

Procedures under GST

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Coverage

- Procedure to register under GST
- Procedure to supply goods
- Books of accounts to be maintained under GST
- Procedure to pay GST
- Procedure to file returns under GST
- Availment of ITC
- Mismatch of ITC
- Distribution of credit by ISD
- Job work procedure
- TRAN - 1

NEW and IMPORTANT!!!

- **Transitional Formats** has been released yesterday.
- Closing balance of Cenvat credit – section 140 – GST TRAN-1 – 90 days from appointed day + extension of 90 days.

Registration under GST

Registration under GST

- Taxable person means a person who is:-
 - Registered or
 - Liable to be registered under section 22 or 24
- Every supplier shall be liable to register
 - In the state or union territory other than special category states
 - From where he makes taxable supply
 - Aggregate value exceeds 20L
- In case special category states – 10L

Registration under GST

- Compulsory Registration if Aggregate Turnover > 20 Lakhs (state wise)
- Aggregate Turnover = Taxable + Exempt (includes non-taxable)+Export + Inter-State supplies of persons having same PAN on all India basis
- Existing Assessee need to register compulsory – if not liable then application to be made for cancellation of provisional id.
- No registration in case of supply of Goods or Services not liable or wholly exempted
- Voluntary Registration
- Separate registration for Business Vertical within the State can be taken (SEZ compulsory separate business vertical)

Registration under GST

- State-wise Registration
- Suo motto registration by proper officer – if failed to register – within 30 days need to apply for registration.
- Compulsory Registration:
 - Inter-state taxable supplier
 - Casual and NR taxable persons
 - RCM liable
 - Tax deductor u/s 51
 - Tax collector u/s 52
 - Agent
 - ISD
 - e-com Supplier
 - e-com Operator
 - OIDARS
 - Other notified person

Registration – effective date

Particulars	Date of applicable	Date of registration granted	Effective from
A becomes liable to register from 01.07.2017	15.07.2017	10.08.2017	01.07.2017
A becomes liable to register from 01.07.2017	01.08.2017	20.08.2017	20.08.2017

- In the first case, Mr. A is eligible to avail the ITC on closing stock as well as purchases made from 1st July 17 onwards. (section 18)
- In the next case, Mr. A is eligible to avail the ITC only for the purchases made w.e.f 20th of Aug 17

Supply documents under GST

Supply Documents

- **Invoice** for outward supply, inward supply from unregistered person, Export and stock transfer.
- **Revised Invoice** – Supplies made between Effective date of RC and date of issuance of RC
- **Bill of Supply** – Exempted and composition scheme
- **Debit note** – revision in price
- **Credit note** – revision in price
- **Receipt voucher** – On receipt of advance
- **Payment voucher** – advance payment to supplier – RCM
- **Refund voucher** - Refund of advance, where no supply made against the advance received & no invoice raised

Supply Documents

- **Delivery challan**
 - Job work
 - Transportation of goods for reason other than by way of supply
 - Liquid gas
 - Other than by way of supply
- **Transportation of goods in semi or completely knocked down**
 - Issue complete invoice before dispatch of 1st consignment
 - Issue delivery challan for each subsequent consignment – give reference of invoice
 - Each consignment – accompany by copies of corresponding DC and certified copy of invoice
 - Original copy of invoice – send along with last consignment.

Supply Documents - Invoice

- Name, address and GSTIN of supplier;
- A consecutive serial number not > 16 characters and date of invoice (dash and slash can be used);
- Date of issue;
- Name, address and GSTIN or UIN, if registered, of the Receiver;
- In case of supplies to unregistered person where taxable supply exceeds Rs.50,000, name, address and address of delivery along with name of state and its state code is compulsory;
- HSN code of goods or Accounting Code of Services;
- Description of goods or services along with quantity and unit, unique quantity code;

Total value

Supply Docu. – Receipt voucher

- amount of advance taken;
- rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- amount of tax charged in respect of taxable goods or services
- POS along with the name of State and its code- of inter-State trade or commerce;
- Provided that where at the time of receipt of advance,
 - the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
 - the nature of supply is not determinable, the same shall be treated as inter-State supply

Supply Docu. – Refund voucher

- amount of advance taken;
- rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- amount of tax charged in respect of taxable goods or services
- POS along with the name of State and its code- of inter-State trade or commerce;
- Provided that where at the time of receipt of advance,
 - the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
 - the nature of supply is not determinable, the same shall be treated as inter-

State supply

Supply Docu. – Payment voucher

- Amount paid
- Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess)
- Amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess)
- Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce

Supply Docu. – DC

- date and number of the delivery challan,
- name, address and GSTIN of the consigner, if registered,
- name, address and GSTIN or UIN of the consignee, if registered,
- HSN code and description of goods,
- quantity (provisional, where the exact quantity being supplied is not known),
- taxable value,
- tax rate and tax amount – central tax, State tax, integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee,
- place of supply, in case of inter-State movement, and
- signature.

Supply Docu. – DN/CN

- In the following situation debit note or credit note may be issued:
- Taxable value / tax charged > actual taxable value / tax payable – credit note can be issued on recipient.
- Condition: incidence of tax and interest on such supply has not been passed by him to any other person.
- Taxable value / tax charged < actual taxable value / tax payable – debit note can be issued on recipient.
- Content : **Serial number and date of the corresponding tax invoice or, as the case may be bill of supply;**

Supply Docu. – Others

- ISD – GSTIN number of recipient and amount of credit distributed;
- GTA –
 - gross weight of the consignment;
 - name of the consignor and the consignee;
 - registration number of goods carriage in which the goods are transported;
 - details of goods transported;
 - details of place of origin and destination;
 - GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency

Supply Docu. – E-way bill

- Every Registered person who causes movement of goods – consignment value exceeding fifty thousand.
 - In relation to supply; or
 - For reason other than supply; or
 - Due to inward supply from an unregistered person.
- The details of goods – filled in GST INS-1 in common portal – GSTR-1.
- Upon generation – EBN _ E-way Bill Number in common portal.
- Value < Rs.50,000/- option
- New E-way bill to be generated – if the goods are shifted from one conveyance to other in transit
- Transporter can generate the e-way bill – INS-2

Supply Docu. – E-way bill

- E-way can be cancelled – within 24 hours
- E-way is valid for:

Distance	Validity
Less than 100 km	One day
100 km or more but less than 300km	Three days
300 km or more but less than 500km	Five days
500 km or more but less than 1000km	Ten days
1000 km or more	Fifteen days

- Invoice or Bill of Supply or Delivery Challan. Can also use the **inv ref number** generated by uploading the invoice in Form GST INV-1

Supply Docu. – E-way bill

- The details of e-way bill – made available to recipient in common portal – he is required to accept the said details – deemed acceptance after 72 hours
- The person in charge for transportation shall carry:-
 - Invoice or bill of supply or delivery challan;
 - Copy of e-way bill – physically or mapped with Radio Frequency Identification Device (RFID)
 - RFID – to be notified by the Commissioner.
- Verification shall be carried out by the PO – recorded the same in INS-03
- Once verification is done at once place within or outside the state, no further physical verification shall be carried out again in the state.

Books of accounts under GST

Books of Accounts

Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of-

Production or manufacture of goods;

Inward and outward supply of goods or services or both;

Stock of goods;

Input tax credit availed;

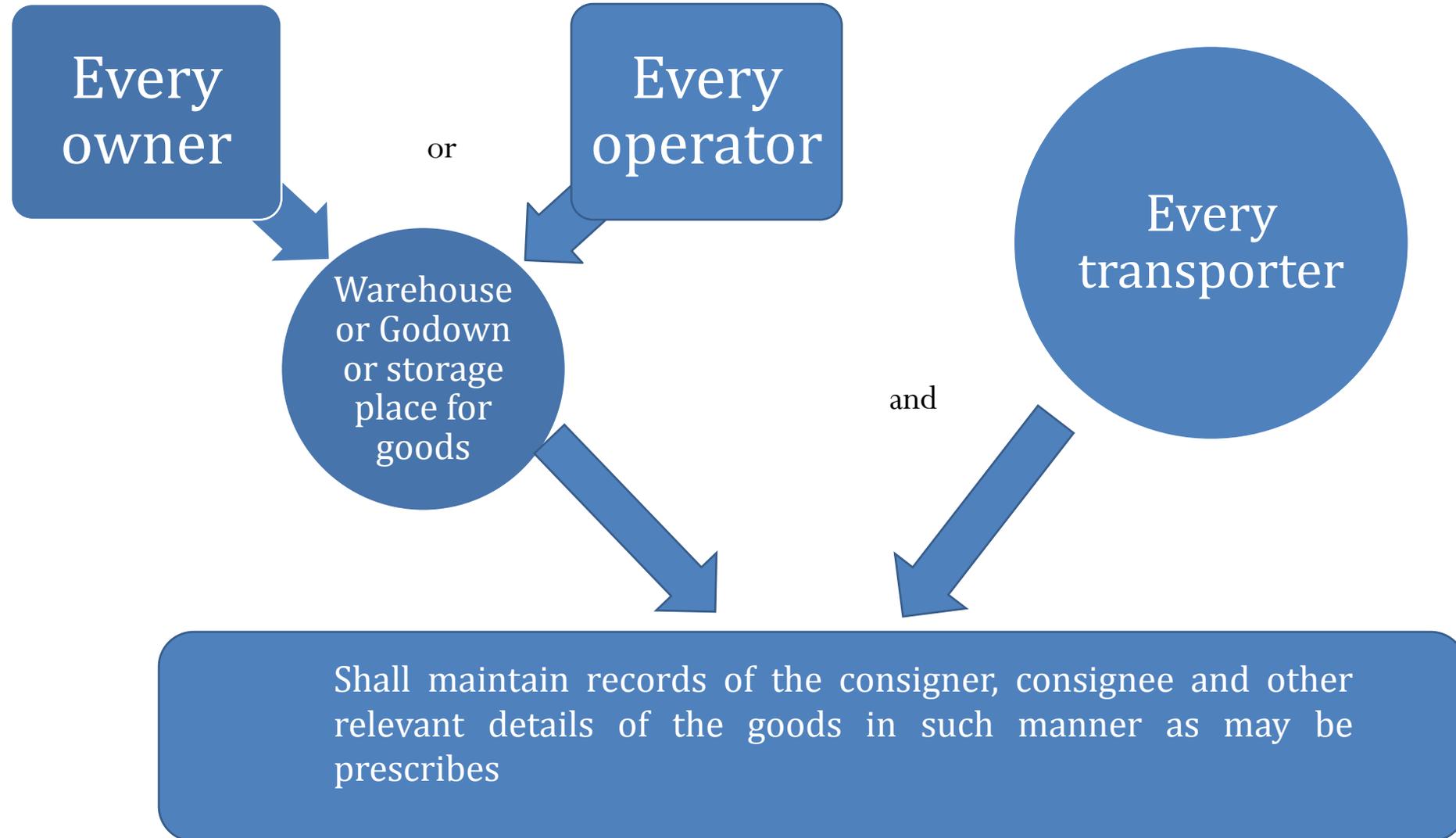
Output tax payable and paid; and

Such other particulars as may be prescribed:

Accounts and records – under draft rules further prescription

- Record of
 - Goods, services imported, exported
 - Supplies liable under RCM
 - Invoices, BoS, DC, DN, CN, payment, receipt and refund vouchers
 - E-way bills
- Maintain the records separately for each activity – mfr, service, trading, etc.
- Stock records – op+inward – issues, lost, stolen, destroyed w/o etc. = c/s. Scrap and wastages
- Name and address of customers, suppliers and all places where goods are stored (including in-transit storage).
- If goods are stocked at places other than the above it will be deemed as supply

Books of Accounts



➤ The above requirement is irrespective of registration

Books of Accounts – works contractor

- Person executing works contract shall keep separate accounts for each works contract
 - the names and addresses of the persons on whose behalf the works contract is executed
 - description, value and quantity(wherever applicable) of goods or services received for the execution of works contract
 - description, value and quantity(wherever applicable) of goods or services utilized in the execution of each works contract
 - the details of payment received in respect of each works contract
 - the names and addresses of suppliers from whom he has received goods or services

Retention period

In Normal case

- For a period of 72 months from the date of filing of Annual return
- i.e., 6 years from the date of filing of AR

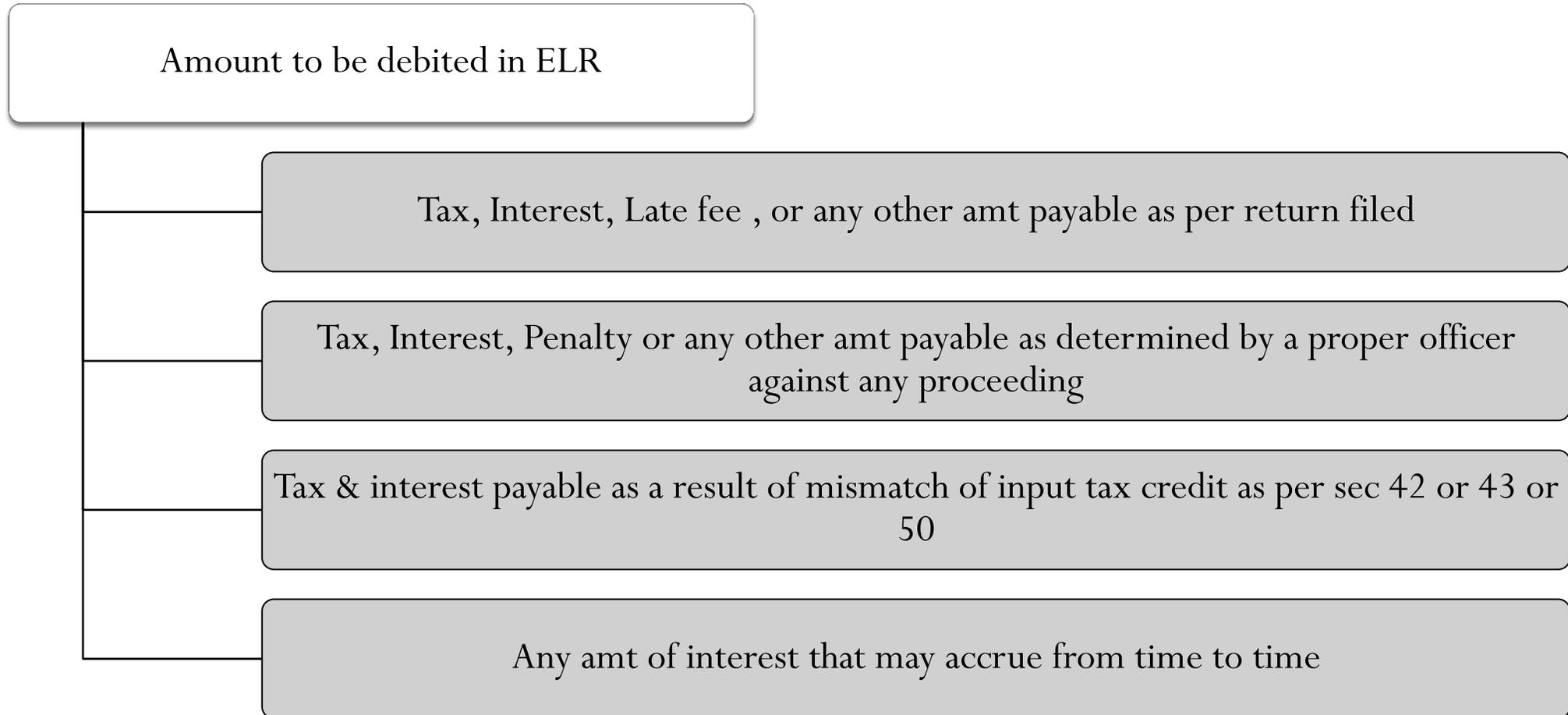
Appeal or revision or any other proceeding

- Upto one year after disposal of such case
- Or; as mentioned above;
- Whichever is later

Payment procedure under GST

Electronic Liability Register

- Maintained in [FORM GST PMT-1](#) on the common portal



Electronic Liability Register

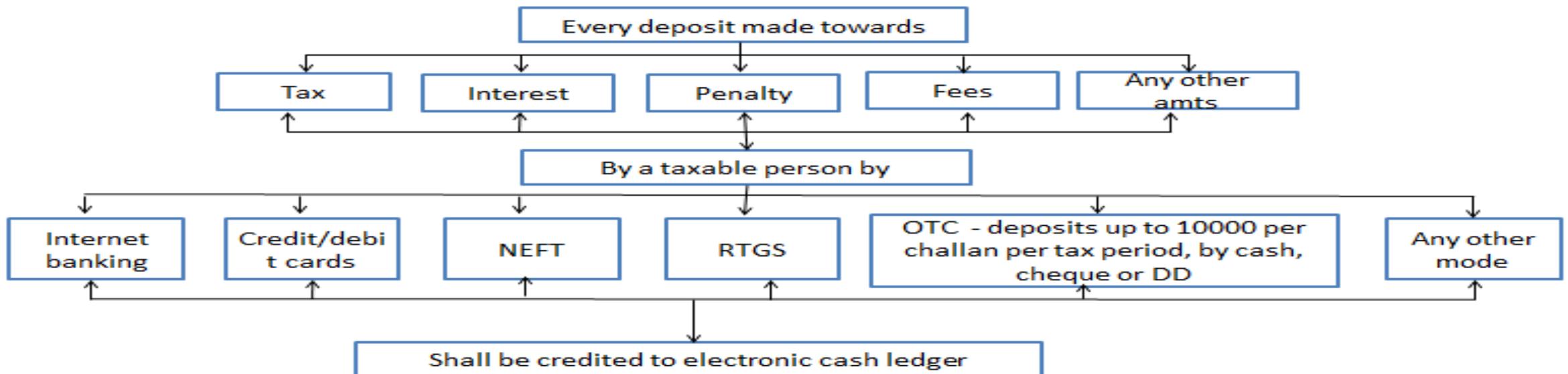
- The following liability to be payable from cash ledger only:
 - TDS – section 51
 - TCS – section 52
 - Amount payable on reverse charge
 - Composite tax – section 10
 - Interest
 - Penalty
 - Fee or
 - Any other amount

Electronic Credit Ledger

- Section 2(46) Electronic credit ledger means the electronic credit ledger referred to in section 49(2).
- Self assessed ITC in the return of a taxable person - credited to this ledger, as per section 41.
- To be maintained in [FORM GST PMT-2](#)
- The following will recorded separately in the ledger,
 - Credit of inputs, input services, capital goods, reverse charge claimed in return
 - Credit received through ISD
 - Credit on account of merger, pre-registration etc.
- Utilisation of credit from the same major head or from other major head (cross utilization) will be recorded accordingly.
- Utilisation of credit for return and other than return related liabilities will be recorded separately.
- Refund claimed from ITC ledger will be reduced and if rejected or withdrawn will be credited back.

Electronic Cash Ledger

- Section 2(43) Electronic cash ledger means the electronic cash ledger referred to in section 49(1)
- Date of deposit = Date of credit to the account of the appropriate Govt. in the authorised bank
- Also Includes Sec 51 TDS & sec 52 TCS



Sec - 51 - TDS

Deducted by

- Department or establishment of CG / SG

- local authority

- Governmental agencies

- Notified persons

Condition

Intra or Inter-State Transaction

Value > 2.5 lacs

Deduct 1+1%

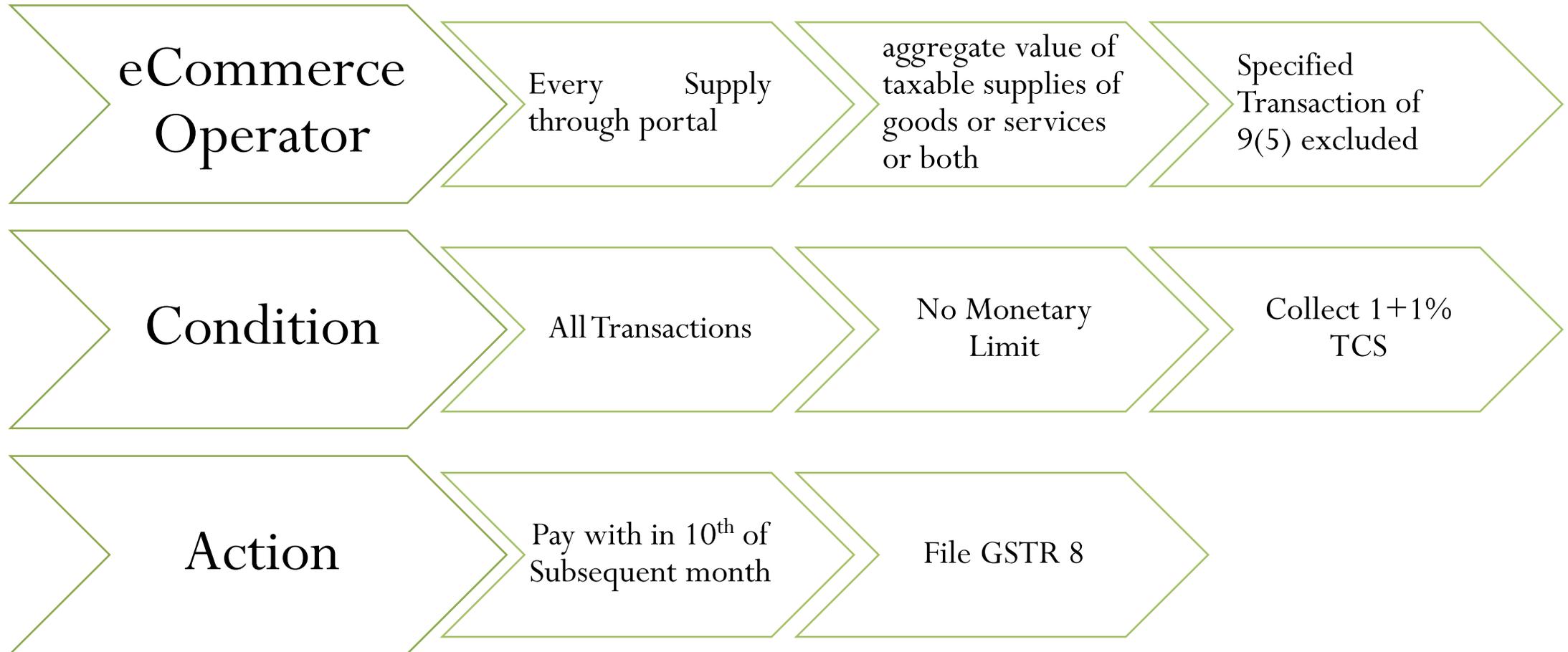
Action

Pay with in 10th of Subsequent month

Issue a TDS certificate – GSTR-7A

File GSTR 7

Sec - 52 - TCS



Returns under GST

Normal/Regular Taxpayers monthly returns

- Upload details of outward supply on 10th of subsequent month

GSTR-1

GSTR-2A

- Data will be auto populated
- Make additions, modifications and deletions from 11th to 15th

- Additions, modifications and deletion by recipient will be made available to supplier and submitted on 15th

GSTR-2

GSTR-1A

- Corrections in **Form GSTR-2** will be made available to supplier
- Supplier has to accept or reject adjustments by 17th

- Auto-populated return will be available for submission along with the payment on 20th

GSTR-3

Overview of returns

Form	Description	Due date / Periodicity
GSTR 1	Outward supplies made by taxpayer	10 th of the next month
GSTR 2A	Details auto populated from GSTR 1 to be added corrected or deleted by recipient	11 th onwards
GSTR 2	Inward supplies received by a taxpayer	15 th of the next month
GSTR 1A	Details auto populated from GSTR 2 made available to supplier to accept/reject	17 th of the next month
GSTR 3	Monthly return	20 th of the next month
GSTR 4	Quarterly return for <u>Compounding Taxpayer</u>	18 th of the month next to quarter
GSTR 5	Periodic return by <u>Non-Resident Foreign Taxpayer</u>	20 th of the next month or 7 th day from End of Registration which ever earlier
GSTR-5A	Details of supplies of OIDARS by a person located outside India made to non-taxable persons in India	
GSTR 6	Return for Input Service Distributor (ISD)	15 th of the next month
GSTR 7	Return for Tax Deducted at Source (TDS)	10 th of the next month
GSTR 8	Details of supplies effected through e-commerce operator	10 th of the next month
GSTR 9	Annual Return	By 31 st December of next FY

GSTR-1

- Every registered **taxable person** other than
 - ❖ an ISD
 - ❖ a NR taxable person and
 - ❖ a person paying tax under the provisions of COT or TDS or TCS,
- ✓ shall furnish, **electronically**, the details of **outward supplies of goods or services** effected during a tax period
- ✓ on or before the **10th** of the month succeeding the said tax period or such extended time and
- ✓ such details shall be **communicated to the recipient** of the said supplies within the time and in the manner as may be prescribed (Section 37).
- Details of **Outward supply means** details of invoices, debit notes, credit notes and revised invoices issued.

GSTR-1

- If the details filed by the taxable person remains unmatched u/s 42 or 43, shall upon discovery of any error or omission:
 - rectify such error or omission in the tax period during which such error or omission is noticed and
 - pay tax and interest, if any, in case of any short payment of tax on account of such error or omission.
- Provided that no such rectification shall be allowed to be made after filing of annual return u/s 39(1) or furnishing return for the month of September of the next year whichever is earlier.

GSTR-1

- Contents of GSTR-1
- Table 4: B-B (invoice level, rate wise)
 - Outward supplies to registered person
 - Outward supply attracting RCM
 - Outward supply through E-commerce
- Table 5: B-C (Large)
 - Outward supplies – inter state
 - Supplies made through E-commerce – operator and rate wise
- Table 6: Zero rated and deemed exports
- Table 7: B-C (Small) net of debit and credit note
 - Consolidated rate wise
 - Out of consolidated rate wise supply – how much with respect to E-commerce (operator wise)

GSTR-1

- Table 8: Nil rated, exempted and Non-GST (intra and inter and registered and unregistered)
- Table 9: amendments, debit note, credit note & refund voucher
- Table 10: Amendments w.r.t unregistered persons
- Table 11: Consolidated statement of advance received / advance adjusted in the current tax period.
- Table 12: HSN wise summary of outward supplies
- Table 13: Documents issued during the tax period

- HSN:
 - Turnover 1.5 Cr to 5 cr – 2 digit
 - More than 5 Cr – 4 digit

GSTR-2

- The details of supplies

- modified,
- deleted, or
- included by the recipient

shall be communicated to the supplier concerned in form GSTR ITC mismatch report.

No such modification shall be allowed after filing return for September of the next year or filing of annual return.

- These modifications or updates have to be accepted or rejected within 17th of the next month by the supplier.

GSTR-2

- Table 3: Inward supply from registered person (other than RCM)
- Table 4: Inward supply on which tax to be paid under reverse charge (RCM, unregistered and Import)
- Table 5: Inputs / CG from Overseas or SEZ
- Table 6: Amendments (debit note / credit note)
- Table 7: supplies received from
 - Composition taxable person
 - Exempted
 - Nil rated
 - Non GST supplies

GSTR-2

- Table 8: ISD Credit received
- Table 9: TDS and TCS credit received
- Table 10: Consolidated statement of advance paid / advance adjusted (Reverse charge supplies)
- Table 11: ITC reversal
- Table 12: addition or reduction – Mismatch
- Table 13: HSN summary of inward supplies

GSTR-3

- **Every person** (except ISD/NRTP/CTP/TDS/TCS) shall **pay** to the account of the appropriate government the **tax** due as per such return **before** the due date for **filing** such returns.
- Every such person **shall file** returns for every tax period **whether or not** any supplies of goods or services has been effected during such tax period.
- If such person **discovers any error** or omission or incorrect particulars in the returns filed **shall rectify** such error, omission or incorrect details in the return to be furnished for the month or quarter subject to payment of tax and interest.
- Provided that **no such rectifications** shall be allowed after the due date for the month of **September** of the next year or filing of **annual return** whichever is earlier.

GSTR-3

- Table 3: turnover of all kinds of outward supply (auto-populated)
- Table 4: Outward supplies:
 - Taxable supplies (other than RCM + zero rated)
 - Supplies attracting RCM
 - Zero rated with payment of tax
 - Value of supplies made through an e-commerce
 - Intra state supplies
- Table 5: Inward supplies:
 - RCM
 - Import of service
- Table 6: ITC

GSTR-3

- Table 7: Addition and reduction – mismatch
- Table 8: Total tax liability
- Table 9: Credit of TDS and TCS
- Table 10: Interest liability:
 - Output Liability On mismatch
 - ITC claimed on Mismatched invoice
 - On account of other ITC reversal
 - Undue excess claim or excess reduction
 - Credit of interest on rectification of mismatch

GSTR-3

- Interest liability carry forwarded
- Delay in payment of tax
- Table 11: Late fee
- Table 12: Tax payable and paid
- Table 13: interest, late fee, any other amount payable and paid
- Table 14: Refund claim
- Table 15: Debit entry in ECL / ECrL/Interest payment

Availment of ITC under GST

Availment of ITC

- ITC can be availed on all goods and services subject to section 16 & 17 of CGST Act, 2017.
- Credits are required to be bifurcated as follows at invoice level:
 - Directly relating to non-business – not eligible – T1
 - Directly relating to exempted supply – not eligible – T2
 - Services of section 17(5) – not eligible – T3
 - Directly relating to taxable supply – 100% - eligible – T4
 - Common credits – formulae of Rule 7 of ITC – C2
 - Common services (business and other than business) – 5% reversal
 - Common Capital Goods – formulae of Rule 8 of ITC (avail credit full on receipt & reversal credit every month with interest)

Availment of ITC

- The ITC is allowed on provisions basis.
- Nature of accounts to be maintained:

For output liability

- CGST output tax A/c
- SGST output tax A/c
- IGST output tax A/c
- UTGST output tax A/c

For credit availment

- CGST input tax credit A/c
- SGST input tax credit A/c
- IGST input tax credit A/c
- UTGST input tax credit A/c

- In case payment to vendor is not made within 180 days – ITC availed is required to be reversed.

Mismatch of credit- under GST

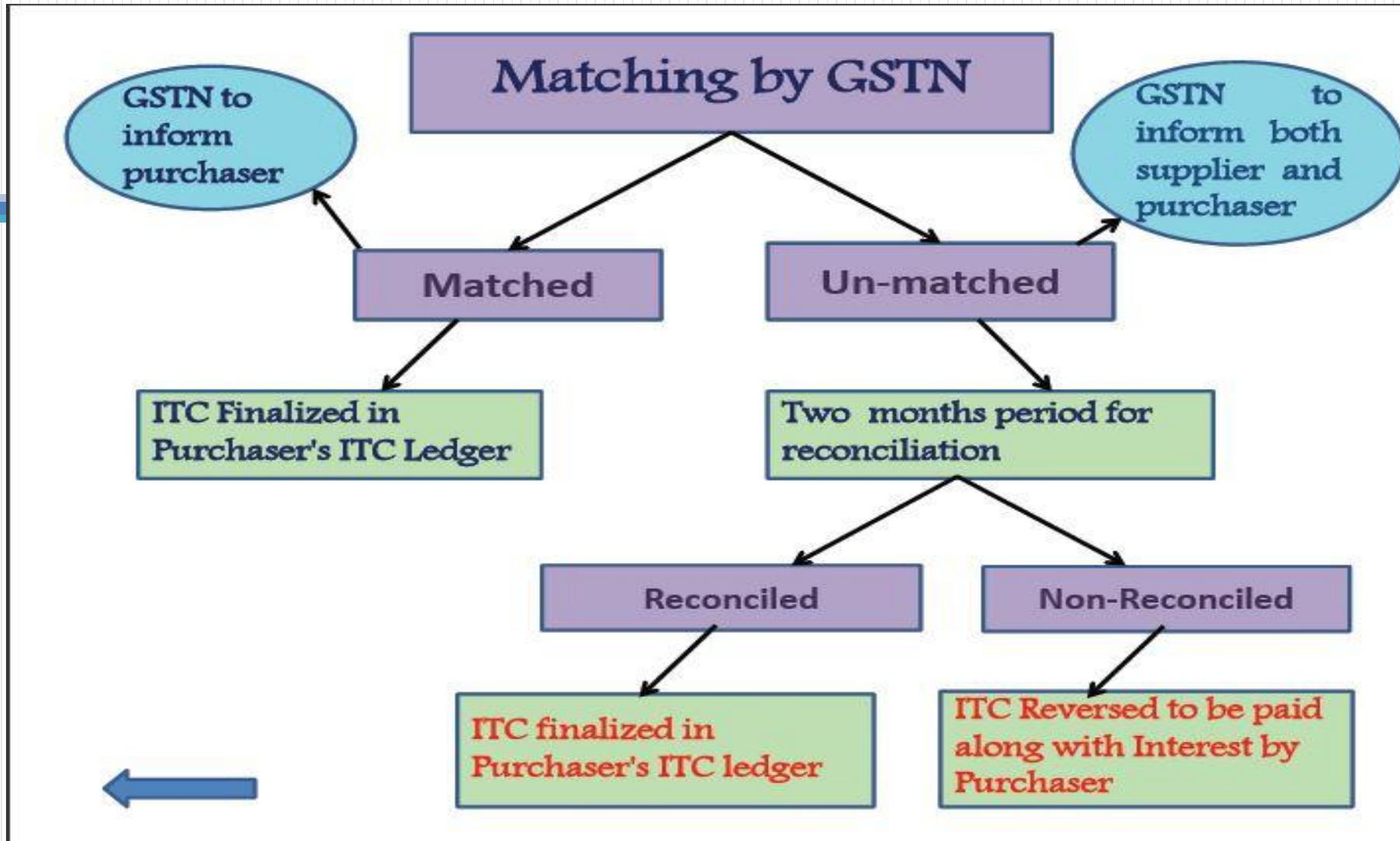
Matching of ITC – sec 42

- Would be matched with following;
 - GSTIN of the supplier;
 - GSTIN of the recipient;
 - Invoice/ or debit note number;
 - Invoice/ or debit note date;
 - taxable value; and
 - tax amount:
- ✓ ITC availed as per GSTR-2A – shall be treated as matched if the supplier furnishes a valid return
- ✓ ITC equal or less than the output tax paid by the supplier – treated as matched

Matching of ITC – sec 42

- The Final acceptance of ITC – communicated – FORM GST MIS – 1.
- Previous tax period mismatch, matched during the tax period would also be communicated in FORM GST MIS – 1.
- Any discrepancy in claim of ITC is communicated – before last day of the month in which matching has been carried out
 - FORM GST MIS 1 – Recipient
 - FORM GST MIS 2 – Supplier
- The supplier / recipient – may **make suitable rectification** in outward/inward statement – for the month in which the discrepancy is made available.
- if not, added to **output tax liability** of recipient – for the month succeeding the month in which discrepancy made available.
- If later rectified – credit is taken back and even the interest is credited to ECL

Flow of GST Input



Matching of ITC – sec 43

- Reduction in output tax liability shall be matched with;
 - GSTIN of the supplier
 - GSTIN of the recipient
 - credit note number
 - credit note date;
 - taxable value; and
 - tax amount:
- ✓ Acceptance of credit in GSTR-2 without amendment – matched
- ✓ Reduction is allowed/matched – if ITC reversed is equal or more than the reduction claimed.

Matching of ITC – sec 43

- The Final acceptance of ITC – communicated – FORM GST MIS – 3.
- Previous tax period mismatch, matched during the tax period would also be communicated in FORM GST MIS – 3.
- Any discrepancy in claim of ITC is communicated – before last day of the month in which matching has been carried out
 - FORM GST MIS 4 – Recipient
 - FORM GST MIS 3 – Supplier
- The supplier / recipient – may make suitable rectification in outward/inward statement – for the month in which the discrepancy is made available.
- if not, debited to liability register of supplier – for the month succeeding the month in which discrepancy made available.

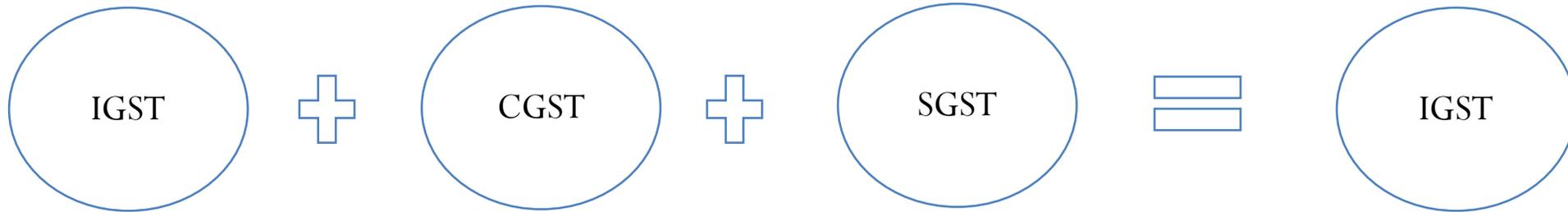
ISD – credit distribution - under GST

ISD

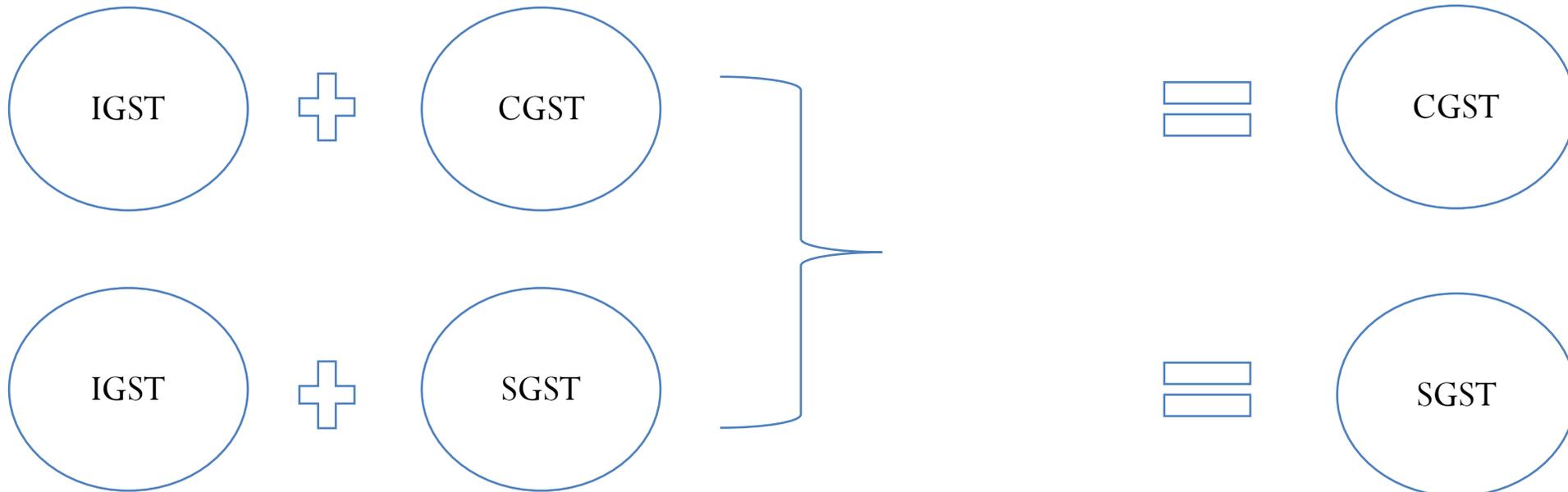
- ITC of the following need to be distributed (Rule 4 of ITC Rules):
 - ITC on eligible input services
 - ITC on ineligible input service
- Distribution of credits to other branches / locations
 - Credit attributable to a particular recipient – **distribute to that unit/recipient**
 - Credit attributable to more than one recipient – **distribute on *pro rata* basis – relevant period.**
 - Credit to be distributed by issuing an ISD invoice to the recipient
 - Compulsory registration even if registered under present law – **no enrollment scheme**
 - Credit to be distributed cannot exceed the credit available for distribution
- File the returns within 13 days from the end of the month

ISD

- Distributor and recipient in **different states**



- Distributor and recipient in the same state



Job work under GST

Job Work under GST

- The goods can be sent for job work with payment of GST – intimation is required
 - Inputs sent for job work – within 1 year
 - Capital Goods sent for job work – within 3 years
- Not received within the said period – treated as supply – when the goods were sent for job work.
- The principal can avail the credit on goods, even though the same is sent directly to job worker.

Job Work under GST

- The goods can be dispatched directly from job worker
- The goods can be sent to another job worker premises
- The goods can be received back in any place of business of principal.
- The details of challans in respect of goods dispatched to a job worker or received from a job worker during a tax period shall be included in **FORM GSTR-1** furnished for that period

Composite Scheme

Other procedures under GST

- **Composition scheme:**
 - Intimation – electronically file in CMP-01 – after provisions Id granted
 - New registrant – option in REG-01;
 - File intimation in CMP-02 prior to commence of the financial year; and
 - File statement in ITC-03 – within 60 days from the commencement of relevant FY.
 - Effective date for new registrant – sub-rule 2 or 3 of Registration Rules.

THANK YOU



For any clarification
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