



### ISDM (INDEPENDENT SKILL DEVELOPMENT MISSION

GST (GOODS & SERVICES TAX)
COMPLIANCE (WEEKS 5-6)

# GST STRUCTURE: CGST, SGST, IGST – STUDY MATERIAL

CHAPTER 1: INTRODUCTION TO GOODS AND SERVICES TAX (GST)

# 1.1 Understanding GST

The Goods and Services Tax (GST) is a comprehensive, multistage, destination-based tax introduced in India on 1st July 2017 to replace multiple indirect taxes like VAT, Service Tax, and Excise Duty. GST is applied to the supply of goods and services across India and is aimed at simplifying the tax structure while ensuring transparency.

GST is levied at every stage of the supply chain, with credit for the tax paid at previous stages available as input tax credit. This ensures that the final tax burden is only on the end consumer.

# **Key Features of GST:**

- ✓ One Nation, One Tax: GST replaces multiple indirect taxes with a unified structure.
- Destination-Based Tax: Tax is collected at the place of

consumption, not production.

- **Multi-Stage Taxation:** GST applies at every stage, from manufacturer to retailer.
- Input Tax Credit (ITC): Businesses can claim credit for tax paid on purchases, reducing tax liability.
- ★ Example: A manufacturer in Maharashtra sells goods worth ₹1,00,000 to a dealer in Gujarat. Under GST, IGST (Integrated GST) is applied since it is an interstate transaction. If the goods were sold within Maharashtra, CGST & SGST would be applicable instead.
- **Exercise:** List five indirect taxes that were replaced by GST and explain how GST simplifies taxation for businesses.

CHAPTER 2: GST STRUCTURE IN INDIA

#### 2.1 What is the GST Structure?

GST in India follows a **dual structure**, meaning it is levied by **both the Central and State governments**. This structure helps ensure a **balanced tax-sharing system** between the central and state authorities. The three key components of GST are:

- 1. Central Goods and Services Tax (CGST) Collected by the Central Government.
- State Goods and Services Tax (SGST) / Union Territory GST
   (UTGST) Collected by the State or Union Territory Government.
- 3. **Integrated Goods and Services Tax (IGST)** Collected by the **Central Government for interstate transactions** and later distributed to states.

#### 2.2 How GST Works in Different Transactions

• Intrastate Transactions (within the same state)  $\rightarrow$  CGST + SGST

- Interstate Transactions (between different states) → IGST
- Imports & Exports → IGST applies to imports, while exports are zero-rated
- ★ Example: If a trader in Delhi sells goods worth ₹50,000 to a buyer in Mumbai, IGST will be applied. However, if the sale happens within Delhi, the tax will be divided into CGST and SGST.
- ★ Exercise: Suppose a manufacturer in Karnataka sells products worth ₹2,00,000 to a wholesaler in Tamil Nadu. Identify which type of GST will be applied and calculate the total tax at 18% GST rate.

CHAPTER 3: CENTRAL GOODS AND SERVICES TAX (CGST)

# 3.1 What is CGST?

The Central Goods and Services Tax (CGST) is the central portion of GST, which is collected by the Central Government on intra-state transactions. CGST replaces previous central taxes such as Excise Duty, Service Tax, and Central Sales Tax (CST).

# 3.2 Features of CGST

- Levied on Intrastate Supplies: Applicable when the buyer and seller are in the same state.
- Collected by the Central Government: Even though the tax is collected centrally, it is shared with states as per government agreements.
- Input Tax Credit Available: Businesses can claim ITC on CGST paid on purchases.

# 3.3 Calculation of CGST

CGST is applied along with **SGST** in intrastate sales. The GST rate is divided equally between the two.

**★** Example: A business in Gujarat sells goods worth ₹1,00,000 to another business in Gujarat. If the GST rate is 18%, then:

- CGST = 9% of ₹1,00,000 = ₹9,000
- SGST = 9% of ₹1,00,000 = ₹9,000
- Total GST Collected = ₹18,000

★ Exercise: A restaurant in Mumbai bills a customer ₹5,000 for food services. If the GST rate is 12%, calculate how much CGST and SGST the restaurant needs to charge.

CHAPTER 4: STATE GOODS AND SERVICES TAX (SGST)

# 4.1 What is SGST?

The State Goods and Services Tax (SGST) is the state portion of GST, which is collected by the State Government on intra-state transactions. SGST replaces state-level taxes like VAT, Entry Tax, and Entertainment Tax.

# 4.2 Features of SGST

- Levied on Intrastate Sales: Collected by the respective state government.
- Revenue Goes to the State: Helps states generate revenue for local development.
- Same Rate as CGST: SGST is always equal to CGST in intrastate transactions.
- **★ Example:** A retailer in Kerala sells electronics worth ₹75,000 to a customer in Kerala at an **18% GST rate**. The total GST will be divided into:
  - CGST (9%) = ₹6,750

- SGST (9%) = ₹6,750
- Total Tax = ₹13,500

**★ Exercise:** A salon in Rajasthan provides services worth ₹8,000. If the applicable GST rate is **18%**, calculate the **SGST and CGST**.

CHAPTER 5: INTEGRATED GOODS AND SERVICES TAX (IGST)
5.1 What is IGST?

The Integrated Goods and Services Tax (IGST) is levied on interstate supplies and imports/exports. Unlike CGST and SGST, which are split between the Central and State Governments, IGST is collected by the Central Government and later distributed to the states.

# 5.2 Features of IGST

- Applicable on Interstate Sales: When goods/services move from one state to another.
- Applies to Imports & Exports: Imports attract IGST, while exports are zero-rated.
- Collected by the Central Government: Later distributed among the states.

# 5.3 Calculation of IGST

Since IGST applies to interstate transactions, the entire tax is collected as IGST (instead of CGST + SGST).

★ Example: A manufacturer in Uttar Pradesh sells goods worth ₹2,00,000 to a distributor in West Bengal. If the GST rate is 18%, then:

• IGST = 18% of ₹2,00,000 = ₹36,000

# Total Tax Paid = ₹36,000

★ Exercise: A business in Tamil Nadu supplies machinery worth ₹1,50,000 to a customer in Maharashtra. If the GST rate is 12%, calculate the IGST applicable.

#### Conclusion

The **GST** structure in India ensures that both the **Central and State Governments** receive their fair share of tax revenue. Understanding the application of **CGST**, **SGST**, and **IGST** is crucial for businesses to ensure **proper tax compliance and filing**.

## **★** Final Exercise:

- Identify whether CGST + SGST or IGST applies in the following scenarios:
  - A baker in Delhi sells cakes to a customer in Punjab.
  - A clothing store in Mumbai sells garments to a customer in Mumbai.
  - A software company in Karnataka provides IT services to a client in Tamil Nadu.
    - 2. Calculate the total GST for a business transaction with a taxable amount of ₹3,00,000 at an 18% GST rate for both intrastate and interstate sales.

# GST REGISTRATION & COMPLIANCE – STUDY MATERIAL

# CHAPTER 1: INTRODUCTION TO GST REGISTRATION & COMPLIANCE 1.1 Understanding GST Registration

GST Registration is a mandatory process for businesses in India that meet specific turnover criteria or are engaged in interstate trade, ecommerce, or special taxable services. It allows businesses to legally collect GST from customers, claim input tax credit (ITC), and comply with tax regulations.

GST registration provides a unique Goods and Services Tax Identification Number (GSTIN), a 15-digit alphanumeric code assigned to registered taxpayers. This GSTIN is essential for filing tax returns, issuing tax invoices, and ensuring compliance with GST laws.

# Who Needs to Register for GST?

- Businesses with Turnover Above Threshold Limits:
  - ₹40 lakhs for **Goods** (₹20 lakhs for some special category states).
  - ₹20 lakhs for **Services** (₹10 lakhs for some special category states).
- ✓ Interstate Suppliers Businesses supplying goods or services across states.
- **☑ E-Commerce Operators** Online platforms selling goods/services (e.g., Amazon sellers).
- Casual Taxable Persons Businesses with occasional taxable transactions.

- **✓ Input Service Distributors (ISD)** Companies distributing tax credits to branches.
- Non-Resident Taxable Persons Foreign businesses supplying taxable goods/services in India.
- **Example:** A garment manufacturer in Gujarat with an annual turnover of ₹50 lakhs must register for GST, as it exceeds the ₹40 lakh threshold for goods. However, a small grocery store with ₹10 lakh annual turnover may not need GST registration unless it engages in interstate trade.
- **Exercise:** Identify five types of businesses that require GST registration and explain why registration is necessary for them.

### CHAPTER 2: STEPS FOR GST REGISTRATION

# 2.1 How to Register for GST Online?

GST registration is an **online process** through the **GST portal** (www.gst.gov.in). The following step-by-step guide explains how businesses can register:

# Step 1: Visit the GST Portal

 Go to www.gst.gov.in and click on 'Register Now' under the Services tab.

# Step 2: Fill the Part A of GST Registration Form (GST REG-01)

- Choose New Registration and enter the following details:
  - Business Type (Proprietor, Partnership, Company, etc.)
  - PAN (Permanent Account Number) of the business
  - State & District
  - Email ID and Mobile Number (for OTP verification)

# Step 3: Receive Temporary Reference Number (TRN)

- After submitting Part A, a TRN (Temporary Reference Number) is generated.
- Use this TRN to log in and complete Part B of the registration form.

# Step 4: Fill the Part B of GST Registration Form (GST REG-01)

- Enter details like:
  - Business name, address, and bank details.
  - Business constitution (Sole Proprietorship, Pvt Ltd, etc.).
  - Details of promoters/owners.
  - Authorized signatory and primary place of business.

# Step 5: Upload Documents

- Required documents include:
  - PAN Card of business owner/partners.
  - ✓ Proof of business registration (Partnership Deed, Incorporation Certificate).
  - Address proof (Electricity bill, Rent Agreement).
  - ✓ Bank account details (Cancelled cheque, Bank Statement).

# Step 6: Submit Application & Receive GSTIN

- Submit the application using Digital Signature (DSC) or EVC (OTP verification).
- The application is processed, and upon approval, a GSTIN is issued within 7 working days.
- ★ Example: A software company in Bangalore applies for GST registration online by entering PAN, business details, and bank information. They receive their GSTIN (29ABCDE1234F1Z5) within a week and start filing GST returns.

**Exercise:** Visit the GST portal (<a href="www.gst.gov.in">www.gst.gov.in</a>) and list down the information required in the **GST REG-o1 form** for business registration.

# CHAPTER 3: GST COMPLIANCE REQUIREMENTS

# 3.1 Understanding GST Compliance

GST compliance involves adhering to GST laws, filing tax returns, maintaining records, and ensuring proper tax payments. Failure to comply with GST rules can result in penalties, interest, and legal issues.

# Key Compliance Requirements for GST-Registered Businesses

- ✓ Issuing GST-Compliant Invoices Businesses must issue tax invoices with GST details for every sale.
- Maintaining Records Proper purchase, sales, and tax records must be kept for at least six years.
- Filing GST Returns Timely filing of GSTR-1, GSTR-3B, GSTR-9, etc. based on business type.
- Payment of GST Businesses must pay collected GST to the government on time.
- Input Tax Credit (ITC) Reconciliation Claiming and verifying ITC with suppliers' records.
- **Example:** A retail shop issues **GST-compliant invoices** for every sale and files **GSTR-3B** monthly to report tax payments. By maintaining compliance, they avoid penalties and input tax credit mismatches.
- **Exercise:** List three consequences of **non-compliance with GST regulations**.

# CHAPTER 4: GST RETURN FILING PROCESS

## 4.1 What are GST Returns?

GST returns are **official tax documents** filed by registered businesses to report their sales, purchases, and tax liabilities to the government. Different returns apply based on **business type and turnover**.

# 4.2 Types of GST Returns

GST	Who Should	Due Date	Details to be		
Return	File?		Reported		
GSTR-1	Regular taxpayers	11th of next	Details of outward		
		month	sup <mark>plie</mark> s (Sales)		
GSTR-	Regular taxpayers	20th of next	Summary of Sales,		
3B		month	ITC, Tax Payment		
GSTR-9	Businesses > ₹2	31st Dec	Annual GST Return		
	crore turnover	(Annually)			
GSTR-4	Composition	18th of next	Quarterly return for		
	Scheme	quarter	composition		
			taxpayers		

**Example:** A wholesaler selling electronics files **GSTR-1** every month to report sales and **GSTR-3B** to declare tax liabilities.

★ Exercise: Suppose a business has sales of ₹5,00,000 in January and purchases of ₹3,00,000. Calculate **GST liability** and identify which returns they must file.

CHAPTER 5: GST PENALTIES FOR NON-COMPLIANCE

5.1 What Happens If GST Compliance is Not Followed?

Failure to comply with GST regulations leads to **penalties and interest charges**. The most common penalties include:

- Late Filing Penalty: ₹50 per day for GSTR-3B, ₹20 per day for NIL returns.
- Wrong Input Tax Credit (ITC) Claim: Interest @18% per annum on incorrect ITC claimed.
- Non-Payment of GST: Penalty = 10% of tax amount (Minimum ₹10,000).
- Fraudulent GST Evasion: Up to 5 years imprisonment + fine for intentional fraud.
- **Example:** A business forgets to file **GSTR-3B** for three months. They are charged a penalty of ₹50 per day, accumulating to ₹4,500 in fines.
- **Exercise:** Identify three scenarios where businesses might inadvertently violate GST laws and explain their consequences.

#### Conclusion

GST Registration & Compliance ensures businesses operate legally and avoid penalties. Proper filing, tax payments, and record-keeping help businesses stay GST-compliant. Understanding GSTIN registration, return filing, and compliance rules is essential for all business owners.

# **†** Final Exercise:

- 1. Register a **dummy business** on the GST portal and list the required details.
- 2. Prepare a **GST invoice** for a business selling mobile phones worth ₹50,000.

3. Calculate **GST payable & ITC claim** for a trader who made ₹10,00,000 in sales and had ₹6,00,000 in purchases.



# SETTING UP GST IN TALLY – STUDY MATERIAL

## CHAPTER 1: INTRODUCTION TO GST IN TALLY

# 1.1 Understanding GST in Tally

Tally Prime is one of the most widely used accounting software for **GST compliance, tax calculations, and return filing**. Setting up GST in Tally ensures that **sales, purchases, and tax transactions** are recorded correctly while generating accurate **GST reports and returns**.

# Why is GST Setup Important in Tally?

- Automates GST Calculations Reduces manual errors in tax computation.
- **Ensures Compliance** Helps businesses adhere to GST filing regulations.
- ✓ **Generates GST Invoices & Reports** Prepares GST-compliant invoices and filing documents.
- ✓ Tracks Input Tax Credit (ITC) Allows businesses to claim tax credits on purchases.
- **Example:** A manufacturer in Gujarat sells goods worth ₹1,00,000 to a distributor in Maharashtra. With **GST setup in Tally**, the software automatically applies **IGST at 18%** (₹18,000), ensuring accurate tax calculation and invoicing.
- **Exercise:** List five benefits of setting up GST in Tally for a business dealing with goods and services.

#### CHAPTER 2: PRE-REQUISITES FOR GST SETUP IN TALLY

# 2.1 Basic Requirements for GST Activation

Before enabling GST in Tally, ensure the following:

- ▼ Tally Prime Installed Ensure that Tally Prime or Tally ERP 9
  (Release 6.o or later) is installed.
- ✓ **GST Registration** The business must be registered under GST and have a valid **GSTIN** (Goods & Services Tax Identification Number).
- Updated Company Profile Business details such as state, registration type, and tax applicability should be updated.
- **Example:** A retail business in Delhi wants to start using GST in Tally. Before activating GST, they need to verify their **GSTIN**, business state, and tax rates applicable to their products.
- **Exercise:** Check if your system has **Tally Prime** installed and list three steps to verify GST registration for a business.

# CHAPTER 3: ENABLING GST IN TALLY

# 3.1 Steps to Activate GST in Tally

- Step 1: Open Tally & Select Company
  - Launch Tally Prime.
  - Select the company for which GST needs to be activated.
- Step 2: Enable GST in Company Features
  - Navigate to Gateway of Tally > Features (F11) > GST Details.
  - Set "Enable Goods and Services Tax (GST)" to Yes.
  - Press Enter to proceed.

- Step 3: Enter GST Registration Details
  - **State:** Select the registered business state.
  - **GSTIN/UIN:** Enter the **15-digit GSTIN number** provided at registration.
  - Registration Type: Select the applicable type (Regular Dealer, Composition Scheme, SEZ, etc.).
- Step 4: Configure Tax Options
  - Enable Tax Classification based on business needs.
  - Enable GST for Inventory Items (if applicable).
- Step 5: Save the Settings
  - Press Ctrl + A to save changes.
- **Example:** A wholesaler in Maharashtra enables **GST in Tally** and enters **GSTIN:** 27XXXXXXXXXXXZ5. They set **GST rates for products** and ensure that all future invoices are GST-compliant.
- \* Exercise: Open Tally and simulate the GST activation process.

  Take a screenshot (if possible) and note the steps you followed.

CHAPTER 4: SETTING UP GST TAX LEDGERS

# 4.1 Creating GST Ledgers in Tally

To record **GST transactions**, tax ledgers must be created for **CGST**, **SGST**, and **IGST**.

- Step 1: Open Ledger Creation
  - Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Step 2: Create CGST Ledger

Name: CGST

• **Group:** Duties & Taxes

Type of Duty/Tax: GST

Tax Type: Central Tax

• **Percentage of Calculation:** 9% (if GST rate is 18%)

Step 3: Create SGST Ledger

Name: SGST

Group: Duties & Taxes

Tax Type: State Tax

Percentage of Calculation: 9%

Step 4: Create IGST Ledger

Name: IGST

Group: Duties & Taxes

Tax Type: Integrated Tax

• Percentage of Calculation: 18%

Step 5: Save the Ledgers

Press Ctrl + A to save.

**Example:** A business selling products at **18% GST** creates **CGST** at **9%, SGST** at **9%, and IGST** at **18%** in Tally. These ledgers automatically apply the correct tax during invoice generation.

\* Exercise: Create GST tax ledgers for CGST @5%, SGST @5%, and IGST @10% in Tally.

# CHAPTER 5: CONFIGURING GST FOR STOCK ITEMS

# 5.1 Assigning GST Rates to Products

For businesses dealing with inventory, GST rates need to be assigned to individual **stock items**.

- Step 1: Open Stock Item Creation
  - Go to Gateway of Tally > Inventory Info > Stock Items > Create.
- Step 2: Enter Product Details
  - Item Name: Enter product name (e.g., Mobile Phone).
  - Stock Group: Assign the stock to a relevant group.
  - Unit of Measure: Define the unit (e.g., Pieces, Kgs).
- Step 3: Enable GST for the Item
  - Set GST Applicable to Yes.
  - Enter HSN Code (if applicable).
  - Set GST Rate (e.g., 18%).
- Step 4: Save the Stock Item
  - Press Ctrl + A to save.
- **Example:** A trader selling **Laptops at 18% GST** creates a **Stock Item with HSN Code 8471** in Tally. This ensures that GST is automatically applied to sales invoices.
- **Exercise:** Create a **Stock Item for a product** in Tally and assign it a **GST rate** of 12%.

#### CHAPTER 6: GENERATING GST REPORTS IN TALLY

# 6.1 Viewing GST Reports

Once GST is set up, businesses need to generate reports for tax filing and compliance.

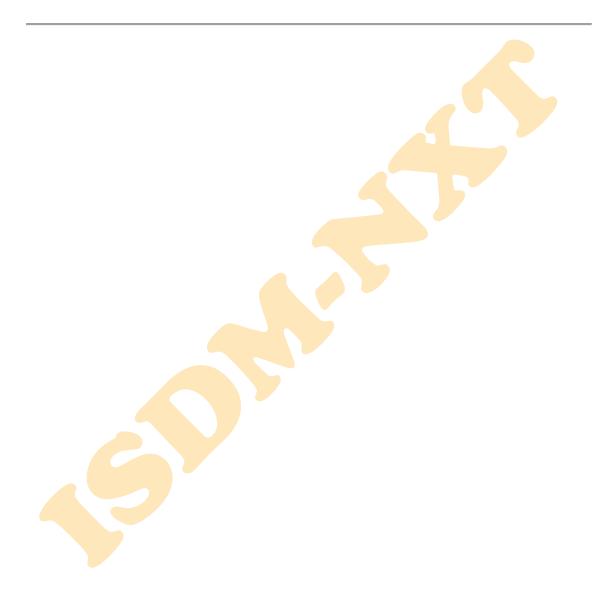
- Step 1: Open GST Reports Menu
  - Navigate to Gateway of Tally > Display More Reports > GST Reports.
- Step 2: Select the Required Report
  - GSTR-1: For outward sales transactions.
  - GSTR-2: For inward purchase transactions.
  - GSTR-3B: For monthly tax summary.
- Step 3: Verify and Export Reports
  - Check tax details and correct any errors.
  - Export reports in Excel or JSON format for filing.
- **Example:** A trader selling electronics generates GSTR-1 for sales invoices and submits the report for GST filing.
- **Exercise:** Generate a dummy GSTR-3B report in Tally and analyze the tax breakup.

### Conclusion

Setting up **GST in Tally** helps businesses **automate tax calculations, file returns accurately, and ensure compliance**. By following these steps, businesses can efficiently manage GST-related transactions.

# **★** Final Exercise:

- 1. Enable GST for a new company in Tally.
- 2. Create **GST tax ledgers & stock items** with different tax rates.
- 3. Generate a GSTR-1 report and analyze how sales transactions reflect in tax filings.



# GST Invoices & Returns Filing – Study Material

# CHAPTER 1: INTRODUCTION TO GST INVOICES & RETURNS FILING

# 1.1 Understanding GST Invoicing & Returns Filing

A **GST invoice** is a legal document issued by a seller to a buyer, containing details of the goods or services sold, their value, applicable GST, and other required information. It is **mandatory for all GST-registered businesses** to issue a proper tax invoice when supplying taxable goods or services.

Similarly, **GST return filing** is a process where businesses report their **sales**, **purchases**, **tax collected**, **and tax paid** to the government. Every GST-registered entity must file periodic returns to ensure tax compliance.

# Why are GST Invoices & Returns Important?

- Legal Compliance: Businesses must issue GST invoices and file returns to comply with tax laws.
- Claiming Input Tax Credit (ITC): Buyers can claim ITC based on valid GST invoices.
- **Transparent Transactions:** Helps prevent tax evasion and ensures proper tax reporting.
- Avoid Penalties: Timely filing prevents late fees and penalties.
- **★** Example: A clothing store selling garments worth ₹50,000 with GST @ 12% must issue a GST invoice showing CGST = ₹3,000, SGST = ₹3,000 and file GSTR-1 & GSTR-3B to report the sale.
- **Exercise:** List five types of businesses that must issue GST invoices and explain why accurate invoicing is important for them.

### CHAPTER 2: GST INVOICE - FORMAT & TYPES

#### 2.1 What is a GST Invoice?

A **GST invoice** is a tax document issued by a registered supplier when selling goods or services. It serves as proof of the transaction and is required for **GST compliance and input tax credit claims**.

# 2.2 Mandatory Fields in a GST Invoice

Every GST invoice must contain the following details:

- Invoice Number & Date A unique serial number for each invoice.
- Supplier Details Name, GSTIN, and address of the seller.
- **Buyer Details** Name, GSTIN (if registered), and shipping address.
- **Description of Goods/Services** Name, quantity, unit price, and total value.
- ► When the proof of the proof
- Tax Rate & GST Amount CGST, SGST, or IGST applicable on the transaction.
- Total Invoice Value Final amount including tax.
- Payment Terms Mode of payment and due date.

# 2.3 Types of GST Invoices

- 1. **Tax Invoice** Issued for **regular taxable supplies** (Required to claim ITC).
- 2. **Bill of Supply** Issued for **exempt supplies & Composition Scheme dealers** (No ITC claim allowed).
- 3. **Receipt Voucher** Issued when advance payment is received from a customer.

- 4. **Refund Voucher** Issued when an advance payment is refunded.
- 5. **Debit Note / Credit Note** Issued for changes in invoice value (price increase/decrease).

# 2.4 Sample GST Invoice Format

Invoi	D	Supplie	Buyer	Ite	Н	Q	Ra	Та	С	S	Tot
ce	at	r GSTIN	GSTIN	m	S	t	te	xa	G	G	al
Num	е				N	У		ble	S	S	Am
ber					C			Val	Ţ	T	ου
					0			ue			nt
					d						
					е						
INV/2	1	27 A B C D	27VV7	La	8	3		1.0	0	_	1.1
	1	27ABCD	27XYZ	La	0	2	50	1,0	9,	9,	1,1
025/0	0-	E1234F1	9876G	pt	47		,0	0,0	00	00	8,0
01	Α	Z <sub>5</sub>	1Z6	ор	1		00	00	0	0	00
	pr										
	-										
	2										
	0										
	2										
	5										

Example: A mobile store sells 5 smartphones worth ₹20,000 each with GST @ 18%. The GST invoice will include CGST @ 9% = ₹18,000 and SGST @ 9% = ₹18,000, making the total invoice amount ₹1,18,000.

**★ Exercise:** Prepare a **sample GST invoice** for a business selling 10 office chairs at ₹3,500 each, with **GST @ 18%**.

CHAPTER 3: GST RETURNS – TYPES & FILING PROCESS

3.1 What are GST Returns?

A **GST return** is a document filed with the **tax authorities** containing details of **sales**, **purchases**, **tax collected**, **and tax paid**. Businesses must file GST returns periodically to comply with tax regulations and claim ITC.

# 3.2 Types of GST Returns

GST	Who Should	Due Date	Purpose				
Return	File?						
GSTR-1	Regular taxpayers	11th of next	Report <mark>s outward</mark>				
		month	supplies (Sales)				
GSTR-	Regular taxpayers	20th of next	Summary of Sales,				
3B		month	ITC <mark>, a</mark> nd Tax				
			Payment				
GSTR-9	Businesses > ₹2	31st Dec	Annual GST Return				
	crore turnover	(Annually)					
GSTR-4	Composition	18th of next	Quarterly return for				
	Scheme	quarter	composition				
			taxpayers				
GSTR-5	Non-resident	20th of next	GST return for				
	taxable persons	month	foreign businesses				

**Example:** A wholesaler reports **monthly sales of ₹10,00,000** in **GSTR-1** and calculates **GST payable in GSTR-3B**.

**★** Exercise: Identify which GST return(s) a restaurant in Delhi earning ₹50 lakhs annually should file.

CHAPTER 4: STEPS TO FILE GST RETURNS ONLINE

4.1 How to File GST Returns on the GST Portal?

# Step 1: Log in to the GST Portal

Visit <u>www.gst.gov.in</u> and enter your **GSTIN & password**.

# Step 2: Select the Return Type

- Navigate to Services > Returns Dashboard.
- Select the applicable return form (e.g., GSTR-1, GSTR-3B).

# Step 3: Enter Sales & Purchase Details

- Upload invoice details for outward and inward supplies.
- Verify the tax liability calculated automatically.

# Step 4: Preview & Validate

- Cross-check the entered details before submission.
- Step 5: Pay Tax & Submit Return
  - Use Net Banking, Credit/Debit Card, or UPI to pay tax.
  - Submit the return using Digital Signature (DSC) or OTP verification.

# 4.2 Late Fees & Penalties for Non-Filing

- Late Filing Penalty: ₹50 per day for GSTR-3B, ₹20 per day for NIL returns.
- Wrong ITC Claim: Interest @ 18% per annum on the incorrect ITC claimed.
- Non-Payment of GST: Penalty = 10% of tax amount (Minimum ₹10,000).
- **★** Example: A business forgets to file GSTR-3B for two months and is charged ₹50 per day, accumulating to ₹3,000 in fines.

**Exercise:** Visit <a href="www.gst.gov.in">www.gst.gov.in</a> and explore the steps to file a GST return.

#### Conclusion

Understanding **GST** invoices and returns filing is essential for businesses to stay compliant with tax laws. Proper invoicing ensures accurate tax collection, and timely GST return filing prevents penalties. Businesses should maintain error-free GST records to claim input tax credit and avoid tax disputes.

# **★** Final Exercise:

- 1. Prepare a **GST invoice** for a business selling **15 laptops at ₹60,000** each.
- 2. Identify the correct GST return form for a business earning ₹1 crore annually.
- 3. Calculate the **GST payable** if a business earns ₹5,00,000 in sales and has ₹3,00,000 in purchases with an 18% GST rate.

# ASSIGNMENT:

# GENERATE GST-COMPLIANT INVOICES & FILE GSTR-1



# SOLUTION GUIDE: GENERATING GST-COMPLIANT INVOICES & FILING GSTR-1 IN TALLY PRIME

This guide provides a **step-by-step approach** to **generate GST**compliant invoices and file GSTR-1 using Tally Prime and the GST portal.



PART 1: GENERATING A GST-COMPLIANT INVOICE IN TALLY

#### PRIME

# Step 1: Open Tally Prime & Select the Company

- Launch **Tally Prime** and select the company for which you need to create a **GST invoice**.
- Ensure that **GST** is enabled for the company (**F11** > **GST** Features).

# Step 2: Create a Customer Ledger (If Not Already Created)

- Navigate to Gateway of Tally > Masters > Create > Ledger.
- Enter the Customer Name (e.g., XYZ Traders).
- Under Group, select Sundry Debtors.
- Enter the **GSTIN** of the customer (if registered).
- Set the **State** for correct tax calculation (CGST+SGST or IGST).
- Save the ledger (Ctrl + A).

# Step 3: Create a GST-Compliant Invoice

Go to Gateway of Tally > Accounting Vouchers > F8 (Sales Voucher).

- Select Customer Ledger (XYZ Traders).
- Select the Sales Ledger (Ensure it is GST-enabled).
- Choose the Stock Item (or service) and enter details:

Item Name: Laptop

HSN Code: 8471

Quantity: 2

• Rate per Unit: ₹50,000

• Tax Rate: 18% GST (9% CGST + 9% SGST) for intrastate OR 18% IGST for interstate sales.

- Tally automatically calculates GST amounts based on transaction type.
- Save the invoice (Ctrl + A).

# Step 4: Print the GST Invoice

- Go to the created invoice and press Alt + P (Print).
- Select Configure > Enable GST Details.
- Verify details like GSTIN, HSN Code, Tax Split (CGST, SGST, IGST).
- Print or export the invoice in PDF format for customer reference.

# **Example:**

A seller in **Delhi** sells **2 laptops** worth ₹50,000 each to a buyer in **Mumbai**. Since it is an **interstate transaction**, **IGST @18% applies** (₹18,000). The total invoice value is ₹1,18,000.

**★** Exercise: Generate a GST invoice in Tally for a business selling 10 chairs at ₹3,500 each with GST @18%.

### PART 2: FILING GSTR-1 ON THE GST PORTAL

# Step 1: Log in to the GST Portal

- Visit www.qst.qov.in.
- Enter **GSTIN**, username, and password.
- Click on Login.

# Step 2: Navigate to the GSTR-1 Return Form

- Click on Services > Returns > Returns Dashboard.
- Select the financial year and month for which GSTR-1 needs to be filed.
- Click on Prepare Online under GSTR-1.

# Step 3: Enter Invoice Details

- Under B2B (Business-to-Business) Invoices, click Add Invoice.
- Enter the following details:
  - Invoice Number & Date (e.g., INV/2025/001, 10-Apr-2025).
    - Customer GSTIN (Ensure correct GSTIN entry).
    - Invoice Value (e.g., ₹1,18,000).
  - Taxable Value (₹1,00,000 before GST).
  - GST Type: CGST + SGST (Intrastate) OR IGST (Interstate).
    - HSN Code (e.g., 8471 for laptops).
  - Tax Breakdown: CGST, SGST, or IGST as per transaction type.

# Step 4: Verify & Save Details

Cross-check the entered invoices and validate totals.

• Click **Save** to ensure all invoice data is stored correctly.

## Step 5: Preview & Submit GSTR-1

- Click on Preview Draft GSTR-1 to download the summary.
- If everything is correct, click Submit to freeze the data.

# Step 6: File GSTR-1 & Generate ARN

- Click File Return and proceed with payment if needed.
- Authenticate using DSC (Digital Signature Certificate) or EVC (OTP verification).
- After successful filing, Acknowledgment Reference Number (ARN) is generated.

# Example:

A business selling **electronics worth ₹10,00,000 in April** must **file GSTR-1** before **11th May** to report all sales invoices. Missing the deadline results in **late fees of ₹50 per day**.

# **\*** Exercise:

- 1. Log in to www.qst.gov.in and explore the GSTR-1 form.
- 2. Identify **which sections** apply to different types of transactions (B<sub>2</sub>B, B<sub>2</sub>C, Exports).

# Conclusion

By following these steps, businesses can:

- Generate GST-compliant invoices with proper tax breakdowns.
- **Ensure smooth tax reporting** and **avoid penalties** by filing **GSTR-1 on time**.
- Maintain compliance and claim input tax credit (ITC) efficiently.

# **★** Final Exercise:

- 1. Generate **three GST invoices** in Tally for different transactions (intrastate & interstate).
- 2. Prepare a **dummy GSTR-1 report** and categorize invoices as B<sub>2</sub>B, B<sub>2</sub>C, or Export.
- 3. Calculate **total GST payable** for a business earning ₹5,00,000 in sales and having ₹3,00,000 in purchases at 18% GST.

