

**6 DAYS REFRESHER  
COURSE ON GST  
BY  
INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

# Day 6: Topics covered by this session

- 1. GST RETURNS**
- 2. MATCHING CONCEPT**
- 3. CONCEPT OF STAR RATING**
- 4. CHALLENGES IN IMPLEMENTATION**
- 5. OPPORTUNITIES FOR CHARTERED ACCOUNTANTS**

Three wooden blocks with the letters 'G', 'S', and 'T' are arranged on a black calculator keyboard. The blocks are light-colored wood with black letters. The calculator keys are visible in the background, slightly out of focus.

**G S T**

# Documents to be issued under GST Law

Document	Purpose	When to Issue	Tax Impact
Tax Invoice	For supply of taxable goods or services	At or before removal of goods. Within 30 days of provision of services	Tax liability is created
Bill of Supply	For supply of exempted goods or services or supply of taxable goods or services under composition scheme	Same as above	Tax liability is created for composition dealer
Receipt voucher	For receipt of advance against taxable supplies	At the time of receipt	Tax liability is created
Refund voucher	For refund of advance received (ie refund before supply)	At the time of refund	Tax liability is reduced

# DOCUMENTS TO BE ISSUED UNDER GST LAW

Document	Purpose	When to Issue	Tax Impact
Debit note	Increase in value of supply/ tax	As required	Increases the tax liability
Credit note	Decrease in value of supply/tax or deficiency in service / goods rejection	Anytime before Sept of the next FY	Decreases the tax liability
ISD Invoice	Distribution of credit	As required	Distributes credit
Delivery Challan	Transportation of goods without invoice	On removal of goods	No tax implication
Self Generated Invoice	Procurement of taxable goods or services liable for GST on Reverse charge basis	On receipt of goods/services	Liability to be created as per time of supply
Payment Voucher	Payment to unregistered dealers	On payment to supplier	Liability to be created as per time of supply

# RETURNS UNDER GST

Return Form	What to file?	By Whom?	By When?
GSTR-1	Details of outward supplies of taxable goods and/or services effected	Registered Taxable Supplier	10th of the next month
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Registered Taxable Recipient	15th of the next month
GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Registered Taxable Person	20th of the next month

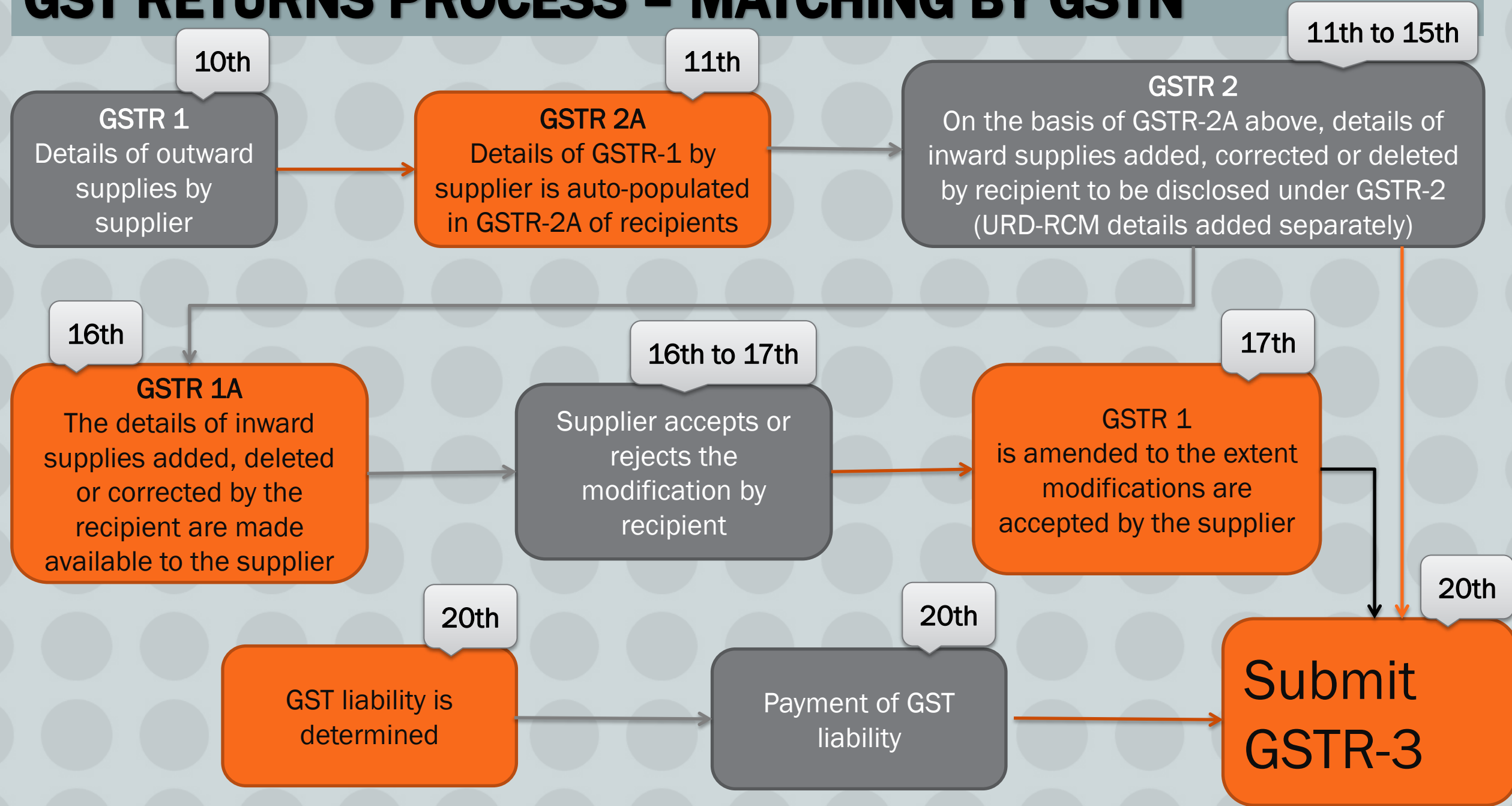
# RETURNS UNDER GST

Return Form	What to file?	By Whom?	By When?
GSTR-4	Return for registered person opting for composition levy	Composition Supplier	18th of the month succeeding quarter
GSTR-5	Return for Non-Resident foreign taxable person	Non-Resident Taxable Person	20th of the next month/ within 7 days of cancellation
GSTR-6	Return for Input Service Distributor	Input Service Distributor	13th of the next month
GSTR-7	Return for authorities deducting tax at source.	Tax Deductor	10th of the next month

# RETURNS UNDER GST

Return Form	What to file?	By Whom?	By When?
GSTR-8	Details of supplies effected through e-commerce operator	E-commerce Operator	10th of the next month
GSTR-9	Annual Return	Registered Taxable Person	31st December of next financial year
GSTR-10	Final Return	Taxable person whose registration has been surrendered/cancelled.	Within 3 months of the date of cancellation/date of cancellation order, whichever is later.
GSTR-11	Details of inward supplies to be furnished by a person having UIN	Person having UIN and claiming refund	20th of the month following the month for which statement is filed

# GST RETURNS PROCESS – MATCHING BY GSTN





# GSP-ASP

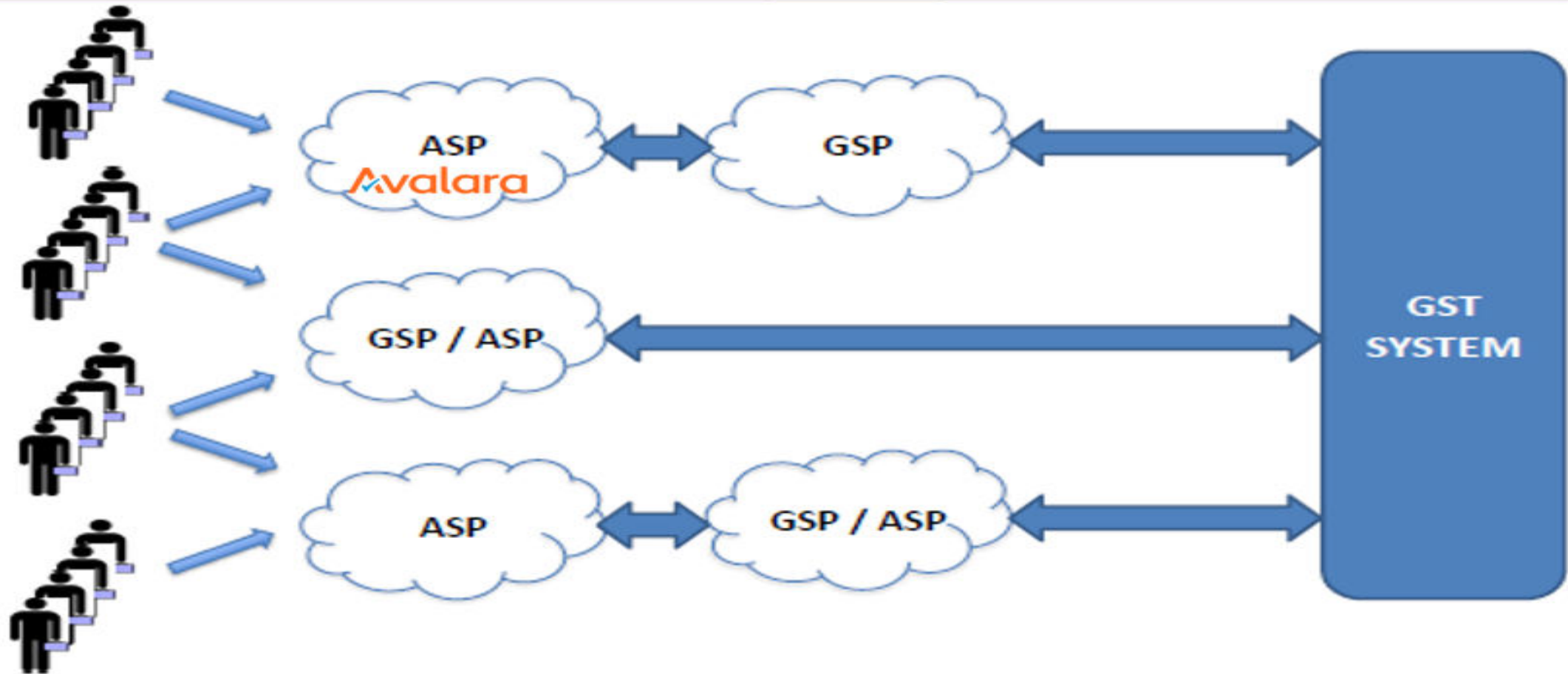
## GSP Eco System



Taxpayers  
(> 80 lakhs)

ASPs  
(Hundreds)

GSPs  
(34)



# GSTR-1 : DETAILS OF OUTWARD SUPPLIES OF GOODS OR SERVICES

Taxable	B2B	All supplies excluding RCM and E-commerce			4A
		Reverse Charge Mechanism			4B
		E-commerce			4C
	Zero-rated and exports	Exports			6A
		SEZ unit/ SEZ developer			6B
		Deemed exports			6C
	B2C	Inter-state	E-commerce	Invoice value > 2.5 lac	5B
				Invoice value < 2.5 lac	7B(1) and 7B(2)
		Other than E-commerce	Invoice value > 2.5 lac	5A	
			Invoice value < 2.5 lac	7B(1)	
Intra-state		E-commerce	7A(1) and 7A(2)		
		Other than E-commerce	7A(1)		
Non-Taxable	Nil rated		To be bifurcated into Inter-state/intra-state and further into regd/unregd	Table 8	
	Exempted (Other than Nil rated/ Non-GST supplies)			Table 8	
	Non-GST supplies			Table 8	

# STAR RATING UNDER GST

# CONCEPT OF STAR RATING

## 1. What is compliance rating?

**Star rating is compliance rating score by the Government based on dealers record of compliance with the provisions of GST.**

1. Ratings shall be updated at periodic intervals and intimated to dealers. Further it shall be placed on public domain.
2. The GST law proposes to accord preferential treatment to dealers with a high GST compliance rating score, while those having a low GST rating would invite enhanced surveillance from the department.
3. Good star rating
  - i. Businesses would prefer to trade with highly rated entities over others
  - ii. Vendors would decide payment policy basis ratings – lower the rating; higher the cash requirement
  - iii. Merits in refund claim

# CHALLENGES

# CHALLENGES IN IMPLEMENTATION

1. Lack of clarity with respect to complete GST law framework
2. Short period between finalization of law and implementation date – GST readiness?
3. Anti-profiteering mechanism  
Increase in revenue can be due to other reasons & not necessarily GST  
Businesses would be able to determine savings due to GST only at year end.  
Further, methods for computation are yet to be prescribed
4. Compounding dealers  
Typically, notion that lessor compliances required.  
However, GSTR-4 requires details of all purchases, RCM, etc..
5. IT Systems to be upgraded to be GST ready

# CHALLENGES IN IMPLEMENTATION

## 6. Accounting processes

### i. Real-time accounting to be GST complaint

Eg. For small businesses wherein accounting was done once in a year will have to record transactions real time

For big companies, finance teams to record and than procurement team to approve or reject since this approval may take more time

### ii. Accounting processes to be changed to record transactions state wise

### iii. Accounting would be a parallel activity to business instead of functional activity

## 7. Additional paper work

### i. Self generation of invoices in case of RCM – For registered and unregistered dealers both

### ii. Invoices for inter state branch transfers in addition to delivery challan and E-way bill

### iii. Modification of invoices – Even if petty changes, the invoice cannot be modified and mandatorily Debit note and credit notes to be issued.

# CHALLENGES IN IMPLEMENTATION

8. Increase in cost of business
  - a) Additional manpower
  - b) Cost due to IT system
    - i. For real time accounting – additional systems required
    - ii. For handling change in business processes due to stringent GST compliances
    - iii. Additional handling documentation requirement under GST
9. Every state is a separate entity - One nation one tax – Myth!
10. Information Technology need - Infrastructure and cost
  1. Small kirana stores/hardware stores also required to maintain IT system - Ease of business gone
  2. Returns under GST complicated – manually not possible
  3. GSP and ASP mandatory – higher cost
  4. Self generation of invoices in case of unregistered RCM
  5. Others (Eg. Lack of skilled officials)
11. Matching of GSTR-2 and GSTR-2A



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# OPPORTUNITIES FOR CHARTERED ACCOUNTANT

## Pre-GST Implementation

1. Representations on behalf of corporates and industry bodies basis preliminary study of draft law
2. Registrations under GST for all the States
3. Transition assignments
  - i. Impact study
  - ii. Design support – Business structure
  - iii. IT System
  - iv. Implementation support
  - v. Stock planning on transition date
  - vi. Ensuring complete claim of ITC under the present registrations

# OPPORTUNITIES FOR CHARTERED ACCOUNTANT

## **Pre-GST Implementation**

4. GST Trainings to corporates, other professionals, students pursuing professional courses, etc
5. Catering to various software companies involved in development of IT applications for IT necessities under GST regime:
  - i. Application Service provider (ASP)
  - ii. Application for collating vendor and customer registration details
  - iii. Other utilities as may be required during GST regime

# OPPORTUNITIES FOR CHARTERED ACCOUNTANT

## Post-GST Implementation

1. GST Trainings to corporates, other professionals, students pursuing professional courses, etc continues..
2. Gaps in GST knowledge of industry – Non-compliances - advice for corrective actions and solutions.
3. Assistance in filling of returns –monthly and quarterly assignments
4. GST operates on matching GST payments by sellers with corresponding ITC claims by buyers. This will lead to a continuous need for monitoring of unmatched credits issued by GSTN. CAs can take up outsourcing opportunities in this sphere through credit monitoring assignments
5. CAs, being qualified professionals, will have an edge over non-qualified consultants operating in IDT practice when associating with customers who wish to upgrade their GST-compliant status through a change of consultant.

Thank  
you

