



LEGAL ALERT

PENALTY PROVISIONS FOR NON-COMPLIANCE UNDER GST

Through **Trade Circular No 43T of 2017, dated 25th September, 2017** the Commissioner of State Tax, Maharashtra State has summarized and clarified various penal provisions with respect to non-compliance in relation to GSTIN under Maharashtra Goods and Service Tax Act, 2017 (MGST Act).

Synopsis of the Circular

Expected Compliance	Legal Provision	Penalty
<ul style="list-style-type: none"> - Display of RC at his Principal as well as additional place of business. - Display of GSTIN on Name Board 	<p>Rule 18 - Display of registration certificate and Goods and Service Tax Identification Number on the name board"-</p> <ul style="list-style-type: none"> - Every registered person shall display his certificate of registration in a prominent location at his principal place of business and that every additional place or places of business. - Every registered person shall display his Goods and Service Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business. 	<p>Section 125 of the MGST Act prescribes a general penalty which may extent to Rs. 25000.</p>
<ul style="list-style-type: none"> - Composition Dealer to mention "Composition Taxable Person" on Name Board - Composition Dealer to mention "Composition taxable person not eligible to collect tax on supplies" at top of their Bill of Supply 	<p>Rule 5 - Conditions and restrictions for composition levy.-</p> <p>1. The person exercising the option to pay tax under section 10 shall comply with the following conditions, namely:-</p> <p>(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</p> <p>(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.</p>	<ul style="list-style-type: none"> - Section 122 (1)(i) of the MGST Act levies a penalty of Rs.10,000/- for non-compliance of Rule 5(1)(f). - Section 125 of the MGST Act levies a penalty which may extent to Rs.25,000/- for non-compliance of Rule 5(1)(g)
<ul style="list-style-type: none"> - Issuance of Serially Numbered Invoice 	<p>Rule 46(b) of MGST Rules -</p> <p>...(b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year.</p>	<p>Section 122 (1)(i) of the MGST Act levies a penalty of Rs.10,000/- for non-compliance of Rule 46(b).</p>

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