

GST

GOODS AND SERVICE TAX



By: CA Sunnay Jariwala



Registration



Payment of
Taxes



Ecommerce
including
provisions
related to
TCS



Accounts &
Records



Transitional
provision
related to
stock & Job
work

**LOW
PRICE**

Anti-
Profiteering

Takeaways

Payment of Tax & other amounts – Sec 49

(1) Every deposit made towards tax, interest, penalty, fee or any other amount by a

person by modes prescribed and subject to such conditions

and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such

person to be maintained in such manner as may be prescribed

Payment of Tax & other amounts – Sec 49

INPUT TAX CREDIT

(2) *The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41.*

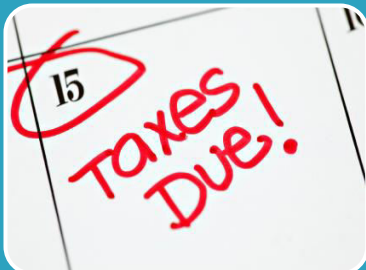


GENERAL LEDGER

ACCOUNT NAME: Accounts Payable
ACCOUNT NUMBER: 201

DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
4/20/2015	Loan from Friend	\$ -	\$ 500.00	\$ (500.00)
4/21/2015	Loan from Friend	\$ 200.00	\$ 500.00	\$ (300.00)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

(3) *The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable*



(4) *The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the IGST*

Payment of Tax & other amounts – Sec 49

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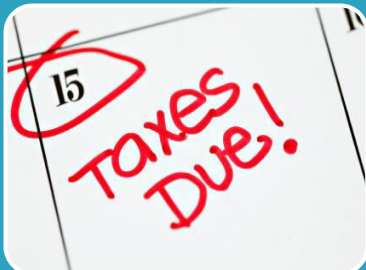


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Payment of Tax & other amounts – Sec 49

A blackboard-style logo with the words "INPUT TAX CREDIT" written in white, chalk-like font. The blackboard has a wooden frame.

INPUT TAX
CREDIT

(5) The amount of input tax credit available in the electronic credit ledger of the registered person on account of

A logo for "igt" where the letters are black and stylized. A light blue, wavy line flows through the letters, starting from the top left and ending at the bottom right.

igt

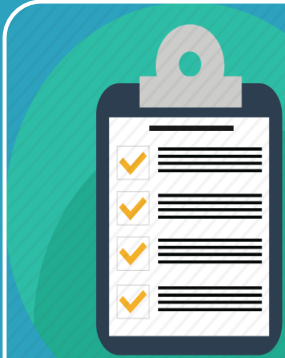
(a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax

A logo for "CGST" in a bold, red, 3D-style font with a white outline. The letters are set against a dark blue background.

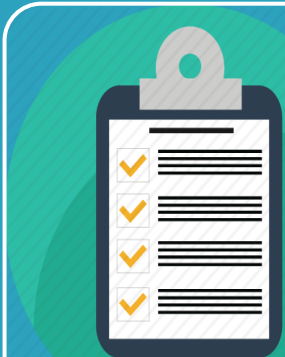
CGST

(b) the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax

Payment of Tax & other amounts – Sec 49



(e) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax



(f) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated taxa

Payment of Tax & other amounts – Sec 49

The logo for State Goods and Services Tax (SGST) is displayed in a stylized, bold, red font with a white outline and a slight shadow effect, set against a dark blue background.

(c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax

The logo for Union Territory Goods and Services Tax (UTGST) is displayed in a stylized, bold, light blue font with a white outline and a slight shadow effect, set against a dark blue background.

(d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax

Payment of Tax & other amounts – Sec 49

- (6) The balance in the electronic cash ledger or electronic credit ledger after payment of
- tax, interest, penalty, fee or any other amount payable under this Act or the rules made
- thereunder may be refunded in accordance with the provisions of section 54



Payment of Tax & other amounts – Sec 49

- *(7) All liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register*



Payment of Tax & other amounts – Sec 49

- ***(8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:—***
- ***(a) self-assessed tax, and other dues related to returns of previous tax periods;***
- ***(b) self-assessed tax, and other dues related to the return of the current tax period;***
- ***(c) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74***

Payment of Tax & other amounts – Sec 49

- *(9) Every person who has paid the tax on goods or services or both under this Act*
- **shall, unless the contrary is proved by him, be deemed to have passed on the full incidence**
- **of such tax to the recipient of such goods or services or both**

Int. on delayed payment of tax – Sec 50

- *(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder,*
- **but fails to pay the tax or any part thereof to the Government within the period prescribed,**
- **shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not 18%, as may be**
- **notified by the Government on the recommendations of the Council**

DELAYED

Int. on delayed payment of tax – Sec 50

- *(2) The interest under sub-section (1) shall be calculated, from the day succeeding the day on which such tax was due to be paid,*
- *(3) A taxable person who makes an undue or excess claim of input tax credit under*
- *sub-section (10) of section 42 or undue or excess reduction in output tax liability under sub-section (10) of section 43, shall pay interest on such undue or excess claim or on such*
- *undue or excess reduction, as the case may be, at such rate not exceeding 24% as may be notified by the Government on the recommendations of the Council.*

DELAYED

TDS – Sec 51



(1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate,—

(a) a department or establishment of the Central Government or State Government; or

(b) local authority; or (c) Governmental agencies; or

(d) such persons or category of persons as may be notified by the Government on the recommendations of the Council

to deduct tax at the rate of 1% from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds 2.5 Lakh

TDS – Sec 51



(2) The amount deducted as tax under this section shall be paid to the Government by the deductor within ten days after the end of the month in which such deduction is made



(3) The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars

TDS – Sec 51



(4) If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five days period until the failure is rectified, subject to a maximum amount of five thousand rupees

TDS – Sec 51



(5) The deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of the deductor furnished under sub-section (3) of section 39,



(6) If any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of sub-section (1) of section 50, in addition to the amount of tax deducted

TDS – Sec 51



(7) The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74



(8) The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of section 54



Provided that no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee

TCS – Sec 52

**Tax Collected
at Source (TCS)**



(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator not being an agent, shall collect an amount calculated at such rate not exceeding 1 %, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator

TCS – Sec 52

Tax Collected at Source (TCS)

(2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.

(3) The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made.

TCS – Sec 52

Tax Collected at Source (TCS)



(4) Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.

TCS – Sec 52

**Tax Collected
at Source (TCS)**

(5) Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.

TCS – Sec 52

**Tax Collected
at Source (TCS)**

(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50



**ERRORS
HAPPEN.**

TCS – Sec 52

**Tax Collected
at Source (TCS)**



Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier

TCS – Sec 52

**Tax Collected
at Source (TCS)**

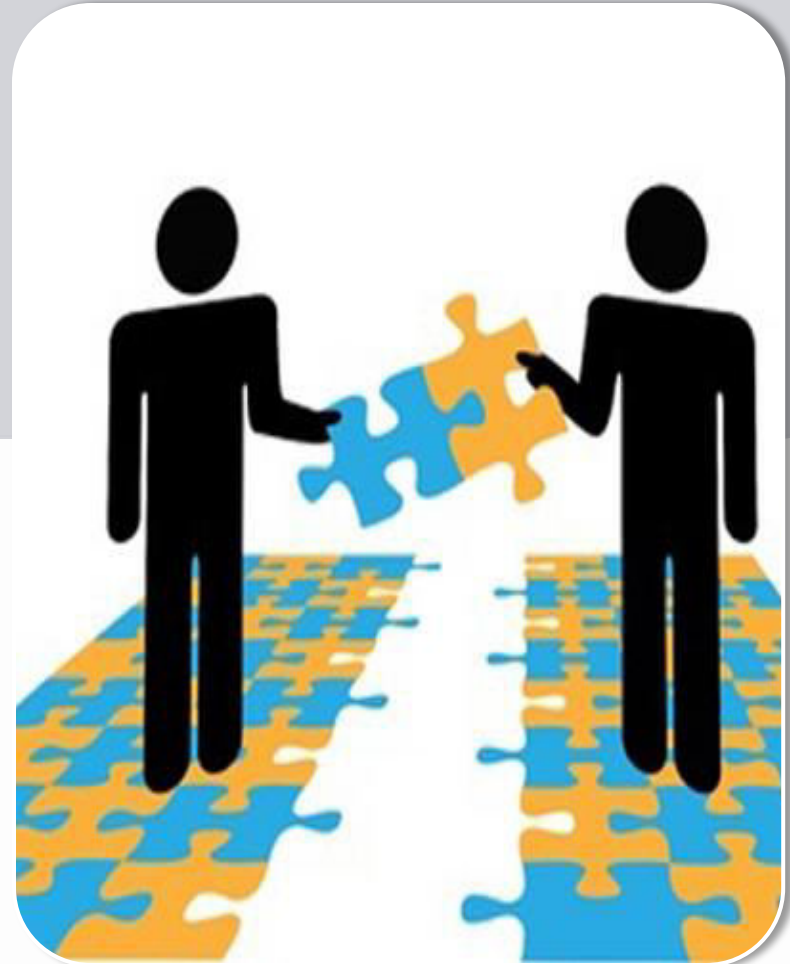


(7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.

TCS – Sec 52

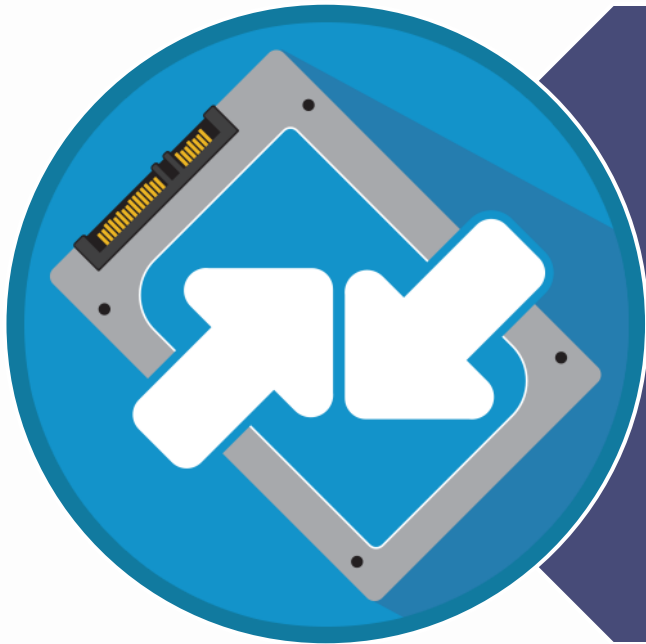
Tax Collected at Source (TCS)

(8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.



TCS – Sec 52

Tax Collected at Source (TCS)



(9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37, the discrepancy shall be communicated to both persons

TCS – Sec 52

(10) The amount in respect of which any discrepancy is communicated under

- sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the*
- output tax liability of the said supplier, where the value of outward supplies furnished by the*
- operator is more than the value of outward supplies furnished by the supplier, in his return*
- for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed*

TCS – Sec 52

- *(11) The concerned supplier, in whose output tax liability any amount has been added*
- *under sub-section (10), shall pay the tax payable in respect of such supply along with*
- *interest, at the rate specified under sub-section (1) of section 50 on the amount so added*
- *from the date such tax was due till the date of its payment*

TCS – Sec 52

(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to

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graph TD; A["(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to"] --> B["(a) supplies of goods or services or both effected through such operator during any period; or"]; B --> C["(b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers as may be specified in the notice"]; style A fill:#2c3e50,color:#fff; style B fill:#6a3d9a,color:#fff; style C fill:#8e44ad,color:#fff;
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(a) supplies of goods or services or both effected through such operator during any period; or

(b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers as may be specified in the notice

TCS – Sec 52

Tax Collected at Source (TCS)



(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice



(14) Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees

Transfer of ITC – Sec 53



On utilisation of input tax credit availed under this Act for payment of tax dues under the IGST Act in accordance with the provisions of sub-section (5) of section 49, as reflected in the valid return furnished under sub-section (1) of section 39, the amount collected as central tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the central tax account to the integrated tax account in such manner and within such time as may be prescribed

E - COMMERCE





E -COMMERCE

Sec 2(44) “electronic commerce” means the supply of goods or services or both, including digital products over digital or electronic network;

pepperfry®

JABONG.COM

ebay

MYNTRA.com

flipkart.com

amazon

ShopClues.com

snapdeal.com

HOME SHOP 18

yebhi.com

E -COMMERCE

Sec 2(45) “electronic commerce operator” means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce

E – Commerce & related provisions

- **Levy & Collection Sec 9(5) : *The Government may, on the recommendations of the Council, by notification,***
- **specify categories of services the tax on intra-State supplies of which shall be paid by the**
- **electronic commerce operator if such services are supplied through it, and all the provisions**
- **of this Act shall apply to such electronic commerce operator as if he is the supplier liable for**
- **paying the tax in relation to the supply of such services**

E – Commerce & related provisions

- Provided that where an electronic commerce operator does not have a physical presence in the taxable territory,
- any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax
- Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and
- also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for
- the purpose of paying tax and such person shall be liable to pay tax

E – Commerce & related provisions

□ Composition Levy 10 (2) :

Small business



Doing business
via e- commerce
operator



Ineligible to reg.
under
composition levy

E – Commerce & related provisions

- **Compulsory Reg. Sec 24 :**
- **persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator**
- **every electronic commerce operator;**

Transitional provisions

- **Case 1 : Manufacturer registered under Excise, VAT and Service Tax**
- **Return filed under Excise, VAT or Service Tax shows outstanding/ excess/ unutilized balance of input tax credit**
- **GST FORM TRAN-1 to be filed by 29th August 2017**
- **The excess input tax credit reflected in the return filed for period ended 30th June 2017 to be carried forward under GST**
- **The balance is allowed to be carried forward in following cases:**
- **The Credit is admissible in the GST Law**
- **All returns for 6 months to be been duly filed under the Excise, VAT, Service Tax Law**

Transitional provisions

- Case 2 : Manufacturer registered under VAT only
- This covers SSI dealers opting out of excise. This will also cover manufacturers exempt from excise and not registered under excise
- The excess input tax credit reflected in the return filed for period ended 30th June 2017 to be carried forward under GST
- **GST FORM TRAN-1 to be filed by 29th August 2017**

The balance is allowed to be carried forward in following cases :

- The Credit is admissible in the GST Law
- All returns for 6 months to be duly filed under the VAT Law
- Return filed under VAT show excess balance of input tax credit

Contd.

Transitional provisions

- ❑ **Excise duty, Additional Excise Duty in respect of raw materials, finished/ semi-finished stock held on 30th June 2017**
- ❑ **Credit of Excise and other related duties allowed (subject to few conditions)**
- ❑ **Invoice are essential, date of issue of such invoice must be on or after 1st July 2016**
- ❑ **Opening Credit as on 1st July 2017 shall be shown as CGST**

Transitional provisions

- **Case 3 : Trader registered under VAT**
- **Return filed under VAT shows outstanding/ excess/ unutilized balance of input tax credit**
- **The excess input tax credit reflected in the return filed for period ended 30th June 2017 to be carried forward under GST**
- **GST FORM TRAN-1 to be filed by 29th August 2017**
- **Excess VAT Credit (shown in VAT Return) shall be carried forward as SGST**
- **The balance is allowed to be carried forward in following cases :**
 - **The Credit is admissible in the GST Law**
 - **All returns for 6 months to be duly filed under the VAT Law**

Contd.

Transitional provisions

- Excise duty, Additional Excise Duty in respect of stock held on 30th June 2017
- Duty paying documents/ invoices are available
- Date of issue of such invoice must be on or after 1st July 2016
- Credit shall be carried forward as CGST
- Credit allowed @ 60% or 40% of CGST applicable on supply of the stock after 1st July 2017.
- Credit allowed @ 60% of CGST applicable on supply of the stock after 1st July 2017 if GST rate is 18% or 28%.
- Credit allowed @ 40% of CGST applicable on supply of the stock after 1st July 2017 if GST rate is 5% or 12%.
- Taxable person shall pass on the benefit of such credit by way of reduced price to the recipient.

Anti Profit measure – Sec 171

- *(1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices*

PRICE



Anti Profit measure – Sec 171

- **(2) The Central Government may, on recommendations of the Council, by notification,**
- **constitute an Authority, or empower an existing Authority constituted under any law for the**
- **time being in force, to examine whether input tax credits availed by any registered person or**
- **the reduction in the tax rate have actually resulted in a commensurate reduction in the price**
- **of the goods or services or both supplied by him**
- **(3) The Authority referred to in sub-section (2) shall exercise such powers and discharge**
- **such functions as may be prescribed**