Goods & Services Tax

A Journey of Growth Ahead………………..

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To be discussed………..

1. GST Registration no.
2. Important definition under GST
3. Concept of GST
4. Composition scheme under GST
5. Scope of GST
6. GST Rates
7. GST Credit
8. Payment of GST
9. Job work
10. Compliances/Returns of GST
11. Key point and learning
12. Transitional provisions
13. Effects of GST on Sale Price
14. GST Implementation plan

Schedule for enrolment under GST

States	Start Date	End Date
Puducherry, Sikkim	08/11/2016	23/11/2016
Gujrat, Maharashtra, Goa, Daman and Diu, Dadra Nagar Haveli, Chhattisgarh	14/11/2016	29/11/2016
Odisha, Jharkhand, Bihar, West Bengal, Madhya Pradesh, Assam, Tripur, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram	30/11/2016	15/12/2016
Uttar Pradesh, Jammu and Kashmir, Delhi, Chandigarh, Haryana, Punjab, Uttarakhand, Himachal Pradesh, Rajasthan	16/12/2016	31/12/2016
Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh	01/01/2017	15/01/2017
Service Tax Registrants	01/01/2017	31/01/2017
Delta All Registrants (All Groups)	01/02/2017	20/03/2017

- Further extended till 30th April 2017 (expired)
- **GST registration reopen from 1st June & ended on 15th June 2017**
- A person should take a registration, within 30 days from the date become liable.

How to Register on GST Portal

Step 1 – Every Existing Taxpayer require to Visit on GST Registration Portal By Using Following link **https://www.gst.gov.in/**

Step 2 – Now Please Click on "**New User Login**" and then **Select the check box** to confirm the Terms and press **continue**

Step 3 – Enter Provisional ID, Temporary Password & Captcha Received from your VAT Department and then press **"LOGIN"**

Step 4 – Enter Email ID , Mobile number and **click Continue**

Step 5 – OTP's will be sent to your Email ID & Mobile no. Please Enter the OTP's to the correspondent fields and Click Continue

Step 6 – Enter Username and password for the next time login

Step 7 – Enter Security Answers which will help you to reset the password incase if you forget your current password

Step 8 – GST Login credentials created successfully, Now visit again on **GST Portal** and then click on "**Exiting User Login**" and Re-enter with your login credentials

Step 9 – Please Follow Below Procedure for Further Instruction

Step 10 – Fill all Require Details, upload Require Documents and Click Save & Continue

Step 11 – Fill the Details of Proprietors/Partners of your Firm

Step 12 – Fill the all other require Details, Upload the related documents and Click Save & Continue

How to Register on GST Portal

Step 13 – Fill the Complete Details of **Authorized Signatory**
Step 14 – Enter Details, upload documents and Click Save & Continue
Step 15 – Fill The Details of Principal place of business
Step 16 – Enter Commodity Details and **Save & Continue**
NOTE : In case you do not know the HSN Code: In the Search HSN Chapter by Name or Code field, type the matching character and from the displayed HSN Chapter list, scroll and select the appropriate HSN code.
Step 17 – Fill the Details of Bank account and upload document
Step 18 – Click Verification checkbox and submit with DSC
Note : Digitally signing using DSC is mandatory in case of LLP and Companies
Click the SUBMIT button to save the updated information and documents.
Step 19 – Click Proceed (**Note :** Make sure your **DSC** dongle is inserted in your laptop/ desktop)
Step 20 – Click Sign from the Pop-up window
Step 21 – Note: To view the details of your DSC, click the View Certificate button.
Step 22 – On successful submission it will show message on screen
NOTE : The success message is displayed after the validation of the DSC PIN. You will receive the acknowledgement in next 15 minutes on your registered email address and mobile number. Application Reference Number (ARN) receipt will be sent on your e-mail address and mobile number.

Important Definitions under GST

1. **<u>Composite supply:</u>** which naturally bundled and supply in conjunction with each other

   for example: **Laptop with charger**, goods packed & transported with insurance – Taxed at the rate of **principal goods**

2. **<u>Mixed supply:</u>** means two or more individual supplies

   for example: Package consisting of canned food, sweets, chocolates – Taxed at the **higher rate**

3. **<u>Consideration:</u>** Any payment, any monetary value of any act, but **exclude Govt. subsidy** and deposit against goods or services.

4. **<u>Exempt supply:</u>** May be notified by the Govt.

5. **<u>Place of supply:</u>** defined in Chapter V of IGST Act

6. **<u>Reverse charge:</u>** means liability to pay tax by the recipient.

   for example: services and goods will be notified and supply of goods or services by unregistered person to registered person.

7. **<u>Zero rated supply:</u>** export and SEZ, but can claim refund

Concept of GST

GST is **destination** based tax on consumption of goods and services. It is being levied at all stages from manufacture to final consumption with credit of previous paid tax.

The **Tax would accrue** to the taxing authority, where **consumption of goods or services happened.**

Current tax which will be **subsumed under GST**:

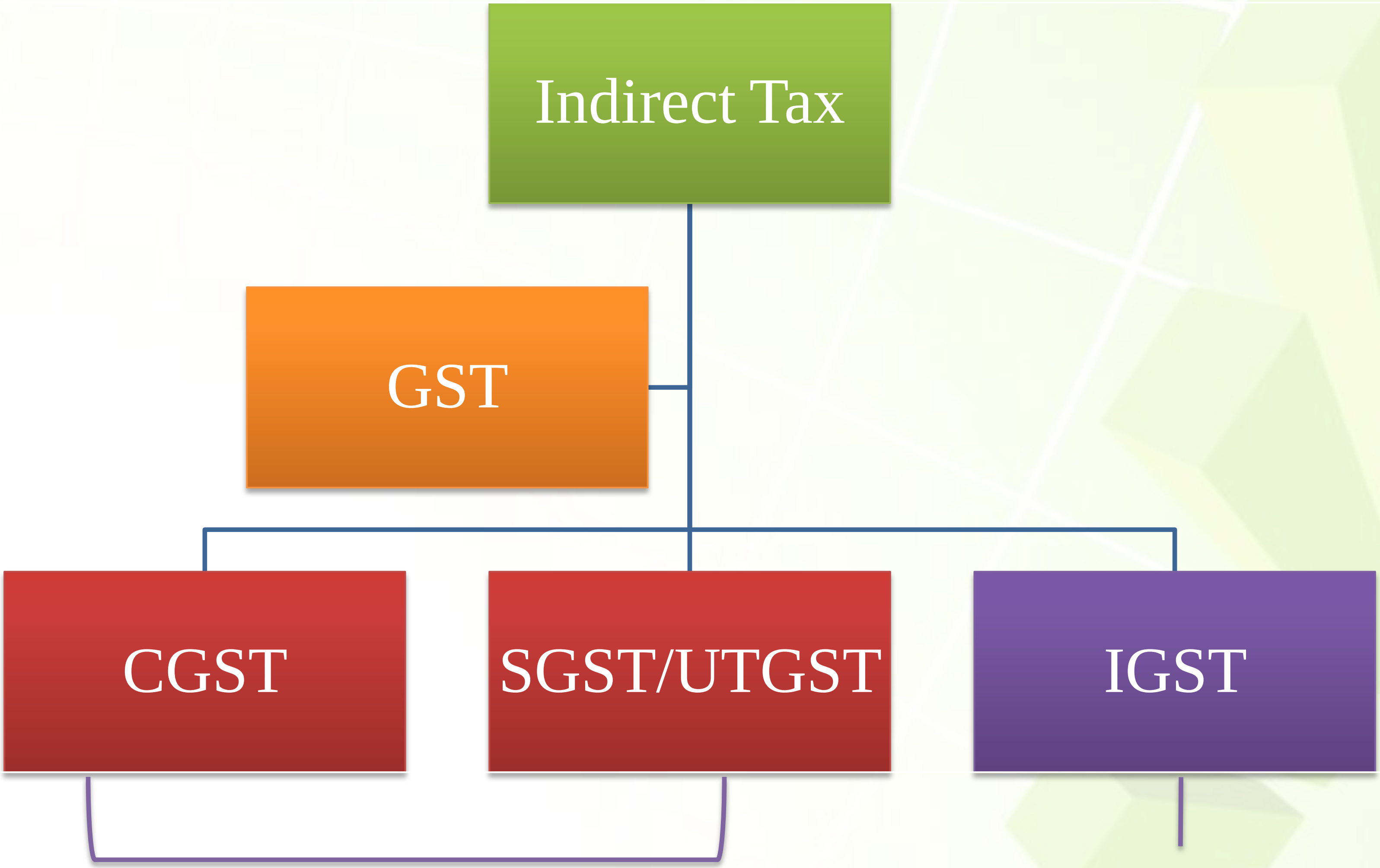
a. Central Excise Duty (including additional excise duties of different types)
b. Additional duties of custom (CVD and SAD)
c. Service Tax
d. Central surcharges and cesses

Central

a. State VAT
b. CST
c. Luxury Taxes
d. Entry Tax
e. Entertainment and Amusement Tax (except local bodies levy)
f. Taxes on advertisement
g. Purchase Tax
h. Taxes on lotteries, betting and gambling
i. State surcharge and cessess

State (except levy of local bodies)

Concept of GST



For intra state (within same state)

For inter state (between two state)

Composition scheme

Registered person whose aggregate turnover in the previous financial year not more than 50 lacs, may opt to pay tax under composition scheme.

Conditions:

1) He is **not** supplying goods as **inter state outward**
2) He is **not** an **E- Commerce operator**
3) He is **not** supplying of services other than referred in clause (b) of paragraph 6 of schedule II (**work contract and food** any other article for human consumption or any drink (other than alcoholic liquor)
4) He is not supplying of goods which are not leviable to tax
5) He is not a manufacturer of goods, which are notified by Govt.
6) **Composition scheme** will **end** from the day on which the aggregate turnover during financial year **exceed the limit**
7) He shall **not collect** any **tax** from **recipient nor** shall he be **entitled** to get any **credit** of input

Rate of tax:

1) **1%** of turnover in case of **manufacturer**
2) **2.5%** of turnover in case of person engaged in supplying of **goods referred in clause (b) of** paragraph of schedule II **(Restaurant)**
3) **0.5%** of turnover in case of **other suppliers**.

Scope of GST

Supplies of all goods (**securities are not goods** as definition of goods) and services are taxable **except:**

1. Alcoholic liquor for human consumption
2. Petroleum crude
3. High speed diesel (HSD)
4. Motor spirit (Petrol)
5. Natural Gas
6. Aviation turbine fuel

Types of supply:

1. Taxable and exempt supplies
2. Inter state and Intra state supplies
3. Composite and mixed supplies
4. Zero rate supplies

Activities which are not treated as supply of goods/services:

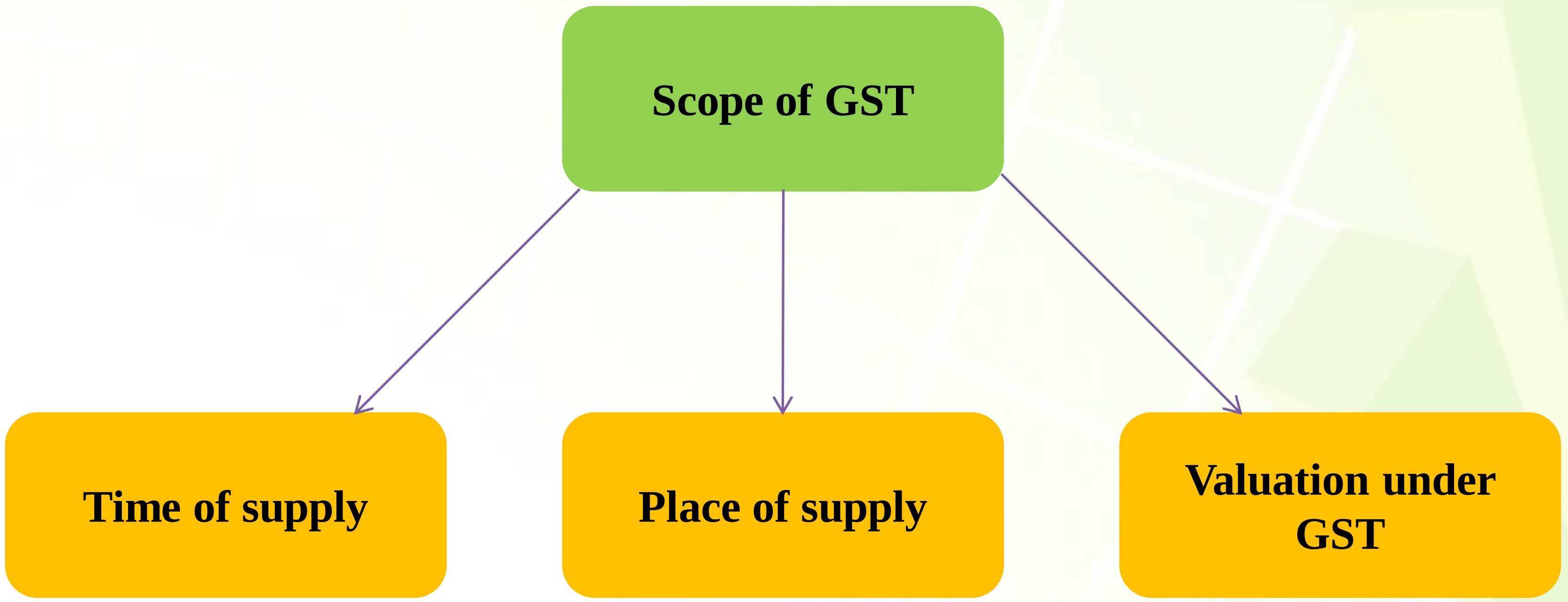
1. Employee – Employer
2. Service by Court and Tribunal
3. MP/MLA/MLC/MC
4. Funeral , burial, crematorium or mortuary
5. Sale of land
6. Actionable claims i.e. lotteries, betting and gambling.

Scope of GST

Examples:

1. Individual sells his car to car dealer – not taxable
2. A dealer transferred AC out of his business inventory to his house – Taxable
3. Services by club, Societies and AOP to its members – Taxable
4. Right to use goods – Taxable as supply of services
5. Work contract and Catering – Taxable
6. Supply of software – supply of services – Taxable
7. Hire purchase – supply of goods- Taxable

Scope of GST


Scope of GST
Time of supply
Place of supply
Valuation under GST

Scope of GST

Time of supply: time of supply fixes the point when the liability to charge GST arises.

For **goods & services, earliest** of the following:

1. **Date of issue of invoice** or the last date on which he is required to issue invoices (before the (a) at the time of removal in case of movement (b) delivery of goods)
2. The date on which the supplier **receives the payment** (earliest of book entry or cheque credited in bank) of supply.

In **case of vouchers:**

1. The date of issue of voucher if the supply identifiable
2. The date of redemption of voucher in other cases

In case of **reverse charge (Goods), earliest** of the following:

1. Date of **receipts of goods**
2. Date on which **payment** is made
3. **30 days** from the issue of invoices

Scope of GST

In case of **reverse charge (Services), earliest** of the following:

1. Date on which **payment** is made
2. **60 days** from the issue of invoices

Time of supply

Supply completed prior to change in tax rate

1. Invoice issued and payment also received= Earlier of both
2. Invoice issued but payment received after= Invoice date
3. Invoice issued after and payment received before=Payment date

Supply completed after to change in tax rate

1. Invoice issued and payment received after= Payment date
2. Invoice issued and payment received = Earlier of both
3. Invoice issued after and payment received before=Invoice date

Time of supply

Sl. NO.	Date of Receipt of Service	Date of receipt of Invoice	Date of Making Payment	Date of Debit in books of accounts	Time of Supply
1	21.06.2017	22.06.2017	10.05.2017	23.06.2017	10.05.2017
2	22.06.2017	23.06.2017	28.06.2017	24.06.2017	22.06.2017
3	26.06.2017	27.06.2017	30.07.2017	25.06.2017	25.06.2017
4	26.04.2017	29.04.2017	30.07.2017	05.04.2017	05.04.2017

Scope of GST

Time period to raise invoice

In case of goods

1. Before or at the time of removal of goods where movement of goods involve or
2. Delivery of goods or making available to recipient in all other cases

1. For continuous supply, where successive statement of accounts or successive payment involved- before or at time of each

1. Goods sent on approval for sale or return = before or at time of supply or within 6 month of approval.

In case of services

1. Before or after the provision of services but within prescribed time

1. For continuous supply, payment date = ascertainable = before or after the payment but within prescribed time.
2. Payment date = not ascertainable = before or after payment received but within prescribed time.
3. Where payment linked to event = before or after the event completion but within prescribed time.

Scope of GST

Place of supply:

Determining the place of supply on the basis of following:

1. Location of service provider
2. Location of service receiver
3. Place where the activity takes place/place of performance
4. Place it is consumed
5. Place/Person to which actual benefit flows
6. Depend on B2B & B2C transaction
7. If consideration is combine, based on proportion of value of services

Scope of GST

Examples of place of supply:

S.no.	Case/facts	Place of supply
1.	Where goods movement or removed	Movement terminates
2.	Supply of goods on direction of 3rd person	Place of 3rd Person
3.	Where goods or service supplied on board,vessel,aircraft,train and motor vehicle	For goods place will be board For services point of departure
4.	For unregistered recipients	Place of recipient
5.	Road constructed from Delhi to Mumbai	Each state based on proportion
6.	IPL cricket series which held in multiple states	Place of person who organized the event or unregistered place of event held
7.	Goods/services by mail or courier	Domestic registered – recipient place Domestic unregistered – goods handed over International other courier – destination of goods International courier- place of handed over

Scope of GST

Examples of place of supply:

S.no.	Case/facts	Place of supply
8.	Passenger travels from Mumbai to Delhi and Back	Registered – place of recipient Unregistered – treated separate journey and place- embarks
9.	For mobile	Post paid – billing address Prepaid – where payment made for recharge
10.	A person in Delhi buys share from a broker in Gujarat in BSE – Mumbai	Location of recipient - Delhi
11.	A Person from Delhi goes to Shimla and takes some services from ICICI bank Shimla	If account related – recipient address in records of bank Other – location of service provided - Shimla

Scope of GST

Valuation in GST:

1. Value for levy of GST = **“Transaction Value**”= “Arm’s Length price”
2. Valuation **rules** are **to be notified**
3. In case of contract price, when the price is influenced by factor like relationship of parties or where certain transaction do not have a price then transaction value to be determined under GST Rule.
4. Post supply discounts or incentives (**Price increase and Decrease**) , if as per the agreement and such discount **specifically linked** to the relevant **invoice,** than allowed as **deduction.**
5. **No pre-supply discount allowed** unless it is in the course of normal trade practice and shown on invoices.
6. Valuation **rules** are **applicable** when (i) consideration partly or wholly in money terms (ii) parties are **related** (iii) declared **value** is **not reliable**.

GST Rates

Rate of Tax	Expected bifurcation	Remark
Nil (Exempted Supply)	(0% of CGST & 0% of SGST)	Necessity items may be exempted, which are presently exempted in all the states for VAT. Generally, these will be in the range of 80 to 99 items.
5%	(2.5% of CGST & 2.5% of SGST)	Items which are exempted under excise and VAT rate is in the range of 4% to 6% may be covered under this category
12%	(6% of CGST & 6% of SGST)	Items on which excise duty is 6% and VAT rate are in the range of 4% – 6% may be covered under this category
18%	(9% of CGST & 9% of SGST)	Majority of the Items, which are not directly needed to the consumer and not covered above will cover in this category.
28%	(14% of CGST & 14% of SGST)	All other items which are directly reaching to the consumer including luxury goods, i.e. white goods and beverages

GST Rates – Goods

GST Rates of all items and goods in India as on May 2017

Exempt	5%	12%	18%	28%
Food grains, gur, milk, eggs, curd, unpacked paneer and natural honey, fresh vegetables, atta, besan, maida, vegetable oil, prasad, common salt, contraceptives, Fish seeds, Betel leaves, Cane jaggery	Sugar, tea, coffee, edible oil, coal, skimmed milk powder, milk food for babies, condensed milk, packed paneer, newsprint, umbrella, PDS kerosene, LPG Brooms, Beet sugar, Natural graphite, Chalk, Natural calcium phosphates, Thorium oxalate	Butter, ghee, mobiles, cashew, almonds sausages, fruit juice, packed coconut, water, agarbatti, Bio-gas, Medicinal grade hydrogen peroxide, Iodine	Hair oil, soap, toothpaste, capital goods, industrial intermediaries, pasta corn flakes, jams, soups, ice cream, toilet and facial tissues, iron & steel, fountain pen, Indian katha, Fluorine, chlorine, bromine, Artificial waxes	Consumer durables, cars, cement, chewing gum, custard powder, pan masala, perfume, shampoo, make up, , fireworks, motorcycles, Molasses, Avgas, Hair cream, Hair dyes, Prepared explosives

GST Rates – Services

S.no.	Description of Services	GST Rate	Remarks
1	Transport of goods by rail	5%	with ITC of input services
2	Transport of passengers by rail (other than sleeper class)	5%	with ITC of input services
3	Services of goods transport agency (GTA) in relation to transportation of goods [other than used household goods for personal use]	5%	No ITC
4	Services of goods transport agency in relation to transportation of used household goods for personal use.	5%	No ITC
5	Transport of goods in a vessel including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	5%	with ITC of input services
6	Renting of motorcab (if fuel is borne by recipient than 18% GST)	5%	No ITC
7	Transport of passengers, by- i) Air conditioned contract/stage carriage other than motorcab; ii) a radio taxi.	5%	No ITC
8	Transport of passengers by air in economy class	5%	with ITC of input services
9	Transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport.	5%	with ITC of input
10	Supply of tour operators' services	5%	No ITC
11	Leasing of aircrafts under Schedule II [5 (f)] by a scheduled airlines for scheduled operations	5%	with ITC of input services
12	Selling of space for advertisement in print media	5%	With Full ITC
13	Services by way of job work in relation to printing of newspapers;	5%	With Full ITC
14	Transport of goods in containers by rail by any person other than Indian Railways	12%	With Full ITC
15	Transport of passengers by air in other than economy class	12%	With Full ITC
16	Supply of Food/drinks in restaurant not having facility of air-conditioning or central heating at any time during the year and not having licence to serve liquor.	12%	With Full ITC
17	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having room tariff Rs.1000 and above but less than Rs.2500 per room per day	12%	With Full ITC

GST Rates – Services

S.no.	Description of Services	GST Rate	Remarks
18	Services provided by foreman of chit fund in relation to chit	12%	with ITC of input services
19	Construction of a complex, building, civil structure or a part thereof, intended for sale to a buyer, wholly or partly.		
20	Temporary transfer or permitting the use or enjoyment of any Intellectual Property (IP) to attract the same rate as in respect of permanent transfer of IP;	12%	with full ITC
21	Supply of Food/drinks in restaurant having licence to serve liquor	18%	With Full ITC
22	Supply of Food/drinks in restaurant having facility of air-conditioning or central heating at any time during the year	18%	With Full ITC
23	Supply of Food/drinks in outdoor catering	18%	With Full ITC
24	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff of Rs 2500/ and above but less than Rs 5000/- per room per day	18%	With Full ITC
25	Bundled service by way of supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	18%	With Full ITC
26	Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama	18%	With Full ITC
27	Composite supply of Works contract as defined in clause 119 of section 2 of CGST Act	18%	With Full ITC
28	Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as IPL and the like;	28%	With Full ITC
29	Services provided by a race club by way of totalisator or a licensed bookmaker in such club;	28%	With Full ITC
30	Gambling;	28%	With Full ITC
31	Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel	28%	With Full ITC
32	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 5000/- and above per night per room	28%	With Full ITC
33	Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration (supply of service) to attract the same GST rate and compensation cess as		
34	Any transfer of right in goods or of undivided share in goods without the transfer of title thereof (supply of services) to attract the same GST rate and compensation cess as applicable on supply of similar goods which involves any transfer of title in goods (supply of goods).	GST and compensation cess as on supply of similar goods	
35	Supply consisting of transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed (supply of goods): value of leasing services shall be included in the value of goods supplied.		
36	All other services not specified elsewhere	18%	With Full ITC

GST Credit

1. Credit of **all input tax** charged on supply of goods or services allowed under GST, which are used or intended to be used in the course or furtherance of **business.**
2. Credit of input tax will be **allowed** under **reversed charge** basis.
3. The recipient can take credit if he will **pay the consideration within 180 days**, this condition will be applicable in case of **reversed charge** basis.
4. If goods have been delivered to person under **“bill to” – “ship to”** scenario, than **credit** will be available to the **person on whose order** the goods are delivered to third person.
5. **Credit** will be available **till filling or due date of annual return** filed . Also be noted that **no revision** will be allowed **after filling of annual return**.
6. **Credit will not** be allowed for goods which are **destroyed or lost due** to various reason and goods given as gifts or free samples.
7. **No input credit** allowed on **construction of building for business purpose**.
8. Input **Credit** will be allowed on **zero rated supply**.
9. In case of new registration, **change from composition to normal scheme**, from exempt to taxable supplies, **Input credit will be allowed only within 1 years from the date of invoice.**

GST Credit

10. **In case of mismatch**, the communication would be made to both parties, if not than recovered as output liability of recipient in the **return for the month succeeding** the month in which discrepancy is communicated.
11. Input tax **credit** is allowed **provisionally for two months**, but can be **utilized** only to **pay self assessed** output tax.
12. Input tax **credit will be reduced by prescribed %** or tax on the transaction value, which ever is higher , in case of **capital goods sold**.
13. In case of **refactory bricks, mould and dies, jigs and fixtures** when these are supplied as scrap, tax will be paid on **Transaction value.**
14. **Input service distributor** concept is also under GST.
15. Input credit is allowed as **refund in case of zero** rated supply and where credit has accumulated on account of rate of tax on input being higher than the output tax rate.
16. If a person has **paid IGST/CGST/SGST mistakenly**, but the nature of which is subsequently clarified, in this case tax paid **can be as refund only**.
17. **Refund** of input tax credit can be **claimed before 2 years** from the relevant date.
18. **Refund** will be **sanctioned** within **60 days** from the date of application, some **cases 90%** of refund has to be given within 7 days of acknowledgement for notified person/category on **provisional basis.**

GST Input Credit/Utilization

SGST

Credit available on input	Utilized first to pay SGST then IGST

CGST

Credit available on input	Utilized first to pay CGST then IGST

IGST

Credit available on input	Utilized to pay CGST/SGST/IGST but in defined order: IGST → CGST → SGST

GST Payment

1. All payment under GST would be **online/RTGS/NEFT** ,even you can pay by **debit/credit card**.
2. Payment of taxes by the normal tax payer is to be done on **monthly basis till 20th** day of next month.
3. Under **composition scheme** tax required to pay on **quarterly basis**.
4. **Return** will **not be valid** if **tax has not been paid**.
5. In case of **cheuqes** date of payment will be **clearance date.**
6. E-Ledgers shall be maintained on **GSTN** i.e. **cash ledger, input tax credit ledger and tax liability ledger.**
7. Challan can be generated in multiple sitting i.e. challan **can be "save"** and can be **edited before finalization**.
8. **Challan will be valid for 15 days after its generation** thereafter it will be purged. And CIN no. will be allotted to each challan.
9. **FIFO method will be applicable on all payments.**
10. **Penalty and Interest** will **not be adjusted against ITC**, but have to be **paid separately.**
11. **TDS** will be applicable @ **1% if payment to contractor more than 2.5 lakh,** applicable in case of **Govt. and Govt. undertaking and notified entities**.

GST Payment

12. **TDS** will be **deposited by 10th of next month** on GSTR 7.
13. **TDS certificate** will be **issued** to deductee **within 5 days**, otherwise 100 Rs. Per day subject to maximum Rs. 500.
14. **TCS** will be applicable only for **E-Commerce operator**, TCS required to be **deposited** by **10th day of next month.**
15. **Registration necessary** on **GSTN** for making GST payment with banking detail.

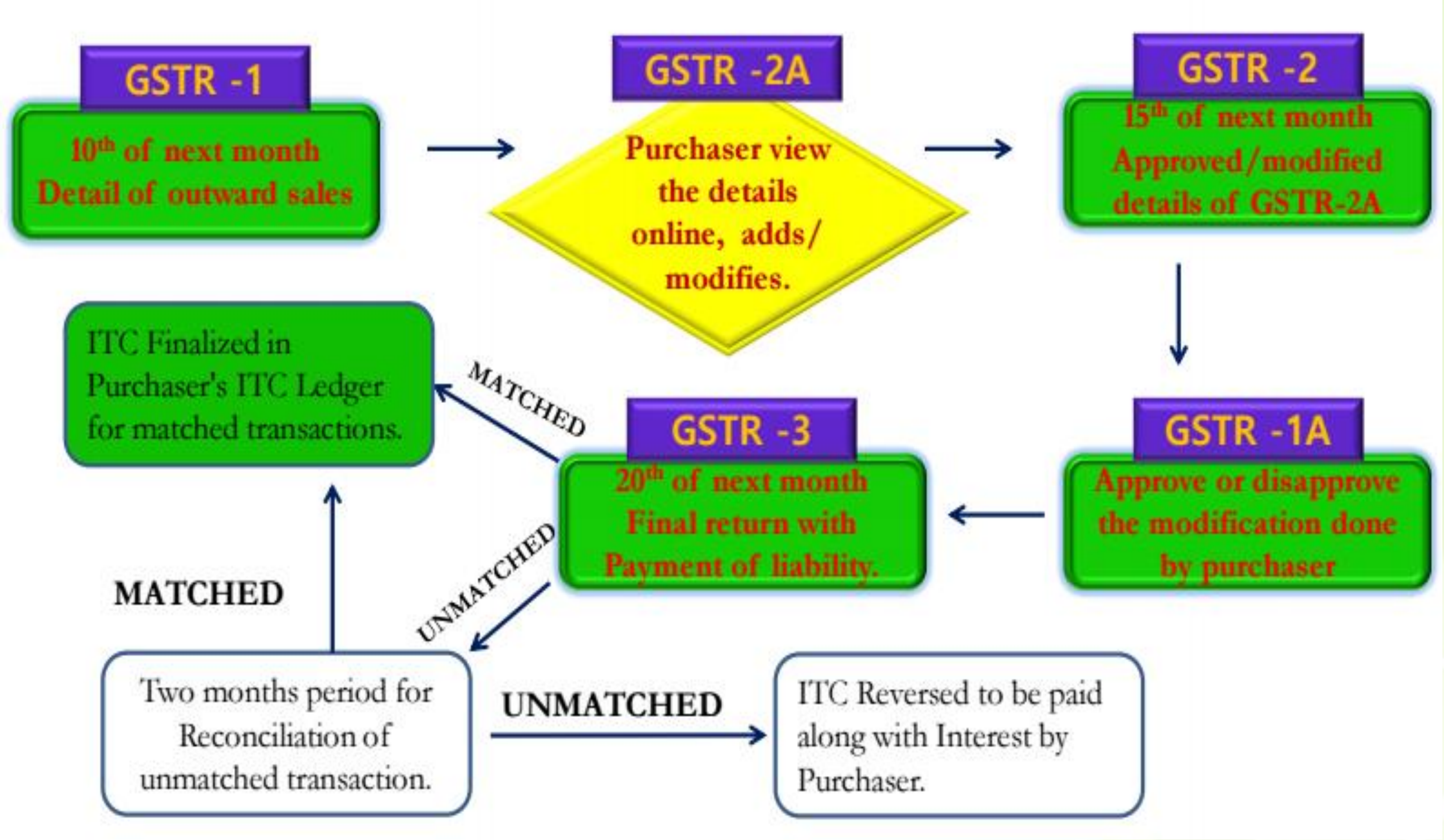
Job work

1. **Job worker** required to take **registration** under GST.
2. **Two method** under GST are available for job work (i) **Normal supply** i.e. take credit of GST on receipts of material and pay GST on return of material after completion of job work (ii) **pay GST only on value of job work and returned the goods within 1 years and 3 years for capital goods.**
3. **Principal** can **send the goods directly to job worker without bringing into his premises.**
4. **Principal** can supply the goods **directly from the premised of job worker** if principal declare as his **additional place of business** and **job worker is registered** under GST. Principal can take credit of these inputs.
5. If goods has not been **returned** within prescribed time **(1 years/3 years)** than principal required to pay GST.
6. The condition of bringing back **capital goods within 3** year is **not applicable** to **moulds,dies,jigs and fixtures or tools.**
7. **Principal** shall be **responsible to maintain proper records** regarding job work.

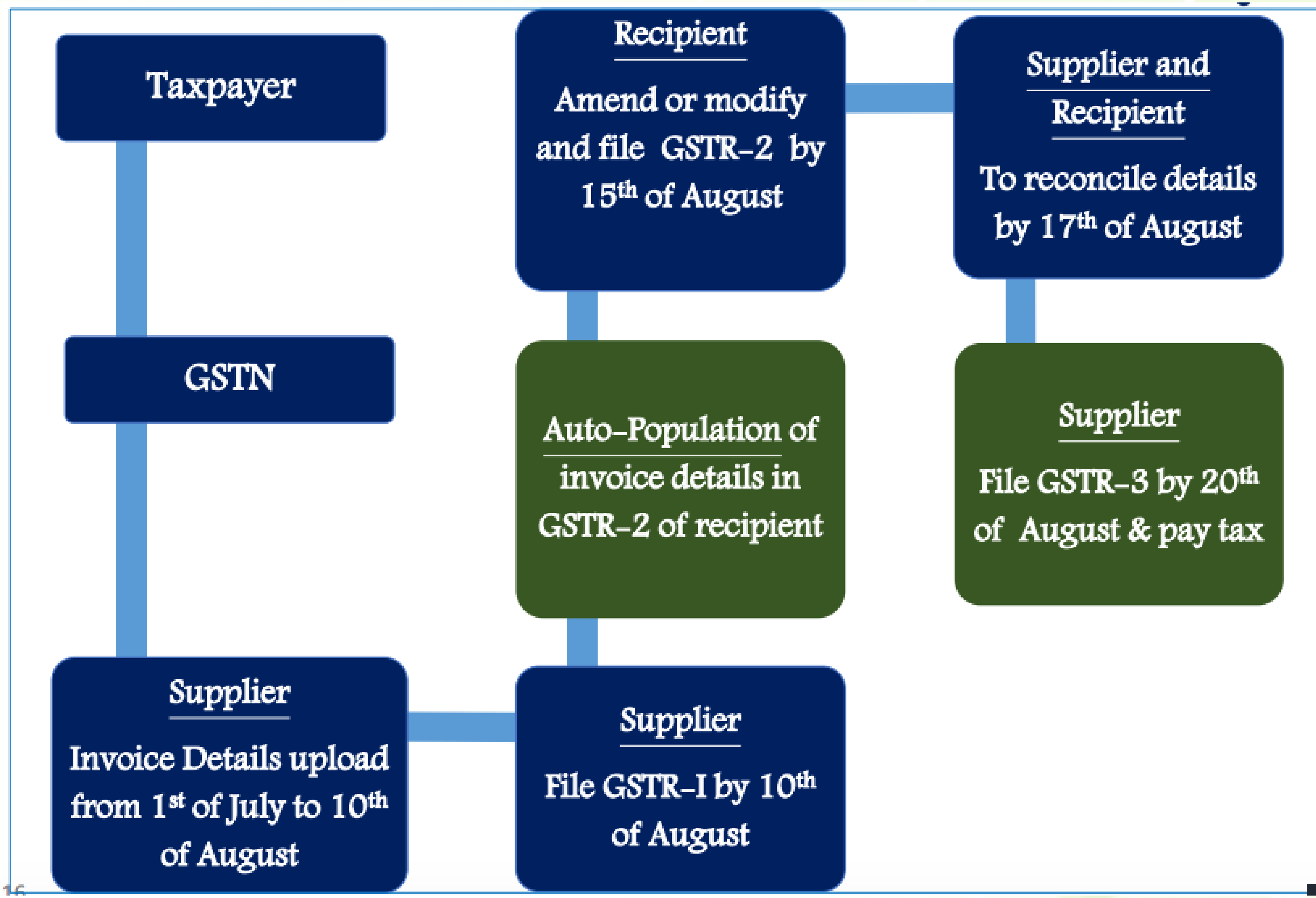
Compliances/Return of GST

Return Form	What to file?	By Whom?	By When?
GSTR-1	Details of **outward supplies** of taxable goods and/or services effected	Registered Taxable Supplier	10th of the next month
GSTR-2	Details of **inward supplies** of taxable goods and/or services effected claiming input tax credit.	Registered Taxable Recipient	15th of the next month
GSTR-3	**Monthly return** on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Registered Taxable Person	20th of the next month
GSTR-4	Quarterly return for compounding taxable person.	Composition Supplier	18th of the month succeeding quarter
GSTR-5	Return for Non-Resident foreign taxable person	Non-Resident Taxable Person	20th of the next month
GSTR-6	**Return for Input Service Distributor**	Input Service Distributor	13th of the next month
GSTR-7	Return for authorities deducting tax at source.	Tax Deductor	10th of the next month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	E-commerce Operator/Tax Collector	10th of the next month
GSTR-9	**Annual Return**	Registered Taxable Person	31st December of next financial year
GSTR-10	Final Return	Taxable person whose registration has been surrendered or cancelled.	Within three months of the date of cancellation or date of cancellation order, whichever is later.
GSTR-11	Details of inward supplies to be furnished by a person having UIN	Person having UIN and claiming refund	28th of the month following the month for which statement is filed

Compliances/Return of GST



Compliances/Return of GST



Compliances/Return of GST

1) **Compulsory electronic filing of returns**.
2) The Board/Commissioner may, for valid and sufficient reasons, by notification, extend the time limit for furnishing such details.
3) **Rectification of error/omission** in respect of returns filed can be done before filing of return for the month of **September** following the year of which the details pertain or before furnishing of Annual return, whichever is earlier. Hence the existing time limit of revision of 30 days from the date of filing original return is extended to such extended period.
4) There will be separate tables for submitting details relating to import of Goods/Capital Goods from outside India and for the services received from outside India unlike the current system where only the value of imports are provided.
5) Upon preparation of **GSTR-2**, details of supplies shown by the relevant suppliers will be **auto populated** in assessee's return. The assessee is required to **verify, validate, modify or even delete – the details furnished by the suppliers.**
6) Separate field to capture ITC on Capital goods to be availed on installment basis.
7) **Auto-Population** in this return from GSTR-1 will be done on or after 11th of the succeeding month. Addition or Deletion of the invoice by the taxpayer will be permitted between 12th and 15th of the succeeding month. Adjustments would be permitted on 16th and 17th of the succeeding month.

Compliances/Return of GST

8) **Late filing** would be permitted on **payment of late fees only**. Hence late filing of return will not be possible without payment of fees.

9) A return furnished **without payment of full tax** due as per such return shall **not** be treated as a **valid return** for allowing input tax credit in respect of supplies made by such person.

10) **Input tax credit** is **eligible** only **after** filing a valid **GST return**.

11) Refund of interest on mismatch is receivable as interest by the recipient of goods if the supplier later on revises his return and reconciles the sales. However refund of interest cannot exceed the interest paid by the supplier of goods.

12) **Annual return** to be furnished by **31st December** following the respective year.

13) Input Service distributor, deductor of tax, casual taxable person and Non-Resident taxable person are not required to furnish annual return.

14) Final return to be furnished by supplier within 3 months of cancellation of registration or receipt of cancellation order, whichever is later.

15) **Late filing fees shall be Rs. 100 per day** of delay (maximum INR 5000/-). For annual return, late filing fees shall be Rs. 100 per day of delay (maximum 0.25% of aggregate turnover)

16) The **taxpayer can authorize** any GST practitioner to file return on his behalf

Key point and learning

1. **Purchase only from registered** vendors.
2. Make **ensure Tier 1/2** vendors **compliance** with GST provision and **uploading correct data on GSTN.**
3. Keep watch on **GSTN rating for vendors**, any black listed vendor, immediately stop the business.
4. Invoices will issued **triplicate** in case of **goods** and **duplicate** in case of **services.**
5. If value of supplied goods more than **50000/-, E-Way** bill has to be submit and ensure to carry with the vehicle. Validity of E-Way bill as under:

No.	**Distance Validity**	**Period**
1	Less than 100 km	One day
2	100 km or more but less than 300km	Three days
3	300 km or more but less than 500km	Five Days
4	500 km or more but less than 1000km	Ten Days
5	1000 km or more	Fifteen Days

6. **Supply** can be on **delivery challan** in case of liquid gas and job work.
7. Govt. may issued **RFID** “Radio Frequency Identification Devices” for certain class of transporters.

Key point and learning

8. Any **price increase/decrease**, ensure to close **within 30 days**.
9. Any **mismatch** between vendor & customer, ensure to close **within next month**.
10. Warehouse mechanism need to be check with cost effectiveness, many vendors moved with **central warehousing system** instead to maintain state wise warehouse.
11. **Transit goods** must be **entered** in books and upload on GSTN **within 30 days**.
12. **Transport business** is going to **boom**, ALP group have good opportunity to increase business.
13. Inventory management will be going to play a key role under GST.

Transitional Provisions

1. **Cenvat credit and VAT credit** will be **carry forward** as credit under GST based on the **last return** filed on **30^{th} June 2017**, except for composition scheme. GST Form **GST TRAN -1**.
2. Registered person **required to fi**le all return under existing law for the period **of 6 month** immediately preceding the 1^{st} July 2017.
3. **Invoice** of **30^{th} June** for **capital goods**, but goods received in July, in such a case full credit is available i.e**. 100%.**
4. **No SSI** exemption is available, limit to get **registration** under GST is **20 lakh.**
5. **Sales return** under **CST** is allowable as **deduction in turnover** if goods returned **within 6 month**, but GST will be paid on such return.
6. **Goods** sent for **job work** and **returned within 6 month**, **no tax** will be paid under GST, if all condition fulfilled under existing law.
7. **Finished goods** can be send for **testing or carrying out certain processes** under existing law and returned after GST implementation, **no tax** will be paid, **if returned within 6 month**.

Transitional Provisions

8. **Debit/credit note** or **supplementary** invoice can be raised **within 30 days** of the price revision, if price is downwards, only allowed to reduce tax liability only if recipient of the invoice or credit note has **reduced** his **input tax credit.**
9. For **goods in transit**, ensure to enter material **(GRN) within 30 days** at customer end and vice versa.
10. If any **refund** arising from **revision of returns** furnished under the existing law, will be **refunded in cash**.
11. In case of **inputs** received **on or after 1st July 2017**, but supplier has **paid tax under existing law,** subject to document must be recorded within **30 days** from 1st July 2017. Commissioner may extend another 30 days with sufficient cause.

GST Effects – Purchase – How calculate

Particulars	Local against VAT	CST purchase	Import	Total
Purchase Value - INR Cr.	21	49	40	110
Purchases in %	19%	45%	36%	100%
Present Material Cost to sale				48%
CST Rate				2%
CST Benefit on Sale Price				**0.43%**

Gurgaon - Domestic - XYZ			
Particulars	**VAT**	**CST**	**GST**
Basic Rate – Assume Price	**100.00**	**100.00**	**100.00**
Excise Duty @ 12.5%	12.50	12.50	
Value for Sale Tax	**112.50**	**112.50**	**100.00**
Sales Tax	4.73	2.25	
CGST+SGST @ 28%			28.00
Total Buying Price	**117.23**	**114.75**	**128.00**
Net Cost	**100.00**	**102.25**	**100.00**

Gurgaon -Imported- ABC		
Particulars	**Present**	**GST**
CIF rate - A	**100.00**	**100.00**
Landed cost @ 1% - B	1.00	1.00
Assessable value -C=(A+B)	**101.00**	**101.00**
BCD @ 10% - D	10.10	10.10
Value for CVD /GST - E=(C+D+	111.10	111.10
CVD @ 12.5% - F	**13.89**	
Custom E/H Cess @ 3% - G=(D+F)*3%	0.72	
Value for SAD - H=(E+F+G)	125.71	
SAD @ 4% - I=(H*4%)	5.03	
IGST @ 28%		31.11
Custom Cess @ 3%		1.24
Total value including duty	**130.74**	**143.44**
Net Cost*	**111.82**	**112.34**

* Freight Cost Extra

GST Effects – Sale – How to calculate

Sales		- INR Cr.		
Particulars	**VAT**	**CST**	**GST**	**GST**
Basic sale value	**100.50**	**91.50**	**100.50**	**91.50**
Excise Duty @ 12.5%	12.56	11.44		
Value for Sale Tax	**113.06**	**102.94**	**100.50**	**91.50**
Sales Tax	4.75	2.06		
CGST+SGST @ 28%			28.14	25.62
Total Selling Price	**117.81**	**105.00**	**128.64**	**117.12**

Additional blockage of funds		- INR Cr.	
Particulars	**VAT**	**CST**	**Total**
Incremental sale value per year	10.83	12.12	22.95
Incremental sale value per month	0.90	1.01	1.91
Payment terms - Days	30	75	
ROI@ 10%	10%	10%	
Finance cost additional per year	0.09	0.25	0.34

% to Sale = 0.34/192= 0.177%

Net Cost reduction = Purchase – Sale

= 0.43%-0.177%=0.253% can be offered to customer

GST Implementation plan - Sample

S.no.	Activity	Resposibility	Plan/Actual	Dec-16				Jan-17				Feb-17				Mar-17				Apr-17				May-17				Jun-17				Jul-17				Aug-17			
				Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th	Week 1st	Week 2nd	Week 3rd	Week 4th
1	Apply for provisional GST no.		Plan																																				
			Actual																																				
2	Negotiation with SAP Partner		Plan																																				
			Actual																																				
3	GST provisional no. collection from vendors		Plan																																				
			Actual																																				
4	ERP upgradation		Plan																																				
			Actual																																				
5	Sales Tax return for Q1 (April to June)		Plan																																				
			Actual																																				
6	Excise return for June 2017		Plan																																				
			Actual																																				
7	Service Tax return for Q1 (April to June)		Plan																																				
			Actual																																				
8	Inwarding of inventory at customer end - within 30 days		Plan																																				
			Actual																																				
9	Cut off proceedure for purchase		Plan																																				
			Actual																																				
10	Filling of First return - GSTR 1/2/3		Plan																																				
			Actual																																				
11	Filling of First return - GSTR 6		Plan																																				
			Actual																																				

Plan

Actual

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THANK YOU