

GST CONALVE Conducted by –**WIRC OF ICAI**

Date : Thursday, 13th July 2017

Venue : ICAI Tower, Plot No. C-40, 'G' Block, BKC, Bandra (E), Mumbai 51.

GST

Goods &
Services
Tax



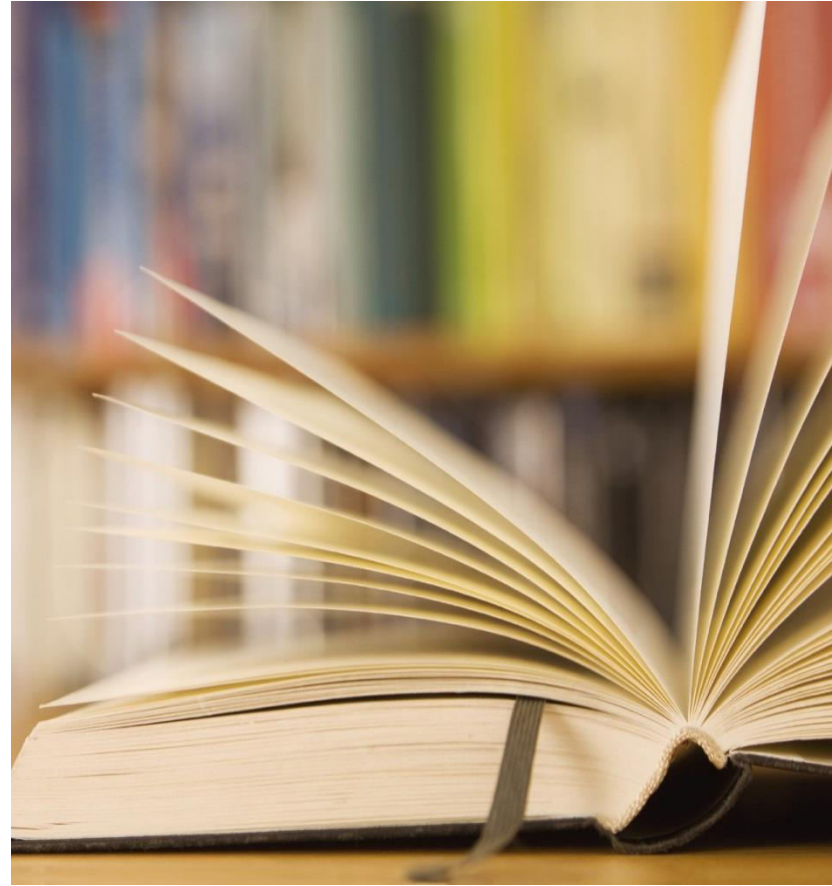
CA Gopal Kedia

Topics to be covered

S.No.	Topics	Covered in
1	Returns	Sec 37 to 48 & Return Rules
2	Matching Concept	Sec 42 & 43
3	Mismatch Report	Sec 42 & 43
4	Refund	Sec 15 & Rules
5	Tax Invoice & Payment of Taxes	



RETURNS



Returns

Introduction –
GST Returns

Who need to
file

Process to be
followed

GST Return –
Important to
Note

ITC- Matching,
Reversal, Re-
credit

First & Final
Return

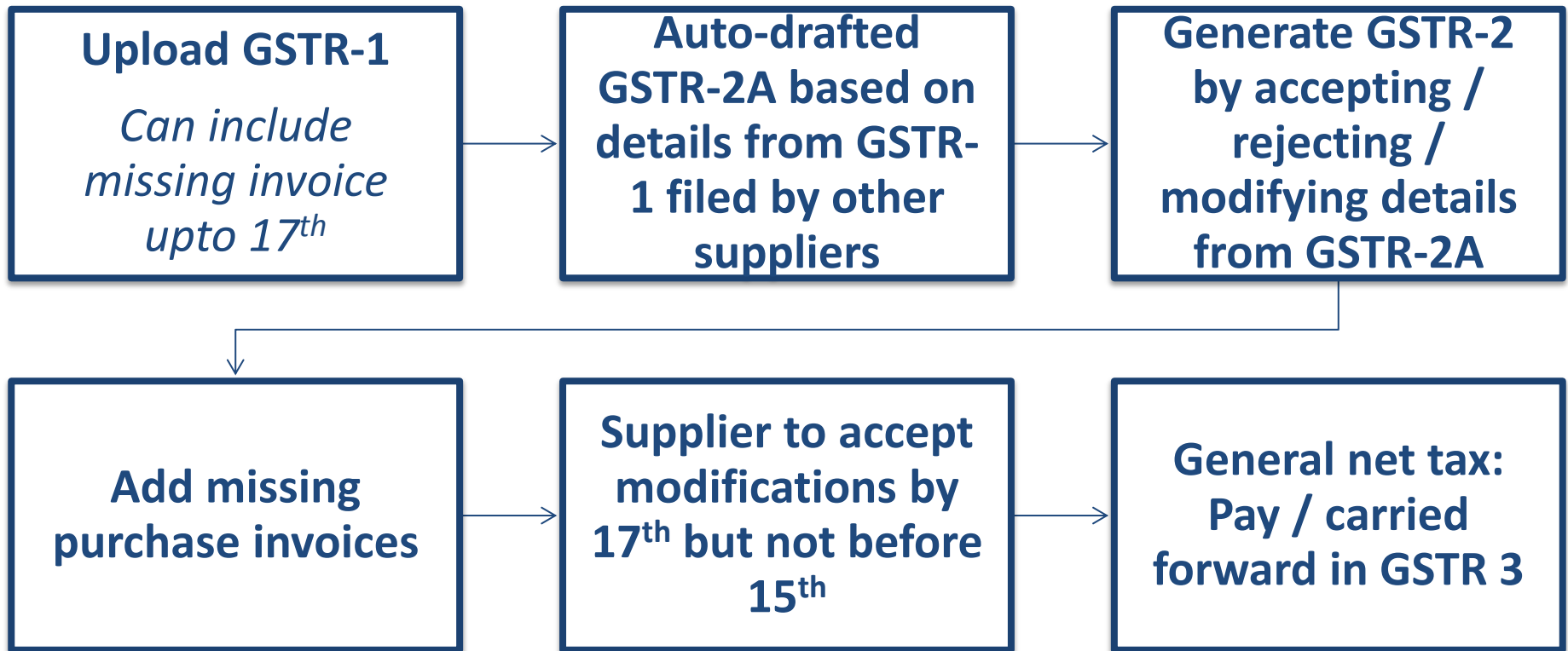
Late fees for
delay in filing
of Returns

Other
important
Provision

Returns under GST

FORM	PARTICULARS	DUE DATE	APPLICABLE FOR
GSTR1	Outward Supplies	10 th of the next month	Normal / Regular Taxpayer
GSTR2	Inward Supplies	15 th of the next month	Normal / Regular Taxpayer
GSTR3	Monthly return [periodic]	20 th of the next month	Normal / Regular Taxpayer
GSTR4	Return by compounding tax payers	18 th of the month next to the quarter	Compounding Taxpayer
GSTR5	Return by non resident tax payers [foreigners]	20 th of the next month or within 7 days after expiry of registration, whichever is earlier	Foreign Non-Resident Taxpayer
GSTR6	Return by input service distributors	13 th of the next month	Input Service Distributor
GSTR7	TDS	10 th of the next month	Tax Deductor
GSTR8	TCS	10 th of the next month	E-Commerce
GSTR-9 / 9A	Annual return	31 st December next FY	Normal tax payer (other than casual tax payer) / Compound Taxpayer

Returns Process



Returns Process- – Relaxation for first 2 months

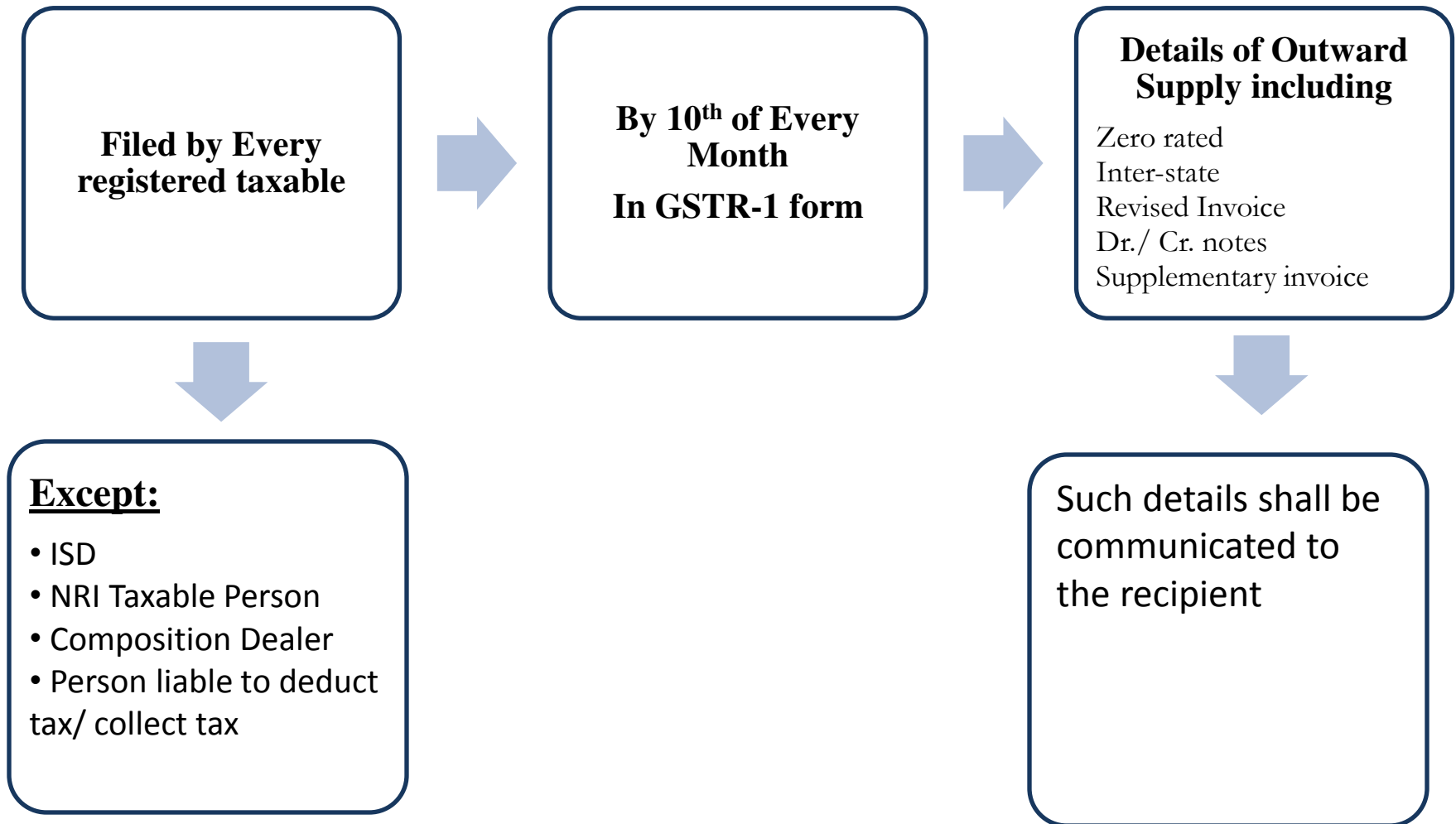
- For the first two months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month.
- The invoice-wise details in regular GSTR – 1 would have to be filed for the month of July and August, 2017 as per the timelines given below –

Month	GSTR – 3B	GSTR - 1	GSTR – 2 (auto populated from GSTR-1)
July, 2017	20 th August	1 st – 5 th September*	6 th – 10 th September
August, 2017	20 th September	16 th – 20 th September	21 st – 25 th September

** Facility for uploading of outward supplies for July, 2017 will be available from 15th July, 2017.*

- No late fees and penalty would be levied for the interim period.

Outward Supply Return- Sec 37



Outward Supply Return- Sec 37

Return Outward supply be furnished cannot be revised between 11th to 15th of succeeding month



Every Registered Person, who has been communicated details from his registered customer / ISD Shall accept or reject the details



On or before 17th day, but not before 15th day

Notes:

1. No revision of “Original” return – Errors/ Omissions whenever discovered will be corrected in the return to be filed of that period
2. Corrections to be filed on/ before:
 - ✓ Filing of Annual return
 - ✓ Due date of filing of O/w supplies return for month of September following the end financial year to which the details pertain

Contents of GSTR -1 (Rule 59)

A.) Invoice details of all outward supply of goods or services or both

Registered Person

All inter / Intra State

Unregistered person

Inter state Supply > Rs 2.5 lacs

B.) Consolidated details of all-

Unregistered person

Intra state supplies for each rate of tax

Unregistered person

State wise inter state supplies < Rs 2.5 Lacs for each rate of tax

C) Debit and credit notes

Contents of GSTR -1 (Rule 59)

Reference	Particulars								
12/2017 dated 28.06.2017	HSN and Service Accounting Code (SAC) <table border="1"><thead><tr><th>Annual TO in Preceding F Y</th><th>No of digit of HSN in Invoice</th></tr></thead><tbody><tr><td>Upto Rs. 1.5 Crore</td><td>Not required</td></tr><tr><td>1.5 Crore up to 5 Crore</td><td>2 Digits</td></tr><tr><td>Above 5.00 Crore</td><td>4 Digits</td></tr></tbody></table>	Annual TO in Preceding F Y	No of digit of HSN in Invoice	Upto Rs. 1.5 Crore	Not required	1.5 Crore up to 5 Crore	2 Digits	Above 5.00 Crore	4 Digits
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Upto Rs. 1.5 Crore	Not required								
1.5 Crore up to 5 Crore	2 Digits								
Above 5.00 Crore	4 Digits								

Contents of GSTR -1 (Rule 59)

Advances received against future supplies

Taxes paid on **advances for which tax invoices issued** in current period

Zero rated Supplies **exported** (including deemed exports) with/ without payment of IGST

revisions in relation to outward supply invoices pertaining to previous tax periods
(Debit/ Credit note)

Separate table for effecting modifications/correcting errors in the returns submitted earlier

separate table for submitting details in relation to **NIL rated, Exempted and Non-GST outward** supplies to registered tax payers and consumers

Details of Supplies made through e-commerce portals

Details of documents issued during the tax period

FAQ

Q 4. Is the scanned copy of invoices to be uploaded along with GSTR-1?

Ans. No scanned copy of invoices is to be uploaded. Only certain prescribed fields of information from invoices need to be uploaded.

Q 5. Whether all invoices will have to be uploaded?

Ans. No. It depends on whether B2B or B2C plus whether Intra-state or Inter-state supplies.

FAQ

Q 6. Whether description of each item in the invoice will have to be uploaded?

Ans. No. In fact, description will not have to be uploaded. Only HSN code in respect of supply of goods and Accounting code in respect of supply of services will have to be fed. The minimum number of digits that the filer will have to upload would depend on his turnover in the last year.

Q 7. Whether value for each transaction will have to be fed? What if no consideration?

Ans. Yes. Not only value but taxable value will also have to be fed. In some cases, both may be different.

In case there is no consideration, but it is supply by virtue of schedule 1, the taxable value will have to be worked out as prescribed and uploaded.

Inward Supply Return- Sec 38

Every registered person

Except :

ISD

NRI

Person paying tax under RCM

TDS/ TCS deductor

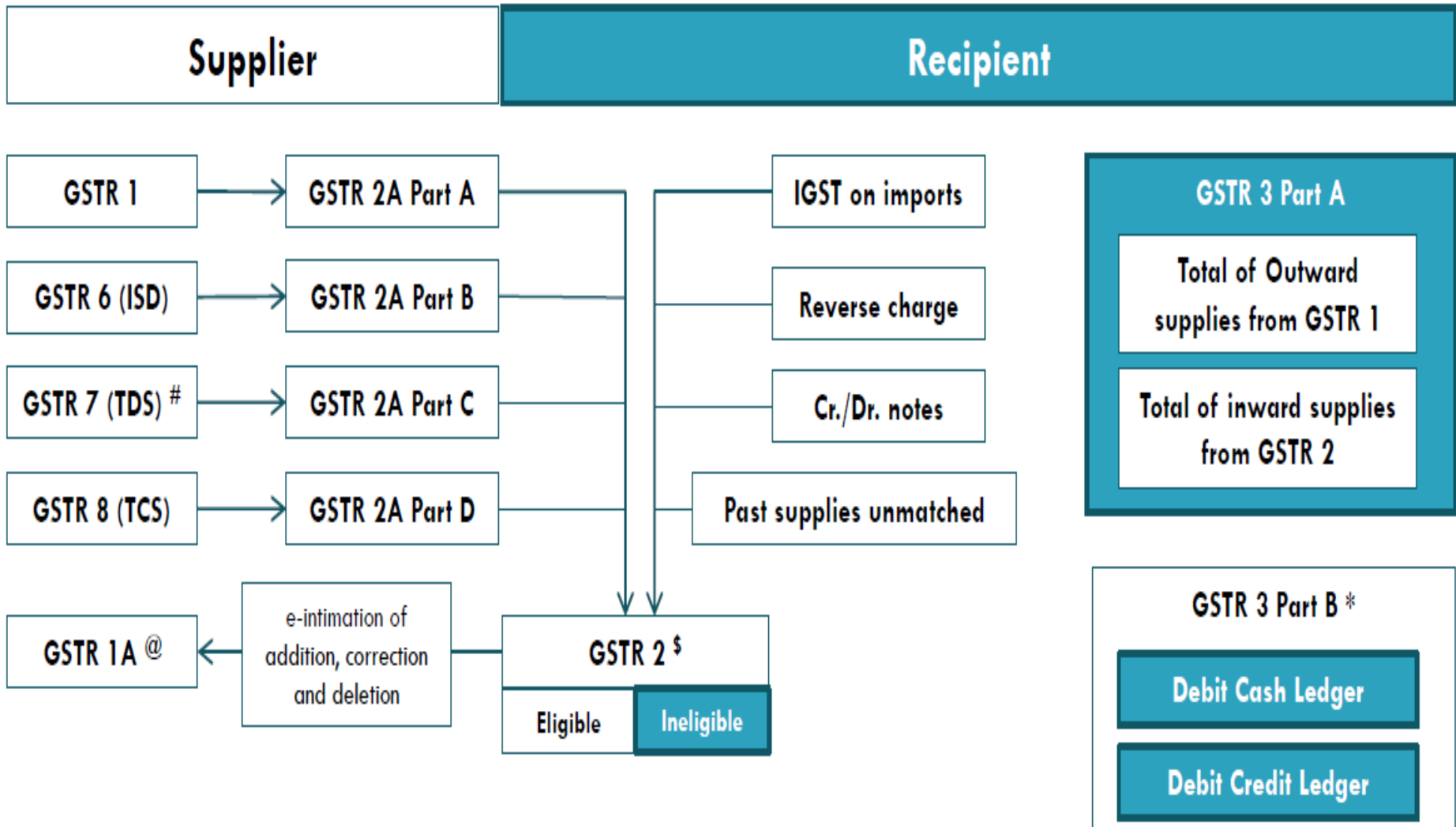


Recipient shall verify, validate, modify, insert or delete the details furnish by the outward supplier in **GSTR-2A (Auto Population)**



He shall furnish details of inward supply **In Form GSTR-2**

Contents of GSTR -2 (Rule 60)



Contents of GSTR -2 (Rule 60)

Rule 60(4)	Ineligible input tax credit; <ul style="list-style-type: none">▪ Not used for business purpose▪ Non taxable , Exempted Supply▪ Common credit in respect of above▪ Ineligible input tax credit u/s 17 (5)
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Monthly Return GSTR -3 (Sec -39)

Every Registered Person shall furnish

For every calendar month by 20th of following month
In form **GSTR-3** electronically

Containing :

- Inward Supply
- Outward Supply
- ITC available
- Tax payable
- Tax Paid
- Other particulars

- Person paying the tax u/s 10 on quarterly basis
- TDS deductor u/s 51 by 10th
- TDS ISD by 13th of next month
- Non resident taxable person for every month by 20th of next month

Monthly Return GSTR -3 (Sec -39)

1. Net tax liability as per above return should be paid by 20th of following month.
2. Nil return to be filed - Sec 39 (8)
3. **Without payment invalid return – 39(7) :** Due date of payment of taxes shall be 20th otherwise return will not be considered as a valid return.

CONTENTS OF GSTR-3

S.No.	Table No. GSTR-3	Description	Auto populated from
1	6	<p>Outward Supplies</p> <ul style="list-style-type: none">✓ Inter state supply to Regd person✓ Intra state supply to Regd person✓ Inter state supply to consumer✓ Intra state supply to consumer✓ Exports✓ Revision of supply Invoice, Dr/ Cr Notes <p>Total Tax liability of outward supply</p>	GSTR-1
2	7	<p>Inward Supplies</p> <ul style="list-style-type: none">✓ Inter state supply✓ Intra state supply✓ Imports✓ Revision of purchase Invoice, Dr/ Cr Notes✓ total tax liability on reverse charge basis✓ ITR reversal	GSTR-2

CONTENTS OF GSTR-3

S.No.	Table No. GSTR-3	Description	Auto populated from
3	8	Total tax liability for the month	GSTR-3
	9A	TDS	GSTR-2
	9B	TCS	GSTR-2
	10	Total ITC received during the month	GSTR-3
	11	Tax, interest, Penalty (Auto populated from cash ledger & ITC ledger)	
	12	Refunds claimed from cash ledger	

Person with Composition Scheme – Sec 39(2)

A registered person paying tax under the provisions of section 10 shall,

- for each **quarter**,
- Furnish a return in **GSTR-4** format
- **within 18 days** after the end of such quarter
- electronically, of turnover in the State or UT,

As per sec 17(5)(e) not entitle for ITC, hence **entire** amount of output tax **liability** shall be **payable in cash**.

Input service Distributor – Sec 39(4)

Every Input Service Distributor shall,

- for every calendar **month**
- Furnish return, electronically in **GSTR- 6**
- **within 13 days** after the end of such month.

Caution !!

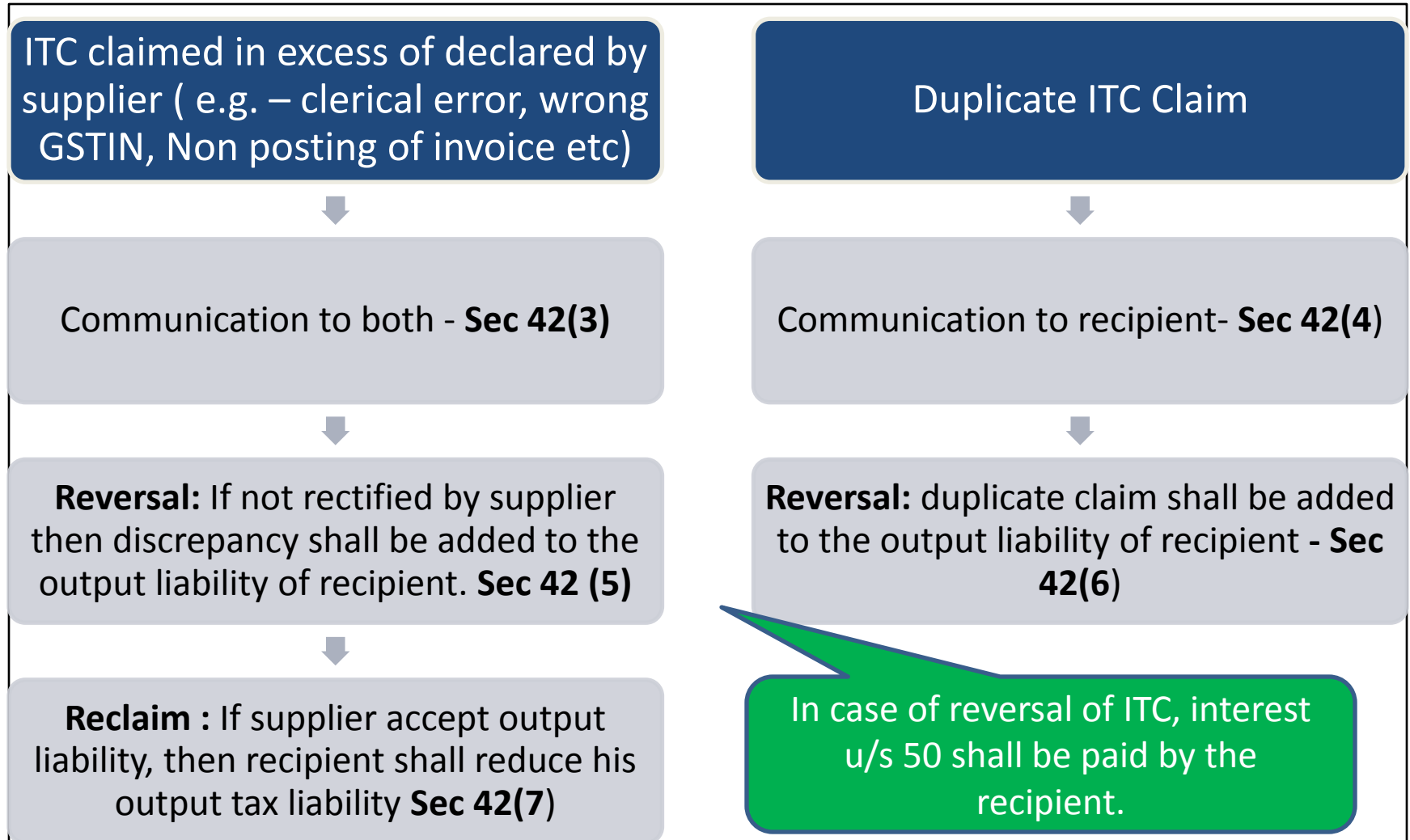
ISD is separate registration, credits aren't interchangeable

Q 14. Do Input Service Distributors (ISDs) need to file separate statement of outward and inward supplies with their return?

Ans. No, the ISDs need to file only a return in Form GSTR-6 and the return has the details of credit received by them from the service provider and the credit distributed by them to the recipient units. Since their return itself covers these aspects, there is no requirement to file separate statement of inward and outward supplies.

- 1) The details of every **inward supply** furnished by recipient **shall be matched—**
 - a) **with** the corresponding details of outward supply furnished by the supplier
 - in his **valid** return
 - for the same tax period or any preceding tax period
 - a) with the **IGST paid on imports** u/s 3 of the Customs Tariff Act, 1975 and
 - b) for duplication of claims of input tax credit.

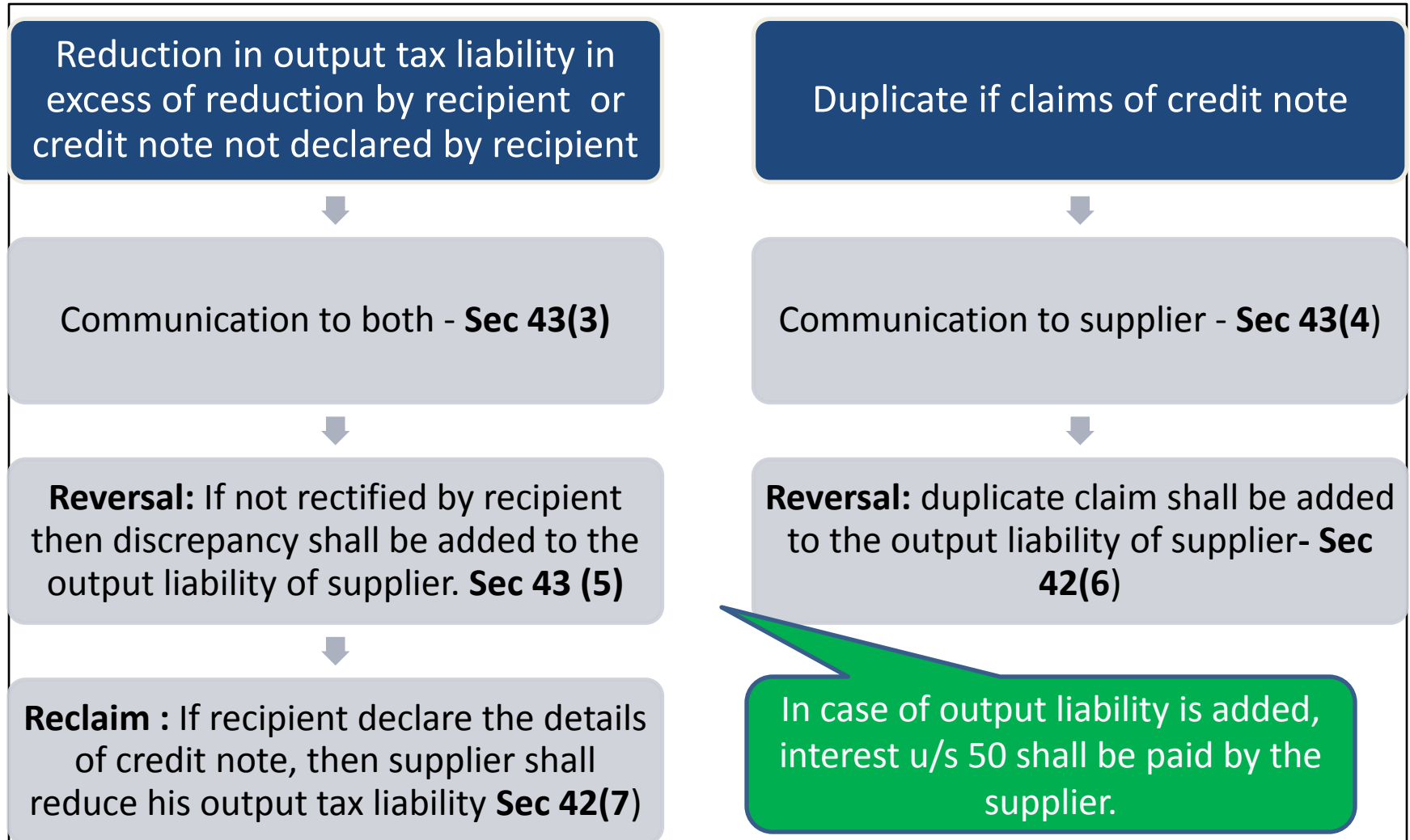
Matching, reversal & reclaim of ITC– Sec 42



Matching, reversal & reclaim of reduction in output tax liability - Sec 43

- 1) *The details of every credit note relating to outward supply furnished by a registered person (hereafter in this section referred to as the “supplier”) for a tax period shall,*
- in such manner and within such time as may be prescribed, be matched—
 - *(a) with the corresponding reduction in the claim for input tax credit by the*
 - corresponding registered person (hereafter in this section referred to as the “recipient”)
 - in his valid return for the same tax period or any subsequent tax period; and
 - *(b) for duplication of claims for reduction in output tax liability..*

Matching, reversal & reclaim of reduction in output tax liability - Sec 43



First Return – Sec 40

Every registered person

- Shall furnish first return
- Covering all outward supplies
- Made from the date he become liable for registration till the end of month in which registration is granted

For e.g.

Date on which become liable for registration	02.07.2017
Date of application for registration	05.07.2017
Date of grant of registration	29.07.2017

Provisional Input Tax Credit

- Every Taxable person subject to such conditions and restrictions
- Be entitled to take credit of eligible input tax credit, as self assessed
- In his return and such amount shall be credited on provisional basis
- Such ITC shall be used only for payment of self-assessed tax as per Return

Undue or excess ITC will attract interest @ 24% sec 50 (1) (Noti- 13/2017 dated 28.06.2017)

Annual Return – Sec 44

(1) Every registered person,

- other than
 - an Input Service Distributor,
 - a person paying TDS / TCS
 - a casual / non-resident taxable person
- shall furnish an annual return for every financial year
- electronically in GSTR-9 format and GSTR-9A by composite dealer
- before 31st December following year

(2) If accounts are **required to be audited u/s 35(5)**

Then a **reconciliation statement in form 9B** required to submit with above return.

Annual Return – Sec 44

Contain of Annual return :

S.No.	Para No.	Description
1	5	Details of expenditure
2	6	Details of Income
3	7	Return reconciliation statement
4	8	Other accounts
5	9	Profit as per profit and loss account

Q 16. Which type of taxpayers need to file Annual Return?

Ans. All taxpayers filing return in GSTR-1 to GSTR-3, other than ISD's, casual/non-resident taxpayers, taxpayers under composition scheme, TDS/TCS deductors, are required to file an annual return. Casual taxpayers, non-resident taxpayers, ISDs and persons authorized to deduct/collect tax at source are not required to file annual return.

Every registered person

- who is required to furnish a return under sub-section (1) of section 39 and
- whose **registration has been cancelled** shall
- furnish a **final return**
- **within three months** of the date of cancellation or date of order of cancellation, whichever is later,
- in **GSTR-10** form

FAQ

Q 17. Is an Annual Return and a Final Return one and the same?

Ans. No. Annual Return has to be filed by every registered person paying tax as a normal taxpayer. Final Return has to be filed only by those registered persons who have applied for cancellation of registration. The Final return has to be filed within three months of the date of cancellation or the date of cancellation order.

Consequence of Non filing – Sec 46 & 47

Notice to return defaulter – Sec 46

Where a registered person fails to furnish a return under section 39 or section 44 or section 45, a notice shall be issued requiring him to furnish such return **within fifteen days** in such form and manner as may be prescribed.

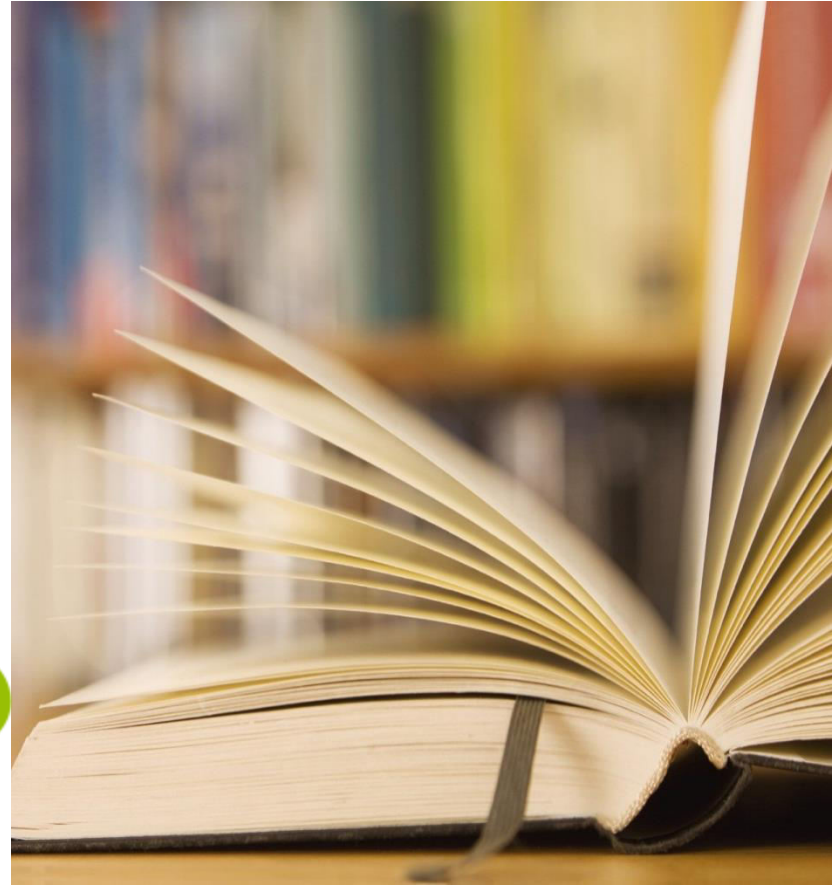
Levy of Late Fees – sec 47

Outward, inward , Monthly & Final return	Annual Return
Rs. 100 /- per day Or Maximum of Rs. 5000/-	Rs. 100/- per day Or Maxi of 0.25% of TO in the state



REFUND

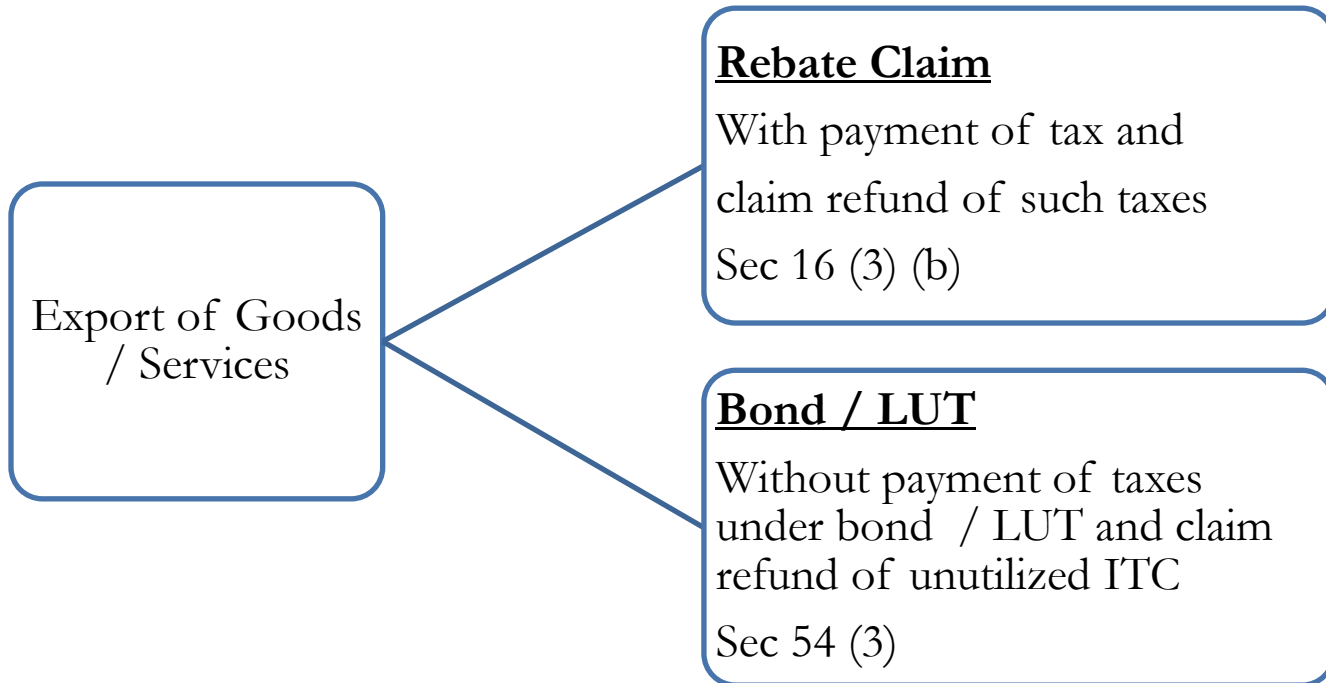
Where's My
Refund?



Zero rated Supply

16 (1) “zero rated supply” means any of the following taxable supply of goods and/or services, namely –

- (a) export of goods and/or services; or
- (b) supply of goods and/or services to a SEZ developer or an SEZ unit.



Quantum of Refund Amount (Rule -89(4))

Refund
Rules
89 (4)

In case of zero-rated supply

- without payment of tax under bond or LUT
- refund of input tax credit shall be granted as per the following formula.

Refund Amount	TO of zero-rated supply of Goods + TO of zero-rated supply of services	X Net ITC
	Adjusted total TO	

Relevant Terms

(A) "Refund amount" means the maximum refund that is admissible

(B) "**Net ITC**" means input tax credit availed on **inputs** and **input services** during the relevant period;

Quantum of Refund Amount

(C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking

(D) Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking

NOTE

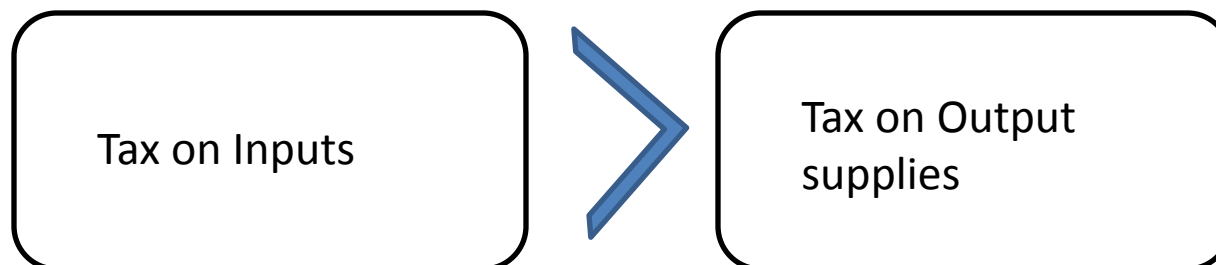
- **No refund for Goods attracting Export duty**
- **No Refund if drawback of Central Tax or claim refund of the IGST paid on such supplies**

INVERTED RATE OF TAXES

Sec
54(3)

The un-utilized input tax credit

- at the end of the tax period
- shall be refunded to the taxable person,
- if the balance of un-utilized credit is on account of
- rate of tax on input being higher than the rate of tax on output supplies, other than nil rate or fully exempted .



No provisions exist under central excise act 1944

Refund to Casual / Non resident taxable person

sec
54(13)

the amount of
advance tax deposited by a casual taxable person or a non-resident taxable,
shall be refunded

Conditions

- ✓ **furnished all the returns** required under section 39 for the entire period
for which the certificate of registration remained in force,

Refund to International Tourist (Sec 15 IGST)

Sec 15

Integrated tax paid by tourist leaving India on any supply of **Goods taken out**
of India by him shall be refunded

Tourist – means – a person not normally resident of India

Not stay more than 6 month

Excess Taxes wrongfully paid to CG / SG

Sec 77
(1)

Q 5. Suppose a taxable person has paid IGST/ CGST/SGST mistakenly as an Interstate/intrastate supply, but the nature of which is subsequently clarified. Can the CGST/SGST be adjusted against wrongly paid IGST or vice versa?

Ans. The taxable person cannot adjust CGST/SGST or IGST with the wrongly paid IGST or CGST/SGST but he is entitled to refund of the tax so paid wrongly - Sec.77 of the CGST/SGST Act.

Refund on advance receipt in respect of which no supply and invoice is made

Refund to Embassies or UN

Q 6. Whether purchases made by Embassies or UN are taxed or exempted?

Ans. Supplies to the Embassies or UN bodies will be taxed, which later on can be claimed as refund by them in terms of Section 54(2) of the CGST/SGST Act. The claim has to be filed in the manner prescribed under CGST/SGST Refund rules, **before expiry of six months** from the last day of the month in which such supply was received.

[The United Nations Organization and Consulates or Embassies are required to take a Unique Identity Number [section 26(1) of the CGST/SGST Act] and purchases made by them will be reflected against their Unique Identity Number in the return of outward supplies of the supplier(s)]

Procedure of Refund

‘**Any person**’ can make an application in form GST-RFD-01

- Specify the ground of refund
- file **with in 2 years** from the date of **relevant date**

Documents Required for Application of Refund

- documentary evidence to establish that refund is due to applicant
- proof of deposit of tax and invoices and Documents evidencing export
- Self declaration for not passing on the incidence of tax would be sufficient in cases where the amount of refund does not exceed Rs.2Lakh.
- Certificate from CA/Cost Accountant would be required in cases where the amount is more than Rs.2Lakh.

Consumer welfare Fund

Q 9. In case the tax has been passed on to the consumer, whether refund will be sanctioned?

Ans. Yes, the amount so refunded shall be credited to the Consumer Welfare Fund - Section 57 of the CGST/SGST Act

Utilisation of Fund – Sec 58

- (1) shall be utilized by the Government for the welfare of the consumers
- (2) The Government shall maintain proper and separate account and other relevant records in relation to the Fund as specified by Comptroller and Auditor-General of India

Relevant date for refund

Provision	Particulars	Relevant date
Exp. 2(a) to sec 54	Export of goods - By sea or air - By land - By post	-Date on which ship or aircraft leaves India - Date on which goods passes the Frontier - Date of dispatch of goods by the Post Office
Exp. 2(b) to sec 48	Supply of goods as deemed exports	Date of filing of return relating to such deemed export
Exp. 2(c) to sec 48	Export of service - Supply of service complete before receipt of payment - Payment of service received prior to date of issue of invoice	- Date of receipt of payment in convertible foreign exchange - Date of issue of invoice
Exp. 2(e) to sec 54	Refund of Unutilized ITC due to inverted duty rate structure	End of the financial year in which such claim for refund arises
Exp. 2(h) to sec 54	In any other case	Date of Payment of Tax

Procedure of Refund

Time limit for sanctioning of refund - Sec 54 (7)

Order of sanction of the claim shall be passed **within 60 days** from the date of application complete in all respect, accompanied by documentary evidences to establish that a refund is due to the applicant

Interest on late refund

Interest at such rate not exceeding 6% as may be specified

From the expiry of 60 days till actual refund

No Refund

Default in furnishing returns, payment of tax, interest or penalty

Deduction from refund toward long o/s of tax, interest or penalty, fees etc

If refund amount is **less than Rs. 1000/-**

Provisional Refund

Provisional Refund - Sec 54(6) – A registered person shall be granted

- provisional refund of **90% of claim amount** without detailed verification
- **excluding** the amount of **credit provisionally accepted**,
- in case of **zero rate supply** of goods or services or both
- **within 7 days** from the date of acknowledgement
- Balance 10% to be granted after due verification within 60 days

Conditions

- ✓ such person during any period of **previous 5 years not been prosecuted** for any offence under the Act or previous law for a sum exceeding 2.5 Cr

Transitional Provision (142)

Sec
142
(3)

- Claim for refund filed by **any person before, on or after the appointed day**,
 - for refund of CENVAT credit, duty, tax, interest etc
 - shall be disposed of in accordance with the provisions of existing law
 - and any amount eventually accruing to him shall be paid in cash,
- where any claim is fully or partially rejected, the amount so rejected shall lapse

Sec
142
(4)

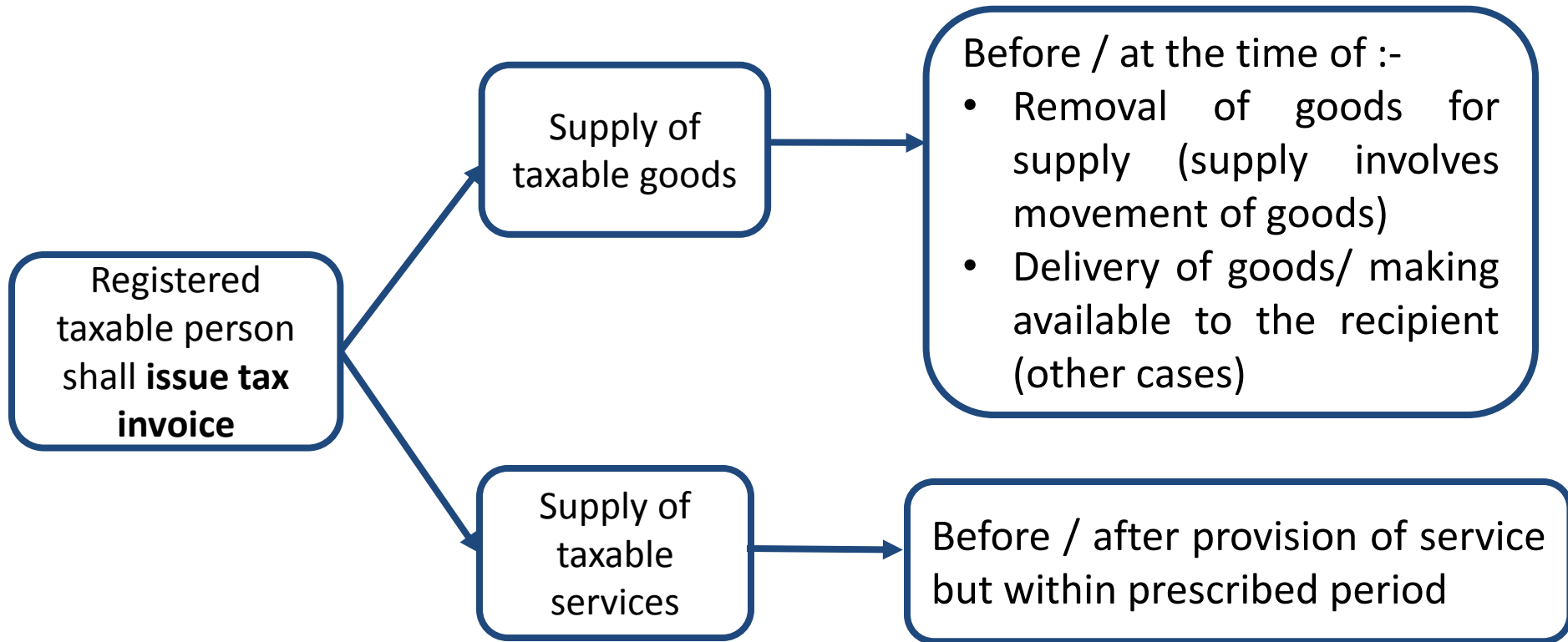
- Every claim for refund filed **after the appointed day** for refund of
 - any tax paid under existing law for goods or services exported before or after the appointed day,
 - shall be disposed of in accordance with the provisions of the existing law
- where any **claim is** fully or partially **rejected**, the amount so rejected shall **lapse**



TAX INVOICE



TAX INVOICE



TAX INVOICE

- a) Revised invoices may be issued against the invoice already issued during the period starting from the effective date of registration till the date of issuance of certificate of registration **within one month from date of issuance of certificate of registration.**
- b) No invoice required if value of goods or services or both < Rs. 200
- c) Composition dealers and Person supplying exempted goods or services to issue a bill of supply instead of tax invoice

Continuous Supply of Goods & Services

- e) In case of continuous supply of goods where successive statements of accounts/ payments are involved, **invoice shall be issued before or at the time of each such statements/ payment.**
- f) In case of continuous supply of services
- **Due date ascertainable** – invoice to be issued before / after payment is liable to be made by recipient but within prescribed period (whether or not payment received)
 - **Due date not ascertainable** – invoice to be issued before / after each such time supplier receives payment but within prescribed period
 - **Payment linked to completion of an event** – invoice to be issued before / after time of completion of that event but within prescribed period

INVOICE

Invoice during Registration Period

- a registered person may,
- within 1 month from the date of RC
- issue a revised invoice
- against the invoice already issued
- during the period beginning with the effective date of registration till the date of RC;

Composition Dealer

- Shall issue
- Bill of Supply
- Instead of tax invoice

Advance Payment

- A registered person shall issue
- A **receipt voucher**
- If subsequently no supply made & no invoice is issued then such person shall issue a **refund voucher**
- **Only Specific Advance not deposit**

Documents under RCM

- Person liable to pay tax u/s 9(3) & (4) shall issue
- a invoice in respect of goods or services received by him.

No invoice, if value is less than Rs. 200/-



PAYMENT OF TAX



Types of Payments under GST

- For Supply of Inter-state / Intra State:
 - CGST = A/c of the Central Govt.
 - SGST = A/c of concerned State Govt.
 - IGST = Components of both CGST and SGST
- Tax Deducted at Source (TDS) and Tax Collected at Source (TCS);
- Additionally wherever applicable: Interest, Penalty, Fees and Any other payment.

Persons liable for Payment

- Generally, Supplier is liable to pay the tax
- In Other cases like:
 - Imports and other notified supplies, liabilities may be imposed on the recipient under the reverse charge mechanism (RCM)
 - By third person for example in case of:
 - ✓ E-Commerce = Operator is responsible for TCS
 - ✓ Contractual Payments = Government / Other notified entities are responsible for TDS

Mode of Payment

- Principal tax liability: Debit to Electronic Credit Ledger of the Taxpayer maintained on the “Common Portal – Only”;
- **Interest, Penalty and Fees cannot be paid by debiting the Electronic Credit Ledger;**
- Amount may be deposited in Electronic Cash Ledger by making E-Payment (Internet Banking, Credit Card – pre registration with the portal, Debit Card, RTGS / NEFT) at any authorized branches of Banks to accept GST payments. Over the Counter payment (OTC) through authorized banks for **deposits upto Rs. 10,000/- per Challan per tax period, by cash, cheque or demand draft can also be made;**
- The cash deposited would be shown as a credit to Electronic Cash Ledger of the Taxpayer maintained on the “Common Portal”.

Electronic Credit Ledger

- ITC would be of stock of Inputs, Semi-finished goods and Finished goods on the relevant date, from which Taxpayer becomes liable;
- ITC on inward supplies from Registered Tax Payers;
- ITC distributed from Input Service Distributor (ISD);
- Permissible ITC on stock held upon conversion from composition scheme;
- ITC eligible on payment made on reverse charge basis.

Time of Payment

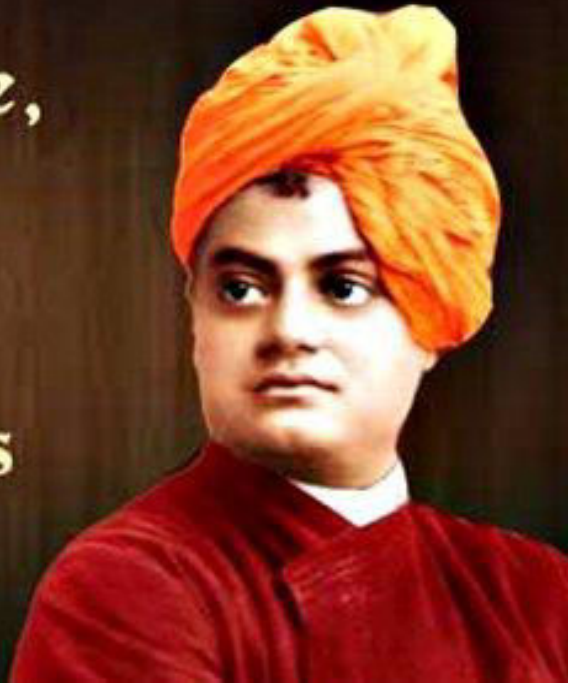
On occurrence of any one of the following events, GST payment would become due (earliest of the following):

- Receipt of advance
- Issuance of Invoice
- Completion of Supply

Due Date of Making Tax Payment

- **CGST / SGST / IGST Payment Date = 20th of the Succeeding Month**
 - Normal Taxpayer on Monthly Basis
 - Composition Taxpayer on Quarterly Basis
- **TDS / TCS payment on 10th of the succeeding month on monthly basis**
- **Credit to the account of Government will be considered as date of deposit of Tax.**
- **Interest @ 18%** in case of delayed payment of tax. Interest will be 24% in case of excess claim of input tax credit or excess reduction in output tax liability

*Arise, Awake,
Stop not
Until
Your Goal is
Achieved.*



Thank you

CA Gopal Kedia,