GST IMPACT ON FINANCIAL STATEMENT, E-WAY BILL, GSTR 4

21/03/2018

CA. VINODH KOTHARI
Chartered Accountant
Chennai
Ph. 9566105599
svinodhkothari@gmail.com

CONTENT

FINANCIAL STATEMENTS

GST ANNUAL AUDIT

GST IMPACT

STATUTORY AUDIT

TAX AUDIT

GST → Act → Rules → Notification → Circulars → Orders

GST IMPACT ON FINANCIALS

REGISTRATION	COMPANIES	PROPRIETORY CONCERN	TRANSTIONAL CREDIT	PRE GST ACCOUNTS
• Effective Date Of Registration • Additional Place Of Business • Change In Partnership Deed • Change in Directors Amendment • Composition Scheme Option	• Director Appointment • Executive / Non Executive • Employer – Employee Relationship • GST on Services by Director	• GST Registration is PAN Based • Check all the income of the proprietor for GST Applicability	• Reduction Of Transitional Credit Value From Closing Stock Value • Transitional Credit Entry • Impact On Profitability	• VAT / Excise / Services Returns Reconciliation with Accounts • Check Income / Expenses Entries related to Pre GST period posted in GST Period • Closing Stock Statement as on 30/6/17

GST IMPACT ON FINANCIALS

STOCK IN HAND

- Closing Stock Report as on 30/6/17
- Goods Lost / Stolen / Destroyed / Free Samples – ITC Reversal
- Classification of HSN Code
- Transitional Credit Impact on Closing Stock Valuation

SUPPLY TO SEZ / EXPORTS

- LUT / BOND
- ITC Credit Refund
- IGST Refund
- Supply to Exporter GST Rate 0.1% Applicable from 23/10/17 (Notif 40/2017 CT R) Subject to Conditions

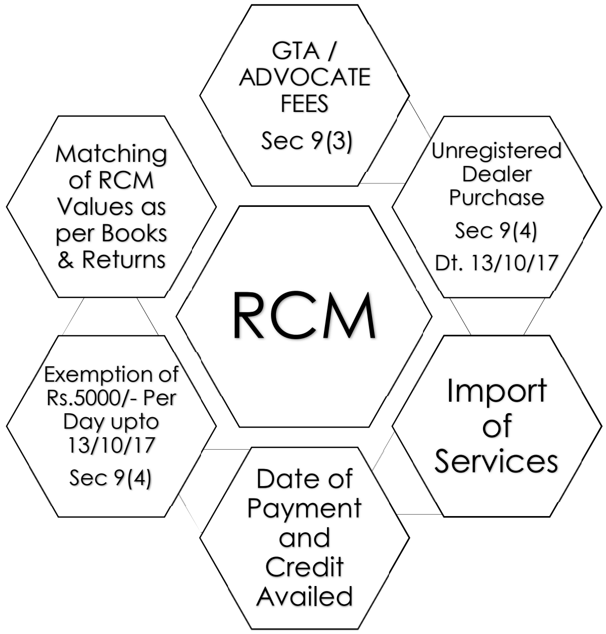
RELATED PARTY TRANSACTION

- Valuation Rules
- Transaction without Consideration
- Payments for Inward Supplies made within 180 Days

OTHERS

- Interest Paid on Delay Payment of GST & ITC Reversal
- Unclaimed ITC Credit – Can be claimed upto 10th of Oct Next year
- ITC Credit only by filing returns
- Filing of TRAN 2

GST IMPACT ON FINANCIALS - RCM



GST IMPACT ON FINANCIALS

Trade Payables

- Payment made within 180 Days
- Reversal of ITC and Payment of GST With Interest
- Advance Paid for RCM Expenses

Advance Received

- GST Paid on Advance or Not
- GST on Advance Received on Goods Applicable till – 14/11/17 (Notif 66/2017 CT R)
- Classification of Goods / Services
- GST payable on Advance Received for Services

Fixed Assets

- Impact of GST on Sale of Fixed Assets
- ITC Claimed / Reversal (Rule 43)
- Depreciation or ITC – No Dual Benefit
- Motor Car Sale – (Notif 8/2018 CT R dt. 25/01/18) – GST on Margin
- ITC on Building / Works Contract Not Eligible.

GST IMPACT ON FINANCIALS

Sales
- Matching with Returns
- Debit Note / Credit Note
- B2B / B2C Classification
- Branch Transfer – Inter State / Intra State
- GST Rates & HSN / SAC Code

Purchase
- Matching with Returns
- Debit Note / Credit Not
- ITC Applicability & Reversal
- Unregistered Dealer Purchase
- Check with GSTR 2A

Expenses
- ITC Claim & Reversal
- RCM Applicability
- Declaration in GST Returns Exempted / Taxable / Non GST
- RCM on URD (Notif No 38/2017 dt. 13/10/2017)

GST IMPACT ON FINANCIALS

ITC Reversal
- Ineligible ITC U/s.17(5)
- ITC on Inward Supplies used for Non Business Purpose
- ITC on Work Contract & Building Construction
- ITC on Goods / Services Exempted / Taxable Supply (Rule 42)
- Payment due to Vendors more than 180 Days
- ITC on Capital Goods for Common Purpose restricted (Rule 43)

Section

INPUT TAX CREDIT NOT AVAILABLE Sec 17(5)

Motor Vehicles & Other Conveyance

Except

Further Supply / Transportation / Training

Transportation of Goods

> Food & Beverage
> Outdoor Catering
> Beauty Treatment
> Health Services
> Cosmetic & Plastic Surgery
> Membership of a club, health & fitness center
> Rent a Cab
> Life / Health Insurance
> Travel Benefit to employee on Vacation

> Works Contract Service – Immovable Property
> Construction of Immovable Property
> Tax on Composition Scheme
>Personal Consumption

Goods Lost / Stolen / Destroyed / W/off / Disposed / Free Sample

GST DOCUMENTS

Accounting Info. > **Voucher Type** > **Create**

INVOICE OUTWARD SUPPLY	INVOICE INWARD SUPPLY UNREGISTERED	REVISED INVOICE	DEBIT / CREDIT NOTE
RECEIPT VOUCHER	PAYMENT VOUCHER	REFUND VOUCHER	DELIVERY CHALLAN JOB WORK
	DELIVERY CHALLAN ON APPROVAL	DELIVERY CHALLAN OTHERS	

GST IN TALLY

Statutory Setup
- Activation of GST Module
- Linking of Stock Items to GST Module
- Linking of Ledger to GST Module

Voucher Entry
- Check Monthly GST Statutory Reports to match with GSTR 3B, 1
- All Incomplete / Mismatch Information should be resolved
- Check Composite / Mixed Supply GST Taxability in Voucher Entry
- Debit / Credit Note / Discount / Other Income Entries to be check with GST Impact.

Month End GST Entry
- Every Month End Pass GST Input / Output Ledger Closing Entry as filed in GST Returns

  CGST Output A/c. Dr
  SGST Output A/c. Dr
  IGST Output A/c. Dr

  To CGST Input A/c.
  To SGST Input A/c.
  To IGST Input A/c.
  To GST A/c. (If Output is Higher)
  By GST A/c. (If Input is Higher)

GST IN TALLY

Debtors Ledger
- Ensure maintained Bill Wise
- Advance Received entries are passed using Advance Received Option & Separate Voucher Type for Advance Receipt & Refund Voucher
- Check for GST paid on Advance or Not
- ITC should be claimed only after receipt of Goods / Services

Creditors Ledger
- Ensure maintained Bill Wise
- Advance Paid adjustment Entries to be passed appropriately.
- More than 180 Days Payment Due – ITC Reversal (Display > Statement of Accounts > Outstanding)
- Check all Creditors Ledger with Debit Balance to ensure the Bill entry is made.

Fixed Assets Ledger
- Check for Addition / Deletions during the Year
- Impact of GST on Fixed Assets Sold during the Year
- ITC Credit Taken, Eligibility, ITC Reversal
- Incase of Common Fixed Assets ITC can be claimed on 1/60th of the total ITC Every Month

Expenses Ledger
- All Expenses Ledger GST Statutory Classification Mandatory (GST Applicable / Not Applicable)
- RCM / Ineligible ITC Expenses Ledger GST Classification
- Ensure all Eligible ITC Expenses ledger have supporting Invoice with GST Number of both Supplier and Recipient.

QUESTIONS

E-WAY BILL

- E-Way Bill should be generated prior to commencement of movement of goods
- In Relation to Supply
- Reasons other than Supply
- Inward Supply from Unregistered person
- PART A – Form GST EWB 01 (Before Commencement)
- PART B – Form GST EWB 01 - Before Commencement – If Transported by Road
- PART B – Form GST EWB 01 - Before or After Commencement – If Transported by Air / Vessel / Railway

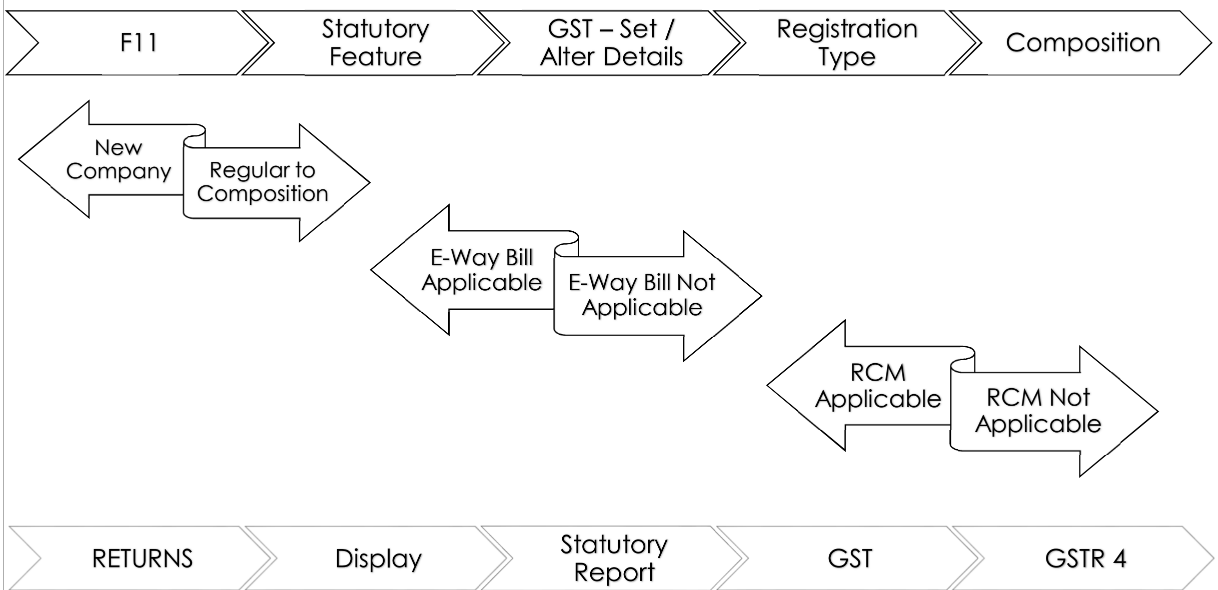
E-WAY BILL

Value > 50000	Part A / B Form GST EWB-01 Dealer / Transporter Electronically	Cancellation within 24 Hrs (If Verified in transit cannot be cancelled)
Validity Upto 100 Kms – 1 Day Every 100 Km – 1 Addl Day (Other Than Over Dimensional Cargo)	Validity Upto 20 Kms – 1 Day Every 20 Km – 1 Addl Day (Over Dimensional Cargo) Validity Can be Extended by Commissioner	Multiple Consignment in one Conveyance Form GST EWB - 02
	Recipient - Accept/Reject No action within 72 Hrs Treated as accepted	

E-WAY BILL IN TALLY ERP 9

E-Way Bill Activation	F11	Statutory Feature	Set / Alter GST	E-Way Bill Applicable
Transporter Ledger	Create Transporter Ledger	Provide Name / Address	Mark as Transporter in GST	
Sundry Debtor Ledger	Create / Alter - Debtor Ledger	Provide Name / Address / State	Mention GST No in B2B Cases	
Stock Item	Create / Alter – Stock Ledger	Provide HSN Code, Name, Rate of Tax	HSN Code Mandatory	
Voucher Entry	E-Way Bill Linked	Sales	Credit Note	Delivery Note
E-Will Generation	JSON File created once Voucher Entered	Display > Statutory Report > GST > E-Way Bill		
E-Way Bill Update	Once Uploaded E-Way Bill will be Generated	Display > Statutory Report > GST > E-Way Bill > Update E-Way Bill Info		

COMPOSITION DEALER ACCOUNTING IN TALLY ERP 9



COMPOSITION DEALER ACCOUNTING IN TALLY ERP 9
REGULAR TO COMPOSITION SCHEME

If you are using	After changing to composition	Comments
Sales ledger: **Taxability** - **Taxable** . Sales invoice: Recorded without selecting tax ledgers	Sales ledger: The **Taxability** will be retained as **Taxable** . Sales invoice: Do not select GST ledgers.	● Old transactions are not affected. ● The error of non- selection of GST ledgers will not appear in the invoice. ● In GSTR-4, the tax liability gets calculated at the rate entered in the **Company GST Details** screen.
Sales ledger: The **Taxability** was set to **Exempt** .	Sales ledger: The **Taxability** will be retained as **Exempt** . Change this to **Taxable** . Sales invoice: Do not select GST ledgers.	● Old transactions are not affected. ● The tax liability in GSTR-4 gets calculated at the rate entered in the **Company GST Details** screen.
Sales ledger: The **Taxability** was set to **Unknown** .	Sales ledger: The **Taxability** will be retained as **Unknown** , but treated as **Taxable** . Sales invoice: Do not select GST ledgers.	● Old transactions are not affected. ● The error of non- selection of GST ledgers in the sales invoice will not appear. ● The liability gets calculated at the rate entered in the **Company GST Details** screen.

PURCHASE ENTRIES

While using regular registration	On changing to composition	Comments
GST ledger: The ledger was grouped under **Duties & Taxes** , with the **Tax type** set to **Central Tax** , **State Tax** , **Integrated Tax** or **Cess** .	● Create new GST ledgers under: ○ Purchase Accounts (**Inventory values are affected** - **No**) ○ Direct Expenses or Indirect Expenses. ● Select the **Type of Ledger** as Central Tax, State Tax, Integrated Tax, or Cess. ● **Appropriate tax values in purchase invoices** - **Yes** . This will allocate the tax amount to your purchase cost. ● Select the new GST ledgers for purchase from regular dealers, to allocate tax values to the purchase cost.	● Old purchase transactions are not affected. ● If you alter the GST ledger grouped under **Duties & Taxes** , the tax type will be removed. Invoices recorded using these ledgers will not be affected. ● If you alter the invoices recorded earlier by selecting the new GST ledgers, the tax amount will be allocated to the purchase cost. This will affect your stock valuation.

QUESTIONS

CA. VINODH KOTHARI
Chartered Accountant
Chennai
Ph. 9566105599
svinodhkothari@gmail.com