

**THE FEDERATION OF TELANGANA AND ANDHRA PRADESH
CHAMBERS OF COMMERCE AND INDUSTRY**

DRAFT RULES ON INVOICE AND FORMATS

1. **Elements in the invoice:** Sub rule 1 to Rule 1 contains the details the TAX INVOICE is required to carry. These details as per the need and necessity of the business should be allowed to be modified. Therefore there should be mandatory and optional requirements on the invoice. For example if a taxable person does not deal with intra state sales, he should not be required to show the details of CGST & SGST in the invoice format. He may not allow discount hence not be compelled to show discount column.
2. **Invoice in vertical form:** The format of the invoice is in horizontal form. It should be allowed to adopt vertical format also as per the need of the business.
3. **B to C Invoice:** There is no specific format mentioned for supplies to consumers who may be unregistered dealers. A retail store which issues invoice in a small paper cannot expect to contain the details as mentioned in the sub rule 1 to rule 1. There should be a separate format of invoice for B2C customers similar to Bill of Supply.
4. **Copies of issuing invoice:** The copies of invoice is allowed to be prepared triplicate. There is no provision for printing more than 3 copies. A provision to allow more than 3 copies of invoice as extra copies to be allowed.
5. **Different Serial Numbers:** A taxable person will have different serial numbers for his business verticals in a case not falling under AS 17 requirements or might not have opted for separate registration. Also taxable person may have retail centers which carries the invoice under different ERP package which may provide different serial numbers. A taxable person having several additional place of business in a particular State may want to maintain a serial number for each of such place of business to have better control over the business. There should be such flexibility in maintaining the serial number of the invoices and reporting the same on the e portal.
6. **Uploading line item wise of lump sum amount:** In the invoice format the following have been required to be shown in one lump sum for the items in the invoice: freight, insurance and packing. In case line by line uploading of invoice details is required and where there are different HSN code items and perhaps different rates of tax what treatment should be afforded for apportionment of the aforesaid lump sum items. The last item: amount of tax subject to reverse charge must have correlation with some other statement instead of appearing as a standalone item. What is to be included therein has to be spelt out clearly

DRAFT RULES ON REGISTRATION

7. **Common Working days:** This expression which occurs in several places has to be clearly explained
8. **Registration beyond 30 days:** There should be a provision to relate back in appropriate cases to the date by which registration was required to deal with exigencies.
9. **Displaying of GSTIN on the Board:** Rule 7(2) makes the taxable person to display GSTIN in the name board exhibited at principal and additional place of business. In the spirit of ease of doing the business such provisions should be avoided. Sometimes taxable person may have an additional place of business with C&F agent who may be acting as an agent for several other taxable persons. In such case it is difficult comply this provision.
10. **Migration of existing taxpayers:** It was informed that for the migration of existing taxpayer to GST, the required information will be collated from VAT / Central Excise and Service Tax Registration and the taxable person has to provide only a few fields which are not captured under earlier laws. A Form GST REG-20 is prescribed which again asks for all the basic information and contains nine pages. The process of migration should be made very simple without causing burden to the existing taxpayer.
11. **Additional Place of Business:** There should be a time limit of 30 days of time for incorporating the additional place of business under GST. Once it is applied for with documents specified, the endorsement should be automatic.
12. **Physical Verification:** Rule 17 provides for physical inspection report to be submitted by the proper officer after grant of registration.

The following points may be considered:

- a) There should not be any physical verification for existing taxpayers who are under migration to GST.
- b) Every additional place of business not required to be under physical inspection.
- c) Only in the case of new dealers, physical verification may be carried for his principal place of business without causing hardships to him.
- d) The format of physical inspection report in Form GST REG-26 should be made simple.

DRAFT RULES ON REFUND & FORMAT

13. **Refund of accumulated credit:** Provision to Rule 1(4) does not allow the refund if the taxpayer avails of duty drawback or claims rebate of tax paid. In this regard, the following points may be considered:
- a) If duty drawback is claimed under drawback rates of with 'Cenvat Credit', the refund should not be denied.
 - b) There should be a provision for granting of refund of accumulated credit on account of exports. Otherwise, the taxpayer may not be able to utilize the same.
14. **Imports for exports by jewellery manufacturer:** IN the case of jewellery manufacturers and exporter who import the basic material under Customs Bond the procedure to be extended to IGST as well so that the re export subject to fulfillment of bond conditions is effected without any requirement for refunds.
15. **Provisional refund:** Conditions for grant of Provisional Refund under Rule 2(1)(a) to (c): Effectively with the conditions imposed no assessee would be entitled to obtain the refund. Therefore the same should apply to proven cases of fraud; forgery; clandestine operations; smuggling; non deposit of duties and taxes collected and not to cases involving genuine disputes even where the extended period of limitation has been invoked as is the current practice with regard to Authorised Customs operator on the Customs side at present for the benefits under the said scheme.
16. **Supplies from DTA to SEZ units:** Third proviso to Sub rule 1 to Rule 1 provides for SEZ units / developer / deemed exporter to claim for refund supplies received by them. In other words, DTA units have to pay for supplies of goods and services to SEZ units. It unnecessarily adds to the transaction cost besides wasting of valuable time of the department and taxpayer in claiming the refund. Thus such supplies from DTA should be made tax free.

DRAFT RULES ON PAYMENT AND FORMAT

17. **Pre-deposit/payment under protest:** There is no separate provisions to show the pre-deposit made against the disputed taxes or the payment made under protest. In neither the Electronic Credit /Cash Ledgers there is provision for this.
18. **Electronic Credit Ledger:** The provision which says: “or if the claimant gives an undertaking in writing to the proper officer that he shall not file an appeal” to decide that the refund is rejected for purpose of entries in the said ledger goes against the statutory right of appeal and should be deleted.
19. **Electronic Cash Ledger:** The provision in the proviso to Rule 3(6) which provides for a form GST PMT -6 in case the account of the party is debited in the bank but no corresponding challan identification number is generated would lead to a situation where the party has to pay the tax again by debit to the bank account pending resolution of the issue for which the application has to be made in the said form. There should be a provisional credit in all the cases and the party should be allowed to utilize the same after expiry of 24 hours.

DRAFT RULES ON RETURN AND FORMAT

20. **Form GSTR-1: return for outward supplies:**

Following points may be considered:

- a) It consists of 11 pages and there is scope for simplification.
- b) S.No. 6 and 6A on interstate supplies can be auto populated from S.No. 5 & 5A. Instead of uploading the data.
- c) POS column in S.No. 5, 5A, 6 and 6A may not be required if the location of recipient and actual recipient of goods are in the same State.
- d) S.No. 11, 11A and 12 is not required if the date of invoice is made as the time of supply of goods. In the spirit of ease of doing the business all these complications of adjustment of tax on account of differences in time of supply of goods can be avoided. It is only the timing difference in collection of tax and this should not complicate the process to reach an unworkable level in the reporting process. This is also consistent with global practice.