

**TRADE CIRCULAR**

9<sup>th</sup> floor, GST Bhavan,  
Mazgaon, Mumbai-400010.

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No.HQ-1/Registration/GST-2017/Act **B-162** Mumbai Dt : **25-09-2017**  
**Trade Circular. 43T of 2017**

**Sub:- Particulars to be displayed on the Board and  
Penalty provisions for non-compliance.**

The Maharashtra Goods and Service Tax Act, 2017 came into effect from 1<sup>st</sup> July, 2017. As per the provisions of this Act, the Goods and Service Tax Identification Number (hereinafter, referred to as GSTIN) has been allotted to the persons who has applied for registration under the Maharashtra Goods and Services Tax Act (hereinafter, referred to as MGST Act). The department has already issued instructions related to process of registration and issues related to GST migration and new registration. This circular is being issued to appraise the Trade with the particulars to be displayed on the Board by a registered person and penalty leviable under the Act for non-compliance of those provisions.

**2. Legal Provision**

The person registered under the GST Act is expected to follow certain rules with respect to display of GSTIN as prescribed under the law.

Rule 18 of the Maharashtra Goods and Service Tax Rules, 2017 reads as:

..”Rule 18- Display of registration certificate and Goods and Service Tax Identification Number on the name board” -

- 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 Services 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.

**3. Expected Compliance**

The above rule clearly says that every registered person shall display his certificate of registration at his principal place of business and at every additional place or places of business. It is also required to display his GSTIN on the name

board which should be exhibited at the entry of his principal place of business and at every additional place or places of business.

**The GSTIN should be prominently displayed in bold letters so as to be easily visible to visitors especially to the customers/vendees.**

4. **Provisions for Composition Taxable Persons**

- a) Rule 5(1)(f) of the MGST Rules says that every registered person exercising the option to pay tax u/s.10 of the MGST Act i.e. every registered person opting under the composition scheme 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.
- b) Also, as per Rule 5(1) (g) of the Maharashtra Goods and Service Tax Rules, 2017, he shall mention the words "**Composition Taxable Person**" on every notice or sign board display at a prominent location at his principal place of business and at every additional place or places of business. Needless to say, the provision laid down in rule 18 referred to above shall also apply to a '**Composition Taxable Person**' i.e. he also shall be required to display his GSTIN at the entry of his principal place of business and at every additional place or places of business as well as display his certificate of registration at the prominent location at his principal place of business and at every additional place or places of business.

5. **Penalty provisions for issuance of incorrect Tax Invoice and contravention of Rule 18 and 5(1)(f)**

Attention of the trade is also invited to,-

- 1) Section 122(1)(i) of the Maharashtra Goods and Service Tax Act, 2017, which says that any taxable person who issues an incorrect or false invoice with regard to any supply made by him shall be liable to pay a penalty of Rs.10,000/- and therefore, non-compliance of Rule 5 (1)(f) shall invite the aforesaid penalty.
- 2) Section 125 of the Maharashtra Goods and Service Tax Act, 2017, prescribes a general penalty for contravention of any of the provisions of the Act or the Rules made thereunder. Therefore, a registered taxable person who does not follow the provisions contained in Rule 18 and Rules 5(1)(g) will be liable for penalty which may extent to Rs.25,000/-.

6. **Particulars on a Tax invoice**

Rule 46(b) of the MGST Rules 2017, refers to the particulars to be contained in a Tax invoice. Rule 46 (b) reads as: -

...(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.

7. **Penalty for non-issuance of proper invoice**

The above Rule clearly says that the invoice has to be have a consecutive serial number. However, many a times, it is seen that the invoices are not numbered in a serial manner but are randomly numbered or not numbered at all. It is to be noted that the same is against the provision of the Act and not following the provisions will attract penalty u/s 122(1)(i) of the MGST Act, 2017. It is also to be noted that any deviation from the provisions will be taken seriously.

8. This circular cannot be made use for legal interpretation of provisions of law, as it is clarificatory in nature. If any member of the trade has any doubt, he may refer the matter to this office for further clarification.

9. You are requested to bring the contents of this circular to the notice of the members of your Association.

**(Rajiv Jalota)**

Commissioner of State Tax  
Maharashtra State, Mumbai.

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Copy to JC (Mahavikas) with a request to upload the Circular on the website of the Department.

**(D. M. Thorat)**

Joint Commissioner of State Tax (HQ)1  
Maharashtra State, Mumbai.