

SEMINAR ON GST

- COMPLIANCE WITH DIFFERENCE



**KAKARIA & ASSOCIATES,
CHARTERED ACCOUNTANTS**
-FIRM OF COMMON MAN

INTRODUCTION

WHY GST?

1. Cascading effect of Taxes (Double Taxation)
2. Multiple Acts
3. Multiple & complex Compliances
4. Multiple Department
5. Act wise different valuation methods
6. Distinction on whether Goods or Service
7. Different taxable events (Excise, ST & VAT)
8. Lack of Transparency (Paper based)
9. Ease of Doing Business
10. Separate List of Exemption
11. Separate Tax Rate across supply chain
12. Loss of credit
13. Imbalanced growth in States

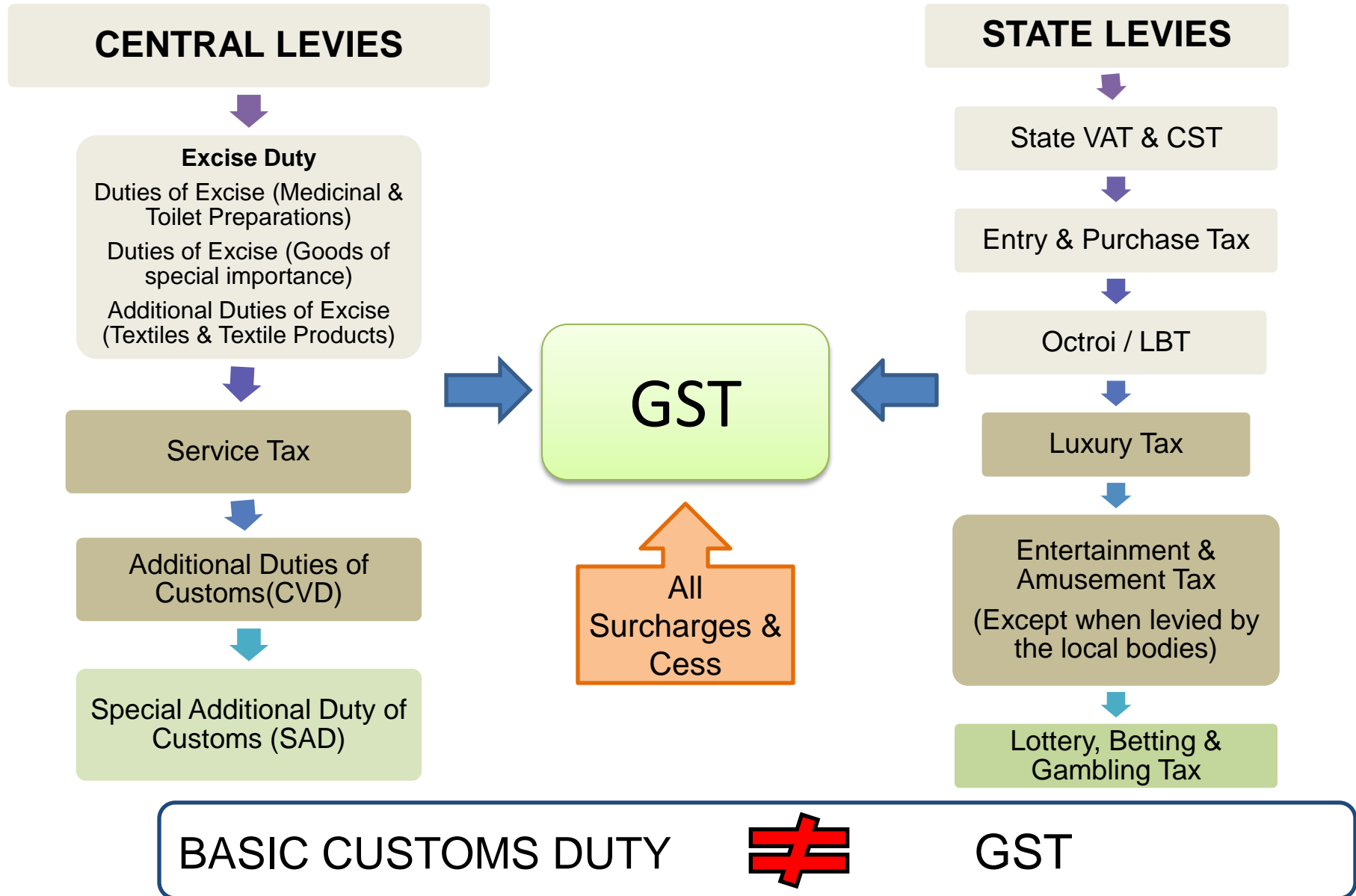
INTRODUCTION

1. **France** was the first country to implement GST in 1954.
2. Around **160+** countries are using GST.
3. Post implementation in India, approx **300 crore invoices** will be generated which itself is a new benchmark.
4. India is the **first** country in the world to try the concept of IGST.
5. Biggest **Indirect Tax Reform** of India, applicable to whole of India except J&K
6. **Destination based Tax** on consumption of Goods & Services.
7. **GST Council** will be the nodal agency for administration of GST.
8. **One nation, one tax**, one aspiration and one determination
9. **New Terminology**

Previous	New
Purchaser	Recipient
Seller	Supplier
Purchase	Inward Supply
Sale	Outward Supply
Cenvat Credit	Input Tax Credit

- Article 246A has been incorporated in Constitution of India to provide powers to make laws with respect to Goods and Service Tax.
- **‘Goods & Services Tax’** means any tax on supply of Goods or Services or both, except tax on supply of liquor for human consumption.
- Goods means all materials, commodities and articles.
- Service means anything other than Goods.
- Petroleum Products viz. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel will be made liable to GST at a future date.

SUBSUMING EXISTING INDIRECT TAXES

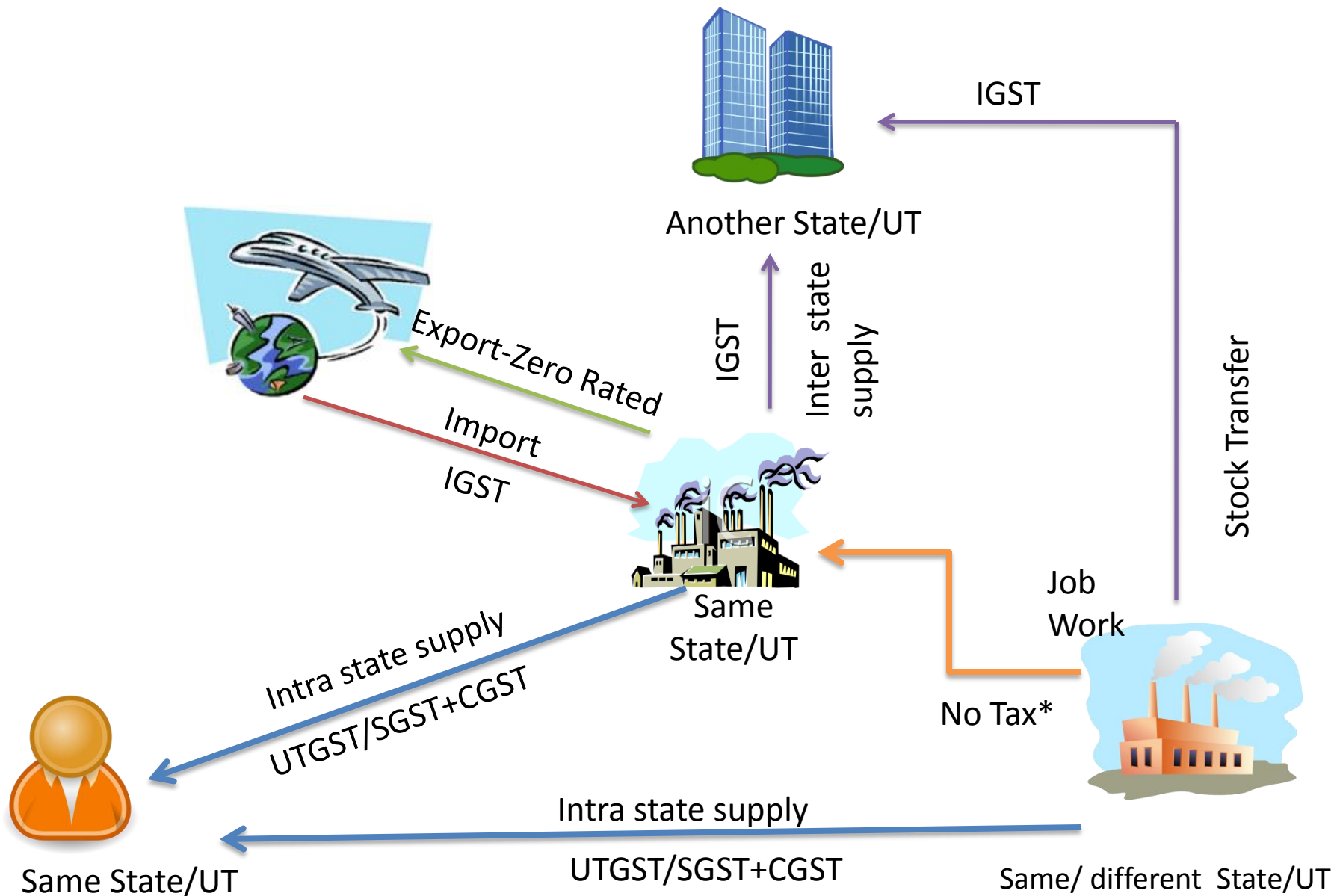


DUAL GST STRUCTURE

1. Dual GST Structure
2. Countries like **Canada & Brazil** follow Dual GST Model.
3. **India has adopted Canada's** GST Model which simultaneously allow both Central & State Governments to levy GST.

CONDITION	INTRA-STATE SUPPLY	INTER-STATE SUPPLY
Location of Supplier & Place of Supply	Same	Different
Taxes Charged	CGST+ SGST/UTGST	IGST
Example	Goods of Daman sold in Daman	1. Import of Goods or Services 2. Goods of Daman sold in Gujarat or vice versa 3. Export 4. Zero Rated Supplies
Example (Transaction Value Rs 10,000, Tax Rate @ 18%)	CGST (Rs 900) + SGST/UTGST (Rs 900)	IGST- Rs 1800

GST TAX MODEL



COMPARISON BETWEEN VAT & GST

Points	VAT	GST
Applicability	Goods	Both Goods & Services
Taxable Event	Sale	Supply
Threshold Limit	Mostly Rs 5 lacs	Common limit Rs 20 lacs, except few
Registration	TIN based – State code specific	PAN/TAN/UIN based
Input tax credit	No ITC on CST & other fixed assets	Seamless flow of ITC
Credit of Tax paid under Central levy (central excise, service tax)	Not available. VAT is payable on central excise.	Available, reducing cascading effect
Declaration Forms	Form C/F/H/E1/E2/I are applicable	No such forms
Returns	By 28 th of succeeding month	By 20 th of succeeding month but in a phased manner <ul style="list-style-type: none">• Sales by 10th• Purchases by 15th• Payment by 20th
E-Payment	Optional	Mandatory if exceeds Rs 10,000

GST ACTS

STRUCTURE OF GST LAW

ACTS	CGST	SGST	UTGST	IGST
Applicability	Except J&K	Specific State	Specific UT	Except J&K
Levy	Intra-state supplies	Intra-State Supplies	Intra-state supplies	Inter-state supplies , exports, imports & supplies to SEZ
Collection	Central Government	State Government	Union Territory	Central Government
Appointment of Officers	Central Government	State Government	The Administrator	Board- CBIC

GST (Compensation to States) Act 2017	<ul style="list-style-type: none">• Provide Compensation to States for loss in revenue due to implementation of GST.• Applicable on Items such as:<ul style="list-style-type: none">a) Pan Masalab) Tobacco + Tobacco Productsc) Motor Vehiclesd) Water flavoured with sugar or other sweetening matter.e) Coal + Solid fuels manufactured from Coal, Lignite (excluding Jet), Peat.
--	---

- Chapter wise division along with Rules and predefined formats of Documents
- Word ‘ as may be prescribed’ used around 150 times

DEFINITIONS

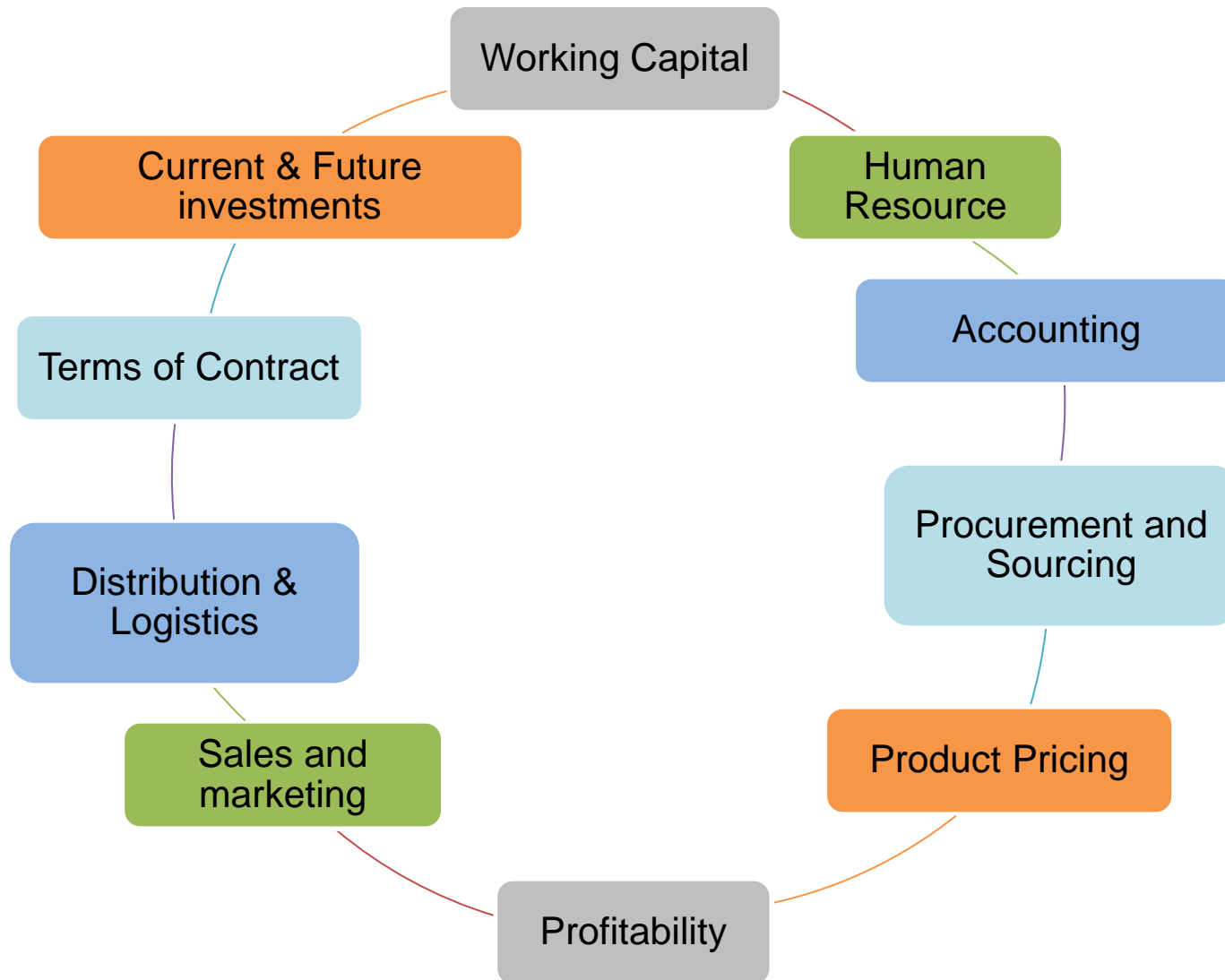
Goods	means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply
Services	means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by other mode, from one form, currency or denomination for which a separate consideration is charged. (For example principal amount of deposits and withdrawals from bank, conversion of currency notes into coins, Demand Draft if no extra charges are collected, advancing or repayment of principal sum on loan.
India	India includes area upto 200 nautical miles from base line inside sea. Area upto 12 nautical miles is deemed to be area of coastal State or Union Territory. Area between 12 nautical miles to 200 nautical miles is of central Government for purpose of GST
Place of Business	<ul style="list-style-type: none"> ▪ Place from where business is carried on, includes a warehouse, a godown or any other place from where supply is done or received or • Maintains his books of accounts, or • A place from where business is carried through an agent.
Principal place of business	<ul style="list-style-type: none"> • Principal Place as mentioned in certificate of registration.
Fixed Establishment	<ul style="list-style-type: none"> • Place other than Registered place of business, where suitable structure in terms of human and technical resources is present. • Sufficient degree of permanence.
Aggregate Turnover	Taxable Supplies + Exempt Supplies + Export + Interstate Supplies of person having same PAN (Excludes RCM Inward supplies + GST Tax Amount) of Goods & Services on PAN India basis
Business Vertical	Multiple business verticals in a state may be granted a separate registration for each business vertical.

DEFINITIONS

Agent	<ul style="list-style-type: none">• Means a person who carries on the business of supply or receipt or both on behalf of another• Includes factor, broker, commission agent, arhatia, del credere agent.
Principal	<ul style="list-style-type: none">• Person on whose behalf agent carries on the business of supply of goods or services.
Intermediary	<ul style="list-style-type: none">• A broker, agent or any other person who arranges or facilitates the supply of goods or services or securities between two or more person but does not include a person who supplies on his own account.
Capital Goods	Goods whose value is capitalized in the books of accounts of the person claiming the credit; and which are used or intended to be used in the course or furtherance of business.
Input	Any goods other than capital goods, used or intended to be used by a supplier for in the course or furtherance of business.
Input Service	Service <ul style="list-style-type: none">• used or intended to be used in the course or furtherance of business.

GST IMPACT

IMPACT OF GST



RATE STRUCTURE & CLASSIFICATION

RATE STRUCTURE & CLASSIFICATION

Classification of Goods	<p>Based on HSN codes</p> <ul style="list-style-type: none">• Turnover below 1.5 Cr – No HSN• Turnover from 1.5 Cr to 5 Cr – 2 Digit HSN• Turnover from 5 Cr – 4 Digit HSN• Total Chapters - 84
Classification of Services	<ul style="list-style-type: none">• Services Accounting Code• Total Headings – 31, further divided into sub heads.
Rate Structure	<ul style="list-style-type: none">• Nil Rated/ Exempt Supplies• Zero Rated• Rates: 5%, 12%, 18% , 28% & Compensation Cess on specified commodities
Principals of Classification	<ul style="list-style-type: none">• Commercial/ Trade Parlance• Definition as per statute/ chapter note/ section note• Description of HSN• Specific description over general• Functional Use of Product• Essential Characteristics• Expert Opinion• ISI specification• Finance Minister's Speech• Trade Notices/ Circulars• Chemical examination• Relevant Time• Beneficial Classification

GST ECOSYSTEM

GST ECOSYSTEM

www.gst.gov.in

STAKEHOLDERS

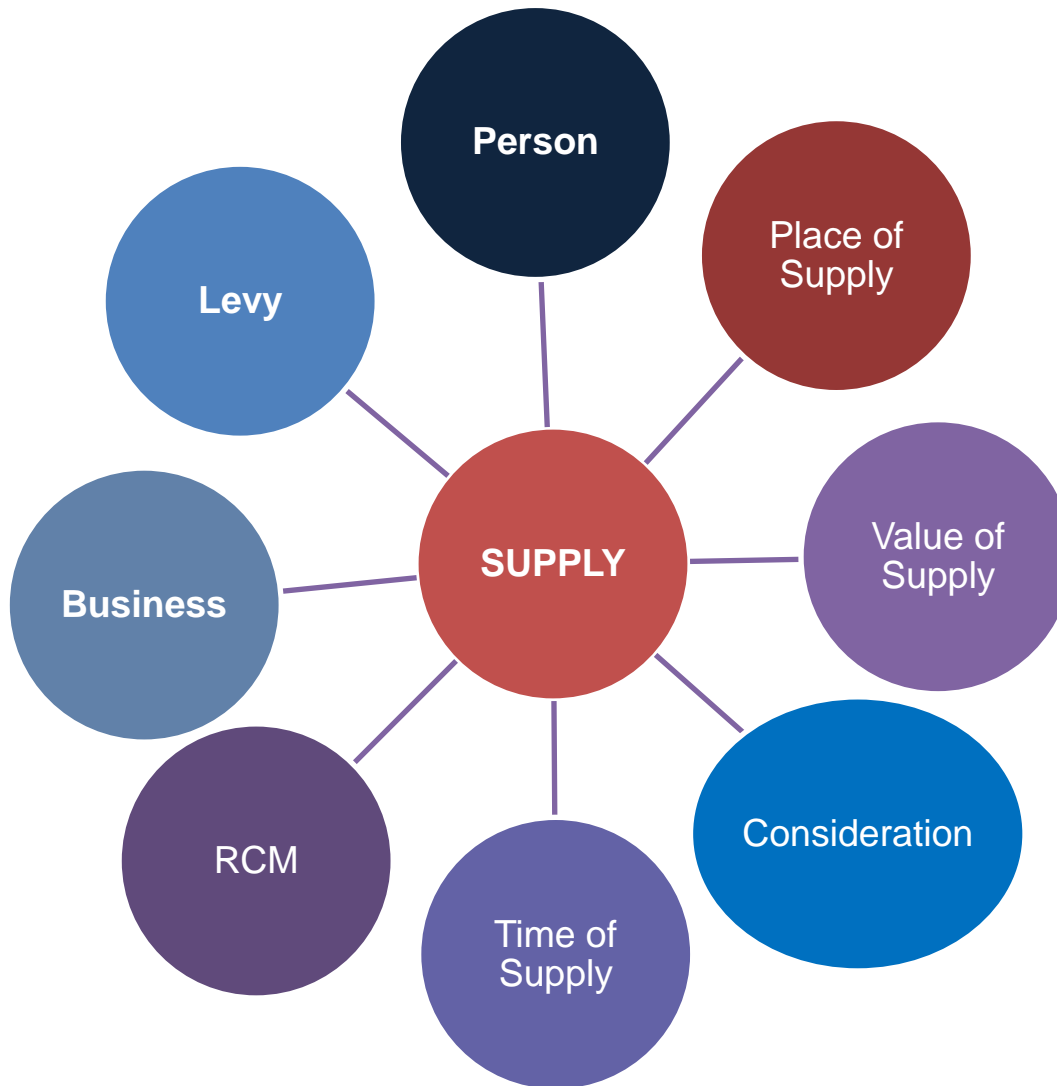


WORKFLOW

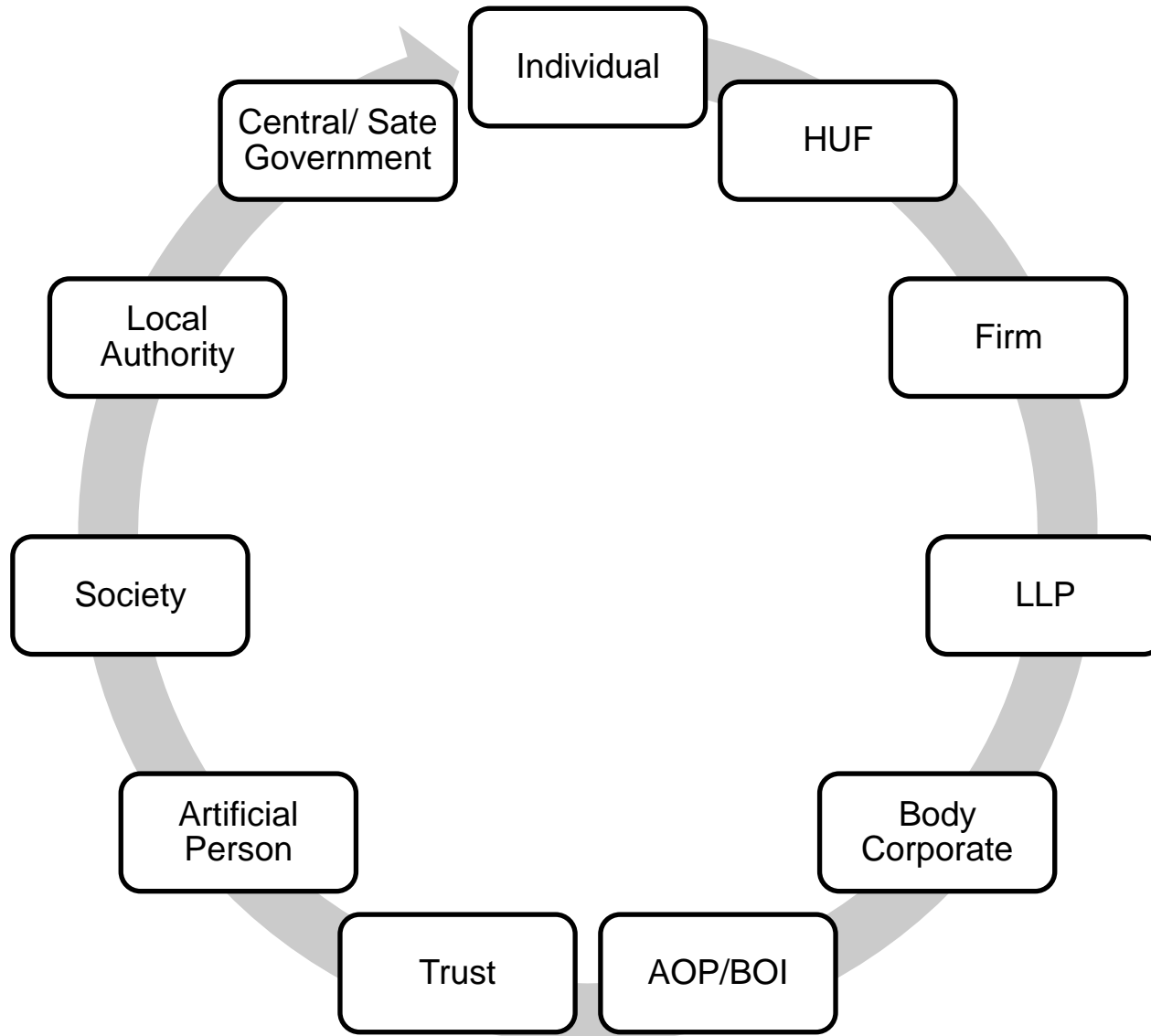


PILLARS OF GST

PILLARS OF GST



PERSON





- Person supplying goods and/or services and
- Shall include an agent acting as such on behalf of such supplier

Of supply of goods and/or services means

- a) the person liable to pay consideration
- b) no consideration is payable for the supply of goods,
 - the person to whom the goods are delivered or made available, or
 - to whom possession or use of the goods is given or made available, and
- c) no consideration is payable for the supply of a service, the person to whom the service is rendered, and
- d) Any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied

SUPPLY (TAXABLE EVENT)

SUPPLY INCLUDES

For **consideration** & in course or furtherance of **business**

- **All forms of Goods & Services such as;**
- Sale
- Barter (Two way Supply)
- Transfer
- Exchange
- License
- Rental
- Lease
- Disposal

Import of service

- **For Consideration**
- Whether or not in the course of furtherance of business.
- **Without Consideration**
- In the course of furtherance of business
- From Related Person or any of his other establishments outside country

Supply without consideration (Schedule I)

- Permanent **transfer/ disposal** of business assets on which ITC is availed
- Supply between distinct person or related person
- **Gift exceeding Rs 50,000** in a financial year by an Employer to an Employee
- Supply of goods by a principal to his agent where the agent **undertakes** to supply such goods on behalf of the principal, or
- Supply of goods by an agent to his principal where the agent **undertakes** to receive such goods on behalf of the principal.

SUPPLY OF GOODS (SCHEDULE-II)

- Transfer of **title** in goods
- Transfer of **title** in goods **under an agreement** at a future date upon payment of full consideration.
- **Transfer or Disposal** of goods forming part of **business assets** whether or not for a consideration.
- Goods forming part of Asset of business held by a person ceases to be taxable person. Except- Business transferred as a going concern or Business carried on by personal representative who is a taxable person.
- Supply of goods by any **unincorporated association or body of persons** to a member there of for consideration.

SUPPLY OF SERVICES (SCHEDULE-II)

Type	Example
Transfer of Goods or right in Goods without transfer of title	Giving Machinery on rent
Lease, tenancy, easement, license to occupy land	For defined period giving land for shooting movies
Leasing or letting of building (R,C,I) wholly or partly for Business or Commerce.	Renting of building to business entity for business
Renting of Immovable Property	Renting of Land
Treatment or process applied to another persons goods	Job Worker
Business Goods put to Private use (with or without consideration)	Computer manufacturer uses computer for private use
Construction of a complex , building or a civil structure where consideration is received before CC or first occupation, whichever is earlier	Sale of flat, shop etc by Builders before CC or first occupancy
Temporary transfer/use of Intellectual Property	Allowing a person to use your trademark (Mc Donald's)

SUPPLY OF SERVICES (SCHEDULE-II)

Type	Example
Development, Design, Programming, Customisation, Adaptation, Upgradation , Enhancement, implement of IT Software	Designing of Software for a company (ERP Program)
Works Contract	Construction of building
Agreeing to the obligation	To do an act Forfeiture of Advance, Compensation for termination of business agreement Refrain from an act Non Compete Fees To tolerate an act or an situation Penalty on early termination of agreement, Charges on early payment of loan, Demurrage charges, booking cancellation charges
Supply of food or any article or drink (other than liquor)	Catering

NOT A SUPPLY OF GOODS OR SERVICES SCHEDULE-III

• Services by an employee to the employer in the course of or in relation to his employment.
• Services by any Court or Tribunal
• Functions performed by the elected public representatives .
• Duties performed by person holding Constitutional posts
• Duties performed in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause
• Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
• Sale of land and Sale of Building after first occupation or completion certificate.
• Actionable claims, other than lottery, betting and gambling.
• Notified activities of CG, SG or Local authority as public authority

TYPES OF SUPPLY

Type	Meaning	Valuation	Example
Composite Supply	<ul style="list-style-type: none"> ▪ Comprising two or more supplies of goods or services, or any combination thereof, which are naturally bundled supplied in conjunction with each other in the ordinary course of business one of which is a principal supply. (Predominant element of composite supply) ▪ No option to purchase separately 	Principal Supply Item	<ul style="list-style-type: none"> • Goods packed, & transported with insurance. • TV with warranty & maintenance. • Works Contract • Travel in Rajdhani Express
Mixed Supply	<ul style="list-style-type: none"> • Two or more individual supplies of goods or services, or any combination thereof, for a single price. • No option to purchase separately 	Supply which attracts the highest rate of Tax.	Supply of Chocolate and aerated drinks for single price. Each can be supplied separately and is not dependent.
Exempt Supply	Means supply of any goods and/or services which are not taxable under this Act and includes such supply of goods and/or services which attract nil rate of tax or which may be exempt from tax by Central or State Government if satisfied in public interest.		<ul style="list-style-type: none"> • Supply of food grains • Basic Education Service
Zero Rated supply	<ol style="list-style-type: none"> 1. Exports; or 2. Supply to a SEZ developer or a SEZ unit. 		Supply from India to USA.

QUESTION	ANSWER
Inter State Self Supplies	Stock Transfer, Branch transfer or consignment sales taxable as IGST.
Intra State Self Supplies	Not taxable unless supply is to business vertical or other registration
Sale of goods purchased for personal use	Not a supply since not in the course or furtherance of business.
In composite supply if principal supply is taxable at lower rate	Valuation will be done as per principal supply component.
Distribution of Commodities by charitable institutions	Not a supply, as not in the course or furtherance of business.
Captive Consumption	No GST if there is no supply
Providing Corporate Guarantee	Will be treated as Supply

LOCATION

LOCATION

TERM	MEANING	
Location of Recipient of Service or Supplier of Service	<ul style="list-style-type: none"> • Place of business is Registered- Location of such place of business. • Place of business is Unregistered i.e fixed establishment elsewhere- Location of such fixed establishment. • More than one establishment-Location of the establishment most directly concerned. • In absence of such places, the location of usual place of residence of the recipient/supplier. 	
Usual place of residence	Taxable Person	What is usual place of residence
	Individual	Place where he ordinarily resides
	In other cases	Place where the person is incorporated or legally constituted

TIME OF SUPPLY



TIME OF SUPPLY

NATURE	TIME SUPPLY OF GOODS (Earlier of)	TIME SUPPLY OF SERVICE (Earlier of)
NORMAL SUPPLY	<ul style="list-style-type: none">▪ Date of Receipt of payment▪ Date of Issue of invoice▪ Removal of Goods (Movement)▪ Delivery of Goods (Other than Movement)	<ul style="list-style-type: none">▪ Date of Receipt in Books of Account.▪ Date of Invoice if issued within 30 days of provision of service or Date of payment.▪ Date of provision of service if invoice not issued within 30 days or date of payment.
REVERSE CHARGE	<ul style="list-style-type: none">▪ Date of Receipt of Goods▪ Date of Payment by Recipient▪ 31st day from Date of Invoice▪ Date of Entry in Books of Accounts of Recipient	<ul style="list-style-type: none">▪ Date of Payment by Recipient.▪ 61st day from Date of Invoice▪ Date of entry in Books of Accounts of Recipient
VOUCHERS	<ul style="list-style-type: none">▪ Issue of voucher, if the supply is identifiable.▪ Date of Redemption of Voucher	<ul style="list-style-type: none">▪ Issue of voucher, if the supply is identifiable.▪ Date of Redemption of Voucher
OTHERS	<ul style="list-style-type: none">▪ Date of Filing of Return▪ Date of Payment of GST	<ul style="list-style-type: none">▪ Date of Filing of Return▪ Date of Payment of GST
Interest, Late Fees or Penalty	Date of Receipt of payment	

Date of Receipt of Payment – Date on which payment is entered in Books of Account of Supplier

VALUE OF SUPPLY

VALUE OF SUPPLY

Transaction Value	Price actually paid or payable when <ul style="list-style-type: none">• Supplier or Recipient are not related.• Price is sole consideration.
Related Party	<ul style="list-style-type: none">• Officers or Directors of one another's business.• Legally recognised Partners in business.• Employer – employee.• A person directly/ indirectly owns/ controls/ holds 25% or more of outstanding voting stock or shares of both them.• One directly/ indirectly controls the other.• Both are directly/ indirectly controlled by a third person.• Together, they directly/ indirectly control a third person.• Sole agent / Sole distributor/ Sole Cessionaire of the other.• Members of the same family. "Family" means,—<ul style="list-style-type: none">i) spouse and children of the person, and(ii) parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person;
Inclusion	<ul style="list-style-type: none">• Amount paid by recipient instead of supplier, not included in price.• Incidental Costs/ Expenses(such as Commission, Packing etc)• Taxes, Duties, Cess, fees & charges other than GST if separately charged.• Interest or late fee or penalty for delayed Payment of any consideration.• Subsidies directly linked to price excluding subsidies provided by CG & SG
Exclusion	<ul style="list-style-type: none">• Discount before or at the time of supply and recorded in invoice.• <u>Post supply discount.</u><ul style="list-style-type: none">a) Established in terms of an agreement entered into at or before the time of supply and specifically linked to relevant Invoices.b) ITC attributable to the discount is reversed by the recipient.
Applicability of Valuation Rules	<ul style="list-style-type: none">a) Consideration wholly or partly not in moneyb) Parties are Relatedc) Supply by any specified category of supplierd) Transaction value declared is not reliable.

VALUATION RULES

Situation	Valuation
Supply when consideration is not wholly received in money	<ul style="list-style-type: none"> a) Open market value b) Money + Amount to be received in kind or; c) Value of like kind & quality d) Value based on cost e) Residual method
Value of supply of goods or services or both between distinct persons or related person (Associated Enterprises/Branch)	<ul style="list-style-type: none"> a) If invoice to be issued- value as per INVOICE b) In other case- <ul style="list-style-type: none"> i. Open market value ii. Value of supplies of same like & kind
Value of supply from principal to agent	<ul style="list-style-type: none"> a) Open market value b) 90% of the price charged by agent to unrelated parties. c) Value based on cost d) Residual Method
Valuation based on Cost	<ul style="list-style-type: none"> a) If supply is not covered under above rules then this rule is to be followed: b) 110% of cost of production or manufacture or cost of acquisition
Residual Method	<ul style="list-style-type: none"> • Valuation of specific supplies will be determined in the prescribed manner

VALUATION RULES

Situation	Value of supply		
Air Travel Agent	Basic Fare Means fare on which commission is paid	Domestic	5% of basic fare
		International	10% of basic fare
Life Insurance Business	• Single premium Annuity : 10% of premium		
	• Other than single premium annuity :	1 st year – 25% of premium	
		Subsequent years - 12.5% of premium	
	→Amount paid purely towards risk cover is to be excluded from the value		
Sale & purchase of second hand goods	• Value is equal to the difference between selling price and purchase price • If selling is less than purchase price, value is to be ignored. Condition- No credit is being availed on purchases		
Token, voucher, coupon or stamp	• money value of Goods or Services or both Condition:- such token, voucher, coupon or stamp is redeemable against supply of goods or services or both		

Pure Agent

Meaning	An agreement to act as a Pure agent to incur expenses on behalf of someone without holding any title & receives only actual amount
Conditions	<ul style="list-style-type: none"> • Payment to third party • Payment made by Pure Agent separately mentioned in invoice • The supplies procured by a Pure Agent are in addition to the services he supplies on his own account.

PLACE OF SUPPLY

PLACE OF SUPPLY- GOODS

Particulars	Place of Supply	Example
Movement of Goods by Supplier/ Recipient	Place where movement of goods terminated for delivery to the recipient.	A Ltd supplies to B Ltd electronic products at his factory. Place of Supply will be B Ltd location. In case of ex-factory supply place will be A Ltd location.
Supply on direction of Third Person by transfer to title documents (Sale during transit)	Location of such Third Person (whether agent or otherwise)	A Ltd supplies to B Ltd, B Ltd directs A Ltd to deliver the goods to C Ltd. Place of Supply will be B Ltd location.
Supply without movement	Location of goods at the time of delivery to recipient	'A' purchases grocery from 'B', sale completes at B's location. Place of Supply will be B's Location.
Supply of goods assembled or installed at site	Place where such assembly or installation took place	'A' purchases lift, to be installed at B's location. Location of 'B' will be Place of supply.
Supply on Board Conveyance- vessel, aircraft, train or motor vehicle	Location at which goods are taken on board	'A' purchases power bank from in-flight shopping catalogue on board. Location at which the power bank was taken in flight.
Import	Location of Importer	A Ltd purchased from B Ltd located in USA. Place of Supply will be B Ltd location.
Export	Location outside India	A Ltd supplied to B Ltd located in USA. Place of Supply will be B Ltd location.
Others	As per law of Parliament based on Council's suggestion	

Place of Supply of Services - Residual Category

Situation	Place of Supply
Supply to Registered Person	Location shall be the address of registered service recipient;
Supply to Unregistered Person	Address on records; Otherwise, the location of supplier of service

Place of Supply of Services – Location Based

Related to immovable property including services by architects, Interior decorators, Surveyors, engineers , estate agents, grant of right to use immovable property, carrying out or co-ordination of construction work
By way of accommodation in any immovable property for organizing marriage, reception, official, social, cultural, religious or business functions
Any Services ancillary to the above services
Admission to cultural, artistic, sporting, scientific, educational, entertainment event, amusement park or any other place and services thereto

Place of Supply of Services – Where the place where services are performed

Supply of Restaurant & Catering Services
Personal Grooming
Fitness/ Beauty Treatment/ Health Services including Plastic or Cosmetic surgery
Service in respect of goods/ recipient to be made physically available to the supplier

Situation	Place of Supply
Banking; financial; stock broking	<ul style="list-style-type: none">• Location of the recipient of services on the records of the supplier of services;• If the service is not linked to the account of the recipient of services, then the location of the supplier of services
Insurance	<ul style="list-style-type: none">• Location of the registered service recipient;• If not available then address on the records of the supplier of services
Organization of events, exhibitions; fair, conference, sponsorships	<ul style="list-style-type: none">• Location of registered service recipient;• If not available then location of such event
Transportation of goods including by mail or courier	<ul style="list-style-type: none">• Location of registered service recipient;• If not available then location of goods being handed over for their transportation
Training and performance appraisal	<ul style="list-style-type: none">• Location of the registered service recipient;• If not available then location where services are actually performed
Passenger transportation	<ul style="list-style-type: none">• Location of registered service recipient;• If not available then location where the passenger embarks on the conveyance for a continuous journey
Place of Supply of services on board conveyances including vessel, aircraft, train or motor vehicle	<ul style="list-style-type: none">• Location of the first schedule point of departure of conveyance for the journey

Situation	Place of Supply
Supply of advertisement services to Central, State Government	Shall be taken as being of each state or union territory in proportion to value of supply
Hiring of means of transportation including yacht but excluding aircrafts for a period up to a month	Location of Supplier of service.
Service Provider or Recipient located outside India	<p>Where service is performed</p> <p>Example:</p> <ul style="list-style-type: none">• Services in relation to goods where goods are to be made available by the recipient to the supplier• Services to an individual which require physical presence of the recipient with the supplier for supply of services• Not applicable in case the goods are imported for repairs and exported after repairs

BUSINESS: includes

- a) any **trade, commerce, manufacture, profession, vocation, adventurer, wager or any other similar activity**, whether or not it is for a pecuniary benefit;
- b) any activity or transaction in **connection with or incidental or ancillary** to (a) above;
- c) any activity or transaction in the nature of (a) above, whether or not there is volume, frequency, continuity or regularity of such transaction;
- d) **supply or acquisition** of goods including capital assets and services in connection with commencement or closure of business;
- e) provision by a **club, association, society, or any such body** (for a subscription or any other consideration) of the facilities or benefits to its members, as the case may be;
- f) admission, for a consideration, of persons to any **premises**; and
- g) services supplied by a person as the **holder of an office** which has been accepted by him in the course or furtherance of his trade, profession or vocation
- h) services provided **by a race club by way of totalisator or a license to book maker** in such club.
- i) Any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities shall be deemed to be business.



CONSIDERATION

“consideration” in relation to the supply of goods or services or both includes—

- a) Any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;
- b) The monetary value of any actor forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such unless the supplier applies such deposit as consideration for the said supply.

REVERSE CHARGE

REVERSE CHARGE

Meaning	Liability to pay on recipient instead of supplier.
Applicability	Goods & Services
Registration	Compulsory, threshold limit not applicable
Coverage	<ul style="list-style-type: none">• Unregistered Dealer selling to Registered Dealer• Notified categories supply of services.• Concept of Partial RCM is being removed.• 100% service tax to be paid by service receiver
Input Tax Credit	Would be available
Payment Mode	Cash (ITC not allowed)

SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Service	Provider of service	Recipient of Service	Percentage of tax payable
Taxable Service received from outside India	Person located in a non taxable territory	Any person located in India other than non assessee online recipient (Business Recipient)	18%
Transportation of Goods by road	Goods Transport Agency (GTA)	a) Any factory b) Any society c) Any co-operative society d) Registered Person e) Any body corporate f) Any partnership firm g) Association of persons h) Casual taxable person	5%
Legal services	Individual advocate or firm of advocates	Any business entity	18%
Arbitration	An arbitral tribunal	Any business entity	18%
Sponsorship services	Any person	Any body corporate or partnership firm	18%
Insurance agent	Insurance agent	person carrying on insurance business	18%
Recovery Agent	Recovery agent	banking company or financial institution or NBFC	18%
Services by a director of a company or a body corporate	A director	A company or a body corporate	18%

SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Service	Provider	Recipient	% of tax payable
Services provided by Government or local authority excluding:- 1. Renting of immovable property 2. Services by department of Posts by way of speed post, express parcel post, life insurance & agency services provided to a person other than Government. 3. Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport 4. Transport of goods or passengers.	Government or Local Authority	Any business entity	18%
Transportation of goods by a vessel from a place outside India up to the Customs station of clearance in India	A person located in non taxable territory	A person located in non taxable territory	5%
Transfer or permitting the use or enjoyment of a copyright under the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works	Author or music composer, photographer, artist, etc	Publisher, Music Company, Producer	12%
Radio taxi or passenger transport Services provided through ECO	Taxi driver or Rent a cab operator	Any person(but tax liability by ECO)	5%

INPUT TAX CREDIT

DEFINITION -ITC

Capital Goods	Goods whose value is capitalized in the books of accounts of the person claiming the credit; and which are used or intended to be used in the course or furtherance of business.
Input	Any goods other than capital goods, used or intended to be used by a supplier for in the course or furtherance of business.
Input Service	Service •used or intended to be used in the course or furtherance of business.

INPUT TAX CREDIT

PROVISIONAL CREDIT	PREREQUISITES FOR FINAL CREDIT	FINAL CREDIT	VALIDITY
Entitled to claim credit on self-assessed basis as per return filed.	Receipt of Invoice or Debit note or Tax Paying Document.	<ul style="list-style-type: none">• Credit claimed will be matched with the corresponding details of outward supply.• After Matching, final credit will be available.• Rectification allowed till September 30 or date of filing of annual return whichever is earlier.	Valid for 1 Year from the Invoice Date
	Received Goods and/or services		
	The tax is actually paid in respect of such supply to the Government.		
	Return is furnished.		

Manner of Adjustment of Input Tax Credit

ORDER	CGST	SGST	UTGST	IGST
1	CGST	SGST	UTGST	IGST
2	IGST	IGST	IGST	CGST
3	×	×	×	SGST
4	×	×	×	UTGST

ITC OF COMPENSATION CESS

INELIGIBLE ITC

Personal Consumption
Input proportion to Exempt Supplies
Motor vehicle and other conveyances (except for the purpose of making taxable supplies)
Food and beverages, outdoor catering, beauty treatment, health services, cosmetic & plastic surgery (except used by a registered taxable person for making an outward taxable supply of the same category of Goods & Services).
Membership of club, health and fitness centre
Rent a Cab, Life Insurance, Health Insurance except notified by Government
Travel Benefits extended to Employees
Works Contract Services when supplied for Construction of Immovable Property (other than Plant & Machinery) except where it is an input service for further supply of works contract service.
Goods or Services used for Construction of Immovable Property (other than Plant & Machinery) on his own account, even when used for furtherance of business.
Composition Scheme
Tax paid during Investigation or proceedings invoking extended period
Goods lost, stolen, destroyed, free samples
Goods or Services or both received by a Non-Resident taxable person except on Goods imported by him.

INPUT TAX CREDIT

ITC for New Registration.	<ul style="list-style-type: none">• Application for registration within 30 days of eligibility.• ITC of Input/ Semi finished goods/ Finished goods held in stock as on the preceding date of application. Eligible.• What about Capital Goods?
ITC on Capital Goods	Permitted in one installment
Time limit for payment of consideration by Recipient to Supplier	<ul style="list-style-type: none">• 180 days from the date of issue of Invoice• If not paid will be added to output tax liability• Would be required to pay interest• Can again take ITC on payment of consideration & Tax
Depreciation claimed on ITC portion	Not eligible
Time limit for availing	<ul style="list-style-type: none">• On or before 30th September from the end of financial year in which supply was made OR• The date of filing Annual Return (whichever is earlier)
ITC on Advance Amount	Not allowed
Goods received in lots against an Invoice	Receipt of last lot as mentioned in Instrument.
Bill to Ship to Scenario	ITC would be available to person on whose order goods are delivered to third person.

ITC- MATCHING

MATCHING

- GSTIN
- Invoice No. & Date
- Value & Qty
- ITC

Details of outward supply

Filed by outward supplier by 10th of the Next month

Details of inward supply

Filed by recipient by 15th of the next month

Discrepancies on account of

Duplication of credit claims by recipient

Intimation Only to Recipient

Amount of **discrepancy shall be added to the output tax liability** of recipient in the month in which duplication is communicated

Interest Levy:

Recipient shall be liable to pay interest from the date of availing of credit till the corresponding additions

Credit claimed by recipient is in excess of tax declared by supplier for outward supply

Intimation to both supplier and recipient

Supplier **rectifies** in the return for the month in which discrepancy is intimated

The claim of input tax credit shall be finally accepted subject to Payment within 180 days

Supplier **failed to rectify** in the return for the month in which the discrepancy is intimated

Amount shall be **added to the output liability of the recipient** along with interest from the date of availing of the credit till the corresponding additions are made

INPUT SERVICE DISTRIBUTOR

Meaning	An office, Head Office, Depot, Regional Offices of the supplier which receives tax invoices towards receipt of input services for distributing the credit to supplier units having same PAN.	
Manner of Distribution	a) Distributor & Recipient in Same State b) Distributor & Recipient in Different State	
Conditions	<ul style="list-style-type: none"> • Distribution by prescribed ISD Invoice. • Amount not to exceed amount available for distribution. 	
Distribution Condition	Condition	Distribution
	Specific Recipient	Specific Recipient
	More than 1 but not all	Pro rata on the basis of turnover of Relevant period
	All Recipient	Pro rata on the basis of turnover of Relevant period
How ISD will be registered?	separately registered in addition to the normal registration.	How ISD will be registered?
Multiple ISD registration	Yes	Multiple ISD registration

CREDIT RATING & BLACK LISTING

Assignment of Rating	Every taxable person shall be assigned a GST Compliance rating score based on his records of compliance with the provisions of the Act
Determination of Rating	<p>Ratings will be determined on basis of following factors:</p> <ol style="list-style-type: none"> 1. Regular payment of Taxes. 2. Timely e-filing of GST Returns. 3. Matching of transactions of outward & inward supplies. 4. Transparent Reconciliations. 5. Cooperation in dealing with GST Department
Privileges	A taxable person with higher rating may be given certain privileges while as a lower rating may invite enhanced surveillance.
Black Listing of Taxable Person	<ul style="list-style-type: none"> • Rating lower than prescribed limit will be black listed. <p>The following shortcomings are triggers for Black Listing:</p> <ol style="list-style-type: none"> 1. Fall below the prescribed level of rating would lead to blacklisting. 2. Continuous default for 3 months in ITC which has been reversed. 3. Continuous default in filing returns for 3months. 4. Continuous short reporting of sales beyond prescribed limit for a period of 6 months. <ul style="list-style-type: none"> • Blacklisted GSTIN's cannot be uploaded in purchase details. • Once blacklisting is lifted, buyers can avail unclaimed ITC subject to dealer uploading sales details along with tax
Benefits of High Compliance Ratings	<ol style="list-style-type: none"> 1. Ratings will be available on public domain, business with highly rated taxable person would be preferred over others. 2. Enjoy trust of tax authorities and less chances of scrutiny. 3. No locking up of otherwise allowable input credit. 4. More business as it will make them best choice for buyers. 5. Add to good governance aspects of organization. 6. Reputation enhancement

COMPOSITION SCHEME

Preceding F.Y Aggregate turnover	Less than Rs. 75 lacs. Scheme is Optional			
Input Tax Credit	Cannot be claimed			
Collection of tax	Shall not collect any tax from recipient			
Penal provisions	GST at full rate+ 100% Penalty + Interest			
Maximum Rates	NATURE	CGST	SGST	TOTAL
	Manufacturer	1%	1%	2%
	Restaurant	2.5%	2.5%	5%
	Other Supplies	0.5%	0.5%	1%
Mention on Bill of Supply	“ Composition Taxable Person, not eligible to collect tax on Supplies”			
Every Place of Business	Shall mention the words “ Composition Taxable person”.			
Not eligible for Composition	a. Aggregate turnover greater than 75 lacs b. Interstate outward supply of Goods c. Supply Of Services other than Restaurant d. Supply of Goods not liable to Tax under UTGST/SGST/CGST e. Supply of Goods through ECO who is liable for TCS f. Manufacturer of such Goods notified by Government			
Tax under RCM	Would be payable.			
Will a taxable person be eligible to opt for composition scheme only for one out of 3 business verticals?	No, all registrations under same PAN will be covered.			
ITC to Purchaser?	Not available			

JOB WORK

Meaning	Undertaking any treatment or process on Goods (Inputs & Capital Goods) belonging to another registered taxable person (classified as service)
Direct Sending of Inputs & Capital Goods	<ul style="list-style-type: none"> • Allowed but have to be received within 1 year (Inputs) and 3 years (Capital Goods) from being sent out. • The condition of bringing back capital goods within 3 years is not applicable to moulds, dies, jigs and fixtures or tools. • If not received, treated as supply by principal to Job Worker • ITC available to principal
Procedure	<ul style="list-style-type: none"> • Will be treated as supply but under intimation (before despatch) and cover of challan principal may send inputs and capital goods without payment of tax. • The Inputs/ Capital Goods shall be sent by Principal under the cover of challan. • The challan shall contain details such as challan number, date, name, address, GSTIN of consignee & consignor, HSN code, description of goods, Quantity, Value, Tax Rate & amount (if being paid), place of supply & signature. • Details of challan of Goods despatched to Job Worker or received from Job Worker to be disclosed in periodical GSTR-1.
Sending of Intermediate Goods by Principal	<ul style="list-style-type: none"> • Allowed, since inputs includes intermediate goods
Sending by one Job Worker to Another Job Worker	<ul style="list-style-type: none"> • Allowed, but under intimation & challan.
Maintenance of Accounts	<ul style="list-style-type: none"> • Responsibility of Principal for Job Work related Inputs & Capital Goods
Registration by Job Worker	Yes. If his Aggregate Turnover exceeds prescribed Limits. If unregistered Principal will pay tax under RCM.

Waste or Scrap sold directly by Job Worker	<ul style="list-style-type: none"> • Can be supplied by the job worker directly from his place of business, on payment of tax, if he is registered. • If he is not registered, the same would be supplied by the principal on payment of tax.
Supply by Principal from premises of Job Worker	<ul style="list-style-type: none"> • Only if Job Worker is Registered. • If Job Worker not registered, the principal declares the Place of Job Worker as additional place of business. • Principal engaged in Supply of Goods notified by Commissioner.
Value of goods in turnover of Job worker for Job Work	<ul style="list-style-type: none"> • Excluded if supplied directly by Principal • Include goods or services received by Job Worker on his own account
Job worker working for number of principals	<ul style="list-style-type: none"> a) Principals to include the name of job worker. b) Difficulty in allocation of goods lying at job worker premises to particular principal. c) Shortage/Excess of goods how to be accounted.
Inter State Job Work or Intra State Job Work	Allowed without payment of Duty on transfer of Inputs or capital goods

TRANSITIONAL PROCEDURES - JOB WORKER

Case	Provisions
Inputs removed for job work prior to appointed date	<ul style="list-style-type: none">• Return within 6 months- No tax Payable (Extension For 2 months)• Return After 6 months or extended period- Supply, Tax Payable• Principal & Job worker to file Form GST TRAN-1 within 60 days of appointed date.• Match the Input Credit and Stock Value at the place of Job Worker
Semi-finished goods had been removed for job work prior to appointed date	
Excisable goods manufactured at a place of business had been removed for job work prior to appointed date	
Stock held by Job Worker on Appointed Date	

REGISTRATION

When	30 Days from becoming liable to pay tax	
Where	In every state from where the taxable supply is made	
Threshold Limit	Aggregate turnover more than Rs 20 Lacs Aggregate turnover more than Rs 10 Lacs North east states (i.e. Arunachal Pradesh, Assam, Meghalaya, Manipur, Tripura, Mizoram & Nagaland), Sikkim, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.	
No liability to Register	Below threshold limit, Agriculturist, Exclusive supply of non-taxable or wholly exempted goods.	
Casual Taxable person & Non Resident taxable person	<ul style="list-style-type: none"> • Person who occasionally undertakes supply in state/UT, where he has no fixed place of business or residence in India. • 5 days prior to Commencement of business. • Certificate of Registration will be valid till the period specified in application OR • 90 days from effective date, whichever is earlier.(extension by 90 days) • Payment of tax in advance. 	
Effective Date of registration	Submission of Application	Effective Date
	Within 30 days from due date.	Due date of Application
	After 30 days from due date	Date of grant of Registration
Voluntary registration	Yes	
Suo Moto Registration	Yes, if person liable to be registered , fails to obtain. Mainly in case of surveys, enquiry, inspection or search.	

GSTIN-State wise PAN based 15 digit Number

REGISTRATION

X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---


State Code


PAN

  
Business Vertical Blank Check-sum

Brief Process of Registration

Step No.	Process
1	Fill Part-A of form REG-01
2	Provide your PAN, Mobile No. & Email Id
3	PAN is verified on Portal & Email Id & Mobile No. is verified with OTP
4	Receive an application reference number on your mobile no. & email
5	Fill Part-B of form REG-01 and specify application reference number
6	Attach Documents
7	Submit the Form
8	Certificate of Registration in Form GST REG-06 will be issued in 3 days.
9	If additional information is required, Form GST REG-03 will be issued within 3 days from date of submission of application
10	Respond to form GST REG-03 by form GST REG-04 within 7 working days.

Mandatory Registration (Threshold not applicable)

- Inter state supplies
- Casual Taxable Person
- Reverse Charge Mechanism
- Non resident taxable person
- TDS/TCS
- Agent
- E – commerce operator
- ISD
- Online Data (OIDAR) Service whose delivery is mediated by IT over Internet or Electronic Network (minimum or human intervention)
- SEZ Developer or SEZ Unit.
- Other Notified persons.

CANCELLATION OF REGISTRATION

By Registered Person	<ul style="list-style-type: none">a) Discontinuance of Businessb) Change in constitution of Businessc) Transfer of Businessd) No longer liable for Registration <ul style="list-style-type: none">•Application on GSTN portal•Include details of closing stock & liability•Pay amount equivalent to credit of Input tax on date immediately preceding date <p>Stock – Inputs / Semi Finished / Finished Capital Goods</p>
By Officer	<ul style="list-style-type: none">a) Contravention of provision of Act/ Rulesb) Non filling of Returns for continuous period of 6 monthsc) Non filing of 3 consecutive Returns (composition)d) Voluntary Registration if business not commence within 6 monthse) Registration by fraud, willful misstatement or suppression of facts <ul style="list-style-type: none">•Issue SCN (Reply time 7 days)•Notify taxable person of arrears, tax, interest or penalty.
Revocation of Cancellation	<ul style="list-style-type: none">a) Only when initial cancellation is done suo moto by Officerb) Application within 30 days of receipt of order for Revocationc) Pending Liability OR Pending Returns – Revocation after Completion.d) Within 30 days of Application or receipt of clarification, revoke the cancellation or reject application.

ELECTRONIC WAY BILL

Threshold	<ul style="list-style-type: none"> On every consignment value of over Rs 50,000 where movement of goods is involved. Optional to generate E-Way bill if consignment value is less than Rs 50,000 	
Coverage	It will be applicable on every movement of goods whether it is connected with the sale or supply or not.	
Time limit from the time of generation of bill)	Distance	Validity Period
	Less than 100 km	1 day
	100 km or more but less than 300 km	3 days
	300 km or more but not more than 500 km	5 days
	500 km or more but not more than 1000 km	10 days
	1000 km or more	15 days
Generating E-way bill	<ul style="list-style-type: none"> By Registered Person as consigner or consignee If not generated by Registered Person, by the Transporter If consigner or consignee are unregistered the E-Way bill may be generated either by unregistered person or by transporter 	
Transfer in Transit	Before transfer & further movement of goods generate new E-way bill	
Multiple consignments	Transporter shall indicate serial number of each consignment and generate consolidated e-way Bill	
Cancellation	Can be done if goods are not transported	
Acceptance or Rejection by Recipient	<ul style="list-style-type: none"> Acceptance within 72 hours of details being made available Deemed acceptance if not accepted within 72 hours. 	
Verification of Conveyance	<ul style="list-style-type: none"> Commissioner or officer empowered by him Authorized to verify E-Way Bill 	
Inspection of goods in Transit	<ul style="list-style-type: none"> Preliminary Inspection Report within 24 hours. Final Inspection Report within 3 days If vehicle is detained for more than 30 minutes, transporter can upload information. 	

TAX INVOICE, DEBIT & CREDIT NOTES

Supply of Goods	<ul style="list-style-type: none">• If there is a movement of goods to be issued before or at the time of removal of goods• To be issued in Triplicate Original-Recipient Duplicate- Transporter Triplicate-Supplier• If there is no movement of goods at the time of Delivery of goods or making the goods available• Bill of supply for non taxable goods and composition scheme
Supply of Services	<ul style="list-style-type: none">• Before or after provision of service but within 30 days from the date of supply of service• Insurer, bank, Financial Institution, NBFC within 45 days from date of supply• Notified supplies between distinct persons before expiry of quarter during which supply was made• To be issued in Duplicate Original- Recipient Duplicate- Supplier• Bill of supply for non taxable service & composition scheme
Non Requirement of Tax Invoice or Bill of Supply	<ul style="list-style-type: none">• If the value of supply is less than Rs 200 tax invoice is not required to be issued unless the recipient is not a registered & recipient does not require such invoice• Consolidated tax invoice for such supplies at the end of each day shall be issued

Advance Voucher Receipt	<ul style="list-style-type: none">• Will be issued by Registered Person for advance payment received• If supply is not made against advance voucher, the Recipient shall issue Refund Voucher along with Return Payment
Invoice By Recipient	<ul style="list-style-type: none">• Receipt of goods/ services from non registered person• Tax is payable on RCM basis• Recipient shall issue payment voucher at the time of making payment to supplier
Continuous supply of goods	<ul style="list-style-type: none">• Invoice before or at the time each statement is issued or each payment is recovered
Continuous supply of services	<ul style="list-style-type: none">• If due date of payment ascertainable on or before due date of payment• If due date of payment not ascertainable from contract before or at the time payment is received• If payment is linked to completion event on or before date of completion of event.
Termination of contract before Completion of Supply	<ul style="list-style-type: none">• Invoice shall be issued at the time of termination to the extent of supply made before termination
Sale on Approval	<ul style="list-style-type: none">• Issue invoice before or at the time when it becomes known that the supply has taken place OR• 6 months from the date of removal, (whichever is earliest)

Transportation of goods in knocked down condition	<ul style="list-style-type: none"> a) Supplier to issue complete invoice before dispatch of first consignment b) Issue delivery challan for subsequent consignments giving reference of original invoice c) Each consignment shall be accompanied by certified copy of complete invoice & corresponding delivery challan d) Original copy of invoice shall be sent along with last consignment
Invoice for export	<ul style="list-style-type: none"> • Shall carry an endorsement “supply meant for export on payment of Integrated Tax” OR “Supply meant for export under Bond or Letter of undertaking without payment of Integrated Tax” • Shall additionally contain name and address of recipient, address of delivery & name of country of destination
Serial Number	<ul style="list-style-type: none"> • A consecutive serial number not exceeding 16 characters, in or more multiple series, containing alphabets or numerals or special characters hyphen or dash & slash symbolised as “-” and “/” respectively and any combination thereof, unique for a financial year.
Transportation of goods without invoice	<ul style="list-style-type: none"> • Purpose: <ul style="list-style-type: none"> a) Quantity of liquid gas is not known at the time of removal b) Transportation of goods for job work c) Transportation of goods for reason other than supply d) Supplies notified by Board • Delivery challan to be issued by consigner at the time of removal of goods for transportation in Triplicate • Declaration regarding challan in E-Way bill • If tax invoice could not be issued at the time of delivery of goods, the tax invoice shall be issued after delivery of goods
Special Provisions	<ul style="list-style-type: none"> • RP engaged in Banking, NBFC and Passenger transport service are provided liberty from quoting certain details • RP engaged as GTA should mention additional details such as gross weight, consignor, consignee, Registration Number of Carriage, Place of Origin, Place of Destination, GSTIN No. of person liable to make payment of tax.

Debit Note

- Taxable value and/or tax charged in invoice is **Less** than the taxable value and/or tax payable (upward revision)
- To be issued by supplier within 30 days

Credit Note

- Taxable value and/or tax charged in invoice is **More** than taxable value and/or tax payable (downward revision)

Disclosure in return	Debit note and credit note should be disclosed in the return of the month in which it is issued.
Time Limit	<ul style="list-style-type: none">• On or before 30th September from the end of financial year in which supply was made OR• The date of filing Annual Return (whichever is earlier)
Noting on DN/CN	<ul style="list-style-type: none">• Invoice Number of the original Supplies made.• Contain the word 'Revised Invoice'.

CONTENTS OF INVOICE

Purpose	Taxable Supply	Composition Scheme	Advance Received	No Supply against advance	RCM	Revised TI & DN/CN	ISD	Goods sent on approval
Point	Tax Invoice	Bill of supply	Receipt Voucher	Refund Voucher	Payment Voucher			Delivery Challan
Name, Address, GSTIN (supplier)	Y	Y	Y	Y	Y	Y	Y	-
Serial number	Y	Y	Y	Y	Y	Y	Y	-
Date of its issue	Y	Y	Y	Y	Y	Y	Y	-
Name, Address, GSTIN (recipient)	Y	Y	Y	Y	Y	Y	Y	-
HSN	Y	Y	-	-	-	-	-	Y
Description of goods& services	Y	Y	Y	Y	Y	-	-	Y
Quantity of goods or Unique Quantity code	Y	-	-	-	-	-	-	Y
Total value of supply	Y	Y	-	-	-		-	-
Taxable value of supply	Y	-	-	-	-	Y	-	Y
Rate of tax	Y	-	Y	Y	Y	-	-	Y
Amount of tax	Y	-	Y	Y	Y	-	-	Y

CONTENTS OF INVOICE

Point	Tax Invoice	Bill of supply	Receipt Voucher	Refund Voucher	Payment Voucher	Revised TI & DN/CN	ISD	Delivery Challan
Place of supply	Y	-	Y	-	Y	-	-	Y
Address of delivery	Y	-	-	-	-	-	-	-
Whether tax payable on reverse charge	Y	-	Y	Y	-	-	-	-
Signature/ digital signature	Y	Y	Y	Y	Y	Y	Y	Y
Amount of advance taken	-	-	Y	-	-	-	-	-
Amount of refund	-	-	-	Y	-	-	-	-
Amount paid	-	-	-	-	Y	-	-	-
Amount of credit distributed	-	-	-	-	-	-	Y	-
Nature of document	-	-	-	-	-	Y	-	-
Name & Address of recipient & address of delivery, name of state & code	Y	-	-	-	-	Y	-	-


DN- Debit Note

CN- Credit Note

TI- Tax Invoice

ISD- Input Service Distributor

FORMAT OF INVOICE

		<p align="center">COMMON INVOICE</p> <p align="center">YOUR COMPANY NAME</p> <p align="center">YOUR COMPLETE BUSINESS ADDRESS LINE -1</p> <p align="center">YOUR COMPLETE BUSINESS ADDRESS LINE - 2</p> <p align="center">info@yourbm.com</p> <p align="center">www.yourbm.com</p>													
		Your Gstin Number: Tax Is Payable On Reverse Charge: (Yes/No) Your Invoice Serial Number: Your Invoice Date:								Transportation Mode: (Apply for Supply of Goods only) Veh.No : Date & Time of Supply: Place OF Supply:					
Details of Receiver (Billed to)								Details of Consignee (Shipped to)							
Name: Address : State: State Code : GSTIN Number:								Name: Address : State: State Code : GSTIN Number:							
S.No	Description of Goods	HSN Code (GST)	Qty	UOM	Rate	Total	Discount	Taxable value	CGST		SGST		IGST		
									Rate	Amount	Rate	Amount	Rate	Amount	
						₹ -	₹ -	₹ -		₹ -		₹ -		₹ -	
											₹ -		₹ -		₹ -
Invoice Value (In Words)										Total					₹ -

ACCOUNTS & RECORDS

Records to be maintained by a Registered Person at Principal Place of business	<ul style="list-style-type: none"> • Manufacture/Production of goods. • Supplies attracting payment under RCM. • Output tax payable & paid. • Input tax credit availed. • Stock of goods. • Goods/ Services Imported or Exported. • Inward/ Outward supply of goods/services. • Such other particulars as may be prescribed.
More than one Place of Business	<ul style="list-style-type: none"> • Accounts relating to each place shall be kept at such places
Audit of Accounts	<ul style="list-style-type: none"> • By CA / Cost Accountant if Turnover exceeds prescribed limit
Retention of Accounts	<ul style="list-style-type: none"> • 72 months (6years) from the date of filing annual return.
Mode of Retention	<ul style="list-style-type: none"> • The records are to be maintained in physical form or electronic form as prescribed.
Records in Electronic Form	<ul style="list-style-type: none"> • Proper backup with restoration time of reasonable period • On demand produce <ol style="list-style-type: none"> 1. the records in hand copy or soft copy with duly authentication. 2. Audit trails, inter linkage source documents financial accounts, record lay out, data dictionary and explanation of codes, total number of records in each field along with sample copy of Documents. • A log of every entry edited/ deleted has to be maintained • Authentication by means of a digital signature

Maintenance of Accounts by Registered Persons (RP)

(except for person paying tax u/s 10, opted for Composition Scheme)

Accounts	With regard to stock	With regard to advances
<ul style="list-style-type: none">• Invoices• Bills of supply• Delivery Challans• Credit/Debit Notes• Receipt Vouchers• Payment Vouchers• Refund Vouchers• E-way Bills	<ul style="list-style-type: none">• Opening balance• Receipts• Supply• Goods lost/ stolen/ destroyed/written off/disposed by gifts/samples• Closing balance• (RM, FG, Scrap, Wastage)	<ul style="list-style-type: none">• Advances received• Advance paid• Advance Adjustments

Tax Payments	Register	Details
<ul style="list-style-type: none">• Payable under RCM• Tax collected & Paid• Input Tax• Input Tax Credit Claimed	<ul style="list-style-type: none">• Tax Invoice• Debit Note• Credit Note• Delivery Challan (Issued/ Received)	<ul style="list-style-type: none">• Name & Address of Supplier• Name & Address of Recipient• Address of premises where goods are stored.

- Activity wise separate Accounts for Manufacture, Trading, Provision of services etc.
- RP manufacturing goods shall maintain Monthly production accounts showing quantitative details of:
 1. Raw material/input services used
 2. Goods manufactured.
 3. Waste & By products.
- Registered Person supplying services shall maintain quantitative details of goods used, ITC utilized and services provided.
- Each Volume of books of accounts shall be serially numbered.
- Any entry in registers, accounts, documents shall not be erased, effaced or overwritten without proper attestation after recording correct entry.

Records to be maintained by following persons.

Agent	<ul style="list-style-type: none"> • Authorization from each principal separately to receive/ supply goods or services. • Description, Value & Quantity of goods/ services received/supplied on behalf of every principal. ▪ Details of accounts furnished to every principal. ▪ Tax paid on receipt/ supply of Goods/services effected on behalf of every principal.
Registered person executing Works Contract	<p>For each work contract separately:-</p> <ul style="list-style-type: none"> • Name & Address of person on whose behalf the work is executed. • Description, value & quantity of goods/services received and utilized. • Details of payment received. • Name & address of suppliers from whom he has received goods/services.
Custodian of Carrier or Clearing & Forwarding Agent	<ul style="list-style-type: none"> • True and correct records in respect of goods handled by them on behalf of Registered Person. • Shall produce as and when required by the proper officer.
Owner/ operator of Godown/ Warehouse	<ul style="list-style-type: none"> • Maintain Books of Accounts in respect of goods remained in warehouse. i.e. dispatch, movement, receipt & disposal of such goods. • Details of Consignor & Consignee. • Store goods in such manner that they can be identified item wise & owner wise & shall facilitate any physical verification/ inspection by the proper officer on demand.
Transporters	<ul style="list-style-type: none"> • Shall maintain records of goods transported, delivered and goods stored in transit by him for each of his branches
Rights to Commissioner	<ul style="list-style-type: none"> • To notify a class of taxable person to maintain additional accounts or documents

RETURNS

Freq.	Form	Particulars	Time Period	Features
Monthly	GSTR-1	Outward Supplies	10 th of Next Month	<ul style="list-style-type: none"> • All supplies taxable, Exempted, non-taxable and nil rated. • Tax payable under RCM. • Auto Correction after 1A is accepted. • Provision for correction of previous month.
Monthly	GSTR-2A	Monthly Details of outward supplies furnished by the supplier as made available electronically to each of the registered taxable persons (recipients)	Generated through Common Portal	
Monthly	GSTR-2	Inward Supplies (Non RCM & RCM)	11 th to 15 th of Next Month	<ul style="list-style-type: none"> • Provision to include any inward supplies which has not been auto populated. • Provision to include the inward supplies for which tax is required to be paid on RCM and which has not been auto populated. • Provision for correction of previous month.
Monthly	GSTR-1A	Monthly Details of inward supplies added, corrected or deleted by the recipient shall be made available to the supplier electronically	Generated through Common Portal	
Monthly	GSTR-3	Consolidated Return (Outward Supplies, Inward Supplies, ITC, Payment)	20 th of the Next Month	<ul style="list-style-type: none"> • Most information are auto populated based on GSTR-1 & GSTR-2. • Auto populated Tax, interest, late fee and penalty paid from Electronic cash ledger and ITC ledger

Freq.13	Form	Particulars	Time Period	Features
Quarterly	GSTR-4	Composition Scheme	18 th after the end of Quarter	<ul style="list-style-type: none"> • Provision for Inward supplies including supplies received from unregistered persons other than auto populated. • Provision for outward supplies made intra state & inter state and amendment thereto. • Provision to include the inward supplies for which tax is required to be paid on reverse charge basis and which has not been auto populated.
Monthly	GSTR-5	Non-Resident Foreign Taxable Person	20 th of the Next Month & within 7 days after expiry of registration	<ul style="list-style-type: none"> • Provision for goods & Services imported and amendment thereto.
Monthly	GSTR-6	Input Service Distributor	13 th of the Next Month	
Monthly	GSTR-7	TDS Deductor	10 th of the Next Month	
Monthly	GSTR-8	TCS	10 th of the Next Month	
Annual	GSTR-9	Registered Taxable Person (Other than ISD, Casual taxable person, non resident,	31 st of December following the end of Financial Year	Tax and Return reconciliation Statement
Annual	GSTR-9A	Annual return for Composition Dealer	31 st of December following the end of Financial Year	Tax and Return reconciliation Statement

Freq.	Form	Particulars	Time Period	Features
Annual	GSTR-9B	Registered Taxable Person whose aggregate turnover during FY exceeds Rs 1 Crore.	31 st of December following the end of Financial Year	<ul style="list-style-type: none"> • Return reconciliation Statement giving details of IGST, CSGT, SGST, arrears, & refund with Annual Return and P/L & Balance Sheet. • Return to be certified by CA or Cost Accountant along with audit report. • Submit Audited Annual Accounts
Once	GSTR-10	Final Return (Cancellation of Registration)	Within 3 months of date of cancellation	<ul style="list-style-type: none"> • Provision for date of surrender and details of cancellation order • Details of closing stock held on the date of cancellation
Monthly	GSTR-11	Details of inward supplies of persons having UIN	End of Every Month	

RETURN – IMPORTANT POINTS

Rectification	<ul style="list-style-type: none"> • Rectification allowed till September 30 or date of filing of annual return. • For Rectification different forms are available
Penalty- non filing of return	<ul style="list-style-type: none"> • Late Fees: INR 100 per day subject to a maximum of INR 5,000 • Late Fee - Annual Return INR 100 per day subject to a maximum of 0.25 % of the aggregate turnover of the defaulter

PAYMENT OF TAX

When does payment liability arises	Time of Supply of Goods or Services.	
Ledgers	Electronic Cash Ledger	•Tax payment+ Interest + Penalty
	Electronic Credit Ledger	Eligible Tax Payment
	Electronic Liability Ledger	Contain details of Tax, Interest, Penalty, late fee or any other amount payable
Unique Identification Number	Shall be generated for each debit or credit transaction in the above ledgers.	
Due Date	Normal Tax Payer	Monthly (20 th of succeeding month)
	Composition	Quarterly
Whether Return would be valid if Payment is not made	<ul style="list-style-type: none"> • Return would not be valid. • Unless tax paid & return is filed, ITC would not be confirmed. 	
Interest (Maximum)	Normal- upto 18% Excess claim of ITC or excess reduction in output tax- 24%	
Order for discharging tax liability	<ul style="list-style-type: none"> •Self assessed dues of previous tax period •Self assessed dues of current tax period •Amount payable under demand Notice 	
Incidence of Tax	If tax has been paid by supplier, the incidence shall be deemed to be passed to the Recipient unless contrary proved.	

Challan	Online challan to be generated through GSTN common Portal in Form PMT-06
Validity	15 days
Mode of Payment	<ul style="list-style-type: none"> • Internet Banking, Credit/Debit Cards, NEFT/RTGS, Over the counter payment(upto Rs 10,000 only)
OTC not applicable to	<ul style="list-style-type: none"> • Government Department • Notified Persons • Recovery of outstanding dues from a person whether registered or not (including recovery made through attachment or sale of immovable property)

PARTICULARS	COMPLIANCE
TDS	<ul style="list-style-type: none"> ▪ Liability to deduct- Central Government or State & its department, Local Authority, Government Agencies & Notified category of persons ▪ Specified recipient of goods & services of contract value exceeding Rs.2,50,000 will be obliged to : <ul style="list-style-type: none"> • Deduct TDS - Rate @ 1% on amount paid or credited to suppliers account (Excluding tax & cess) • Pay to Government before 10th of subsequent month • Issue TDS certificate within 5 days from payment of tax. • File monthly TDS returns on 10th of subsequent month. • Amount will be credited in Cash Ledger can be utilized for making eligible payments

TAX WRONGFULLY COLLECTED AND PAID TO GOVERNMENT

When taxable person considers a transaction as an intra State and pays CGST/ SGST:	<ul style="list-style-type: none">• Later held to be an inter- state transaction.• Refund to be granted.• Later to be paid in such manner and subject to such conditions.
When taxable person considers a transaction as an inter State and pays IGST:	<ul style="list-style-type: none">• Later held to be an intra state transaction.• No interest to be paid on the CGST/ SGST payable.

TCS	<ul style="list-style-type: none">• E- Warehouse operator to collect TCS at such rate not exceeding 1% from net taxable supplies (consideration).• Pay such amount before 10th of subsequent month• File monthly TCS returns on 10th of subsequent month• File annual statement, electronically containing details of outward supplies of goods or services or both, during the F.Y. before 31st December following the end of F.Y.
------------	---

REFUND

Modes	<ul style="list-style-type: none">a) Pre-deposit under adjudicationb) Excess amount paid during investigationc) Export of goods under Rebated) Refund of Accumalated Credit due to Exporte) Supply of Goods or services to SEZ Unit/ Developerf) Inverted Duty Structureg) Finalisation of Provisional Assessmenth) Purchase by Foreign Embassy/ International Touristi) Balance in Cash Ledger
Time Limit	<ul style="list-style-type: none">• 2 years from Relevant Date.
Procedure	<ul style="list-style-type: none">• File claim in Form GST-RFD-01.• Issue of Acknowledgement.• Communication of deficiency.• Removal of deficiency.• Order of sanction as Rejection (60 days).
Other Points	<ul style="list-style-type: none">• For Refund from Cash Ledger Application shall be made in GSTR-3• Zero Rated Supply – 90% amount on provisional basis. 10 % on verification, subject to conditions of Credit Rating, No Proceeding on matter connected with Refund, Applicant is not prosecuted in the past for tax evasion of Rs 2.50 Crores.• If the amount is more than Rs 2 Lakhs, Certificate from CA would be required stating that incidence of tax has not been passed.• In case of export of Goods, additional documents, Number & Date of Shipping Bill and Export Invoice to be submitted.

ASSESSMENT

Meaning	•“Determination of tax liability under this Act and includes self –assessment, re-assessment, provisional assessment, summary assessment and best judgement assessment;”		
Control Over Assessment	<ul style="list-style-type: none"> • No assessee would be controlled by two authorities • Computer-based enforcement at both the Centre and the States • Division of Assessee 		
	Turnover	Centre	State
	Up to Rs 1.5 Crore	10%	90%
	More than Rs 1.5 Crore	50%	50%
Self assessment	• Self assess the taxes payable under this Act and furnish a return for each tax period.		
Provisional Assessment	<ul style="list-style-type: none"> • Unable to determine value or rate of tax applicable, • Request in writing to the officer to pay tax on provisional basis. • Within 90 days of receipt, order rejecting or allowing provisional assessment will be made. ▪ <u>Bond in prescribed format & Surety or Security as the officer may deem fit will be furnished.</u> ▪ <u>Rights of extension by further period</u> <ul style="list-style-type: none"> Joint Commissioner/ Additional Commissioner – upto 6 months Commissioner – period not exceeding 4 years • Interest will be payable if additional amount due. • Interest is payable if there is refund. ▪ <u>Release of security within 7 days of application</u> 		

Scrutiny of Returns	<ul style="list-style-type: none"> • Returns may be scrutinized to verify its correctness. • Issue notice to RP informing discrepancy • Reply within 15 days by RP. • Assessee may accept discrepancy and pay the tax, interest and other amount and inform the officer with explanation for discrepancy. • If the explanation provided is satisfactory, the officer shall inform the RP. • If information is not satisfactory, there will be Summary Assessment, Special Audit or Inspection or Search OR Demand Notice may be issued
Assessment of Non Fillers of Return (Best Judgement Assessment)	<ul style="list-style-type: none"> • Notice will be issued for non-filing of Return • Reply time would be 15 days • If RP fails to furnish Return, the officer shall assess the liability of such person to the best of his judgment taking into account the material available with him or he has gathered and issue assessment order within 5 years from the date specified for Annual Return. • If the RP furnishes return within 30 days of service of assessment order, the assessment order shall be deemed to have withdrawn but liability for payment of interest and late fees shall remain.
Assessment of Unregistered Persons	<ul style="list-style-type: none"> • <u>Conditions</u> <ol style="list-style-type: none"> a) Fails to obtain Registration even if liable. b) Failure to furnish Return by composition dealer for 3 continuous period. c) Failure to furnish Return for 6 consecutive tax period. d) Not commencing business within 6 months from the date of Registration. e) Registration cancelled if obtained due to fraud or not carrying on business from Registered Premises or Raising invoice/ bill without supply. • Notice to be issued containing grounds of Assessment. • 15 days time for reply to Notice. • Proceed for assessing tax liability based on best judgement. • Assessment order to be issued within 5 years from the due date of furnishing Annual Return.
Summary Assessment in Special cases	<ul style="list-style-type: none"> • Where there is an evidence of tax liability the officer has sufficient grounds to believe that delay may adversely affect the interest of Revenue • The order shall be issued to protect interest of revenue. • The person may file an application for withdrawal of summary assessment. • If the officer considers that the order is erroneous, he may withdraw the order and follow procedure for recovery by way of Demand Notice

AUDIT

Meaning	<ul style="list-style-type: none"> Examination of records, returns and other documents to verify the correctness and compliance with the provisions of this Act or the rules.
By Tax Authorities	<ul style="list-style-type: none"> Conducted at the place of business or office of RP. OR at their own office Advance Intimation before 15 working days. 3 month time to complete the audit. Further extension upto 3 months <u>Powers of officer</u> : <ol style="list-style-type: none"> Demand necessary facility to verify books of account or other documents. Demand such information as he may require. Demand assistance from RP for timely completion of audit.
Audit by Tax Authorities	<ul style="list-style-type: none"> Intimate RP of any discrepancy noticed as observations of audit within 30 days of observation The RP shall file reply and officer shall take into account the reply submitted in finalizing the audit report. Officer shall intimate the findings of the audit to registered person If there is any discovery of tax, not paid or short paid or erroneously refunded, or Credit wrongly availed or utilized, initiate action for demand and recovery under Section 73 of Section 74 of the Act.
Special Audit	<p>Reasons</p> <p>If at any stage of scrutiny, enquiry, investigation or other proceedings.</p> <ol style="list-style-type: none"> Having regard to the nature, complexity of the case and interest of revenue. Is of opinion that value has been declared wrongly or credit availed is not within normal limits <p>Officer may, with the prior approval of the Commissioner,</p> <ul style="list-style-type: none"> Direct such registered person to get his records including books of account examined and audited by a CA or a Cost Accountant nominated by the Commissioner. Can be ordered even if regular Audit conducted under GST Act or Audit under any other law 90 days time to submit report by auditor. (Further Extension upto 90 days) Opportunity of being heard to RP for findings of the special audit The remuneration of auditor shall be determined and paid by the commissioner. If tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilized, the proper officer shall initiate the action under section 73 or section 74.

INSPECTION , SEARCH & SEIZURE

Why ?	<ul style="list-style-type: none">• GST Law can be implemented properly and there is no tax evasion.
Inspection	<ul style="list-style-type: none">• Reason to believe that Registered Person has:<ul style="list-style-type: none">a) Suppressed transaction of Supply.b) Suppressed stock of Goods in Hand.c) Claimed ITC in excess of availmentd) Contravention of provisions to evade tax.e) Transporter is keeping Goods which escaped assessment or has kept goods or accounts which is likely to cause inspection.• Authorisation in writing for RP OR transporter OR operator of warehouse OR godown or any other place.
Search	<ul style="list-style-type: none">• Authority to search may be given even if inspection is conducted.• Reasons to order search:-<ul style="list-style-type: none">a) Goods are liable to confiscationb) Documents, books or things useful or relevant to any proceeding under this Act are secreted in any place.• Seizure of goods, documents, books or things can be done .• Where seizure is not possible, order may be served on owner or custodian of goods not to remove or deal with goods without previous permission.• Release of documents, books, or things which are not relied upon have to be released within 30 days of issue of notice.• Seized goods may be released upon execution of bond and furnishing of security or payment of tax, interest or penalty.

Powers during Search	<ul style="list-style-type: none"> • Power to officer to seal or break open door, device etc suspected to be concealed and access is denied • Searched person entitled to make copies or take extracts unless it may prejudicially affect investigation. • The Government may by notification specify the goods or class of goods to be immediately sold if they are perishable or hazardous, depreciate in value, storage space etc • Inventories of seized goods to be prepared • Provisions of Code of Criminal Procedure will apply for search and seizure. • The rights of Magistrate under Code of Criminal Procedure are given to Commissioner. • Accounts, Register or documents produced before proper officer can be seized for reasons to be recorded in writing and shall grant receipt for the same. • The Commissioner or officer authorized by him may cause purchase of goods or services from business premises to check issue of tax invoice or bill of supply. The goods can be returned and the amount shall be refunded after cancelling Tax Invoice
Inspection of goods in movement	<ul style="list-style-type: none"> • Right to Proper Officer for intercept the conveyance • The person incharge of conveyance is liable to produce documents, devices and allow inspection of goods.
Power to Summon Person	<ul style="list-style-type: none"> • To give evidence or produce documents or any other thing in inquiry • It will be judicial proceeding under Indian Penal Code
Access to Business Premises	<ul style="list-style-type: none"> • Under Authorisation of officer, will have right to access any place of business • Inspect books of accounts, documents, computers and such other things available at such place of business • Access may be for Audit, Special Audit, Scrutiny, Verification and checks to safeguard interest of revenue • It shall be the duty of registered person to make available the relevant record on demand within 15 days of demand
Assistance of Other Government Officers	<ul style="list-style-type: none"> • By notification empower and require police, Railway, Customs, Land Revenue Officers etc to assist proper officer when called upon by Commissioner

ARREST

Right to Arrest	<ul style="list-style-type: none">• With commissioner. May delegate it to any officer with prior approval
Reasons for Arrest	<ul style="list-style-type: none">a) Supply of goods or services without any invoice with intention to evade tax.b) Issue of invoice or bill without supply of goods or services leading to wrong availment of ITC or refund of tax.c) Avails ITC on the basis of clause (b)d) Failure to deposit tax collected within 3 months from which payment is due.
Value Involved	Rs 2 Crore or more
Procedure	<ul style="list-style-type: none">• Grounds of arrest will be informed.• The arrest memo should contain brief facts of arrest, grounds of arrest, date & time of arrest etc.• Officer will produce before Magistrate within 24 hours.• His rights for bail may also be informed• Information of arrest to friends, relatives and other persons nominated by arrested persons
Offence value is more than Rs 5 Crore	<ul style="list-style-type: none">• Cognizable and non-bailable• Court will have discretion whether bail may be granted or not
Offence value is less than Rs 5 Crore	<ul style="list-style-type: none">• Non Cognizable and Bailable• Deputy Commissioner or Assistant Commissioner shall have powers of releasing arrested person on bail

DEMAND, APPEALS & RECOVERY

DEFINITIONS

FRAUD	Dictionary Meaning: “wrongful or criminal deception intended to result in financial gain”
	Legal Meaning: ”a false representation of a matter of fact which is intended to deceive another for financial gain.
WILLFUL MISSTATEMENT	“willfully stating something which is false or inaccurate”
SUPPRESSION OF FACTS	“non declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or Rules made thereunder, or failure to furnish any information on being asked for, in writing, by proper officer.”

Particulars	Section 73(1) Other than reason of fraud or any willful misstatement or suppression of facts to evade tax	Section 74(1) Reason of fraud or any willful misstatement or suppression of facts to evade tax
When will demand arise?	<ul style="list-style-type: none"> • Tax not paid or short paid • Erroneous refund • ITC wrongly availed or utilized 	<ul style="list-style-type: none"> • Tax not paid or short paid • Erroneous refund • ITC wrongly availed or utilized
Closure without SCN & Conclusion of proceedings	Pay tax along with Interest as ascertained by Officer or by the Registered person and inform the proper officer	Pay tax along with Interest and penalty of 15% of tax ascertained by Officer or by the Registered Person and inform the proper officer
Time Limit for Issue of order	Within 3 years from the due date for filing Annual Return for the financial year to which Return relates or 3 years from the date of refund	Within 5 years from the due date for filing Annual Return for the financial year to which Return relates or 5 years from the date of refund
Time Limit for Issue of SCN	3 months prior to the date of Issue of Order	6 months prior to the date of Issue of Order
Closure within 30 days of SCN	Pays tax along with Interest. No penalty	Pays tax along with Interest & Penalty at rate of 25% of tax payable.
Opportunity of being heard	Yes	Yes
Issue of Order	After considering representation, issue order determining tax, interest + penalty at the rate of 10% of tax. OR Rs 10,000 Whichever is higher	After considering representation, issue order determining tax, Interest & penalty at rate of 50% of tax payable

Particulars	Section 73(1) Other than reason of fraud or any willful misstatement or suppression of facts to evade tax	Section 74(1) Reason of fraud or any willful misstatement or suppression of facts to evade tax
Conclusion of proceedings within 30 days of communication of order	--	Pay tax along with Interest and penalty at 50% of tax.
SCN for further period	SCN can be accompanied by additional statement covering other periods, provided the issue and grounds relied upon in original SCN & additional statement are identical.	SCN can be accompanied by additional statement covering other periods, provided the issue and grounds relied upon in original SCN & additional statement are identical.

GENERAL PROVISIONS

- Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified to issue Notice or Order
- On sufficient cause proper officer can adjourn the hearings for reasons to be recorded in writing. Provided no adjournment more than 3 times in a proceeding to a person.
- Where Appellate Authority or Appellate Tribunal or Court modifies the tax amount determined by proper officer, the amount of Interest & penalty gets automatically modified.

APPEALS

DESCRIPTION	APPELLATE AUTHORITY	APPELLATE TRIBUNAL	HIGH COURT	SUPREME COURT
Appeal against Order of	Adjudicating Authority	Appellate Authority or Revisional Authority	State Bench or Area Bench if involves substantial question of law	National Bench or Regional Benches High Court Code of Civil Procedure, 1908
Fees while filing Appeal	No	Yes	-	-
Appeal by Department	Yes	Yes	Yes	Yes
Time Limit for filing Appeal	3 months from date of communication of order.	3 months from date of communication of order.	180 days from date of communication of order.	Immediately (Not prescribed)
Pre Deposit of Tax	10% of tax in dispute and 100% of tax, interest, penalty or fine that is not in dispute	20% of tax in dispute and 100% of tax, interest, penalty or fine that is not in dispute.[20% of tax in dispute payable in addition to 10% paid earlier].	100% of tax, interest, penalty or fine in dispute	100% of tax, interest, penalty or fine in dispute

RECOVERY OF TAX

Initiation of Recovery proceedings subsequent to adjudication	<ul style="list-style-type: none">• Amount payable in pursuance of an order shall be paid by such person within 3 months from the date of service of such order.• Failing which recovery proceedings shall be initiated• Three months time limit can be shortened by officer in the interests of Revenue, for reasons to be recorded in writing.
Deduct from other amount payable	Proper officer may deduct from any money owing to such person.
Detaining and selling goods under control of department	Proper officer may recover or may require any other specified officer to recover the amount so payable by detaining and selling any goods belonging to such person.
Garnishee proceedings	Proper officer may initiate recovery by way of notice to the Debtor of the Registered Person.
Distrain and sale any property belonging to the person	<ul style="list-style-type: none">• Proper officer may, on an authorization by the competent authority distrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid.• If amount is pending for more than 30 days may sale the said property
Certification proceedings- recovery as arrears of land revenue	<ul style="list-style-type: none">• Prepare a certificate specifying the amount due• Send it to the Collector of the district in which such person owns any property or resides or carries on his business who shall proceed to recover from such person the amount specified.
Application to Magistrate to recover amount as fine	<ul style="list-style-type: none">• File an application to the appropriate Magistrate• Magistrate shall proceed to recover the amount specified thereunder as if fine imposed by him.

LIABILITY TO PAY IN CERTAIN CASES

LIABILITY TO PAY IN CERTAIN CASES

CASE	PARTICULARS
Transfer of Business whole or in part	<ul style="list-style-type: none">• By way of Sale, gift, lease, leave and license, hire or in any other manner.• Taxable person and the person to whom the business is so transferred shall, jointly and severally, upto the time of such transfer.• Time of Determination By Department may be after date of transfer.• Transferee shall be liable to pay tax with effect from the date of transfer within the prescribed time.
Agent & Principal	An agent supplies or receives any taxable goods on behalf of his principal, such agent and his principal shall, jointly and severally, be liable to pay the tax payable on such goods under this Act
Amalgamation or merger of companies.	<ul style="list-style-type: none">• Two or more companies are amalgamated or merged in pursuance of an order of court or of Tribunal• Two or more companies shall be treated as Independent companies for payment of Tax up to the date of the order .• Intense Transactions upto the date of order will be taxable• GST Registration Certificates of the transferee companies shall be cancelled with effect from the date of the order.
Company in liquidation.	<ul style="list-style-type: none">• Every person appointed as liquidator of any assets of a company shall, within 30 days after his appointment, give intimation of his appointment to the Commissioner.• Commissioner will notify the liquidator within 3 months of the intimation, the amount for any tax, interest or penalty payable by the company.• If Amount is not recovered from the liquidator, Director of Private Company be jointly and severally be liable for the payment of tax, interest or penalty, unless he proves to the satisfaction of the Commissioner that such non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company

LIABILITY TO PAY IN CERTAIN CASES

CASE	PARTICULARS
Directors of Private Company	<ul style="list-style-type: none">• Director of Private Company be jointly and severally be liable for the payment of tax, interest or penalty, unless he proves to the satisfaction of the Commissioner that such non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.• Where a private company is converted into a public company the above provisions will apply to the tax arrears upto the date of conversion.• If Personal Penalty is imposed this provisions will not be applicable.
Partners of firm to pay tax.	<ul style="list-style-type: none">• The firm and its partners shall be jointly and severally liable for payment.• Any partner retires from firm, he or the firm, shall intimate the date of retirement to the Commissioner within one month from the date of retirement and such partner shall be liable to pay tax, interest or penalty due up to the date of his retirement.• If no such intimation is given within 1 month from the date of retirement, the liability of such partner shall continue until the date on which such intimation is received by the Commissioner.• If business of firm is discontinued all the Partners shall be jointly and severally liable to make payment• If member of firm are reconstituted all the partners upto the date of reconstitution shall be liable to make payment• If firm is dissolved all the partners upto the date of dissolution shall be jointly & severally liable for making payment (Subject to IBC)
Guardian, Trustees or agent of a minor or other incapacitated person.	<ul style="list-style-type: none">• Tax, Interest or Penalty shall be recoverable from such guardian, trustee or agent to the same extent as it would be determined and recoverable from any such minor or other incapacitated person.• No argument that the beneficiary of Profit is other person• If Relationship is terminated, liability will be upto the date of termination.(Subject to IBC)

LIABILITY TO PAY IN CERTAIN CASES

CASE	PARTICULARS
Court of Wards, etc.	Where the estate or any portion of the estate of a taxable person owning a business in respect of which any tax, interest or penalty is payable is under the control of the Court of Wards, the Administrator General, the Official Trustee or any receiver or manager as if he were conducting the business himself, all the provisions of this Act or the rules made thereunder shall apply accordingly.
Individual if he dies	<ul style="list-style-type: none">• Business continued by his legal representative or any other person, such legal representative or other person, shall be liable to pay tax, interest or penalty due from such person under this Act; and• If the business carried on by the person is discontinued, whether before or after his death, his legal representative shall be liable to pay, out of the estate of the deceased, to the extent to which the estate is capable of meeting the charge, the tax, interest or penalty due from such person under this Act.• Provision of Insolvency and Bankruptcy Code will prevail.
In case of HUF	<ul style="list-style-type: none">• If HUF is partitioned each member shall be jointly and severally liable to pay tax upto the date of Partition (Subject to IBC)• If business is discontinued all the members shall be jointly and severally liable upto the date of discontinuance
In case of AOP	<ul style="list-style-type: none">• If AOP is partitioned each member shall be jointly and severally liable to pay tax upto the date of Partition (Subject to IBC)• If business of AOP is dissolved every member shall be jointly and severally liable to pay tax upto the date of dissolution.• If AOP is reconstituted, every member upto the date of reconstitution shall be jointly and severally liable.

ADVANCE RULINGS

Meaning	Decisions provided by Authority or an Appellate Authority on supply of goods or services activity undertaken or proposed to be undertaken by the applicant.
Questions	<ul style="list-style-type: none"> • Classification of goods or services • Applicability of Notification. • Determination of Time of supply. • Determination of value of supply. • Admissibility of ITC. • Determination of liability to pay. • Registration. • Whether activity amounts to supply.
Who can take Apply	<ul style="list-style-type: none"> • Any RP or about to register.
Time to Take Advance Rulings	<ul style="list-style-type: none"> ➤ Any time before the relevant transaction, supply. ➤ No Rulings for matters already pending or decided by Authority for Advance Rulings.
Binding	<ul style="list-style-type: none"> ➤ Applicant seeking Advance Rulings. ➤ Jurisdictional Authority of the Applicant ➤ Will not be applicable to similar persons in the State.
Validity period	<ul style="list-style-type: none"> ➤ No specific time specified. Till the facts of the case for which Ruling has been obtained, does not change.
Nullified?	<ul style="list-style-type: none"> ➤ Obtained by fraud, suppression of material facts or misinterpretation of facts.
Procedure	<ul style="list-style-type: none"> ➤ Application along with Fees of Rs 5000. ➤ Forward copy to jurisdictional office. ➤ Accepting or rejecting (by way of speaking order) ➤ PH to the Applicant ➤ Pronounce Advance Ruling (within 90 days) ➤ Appeal against AR within 30 days (Fees Rs 10,000) ➤ Personal Hearing. ➤ Order (within 90 days of Appeal) ➤ No further Appeal.

OFFENCES & PENALTIES

CASES	
Invoice	<ul style="list-style-type: none">• Making a supply without invoice or with false/ incorrect invoice;• Issuing an invoice without making supply;• Failure to issue invoice or issued in contravention of provision of Act.• Issuing invoice or document using GSTIN of another person
TCS	<ul style="list-style-type: none">• Not paying tax collected for a period exceeding 3 months;• Not paying tax collected in contravention of the CGST/SGST Act for a period exceeding 3 months;• Non collection or lower collection of or non- payment of tax collectible at source
TDS	<ul style="list-style-type: none">• Non deduction or lower deduction of tax deducted at source or not depositing tax deducted at source under section 51;
Tax Amount	<ul style="list-style-type: none">• Fails to collect/collects but fails to pay to the Government for a period exceeding 3 months**
Input tax Credit	<ul style="list-style-type: none">• Wrongly Availing/utilizing/ Distributing input tax credit without actual receipt of goods and/or services; **
Refund	<ul style="list-style-type: none">• Fraudulently Obtained.
Registration	<ul style="list-style-type: none">• Fails to obtain Registration• Furnishing false information regarding registration particulars

SECTION 122 – OFFENCES & PENALTIES

CASES	
Accounts & Records	<ul style="list-style-type: none">• Failure to maintain/retain accounts & documents in a manner and for a period as specified in the Act.• Failure to furnish or furnishing false information/documents required by an officer in terms of the Act/Rules during the course of any proceeding.• Tampering/destroying any material evidence;• Disposing of /tampering with goods detained/ seized/attached under the Act• Suppressing turnover leading to tax evasion
Transportation	<ul style="list-style-type: none">• Transporting goods without prescribed documents;• Supplying/transporting/storing any goods liable to confiscation .
Other	Obstructing or preventing any official in discharge of his duty;

Offence	Tax not paid, short paid or erroneously refunded or ITC wrongly availed or utilized	
	By any reason other than	By reason of
	<ol style="list-style-type: none">1. Fraud2. Any willful misstatement3. Suppression of Facts to evade tax	<ol style="list-style-type: none">1. Fraud2. Any willful misstatement3. Suppression of Facts to evade tax
Penalty	Rs 10,000 or 10% of amount due (whichever is higher)	Rs 10,000 or 100% of amount due (whichever is higher)

SECTION 122 – OFFENCES & PENALTIES

The **imprisonment** for a term will be not less than 6 months but which may extend to:

Amount of tax	Imprisonment
Exceeds Rs 1 Cr upto 2.5 Cr	1 year with fine
Exceeds Rs 2.5 Cr upto 5 Cr	3 years with fine
Exceeds Rs 5 Cr	5 years with fine

PENALTY

Offence	Penalty
Offence under Section 122	Higher of Rs 10,000 or tax amount
Abet / Aids offences	Rs. 25,000
General Penalty	Rs. 25,000
Offences including False records, obstructing officer or Tamper records	6 months Imprisonment

- Penalty @ 10% will be payable if the self assessed tax or any amount collected as tax is not paid within 30 days from the due date of payment.

COMPOUNDING OF OFFENCES

COMPOUNDING OF OFFENCES

Meaning	<ul style="list-style-type: none">• Compromise between the Department and the person committing an offence• Against payment of Compounding fees in return for an agreement not to prosecute.	
Stage at which application can be made	Before or After institution of Prosecution.	
Not Applicable	<ul style="list-style-type: none">• Second time offenders.• A person previously enjoyed compounding for Value of Supply of Rs. 1 Crore.• Tried for the offence under other Acts such as FEMA, Narcotic Drugs Act, Etc• Person convicted by court under GST.• Person giving false information during proceedings, preventing officer from his duty or destroying evidence.• Any other class of persons or offences as may be prescribed.	
Amount for compounding of offences	Amount	Amount
	<ul style="list-style-type: none">• Rs 10000 or• 50% of tax (whichever is higher)	<ul style="list-style-type: none">• Rs 30000 or• 150% of tax (whichever is higher)

ANALYSIS OF BUSINESS TRANSACTIONS

INCLUDES	EXCLUDES
<ul style="list-style-type: none">• All its grammatical variations• All its cognate expressions• Floriculture (cultivation of ornamental flowers)• Horticulture (cultivation of garden)• Sericulture (rearing of silk worms)• The raising of crops.• Grass or garden produce• Grazing	<ul style="list-style-type: none">• Dairy farming• Poultry farming• Stock breeding• Mere cutting of wood or grass• Gathering of fruit• Raising of man made forest• Rearing of seeding or plants

AGRICULTURIST

Means an Individual or HUF who undertakes cultivation of land.

- a) By own labour.
- b) By the labour of family.
- c) By servants on wages payable in cash or in kind.
- d) By hired labour under personal supervision of agriculturist or any member of his family.

FAMILY

- a) Spouse & Children
- b) Parents, Grand Parents, brothers & sisters if they are wholly or mainly dependent.

TRANSITIONAL PROVISIONS

CONVERSION OF PROVISIONAL REGISTRATION TO FINAL

REGISTRATION

1. Issue of provisional Registration Certificate to every Registered Person.
2. Submission of final information in form REG-24 within 3 months of Appointed date i.e 30.09.2017
3. Cancellation of Provisional Registration can be done by filing form GST REG-28

SAFEGUARDS

1. Compile all the Documents and address.
2. Identify State wise Principal & Additional Place of business.
3. Accounting records to be kept at Principal place of business.
4. Identify Business Vertical whose separate registration is required.

UNAVAILED CREDIT ON CAPITAL GOODS

CREDIT ELIGIBILITY & CONDITIONS

1. If Credit unavailed in the last Return filed under old Law(ED/CUD/SAD)
2. Verify whether the credit is available in current Law and under GST Law
3. Amount of Balance unavailed Credit can be availed.

SAFEGUARDS

1. Check whether the asset is being reflected in the Fixed Assets Schedule of Balance Sheet.
(For Eg. Spare Parts, components and Accessories).
2. Proper Documentation of Receipt
3. Defer the purchase of capital goods whose credit is not available under current Law.

CREDIT ELIGIBILITY & CONDITIONS

1. Credit to be shown in ER-1, ST-3, VAT and Entry Tax Returns.
2. In VAT returns credit of Purchase against form Form C, E-1, E-2, H, F and I should not be availed.
3. Eligibility of Credit to be checked in the GST Acts.If ineligible carry forward not allowed.
4. Filing of all the previous returns months preceding appointed date upto 30/06/2017.

SAFEGUARDS

1. Matching of credit with Books of Accounts.
2. Re-Credit of availed and reversed duty to be shown in Last Return. Eg. Sales Return
3. Periodical Regular Services. Eg. Security, Renting to be received prior to 30/06/2017 so that credit can be reflected.
4. Pay Service tax under Reverse Charge Mechanism before 30/06/2017 & take credit.
5. Credit wont be available if goods manufactured & cleared under exemption notifications.
6. File the last return carefully to avoid loss of credit.

SWITCHING FROM COMPOSITION SCHEME TO NORMAL SCHEME**APPLICABILITY**

Person paying duty on fixed rate basis as per quantity **OR** duty on basis of capacity of production **OR** paying VAT on fixed rate or fixed amount in lieu of tax.

CREDIT ELIGIBILITY & CONDITIONS

1. Eligible for Credit of stock held as Inputs, Finished goods or Semi finished goods as on appointed date.
2. Ensure that the stock is used or intended to be used for taxable supplies under GST.
3. Prepare file containing Invoice/ Documents of duty paying documents not older than 12 months from the Appointed date.
4. Eligible Credit as ITC in GST Acts.
5. Does not adopt composition scheme.

APPLICABILITY

- a) not liable to be registered under old act ,
- b) deals in exempted and taxable goods or exempted services.
- c) Builder availing benefit of notification No. 26/2012 or
- d) First stage or Second stage dealer, Registered importer, Depot of manufacturer under Central Excise Rules.

CREDIT ELIGIBILITY

Inputs held in stock & Inputs contained in , Semi finished goods and Finished goods.

SAFEGUARDS

- 1. Division of Credit in Input, Input Services and Capital goods.(only Input Credit Eligible)
- 2. Check eligibility of ITC in GST Acts.
- 3. Prepare file containing the duty paying invoice/ documents which should not be older than 12 months.

CREDIT ELIGIBILITY & CONDITIONS

1. Applicable on other than Manufacturer or Supplier of Services.
2. **CGST**
 - a) Not registered under excise law
 - b) ITC (Excise+CVD) available
 - c) Not in possession of any document evidencing payment of excise duty
 - d) Credit @ 60% for goods @ CGST of 9% or more. Credit @ 40% for goods @ CGST less than 9%
 - e) If transaction is IGST credit@ 50%
3. **SGST**
 - a) Prove that product did not attract VAT in second sale
 - b) ITC of VAT would be available
 - c) Not in possession of document evidencing payment of duty
 - d) Credit @ 60% for goods @SGST of 9% or more. Credit @ 40% for goods @ SGST less than 9%
4. Goods are required to be sold within 6 months from appointed date.
5. Filing of Statement in Specified Form GST TRAN-2 for each period upto the period of 6 months.
6. Shall pass on the benefit of reduced price to the recipient.
7. Credit will be given after GST tax is paid.
8. Bills for procurement of goods should be available.
9. Storage of goods should be easily identified.

SAFEGUARDS

1. Goods were not exempted or nil rated under the Central Excise Act, exempted & tax free under VAT.
2. Prepare a proper Item wise calculation sheet and calculate the eligible credit.
3. Traders should insist for tax paying documents from its dealers

CREDIT ELIGIBILITY & CONDITIONS

1. Excise Duty/ VAT/ Entry tax is paid by supplier before 30.06.2017 and consignment to be received after 30.06.2017
2. Receipt to be recorded in Books of Accounts by 30.07.2017 (Extension of 30 days)

SAFEGUARDS

1. No provision in GST Act for Capital goods in transit.
2. To avoid dispute with department ensure that no Capital goods is in transit as on 30.06.2017

SERVICES RECEIVED PRIOR TO APPOINTED DATE BY ISD**CREDIT ELIGIBILITY & CONDITIONS**

ISD can distribute Credit of input services received before 30/06/2017.

SAFEGUARDS

1. Balance credit as on 30/06/2017 to be transferred as per old law.
2. ISD Credit should not be carried forward to avoid dispute with department

TRANSFER OF CREDIT WITH CENTRALIZED REGISTRATION**CREDIT ELIGIBILITY & CONDITIONS**

1. Balance of credit shown in Return filed up to 30/06/2017 can be carried forward & transferred any of his Registration Number.
2. Return of period 30/06/2017 to be filed up to 30/09/2017.
3. If return is revised, the balance of Credit shown in revised return shall be less than Original return.

SAFEGUARDS

Credit will not be allowed if Original Return or Revised return is not filed on or before 30/09/2017.

APPLICABILITY & CONDITIONS

1. RP engaged in manufacture or sale of taxable & exempted goods and provision of taxable & exempted services.
2. Amount of credit shown in Excise/ VAT/ Entry Tax Return allowed to be carried forward
3. Amount of credit of Excise Duty/ VAT/ Entry Tax for inputs held in stock and inputs contained in semi finished goods or finished goods.

REVERSAL OF CENVAT- NON PAYMENT

If any amount of credit is reversed due to non payment of consideration the amount can be reclaimed as credit if payment is made within 3 months from appointed date.

CREDIT TRANSFER DOCUMENT

Can be issued by manufacturer to person unregistered under excise law but registered under GST Law

Can be issued if goods is more than Rs 25,000 per piece and bears the brand name of manufacturer

CTD has to be issued by 30th July, 2017

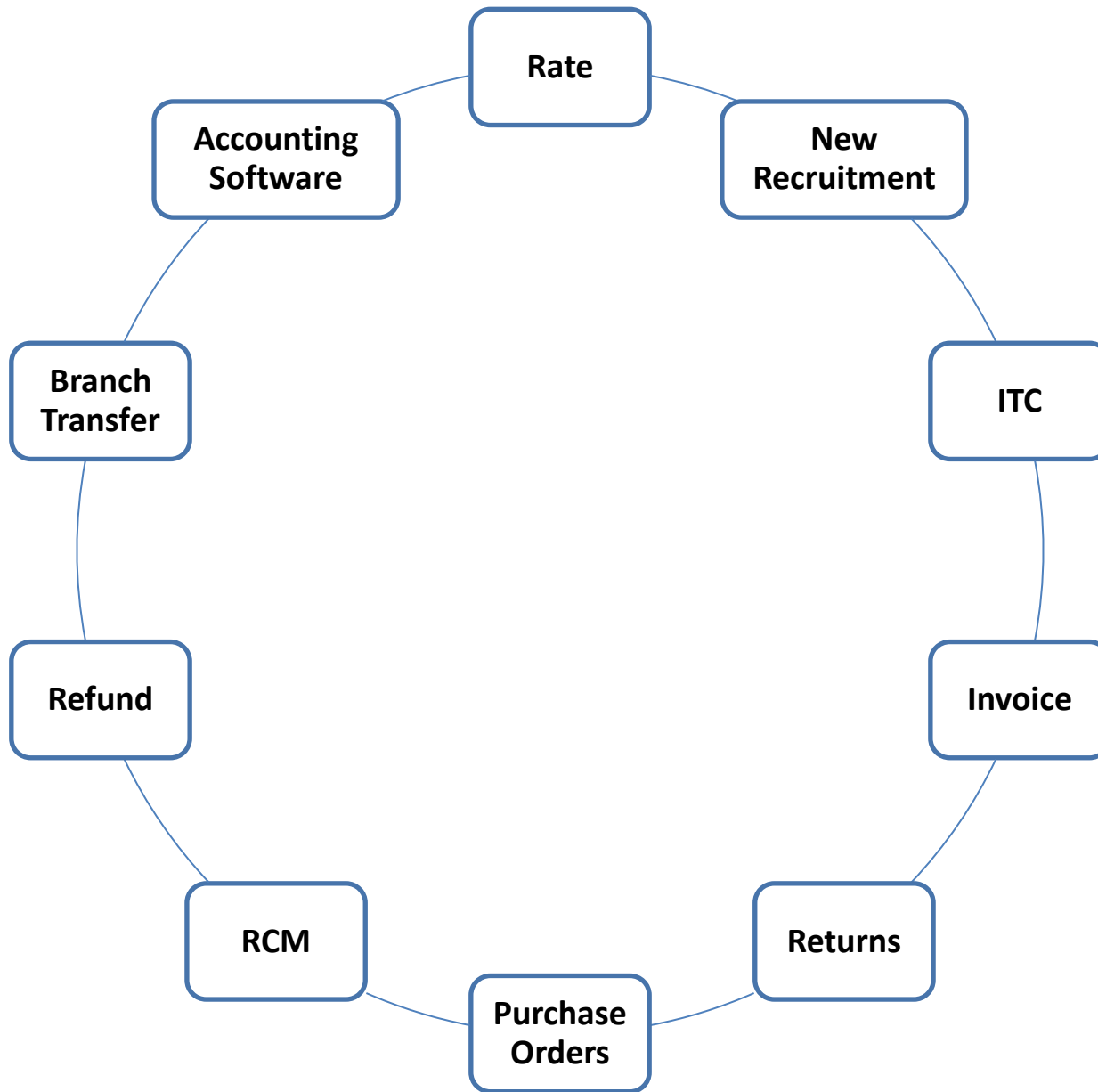
Form GST TRAN-1 within 90 days from Appointed Date

ANTI PROFITEERING

Meaning of Profiteering	making unreasonably high profits in the course of ordinary trade or business.
Motive	<ul style="list-style-type: none">• To observe the inflationary trends during the initial stages of GST introduction and to analyze and control its long-term effects• To examine whether input tax credits or lower tax rates actually result in a commensurate reduction in price• To set up an honest pricing policy, which will help to retain consumers in the GST regime
Powers of Central Government	<ul style="list-style-type: none">• Examine whether input tax credits claimed by any registered taxable person result in a “commensurate reduction in the price” of goods and services sold by that person.• To impose penalties in the event such price reductions are not implemented.• To protect consumers from undue exploitation without intending to quash all profits• GST Council has set up a committee of State and Central Revenue Officers to receive complaints.

GST PREPAREDNESS

GST PREPAREDNESS

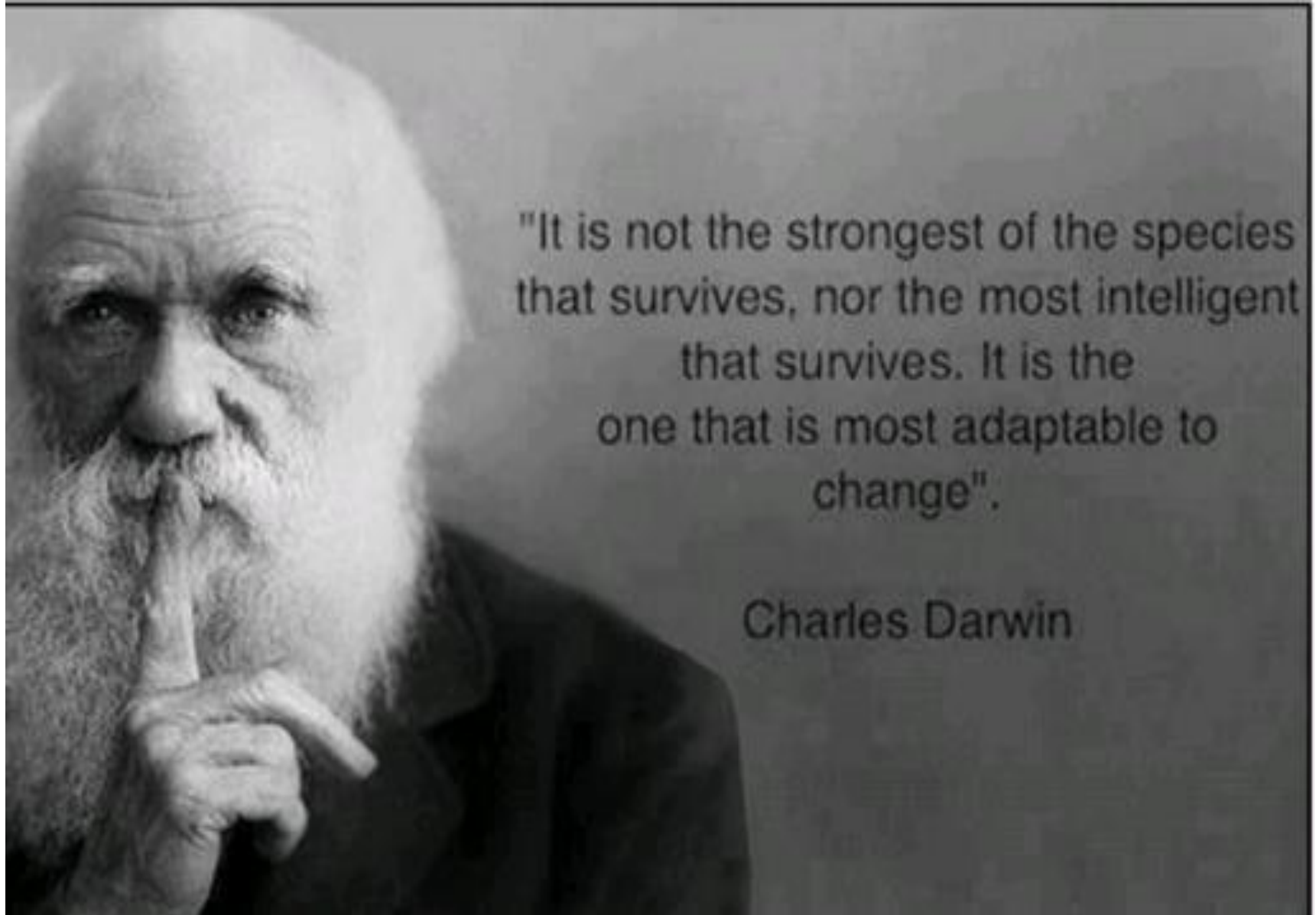


PREPARATION OF MASTERS

Sr. No.	MASTERS	REQUIREMENTS
1.	Customer	<ul style="list-style-type: none">• GSTIN Number• Address of Supply (All location)• Classification (B2B or B2C)• Related Party
2.	Product	<ul style="list-style-type: none">• HSN Number• Unit of Measurement• Description• Tax payable on reverse charge• % of Tax payable• Price of sale.
3	ITC	<ul style="list-style-type: none">• Eligibility of credit• Availment of credit as ISD.• Ineligible of Credit

PREPARATION OF MASTERS

Sr. No.	MASTERS	REQUIREMENTS
4	Sales	<ul style="list-style-type: none">• GSTIN Number of Receiver• Invoice Value, Date & Number• Taxable outward supplies Registered & Unregistered• Interstate & Intrastate Supply• HSN/ SAC• Place of Supply• IGST/CGST/SGST• Nil Rated, Exempted & Non GST supplies (Interstate & Intrastate)• Details of Debit/ Credit Note• Export• Advances Received
5	Purchase Accounts	<ul style="list-style-type: none">• GSTIN Number of Supplier• Invoice Value, Date & Number• Supplies covered under RCM/Non RCM• IGST/CGST/SGST• Eligibility of ITC• Import of Goods/Services/Capital Goods• Details of Debit/ Credit Note• Received from Compounding/unregistered dealer & other exempt/nil/non GST supplies.



"It is not the strongest of the species
that survives, nor the most intelligent
that survives. It is the
one that is most adaptable to
change".

Charles Darwin

DISCLAIMER

- This is not a legal presentation.
- We have represented the language only for the purpose of explanation of provisions of GST Act and its Rules provisions.
- The Department may or may not agree with the view taken by us.
- You should consult an expert before taking a decision on Tax Planning.
- The themes or any discussion are with an intention to make the session live & interesting. We have no intention to hurt anybody's personal feeling or religious sentiments.

Wish you all the Best



KAKARIA & ASSOCIATES **CHARTERED ACCOUNTANTS**

-FIRM OF COMMON MAN

Add.: "Kakaria's Eccellenza", Royal Fortune Complex

Daman Road, Chala, Vapi – 396191

Email id: gst@kakariaassociates.com

Tel. No. 0260-3981023 (M)9924910414