
GST THE WAY AHEAD

1. GST :

The Goods and Services tax is a tax on **supply of all goods or services**, or both except:

- Supply of Alcoholic beverages for human consumption – State excise will continue
- In case of Petroleum goods the effective dates will be announced later.

- Industrial incentives to be converted into investment link cash subsidy.
- Special Industrial Area Schemes to be also converted into Investment based through their validity period / Grandfathering of exemptions by way of refund of direct cash and no upfront exemption .
- Common list of exemption for CGST & SGST .
- Transactions which are below threshold limits.

GST will be applicable to whole of India : Sec 2(56) of CGST Bill defines “India”:

"India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters;

“Goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

“Services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.

“Supplier” in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied;

“Consideration” in relation to the supply of goods or services or both includes –

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government.

(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government: Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;

Supply includes :

- ✘ All forms of supply of Goods and Services such as sale, transfer, barter, exchange ,license, rental ,lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business,
- ✘ importation of services for a consideration whether or not in the course or furtherance of business, and
- ✘ All forms of supply of Goods and Services such as sale, transfer, barter, exchange ,license, rental ,lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business,
- ✘ importation of services for a consideration whether or not in the course or furtherance of business, and
- ✘ a supply specified in Schedule I, made or agreed to be made without a consideration
- ✘ Schedule II defines specified transactions as supply of goods or supply of services.

SCHEDULE I:

- ✘ Permanent transfer/disposal of business assets where input tax credit has been availed on such assets.
- ✘ Supply of goods or services between related persons, or between distinct persons as specified in Sec 10, when made in the course or furtherance of business.(interstate transfer of goods also included)
- ✘ Gifts to Employees by Employer exceeding Rs. 50,000/- treated as supply of goods or services or both.
- ✘ by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal, or
- ✘ by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal
- ✘ Import of services by a taxable person from a related person or from any of his other establishments outside India , in the course or furtherance of business

Every supply will be liable to GST based on the nature of supply:

Intra State or within State/Union Territory :- CGST + SGST/CGST + UTGST

Inter State/Imports :- IGST

Supply should involve goods or services .

Where a supply involves both goods and services , they would be classifiable either as goods or services vide **Schedule II** of the GST Act.

Where a supply involves multiple goods or services or a combination of goods and services, the treatment of such supplies would be as follows:

- a. If it involves supply of more than one goods and/or services which are naturally bundled together – **Composite Supply** it will be deemed to be a supply of those goods or services therein , which constitutes the principal supply. e.g Supply of goods with transport, insurance, packing and forwarding etc.
- b. If it involves supply of more than one goods and/or services which are not naturally bundled together – **Mixed Supply** it will be deemed to be a supply of that goods or services therein , which are liable to be taxed at the higher rate of tax. e.g Supply of bucket along with detergent powder etc.

Important Points about SUPPLY:

1. Supply should be in the course of furtherance of business.
2. Import of service will be taxable in the hands of the recipient (Importer) even if it is for personal consumption.
3. Transactions without consideration –Schedule I will be considered as supply.
4. Supply of goods and/or services between related persons will be considered as supply when made in the course of furtherance of business.
5. Permanent transfer of business assets where input credit has been availed/utilized .(even donation of Assets will come under the purview of supply). Goods sent for testing, or goods sent for job work would not come under the ambit of supply.
6. Supply of goods by Principal to his Agent or vice versa.
7. Import of services by a taxable person from a related person.

Supplies which will neither be a supply of goods nor a supply of services:

1. Services provided by an employee to an employer in the course or in relation to his employment.
2. Services by any Court or Tribunal established under any law for the time being in force.
3. Functions of MLA's. MP's etc : the duties performed by a person holding any post in pursuance of the provisions of the Constitution in that capacity.
4. Sale of Land and Building (except sale of under construction properties where the part or full consideration is received before the issuance of completion certificate or before its first occupation.
5. Actionable claims, other than lottery, betting and gambling.
6. Services of Funeral, burial, crematorium or mortuary including transportation of the deceased.

2. TIME OF SUPPLY OF GOODS :

The liability to pay CGST/SGST or UTGST and IGST will arise at the time of supply as per Sec12.

1. The time of supply of goods shall be earlier of the following dates
 - a. The date of issue of invoice by the supplier or
 - b. The last date on which he is required under Sec28 to issue invoice with respect to the supply ; or
 - c. Where the supplier of taxable goods receives an amount up to Rs. 1000/- in excess of the amount as per the tax invoice the time of supply with respect to the excess amount received shall be the date of issue of invoice.

2. The time of supply of services shall be the earlier of the following dates
 - a. The date of issue of invoice by the supplier or
 - b. The last date on which he is required under Sec 28 to issue Invoice with respect to the supply ; or
 - c. The date on which the supplier receives the payment with respect to the supply.

3. PLACE OF SUPPLY:

Sec 7 : Place of supply of goods other than Import/Export related.

SCENARIO	PLACE OF SUPPLY
When movement of goods is involved.	Location of goods where movement terminates for delivery.
When goods are supplied by transfer of documents during movement of goods. (Bill to Ship to Model or E I – E II model)	Principal place of business of third person on whose direction goods were supplied to another person.
When movement of goods is not involved.	Location of goods at the time of delivery.
When goods are assembled or installed at site.	Place of such assembly or installation.
When goods are supplied on board a conveyance e.g Indian Railways during a journey	Location at which such goods are taken on board.
Where the place of supply cannot be determined as per above principles.	Manner to be prescribed by the Central Government on the recommendations of the GST Council.

Sec 8 : Place of supply of goods imported into India or exported from India.

SCENARIO	PLACE OF SUPPLY
When goods are imported into India	Location of Importer
When Goods are exported from India	Location outside India

Sec 9 : Place of supply of services .

CATEGORIES OF SERVICE	PLACE OF SUPPLY
General Rule B2B or B2C	B2B : location of recipient B2C : location of recipient where the address is known else the location of supplier of services
Services directly related to immovable property	Location of immovable property Where the property/vessel is located in multiple states allocation as per contract or reasonable basis Where the Property/vessel is located outside India place of supply will be location of recipient
Services such as supply of restaurant and catering services, health services etc.	Place of actual performance
Services in relation to training and performance appraisal	B2B : location of recipient B2C : place of performance
Admission to a cultural, artistic, sporting event etc, amusement parks and services ancillary thereto	Place where the event is held or where the park/other place is located
Organization of event and services ancillary thereto or Assigning of sponsorship	B2B : location of recipient B2C: where the event is held(for multiple locations proportionate value to be considered. For event held outside India –location of the recipient
Goods Transportation services	B2B : location of recipient B2C : location at which the goods were handed over for transportation

Passenger Transportation services	B2B : Location of recipient B2C ; Place where the passenger embarks on the conveyance for the journey.
Services on board a conveyance such as a vessel/aircraft/train or motor vehicle	Location of the first scheduled point of departure of that conveyance for the journey
Telecommunication services including data transfer, broadcasting, cable and DTH services	Fixed Line/leased circuit, internet based circuit, cable or dish antenna –Place of installation of the same Mobile connection and internet services Post paid – Billing address of the recipient on the record of the supplier

Note:

- 1) Service Accounting Codes (SAC) have to be used for services. (SAC are same as used under service tax)
- 2) GST is also to be paid on Services, received from unregistered providers on reverse charges.

Please refer to the following link for GST Rates on all services

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/Schedule%20of%20GST%20rates%20for%20services.pdf>

5. REGISTRATION:

Every existing dealer registered under VAT/Excise/Service Tax and having a PAN issued under the Income-tax Act, 1961 (Act 43 of 1961) shall enrol on the Common Portal and will migrate to GST.

The said dealer shall be granted registration on a provisional basis and a certificate of registration in **FORM GST REG-25**, incorporating the GSTIN will be made available.

A dealer having a single PAN and multiple registrations under the existing law will be granted only one provisional registration under GST.

The dealer has to take GST registration for each state separately. (State specific)

Every person who has been granted a provisional registration under sub-rule (1) shall submit an application electronically in **FORM GST REG-26**, duly signed or verified through EVC, along with the information and documents specified in the said application, on the GSTN common portal within a period of 3 months or within such period as extended.

The information and particulars uploaded by the applicant if found to be correct and complete by the concerned officer a certificate of registration in **FORM GST REG- 06** shall be made available to the registered person electronically on the Common Portal.

Where the particulars or information specified in sub-rule (2) have either not been furnished or not found to be correct or complete, the proper officer shall, after serving a notice to show cause in **FORM GST REG-27** and after affording the person concerned a reasonable opportunity of being heard, cancel the provisional registration granted under subrule (1) and issue an order in **FORM GST REG-28**.

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-29** 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.

Every registered person shall display his certificate of registration and GSTIN in a prominent location at his principal place of business and at every additional place or places of business.

“Casual Taxable Person” means a person who occasionally undertakes transactions involving supply of goods and / or services in the course or furtherance of business whether as principal, agent or in any other capacity, in a taxable territory where he has no fixed place of business;

“Non-resident taxable person” means a taxable person who occasionally undertakes transactions involving supply of goods and / or services whether as principal or agent or in any other capacity but who has no fixed place of business in India;

“Casual Taxable Person” and “Non –Resident Taxable Person” should apply for registration at least 5 days before the commencement of business.

Unique Identity Number to Specified Entities

- Specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries / other person or class of persons, as may be notified by the Commissioner shall be granted a Unique Identity Number
- Submit application electronically
- Unique Identity Number will be allotted with 3 working days

6. INPUT TAX CREDIT :

Input tax credit allowed to every taxable person - can be availed when the goods and / or services are used in the course or furtherance of business.

In case of a change in the constitution of a registered taxable person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provision for transfer of liabilities, the said registered taxable person shall be allowed to transfer the input tax credit that remains unutilized.

SEQUENCE OF USE OF GST:

1. IGST – CGST – SGST
2. CGST – CGST – IGST
3. SGST – SGST – IGST
4. UTGST – UTGST -- IGST

CGST CANNOT BE ADJUSTED AGAINST SGST/UTGST:**Conditions for availment and utilization of ITC :**

- Tax Invoice / Debit note or other tax -paying documents as prescribed.
- Receipt of the goods / services by the recipient / agent / person acting on recipient's direction .
- Tax has to be paid to the credit of the appropriate Government .
- Return has been filed under the Act.
- ITC will be allowed upon receipt of last lot or installment where goods received in lots against an invoice .
- ITC to be availed within period of one year from the date of invoice but before 20th October of the subsequent year.(September returns)
- Value of the goods/service along with tax needs to be paid within 6 months from date of issue of invoice
- Immediate ITC on Capital Goods without any restriction.
- At the time of removal of capital goods, taxable person shall pay an amount equal to the input tax credit taken on the said capital goods reduced by the percentage points 5% or the tax on the transaction value of such capital goods, whichever is higher.

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- Credit shall be restricted to so much of the input tax as is attributable to the purposes of his business and attributable to non-business purpose will be disallowed
 - Credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies and no credit will be allowed w.r.t. exempt supplies - exempt supplies shall include supplies on which recipient is liable to pay tax on reverse charge basis .

INELIGIBLE INPUT TAX CREDIT

- Motor vehicles/Commercial vehicles except for person dealing in the same .
- Food and Beverages
- Outdoor Catering
- Beauty treatment
- Health Services
- Cosmetic and Plastic surgery
- Membership of a club
- Health and Fitness club
- Life Insurance and Health Insurance*
- Rent a Cab
- Travel benefits extended to employees on vacation used primarily for personal use or consumption of any employee
- Goods and / or services acquired in execution of works contract when such contract results in construction of immovable property (other than P&M)
- Goods / services which are used in the construction of immovable property (Other than P&M) even when used in furtherance of business
- Goods and / or services on which tax has been paid under compounding levy scheme
- Goods and / or services used for personal consumption
- Goods lost, stolen, destroyed, written off or disposed off by way of gift or free samples
- If depreciation on the tax component of the cost of capital goods under the provisions of the income tax is claimed
- Any tax paid in terms of sections 67, 89 or 90.

Matching, reversal and reclaim of ITC:

Inward supplies shall be matched :

- With the corresponding details of outward supply furnished by the corresponding taxable person
- With the additional duty of customs in respect of imported goods
- For duplication of claims of input tax credit
- The amount in respect of which any discrepancy is not rectified by the supplier in his valid return for the month in which discrepancy is communicated , such amount shall be added to the output tax liability of the recipient, in his return for the month succeeding the month in which the discrepancy is communicated. Interest will also be applicable on such output tax liability
- When the supplier declares the details of the invoice and / or debit note in his valid return, the output tax liability of recipient will be reduced to that extent and interest will be credited to the electronic cash ledger
- The excess input tax credit claimed on account of duplication of claims shall be added to the output tax liability of the recipient along with interest in his return for the month in which the duplication is communicated

7. TRANSITIONAL PROVISIONS :

Every registered person entitled to take credit of input tax on inputs under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section.

The Commissioner may, on the recommendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.

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 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 sub-clause (i) above;

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

- (i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and
- (ii) the amount of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;

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.

- (i) A registered person who was not registered under the existing law shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit on goods (on which the duty of Central Excise or, as the case may be, additional duties of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975, is leviable) held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.
- (ii) Credit shall be allowed at the rate of 60% on such goods which attract Central tax at the rate of nine per cent (18% IGST) or more and 40% for other goods of the Central tax applicable on supply of such goods after the appointed date and shall be credited after the Central tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of 30% and 20% respectively of the said tax

- (iii) The scheme will be available for 6 months from the appointed day.

8. INPUT TAX CREDIT ON TRANSITION STOCK :

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

S I N O	CATEGORY OF TAXPAYER	DETAILS TO BE PROVIDED	AMOUNT OF ITC AVAILABLE

1	Manufacturers and Service providers already registered under existing Central laws/State laws	Closing balance of Cenvat/VAT Credit	Closing balance of Cenvat Credit/VAT credit as per last return
2	Manufacturers and Service providers already registered under existing Central laws/State laws	Balance of un-availed Cenvat/VAT credit on Capital goods	Amount of Cenvat credit/VAT credit on Capital Goods not availed. Each item separately.
3	Manufacturers and Service providers supplying Exempted Goods/Services under existing laws (not liable to be registered under existing Central laws)	Stock of inputs(held as inputs/semi-finished/finished Goods) to be used for making taxable supplies where duty paid Invoices available.	Amount of duty paid as per available duty paid Invoice
4	Trader registered under State laws (not liable to be registered under existing Central laws)	Stock of inputs(held as inputs/semi-finished/finished Goods) to be used for making taxable supplies where duty paid Invoices available.	Amount of duty paid as per Invoice details submitted
5	Trader registered under State laws (not liable to be registered under existing Central laws)	<p>Stock of inputs(held as inputs/semi-finished/finished Goods) to be used for making taxable supplies where duty paid Invoices available.</p> <p>Stocks should be stored separately and cleared within a period of 6 months from the appointed day.</p>	<p>In case of Intra State supplies</p> <p>a) 60 % of the Central tax paid (where GST is >18 %)</p> <p>b) 40% of the Central tax paid (where GST is 5 % or 12 %)</p> <p>In case of Inter State supplies</p> <p>a) 30 % of the Central tax paid (where GST is >18 %)</p> <p>b) 20% of the Central tax paid (where GST is 5 % or 12 %)</p>

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

Timeline for submission: For SI. Nos. 1 to 4, the form is to be submitted on or before 30.09.2017.

Commissioner can extend the time limit for another 90 days.

More than one Form can be filed.

For SI. No.5. the form is to be submitted at the end of every month for the first six months.

The stocks should be exhausted by 31st December 2017.

10. CARRY FORWARD OF EXISTING CREDITS –

1. The credit should have been availed in the Excise /VAT return .
2. Previous 6 months returns to be furnished.
3. Credits should be admissible under GST and the previous laws.
4. Credit should not be related to exempted goods
5. Last return of VAT/Entry tax to be filed within 90 days.
6. Declaration Forms like 'C' , 'E I' , 'E II' , 'F' , 'H' , 'I' should be collected within 3 months , else credit will not be transitioned (FOR Transitional Stock)

If the forms are received subsequently we have to file for refund.

7. Upload application in TRANS -1 by 29th August 2017 specifying the amount to be carried forward.

WHERE THE ENTIRE CENVAT/SERVICE TAX/VAT CREDITS AVAILED HAS BEEN UTILIZED AND NO OUTSTANDING, EXCESS BALANCE OF CREDIT IS REFLECTED IN THE RETURN:

- a. No credit shall be carried forward under GST
- b. No need to file any detail with respect to the stock in GST FORM TRANS -1.

NO CREDIT WILL BE ALLOWED TO BE CARRIED FORWARD WHICH WAS NOT VATABLE UNDER THE EARLIER LAW

11. JOB WORK :

The 'Principal' means a registered person who sends any inputs or capital goods, without payment of tax, to a job worker.

'Job work' means the processing or working on goods supplied by the principal so as to complete a part or whole of the process. It may be an intermediate process, assembly, packing or any other completion process. The goods sent for job work maybe raw material, component parts, semi-finished goods and even finished goods.

Procedures :

A Principal (Registered person) may under intimation to the jurisdictional officer and subject to prescribed conditions, send goods to a job worker .

Principal is entitled to claim ITC on inputs & capital goods sent to job worker, even if such inputs/capital goods are directly sent without bringing to own premises.

The job worker and principal may not be located in the same state or Union territory .

After completion of job work or otherwise, Principal shall-

- bring back inputs or capital goods, other than molds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out, to any of his place of business, without payment of tax.
- If the inputs sent out are not received back within 1 year or 3 years for Capital Goods the same will be treated as supply.

There is no time limit for bringing back molds and dies, jigs and fixtures, or tools.

The goods shall not be permitted to be supplied from the place of business of a job worker unless the Principal declares the place of business of the job worker as his additional place of business except in a case –

Where the job worker is registered under [Sec 25](#) .

Where the principal is engaged in the supply of such goods as may be notified by the Commissioner .

The Principal shall be responsible for keeping proper accounts for the inputs or Capital Goods instead of the job worker.

Any waste and scrap generated during the job work:

may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered ,or

by the principal, if the job worker is not registered.

Transportation of goods for job work :

For the purposes of transportation of goods for job work, the consigner may issue a delivery challan, serially numbered, instead of tax invoice at the time of removal of goods for transportation.

- ❖ The delivery challan shall be prepared in triplicate, in the case of supply of goods, in the following manner:-
- ❖ the original copy being marked as ‘original for consignee’,
- ❖ the duplicate copy being marked as ‘duplicate for transporter’; and
- ❖ the triplicate copy being marked as ‘triplicate for consigner’.
- ❖ for value of supply above Rs 50,000/- an e-way bill will have to accompany the delivery challan.
- ❖ till the notification of the e-way bill, the e sugam or way bills being used by states presently will continue.

Valuation and GST rate :

The value of the goods & services used by the job worker for carrying out the job work will be included in the value of services supplied by the job worker.

The Service Code (Tariff) is 998832 under description - Paper and paper product manufacturing services.

The rate of GST to be charged is 18%, with full ITC to job workers on inputs & services used.

Transitional provisions for job work :

Goods	Date of Return	Tax Treatment
Inputs (Sec 141(1) & Sec 19 (1) Semi Finished (Sec 141(2) & Sec 19 (2) Finished Goods (Sec 141(3) & Sec 19 (3)	Within 6 months or an extended period, not exceeding 2 months from the appointed day	No Tax is payable : The goods were sent to the job worker as per procedure of the current law. Principal declares the stock held at ownpremises and at job worker’s premises.
	After 6 months or such extended period, not exceeding 2 months from the appointed day.	Company to reverse the relevant input tax credit, along with payment of appropriate Interest.

12. Reverse Charge Mechanism :

GST will be payable on reverse charge only when all the following conditions are satisfied together:

1. There must be supply of goods or services.
2. **Supply** must be of taxable goods or services.
 - a. Supplier should be engaged in business.
 - b. Supply should be in the course of furtherance of business.
3. The supplier of goods or services is an unregistered person.
4. The recipient of the goods or services must be a registered person.

Time of supply of goods under reverse charge– earliest of following

- Date of receipt of goods or
- Date on which payment is made or
- Date immediately following 30 days from the date of issue of Invoice by the supplier.

Time of supply of services under reverse charge– earliest of following

- Date on which payment is made, or
- Date immediately following 60 days from the date of issue of Invoice by the supplier*

Sl No	SERVICE	Service Provider	Percentage of service tax payable by service provider	RECIPIENT OF SERVICE	Percentage of service tax payable by any person other than the service provider
					100%
1	Taxable services provided or agreed to be provided by any person who is located in a non – taxable territory and received by any person located in the taxable territory other than Non assessee on line recipient (OIDAR)	Any person who is located in anon taxable territory	NIL	Any person located in the taxable territory other than non assessee online recipient –Business recipient	18% with ITC

2	Services provided or agreed to be provided by a GTA in respect to transportation of goods by road	Goods Transport Agency (GTA)	NIL	Any factory registered under or governed by the Factories Act any society registered under the Societies Registration Act 1860 or under any other law for the time being in force in any part of India: any co-operative society established by or under any law: any person registered under CGST/SGST/ UTGST Act: any Body Corporate established by or under any law : any partnership firm whether registered or not under any law including AOP Casual Taxable person	5% - no ITC
3	Services provided or agreed to be provided by an individual advocate or firm of advocates by way of legal services, directly or indirectly	An individual advocate or firm of advocates	NIL	Any business entity	18% with ITC
4	Services provide or agreed to be provided by an Arbitral tribunal	An arbitral tribunal	NIL	Any business entity	18% with ITC
5	Sponsorship services	Any person	NIL	Any Corporate body or Partnership Firm	18% with ITC
6	Services provided or agreed to be provided by Government or local authority excluding:- Renting of immovable property Services provided by the department of Posts Services in relation to an aircraft or a vessel Transport of goods or Passengers	Government or Local authority	NIL	Any business entity	18% with ITC

7	Services provided or agreed to be provided by a Director of a company or a Body corporate to the said company or the Body corporate	A director of a company or a body corporate	NIL	A company or a Body corporate	18% with ITC
8	Services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	A person located in non-taxable territory to a person located in non-taxable territory	NIL	Importer as defined under clause (26) of section 2 of the Customs Act, 1962	5% with ITC

13. HSN CODES:

RAW MATERIALS/CAPITAL GOODS			
Sl. No	Name	Tariff Heading No.	GST %
1	KRAFT PAPER OF ALL KINDS	4804	12
	UNCOATED PAPER	4805	
	COMPOSITE PAPER	4807	
	CORRUGATED BOARD	4808	
	DUPLEX BOARD	4810	
	BITUMEN COATED PAPER	4811	18
	PLASTIC IMPREGNATED OR COVERED WITH PLASTIC		
	CHROMO BOARD		
2	ADHESIVES- STARCH BASED	3505	18
3	INK	3215	18
4	P.P.STRAP	3920	18
	PLASTIC TWINE	3926	18
5	STEREO	8442	18
6	FEVICOL /SH ADHESIVE GLUE	3506	18
7	BoPP TAPE	3919	18
8	STITCHING WIRE		
	Iron & Steel	7217	18
	Copper	7408	18
	Brass	7409	18
9	CAPITAL GOODS	8441	18
		8439	
		8501	
10	FURNACE OIL	2710	18
	LPG	2711	18

SEMIFINISHED GOODS / FINISHED GOODS / SCRAP			
Sl. No	Name	Tariff Heading No.	GST %
1	CORRUGATED BOARD	4808	12
2	CARTONS, BOXES ETC	4819	
3	SCRAP – PAPER/PAPER BOARD	4707	12

Note: The Harmonized System Nomenclature (HSN) is an internationally standardized system of names and numbers to classify traded products for taxation purpose ”

At the time of generation of Invoices under the GST Regime, the dealer is required to mention the HSN Code of his commodity as below:-

Taxpayers whose turnover is :

1. <Rs. 1.5 crores not require to mention HSN codes in their Invoice.
2. >Rs. 1.5 crores <Rs. 5 crores 2 digit code (example 48)
3. >Rs. 5.0 crores and above shall use 4 digit code (example 4819).

Turnover during the first year will be taken on Self Declaration basis and in the subsequent year the Turnover of the Preceding Year will be used.

During our interaction with the department they have very clearly told us that the HSN code 4 digit assigned for our product is to be taken as it is and it has the same meaning as is done internationally. Hence it would be prudent to consider only 4 digit for all purposes.