

Intensive Study Course on GST

DATE : 2nd June 2017

VENUE : ICAI Tower, BKC

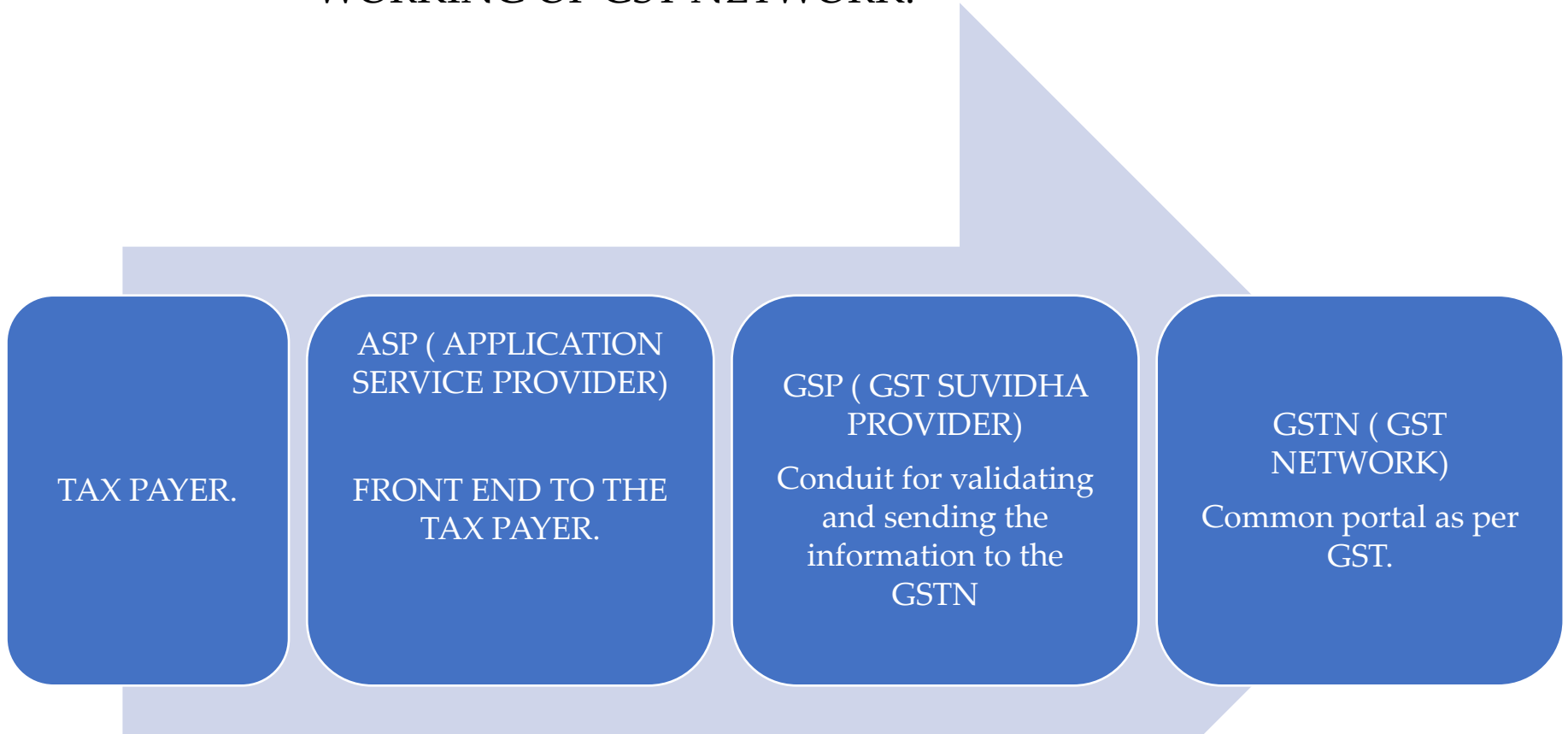
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CHARTERED ACCOUNTANT

Topics Covered –

- 1) *Returns*
- 2) *Matching Concept*
- 3) *Challenges in Implementation of GST*
- 4) *Concept of Star Rating*
- 5) *Opportunity for CAs*

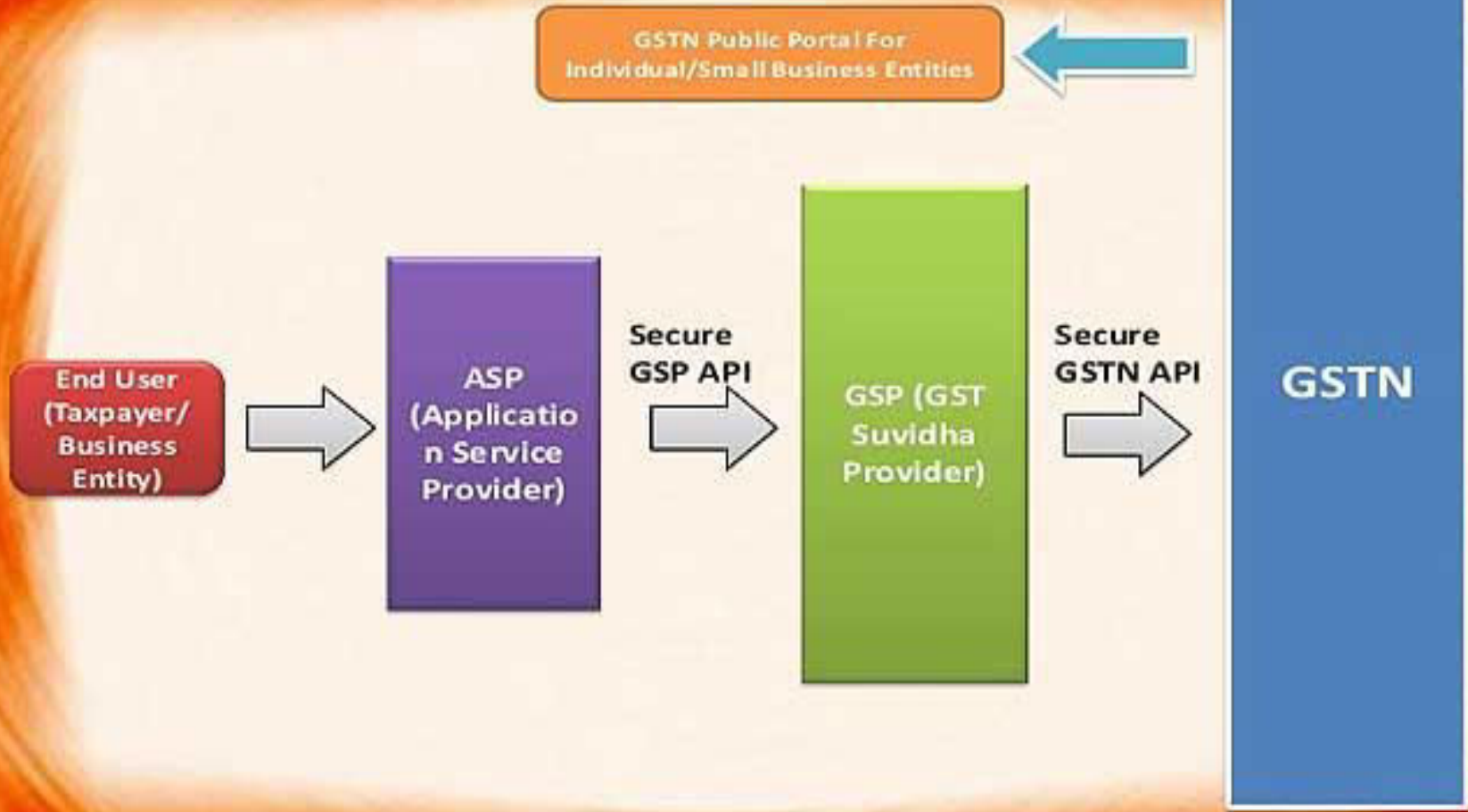
WORKING OF GST NETWORK.



ASP AND GSP CAN BE THE SAME SYSTEM OR DIFFERENT SYSTEMS/ PERSONS.

Working of GST Network

HIGH LEVEL FLOW WOULD BE LIKE BELOW



NOTE :- You have to make process and Agreement with ASP to protect your personal data

Important Aspects of Returns under GST.

- A. Under GST all filling to be **electronic through the Common Portal**.
- B. **NO Concept of revision of returns** – All changes / corrections to be notified in the respective tables in the next return.
- C. **Time-limit to rectify** the information in the returns or claim the benefit of credit notes or input credit is **upto September of next financial year or filling of annual return which ever is earlier**.
- D. The filling of monthly return is **not allowed if the previous returns are not filed**.

Important Aspects of Returns under GST.

- E. **Sales / Purchases to be reflected in the returns and also matching** with the other party to the transaction to be carried out.

- F. **Reconciliation of Returns** with the Financials necessary

- G. **Rectification of any errors or omission in respect of unmatched entries** can be made by GST return of September of next financial year or furnishing of the annual return for the said year.

GST Returns

1) The various types of return are as follows:

Sr. No.	Return	Applicable for	Due date
1	GSTR-1	Details of outward supplies	10th of the next month
2	GSTR-1A	Details of outward supplies as added, corrected or deleted by the recipient	17th of the next month
3	GSTR-2	Details of inward supplies	15th of the next month
4	GSTR-2A	Details of inward supplies made available to the recipient	Auto generated
5	GSTR-3	Monthly Return	20th of the next month
6	GSTR-4	Quarterly Return for compounding taxable person	18th of the month succeeding the quarter
7	GSTR-4A	Details of Inward Supplies for compounding taxable person	Auto generated

Sr. No.	Return	Applicable for	To be filed by
9	GSTR-5	Return for Non-Resident foreign taxable person	20 th of the next month OR Within 7 days of Last day of registration
10	GSTR-6	ISD Return	13 th of the next month
11	GSTR-7	TDS Return	10 th of the next month
12	GSTR-8	Details of supplies effected through e-commerce operator and the amount of TCS collected	10 th of the next month
13	GSTR-9	Annual Return	By 31st December of next FY
14	GSTR-9A	Annual Return for Compounding taxable persons	By 31st December of next FY
15	GSTR-10	Final Return	Within 3 months of the date of cancellation of registration
16	GSTR-11	Details of inward supplies to be furnished by a person having UIN	28 th of the next month

GSTR-1

- A. Section 37 (1) – Outward supplier to furnish the details of outward supplies of goods and services by 10th of the month.
- B. The details to be submitted will include “details of outward supplies” i.e. details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.
- C. Facility of real time uploading of invoices – likely to be made available.
- D. GSTR- 1 will not be allowed to be furnished between 11-15th of the month.
- E. The details of outward supplies of goods or services or both furnished in FORM GSTR-1 shall include inter-alia,—
 - (a) invoice wise details of all –
 - (i) inter-State and intra-State supplies made to registered persons;
 - (ii) inter-State supplies with invoice value more than two and a half lakh rupees made to unregistered persons;

- (b) **consolidated details** of all –
 - (i) intra-State supplies made to unregistered persons for each rate of tax; and
 - (ii) State wise inter-State supplies with invoice value less than two and a half lakh rupees made to unregistered persons for each rate of tax; and
- (c) **debit and credit notes**, if any issued during the month for invoices issued previously.
- (d) **export invoices** issued with or without payment of IGST
- (e) **advances received** for taxable supplies during the month
- (f) supplies through **E-Commerce operator**

GSTR-1 Table 5

5. Taxable outward supplies to a registered person

(figures in Rs)

GSTIN of receiver/ UIN	Invoice						IGST		CGST		SGST		POS (only if different from the location of recipient)	Indicate if supply attracts reverse charge \$	Tax on this Invoice is paid under provisional assessment (Checkbox)
	No.	Date	Value	Goods/ services	HSN/ SAC	Taxable value	Rate	Amt	Rate	Amt	Rate	Amt			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

GSTR-1 Outward supplies made by tax payer

Sr. No.	Table No.	Description of information
1.	5	Taxable outward supplies to a registered person
2.	5A	Amendments to details of outward supplies to a registered person of earlier tax period.
3.	6	Taxable outward supplies to a consumer where place of supply is other than the state where supplier is located (Inter-state supplies) and invoice value is more than Rs.2.5 lakhs (Optional in respect of other supplies)
4.	6A	Amendment to taxable outward supplies to a consumer of earlier tax periods where place of supply (State code) is other than the state where supplier is located (Inter-state supplies) and invoice value is more than Rs.2.5 lakhs
5.	7	Taxable outward supplies to consumer (Other than 6 above)
6.	7A	Amendment to taxable outward supplies to consumer of earlier tax periods (Original supplies covered under 7 above in earlier tax period)
7.	8	Details of credit/debit notes
8.	8A	Amendment to details of credit/debit notes of earlier tax period

Sr. No.	Table No.	Description of information
9.	9	Nil rated, Exempted and Non- GST outward supplies
10.	10	Supplies exported (Including deemed exports)
11.	10A	Amendment to supplies exported (Including deemed exports)
12.	11	Tax liability of amount received in advance against a supply to be made in future
13.	11A	Amendment to tax liability arising on account of time of supply without issuance of invoice in the same tax period
14.	12	Tax already paid (On advance receipt) on invoices issued in current period
15.	13	Supplies made through E-commerce portals of other companies
16.	14	Invoices issued during the tax period including invoices issued in case of inward supplies received from unregistered persons liable for reverse charge

GSTR- 1 – data is used to furnish the following to the recipient.

PART A of GSTR -2A

GSTR – 4A – which is to pertaining to the return of compounding dealer.

GSTR –6A – which is to pertaining to the return of Input Service Distributor.

GSTR-2A

- A. As per Section 37 (1) – Details of outward supplies to be made available to the made **available to the recipient**.
- B. GSTR- 2A **likely** to be available on a **real – time basis**.
- C. This **cannot be modified**.
- D. Data Source in GSTR 2A – **For availment of credit**
 - **Part A** consists of data of inward supplies from GSTR-1 and GSTR-5.
 - **Part B** consists of data of inward supplies from GSTR-6. (ISD)
 - **Part C** consists of data of inward supplies from GSTR-7 (TDS)
 - **Part D** consists of data of inward supplies from GSTR-8 (TCS)

GSTR-2A Table 4

Part A

4. Inward supplies received from Registered Taxable Persons

(figures in Rs)

GSTIN of supplier	Invoice						IGST		CGST		SGST		POS (only if different from the location of recipient)
	No.	Date	Value	Goods/ Services	HSN/ SAC	Taxable Value	Rate	Amt	Rate	Amt	Rate	Amt	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Auto populated													

Shall be auto populated from counterparty GSTR1 and GSTR5

Only auto populated. Cannot be filled/claimed.

GSTR-2A Inward supplies (Auto-drafted)

Details of inward supplies as made available to the recipient in GSTR-2A. It contains following parts:

Sr. No.	Table No.	Description of information
1.	4	Inward Supplies from Registered Taxable Persons
2.	4A	Amendments to details of inward supplies received in earlier tax periods
3.	5	Details of credit/debit notes
4.	5A	Amendment to details of credit/debit notes of earlier tax period
5.	6	ISD Credit Received
6.	7(1)	TDS Credit Received
7.	7(2)	TCS Credit Received

GSTR-2

- Section 38 (1) – **Verify, validate, modify or, if required**, delete the details relating to outward supplies, credit or debit notes, credit distributed by ISD, Tax deduction at source, etc. as communicated to him to prepare the details of his inward supplies.

- Such person may include therein, the invoice wise details of inward supplies and credit or debit notes, etc. received by him in respect of such **supplies that have not been declared by the supplier.**

- Furnish details including:
 - inward supplies on which the tax is payable **on reverse charge basis.**
 - inward supplies of goods and/or services taxable under the IGST Act. i.e. **Import of goods/ services.**

- If payment to **vendor is not made within 180 days**, then reversal of credit taken to declared in GSTR-2 in the month following the month in which such period expires.

GSTR-2

- The details of inward supplies of goods or services or both furnished in Form GSTR-2 shall include, *inter-alia*-
 - (a) **invoice wise details** of all inter-State and intra-State supplies received from registered persons or unregistered persons;
 - (b) **import of goods and services** made; and
 - (c) **debit and credit notes**, if any, received from supplier.
- **Rectification of any errors or omission in respect of unmatched entries** can be made by GST return of September of next financial year or furnishing of the annual return for the said year.

GSTR-2 Table 4

4. From Registered Taxable Persons including supplies received from unregistered person in case of reverse charge

(figures in Rs)

GSTIN/ Name of unregister ed supplier	Invoice						IGST		CGST		SGST		POS (only if differen t from the location of recipien t)	Eligibility of ITC as inputs/capit al goods/ input services/no ne	Total Tax available as ITC \$			ITC available this month \$		
							Rat e	Amt t	Rat e	Amt	Rat e	Amt t			IGS T	CGS T	SGS T	IGS T	CGS T	SGS T
	Amt	Amt	Amt	Amt	Amt	Amt														
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	No	Dat	Valu	Goods/Service	HS	Taxab	Rat	Am	Rat	Amt	Rat	Am			Amt	Amt	Amt	Amt	Amt	Amt
		e	e es		N/ SAC	le value	e	t	e		e	t								

Auto-populated from various GSTR and also to be filled for claims and reverse charge

GSTR-2 Inward supplies/purchases received

Details of inward supplies are required to be given in GSTR-2. It contains following parts:

Sr. No.	Table No.	Description of information
1.	4	Inward Supplies from Registered Taxable Persons including supplies received from unregistered person in case of reverse charge
2.	4A	Amendments to details of inward supplies received in earlier tax periods
3.	5	Goods/Capital goods received from overseas (Import of goods).
4.	5A	Amendments in goods/capital goods received from overseas (Import of goods) of earlier tax period
5.	6	Services received from a supplier located outside India (Import of Services)
6.	6A	Amendments in services received from a supplier located outside India (Import of Services) of earlier tax periods
7.	7	Details of credit/debit notes
8.	7A	Amendment to details of credit/debit notes of earlier tax period

Sr. No.	Table No.	Description of information
9.	8	Supplies received from composition taxable person/unregistered persons & other exempt/nil/non GST supplies
10.	9	ISD Credit received
11.	10(1)	TDS Credit received
12.	10(2)	TCS Credit received
13.	11	ITC Received on an invoice on which partial credit availed earlier
14.	12	Tax liability under reverse charge arising on account of time of supply without receipt of invoice
15.	12A	Amendment in tax liability under reverse charge arising on account of time of supply without receipt of invoice
16.	13	Tax already paid under reverse charge in earlier tax periods on account of time of supply for which invoices issued in the current period
17.	14	ITC reversal
18.	14A	Amendment to ITC reversal

GSTR-1A

- A. As per Rule - The details of inward supplies **added, corrected or deleted by the recipient** in his FORM GSTR-2 under section 38 shall be **made available to the supplier** electronically in FORM GSTR-1A through the Common Portal
- B. As per Rule – GSTR 1A will be **prepared from GSTR-2 and GSTR-4.**
- C. Supplier may **either accept or reject the modifications** made by the recipient and FORM GSTR-1 furnished earlier by the supplier **shall stand amended to the extent of modifications** accepted by him.
- D. GSTR-1A will be generated after 15th and process of acceptance needs to be completed by **17th of the Next month.**

Issue – GSTR 1A will not reflect any credit claimed under GSTR-6.

- How to accept amendments of GSTR-4 as it is quarterly return?

GSTR-1A Table 5

5. Taxable outward supplies to a registered person

(figures in Rs)

GSTIN of receiver/ UIN	Invoice						IGST		CGST		SGST		POS (only if different from the location of recipient)	Indicate if supply attracts <u>reverse charge</u> \$	Tax on this Invoice is paid under provisional assessment (Checkbox)
	No.	Date	Value	Goods/ services	HSN/ SAC	Taxable value	Rate	Amt	Rate	Amt	Rate	Amt			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

Similar to table 5 of GSTR 1, but it is auto filled

GSTR-1A Outward supplies (Auto-drafted)

Details of inward supplies modified by the recipient as made available to the supplier in GSTR-1A. It contains following parts:

Sr. No.	Table No.	Description of information
1.	5	Taxable outward supplies to a registered person
2.	5A	Amendments to details of outward supplies to a registered person of earlier tax period.
3.	8	Details of credit/debit notes
4.	8A	Amendment to details of credit/debit notes of earlier tax period

GSTR - 3

- Section 39 (1) - Every registered taxable person **other than composite dealer, tax deductor, tax collector, non-resident, casual taxable person and ISD shall**, for every calendar month or part thereof, furnish, a return, electronically, of
 - inward and outward supplies of goods and/or services,
 - input tax credit availed,
 - tax payable,
 - tax paid and
 - other particulars as may be prescribed

- A registered person shall **not be allowed** to furnish a return for a tax period if the **return for any of the previous tax periods has not been furnished by him.**

- **Due date for payment of tax:** Every registered taxable person, to pay to the credit of the appropriate Government the tax due as per return **not later than the last date of return.**

- If **date is extended** due to technical reasons, **tax payment date will also get extended.**

- **NIL return**: Every registered person (Normal taxable person & compounding taxpayer only) shall furnish return for each tax period within time **whether or not he has made any supplies** during the said period.
 - The **part A** of the return will be **auto populated** from GSTR 1 and 2
 - The details of the **tax payment** will have to be communicated in **Part B**.
 - If **date of submissions** of GSTR-1 and GSTR -2 is **extended then GSTR 3B** to be submitted instead of GSTR-3.
-
- The **omission or incorrect particulars** in the GSTR-3 can rectify such omission or incorrect particulars in the **return of September of next financial year or annual return, whichever is earlier**.
 - GSTR-3 is connected with three ledgers namely, **tax ledger, electronic cash ledger and electronic credit ledger**.
 - **Any refund claimed from cash ledger** is also to be reflected in GSTR-3

GSTR-3 Table 11

11. Tax, interest, late fee and penalty paid (auto-populated from cash and ITC ledger)

(figures in Rs)

Part (a)

S. No.	Description	Tax payable	Debit entry in Cash Ledger			Debit entry in Credit Ledger				
			Debit no.	IGST Paid	CGST Paid	SGST Paid	Debit no.	IGST Paid	CGST Paid	SGST Paid
(1)	(2)		(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	IGST									
2.	CGST									
3.	SGST									

Part (b)

S. No.	Description	Payable			Debit entry in Cash Ledger			
		IGST	CGST	SGST	Debit no.	IGST Paid	CGST Paid	SGST Paid
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
4.	Interest							
5.	Late fee							
6.	Others (Please Specify)							

GSTR-3 Tables

Sr. No.	Table No. of GSTR-3	Description	Auto populated from	Table No. of GSTR
1.	6	Outward Supplies		
2.	6.1	Inter-state supplies to Registered Taxable Persons	GSTR-1	5
3.	6.2	Intra-State Supplies to Registered Taxable Persons	GSTR-1	5
4.	6.3	Inter-State Supplies to Consumers	GSTR-1	6 & 7
5.	6.4	Intra-State Supplies to Consumers	GSTR-1	7
6.	6.5	Exports (including deemed exports)	GSTR-1	10
7.	6.6	Revision of supply invoices/Credit notes/Debit notes and others pertaining to previous tax period (including post sales discounts or any clerical/other errors)	GSTR-1	5A, 6A, 7A, 8A, 10A
8.	6.7	Total tax liability on outward supplies	GSTR-3	6.1, 6.2, 6.3, 6.4, 6.5, 6.6

Sr. No.	Table No. of GSTR-3	Description	Auto populated from	Table No. of GSTR
9.	7	Inward Supplies		
10.	7.1	Inter-State supplies received	GSTR-2	4
11.	7.2	Intra-State supplies received	GSTR-2	4
12.	7.3	Imports	GSTR-2	5, 6
13.	7.4	Revision of purchase invoices/Credit note/Debit note and other details pertaining to previous tax period (including post sales discounts received or any clerical/other errors	GSTR-2	4A, 5A, 6A
14.	7.5	Total Tax liability on inward supplies on reverse charge	GSTR-2	4, 6, 12

Sr. No.	Table No. of GSTR-3	Description	Auto populated from	Table No. of GSTR
15.	7.6	ITC Reversal	GSTR-2	14
16.	7.7	Output tax added/reduced on account of non-rectification/rectification communicated mismatches	Not Auto Populated	
17.	8	Total Tax liability for the month	GSTR-3	6.7+7.5
18.	9A	TDS credit received during the month	GSTR-2	10(1)
19.	9B	TCS credit received during the month	GSTR-2	10(2)
20.	10	ITC received during the month	GSTR-3	7.1 + 7.2 +7.3 + 7.4 + 7.5 - 7.6
20.	10	ITC received during the month	GSTR-3	7.1 + 7.2 +7.3 + 7.4 + 7.5 - 7.6
21.	11*	Tax, interest, late fee and penalty paid (auto-populated from cash and ITC ledger)	GST-PMT 2 & 3	
22.	12*	Refunds claimed from cash ledger	Not Auto Populated	

GSTR-4A (Composition Scheme)

- A. As per Section 37 (1) – Details of outward supplies to be made available to **the compounding dealer (i.e. recipient)**.
- B. GSTR- 4A **likely** to be available on a **real – time basis**.
- C. This **cannot be modified**.
- D. Data Source in GSTR 4A

- **Part A** consists of data of inward supplies from GSTR-1 and GSTR-5.
- **Part B** consists of data of inward supplies from GSTR-7 (TDS)

Composite dealer is not allowed to sell through E-Com, hence no TCS.

GSTR-4A Table 5

Part A

5. Inward supplies received from registered taxable person

(figures in Rs)

GSTIN of supplier	Invoice						IGST		CGST		SGST	
	No.	Date	Value	Goods/ Services	HSN/ SAC	Taxable Value	Rate	Amt	Rate	Amt	Rate	Amt
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Auto populated												
Shall be auto populated from counterparty GSTR1 and GSTR5												

GSTR-4A Inward supplies (Auto-drafted)

Details of inward supplies as made available to the compounding dealer (i.e. recipient) in GSTR-4A. It contains following parts:

Sr. No.	Table No.	Description of information
1.	5	Inward Supplies from Registered Taxable Persons
2.	5A	Amendments to details of inward supplies received from registered taxable person in earlier tax periods
3.	6	Details of credit/debit notes
4.	6A	Amendment to details of credit/debit notes of earlier tax period
5.	7	TDS Credit Received

GSTR – 4 Composition Scheme

- a. GSTR-4 is required to be filed by the person opting for composition scheme. **It has to be filed quarterly before 18th.**
- b. Every registered person furnishing the return under composition scheme shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules **by debiting the electronic cash ledger.**
- c. The **return furnished shall include**, inter-alia:
 - (a) **invoice wise inter-State and intra-State inward supplies** received from registered and un-registered persons;
 - (b) **import of goods and services** made;
 - (c) **consolidated details of outward supplies** made; and
 - (d) **debit and credit notes issued and received**, if any;

GSTR-4 Table 18

8. Outward Supplies made

(figures in Rs)

S.No.	Nature of supplies	Turnover	Compounding tax rate	Compounding tax amount	
				CGST	SGST
(1)	(2)	(3)	(4)	(5)	(6)
1	Intra-state supplies				
2	Non GST Supplies				

GSTR-4 Tables

Sr. No.	Table No.	Description of information
1.	5	Inward supplies including supplies received from unregistered persons
2.	5A	Amendment to information furnished in table 5 of earlier tax period
3.	6	Goods/Capital goods received from overseas (import of goods)
4.	6A	Amendment to information furnished in table 6 of earlier tax period
5.	7	Services received from a supplier located outside India (import of services)
6.	7A	Amendment to information furnished in table 7 of earlier tax period
7.	8	Outward supplies made
8.	8A	Amendment to information furnished in table 8 of earlier tax period

Sr. No.	Table No.	Description of information
9.	9	Details of credit/debit notes issued and received
10.	9A	Amendment to information furnished in table 9 of earlier tax period
11.	10	TDS Received
12.	11	Tax liability under reverse charge arising on account of time of supply without receipt of invoice
13.	11A	Amendment to information furnished in table 11 of earlier tax period
14.	12	Tax already paid on account of supply for invoices received in the current period relating to reverse charge
15.	13	Liability payable
16.	14	Details of tax payment
17.	15	Refund claimed

GSTR – 5 Non-resident taxable persons (foreigners)

- a. GSTR-5 is required to be filed by non-resident taxable person. It has to be **filed monthly before 20th**.
- b. Non-resident taxable person will have to **deposit tax in advance** at the time of making registration application based on the estimated tax liability.
- c. Such deposit will be **first credited to the electronic cash ledger and then it can be utilized**.
- d. The outward supplies shown in this return will be reflected in **corresponding GSTR 2, GSTR 4 and GSTR 6** of the recipient.
- e. **Credit of only imported items** is allowed to be taken under GSTR-5.

Issue - Due date of GSTR 5 is 20th whereas that of GSTR 2 is 15th

GSTR-5 Table 8

8. Tax paid

(figures in Rs.)

Description	Tax payable	Debit no. in ITC ledger	ITC (IGST) utilized	Debit no. in cash ledger	Tax paid in cash (after adjusting ITC)
(1)	(2)	(3)	(4)	(5)	(6)
IGST					
CGST					
SGST					
Interest					
Penalty			Non-editable		
Fee			Non-editable		
Total					

GSTR-5 Tables

Sr. No.	Table No.	Description of information
1.	5	Goods Imported
2.	5A	Amendments in goods imported of earlier tax period
3.	6	Import of Services
4.	6A	Amendments in services imported of earlier tax period
5.	7	Outward supplies made
6.	7A	Amendments to Outward supplies
7.	7	Details of Debit/Credit Notes
8.	7A	Amendments to details of Debit/Credit Notes of earlier tax period
9.	8	Tax paid
10.	9	Closing stock of goods
11.	10	Refund claimed from cash ledger

GSTR-6A (Input Service Distributor)

- A. As per Section 37 (1) – Details of outward supplies to be made available to ISD (i.e. recipient).
- B. GSTR- 6A likely to be available on a real – time basis.
- C. This cannot be modified.
- D. Data Source in GSTR 6A consists of data of inward supplies from GSTR-1 and GSTR-5.

GSTR-6A Table 4

4. From Registered Taxable Persons (to be auto-populated from counter party GSTR-1 and GSTR-5)

(figures in Rs)

GSTIN of supplier	Invoice						IGST		CGST		SGST		POS (only if different from the location of recipient)	
	No.	Date	Value	Services	SAC	Taxable value	Rate	Amt	Rate	Amt	Rate	Amt		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Other than supplies attracting reverse charge														
Auto populated														

Shall be auto populated from counterparty GSTR1 and GSTR5

GSTR-6A Inward supplies (Auto-drafted)

Details of inward supplies as made available to the input service distributor (i.e. recipient) in GSTR-6A. It contains following parts:

Sr. No.	Table No.	Description of information
1.	5	Inward Supplies from Registered Taxable Persons
2.	5A	Amendments to details of inward supplies received from registered taxable person in earlier tax periods
3.	6	Details of credit/debit notes
4.	6A	Amendment to details of credit/debit notes of earlier tax period

GSTR – 6 Input Service Distributor

- a. GSTR-6 is required to be filed by ISD. It has to be filed **monthly before 13th**.
- b. ISD will have to **determine the eligibility of the credit received and then distribute** the credit to its branches/receiving unit.
- c. **Invoice wise details of credit distributed** to the branches/receiving unit will have to be provided in GSTR 6.
- d. Credit distributed by ISD will be **available to the branches/receiving unit in GSTR-2**.

Issue: How to pay reverse charge liability under ISD?

GSTR-6 Table 6

6. Input Service Distribution

(figures in Rs)

GSTIN of the Supplier	Document Type (invoice/revised invoice/debit note/revised debit note/credit note/credit note)	No.	Date	SAC	GSTIN of receiver of credit	Invoice/Document No.				
						No.	Date	ISD Credit distributed		
								IGST	CGST	SGST
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)

GSTR-6 Tables

Sr. No.	Table No.	Description of information
1.	4	Inward Supplies from registered taxable person (to be auto populated from counter party GSTR-1 and GSTR-5)
2.	4A	Amendments to details of inward supplies received in earlier tax periods
3.	5	Details of Debit/Credit Notes
4.	5A	Amendments to details of Debit/Credit Notes of earlier tax period
5.	6	Input Service Distribution
6.	7	ISD Ledger

GSTR – 7 TDS Return

- a. GSTR-7 is required to be filed by registered person who is required to **deduct tax at source u/s 51 at the rate of 1%**. It has to be filed **monthly before 10th**.
- b. **Invoice-wise details** to be given on which Tax is deducted along with the corresponding contract details.
- c. Deductor will furnish a certificate in **Form GSTR-7A within 5 days** of the amount paid to the government.
- d. TDS deducted will be available to the deductees as **credit in GSTR-2 and GSTR-4**.

GSTR-7 Table 4

4. TDS details

(figures in Rs.)

GSTIN of deductee	Contract Details			Invoice/Document			Date of Payment to deductee	Value on which TDS is to be deducted	TDS_IGST		TDS_CGST		TDS_SGST	
	No	Date	Value	No	Date	Value			Rate	Amt	Rate	Amt	Rate	Amt
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

GSTR-7 Tables

Sr. No.	Table No.	Description of information
1.	4	TDS Details
2.	4A	Revision in TDS Details
3.	5	Liability payable and paid
4.	6	Refund Claimed

GSTR – 8 Statement of E-Commerce operators

- a. GSTR-8 is required to be filed by E-Commerce operators required to collect tax at **source u/s 52 at the rate not exceeding 1%** . It has to be filed **monthly before 10th**.
- b. This will contain **invoice-wise and merchant-wise details** of supplies effected through such operator and the amount of tax collected as section 52.
- c. Tax collected will be available to the supplier as **credit in its GSTR-2**.

GSTR-8 Table 4

4. Details of the supplies to registered Taxable Persons made through the e-commerce operator

(figure in Rs.)

Invoice No.	Date	Merchant ID issued by e-commerce operator	GSTIN of supplier	Gross Value of supplies	Taxable value	Goods (G)/ Services (S)	HSN/ SAC	IGST		SGST		CGST		Place of Supply (State Code)
								Rate	Amt.	Rate	Amt.	Rate	Amt.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

GSTR-8 Tables

Sr. No.	Table No.	Description of information
1.	4	Details of supplies to registered taxable persons made through the e-commerce operator
2.	4A	Amendment to details of the supplies to registered taxable persons made through the e-commerce operator
3.	5	Details of supplies to unregistered persons made through the e-commerce operator
4.	5A	Amendment to details of the supplies to unregistered persons made through e-commerce operator
5.	6	Tax collected at source (TCS) details
6.	7	Liability payable and paid

GSTR – 9 Annual Return

- a. Every **registered person** (other than an ISD, TDS deductor, E-commerce operator, casual taxable person and a non-resident taxable person), shall furnish an annual return **by 31st December of next financial year.**
- b. Every registered person who is required to get his accounts audited shall **furnish the annual return along with a copy of the audited annual accounts and a reconciliation statement.**

GSTR-9 Table 7

7 Return reconciliation Statement

A IGST

Sl. No	Month	Tax Paid	Tax Payable (As per audited a/c)**	Difference	Interest	Penalty
	Total					

B CGST

Sl. No	Month	Tax Paid	Tax Payable (As per audited a/c)**	Difference	Interest	Penalty
	Total					

C SGST

Sl. No.	Month	Tax Paid	Tax Payable (As per audited a/c)	Difference	Interest	Penalty
	Total					

GSTR-9 Tables

Sr. No.	Table No.	Description of information
1.	5	Details of Expenditure
2.	6	Details of Income
3.	7	Return Reconciliation Statement
4.	8	Other Amounts (Arrears & Refunds)

GSTR – 9A Annual Return for Compounding Taxable Person

- a. GSTR 9A is a **simplified annual return** which applies to a person paying tax under the **composition scheme** given under section 10 of the GST Act.
- b. It includes details of **all incomes and expenditures** towards any goods or services for the entire year.
- c. It has to be filed by **31st December** of next financial year. |

GSTR-9A Table 7

7. Return reconciliation Statement

A Compounding tax (on outward supplies)

Sl. No.	Quarter	Turnover as per return	Tax Paid as per return	Tax Payable (As per audited a/c)**	Difference	Interest	Penalty
1	2	3	4	5	6	7	8
	Q1						
	Q2						
	Q3						
	Q4						
	Total						

GSTR-9A Tables

Sr. No.	Table No.	Description of information
1.	4	Turnover Details
2.	5	Details of Expenditure
3.	6	Details of Income
4.	7	Return Reconciliation Statement
5.	8	Other Amounts (Arrears & Refunds)

GSTR – 10 Final Return

- a. Every taxable person applying for **cancellation of registration** will have to file a **final return in GSTR-10**.

- b. Return will contain **details of closing stock** at the date of surrender as follows,
 - Inputs as such
 - Inputs in semi-finished Goods
 - Inputs in Finished Goods
 - Input services
 - Capital Goods

GSTR-10 Table 10

Sr No.	HSN Code	Description of goods	Type of Goods (Cap / Other)	Unit of measurement	Quantity	Price per unit	Value (fair mkt) (Rs.)	In case of CG, % points considered for reduction	ITC already availed (Rs.)			Rate of Tax		Output tax (Rs.)	
									CGST	IGST	SGST	CGST	SGST	CGST	SGST
1	2	3	4	5	6	7	8	8A	9	9A	10	11	11A	12	13
10.1 INPUTS AS SUCH															
10.2 INPUTS IN SEMI-FINISHED GOODS															
10.3 INPUTS IN <u>FINISHED</u> GOODS															
10.4 INPUT <u>SERVICES</u>															
10.5 CAPITAL <u>GOODS</u>															

GSTR-10 Tables

Sr. No.	Table No.	Description of information
1.	10	Particulars of closing stock held on date of surrender/cancellation
2.	10A	Amount of tax payable on closing stock

GSTR – 11 Inward supplies statement for UIN

- a. Specialized agencies of the **United Nations Organization** or Consulate or Embassy of foreign countries shall be granted a Unique Identity Number (UIN).
- b. Such persons having UIN will have to **submit invoice wise details of inward supplies** in GSTR-11. This is to be filed **monthly by 28th**.
- c. **It shall not be auto populated.**

GSTR-11 Table 4

4. Details of purchases made for consumption or use (other than for the purpose of making outward supplies)

GSTIN of supplier	Invoice					IGST		CGST		SGST	
	No	Date	Supplier Name	Value of Inward Supplies (figures in Rs.)	HSN / SAC	Rate	Amt. (figures in Rs.)	Rate	Amt. (figures in Rs.)	Rate	Amt. (figures in Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)				

GSTR-11 Tables

Sr. No.	Table No.	Description of information
1.	4	Details of purchases made for consumption or use (other than for the purpose of making outward supplies)

Matching of Credit

Claim of credit of provisional acceptance

- **Concept of matching** – credit is available only if tax is duly received by Government.
- Every taxable person shall, be entitled to take credit of input tax, as self-assessed, in his return and such amount shall be credited, on a provisional basis, to his electronic credit ledger.
- Provisional credit can be used only for self-assessed tax liability.
- **“valid return”** means a return furnished under on which self-assessed tax has been paid in full;

Matching, reversal and reclaim of input tax credit

- Details of every inward supply furnished by recipient for a tax period shall be matched –
 - with the **corresponding details of outward supply furnished** by the supplier in GSTR -1
 - with the **IGST paid on imports**.
 - for **duplication of claims** of input tax credit.

- Details which match with GSTR -1 of supplier will be finally accepted and will be communicated to the recipient.

Matching input tax credit

- GSTR Rules - Matching of claim of input tax credit
- The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed shall be matched **after the due date for furnishing the return in FORM GSTR-3**
- (a) GSTIN of the supplier, (b) GSTIN of the recipient,
- (c) Invoice/Debit Note date, (d) Invoice/Debit Note number,
- (e) Taxable value , (f) Tax amount:

- The claim of input tax credit in respect of invoices and debit notes in FORM GSTR-2 that were accepted by the recipient in FORM GSTR-2A without amendment shall be treated as matched if the corresponding supplier has furnished a valid return.
- The claim of input tax credit shall be considered as matched, where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or Debit Note, as the case may be, by the corresponding supplier.

➤ Mis-match can be due to following reasons:

- a) Duplication of input credit in GSTR -2 by recipient
- b) Amount not matching with GSTR-1 of supplier
- c) Amount not declared by supplier in GSTR -1

➤ **When Mis-match is due (a):**

- Discrepancy shall be communicated to the recipient
- Duplicate input tax credit i.e. extra credit shall be added to the output tax liability of recipient in the month of communication
- Interest shall be payable from the date of availment of such credit till the date of addition to output tax liability.

➤ **When Mis-match is due (b) and (c):** *Please see next slide.*

Communication to both party
if

- Amount not matching with GSTR-1 of supplier
- Amount not declared by supplier in GSTR -1
- Say, discrepancy pertains to April and communicated in May

If not rectified by the supplier in GSTR -1 of May

- Added to liability of recipient in GSTR -1 of June month
- Liable to pay interest from date of availment to the date of addition

Afterwards, if supplier rectifies in GSTR -1 (August)

- Recipient can reduce from output tax liability
- Interest will be refunded to recipient (maximum upto amount paid by supplier)

Matching, reversal and reclaim of reduction in output tax liability (credit notes)

- Details of every credit note relating to outward supply furnished by supplier for a tax period shall be matched-
 - with the corresponding reduction in the claim for input tax credit by the recipient in GSTR -2
 - for duplication of claims for reduction in output tax liability.

- The claim for reduction that matches with the corresponding reduction in the claim for input tax credit shall be finally accepted and communicated to the supplier.

- Process to be followed is similar as done for matching of the input credit.

- Mis-match can be due to following reasons (as given in section):
 - a) Duplication of claims for reduction in output tax liability
 - b) Reduction of output tax liability exceeds the reduction of input tax
 - c) Credit note is not declared by the recipient

- **When Mis-match is due to (a)**

- Discrepancy shall be communicated to the supplier
- Duplicate reduction of output tax liability shall be added to the output tax liability of supplier in the month of communication
- Interest shall be payable from the date of claim for reduction in output tax till the date of addition to output tax liability.

- **When Mis-match is due to (b) and (c):** *Please see next slide.*

Communication to both party if

- Reduction of output tax liability exceeds the reduction of input tax
- Credit note is not declared by the recipient
- Say, discrepancy pertains to April and communicated in May

If not rectified by the recipient in GSTR -2 of May

- Added to liability of supplier in GSTR -1 of June month
- Liable to pay interest from the date of claim for reduction in output tax till the date of addition to output tax liability

Afterwards, if recipient rectifies in GSTR -2 (August)

- Supplier can reduce from output tax liability
- Interest paid will be refunded to the supplier (maximum upto amount paid by recipient)

Matching of TCS by Electronic Commerce Operator.

- Similar process of matching of TCS between the Electronic Commerce Operator and the deductee.

Particulars	Communication to the Supplier	Communication to the Recipient	Communication to the E-commerce operator
Discrepancy in claim of ITC	GST MIS – 2	GST MIS – 1	NA
Duplicate claim of ITC	NA	GST MIS – 1	NA
Discrepancy in claim of Reduction in output tax liability	GST MIS – 3	GST MIS – 4	NA
Duplication of Claim of Reduction in output tax liability	GST MIS – 3	NA	NA
Discrepancy between the information furnished by supplier and E-Commerce Operator	GST MIS – 5	NA	GST MIS – 6

Issues in Return filing and Mismatch procedure

1. M/s ABC Ltd. has provided sponsorship services to M/s XZY Ltd. and shown in GSTR 1 in the month of Aug '17. It will auto-populate in GSTR-2 of M/s XYZ Ltd. in the same month. However, payment to vendor has been made in Sept '17 and hence liability arises in that month.
2. Goods removed from factory on 31st Aug '17 showing 100 pieces. However, it was received at factory gate of buyer on 4th Sept '17 and found that there are only 90 pieces. Supplier will upload invoice in Aug return for full 100 units. However, buyer cannot accept credit of 100 units. Further, supplier will show credit note of 10 units, which if buyer accepts, then credit will be reduced.
3. How will the credit note recorded in GSTR 2 for transitional cases where GSTIN does not have any record?
4. If credit is availed after making payment (as a company policy), then credit will have to be carried forward every month under GSTR-2A as "pending" or shown as "Partial credit availed"?

Practical difficulties in Return filing

1. **37 returns for one registration** as compared to 2 returns for a service provider.
2. The **books of accounts are usually not maintained state-wise**. There are no separate ledgers to record sales made from each state.
3. There is **no concept of revised returns**. Any corrections/modifications can be made in the subsequent return under **'amendment' tables or by way of debit note/ credit note**.
4. Credit in GSTR 2 flows from GSTR 1, GSTR 5 and GSTR 6. The **time gap** between filing of **GSTR 1 and GSTR 2 is only 5 days** whereas in case of **GSTR 6 and GSTR 2 it is only 2 days**.

Challenges in Implementation of GST

Areas for GST Implementation:

1. IT System.
2. Registrations.
3. Transitional Transactions / Operations.
4. Operational Review
5. Documentation changes.
6. Contract Review.
7. Input Credit changes.

1. Areas which requires IT Changes are :-

- **Invoicing** – the format for invoicing has to be changed to incorporate various fields like GSTIN, Place of Supply, HSN/SAC etc.
- **Purchase Order** – Identify whether purchases are made for ISD or Unit.
- **Returns** – Invoice-wise information in returns cannot be manually filled every month. Necessary changes in IT is required.
- **Vendor and Customer Master** – To incorporate GSTIN no., whether URD, whether reverse charge applicable etc. Update name and contact details of the designated person at vendor/customer premises for the purpose of reconciliation of mis-match in GST Returns.
- **Accounting treatment / entries** – Even supply within branches are subject to tax. Transactions to be recorded without affecting sales.

2. Registration and other formalities :-

- **Determination of location from where the supply is made** – Whether a professional visiting any other place needs to take registration as ‘casual taxable person’ in that State?
- **Separate registration for business in each State** – Need to maintain separate state-wise record
- **Identification of the ISD** – Usually not taken by service providers, now all locations where common services are being received are to be registered as ISD.

3. Transitional Changes :-

- **Reconciliation of books credit balance with the return balance** - The correct closing balance in the ST-3 Return / ER-1 return, VAT return has to be transferred to the GST Return.
- Procurement of **duty paying documents** for closing stock.
- Credit for **goods in-transit** allowed only if entry in books made within **30 days**.
- If **any credit is not taken in return**, then such credit will be lost.
- No provision to claim credit of **reverse charge tax which will be paid in July**.
- Law silent on transfer of **credit of Edu. Cess and SHE Cess**
- **Outstanding payment to vendors** to be made within 3 months

4. Operational Review :-

- Identification of the transactions carried out **without consideration**. For example, even **transactions between 2 branches** of a bank is a supply.
- **Value of inter-company transactions** –Open market value may not be available in such case.
- Determining rate of tax – **different rates** possible for same service. For example, **hotel business**.
- **Identification of the place of supply** for each of the transactions which are taxable under the GST law. Segregation of business activities **into inter-state and intra-state**. The same would be required to determine the applicability of IGST or CGST/SGST.
- Preparation and timely uploading of **E-Way bill**
- System of reconciliation of **credit notes/ debit notes** issued by the vendor. It should be **separately recorded and not adjusted against original invoice**.

5. Documentation Changes :-

- Tax invoice.
- Bill of supply for supply of exempted goods or services.
- Advance voucher for receipt of advance.
- Debit note.
- Credit Note.
- Invoice for reverse charge from unregistered persons.
- Refund voucher for refund of advance before raising of invoice.
- Payment voucher for making payment for reverse charge supplies.

6. Contract Review :-

- Changes in **terms of the current contracts** – GST may not be specified in **long term contracts**. Similar issue arose in renting services in 2007.
- **Renegotiation of the contract prices where consideration is inclusive of tax.**
- Conversion of **centralised purchases to de-centralised locations** – All states need to record their purchases separately.
- Changes in view of **decentralised billing** – All states need to record their sales separately.
- Applicability of **anti-profiteering** clause.

7. Input Tax Credit :-

- System of identify the **non-eligible credit at the source level** and appropriate accounting.
- System of **reconciliation with the vendors** for proper matching of credit and reducing the errors.
- System for action in the event of **blacklisting of the vendors**.
- Ensuring **ITC pertaining to head office is taken under ISD registration**.

Concept of Star Rating

- As per Section 149 of CGST Act, **every assessee** registered under GST shall be assigned a **GST compliance rating** score based on his record of compliance with the provisions of the GST Act.

- Likely **Parameters for scoring**:
 - Timely return filing,
 - Timely payment of tax,
 - Number of mismatch arising out of supplies made which have been accepted in future

- The goods and services tax compliance rating score will be **updated regularly and will be available on public domain**.

Purpose of Star Rating

- It is an **on-going rating process** which will create compliance awareness amongst assesseees
- Business of an **assessee having lower rating may be affected** as it is likely that such person may not pay the tax on time.
- To ensure there are **less tax defaulters and there is higher compliance amongst assesseees**
- **Less mismatches and hence reduction in reconciliations** after filing of returns
- In future, it is **possible** that star ratings will be used for:
 - for granting **provisional refunds** (as given in old refund rules)
 - for **selection of audits**
 - for **bank loans**
 - for **government contracts**

Opportunities for Chartered Accountants

New tax, New Opportunity!!

The Only Thing That Is Constant Is Change

- Heraclitus (Greek Philosopher)

- CAs, being **qualified professionals**, will **have an edge** over non-qualified consultants operating presently in indirect tax field.
- GST will increase the number of tax paying businesses. **80-85 lakh assesses** are expected to register under GST.
- Increased compliances requirement – **37 returns** to be filed for each registration.
- **SMEs** do not have trained staff to manage business and tax compliances simultaneously.

- Section 35 (5) of CGST Act provides for **mandatory audit** of books of account for all taxable persons on reaching specified turnover (Rs. 1 crore as rule 21 of Draft Return Rules)
- Section 66 of CGST Act provides for audit of a registered person, under certain circumstances, by a chartered accountant or a cost accountant. (**Special Audit** by Commissioner)
- Other services such as **Certification** services:
 - When **goods become dutiable or when assessee opts out of composition scheme** – certificate is required if credit claimed is more than Rs. 2 lakhs.
 - In case of **sale, merger, demerger** etc. of business – certificate is required specifying that liabilities have been transferred.
 - **Refund application**

THANK YOU

Presented by
C.A. ARCHIT AGARWAL