

Beginners Course on GST (Registration, Returns, Payment & Documentation)

**organised by
WIRC**

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Registration

Registration – Legal Framework

- ❖ Taxable Person means a person who carries on any business at any place in India/State of **And who is registered or required to be registered under Schedule – III** of the Act.
- ❖ Schedule III of the Act – Liability to be registered.
- ❖ Section 19 – Registration
- ❖ Section 19A – Registration of Casual Taxable Person and Non-Resident Taxable Person

Schedule III - Every Supplier – Threshold Limit

- ❖ Persons liable to obtain registration
 - ✓ Every Supplier [i.e. person supplying the goods either on his own account or as an agent]
 - ❑ Taxable Threshold of aggregate turnover - **4 Lakh** for North East states /**9 Lakh** in other cases [All supplies whether on his own account or as an agent]
 - ❑ **If aggregate turnover consists of only goods/services which are not liable to tax.**

[Aggregate turnover = Taxable Supplies+ Non Taxable Supplies + Exempt supplies + Export of goods /services to be computed on all India basis linked to one PAN but excluding

Schedule III – Specialised Provisions

- ✓ Person registered under existing law shall also be required to be registered under the GST law
- ✓ All Existing Assesseees except ISD will be migrated automatically (No need for fresh

Situation	Effective Date
✓ Transfer / Succession as a going concern	Date of Transfer / Succession
Amalgamation/ Merger	Date on which ROC issues certificate of Incorporation giving effect to High Court Order
Other Cases	Date on which supply exceeds threshold limit

Schedule- III – Mandatory Registration

- ❖ Persons liable to register irrespective of Taxable Threshold limit
 - ✓ Persons making any inter-state taxable supply
 - ✓ Casual taxable person
 - ✓ Non-resident taxable person
 - ✓ **Persons who are required to pay tax under reverse charge**
 - ✓ **Persons who are required to deduct tax u/s 37.**
 - ✓ Persons who supply goods and/or services on behalf of other registered taxable persons

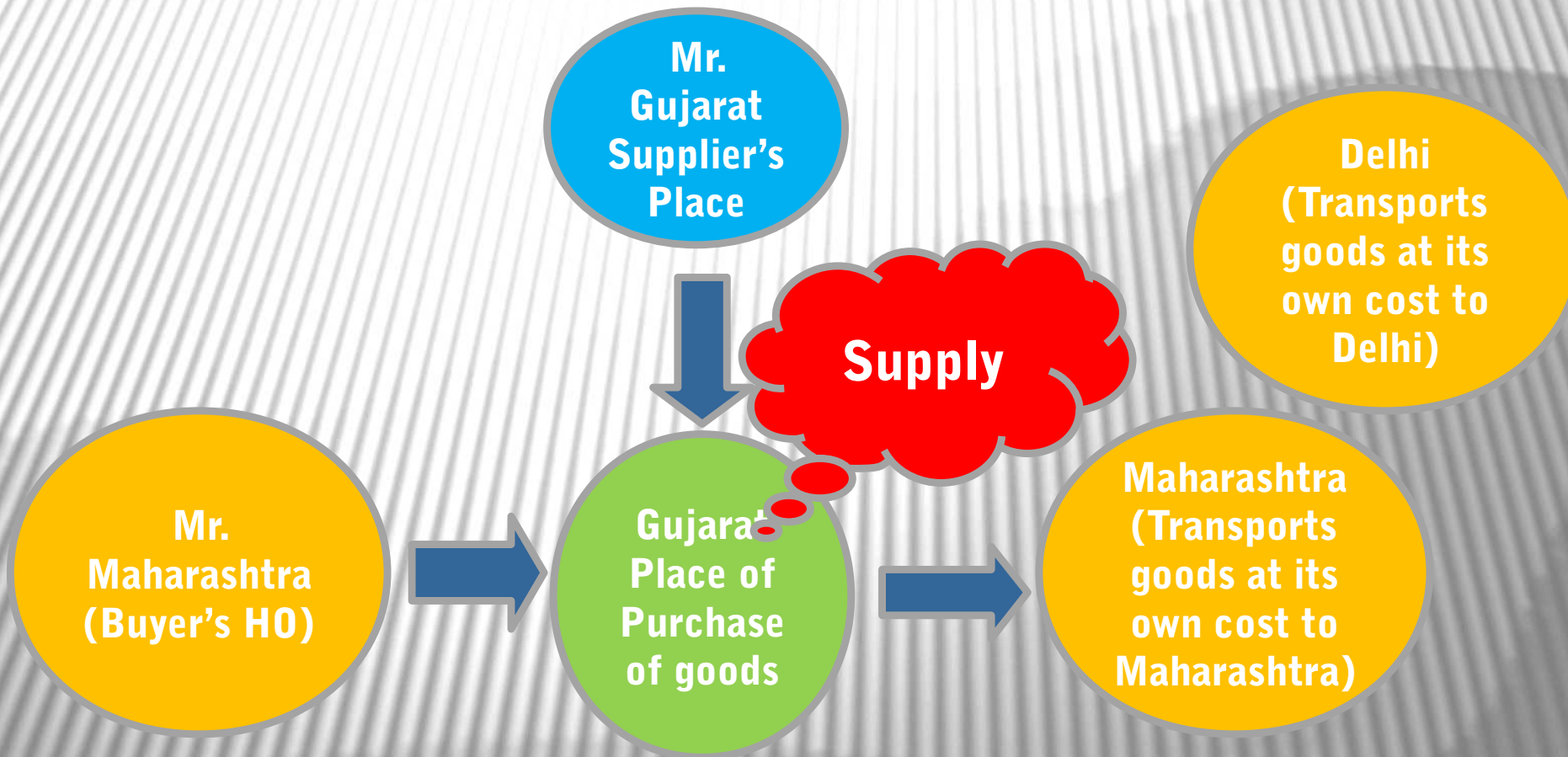
Where to Register ??
?

In which State to apply for Registration?

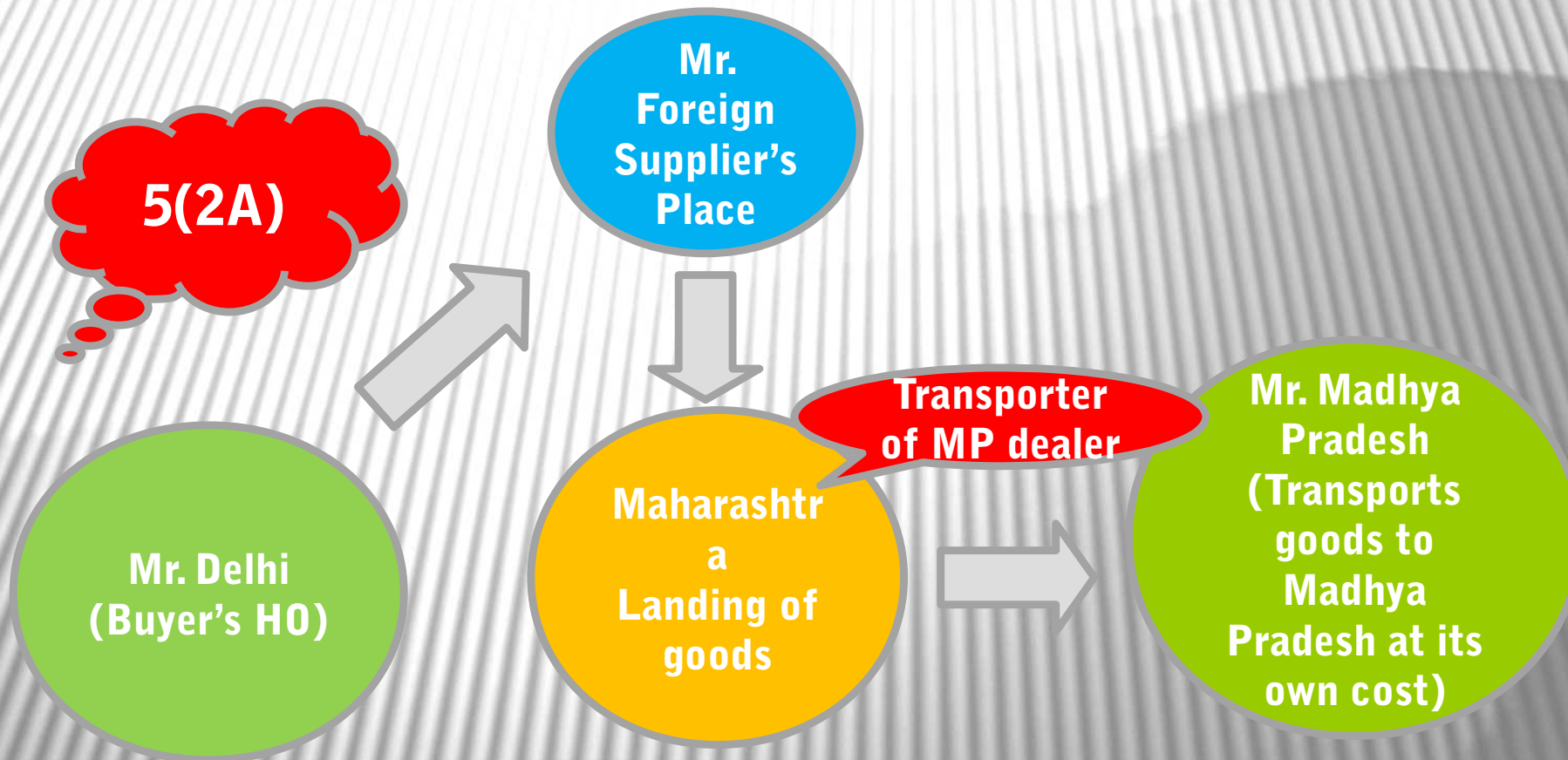
- ❖ Place of Registration - **“from where”**
Supplier makes a taxable supply of goods and or services

- ❖ Whether “Place of Supply” = “place from where supply is made”
“Local Supplier” = “Supplier in Maharashtra where supply is made”
“Local Receiver” = “Receiver in Gujarat where supply is received”
-
- The diagram consists of three circles arranged horizontally. The leftmost circle is yellow and labeled 'Maharashtra (Supplier)'. A blue arrow points from this circle to a green circle in the middle labeled 'Gujarat Place of Supply'. Another blue arrow points from the green circle to a blue circle on the right labeled 'Gujarat (Receiver)'.

In which State to apply for Registration?



In which State to apply for Registration?



Section - 19 Registration

- ❖ Registration to be obtained in every State.
- ❖ There can be more than one registration in Single state – If assessee intends to take registration as per business verticals.
- ❖ There is a provision for voluntary registration.
- ❖ PAN is mandatory (except for non-resident taxable person)
- ❖ Proper Officer has power to get any unregistered person registered under the Act.

Section - 19 Registration

- ❖ Registration to be given in Prescribed Period – If no deficiency or query is communicated within the said period, then registration shall be deemed to be granted.
- ❖ Rejection of application/UIN under CGST or SGST Act shall be deemed to be rejection of registration under both the Acts.
- ❖ Rejection of Registration/UIN – Only after giving SCN.

Business Process – GSTIN

Business Process – Transitional Provisions

- ❖ Section 142 – Migration of existing taxpayers to GST
- ❖ Existing registrants are those who are either registered with States or with Centre or with Both.
- ❖ They will be Migrated into GSTN and will be issued GSTIN automatically by system on “**Provisional Basis**” [Valid for **6 Months**]
- ❖ Taxpayer Registered under Excise & VAT –
Source data for issuing GSTIN should be

Business Process – Transitional Provisions

- ❖ GSTIN will be generated by NSDL based on Source Data in case of all VAT TIN
- ❖ Service tax payers may be advised to intimate their choice as to State for the purpose of registration.
- ❖ Service Tax Portal will check from GST Portal if GSTIN is already generated in respect of particular PAN used for granting existing service tax registration number. If not, it will request GST Portal to generate the

Registration – Casual Taxable Person and Non – Resident taxable person. – Section 19A

- ❖ Casual Taxable Person – Person who occasionally undertakes transactions involving supply of goods and/or services in the course or furtherance of business, in a taxable territory **where he has no fixed place of business.**
- ❖ Non-resident Taxable Person – Person who occasionally, undertakes transactions involving supply of goods and services, **and who has no fixed place of business in India.**

Cancellation of Registration

- ❖ Cancellation can be done by Proper Officer suo motu or on application made by the registered taxable person.
- ❖ Reasons for cancellation
 - ✓ 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, it may lead to change in PAN)

Cancellation of Registration

- ❖ Notice of hearing and opportunity of being heard is a MUST before cancellation.
[There will be a system generated 7 days SCN]
- ❖ Post cancellation, liability of persons for a period prior date of cancellation shall continue.
- ❖ Cancellation of registration either under CGST Act or SGST Act shall be deemed to be Cancellation of registration under both the

Returns

Returns – Legal Framework

- ❖ Section 25 – Furnishing of details of outward supplies
- ❖ Section 26 – Furnishing of details of inward supplies
- ❖ Section 27 – Returns
- ❖ Section 27A – First Return
- ❖ Section 28 – Claim of Input Tax Credit and Acceptance thereof
- ❖ Section 29 – Matching, reversal, reclaim of

Returns, Periodicity and Due Dates

Section	Return Type	For	Periodicity	Due Date
25	GSTR-1	Outward Supplies Made by Tax payer. (other than Composition dealer, ISD, and TDS u/s 37)	Monthly	10th of Next Month
26	GSTR-2	Inward Supplies Made by Tax payer. (other than Composition dealer, ISD, and TDS u/s 37)	Monthly	15th of Next Month
27(1)	GSTR-3	Tax Return (other than Composition dealer, ISD, and TDS u/s 37)	Monthly	20th of Next Month
27(1)	GSTR- 4	Composition Dealer	Quarterly	18th of Next Month

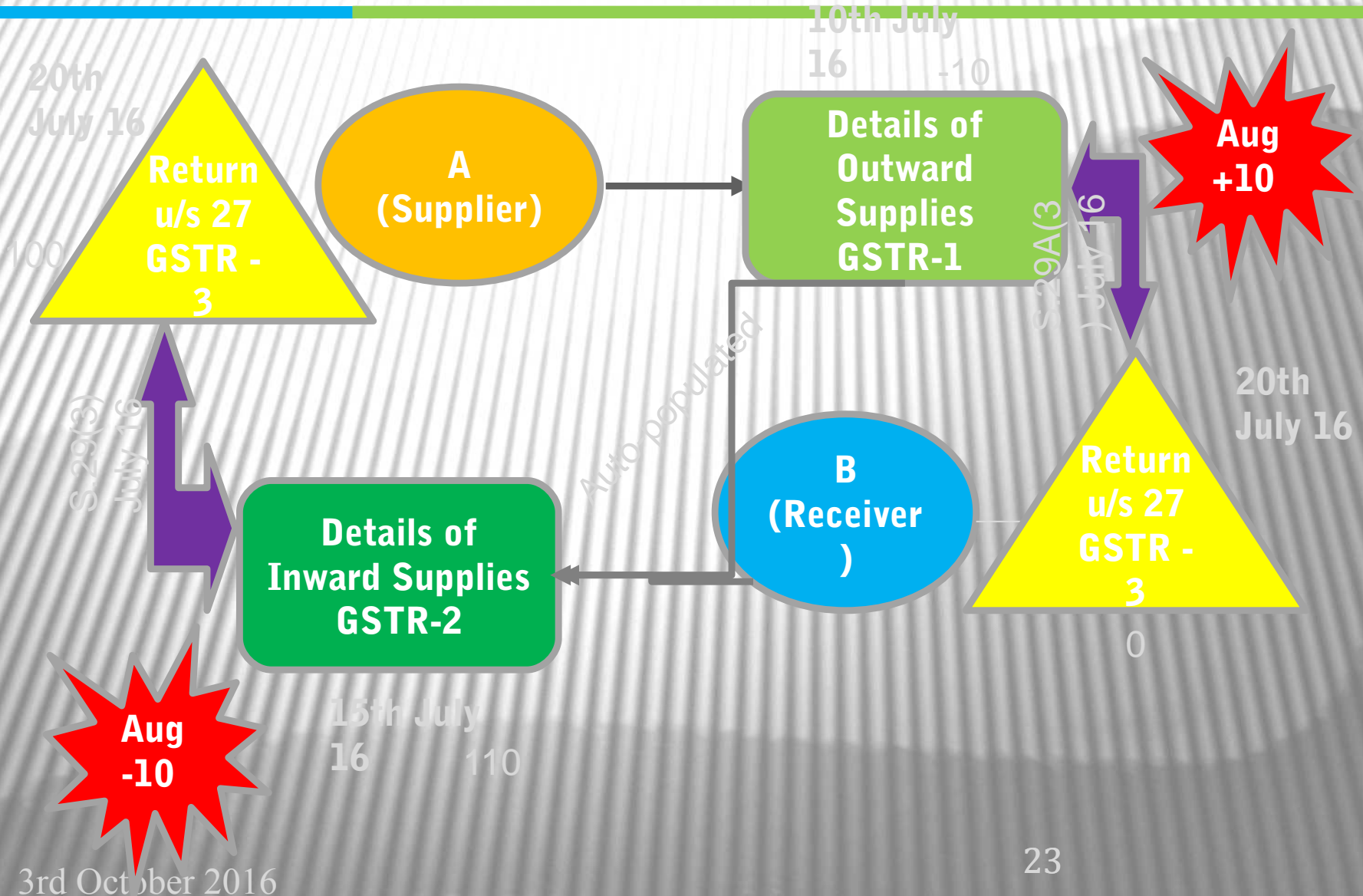
Returns, Periodicity and Due Dates

Section	Return Type	For	Periodicity	Due Date
27(6)	GSTR - 6	ISD	Monthly	13th of Next Month
27(5)	GSTR – 7	Return of TDS u/s 37	Monthly	10th of Next Month
30	GSTR- 9	Annual Return	Annually	31st December of Next FY.
Bus. Processes	GSTR-5	Periodic Return by Non-Resident Foreign Taxpayer		Last Day of Registration

GSTR Forms – Broad Contents

GSTR -1 [Outward Supply]	GSTR – 2 [Inward Supply]	GSTR -3
5. B to B 5A. Amendments	4. B to B [Accepted / Not Accepted] 4A. Amendments.	5. Turnover details [summary] 6. Outwards Supplies
6. B to C [Inter-State] [Invoice Value <2.5Lakhs] 6A. Amendments	5. Import of Goods 5A. Amendments	- B to B (Inter / Intra) -B to C (Inter / Intra) -Exports/Deemed Exports
7. B to C [Others] 7A. Amendments	6. Import of Service 6A Amendments	- Revision of Supply -Tax Liability
8. Debit Notes/ Credit Notes 8A. Amendments	7. Credit Notes / Debit Notes 7A Amendments	7.Inward Supply - B to B (inter/Intra) - -B to B (Inputs, Capital
9. Nil Rated/ Exempted/ Non-GST	9.ISD 10. TDS/TCS	Goods, Input Service, None) -Revision of Supply
10. Export/Deemed Export	12. RCM	- Total Tax, ITC Reversal
11. Advance	13. Invoice	Mismatches.

Return & Statement Matching – June 2016



Return & Statement Matching – June 2016



Significant Points – Section 25

❖ **Section 25 (Furnishing details of Outward Supplies)**

- ✓ “details of outward supplies” shall include details relating to
 - ❑ Zero rated supplies
 - ❑ inter-state supplies
 - ❑ goods returned
 - ❑ Exports
 - ❑ Debit Notes / Credit Notes and supplementary invoices.

Significant Points – Section 26

❖ Section 26 (Inward Supplies)

- ✓ The information submitted in GSTR-1 by the Counterparty Supplier of the Taxpayer shall be auto-populated in the concerned Tables of GSTR-2. Taxpayer then shall, verify, modify or delete, if required and validate such details and prepare details of his inward supplies
- ✓ Inward supplies include supplies on which tax is payable on reverse charge basis.
- ✓ Rectification of errors in respect of unmatched entries u/s 29 (Pay tax and interest)

Significant Points – Section 27

❖ Section 27 (Return)

- ✓ It shall include both details of inward supply and outward supply besides other details
- ✓ A registered taxable person shall not be allowed to furnish return for tax period if valid return for any previous tax period is not furnished.
- ✓ Due date of payment is linked to due date of return u/s 27.
- ✓ If tax due as per return is not paid in full, return shall not be regarded as Valid Return for allowing input tax credit to counter party.

Significant Points

❖ Section 27A – First Return

- ✓ Applicable to new Assessee or even to existing migrated tax payer??
- ✓ Return shall contain particulars of **outward supplies (from the date on which he becomes liable to register till the end of the month in which registration is granted.)**
- ✓ Return shall contain particulars of **inward supplies (from the date of registration till the end of till the end of the month in which registration is granted.**

Significant Points – Section 29

- ❖ **Section 29 (Matching of Input Tax Credit)**
 - ✓ Details of inward supply (in GSTR- 2 ??) to be matched with details of Outward Supplies shown by counter party supplier in his valid return (GSTR-3)
 - ✓ Matched Entries will be accepted and such acceptance shall be communicated to recipient.
 - ✓ Unmatched entries [i.e. where claim of ITC in inward supply details is higher than the tax declared by the supplier for the same supply or where outward supply is not declared by the

Significant Points – Section 29A

❖ Section 29A (Matching of reduction in output tax liability)

- ✓ Deals with details of credit note relating to outward supplies furnished by the supplier.
- ✓ Matching of Outward Supply details (GSTR-1 ??) with details of corresponding inward supplies shown by recipient in his valid return (GSTR-3)
- ✓ Matched Entries will be accepted and such acceptance shall be communicated to recipient.
- ✓ Unmatched entries [i.e. where reduction in

Significant Points

❖ Annual Return – Section 30

- ✓ To be filed by every taxable person other than
 - ❑ ISD
 - ❑ Composition Dealer
 - ❑ Deductor of TDS u/s 37
 - ❑ A Casual Taxable Person
 - ❑ A non-resident Taxable Person
- ✓ Audited Accounts and a Reconciliation Statement (supplies as per returns vis-à-vis supplies as per audited financial statements) to

Payment

Section 35 – Significant Points

- ❖ Every payment made by the taxable person towards tax, interest, penalty, fee or other amount shall be credited to the “electronic cash ledger” of such person.
- ❖ Input Tax Credit as self assessed in return of a taxable person is credited to the “electronic credit ledger” [can be used only for payment of tax]



Section 35 – Payment of Tax

- ❖ Every Taxable Person (unless otherwise proved to its contrary) be deemed to have passed on full incidence of such tax to the recipient of such goods and/or services.
- ❖ Order in which payment should be made
 - ✓ Self assessed tax and other dues related to returns of previous tax periods
 - ✓ Self assessed tax and other dues related to returns of current tax periods

Business Process on Payment

- ❖ One single challan form making payment of all taxes covered in GST basket
- ❖ Contents of challan
 - ✓ GSTIN, Name, Address, email id, Mobile No.
 - ✓ Date **Tax , Interest, Penalty and Others.**
 - ✓ **CGST Code**
 - ✓ **SGST Code**
 - ✓ **IGST Code**

Documents and Accounts

Legal Framework

- ❖ Section 2 (60) - Invoice
- ❖ Section 23 – Tax Invoice or Bill
- ❖ Section 23A –Amount of Tax to be indicated
- ❖ Section 24 – Credit Note and Debit Note
- ❖ Section 42 – Accounts and Other Records
- ❖ Section 43 – Period of Retention of Accounts.
- ❖ Draft Goods and Services Invoice Rules, 20..

Tax Invoice & Bill of Supply

- ❖ As per **section 23**, registered taxable person supplying taxable goods or services - shall issue '**tax invoice**' at the time of supply
- ❖ Particulars of Tax Invoice
 - ✓ the description of supply,
 - ✓ quantity
 - ✓ value of goods,
 - ✓ tax charged thereon
 - ✓ Such other particulars as may be prescribed.
- ❖ **New Registration** - Provision for issue of revised invoice - during the period starting from the **effective date of registration** till the date of issuance of certificate of registration to him.
- ❖ A registered taxable person supplying non-taxable goods/services or paying tax under the provisions of section 8 – issue a **'bill of supply'** instead of a tax invoice

Credit & Debit Notes

- ❖ As per **section 23A**, every person liable to pay tax shall prominently indicate in all documents the tax amount **which will form part of price at which supply is made.** – Refer Sec. 2(28) and S.15(1)(d)
- ❖ **section 24 (1) Credit Note** – Amount charged exceeds amount actually payable towards
 - ✓ Taxable Value and /or
 - ✓ Tax charged
- ❖ **Section 24 (2) –Debit Note** Amount charged is found to be less than amount actually payable towards
 - ✓ Taxable Value and /or
 - ✓ Tax charged
- ❖ **Maximum Time Limit:** On or before 30th day of September following the end of financial year or date of filing of annual return, whichever is earlier.

❖ **When to show in Return:** details of credit note/ debit note to be shown in the

Accounts (sec.42)

- ❖ Every registered person - keep and maintain – **principal place of business** – true and correct account of
 - ✓ production or manufacture of goods;
 - ✓ inward or outward supply of goods and/or services;
 - ✓ stock of goods;
 - ✓ input tax credit availed;
 - ✓ output tax payable and paid.

Accounts (sec.42)

- ❖ Notified class of taxable persons – maintain additional accounts or documents for specified purpose.
- ❖ Commissioner/ Chief Commissioner - allow any class of taxable persons - if not in position to maintain accounts as per the provisions - to keep and maintain accounts in prescribed manner after recording reasons in writing.

Preservation of Accounts (sec.43)

- ❖ Registered taxable person –preserve books of accounts and other prescribed records –
 - ✓ **60 months** from the last date of filing Annual return for the year pertaining to such records.
- ❖ Provided if taxable person **is party to an appeal or revision or proceedings** be any Appellate Authority/Tribunal/Court – filed by him or department – preserve books of accounts and other documents pertaining to subject matter –
 - ✓ for the period of **1 year** after final disposal of such appeal/revision or proceedings or
 - ✓ for period mentioned in sub-section(1),

whichever is later.

Significant Provisions in Draft Rules.

- ❖ Place of supply in case of Inter-State Supply
Is required to be mentioned on the Tax Invoice
- ❖ Export – Invoice shall carry Endorsement
(“Supply meant for Export on Payment of IGST” or “supply meant for Export under Bond without payment of IGST”)
- ❖ Prescribed Period: 30 Days / 45 Days
(Banking Company/ Financial Institutions)

THANK YOU.
