GST GOOGLY

PRACTICAL CASE STUDY - TRANSITION TO GST

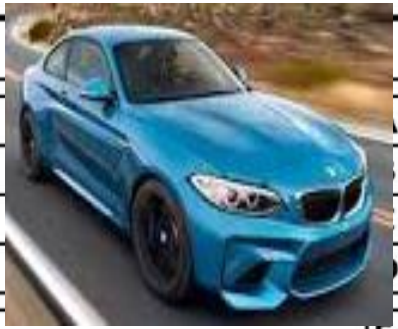
- BY CA DIVYANSHU SENGAR

To Watch related GST VIDEO –
https://youtu.be/kbsRHPGqSEk
GST – REVERSE CHARGE
https://youtu.be/SZAPmQGUI8k
GST - TRANSITION PROVISIONS
https://youtu.be/y5iOt_X4f5w

TOPICS COVERED

1. CURRENT TAX/DUTY LIABILITY V/s GST
2. Stock in Hand within 12 months, Duty Invoice Available
3. Stock in Hand within 12 months, Duty Invoice Not Available
4. Stock in Hand before 12 months, Duty Invoice Available/ Not Available
5. Section 140 (3) GST Provisions

GST PRACTICAL APPROACH – OLD TAXATION V/S GST



Description		OLD Scenerio	Revised Scenerio (GST)
Basic		3,00,000	3,00,000
Excise @ 12.5%		37,500	-
NCCD @ 1%		3,000	-
Auto Cess @ 0.125%		375	-
Value for VAT/ GST	E=A+B+C+D	3,40,875	3,00,000
VAT @ 12.5%	F	42,609	
CGST @ 14%	F1		42,000
SGST @ 14%	F2		42,000
Cess @ 1%	F3		3,000
Dealer's Purchase Price after VAT/ GST	G=E+F+F1+F2+F3	3,83,484	3,87,000
Purchase Price for Dealer	E	3,40,875	3,00,000
VAT/ GST Input	F+F1+F2+F3	42,609	87,000
Dealer Margin	H	20,000	20,000
Dealer's Sale Price before VAT/ GST	I = G + H	3,60,875	3,20,000
VAT output @ 12.5%	J	45,109	
CGST @ 14%	K		44,800
SGST @ 14%	L		44,800
Cess @ 1%	M		3,200
Total Payable by Customer	N=I+J+K+L+M	4,05,984	4,12,800
Total tax Paid to Government		85,984	92,800
Extra TAX Burden			6,816

LOW

GST IMPACT – STOCK IN HAND (Invoice Available)

CA DIVYANSHU SENGAR

Description		OLD Scenerio	Revised Scenerio (GST)	Stock in Hand, Invoice Available (within 12 months)		
				Revised Scenerio	Input Available	Loss
Basic	A	3,00,000	3,00,000	3,00,000		
Excise @ 12.5%	B	37,500	-	37,500	37,500	
NCCD @ 1%	C	3,000	-	3,000	3,000	
Auto Cess @ 0.125%	D	375	-	375		375
Value for VAT/ GST	E=A+B+C+D	3,40,875	3,00,000	3,40,875		
VAT @ 12.5%	F	42,609		42,609	42,609	
CGST @ 14%	F1		42,000			
SGST @ 14%	F2		42,000			
Cess @ 1%	F3		3,000			
Dealer's Purchase Price after VAT/ GST	G=E+F+F1+F2+F3	3,83,484	3,87,000	3,83,484		
Purchase Price for Dealer	E	3,40,875	3,00,000	3,40,875		
VAT/ GST Input	F+F1+F2+F3	42,609	87,000	42,609	42,609	
Dealer Margin	H	20,000	20,000	20,000		
Dealer's Sale Price before VAT/ GST	I = G + H	3,60,875	3,20,000	3,20,375		
VAT output @ 12.5%	J	45,109				
CGST @ 14%	K		44,800	44,853		4,353
SGST @ 14%	L		44,800	44,853		
Cess @ 1%	M		3,200	3,204		
Total Payable by Customer	N=I+J+K+L+M	4,05,984	4,12,800	4,13,284		
Total tax Paid to Government		85,984	92,800	93,284		
Extra TAX Burden			6,816	484		

GST IMPACT – STOCK IN HAND (Invoice Not Available, Trader)

CA DIVYANSHU SENGAR

Description		OLD Scenerio	Revised Scenerio (GST)	Stock in Hand, Invoice not Available (within 12 months)		
				Revised Scenerio	Input Available	Loss
Basic	A	3,00,000	3,00,000	3,00,000		
Excise @ 12.5%	B	37,500	-	37,500		
NCCD @ 1%	C	3,000	-	3,000		
Auto Cess @ 0.125%	D	375	-	375		375
Value for VAT/ GST	E=A+B+C+D	3,40,875	3,00,000	3,40,875		
VAT @ 12.5%	F	42,609		42,609	42,609	-
CGST @ 14%	F1		42,000			-
SGST @ 14%	F2		42,000			-
Cess @ 1%	F3		3,000			-
Dealer's Purchase Price after VAT/ GST	G=E+F+F1+F2+F3	3,83,484	3,87,000	3,83,484		
Purchase Price for Dealer	E	3,40,875	3,00,000	3,40,875		
VAT/ GST Input	F+F1+F2+F3	42,609	87,000	42,609	42,609	-
Dealer Margin	H	20,000	20,000	20,000		
Dealer's Sale Price before VAT/ GST	I = G + H	3,60,875	3,20,000	3,60,875		
VAT output @ 12.5%	J	45,109				
CGST @ 14%	K		44,800	50,523	20,209	30,314
SGST @ 14%	L		44,800	50,523		
Cess @ 1%	M		3,200	3,609		
Total Payable by Customer	N=I+J+K+L+M	4,05,984	4,12,800	4,65,529		
Total tax Paid to Government		85,984	92,800	1,25,320		
Extra TAX Burden			6,816	32,520		

Only 40 % of CGST available

But Price need to update as per market

GST IMPACT – STOCK IN HAND

(Earlier than 12 months)

CA DIVYANSHU SENGAR

Description		OLD Scenerio	Revised Scenerio (GST)	Inventory on or before 30/06/16		
				Revised Scenerio	Input Available	Loss
Basic	A	3,00,000	3,00,000	3,00,000		
Excise @ 12.5%	B	37,500	-	37,500		37,500
NCCD @ 1%	C	3,000	-	3,000		3,000
Auto Cess @ 0.125%	D	375	-	375		375
Value for VAT/ GST	E=A+B+C+D	3,40,875	3,00,000	3,40,875		
VAT @ 12.5%	F	42,609		42,609	42,609	-
CGST @ 14%	F1		42,000			-
SGST @ 14%	F2		42,000			-
Cess @ 1%	F3		3,000			-
Dealer's Purchase Price after VAT/ GST	G=E+F+F1+F2+F3	3,83,484	3,87,000	3,83,484		
Purchase Price for Dealer	E	3,40,875	3,00,000	3,40,875		
VAT/ GST Input	F+F1+F2+F3	42,609	87,000	42,609	42,609	-
Dealer Margin	H	20,000	20,000	20,000		
Dealer's Sale Price before VAT/ GST	I = G + H	3,60,875	3,20,000	3,60,875		
VAT output @ 12.5%	J	45,109				
CGST @ 14%	K		44,800	50,523	-	50,523
SGST @ 14%	L		44,800	50,523		
Cess @ 1%	M		3,200	3,609		
Total Payable by Customer	N=I+J+K+L+M	4,05,984	4,12,800	4,65,529		
Total tax Paid to Government		85,984	92,800	1,45,529		
Extra TAX Burden			6,816	52,729		

INPUT NOT AVAILABLE

But Price need to update as per market

4. TRANSITIONAL ARRANGEMENTS FOR INPUT TAX CREDIT (SEC 140) (CONT),

(3) PERSON NOT LIABLE TO BE REGISTERED UNDER EXISTING LAW BUT LIABLE IN GST , SHALL BE ENTITLED TO TAKE, IN HIS ELECTRONIC CREDIT LEDGER, CREDIT OF ELIGIBLE DUTIES IN RESPECT OF INPUTS HELD IN STOCK AND INPUTS CONTAINED IN SEMI-FINISHED OR FINISHED GOODS HELD IN STOCK ON THE APPOINTED DAY, SUBJECT TO THE FOLLOWING CONDITIONS, NAMELY:

(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;

(ii) eligible for input tax credit on such inputs under this Act;

(iii) possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of such inputs.

(iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.

(v) the supplier of services is not eligible for any abatement under this Act.

INPUT OF GOODS, IF INVOICE IS NOT AVAILABLE (SEC 140 (3) CONT.)

- PROVIDED THAT WHERE A REGISTERED PERSON (TRADER ONLY), IS NOT IN POSSESSION OF AN INVOICE OR ANY OTHER DOCUMENTS EVIDENCING PAYMENT OF DUTY IN RESPECT OF INPUTS, THEN ALSO, SUCH CREDIT SHALL BE ALLOWED AT **40 % OF CGST** AND SHALL BE CREDITED AFTER THE CENTRAL TAX PAYABLE ON SUCH SUPPLY HAS BEEN PAID.

- THE SCHEME SHALL BE AVAILABLE FOR SIX TAX PERIODS FROM THE APPOINTED DATE.

CONDITIONS –

- SUCH GOODS WERE NOT WHOLLY EXEMPT FROM DUTY OF EXCISE OR NIL RATED GOODS.

- DOCUMENT FOR PROCUREMENT OF SUCH GOODS IS AVAILABLE WITH THE REGISTERED PERSON.

- REGISTERED PERSON SUBMITS A STATEMENT IN **FORM GST TRAN** AT THE END OF EACH OF THE SIX TAX PERIODS DURING WHICH THE SCHEME IS IN OPERATION INDICATING THEREIN THE DETAILS OF SUPPLIES OF SUCH GOODS EFFECTED DURING THE TAX PERIOD.

- THE AMOUNT OF CREDIT ALLOWED SHALL BE CREDITED TO THE ELECTRONIC CREDIT LEDGER OF THE APPLICANT MAINTAINED IN **FORM GST PMT-2** ON THE COMMON PORTAL

- THE STOCK OF GOODS ON WHICH THE CREDIT IS AVAILED IS SO STORED THAT IT CAN BE EASILY IDENTIFIED BY THE REGISTERED PERSON.

IN CASE OF ANY QUERY/ CLARITY/ CORRECTION, YOU CAN REACH ME @ CADIVYANSHUSENGAR@GMAIL.COM

THANK YOU

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GST – REVERSE CHARGE
https://youtu.be/SZAPmQGUI8k
GST - TRANSITION PROVISIONS
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