

# **Goods & Service Tax Act**

**(Based on Acts Passed by Parliament)**

**UNDERSTANDING BASICS**

**CONFIDENTIAL**

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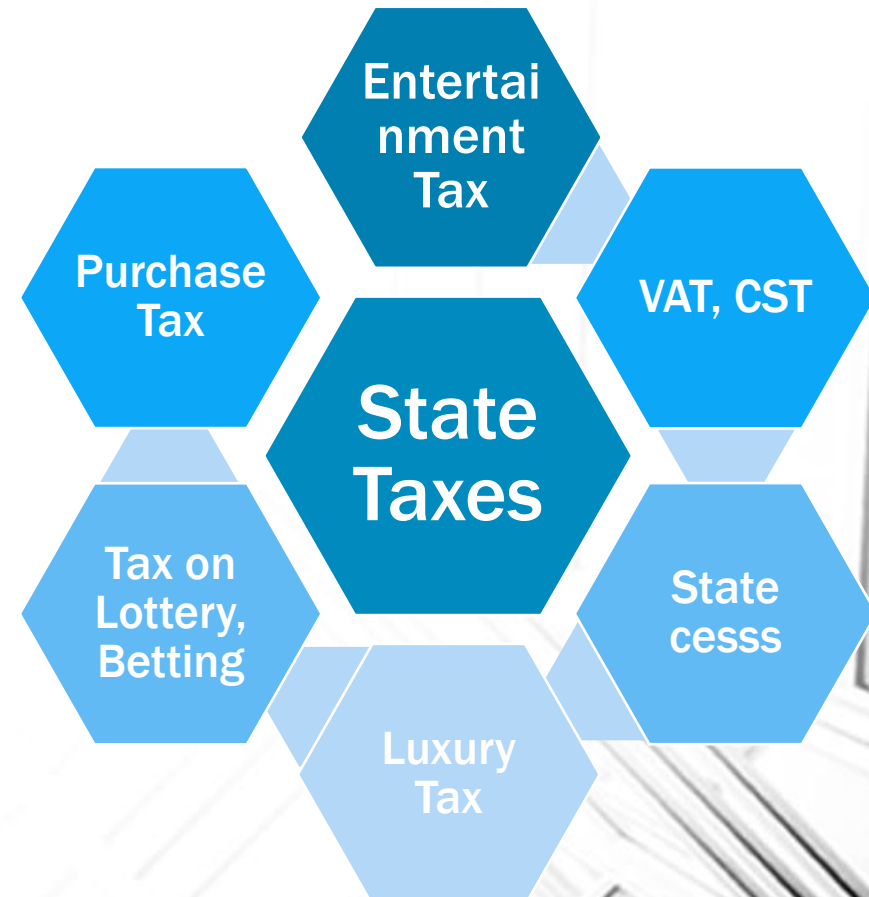
# Background & Overview of GST

- Philosophy – One GST rate on goods and services collected by one agency across India. Following Taxes are subsumed in GST

## Central Taxes



## State Taxes



# Background & Overview of GST

- Principle of 'consumption-based taxation', Uniform Tax Across Country, Reduce Cascading Effects of Taxes
- Components of GST are as follows

**Central GST (CGST)** - *Levy on supply of all goods and/ or services within a particular State, by the Central Government.*



**State GST (SGST)** - *Levy on supply of all goods and/ or services within a particular State, by the respective State Government.*



**Integrated GST (IGST)** – *Levy on all inter-State supplies of goods and/ or services, by the Central Government.*



# Important Concepts & Definitions

- **Turnover Sec 2(117) of CGST**, *“turnover in State” or “turnover in Union territory” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union.*
- **Business Vertical Sec 2(18) of CGST**, *“business vertical” means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.*

# Important Concepts & Definitions

- **Mixed Supply Sec 2(74) of CGST**, *“mixed supply” means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.*
- **Composite Supply Sec 2(30) of CGST**, *“composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;*
- **Exempt Supply Sec 2(47) of CGST**, *“exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;*

# Important Concepts & Definitions

- **Fixed Establishment Sec 2(50) of CGST**, *“fixed establishment” means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;*
- **Input Service Distributor Sec 2(61) of CGST**, *“Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.*

# Important Concepts & Definitions

- **Works Contract Sec 2(119) of CGST**, *means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract;*
- **Reverse Charge Sec 2(98) of CGST**, *means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or subsection (4) of section 5 of the Integrated Goods and Services Tax Act;*



# Important Concepts & Definitions

- **Casual Taxable Person Sec 2(20) of CGST** *“casual taxable person” means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business.*

# Administration

- Principle Chief Commissioner
- Chief Commissioner
- Principle Commissioner
- Commissioner
- Additional Commissioner
- Joint Commissioner
- Deputy Commissioner / Assistant Commissioner
- Any Other Class of officer as it may deem fit

# Levy & Collection of Tax

## What is Supply

Sec 7(1) Supply Includes,				Sec 7(2) Excluded
Section 7(1)(a)	Section 7(1)(b)	Section 7(1)(c)	Section 7(1)(d)	Activities as specified in
<p>All forms of supply of goods and/ or services, - <b>for consideration</b> - <b>in the course or furtherance of business</b></p> <p>such as: sale, transfer, barter, Exchange, license, rental, lease or disposal</p>	<p>Import of service for a <b>consideration</b> whether or not in course of business.</p>	<p>Supplies specified* - To be treated as supplies <b>made without a consideration</b> As per <a href="#">Schedule I</a></p>	<p>Activities to be treated as supply of goods or supply of services referred to in <a href="#">Schedule II</a></p>	<p>- <a href="#">Schedule III</a>, or - Activities by CG, SG, Local Authority, as notified.</p>
				Sec 7(3) Specified to be goods or service
				<p>CG by notification, the transactions to be</p> <ul style="list-style-type: none"> <li>- Supply of Goods and not as service,</li> <li>- Supply of service and not as goods</li> </ul>

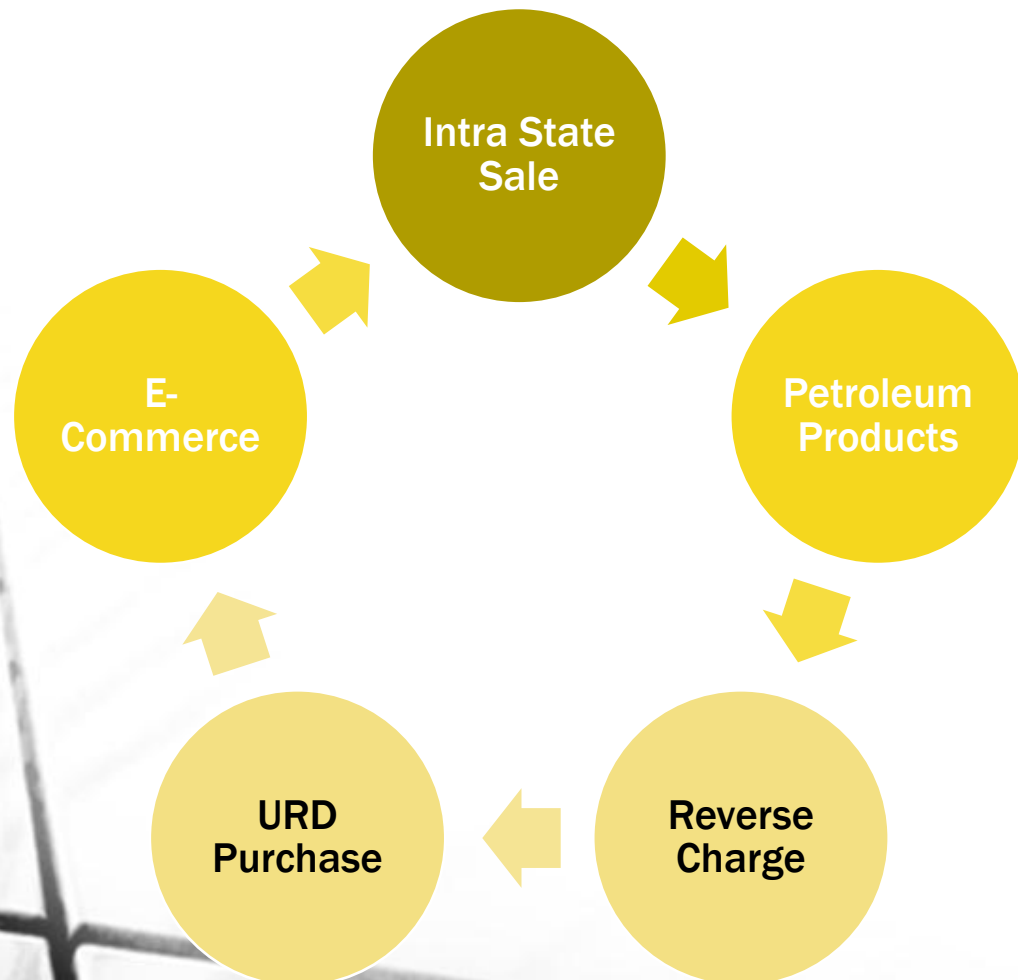
# Levy & Collection of Tax

## Composite Supply / Mix Supply

Section 8(a)	Section 8(b)	Tests for Composite Supply / Mix Supply Determination		
Composite Supply	Mix Supply	Description	Composite	Mix
Comprising two or more supplies, • One of which is a principal supply, • shall be treated as a supply of such principal supply	Comprising two or more supplies, • Supply of that particular supply which attracts the highest rate of tax.	Naturally Bundled	Yes	No
		Supplied To-gather	Yes	Yes
		Can be supplied Separately	No	Yes
		One is predominant supply for recipient	Yes	No
		Other supply is not 'aim in itself' of recipient	Yes	No
		Each supply priced separately	No	No

# Levy & Collection of Tax

## Levy of Tax



- ✓ Intra state supplies of goods & Services to be liable for CGST & SGST (Except on Liquor for human consumption)
- ✓ CGST on Petroleum Products to be charged after the notified date (Not yet notified)
- ✓ Tax payable on Reverse Charge on Goods & Services to be notified – [Services under RCM declared.](#)
- ✓ CGST on supply of goods / services from URD to registered to be paid by Recipient, all provisions to apply as if he is person liable for pay tax.
- ✓ Special Notifications to be issued to levy tax on E-commerce operators , all provisions to apply as if he is a person liable to pay tax.



# Levy & Collection of Tax

## Composition Levy

- Turnover to be less than 75.00 lacs (*all-India basis for taxable persons having same PAN – who shall also opt for composition*)
- No tax to be collected; No Input Tax Credit available
- Pay an amount in lieu of tax; minimum rate to be
  - 2.5% of the turnover in case of sales by restaurants
  - 1% of the turnover in state / UT in case of Manufacturer
  - 0.5% of turnover in state / UT in other cases

Conditions for  
Composition  
Scheme

No Service  
Provider (Except  
for Restaurant  
service)

No sale of Non  
Taxable goods

No Inter-State  
outward  
supplies

No sale Through  
e-commerce  
operators

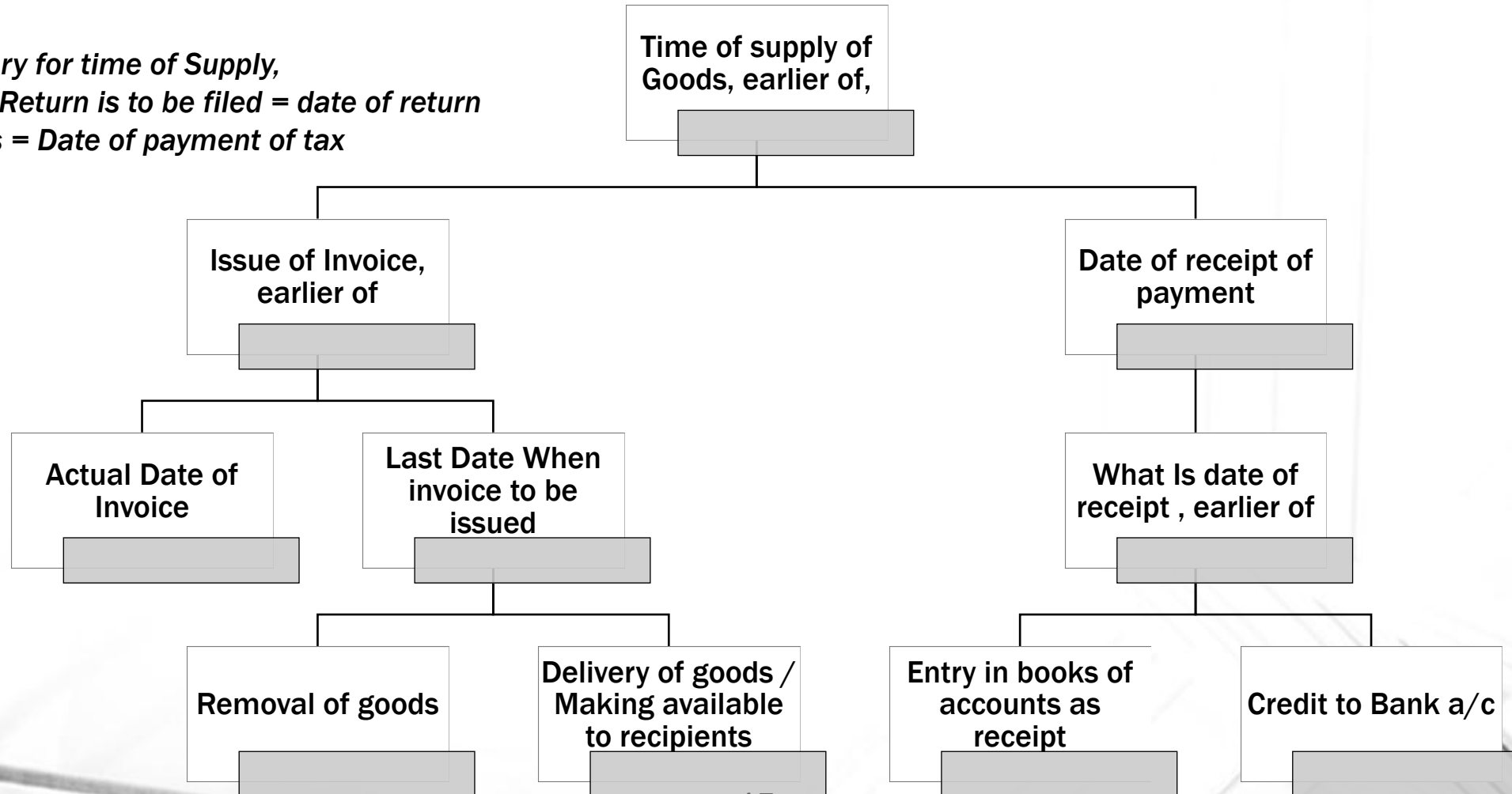
No manufacture  
of Notified  
goods by the  
supplier

# Time of Supply

## Time of Supply of Goods

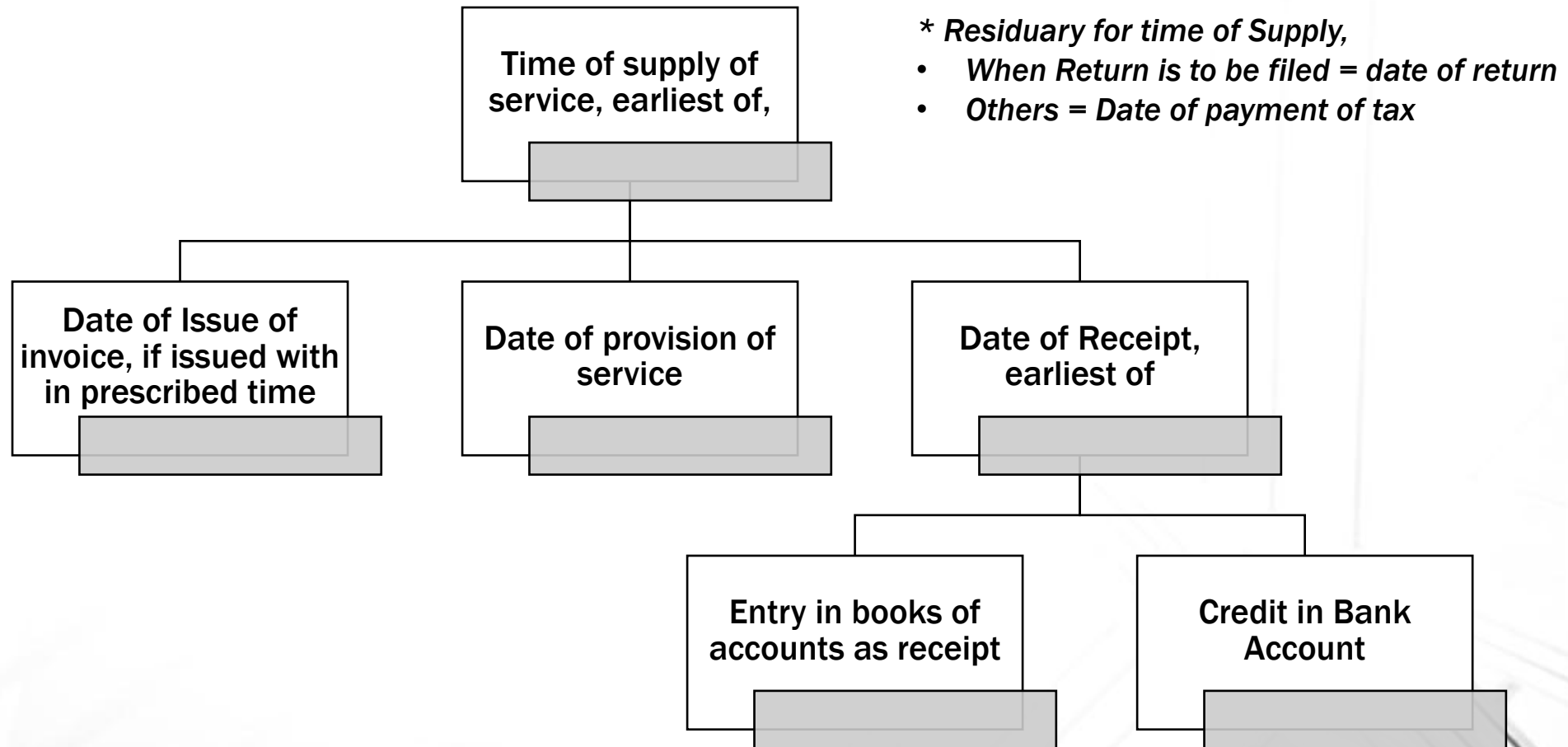
\* *Residuary for time of Supply,*

- *When Return is to be filed = date of return*
- *Others = Date of payment of tax*



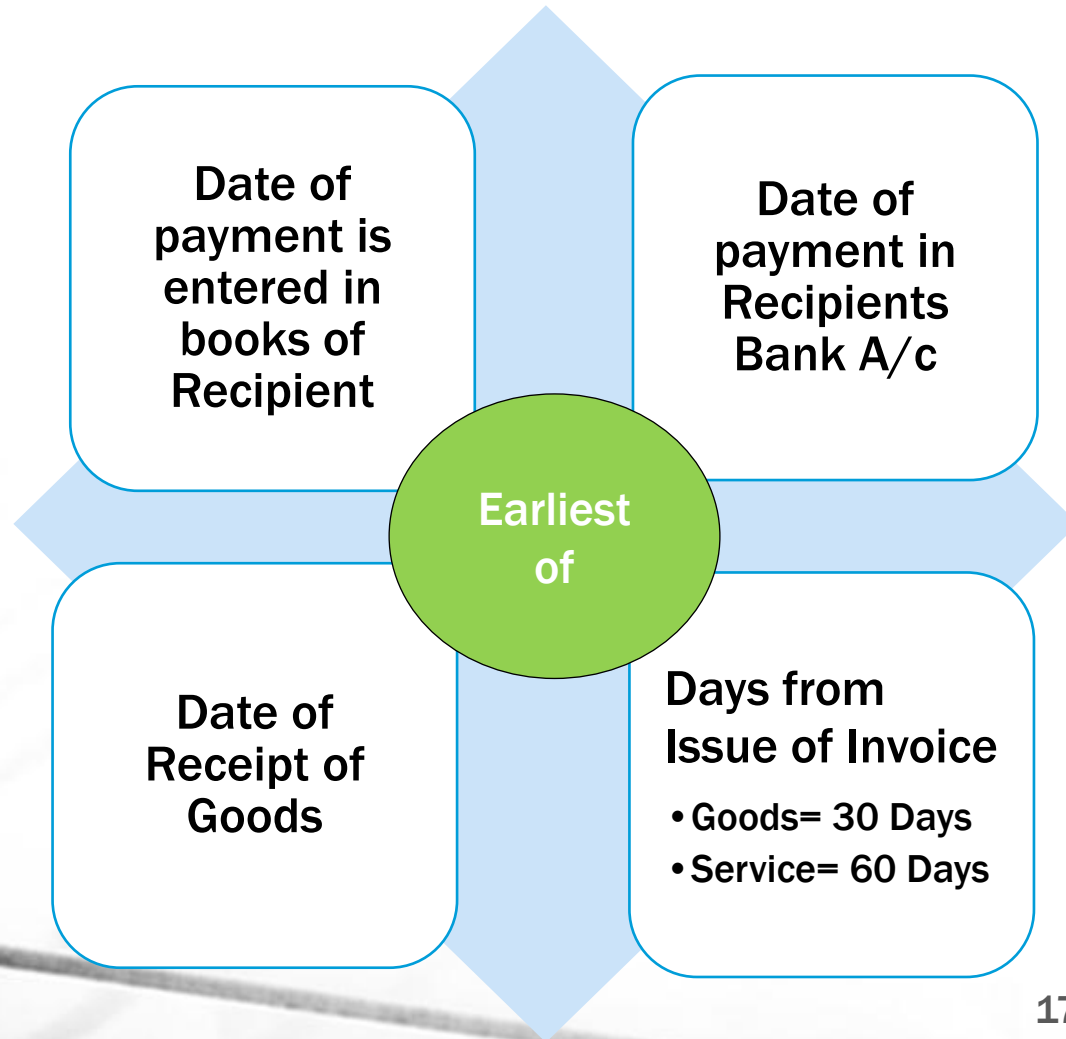
# Time of Supply

## Time of Supply of Service

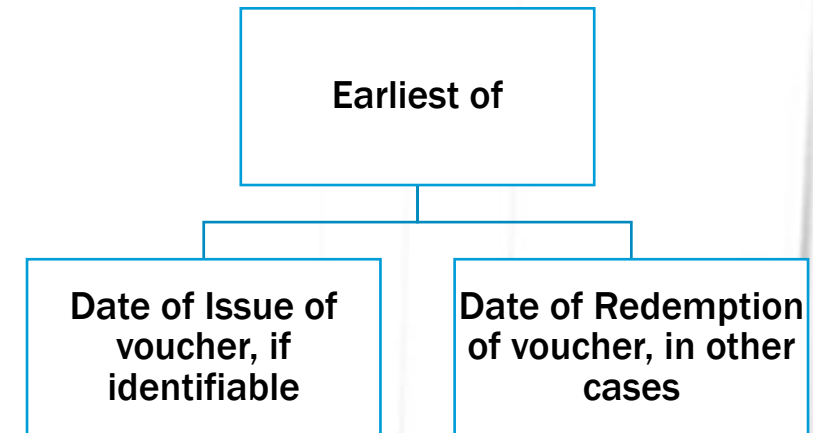


# Time of Supply

## Time of Supply of Service & Goods Reverse Charge



### Supply by Voucher (Goods + Services)



In case of supply from outside India from AE,

- ✓ Date of Invoice
- ✓ Date of Payment

Which ever is earlier

# Value of Supply

## Value of Taxable Supply

Value of supply of goods and/or services on which CGST/SGST is to be discharged shall be the 'Transaction Value', where

Supplier and recipient of supply are unrelated

Price is actually paid/ payable – AND price is the sole consideration for the supply

**Section 2(84) of the CGST Act deems the persons below to be “related persons”:**

- Officers / Directors of one another's business
- Partners in business
- Employer – employee
- A person directly/ indirectly owns/ controls/ holds 25 of shares of both the persons
- One directly/ indirectly controls the other
- Both are directly/ indirectly controlled by a third person
- Together, they directly/ indirectly control a third person
- Members of the same family
- Sole agent / distributor of the other



# Value of Supply

## Value of Taxable Supply

### Transaction Value Includes,

- Amounts charged by supplier to recipient in respect of any **taxes, duties, cesses, fees and charges** levied under any statute, other than taxes paid under GST regime;
- **Amount incurred by Recipient** which is liable to be paid by the Supplier;
- **Charges by Supplier to Recipient being:**
  - **Incidental expenses** (e.g.: packing, commission)
  - **Charges for anything done by the Supplier** at the time or before the supply, in respect thereof
  - **Interest/ late fee/ penalty** for delayed payment of consideration
  - **Subsidies directly linked to price** – for supplier receiving the subsidy (excluding Central and State Govt subsidies; i.e., Government subsidies will not be included in transaction value)

### Transaction Value Excludes,

#### Discount:

- **Before/ at the time of supply**
  - **Single condition:** Such discount is duly recorded in the invoice
- **After the supply: Cumulative conditions:**
  - Agreement establishing discount entered into before/ at the time of supply
  - Discount specifically linked to relevant invoices
  - ITC reversed by the recipient to the extent of discount

# Input Tax Credit

## Concept of Input Tax Credit

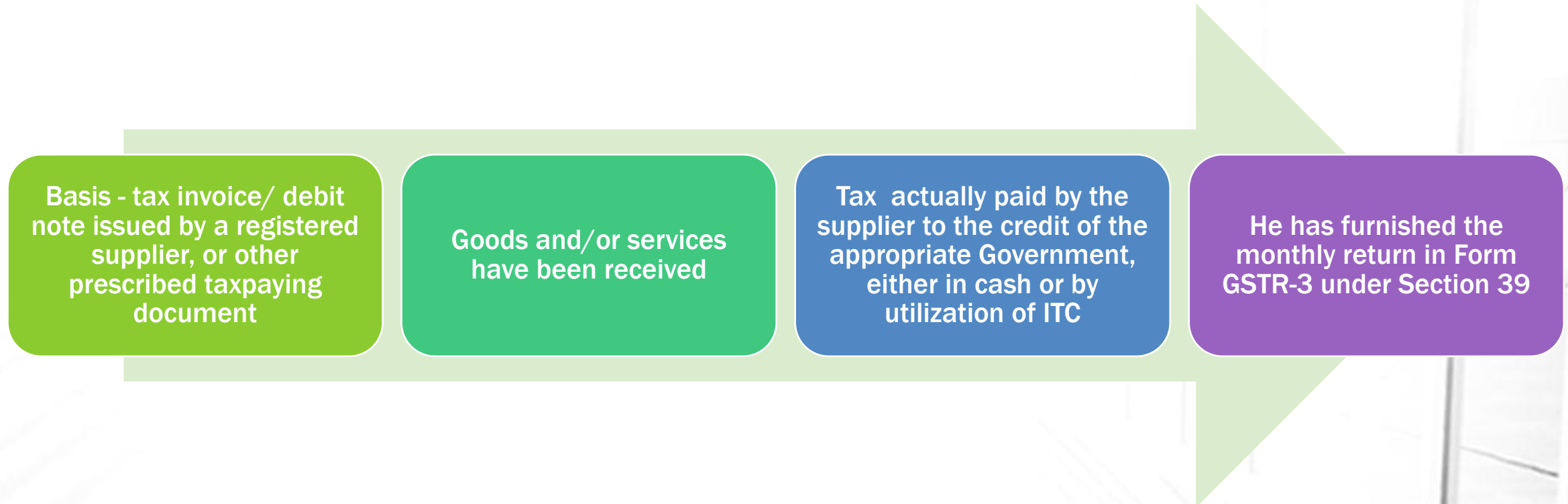
- “Input tax” means IGST (including that on import of goods), CGST and SGST. System for a seamless flow of credit
- Extends to inter-State supplies
- Credit utilization would be as follows:

Credit of	Allowed for Payment of		
	IGST	CGST	SGST
IGST	✓ (1)	✓ (2)	✓ (3)
CGST	✓ (2)	✓ (1)	
SGST	✓ (2)		✓ (1)

\* The numbers represents the order of utilization.

# Input Tax Credit

## Conditions for ITC by Registered Dealer

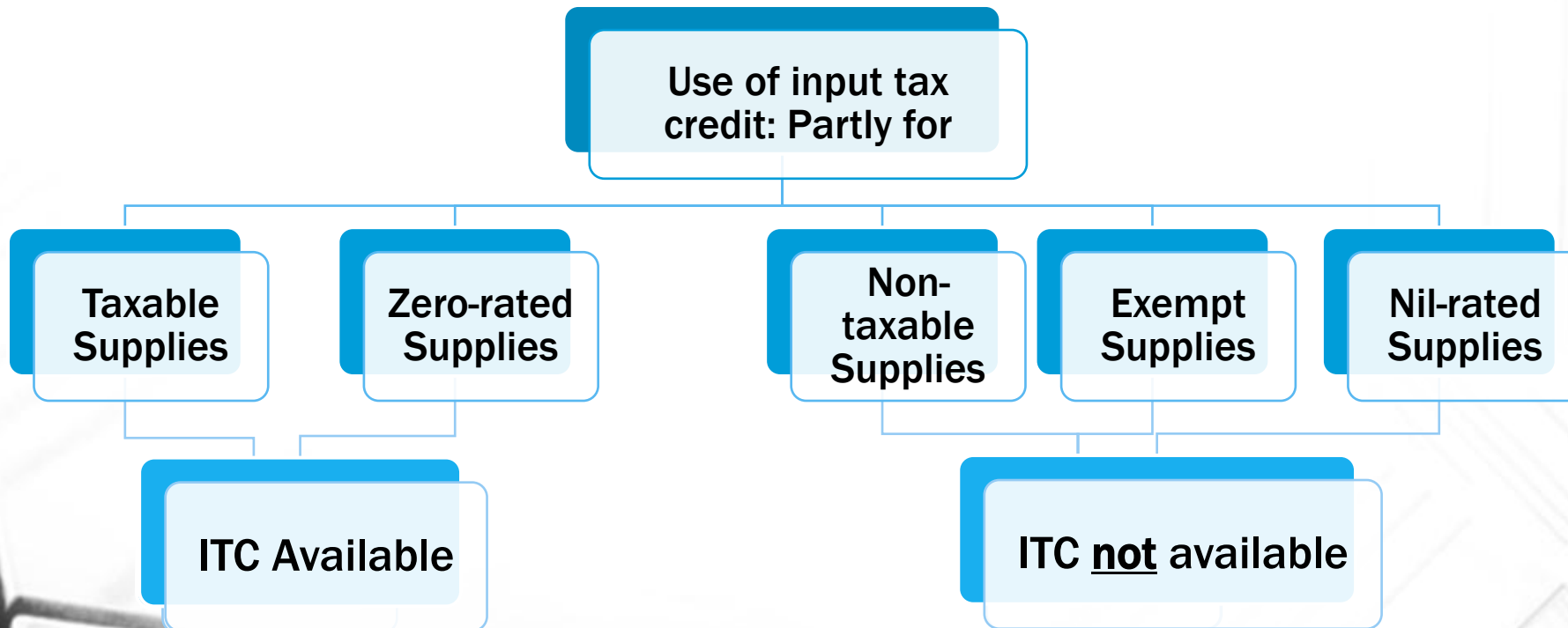


- Credit only upon receipt of the last lot/ instalment in case of goods received in lots/ instalments.
- Where a recipient fails to pay the supplier within 180 days from date of invoice, so much credit will have to be added, along-with interest thereon in the output liability.
- Where Depreciation has been claimed on the Tax component (Under IT Act), ITC on the said component will not be allowed.

# Input Tax Credit

## Apportionment of Credit

- Where supply is used partly for business purpose and partly for other purpose, credit shall be restricted to so much of ITC attributable to business purpose.
- When credit used partly for exempt – Taxable supplies, following ratio to be follows

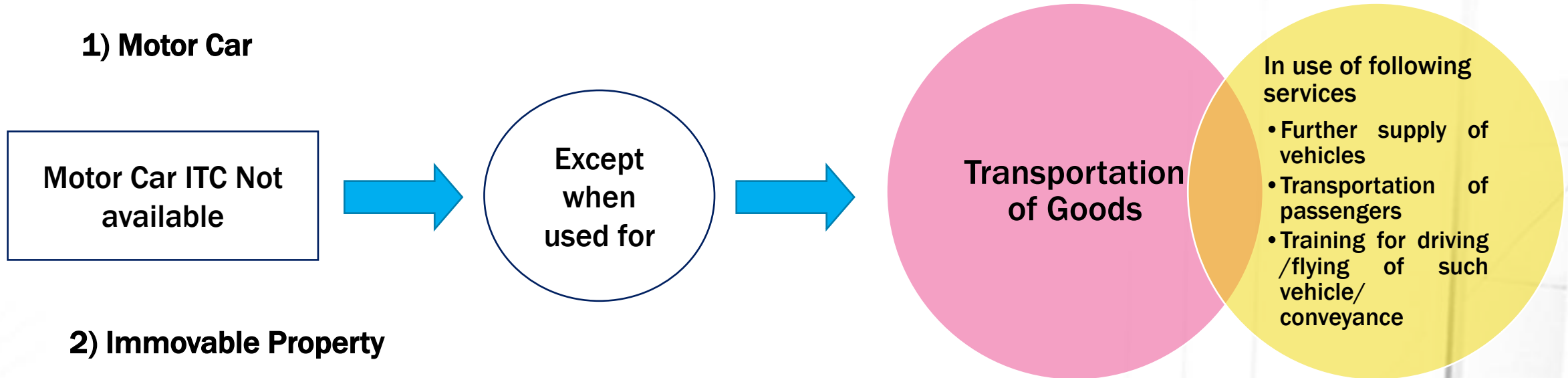


*The Attribution will be done in the manner prescribed as per notification issued by CG.*

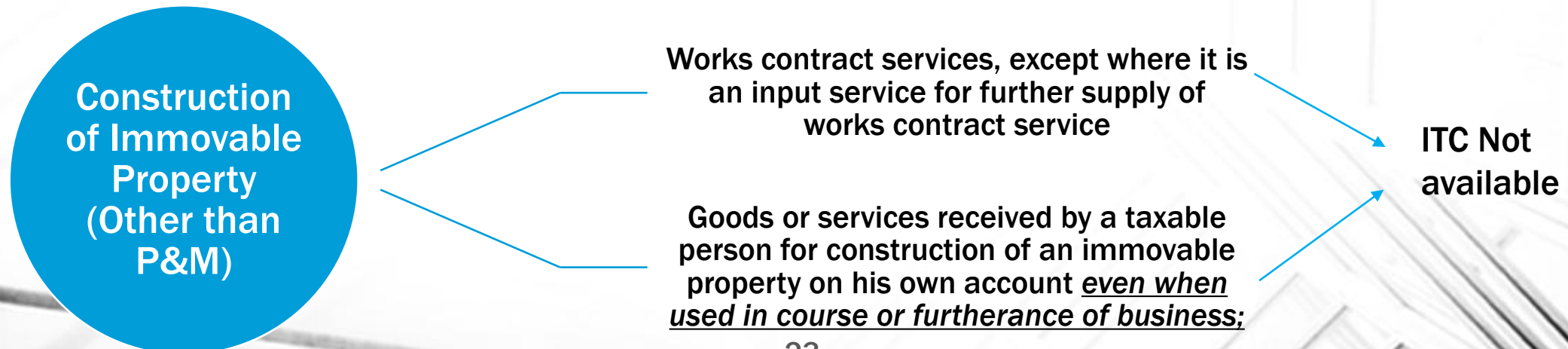
# Input Tax Credit

## Blocked Credits

### 1) Motor Car



### 2) Immovable Property





# Input Tax Credit

## Blocked Credits

### 3) Specified Supply of Goods & Service:



Allowed only if goods / services of particular category are used towards making taxable outward supplies of the same category.



Allowed only where services are notified as obligatory for an employer to provide.

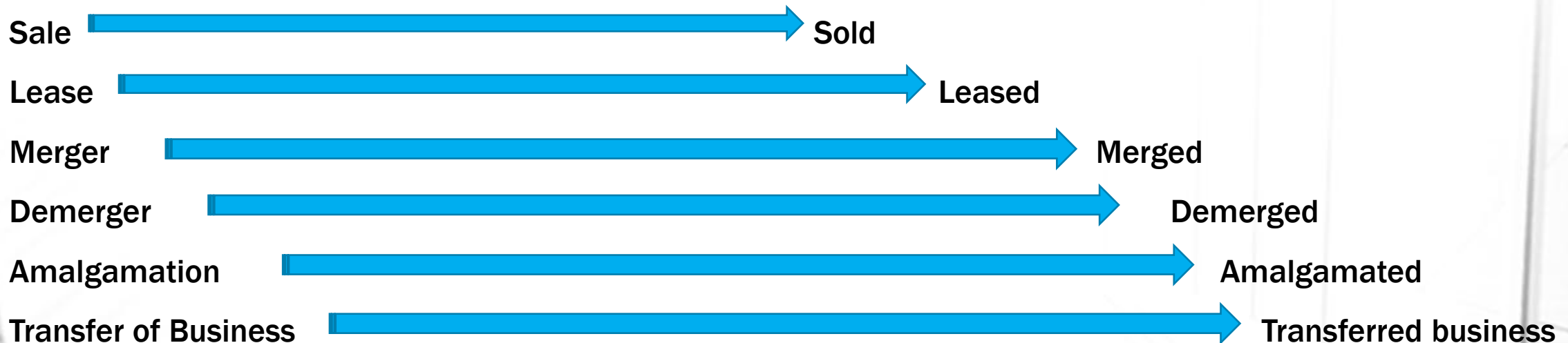


Never Allowed

# Input Tax Credit

## ITC in Special Circumstances

1) Change in constitution of Business, Unutilised ITC credit in books shall be transferred to,



2) A registered person shall not be eligible to claim ITC after expiry of 1 year from the date of issue of tax invoice.

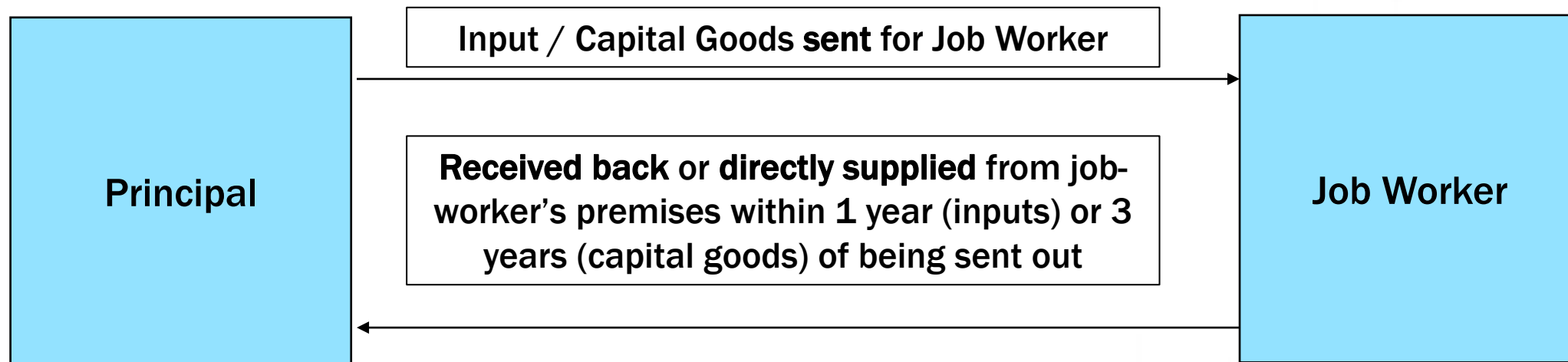
# Input Tax Credit

## ITC in Special Circumstances

- 3) When goods become Taxable **FROM** Exempt = ITC of stock (Finished + Semi Finished) relatable to such Exempt supplies
- 4) When Goods become Exempt **FROM** Taxable = ITC of Stock , reduced by the % as prescribed (Finished + Semi Finished) to be reversed.
- 5) New Registration, when registered within 30 days from date liable = ITC of stock (Finished + Semi Finished)
- 6) In case Capital Goods or P&M have been removed, the ITC on the same as reduced by percentage as prescribed to be reversed.

# Input Tax Credit

## ITC in Special Circumstance - Job Work



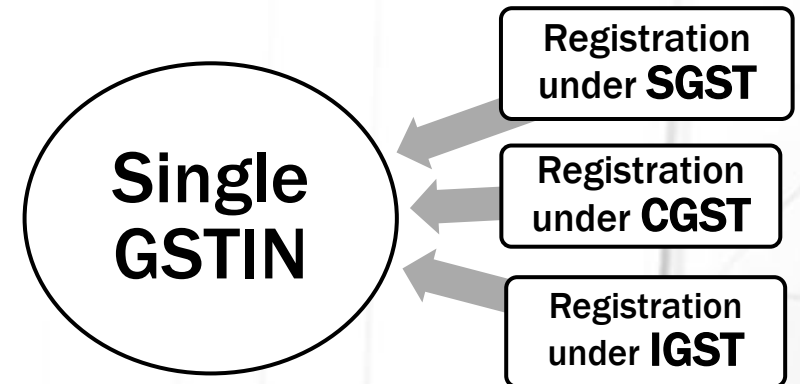
**ITC available if the conditions and restrictions under job work are satisfied**

**If not received/directly supplied in time: Principal to pay ITC availed + Interest  
He can reclaim this ITC on receiving back such inputs/ capital goods.**

# Registration

## Registration

- Three Acts applicable on every Person under GST – Central GST Act, (State) GST Act, Integrated GST Act.
- Registrations required by every person:  
Simultaneous registration under CGST, SGST & IGST
- Separate registration required for each State
- Possible separate registrations for each **business vertical** within a State as defined u/s 2(18)
- “Aggregate Turnover” of 20.00 Lacs for, 10.00 Lacs for North eastern states.

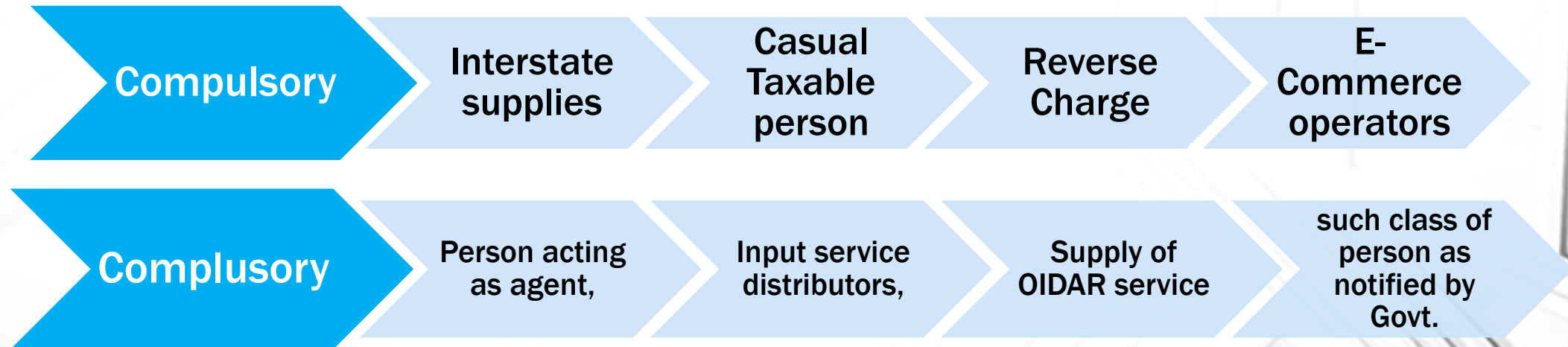




# Registration

## Registration

- PAN based Registration, PAN will be mandatory (except for Non-Resident)
- Place of Registration - “from where” Supplier makes a taxable supply of goods and/ or services
- Central/State Government specify persons exempted from obtaining registration
- Proper officer has powers for *suo moto* registrations in case of unregistered persons
- Compulsory Registration in following cases (Irrespective of Turnover Limit)



# Registration

## Registration – Casual & NRI Taxable Person

### Registration

- Person who occasionally, undertakes transactions involving supply of goods and services, and who has no fixed place of business in India.

### Time period

- Certificate of Registration issued to such persons shall be valid only for a period of 90 Days. [Can be extended maximum by further 90 days]

### Advance Deposit

- They shall be required to make advance deposit of estimated tax liability net tax at the time of registration.

# Registration

## Cancellation of Registration

- **Transfer of business or discontinuation of business**
- **Change in the constitution of business. (Partnership Firm may be changed to Sole Proprietorship due to death of one of the two partners, leading to change in PAN )**
- **Persons no longer liable to be registered under Schedule V (Except when he is voluntarily registered)**
- **Where registered taxable person has contravened provisions of the Act**
- **A composition supplier has not furnished returns for 3 consecutive tax periods/ any other person has not furnished returns for a continuous period of 6 months**
- **Non-commencement of business within 6 months from date of registration by a person who has registered voluntarily.**
- **Where registration has been obtained by means of fraud, willful statement or suppression of facts, the registration may be cancelled with retrospective effect.**

# Registration

## Cancellation of Registration

- Cancellation can be done by Proper Officer suo motu or on application made by the registered taxable person
- Retrospective cancellation in case of fraud, wilful misstatement or suppression of fact
- Liability to pay tax before the date of cancellation will not be affected
- Cancellation under CGST Act will be deemed cancellation under SGST Act and vice-versa
- Substantial penalty in case registration obtained with fraudulent intentions
- Notice of hearing and opportunity of being heard is a MUST before cancellation.
- Application for revocation or cancellation of registration shall be made within 30 days of date of service of cancellation order. (Sec 27)

# Tax Invoice, Credit / Debit Note

## Tax Invoice



- 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.**
- Composition dealers / Exempt supply to issue a **Bill of supply** instead of tax invoice
- Tax invoice is deemed to include a document issued by an ISD u/s 21 and a revised invoice
- Amount of tax to be prominently indicated in all documents relating to assessment, tax invoice and other like documents (Sec 30)

# Tax Invoice, Credit / Debit Note

## Tax Invoice

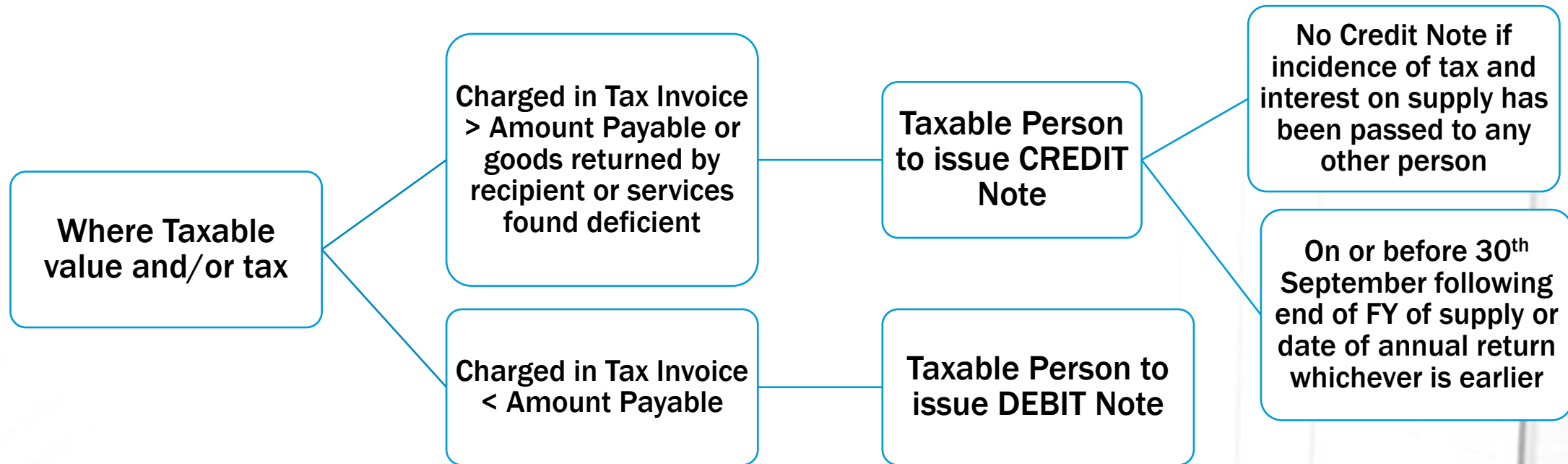
- For receipts of advances on supply of goods/ services: **Receipt voucher/ other prescribed document**
- In case of RCM, if goods/ services are received from an unregistered person, the registered taxable person shall issue an **invoice**
- In case of continuous supply of goods where successive statements of accounts/ payments are involved, **invoice shall be issued before or at the time of each such statements/ payment.**
- 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
Completion of Event	Invoice to be issued before/ after time of completion of that event but within prescribed period



# Tax Invoice, Credit / Debit Note

## Credit Note / Debit Note



\* Registered taxable person issuing Debit/ Credit notes to declare its details in the return for the month during which such notes are issued /received or in the return for any subsequent month but not later than September following the end of F.Y. of supply, or the date of filing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in the manner specified in this Act.

# Nature of Supply (Inter State / Intra State)

## Principles to Determine – Inter State

### Determination of supply of goods and/ or services as Inter-State supply

#### ➤ CRITICAL factors: Where the below 2 are in DIFFERENT STATES

- a) Location of the supplier and
- b) Place of supply determined u/s 7,8, 9 or 10 of IGST Act

#### ➤ Specific INCLUSIONS:

- Supply of goods in the course of import, till they cross the customs frontiers of India
- Supply of services in the course of import
- Supply when place of supply is outside India but supplier is in India
- Supply to or by a SEZ developer or an SEZ unit
- Residuary supply: Any supply in the taxable territory and which is not an intra-State supply  
(*E.g.: Supply of goods from within a Union Territory (“UT”) without Legislature*)

# Nature of Supply (Inter State / Intra State)

## Principles to Determine – Intra State

### Determination of supply of goods and/ or services as Intra-State supply

#### ➤ CRITICAL factors: Where the below 2 are in the SAME STATE

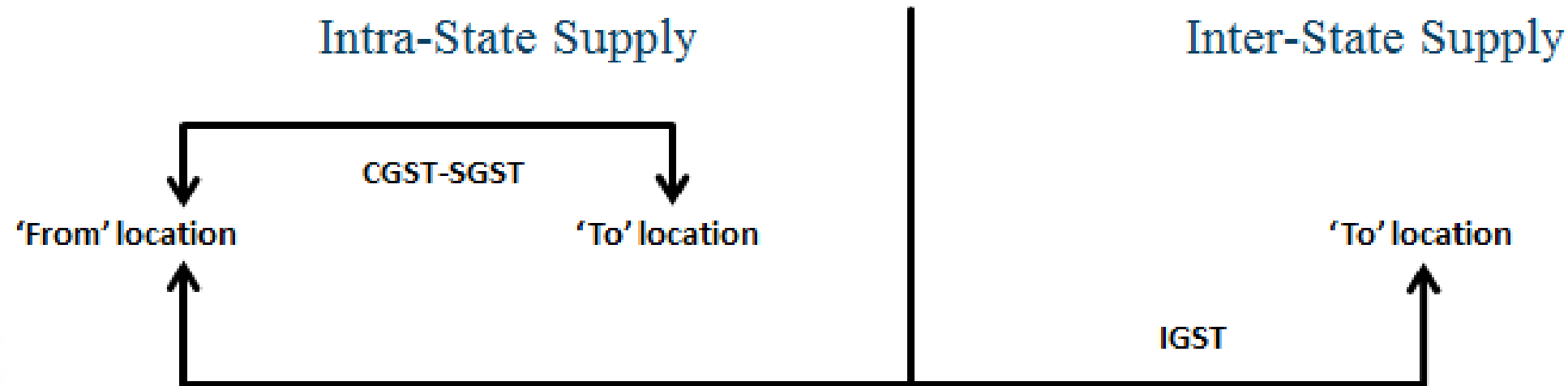
- a) Location of the supplier and
- b) Place of supply determined u/s 7,8, 9 or 10 of IGST Act

#### ➤ Specific EXCLUSIONS:

- Supplies to or by a SEZ developer/ SEZ unit;
- Importation of goods till they cross the customs frontiers of India.

# Nature of Supply (Inter State / Intra State)

## Illustration – Supply of Goods

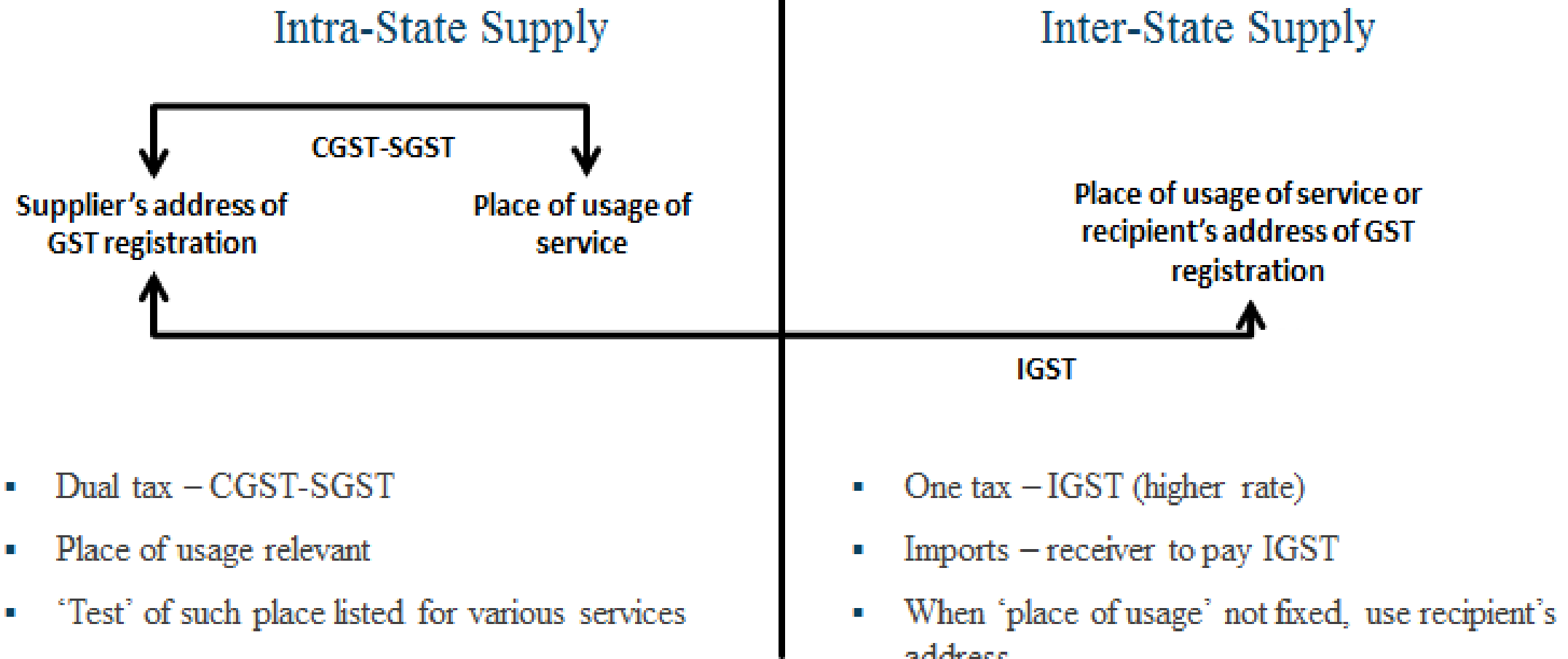


- Dual tax – CGST-SGST
- Registered office not relevant; location of goods is relevant
- Intra-State supply, if 'from' and 'to' in one State

- One tax – IGST (higher rate)
- Movement for 'delivery' relevant; even stock-transfer taxable
- Imports – basic customs + IGST

# Nature of Supply (Inter State / Intra State)

## Illustration – Supply of Services



# Place of Supply of Goods/ Service

## Place of Supply of Goods (Other than Import / Export)

**Supply involves movement of Goods**

**Location of goods at the time at which movement terminates for delivery to recipient**

**Goods supplied on direction of the third person**

**Principal Place of Business of the third person (i.e., address in Registration Certificate)**

**Supply does not involve movement of Goods**

**Location of goods at the time of delivery to the recipient**

**Goods are assembled or installed at site**

**Place of installation or assembly**

**Goods supplied on board a conveyance e.g. vessel, aircraft, train, vehicle etc.**

**Location at which such goods are taken on board**

*Where none of the above rules apply, place of supply would be determined in the manner to be prescribed*



# Place of Supply of Goods/ Service

## Place of Supply of Goods (In case of Import / Export)

- **Export of goods:** Means taking goods out of India to a place outside India;
- **Import of goods:** Means bringing goods into India from a place outside India;

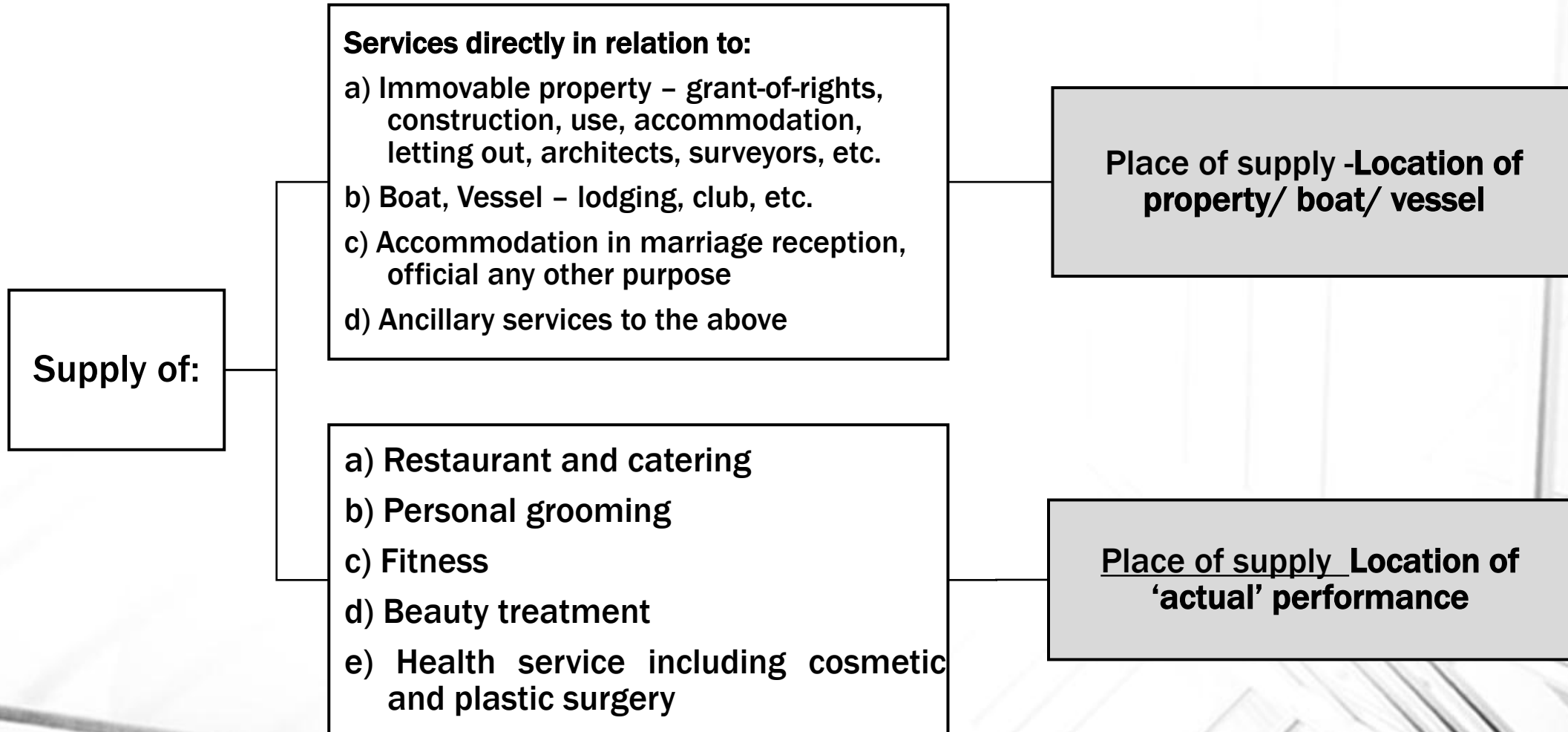
Section	Situation	Place of supply
11(1)	Goods imported into India	Location of importer
11(2)	Goods exported from India	Location outside India

**Note:** Section 5 provides that *IGST shall be levied on goods imported into India as per Section 3 of Customs Tariff Act*

- *Point of taxation - When duties of customs are levied on the said goods*
- *Value - As determined as per Customs Act*

# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier & Recipient- India)



# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier & Recipient- India)

### Supply of Services of Training and Performance Appraisal

Registered recipient:  
**Location of recipient**

Unregistered recipient:  
**Place of 'actual' performance**

### Supply of Services for Admission to:

- a) Cultural & artistic
- b) Sporting
- c) Scientific & educational
- d) Entertainment event
- e) Amusement Park
- f) Services ancillary to above

**Venue of event/  
park**

### Supply of:

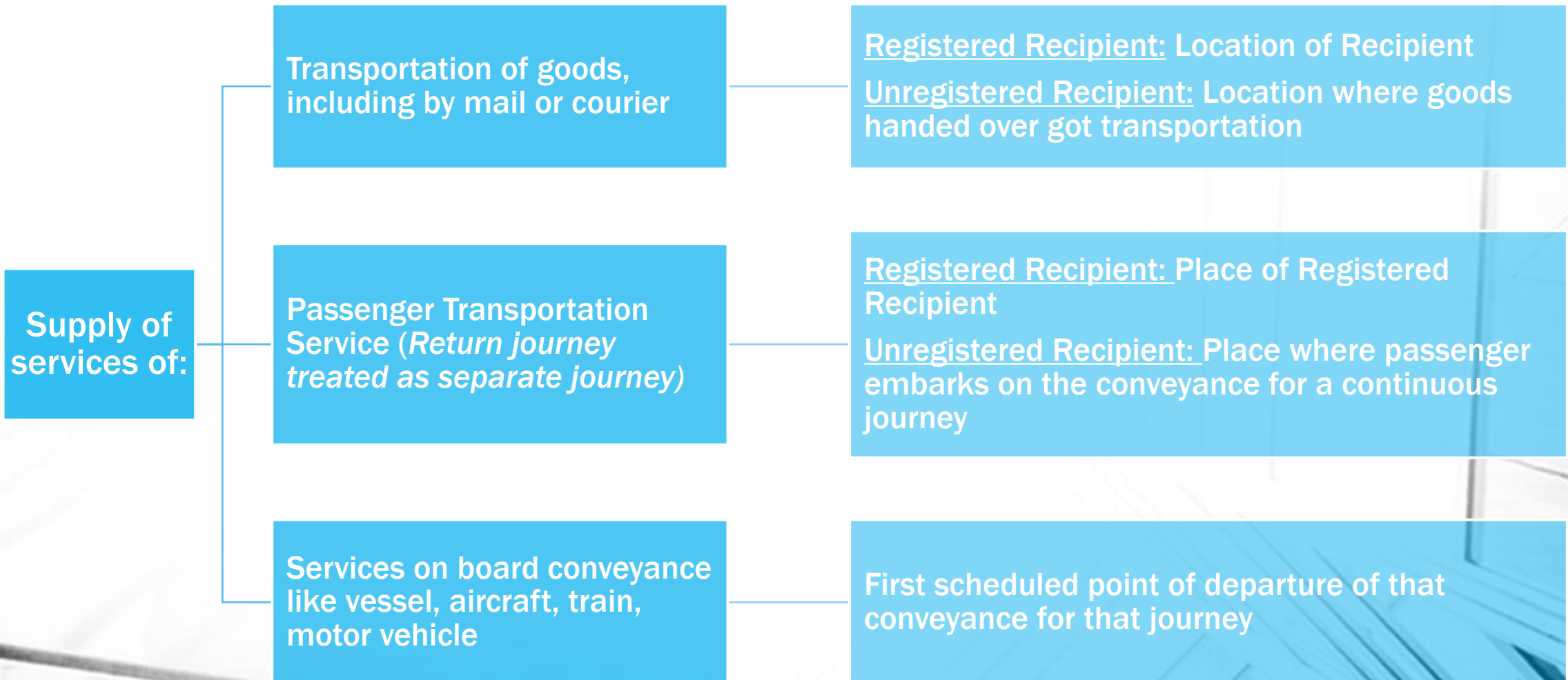
- a) Organising cultural, arts, sports, educational, scientific, entertainment, conference, fair exhibition or similar events
- b) Services ancillary to above

Registered recipient:  
**Location of recipient**

Unregistered recipient:  
**Venue of event**

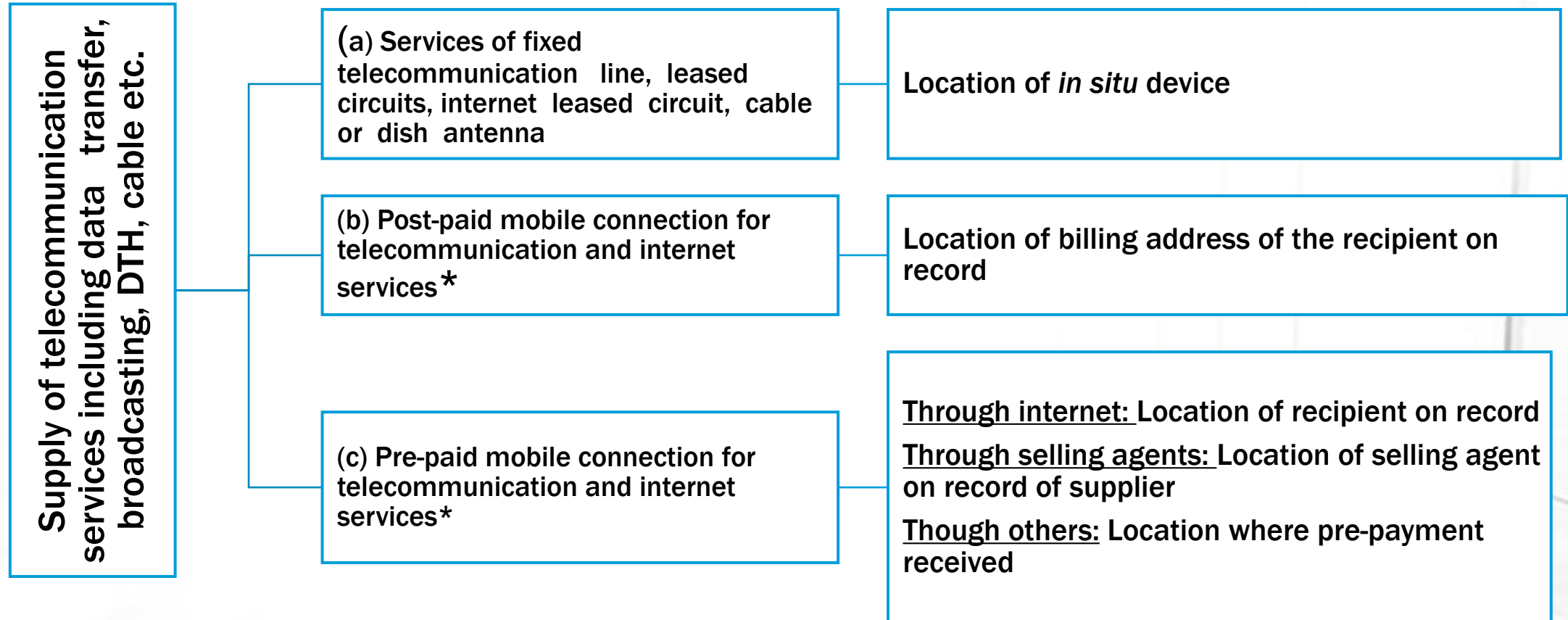
# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier & Recipient- India)



# Place of Supply of Goods/ Service

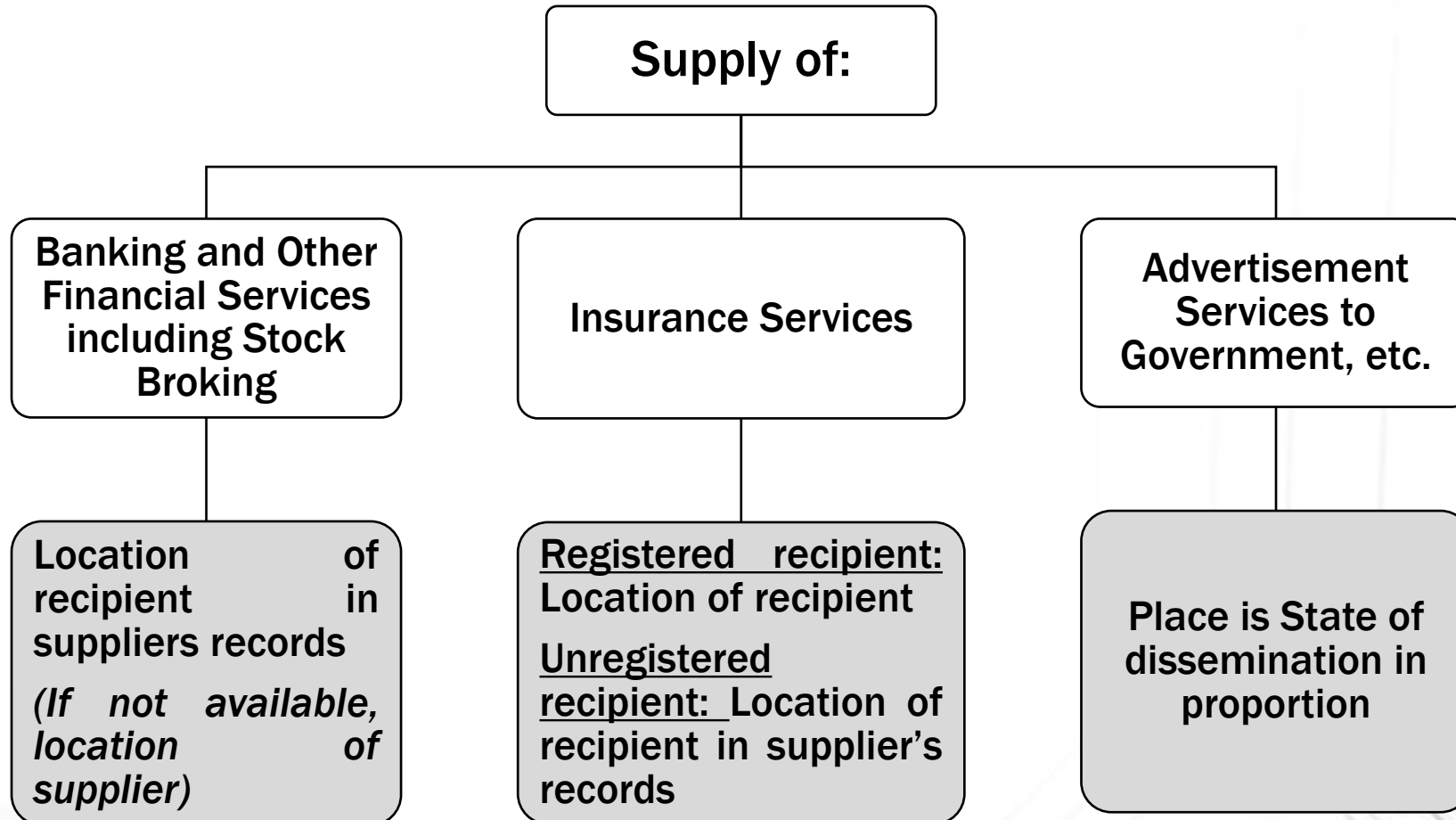
## Place of Supply of Service (Supplier & Recipient- India)



- In cases not covered in (b) and (c), address of recipient on records shall be the place of supply;
- Where no address of the recipient available in records, location of the supplier shall be the place of supply

# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier & Recipient- India)





# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier & Recipient- India)

**For Supply of any  
other Service,  
Place of supply is:**

Registered recipient: Location of  
recipient

Unregistered recipient: Address in  
supplier's records

Unregistered recipient: Location of  
supplier if address not available

# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier or Recipient- Out of India)

Services i.r.o goods required to be made physically available by recipient  
&

Services requiring physical presence of receiver/ person acting on his behalf

Location where services actually performed

Services supplied directly in relation to immovable property

Location of such immovable property (or where it is intended to be located)

Service by way of admission to/ organising an event, etc. and ancillary services

Place where the event is actually held

Banking services to account holders, intermediary services, hiring of means of transport (other than aircraft & vessels) up-to 1 month

Location of supplier

Transportation of goods (other than by way of mail/courier)

Destination of the goods

# Place of Supply of Goods/ Service

## Place of Supply of Service (Supplier or Recipient- Out of India)

Passenger  
transportation  
service

Place where  
passenger  
embarks on the  
conveyance for  
a continuous  
journey

Service provided on  
board a  
conveyance

First  
scheduled  
point of  
departure of  
that  
conveyance for  
that journey

Online information  
and database  
access or retrieval  
services

Location of  
recipient

**Residuary**

Location of  
the recipient;  
*If not available  
in the ordinary  
course of  
business,  
location of  
supplier*

**To prevent  
double taxation/  
non-taxation,** or  
for the uniform  
application of  
rules, CG has  
power to notify  
services/  
circumstances

Place of  
effective use  
and enjoyment  
of a service

# Zero Rated Supply

## Zero Rated Supply



Person making ZERO Rated Supply can claim Refund of ITC,

1. Supply goods or services under Bond Or Letter of Undertaking, without payment of IGST & Claim Refund of unutilised ITC.
2. Supply goods or services on payment of IGST and claim refund of such tax paid on goods or services.

# Returns

## Returns to be Filed

Return Form	Particulars	Due Date	Applicable for
GSTR1	Outward Supplies	10 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR2	Inward Supplies	15 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR3	Monthly return [periodic]	20 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR4	Return by composition tax payers	18 <sup>th</sup> of the month next to the quarter	Composition Taxpayer
GSTR5	Return by non resident tax payers [foreigners]	Within 7 days of the last day of registration	Foreign Non-Resident Taxpayer
GSTR6	Return by Input service distributors	13 <sup>th</sup> of the next month	Input Service Distributor
GSTR7	TDS return	10 <sup>th</sup> of the next month	Tax Deductor

# Returns

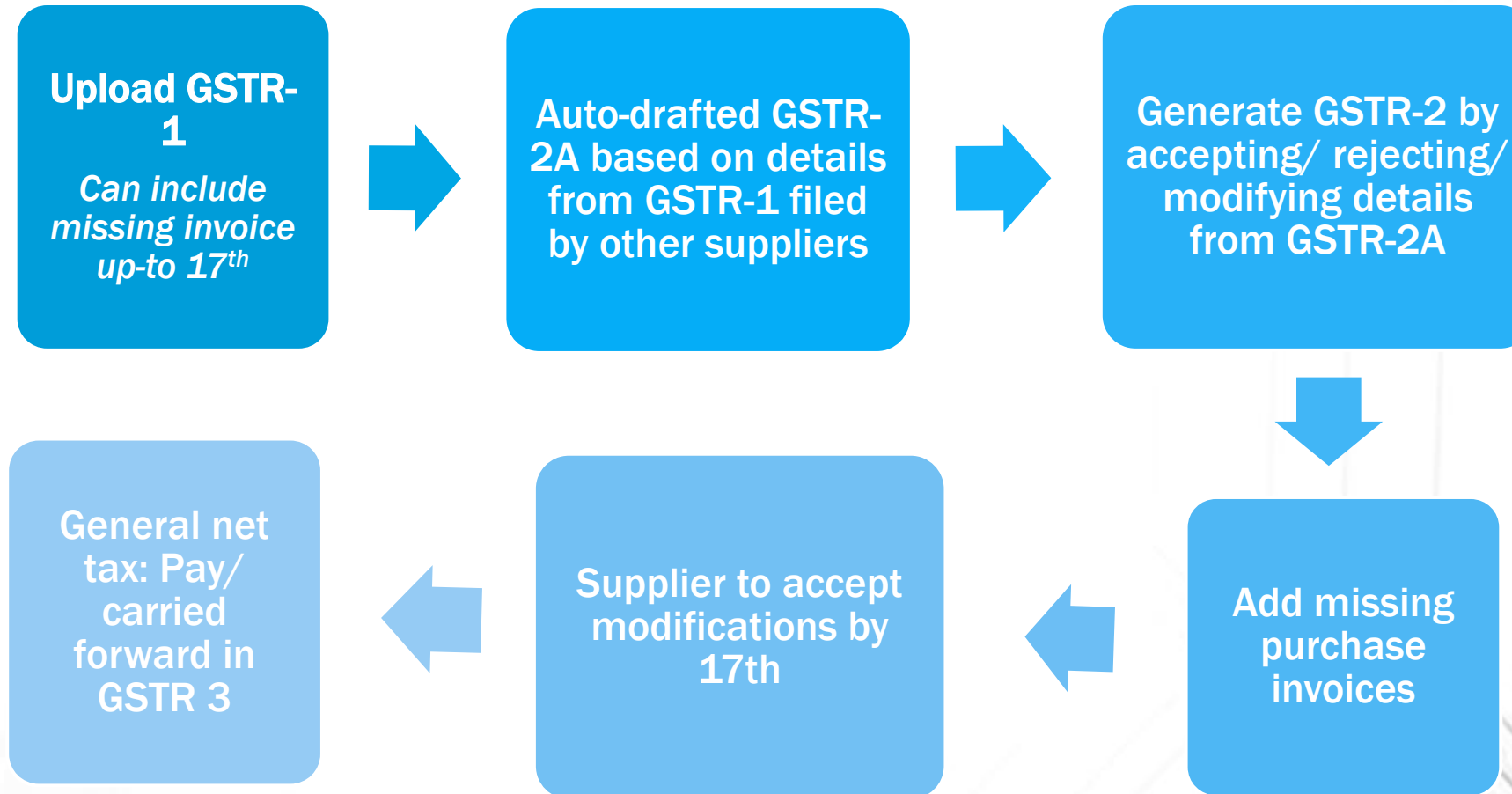
## Returns to be Filed

Return Form	Particulars	Due Date	Applicable for
GSTR8	Annual return	31 <sup>st</sup> December next FY	Normal/ Regular Taxpayer, Compounding Taxpayer
Ledgers	ITC ledger, cash ledger, tax ledger	On a continuous basis	All



# Returns

## Returns Process



# Returns

## Returns Special Points

- Every registered taxable person to furnish returns (Even if it's a NIL Return)
- Submission of return - Through online mode, Monthly Returns (Except for Composition)
- Error or omission may be rectified - No specific provision for revision prescribed
- There would be Three Returns
  - Outward Supplies on or Before 10<sup>th</sup> of Next Month
  - Inward Supply on or Before 15<sup>th</sup> of the Next Month
  - Consolidated Return along with Payment of Tax on or Before 21<sup>st</sup> of Next Month
- HSN Codes – Goods and Accounting Codes - Services
- Separate Tables for Debit / Credit Notes / Input Service Distributor Credit / TDS etc.
- Common e-Return for CGST, SGST & IGST
- Matching Concept

# Returns

## Returns Special Points

### Matching

Details of inward supply furnished by a receiver to be matched with details of output supplies furnished by corresponding supplier

Credit details of matching supplies only to be accepted - manner to be prescribed

### Reversal

Details not matching resulting in excess to be communicated to both supplier & receiver

Details communicated but not rectified by supplier to be added to the output tax liability of recipient

Duplication resulting in excess also to be added to output tax liability of recipient

### Reclaim

Recipient entitled to reduce output tax liability if supplier rectifies the return within prescribed timelines

# Returns

## Returns Special Points

### First Return

Every registered taxable person who has made outward supplies between date of liability to register to date of grant of registration

Filed after grant of registration

### Annual Return

Every registered dealer to furnish annual return by 31st December except:

- ISD
- casual taxable person
- Person deducting tax
- Non-resident taxable person

Reconciliation statement to be furnished along with the statutory audited report and annual return

### Final Return

Every registered dealer opting for cancellation to furnish a final return To be furnished within 3 months from date of cancellation or date of cancellation order, whichever is later

# Returns

## Returns Special Points

### **RECTIFICATION**

Rectification allowed till September 30 or date of filing of annual return

### **NON FILING**

Cancellation of registration for non filing of returns for 3 consecutive tax periods

### **BLACK LISTING OF DEALERS**

Compliance rating to be introduced. Fall below the prescribed level would lead to blacklisting

### **PENALTY- NON FILING OF RETURN**

Late Fees: INR 100 per day subject to a maximum of INR 5,000

Late Fee - Annual Return INR 100 per day subject to a maximum of 0.25 % of the aggregate turnover of the defaulter

# Challenges

## Challenges for Business Community

Classification of goods/services to ascertain the correct rate of tax

Technology driven platform, no human interface

Ambiguity about the interpretation of new terms like Composite Supply/Mixed Supply

Blocking of working capital in branch transfers/export of goods

Export procedure and options as perceived by the Act are yet to be streamlined with necessary notification/clarifications etc.



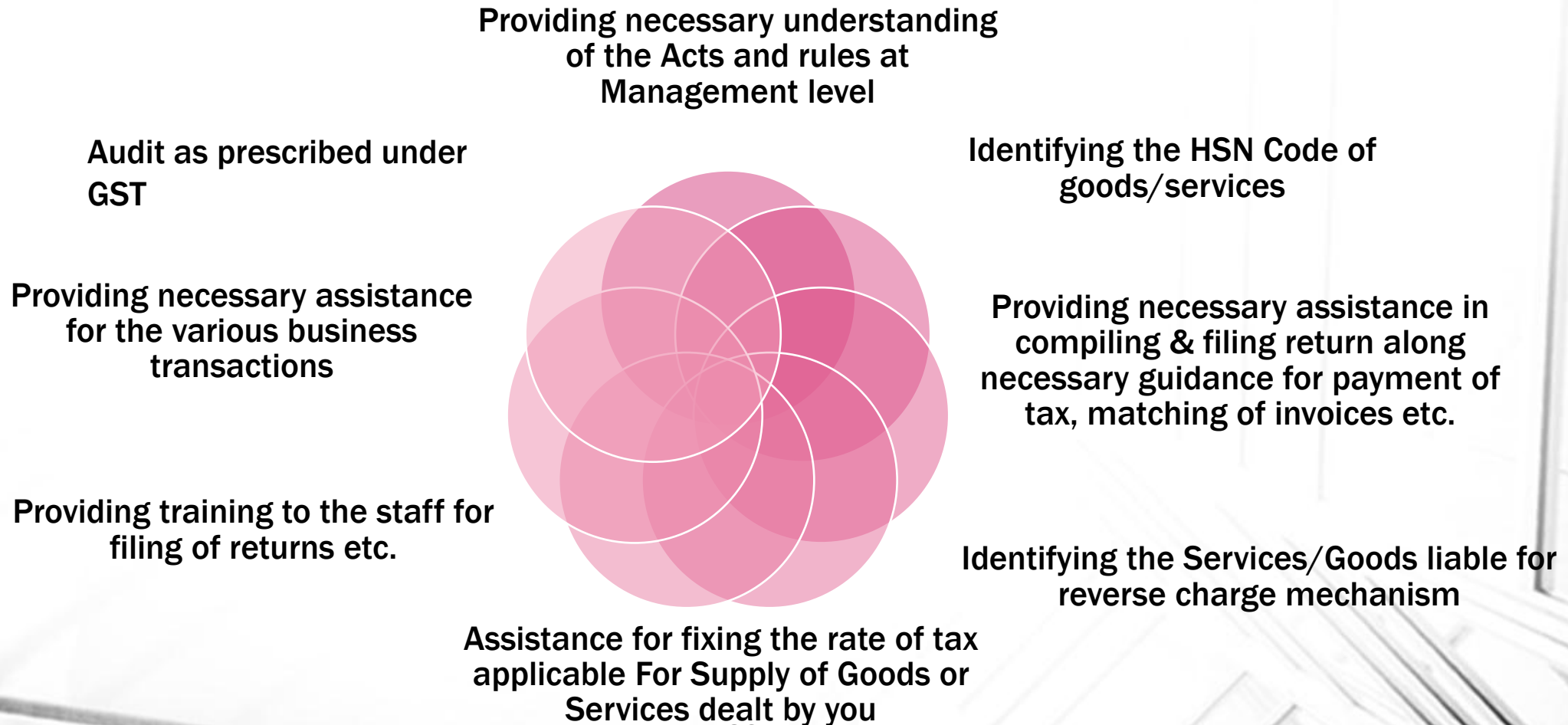
# Challenges

## Check Point for Business Entity

- Identifying Supply Side & Fixing Rate Applicable with HSN
- Identifying Purchases from URD / URP
  - Goods or services liable for Reverse Charge
  - Goods or services supplied by Vendors not registered under GST
  - Process of preparing invoices & payment of Tax on such purchases
- Changing Formats of invoices
- Post follow ups as to Evaluation of various decisions/stands taken
- System changes
  - Flow of information/data as required in the formats for ease of filing returns.
  - Adding one of the important point as GSTN registered person in vendor selection process
  - Generation of Invoices adhering to formats as laid down in the act,
    - Normal Invoice,
    - Reverse Charge
    - ISD Invoice
    - Receipt Voucher for receipt of advance
    - Refund Voucher
    - Payment voucher
    - Revised Tax Invoice/Debit/Credit Note
- Transportation of Goods, - E Way Bills

# Services Offered by us....

## Spectrum of Services



# Disclaimer

## Disclaimer

We have taken best efforts to compile the necessary details however it has following limitations

**1. Perceptions**

What we have presented is our perception of the act with our best efforts. However it could be subject to challenge by the authorities and some other perception is always a possibility

**2. Authentication of material**

We have taken reasonable care to source the material from the authenticated sites but official version may be subject to finality of the material

**3. Frequent changes as announced**

You must have noticed that there are changes made in rates/rules after the first announcements made For example rate of GST on garments/Agarbatti etc Change in the limit of composition. As such latest announcement/clarification may affect the presentation.

**4. Missing information/Links**

It is quite probable that a particular clarification/information might not have come to our notice which may have serious impact on the presentation

**5. Presentation is prepared strictly for educating the client and you are advised to obtain the expert advice before taking any steps/business decision.**

**6. Our liability is restricted to the amount of bill raised and paid for professional charges if any.**

# Thank You !

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