

The Federation of Telangana and Andhra Pradesh
Chambers of Commerce and Industry

Annexure-I

Issues in Migration of Existing Central Excise/Service Tax/VAT Tax Payers to GST

- Many taxable persons still remain to be migrated – main reason for non-migration is non function of GSTN portal especially problems with digital signature
- Clarification at this stage is must as to whether migration is still required or a new registration will suffice

Issues in Registration of New Tax Payers

- GSTN continues to be problematic with issues ranging from digital signature synching to continuous availability of services
- Help Desk services are almost Zero as majority of the queries remains unresolved
- Many businesses are suffering as there is no one to respond on customer desk or resolve their queries on registration
- Neither VAT authorities nor central authorities (being first contact points for tax payers) have any clue on registration related issues as these are within the domain of Goods and Service Tax network company or GSTN
- GSTN should immediately set up help desks directly reaching out to businesses to address registration related issues

Problems concerning preparation and Issuance of Invoices

- There is no guidance or suggested format for issue of invoices
- Almost every small to medium business is confused on the following aspects:
 - Format of Invoice
 - In case of supplies outside the state, whether the billing shall be made from the base state or registration shall be taken in other state and invoice shall be issued from the other state after such registration
 - In case of high volume supplies, what should be the pattern of issue of invoice as the condition is to issue invoice at the time of removal which will lead to issuance of hundreds of invoices
 - In case of continuous supply of goods, invoice shall be issued when the statement is issued. Till the statement is issued, can the goods be removed based on Delivery Challan
 - What document shall be issued in case of line sales i.e. Goods are sold from vehicle because at the time of removal of goods, supply does not take place and supply will happen only when vehicle goes in the market
 - Issue of invoices in case of reverse charge payments on supplies from un-registered persons. Confusion on Rs. 5,000 limit whether per person per day or per day?

HSN classification

- The awareness on HSN classification is very poor.
- Majority of the establishments are finding it difficult to identify their goods in the tariff schedule
- Even the departmental officers has no awareness on this aspect

Exports

- There is no clarification on Bonds or Letter of Undertaking especially the new exporters i.e. where and how should they obtain the Bond or Letter of Undertaking

E-way bills

- Telangana government has closed the generation of way bill facility.
- There is no clarity on the e-way bills especially the fear of confiscation if the goods are not accompanied by proper documents

Awareness of new GST rates on various goods and whether they are being displayed in shops and establishments

- There is no awareness except media gossip. Most of the companies are using this occasion to increase their sales by sales gimmicks such as prices will increase very soon
- None of the prices are being displayed and there is no transparency in increase in prices especially. Infact, there are advertisements that prices have increased especially in service sector where the standard rate is 18%

Import of Inputs

- For inputs imported in June 2017, cleared from Customs in June 2017, with duties (BCD, CVD and SAD) paid by the importer. Ensuring receipt of such goods inside the factory premises, on or before 30 June 2017, from the port of clearance, in order to avail Cenvat, is practically impossible.
- The provision for transitional credit [Section 140(5)] allows credit of only duties paid/discharged by the supplier on inputs or input services. In the above scenario of imports, as the recipient is paying the duties, credit under this Section 140(5) may not be permitted.

Capital Goods in-Transit

- No transitional provision for capital goods in-transit. Invoices under old law are prior to 1 July 2017, with capital goods being received in the factory post 1 July 2017