applicant, he shall make an order in **FORM GST RFD06**, sanctioning the amount of refund to which the applicant is entitled, mentioning therein the amount, if any, refunded to him on a provisional basis under sub-section (6) of section 54, amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable:

Provided that in cases where the amount of refund is completely adjusted against any outstanding demand under the Act or under any existing law, an order giving details of the adjustment may be issued in

**FORM GST RFD-07**.

- (2) Where the proper officer is satisfied, for reasons to be recorded in writing, that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice in **FORM GST RFD-08** to the applicant, requiring him to furnish a reply *in FORM GST RFD-09* within fifteen days of the receipt of such notice and after considering the reply, make an order in **FORM GST RFD-06**, sanctioning the amount of refund in whole or part, or rejecting the said refund claim and the said order shall be made available to the applicant electronically and the provision of sub-rule (1) shall, *mutatis mutandis*, apply to the extent refund is allowed:

Provided that no application for refund shall be rejected without giving the applicant a reasonable opportunity of being heard.

- (3) Where the proper officer is satisfied that the amount refundable under sub-rule (1) or (2) is payable to the applicant under sub-section (8) of section 48, he shall make an order in **FORM GST RFD-06** and issue a

payment advice in [FORM GST RFD-05](#), for the amount of refund and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

- (4) Where the proper officer is satisfied that the amount refundable under sub-rule (1) or sub-rule (2) is not payable to the applicant under sub-section (8) of section 54, he shall make an order in [FORM GST RFD-06](#) and issue an advice in [FORM GST RFD-05](#), for the amount of refund to be credited to the Consumer Welfare Fund.

#### 5. [Credit of the amount of rejected refund claim](#)

- (1) Where any deficiencies have been communicated under sub-rule (3) of rule 2, the amount debited under sub-rule (3) of rule 1 shall be re-credited to the electronic credit ledger.
- (2) Where any amount claimed as refund is rejected under rule 4, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by an order made in

[FORM GST PMT-03](#).

*Explanation.*— For the purposes of this rule, a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking in writing to the proper officer that he shall not file an appeal.

#### 6. [Order sanctioning interest on delayed refunds](#)

Where any interest is due and payable to the applicant under section 56, the proper officer shall make an order along with a payment advice in [FORM GST RFD-05](#), specifying therein the amount of refund which is delayed, the period of delay for which interest is payable and the amount of interest payable, and such amount of interest shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

## 7. Refund of tax to certain persons

- (1) Any person eligible to claim refund of tax paid by him on his inward supplies as per notification issued section 55 shall apply for refund in **FORM GST RFD-10** once in every quarter, electronically on the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner, along with a statement of inward supplies of goods or services or both in **FORM GSTR-11**, prepared on the basis of statement of outward supplies furnished by corresponding suppliers in **FORM GSTR-1**.
- (2) An acknowledgement for receipt of the application for refund shall be issued in **FORM GST RFD02**.
- (3) Refund of tax paid by the applicant shall be available if-
  - (a) the inward supplies of goods or services or both were received from a registered person against a tax invoice and the price of the supply covered under a single tax invoice exceeds five thousand rupees, excluding tax paid, if any;
  - (b) name and GSTIN or UIN of the applicant is mentioned on the tax invoice; and
  - (c) such other restrictions or conditions as may be specified in the notification are satisfied.
- (4) The provisions of rule 4 shall, *mutatis mutandis*, apply for the sanction and payment of refund under this rule.
- (5) Where an express provision in a treaty or other international agreement, to which the President or the Government of India is a party, is inconsistent with the provisions of these rules, such treaty or international agreement shall prevail.

## 8. Consumer Welfare Fund

- (1) All credits to the Consumer Welfare Fund shall be made under sub-rule (4) of rule 4.

- (2) Any amount, having been credited to the Fund, ordered or directed as payable to any claimant by orders of the proper officer, appellate authority or Appellate Tribunal or court, shall be paid from the Fund.
- (3) Any utilisation of amount from the Consumer Welfare Fund under subsection (1) of section 58 shall be made by debiting the Consumer Welfare Fund account and crediting the account to which the amount is transferred for utilisation.
- (4) The [Central/State] Government shall, by an order, constitute a Standing Committee with a Chairman, a Vice-Chairman, a Member Secretary and such other members as it may deem fit and the Committee shall make recommendations for proper utilisation of the money credited to the Consumer Welfare Fund for welfare of the consumers.
- (5) The Committee shall meet as and when necessary, but not less than once in three months.
- (6) Any agency or organisation engaged in consumer welfare activities for a period of three years registered under the Companies Act, 2013 (18 of 2013) or under any other law for the time being in force, including village or mandal or samiti level co-operatives of consumers especially Women, Scheduled Castes and Scheduled Tribes, or any industry as defined in the Industrial Disputes Act, 1947 (14 of 1947) recommended by the Bureau of Indian Standards to be engaged for a period of five years in viable and useful research activity which has made, or is likely to make, significant contribution in formulation of standard mark of the products of mass consumption, the Central Government or the State Government may make an application for a grant from the Consumer Welfare Fund:

Provided that a consumer may make application for reimbursement of legal expenses incurred by him as a complainant in a consumer dispute, after its final adjudication.



- (7) All applications for grant from the Consumer Welfare Fund shall be made by the applicant Member Secretary, but the Committee shall not consider an application, unless it has been inquired into in material details and recommended for consideration accordingly, by the Member Secretary.
- (8) The Committee shall have powers -
- (a) to require any applicant to produce before it, or before a duly authorised Officer of the Government such books, accounts, documents, instruments, or commodities in custody and control of the applicant, as may be necessary for proper evaluation of the application;
  - (b) to require any applicant to allow entry and inspection of any premises, from which activities claimed to be for the welfare of consumers are stated to be carried on, to a duly authorised officer of the Central Government or, as the case may be, State Government;
  - (c) to get the accounts of the applicants audited, for ensuring proper utilisation of the grant;
  - (d) to require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum, the sanctioned grant to the Committee, and to be subject to prosecution under the Act;
  - (e) to recover any sum due from any applicant in accordance with the provisions of the Act;
  - (f) to require any applicant, or class of applicants to submit a periodical report, indicating proper utilisation of the grant;
  - (g) to reject an application placed before it on account of factual inconsistency, or inaccuracy in material particulars;
  - (h) to recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance

and utility of nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised;

- (i) to identify beneficial and safe sectors, where investments out of Consumer Welfare Fund may be made and make recommendations, accordingly.
  - (j) to relax the conditions required for the period of engagement in consumer welfare activities of an applicant;
  - (k) to make guidelines for the management, administration and audit of the Consumer Welfare Fund.
- (9) The Central Consumer Protection Council and the Bureau of Indian Standards shall recommend to the GST Council, the broad guidelines for considering the projects or proposals for the purpose of incurring expenditure from the Consumer Welfare Fund.

## VI. TRANSITIONAL PROVISIONS

### 1. Application in respect of tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day

(1) Every registered person entitled to take credit of input tax under section 140 shall, within sixty days of the appointed day, submit an application electronically in FORM GST TRAN1, duly signed, on the Common Portal specifying therein, separately, the amount of tax or duty to the credit of which the said person is entitled under the provisions of the said section:

Provided that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004:

*[ this proviso only in CGST rules]*

*Provided that in the case of a claim under sub-section (1) of section 140, the application shall specify separately—*

- (i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant during the financial year relating to the relevant return, and*
- (ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in subclause (i) above;*

*(this proviso only in SGST rules)*

(2) Every application under sub-rule (1) shall: -

- (a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day-

- (i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and
    - (ii) the amount of duty or tax yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;
  - (b) in the case of a claim under sub-section (3), or the proviso thereto, or clause (b) of subsection (4), sub-section (6), sub-section (8), sub-section (9) of Section 140 shall specify separately details of stock held on the appointed day;
  - (c) in the case of a claim under sub-section (5), shall furnish the following details—
    - (i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law,
    - (ii) the description, quantity and value of the goods or services
    - (iii) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services,
    - (iv) the date on which the receipt of goods or services is entered in the books of account of the recipient.
- (3) (a)
- (i) A registered person, who was not registered under the existing law, availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.
  - (ii) Such credit shall be allowed at the rate of [forty per cent.] of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid.
  - (iii) The scheme shall be available for six tax periods from the appointed date.

(b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely, -

- (i) Such goods were not wholly exempt from duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated.
- (ii) Document for procurement of such goods is available with the registered person.
- (iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN--- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.
- (iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.
- (v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

*(In CGST Rules)*

(3) (a) (i) *A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.*

(ii) *Such credit shall be allowed at the rate of [forty per cent.] of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid.*

*(iii) The scheme shall be available for six tax periods from the appointed date.*

*(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely, -*

*(i) Such goods were not wholly exempt from tax under the <Name of the State> Value Added **Tax Act**,.....*

*(ii) Document for procurement of such goods is available with the registered person.*

*(iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN--- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.*

*(iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.*

*(v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.*

*(4) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.*

*(In SGST Rules of States offering tax on MRP scheme)*

*(4) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.*

## **2. Declaration of stock held by a principal**

Every person to whom the provisions of section 141 apply shall, within sixty days of the appointed day, submit an application electronically in FORM GST

TRAN-1, specifying therein, the stock or, as the case may be, capital goods held by him on the appointed day details of stock or, as the case may be, capital goods held by him as a principal at the place/places of business of his agents/branch, separately agent-wise/branch-wise.

### 3. Details of goods sent on approval basis

Every person having sent goods on approval under the earlier law and to whom sub-section (12) of section 142 applies shall, within sixty days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.

### 4. Recovery of credit wrongly availed

The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.

\* \* \* \* \*

## VII. REGISTRATION

### 1. Application for registration

- (1) Every person (other than a non-resident taxable person, a person supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, a person required to deduct tax at source under section 51 and a person required to collect tax at source under section 52) who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under subsection (3) of section 25 (hereinafter referred to **in this Chapter as “the applicant”**) shall, **before applying for registration**, declare his Permanent Account Number (PAN), mobile number, e-mail address, State or Union territory in Part A of **FORM GST REG-01** on the Common Portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a Special Economic Zone unit or Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from its other units located outside the Special Economic Zone.

- (2)
- (a) The PAN shall be validated online by the Common Portal from the database maintained by the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);
  - (b) The mobile number declared under sub-rule (1) shall be verified through a one-time password sent to the said mobile number; and
  - (c) The e-mail address declared under sub-rule (1) shall be verified through a separate onetime password sent to the said e-mail address.
- (3) On successful verification of the PAN, mobile number and e-mail address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.



- (4) Using the reference number generated under sub-rule (3), the applicant shall electronically submit an application in Part B of **FORM GST REG-01**, duly signed, along with documents specified in the said Form at the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner.
- (5) On receipt of an application under sub-rule (4), an acknowledgement shall be issued electronically to the applicant in **FORM GST REG-02**.
- (6) A person applying for registration as a casual taxable person shall be given a temporary reference number by the Common Portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit in the electronic cash ledger.

## 2. Verification of the application and approval

- (1) The application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant within three working days from the date of submission of application.
- (2) Where the application submitted under rule 1 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in **FORM GST REG-03** within three working days from the date of submission of application and the applicant shall furnish such clarification, information or documents sought electronically, in **FORM GST REG-04**, within seven working days from the date of receipt of such intimation.

*Explanation.* - The clarification includes modification or correction of particulars declared in the application for registration, other than PAN, State, mobile number and e-mail address declared in Part A of **FORM GST REG-01**.

- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of registration to the applicant within seven working days from the date of receipt of such clarification or information or documents.
- (4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) within the prescribed period or where the proper officer is not satisfied with the clarification, information or documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05**.
- (5) If the proper officer fails to take any action -
  - (a) within three working days from the date of submission of application, or
  - (b) within seven working days from the date of receipt of clarification, information or documents furnished by the applicant under sub-rule (2),

the application for grant of registration shall be deemed to have been approved.

### 3. Issue of registration certificate

- (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under rule 2, a certificate of registration in **FORM GST REG-06** showing the principal place of business and additional place(s) of business shall be made available to the applicant on the Common Portal and a Goods and Services Tax Identification Number (hereinafter in these rules referred to as **"GSTIN"**) shall be assigned in the following format:
  - (a) two characters for the State code;
  - (b) ten characters for the PAN or the Tax Deduction and Collection Account Number;
  - (c) two characters for the entity code; and
  - (d) one checksum character.

- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within thirty days from such date.
- (3) Where an application for registration has been submitted by the applicant after thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 2.
- (4) Every certificate of registration made available on the Common Portal shall be digitally signed by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of rule 2, the applicant shall be communicated the registration number and the certificate of registration under sub-rule (1), duly signed, shall be made available to him on the common portal within three days after expiry of the period specified in sub-rule (5) of rule 2.

#### 4. Separate registration for multiple business verticals within a State or a Union territory

- (1) Any person having multiple business verticals within a State or a Union territory, requiring a separate registration for any of its business verticals under sub-section (2) of section 25 shall be granted separate registration in respect of each of the verticals subject to the following conditions:
  - (a) Such person has more than one business vertical as defined in clause (18) of section 2 of the Act;
  - (b) No business vertical of a taxable person shall be granted registration to pay tax under section 10 if any one of the other business verticals of the same person is paying tax under section 9.

*Explanation.* - Where any business vertical of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other business verticals of the said person shall become ineligible to pay tax under the said section.
  - (c) All separately registered business verticals of such person shall pay tax under this Act on supply of goods or services or both made to another

registered business vertical of such person and issue a tax invoice for such supply.

- (2) A registered person eligible to obtain separate registration for business verticals may submit a separate application in [FORM GST REG-01](#) in respect of each such vertical.
- (3) The provisions of rule 2 and rule 3 relating to verification and grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.

#### 5. Grant of registration to persons required to deduct tax at source or to collect tax at source

- (1) Any person required to deduct tax in accordance with the provisions of section 51 or a person required to collect tax at source in accordance with the provisions of section 52 shall electronically submit an application, duly signed, in [FORM GST REG-07](#) for grant of registration through the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner.
- (2) The proper officer may grant registration after due verification and issue a certificate of registration in [FORM GST REG-06](#) within three working days from the date of submission of application.
- (3) Where, upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in [FORM GST REG-06](#) has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person in [FORM GST REG-08](#):

Provided that the proper officer shall follow the procedure prescribed in rule 14 for cancellation of registration.

## 6. Grant of registration to non-resident taxable person

- (1) A non-resident taxable person shall electronically submit an application, along with a valid passport, for registration, duly signed, in **FORM GST REG-09**, at least five days prior to the commencement of business at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.
- (2) A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the Common Portal for making an advance deposit of tax under section 27 and the acknowledgement under sub-rule (5) of rule 1 shall be issued thereafter.
- (3) The person applying for registration under sub-rule (1) shall make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which registration is sought, as specified in section 27.
- (4) The provisions of rule 2 and rule 3 relating to verification and grant of registration shall *mutatis mutandis*, apply to an application submitted under this rule.

*Explanation.* – The application for registration made by a non-resident taxable person shall be signed by his authorized signatory who shall be a person resident in India having a valid PAN.

### 6A. Grant of registration to a person supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient

- (1) Any person supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed, in **FORM GST REG-09A**, at the Common Portal.
- (2) The applicant referred to in sub-rule (1) shall be granted registration, in **FORM GST REG-06**, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

## 7. Extension in period of operation by casual taxable person and non-resident taxable person

- (1) Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in **FORM GST REG10** shall be furnished electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, by such person before the end of the validity of registration granted to him.
- (2) The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

## 8. *Suo moto* registration

- (1) Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in **FORM GST REG-11**.
- (2) The registration granted under sub-rule (1) shall be effective from the date of order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, within ninety days from the date of the grant of such registration, submit an application for registration in the form and manner provided in rule 1 or rule 5 unless the said person has filed an appeal against the grant of temporary registration, in which case the application for registration shall be submitted within thirty days from the date of issuance of order upholding the liability to registration by the Appellate Authority.
- (4) The provisions of rule 2 and rule 3 relating to verification and issue of certificate of registration shall, *mutatis mutandis*, apply to an application submitted under sub-rule (3).
- (5) The GSTIN assigned pursuant to verification under sub-rule (4) shall be effective from the date of order granting registration under sub-rule (1).

## 9. Assignment of unique identity number to certain special entities

- (1) Every person required to be granted a unique identity number under sub-section (9) of section 25 may submit an application, electronically in **FORM GST REG-12**, duly signed, in the manner specified in rule 1 at the Common Portal, either directly or through a Facilitation Centre, notified by the Board or Commissioner.
- (2) The proper officer may, upon submission of an application in **FORM GST REG-12** or after filling up the said form, assign a Unique Identity Number to the said person and issue a certificate in **FORM GST REG-06** within three working days from the date of submission of application.

## 10. Display of registration certificate and GSTIN on the name board

- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.
- (2) Every registered person shall display his GSTIN on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

## 11. Amendment of registration

- (1) Where there is any change in any of the particulars furnished in the application for registration in **FORM GST REG-01** or **FORM GST REG-07** or **FORM GST REG-09** or **FORM GST REG-09A** or **FORM GST REG-12**, as the case may be, either at the time of obtaining registration or as amended from time to time, the registered person shall, within fifteen days of such change, submit an application, duly signed, electronically in **FORM GST REG-13**, along with documents relating to such change at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.
- (2) (a) Where the change relates to-
  - (i) legal name of business;

(ii) address of the principal place of business or any additional place of business; or

(iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for day to day affairs of the business, -

which does not warrant cancellation of registration under section 29, the proper officer shall approve the amendment within fifteen working days from the date of receipt of application in [FORM GST REG-13](#) after due verification and issue an order in [FORM GST REG-14](#) electronically and such amendment shall take effect from the date of occurrence of the event warranting amendment.

(b) The change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under these rules on the same PAN.

(c) Where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in [FORM GST REG13](#) on the Common Portal:

Provided that any change in the mobile number or e-mail address of the authorised signatory submitted under rule 1, as amended from time to time, shall be carried out only after online verification through the Common Portal in the manner provided under the said rule.

(d) Where a change in the constitution of any business results in change of the Permanent Account Number (PAN) of a registered person, the said person shall apply for fresh registration in [FORM GST REG-01](#).

(3) Where the proper officer is of the opinion that the amendment sought under clause (a) of subrule (2) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within fifteen working days from the date of receipt of the application in [FORM GST REG-13](#), serve a notice in [FORM GST REG-03](#), requiring the registered person to show cause, within seven working days of the service of the



said notice, as to why the application submitted under sub-rule (1) shall not be rejected.

- (4) The taxable person shall furnish a reply to the notice to show cause, issued under sub-rule 3, in **FORM GST REG-04** within seven working days from the date of the service of the said notice.
- (5) Where the reply furnished under sub-rule (4) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (3) within the period prescribed in sub-rule (4), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in **FORM GST REG -05**.
- (6) If the proper officer fails to take any action-
  - (a) within fifteen working days from the date of submission of application, or
  - (b) within seven working days from the date of receipt of reply to the notice to show cause under sub-rule (4),

the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the Common Portal.

## 12. Application for cancellation of registration

A registered person, other than a person to whom a unique identification number has been granted under rule 9 or a person to whom registration has been granted under rule 5, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in **FORM GST REG-14**, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which cancellation of registration is sought, liability thereon, details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof at the Common Portal within thirty days of occurrence of the event warranting

cancellation, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of one year from the effective date of registration.

### 13. Registration to be cancelled in certain cases

The registration granted to a person is liable to be cancelled if the said person—

- (a) does not conduct any business from the declared place of business; or
- (b) issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made thereunder.

### 14. Cancellation of registration

- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in **FORM GST REG-16**, requiring him to show cause within seven working days from the date of service of such notice as to why his registration should not be cancelled.
- (2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in **FORM REG-17** within the period prescribed in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in **FORM GST REG-18**, within thirty days from the date of application submitted under sub-rule (1) of rule 12 or, as the case may be, the date of reply to the show cause issued under sub-rule (1), cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section(5) of section 29.

- (4) Where the reply furnished under sub-rule (2) is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in **FORM GST REG -19**.
- (5) The provisions of sub-rule (3) shall, *mutatis mutandis*, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

## 15. Revocation of cancellation of registration

- (1) A registered person, whose registration is cancelled by the proper officer on his own motion, may submit an application for revocation of cancellation of registration, in **FORM GST REG-20**, to such proper officer, within thirty days from the date of service of the order of cancellation of registration at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for revocation shall be filed if the registration has been cancelled for the failure of the taxable person to furnish returns, unless such returns are filed and any amount due as tax, in terms of such returns has been paid along with any amount payable towards interest, penalties and late fee payable in respect of the said returns.

- (2)(a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in **FORM GST REG-21** within thirty days from the date of receipt of the application and communicate the same to the applicant

- (b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

- (3) The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in [FORM GST REG-22](#) requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within seven working days from the date of the service of notice in [FORM GST REG-23](#).
- (4) Upon receipt of the information or clarification in [FORM GST REG-23](#), the proper officer may proceed to dispose of the application in the manner specified in sub-rule (2) within thirty days from the date of receipt of such information or clarification from the applicant.

#### 16. Migration of persons registered under the existing law

- (1) (a) Every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number issued under the Income-tax Act, 1961 (Act 43 of 1961) shall enrol on the Common Portal by validating his e-mail address and mobile number, either directly or through a Facilitation Centre notified by the Commissioner.
- (b) Upon enrolment under clause (a), the said person shall be granted registration on a provisional basis and a certificate of registration in [FORM GST REG-25](#), incorporating the GSTIN therein, shall be made available to him on the Common Portal:

Provided that a taxable person who has been granted multiple registrations under the existing law on the basis of a single PAN shall be granted only one provisional registration under the Act:

Provided further that a person having centralized registration under Chapter V of the Finance Act, 1994 shall be granted only one provisional registration in the State or Union territory in which he is registered under the existing law.

*(CGST Rules only)*

- (2)(a) Every person who has been granted a provisional registration under sub-rule (1) shall submit an application electronically in [FORM GST REG-](#)

24, duly signed, along with the information and documents specified in the said application, on the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

- (b) The information asked for in clause (a) shall be furnished within a period of three months or within such further period as may be extended by in this behalf.
  - (c) If the information and the particulars furnished in the application are found, by the proper officer, to be correct and complete, a certificate of registration in **FORM GST REG-06** shall be made available to the registered person electronically on the Common Portal.
- (3) Where the particulars or information specified in sub-rule (2) have either not been furnished or not found to be correct or complete, the proper officer shall cancel the provisional registration granted under sub-rule (1) and issue an order in **FORM GST REG-26**:

Provided that no provisional registration shall be cancelled as aforesaid without serving a notice to show cause in **FORM GST REG-27** and without affording the person concerned a reasonable opportunity of being heard:

Provided further that the show cause notice issued in **FORM GST REG-27** can be vacated by issuing an order in **FORM GST REG-19**, if it is found, after affording the person an opportunity of being heard, that no such cause exists for which the notice was issued.

- (4) Every person registered under any of the existing laws, who is not liable to be registered under the Act may, within thirty days from the appointed day, at his option, submit an application electronically in **FORM GST REG-28** at the Common Portal for cancellation of the registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.

## 17. Physical verification of business premises in certain cases

Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after grant of registration, he

may get such verification done and the verification report along with other documents, including photographs, shall be uploaded in [FORM GST REG-29](#) on the Common Portal within fifteen working days following the date of such verification.

## 18. Method of authentication

- (1) All applications, including reply, if any, to the notices, returns, appeals or any other document required to be submitted under these rules shall be so submitted electronically at the Common Portal with digital signature certificate or through e-signature as specified under the Information Technology Act, 2000 (21 of 2000) or through any other mode of signature notified by the Board in this behalf.
- (2) Each document including the return furnished online shall be signed -
  - (a) in the case of an individual, by the individual himself or by some other person duly authorised by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
  - (b) in the case of a Hindu Undivided Family, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorised signatory of such Karta;
  - (c) in the case of a company, by the chief executive officer or authorised signatory thereof;
  - (d) in the case of a Government or any Governmental agency or local authority, by an officer authorised in this behalf;
  - (e) in the case of a firm, by any partner thereof, not being a minor or authorised signatory;
  - (f) in the case of any other association, by any member of the association or persons or authorised signatory;
  - (g) in the case of a trust, by the trustee or any trustee or authorised signatory; or

- (h) in the case of any other person, by some person competent to act on his behalf, or by a person authorised in accordance with the provisions of section 48.
- (3) All notices, certificates and orders under these Rules shall be issued electronically by the proper officer or any other officer authorised to issue any notice or order, through digital signature certificate specified under the Information Technology Act, 2000 (21 of 2000).

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## VIII. COMPOSITION RULES

### 1. Intimation for composition levy

- (1) Any person who has been granted registration on a provisional basis under sub-rule (1) of rule Registration.16 and who opts to pay tax under section 10, shall electronically file an intimation in **FORM GST CMP-01**, duly signed, on the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the appointed day, but not later than thirty days after the said day, or such further period as may be extended by the Commissioner in this behalf:

Provided that where the intimation in **FORM GST CMP-01** is filed after the appointed day, the registered person shall not collect any tax from the appointed day but shall issue bill of supply for supplies made after the said day.

- (2) Any person who applies for registration under rule Registration.1 may give an option to pay tax under section 10 in Part B of **FORM GST REG-01**, which shall be considered as an intimation to pay tax under the said section.
- (3) Any registered person who opts to pay tax under section 10 shall electronically file an intimation in **FORM GST CMP-02**, duly signed, on the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner prior to the commencement of the financial year for which the option to pay tax under the aforesaid section is exercised and shall furnish the statement in **FORM GST ITC-3** in accordance with the provisions of sub-rule (4) of rule ITC.9 within sixty days from the commencement of the relevant financial year,



- (4) Any person who files an intimation under sub-rule (1) to pay tax under section 10 shall furnish the details of stock, including the inward supply of goods received from unregistered persons, held by him on the day preceding the date from which he opts to pay tax under the said section, electronically, in **FORM GST CMP-03**, on the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, within sixty days of the date from which the option for composition levy is exercised or within such further period as may be extended by the Commissioner in this behalf.
- (5) Any intimation under sub-rule (1) or sub-rule (3) in respect of any place of business in any State or Union territory shall be deemed to be an intimation in respect of all other places of business registered on the same PAN.

## 2. Effective date for composition levy

- (1) The option to pay tax under section 10 shall be effective from the beginning of the financial year, where the intimation is filed under sub-rule (3) of rule 1 and the appointed date where intimation is filed under sub-rule (1) of the said rule.
- (2) The intimation under sub-rule (2) of rule 1 shall be considered only after grant of registration to the applicant and his option to pay tax under section 10 shall be effective from the date fixed under sub-rule (2) or (3) of rule Registration.3.

## 3. Conditions and restrictions for composition levy

- (1) The person exercising the option to pay tax under section 10 shall comply with the following conditions:
  - (a) he is neither a casual taxable person nor a non-resident taxable person;

- (b) the goods held in stock by him on the appointed day have not been purchased in the course of inter-State trade or commerce or imported from a place outside India or received from his branch situated outside the State or from his agent or principal outside the State, where the option is exercised under sub-rule (1) of rule 1;
  - (c) the goods held in stock by him have not been purchased from an unregistered person and where purchased, he pays the tax under sub-section (4) of section 9;
  - (d) he shall pay tax under sub-section (3) or sub-section (4) of section 9 on inward supply of goods or services or both received from unregistered persons;
  - (e) he was not engaged in the manufacture of goods as notified under clause (e) of sub-section (2) of section 10, during the preceding financial year;
  - (f) **he shall mention the words "composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him; and**
  - (g) **he shall mention the words "composition taxable person" on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.**
- (2) The registered person paying tax under section 10 may not file a fresh intimation every year and he may continue to pay tax under the said section subject to the provisions of the Act and these rules.

#### 4. Validity of composition levy

- (1) The option exercised by a registered person to pay tax under section 10 shall remain valid so long as he satisfies all the conditions mentioned in the said section and these rules.

- (2) The person referred to in sub-rule (1) shall be liable to pay tax under sub-section (1) of section 9 from the day he ceases to satisfy any of the conditions mentioned in section 10 or these rules and shall issue tax invoice for every taxable supply made thereafter and he shall also file an intimation for withdrawal from the scheme in [FORM GST CMP-04](#) within seven days of occurrence of such event.
- (3) The registered person who intends to withdraw from the composition scheme shall, before the date of such withdrawal, file an application in [FORM GST CMP-04](#), duly signed, electronically on the Common Portal.
- (4) Where the proper officer has reasons to believe that the registered person was not eligible to pay tax under section 10 or has contravened the provisions of the Act or these rules, 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 option to pay tax under section 10 should not be denied.
- (5) Upon receipt of reply to the show cause notice issued under sub-rule (4) from the registered person in [FORM GST CMP-06](#), the proper officer shall issue an order in [FORM GST CMP-07](#) within thirty days of receipt of such reply, either accepting the reply, or denying the option to pay tax under section 10 from the date of option or from the date of the event concerning such contravention, as the case may be.
- (6) Every person who has furnished an intimation under sub-rule (2) or filed an application for withdrawal under sub-rule (3) or a person in respect of whom an order of withdrawal of option has been passed in [FORM GST CMP-07](#) under sub-rule (5), may electronically furnish at the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, a statement in [FORM GST ITC-01](#) containing details of

the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date on which the option is withdrawn or denied, within 30 days, from the date from which the option is withdrawn or from the date of order passed in **FORM GST CMP-07**, as the case may be.

- (7) Any intimation for withdrawal under sub-rule (2) or (3) or denial of the option under sub-rule (5) in respect of any place of business in any State or Union territory, shall be deemed to be an intimation in respect of all other places of business registered on the same PAN.

### 5. Rate of tax of the composition levy

The category of registered persons, eligible for composition levy under section 10 and these rules, specified in column (2) of the Table below shall pay tax under section 10 at the rate specified in column (3) of the said Table:

Sl No.	Category of registered persons	Rate of tax
(1)	(2)	(3)
1	Manufacturers, other than manufacturers of such goods as may be notified by the Government	one per cent.
2	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	two and a half per cent.
3	Any other supplier eligible for composition levy under section 10 and these rules	half per cent.

\*\*\*\*\*

## IX. RETURNS (as released on 28.09.206)

### 1. Form and manner of furnishing details of outward supplies

- (1) Every registered taxable person required to furnish the details:
  - (a) of outward supplies of goods and/or services effected during a tax period under sub-section (1) of section 25; and
  - (b) of outward supplies of goods and/or services effected during an earlier tax period under sub-section (2) of section 25

shall furnish such details in **FORM GSTR-1** electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

- (2) The details of outward supplies furnished by the supplier shall be made available electronically to each of the registered taxable persons (recipients) in Part A of **FORM GSTR-2A** through the Common Portal after the due date of filing of **FORM GSTR-1**.
- (3) The details of inward supplies added, corrected or deleted by the recipient in his **FORM GSTR-2** under sub-section (1) of section 26 or **FORM GSTR-4** under section 27 shall be made available to the supplier electronically in **FORM GSTR-1A** through the Common Portal and such supplier may either accept or reject the modifications made by the recipient and **FORM GSTR-1** furnished by the supplier shall stand amended to the extent of modifications accepted by him.

### 2. Form and manner of furnishing details of inward supplies

- (1) Every registered taxable person required to furnish the details of inward supplies of goods and/or services received during a tax period under sub-section (2) of section 26 shall, on the basis of details contained in Part A of **FORM GSTR-2A**, prepare such details in the manner specified in sub-section (1) of the said section and furnish the same in **FORM GSTR-2** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, after including therein details of such other inward supplies, if any, required to be furnished under sub-section (2) of section 26.
- (2) Every registered taxable person shall furnish the details, if any, required under sub-section (3) of section 26 electronically in **FORM GSTR-2**.
- (3) The recipient of goods and/or services shall specify the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit in **FORM GSTR-2** where such eligibility can be determined at the invoice level.

- (4) The recipient of goods and/or services shall declare the quantum of ineligible input tax credit on inward supplies which is relatable to non-taxable supplies or for purposes other than business and cannot be determined at the invoice level in [FORM GSTR-2](#).
- (5) The details of invoices furnished by an Input Service Distributor in his return in [FORM GSTR-6](#) under rule 7 shall be made available to the recipient of credit in Part B of [FORM GSTR 2A](#) electronically through the Common Portal and the said recipient may include the same in [FORM GSTR-2](#).
- (6) The details of tax deducted at source by the deductor under section 37 furnished in [FORM GSTR-7](#) shall be made available to the deductee in Part C of [FORM GSTR-2A](#) electronically through the Common Portal and the said deductee may include the same in [FORM GSTR-2](#).
- (7) The details of tax collected at source by an e-commerce operator under section 43C furnished in [FORM GSTR-8](#) shall be made available to the concerned taxable person in Part D of [FORM GSTR 2A](#) electronically through the Common Portal and such taxable person may include the same in [FORM GSTR-2](#).

### 3. [Form and manner of submission of monthly return](#)

- (1) Every registered taxable person, other than a taxable person paying tax under section 8, shall furnish a return under sub-section (1) of section 27 in [FORM GSTR-3](#) electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.
- (2) Part A of the return under sub-rule (1) shall be electronically generated on the basis of information furnished through returns in [FORM GSTR-1](#), [FORM GSTR-2](#), electronic credit ledger, electronic cash ledger and electronic tax liability register of the taxable person.
- (3) Every registered taxable person furnishing the return under sub-rule (1) shall, subject to the provisions of section 35, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger and/or electronic credit ledger as per the details contained in Part B of the return in [FORM GSTR-3](#).
- (4) A registered taxable person, claiming refund of any balance in the electronic cash ledger as per sub-section (6) of section 35, may claim such refund in Part

B of the return in [FORM GSTR-3](#) and such return shall be deemed to be an application filed under section 38.

- (5) Where the time limit for furnishing [FORM GSTR-1](#) under sub-section (1) of section 25 and [FORM GSTR-2](#) under sub-section (2) of section 26 has been extended, return in [FORM GSTR-3](#) may be furnished in such manner as may be notified by the Commissioner/Board.

#### 4. [Form and manner of submission of quarterly return by the composition supplier](#)

- (1) Every registered taxable person paying tax under section 8 shall, after adding, correcting or deleting the details contained in [FORM GSTR-4A](#), furnish a quarterly return in [FORM GSTR-4](#) electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner.
- (2) Every registered taxable person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger.

#### 5. [Form and manner of submission of return by non-resident taxable person](#)

Every registered non-resident taxable person shall furnish a return in [FORM GSTR-5](#) electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable under the Act or these rules within twenty days after the end of a tax period or within seven days after the last day of the validity period of registration, whichever is earlier.

#### 6. [Form and manner of submission of return by an input service distributor](#)

Every input service distributor shall, after adding, correcting or deleting the details contained in [FORM GSTR-6A](#), furnish electronically a return in [FORM GSTR-6](#), containing the details of tax invoices on which credit has been received and those issued under section 17, through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

## 7. Form and manner of submission of return by a person required to deduct tax at source

- (1) Every registered taxable person required to deduct tax at source under section 37 shall furnish a return in **FORM GSTR-7** electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.
- (2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in Part C of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-7**.
- (3) The certificate referred to in sub-section (3) of section 37 shall be made available electronically to the deductee on the Common Portal in **FORM GSTR-7A** on the basis of the return filed under sub-rule (1).

## 8. Form and manner of submission of statement of supplies effected through e-Commerce

- (1) Every e-Commerce operator required to collect tax at source under section 43C shall furnish a statement in **FORM GSTR-8** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 43C.
- (2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in Part D of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-8**.

## 9. Notice to non-filers of returns

A notice in **FORM GSTR-3A** shall be issued, electronically, to a registered taxable person who fails to furnish return under section 27 and section 31.

## 10. Matching of claim of input tax credit

The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 28, shall be matched under section 29 after the due date for furnishing the return in **FORM GSTR-3**

- (a) GSTIN of the supplier
- (b) GSTIN of the recipient



- (c) Invoice/Debit Note date
- (d) Invoice/Debit Note number
- (e) Taxable value (f) Tax amount:

Provided that where the time limit for furnishing **FORM GSTR-1** under sub-section (1) of section 25 and **FORM GSTR-2** under sub-section (2) of section 26 has been extended, the date of matching relating to claim of input tax credit shall be extended to such date as may be notified by the Board/Commissioner.

*Explanation:* (1) The claim of input tax credit in respect of invoices and debit notes in **FORM GSTR-2** that were accepted by the recipient in **FORM GSTR-2A** without amendment shall be treated as matched if the corresponding supplier has furnished a valid return.

- (2) The claim of input tax credit shall be considered as matched, where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or Debit Note, as the case may be, by the corresponding supplier.

#### 11. Final acceptance of input tax credit and communication thereof

- (1) The final acceptance of claim of input tax credit in respect of any tax period, specified in sub-section (2) of section 29, shall be made available electronically to the registered taxable person making such claim in **FORM GST ITC-1** through the Common Portal.
- (2) The claim of input tax credit in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier and/or recipient shall be finally accepted and made available electronically to the taxable person making such claim in **FORM GST ITC-1** through the Common Portal.

#### 12. Communication and rectification of discrepancy in claim of input tax credit and reversal of claim of input tax credit

- (1) Any discrepancy in the claim of input tax credit in respect of any tax period, specified in sub-section (3) of section 29 and the details of output tax liable to be added under sub-section (5) of the said section on account of continuation of

such discrepancy shall be made available to the registered taxable person making such claim and the supplier electronically in [FORM GST ITC-1](#) through the Common Portal on or before the last date of the month in which the matching has been carried out.

- (2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.
- (3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.
- (4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the recipient in his return in [FORM GSTR-3](#) for the month succeeding the month in which the discrepancy is made available.

*Explanation:* (1) Rectification by a supplier means adding or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

(2) Rectification by the recipient means deleting or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

### 13. [Claim of input tax credit on the same invoice more than once](#)

Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered taxable person in [FORM GST ITC-1](#) electronically through the Common Portal.

### 14. [Matching of claim of reduction in the output tax liability](#)

The following details relating to the claim of reduction in output tax liability shall be matched under section 29A after the due date for furnishing the return in [FORM GSTR3](#)

- (a) GSTIN of the supplier
- (b) GSTIN of the recipient
- (c) Credit Note date
- (d) Credit Note number

(e) Taxable value (f) Tax amount:

Provided that where the time limit for furnishing FORM GSTR-1 under sub-section (1) of section 25 and FORM GSTR-2 under sub-section (2) of section 26 has been extended, the date of matching of claim of reduction in the output tax liability shall be extended to such date as may be notified by the Board/Commissioner.

*Explanation:* (1) The claim of reduction of output tax liability due to issuance of credit notes in FORM GSTR-1 that were accepted by the recipient in FORM GSTR-2A without amendment shall be treated as matched if the corresponding recipient has furnished a valid return.

(2) The claim of reduction in the output tax liability shall be considered as matched, where the amount of reduction claimed is equal to or less than the claim of reduction of input tax credit admitted and discharged on such credit note by the corresponding recipient in his valid return.

#### 15. Final acceptance of reduction of output tax liability and communication thereof

- (1) The final acceptance of claim of reduction in output tax liability in respect of any tax period, specified in sub-section (2) of section 29A, shall be made available electronically to the taxable person making such claim in FORM GST ITC-1 through the Common Portal.
- (2) The claim of reduction in output tax liability in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier and/or recipient shall be finally accepted and made available electronically to the taxable person making such claim in FORM GST ITC-1 through the Common Portal.

#### 16. Communication and rectification of discrepancy in reduction in output tax liability and reversal of claim of reduction

- (1) Any discrepancy in claim of reduction in output tax liability, specified in subsection (3) of section 29A, and the details of output tax liability to be added under subsection (5) of the said section on account of continuation of such discrepancy shall be made available to the registered taxable person making such

claim and the recipient electronically in **FORM GST ITC-1** through the Common Portal on or before the last date of the month in which the matching has been carried out.

- (2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.
- (3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.
- (4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

*Explanation:* (1) Rectification by a supplier means deleting or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

(2) Rectification by the recipient means adding or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

#### 17. Claim of reduction in output tax liability more than once

Duplication of claims for reduction in output tax liability in the details of outward supplies shall be communicated to the registered taxable person in **FORM GST ITC-1** electronically through the Common Portal.

#### 18. Refund of interest paid on reclaim of reversal

The interest to be refunded under sub-section (9) of section 29 or sub-section (9) of section 29A shall be claimed by the taxable person in his return in **FORM GSTR-3** and shall be credited to his electronic cash ledger in **FORM GST PMT-3** and the amount credited shall be available for payment of any future liability of interest or the taxable person may claim refund of the amount under section 38.

## 19. Matching of details furnished by the e-Commerce operator with the details furnished by the supplier

The following details relating to the supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1** -

- (a) GSTIN of the supplier
- (b) GSTIN/UID of the recipient, if the recipient is a registered taxable person
- (c) State of place of supply
- (d) Date of invoice of the supplier
- (e) Invoice Number of the supplier
- (f) Tax rate (g) Taxable value (h) Tax amount:

Provided that for all supplies where the supplier is not required to furnish the details separately for each supply, the following details relating to such supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1** -

- (a) GSTIN of the supplier
- (b) State of place of supply
- (c) Tax rate
- (d) Total taxable value of all supplies made in the State (e) Tax amount on all supplies made in the State:

Provided further that where the time limit for furnishing **FORM GSTR-1** under sub-section (1) of section 25 has been extended, the date of matching of the above mentioned details shall be extended to such date as may be notified by the Board/Commissioner.

## 20. Communication and rectification of discrepancy in details furnished by the e-Commerce operator and the supplier

- (1) Any discrepancy in the details furnished by the operator and those declared by the supplier shall be made available to both electronically in **FORM GST ITC-1** through the Common Portal on or before the last date of the month in which the matching has been carried out.
- (2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

- (3) An operator to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.
- (4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in **FORM GSTR-3** for the month succeeding the month in which the details of discrepancy are made available and such addition to the output tax liability and interest payable thereon shall be made available to the supplier electronically on the Common Portal in **FORM GST ITC-1**.

## 21. Annual return

- (1) Every registered taxable person shall furnish an annual return under sub-section (1) of section 30 electronically in **FORM GSTR-9** through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner:

Provided that a taxable person paying tax under section 8 shall furnish the annual return in **FORM GSTR-9A**.

- (2) Every registered taxable person whose aggregate turnover during a financial year exceeds one crore rupees shall get his accounts audited under sub-section (4) of section 42 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in **FORM GSTR-9B**, electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

## 22. Final return

Every registered taxable person required to furnish a final return under section 31, shall furnish such return electronically in **FORM GSTR-10** through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

## 23. Details of inward supplies of persons having Unique Identity Number

- (1) Every person, who has been issued a Unique Identity Number and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies

of taxable goods and/or services in **FORM GSTR-11** either directly or from a Facilitation Centre, notified by the Board or Commissioner.

- (2) Every person, who has been issued a Unique Identity Number for purposes other than refund of the taxes paid, shall furnish the details of inward supplies of taxable goods and/or services as may be required by the proper officer in **FORM GSTR-11**.

#### 24. Provisions relating to a Tax Return Preparer

- (1) An application in **FORM GST TRP-1** may be made to the officer authorised in this behalf for enrolment as Tax Return Preparer by any person who satisfies any of the conditions specified below, namely:
- (a)
    - (i) he is a citizen of India;
    - (ii) he is a person of sound mind;
    - (iii) he is not adjudicated as insolvent;
    - (iv) he has not been convicted by a competent court for an offence with imprisonment not less than two years; and
  - (b) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower in rank than that of a Group-B gazetted officer for a period of not less than two years; or
  - (c) he has passed:
    - (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
    - (ii) a degree examination of any Foreign University recognized by any Indian University as equivalent to the degree examination mentioned in clause (i); or
    - (iii) any other examination notified by the Government for this purpose; or
    - (iv) any degree examination of an Indian University or of any Foreign University recognized by any Indian University as equivalent of

the degree examination and has also passed any of the following examinations, namely.-

- (a) final examination of the Institute of Chartered Accountants of India; or
  - (b) final examination of the Institute of Cost Accountants of India; or
  - (c) final examination of the Institute of Company Secretaries of India; or
- (2) On receipt of the application referred to in sub-rule (1), the authorised officer shall, after making such enquiry as he considers necessary, either enroll the applicant as a Tax Return Preparer and issue a certificate to that effect in **FORM GST TRP-2** or reject his application where it is found that the applicant is not qualified to be enrolled as a Tax Return Preparer.
- (3) The enrolment made under sub-rule (2) shall be valid until it is cancelled.
- (4) If any Tax Return Preparer is found guilty of misconduct in connection with any proceeding under the Act, the authorised officer may, by order, in **FORM GST TRP-4** direct that he shall henceforth be disqualified under section 34, after giving him a notice to show cause in **FORM GST TRP-3** against such disqualification and after giving him a reasonable opportunity of being heard.
- (5) Any person against whom an order under sub-rule (4) is made may, within thirty days from the date of the order under sub-rule (4), appeal to the Commissioner against such order.
- (6) A list of Tax Return Preparers enrolled under sub-rule (1) shall be maintained on the Common Portal in **FORM GST TRP-5** and the authorised officer may make such amendments to the list as may be necessary from time to time, by reason of any change of address or death or disqualification of any Tax Return Preparer.
- (7) Any taxable person may, at his option, authorise a Tax Return Preparer on the Common Portal in **FORM GST TRP-6** or, at any time, withdraw such authorisation in **FORM GST TRP-7** and the Tax Return Preparer so authorised shall be allowed to undertake such tasks as indicated in **FORM GST TRP-6** during the period of authorisation.
- (8) Where a statement required to be furnished by a taxable person has been furnished by the Tax Return Preparer authorised by him, a confirmation shall



be sought from the taxable person over email or SMS and the statement furnished by the tax return preparer shall be made available to the taxable person on the Common Portal:

Provided that where the taxable person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statements furnished by the Tax Return Preparer.

- (9) A Tax Return Preparer can undertake any or all of the following activities on behalf of a taxable person, if so authorised by the taxable person to:
- (a) furnish details of outward and inward supplies;
  - (b) furnish monthly, quarterly, annual or final return;
  - (c) make payments for credit into the electronic cash ledger;
  - (d) file a claim for refund; and
  - (e) file an application for amendment or cancellation of registration.
- (10) Any taxable person opting to furnish his return through a Tax Return Preparer shall-
- (a) give his consent in [FORM GST TRP-6](#) to any Tax Return Preparer to prepare and furnish his return; and
  - (b) before confirming submission of any statement prepared by the Tax Return Preparer, ensure that the facts mentioned in the return are true and correct.
- (11) The Tax Return Preparer shall-
- (a) prepare the statements with due diligence; and
  - (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.

## 25. [Conditions for purposes of appearance](#)

- (1) No person shall be eligible to attend before any authority, as a Tax Return Preparer, in connection with any proceeding under the Act on behalf of any taxable person or person unless his name has been entered in the list maintained under sub-rule (6) of rule 20 .
- (2) An Accountant or a Tax return preparer attending on behalf of a taxable person or a person in any proceeding under the Act before any authority shall produce before such authority, if required, a copy of the authorization given by the taxable person or person in [Form GST-TRP-6](#).