



TALLY FOR GST

GST & YOU

PRESENTATION

AGENDA

GST Basics

What is GST

Why GST

How things
change

GST concepts

Registration

Invoice Matching

Input credit

Implications

Input Credit on Expenses

Illustrations

What should I do today

Business practices & technology

UNDERSTANDING GST - 5 EASY STEPS



GST (Goods & Services Tax), a single unified indirect tax system aims at uniting India's complex taxation structure to a **'One Nation- One Tax'** regime.



Destination based tax on supplies of goods and services.



It will be **levied on all supplies** with seamless flow of credit (for both goods & services) till it reaches the end consumer



Only **value addition will be taxed** and burden of tax is to be borne by the final consumer.



GST would **replace indirect taxes**

- Central Excise Duty
- CVD
- CST & VAT
- Entry Tax & Octroi
- Surcharges & Cess levied by State govt

WHY GST

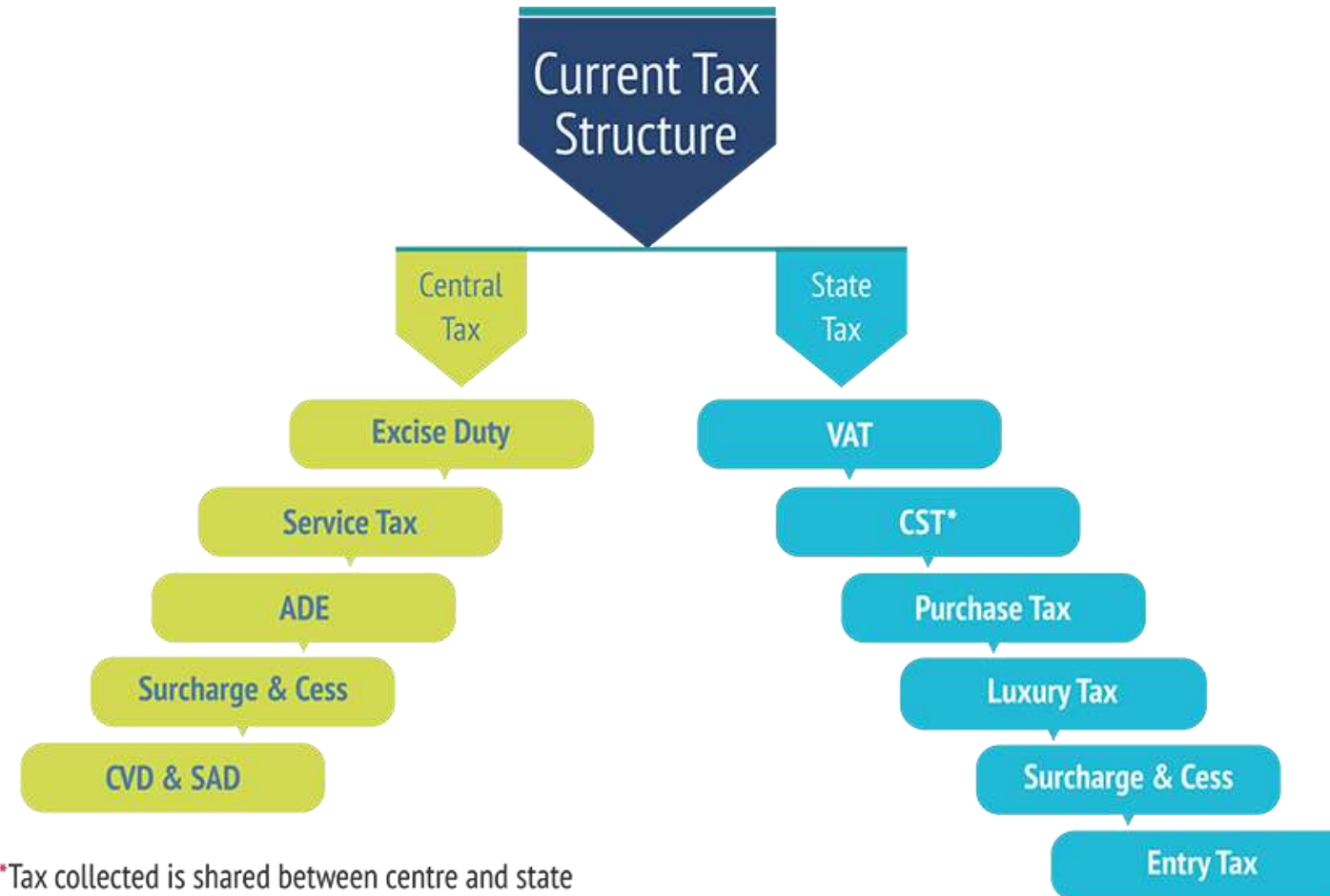
Simple Tax Structure

Eliminating Cascading Effects

Technology Driven System

Increase Revenue

CURRENT TAX STRUCTURE



*Tax collected is shared between centre and state

TAX COMPONENTS OF GST

CGST

- > • CGST stands for Central GST
- This is applicable on supplies within the State
- Tax collected will be shared to Centre

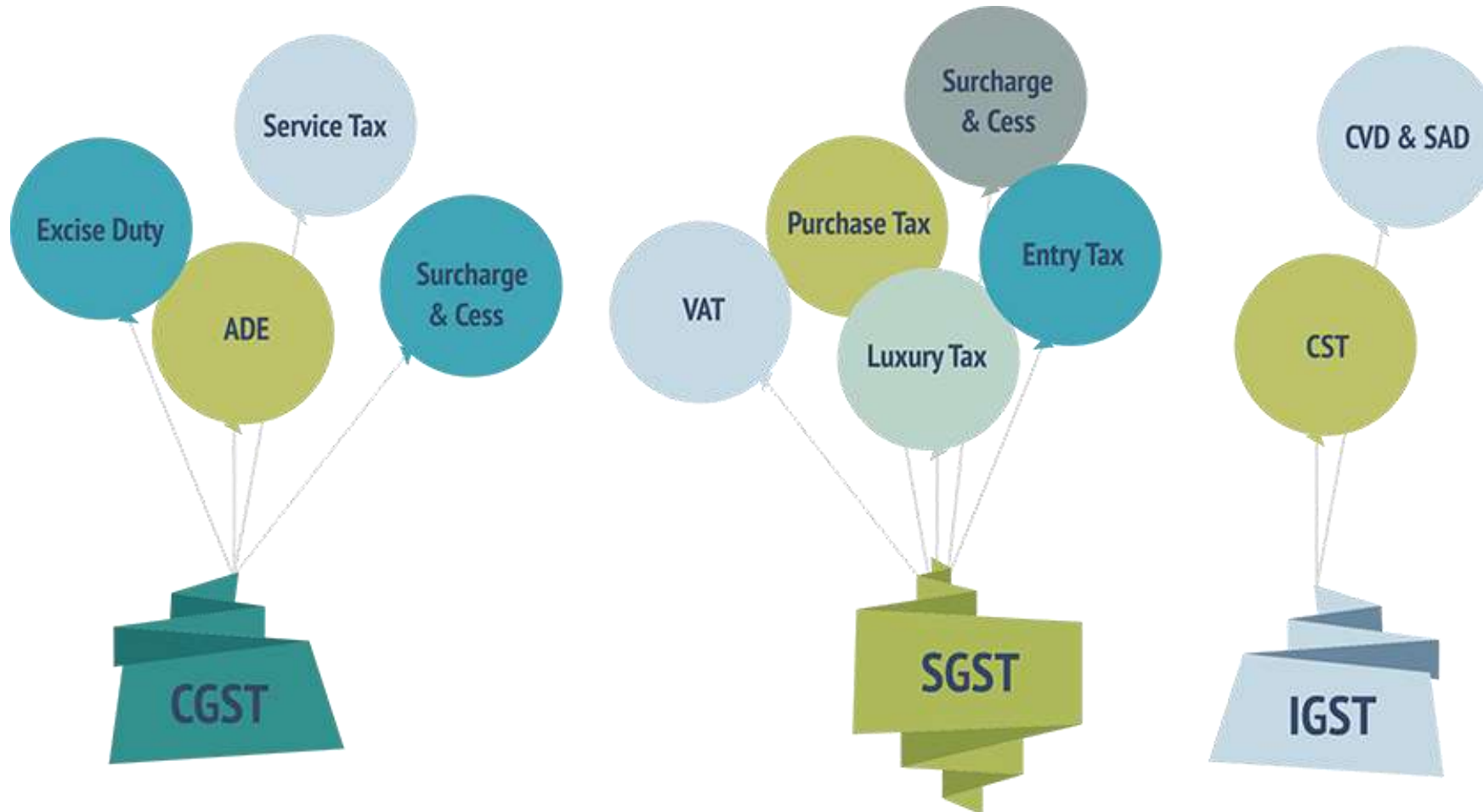
SGST

- > • SGST stands for State GST
- This is applicable on supplies within the State
- Tax collected will be shared to State

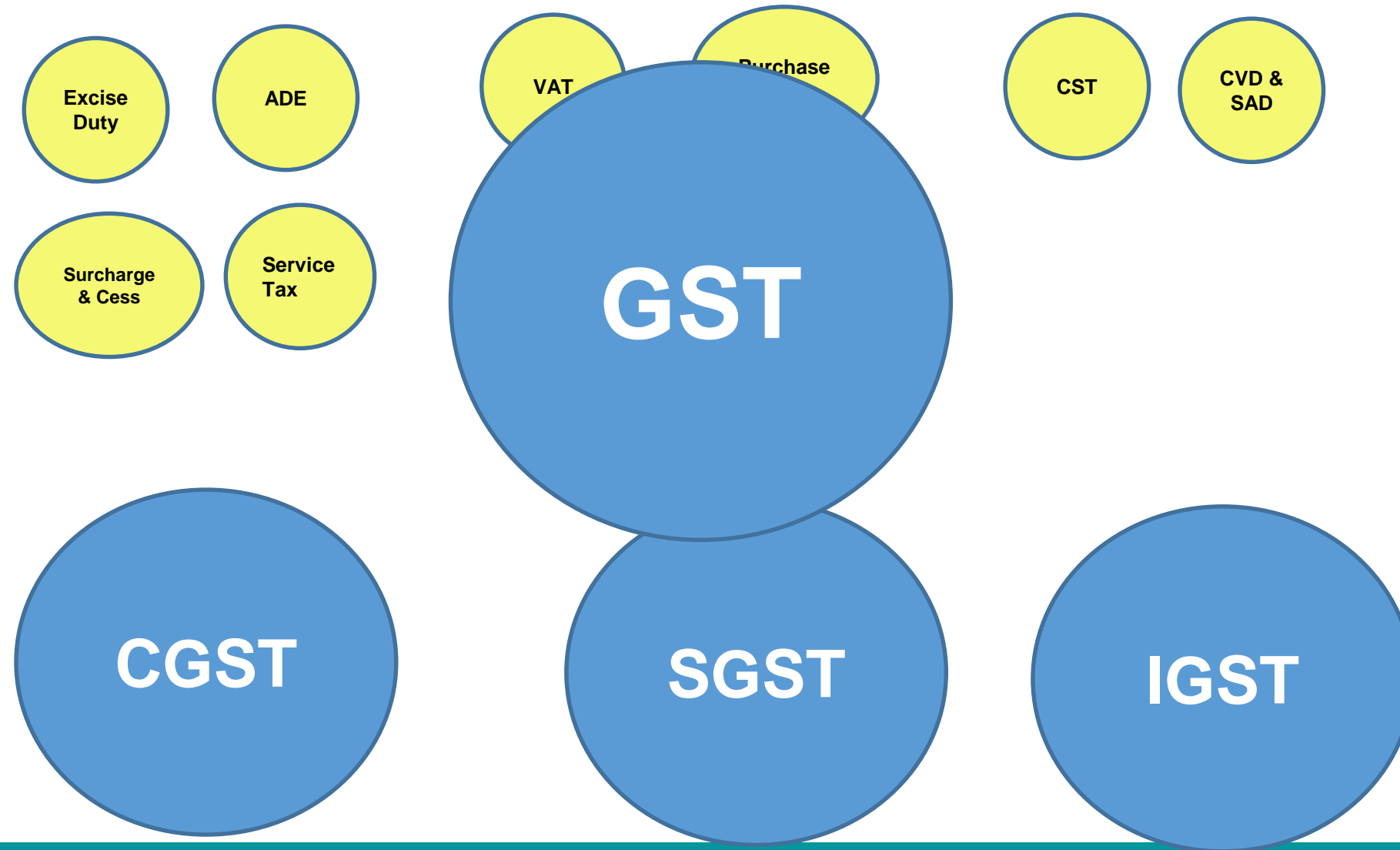
IGST

- > • IGST stands for Integrated GST
- This is applicable on interstate and import transactions
- Tax collected is shared between Centre and State

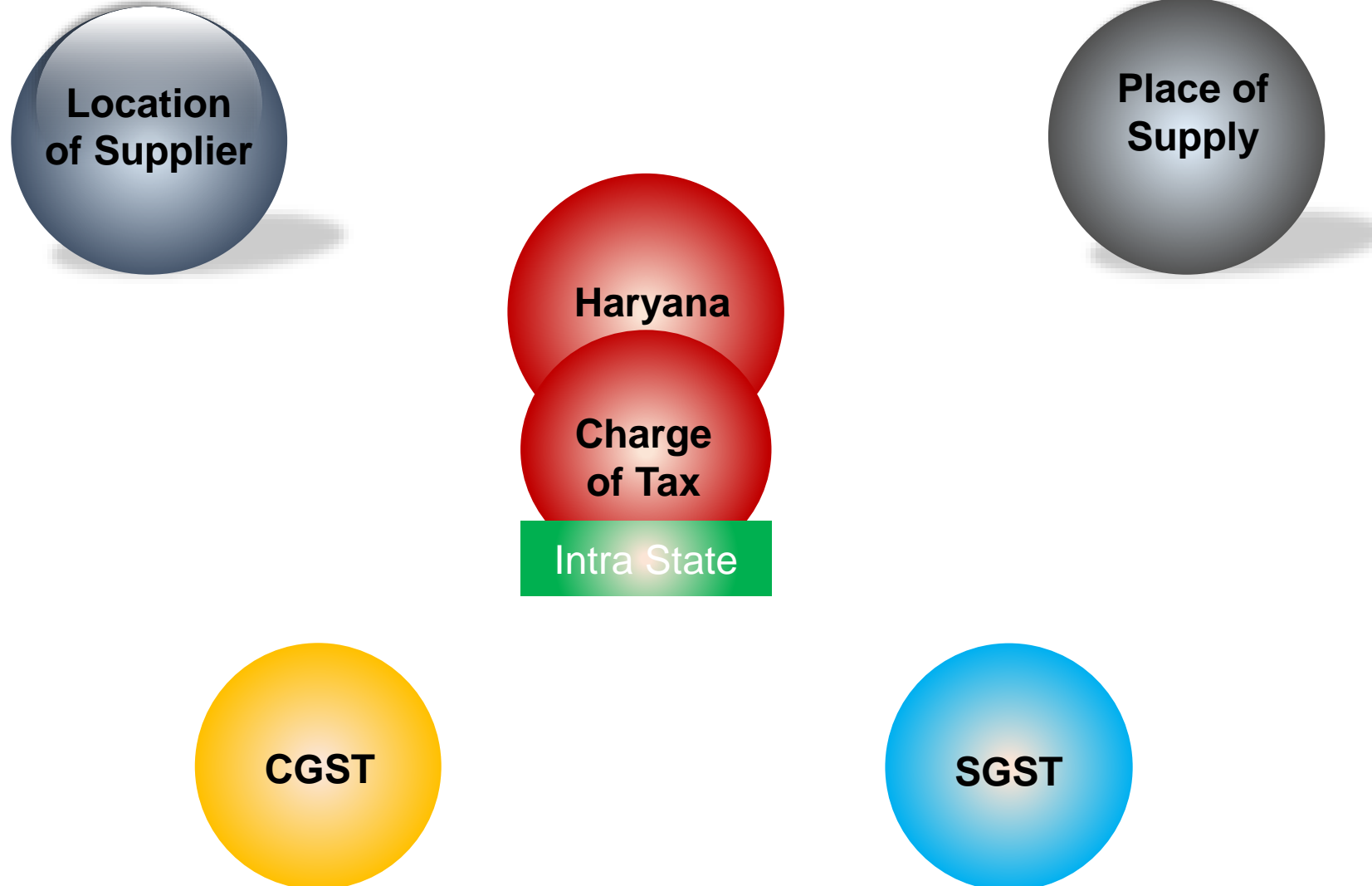
TAXES SUBSUMED UNDER GST



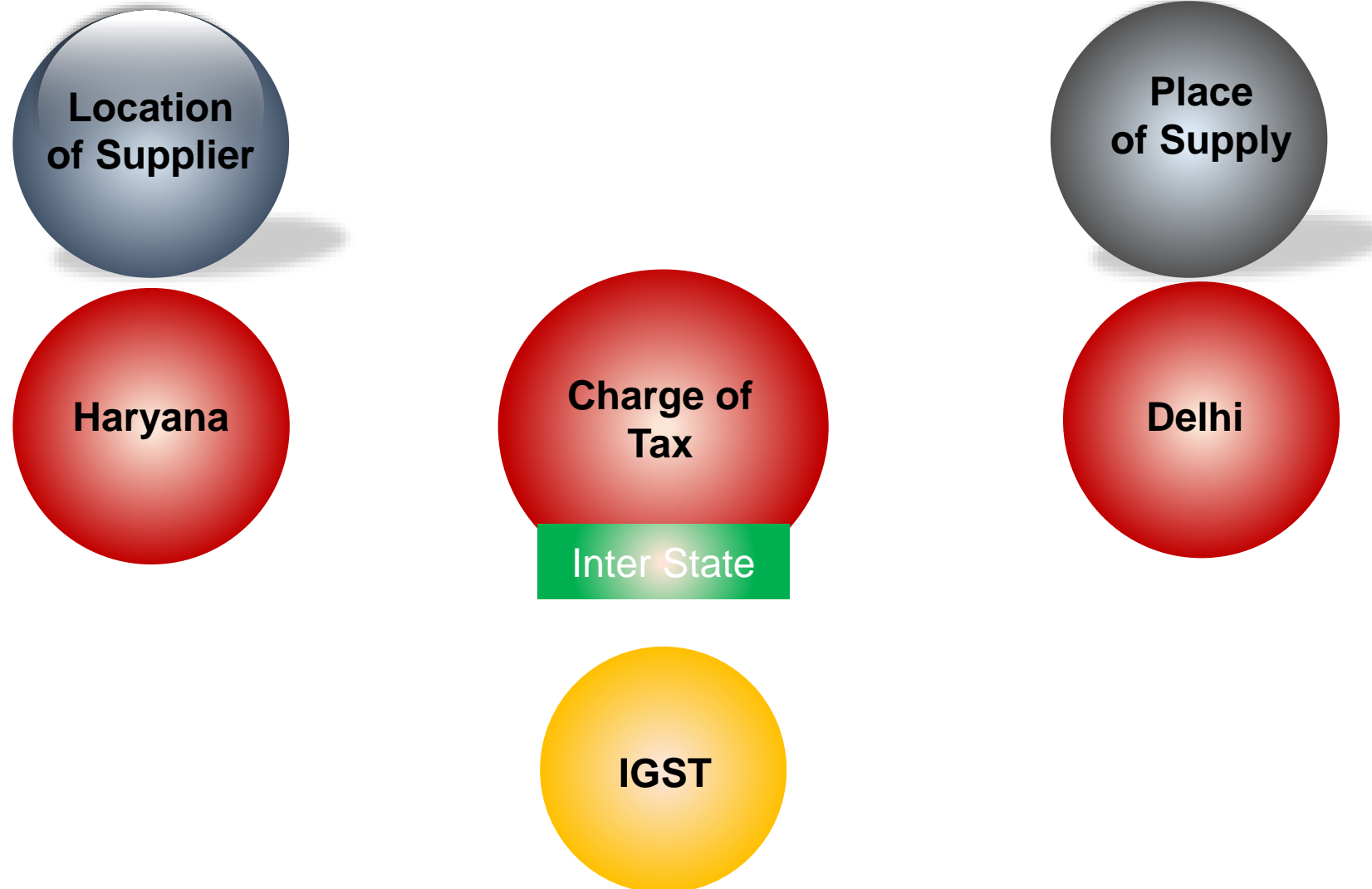
Taxes subsumed under GST



DETERMINATION OF CHARGE



DETERMINATION OF CHARGE





TALLY FOR
GST

GST BASICS RECAP



--- GST CONCEPTS

Registration
Types of Returns
Invoice matching
Input credit

KEY GST CONCEPTS

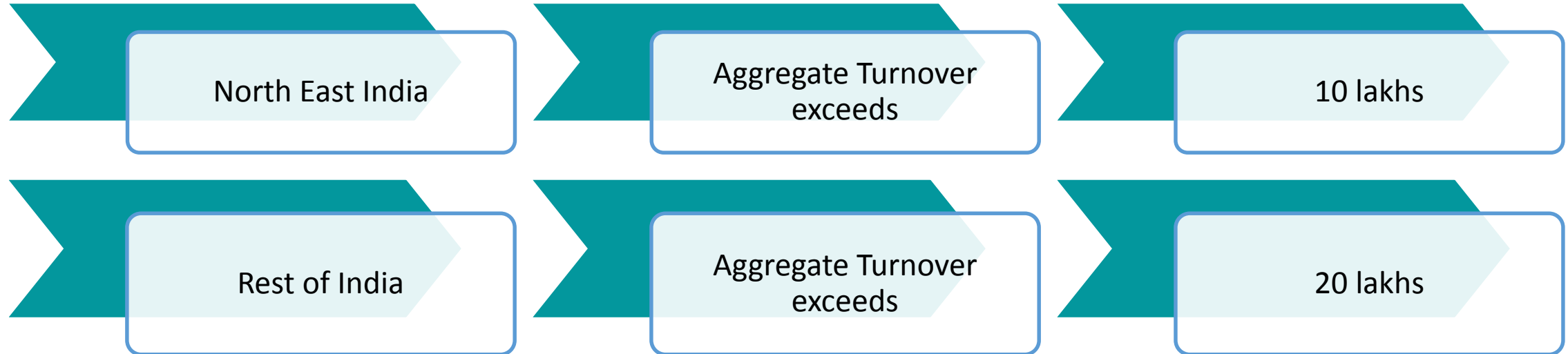
Invoice Matching

Input Tax Credit

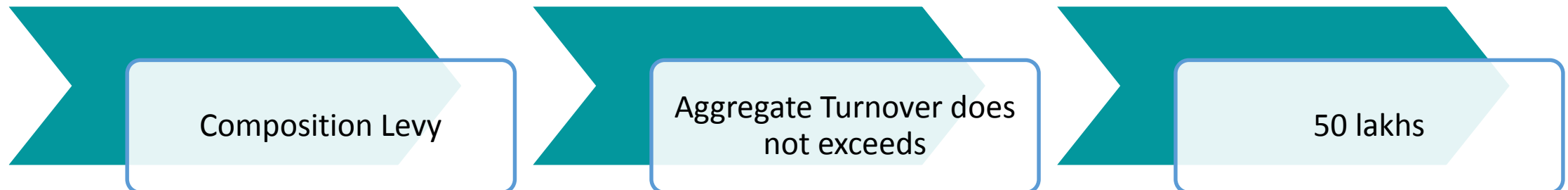
Return Filing

REGISTRATION THRESHOLD LIMIT

Regular Dealer



Composition Scheme



REGISTRATION PROCESS

Required Information	Applicability
<ol style="list-style-type: none"> 1. Basic company details (name, address, etc.) 2. Company registration details 3. PAN details 4. Tax details 5. Company details 6. Name details 7. Photograph 	<ol style="list-style-type: none"> 1. Registration in every State & Union Territory 2. Below threshold limit-Optional Registration 3. PAN based fifteen digit unique identification number (UIN) 4. Below threshold limit-Optional Registration 5. PAN based fifteen digit unique identification number (UIN)

23 AAES1234A 101

For composition scheme, businesses will need to apply for registration

ENROLMENT SCHEDULE FOR YOUR STATE

State	Start Date	End Date
Puducherry, Sikkim	08/11/2016	23/11/2016
Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli, Chhattisgarh	14/11/2016	30/11/2016
Gujarat	15/11/2016	30/11/2016
Odisha, Jharkhand, Bihar, West Bengal, Madhya Pradesh, Assam, Tripura, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram	30/11/2016	15/12/2016
Uttar Pradesh, Jammu and Kashmir, Delhi, Chandigarh, Haryana, Punjab, Uttarakhand, Himachal Pradesh, Rajasthan	16/12/2016	31/12/2016
Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh	01/01/2017	31/01/2017
Enrolment of Taxpayers who are registered under Central Excise Act/ Service Tax Act but not registered under State VAT	01/01/2017	31/01/2017

TYPE OF RETURNS

For a Regular Dealer



Form Type	Frequency	Due Date	Details to be furnished
Form GSTR-1	Monthly	10 th of succeeding month	Details of outward supplies of goods/services
Form GSTR-2A	Monthly	On 11 th of succeeding Month	Auto-populated details of inward supplies made available to the recipient on the basis of Form GSTR-1 furnished by the supplier
Form GSTR-2	Monthly	15 th of succeeding month	Details of inward supplies of taxable goods/services claiming input tax credit. Addition (Claims) or modification in Form GSTR-2A should be submitted in Form GSTR-2.
Form GSTR-1A	Monthly	Up to 20 th of succeeding month	Details of outward supplies as added, corrected or deleted by the recipient
Form GSTR-3	Monthly	20 th of succeeding month	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax
Form GSTR-3A	--	--	Notice to a registered taxable person who fails to furnish return under section 27 and section 31
Form GSTR-9	Annually	31 st Dec of next fiscal	Annual Return - Furnish the details of ITC availed and GST paid which includes local, interstate and import/exports.

GSTR-1A

6	1,00,000	20,000
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FORM
Month


GSTR-2A

7	50,000	10,000
8	25,000	5,000
10	50,000	10,000

R-3
urn


GSTR-2A

7	50,000	10,000
8	25,000	5,000
10	50,000	10,000



Payment


10	50,000	10,000
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Ratna Steels

TAX INVOICE

In. No	Amt	GST
10	50,000	10,000



Super Cars Ltd




GSTR-1
Payment

4	75,000	15,000
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TAX INVOICE

In. No	Amt	GST
4	75,000	15,000



Vishnu Motors

• MAY •
20

Inward Supplies Register

Inv. No.	Amount	GST
6 6	1,00,000	20,000
7	50,000	10,000
8	25,000	5,000
10	50,000	10,000

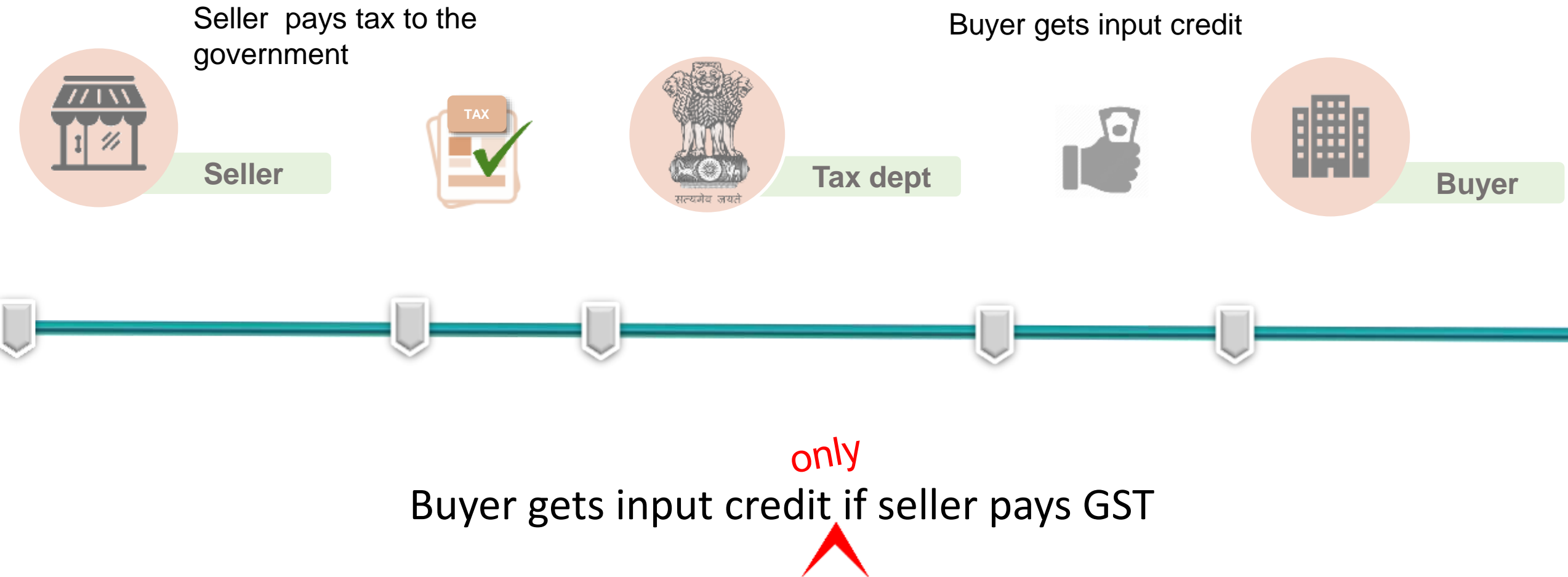
Books of Super Cars Ltd for April

GSTR-2		
7	50,000	10,000
8	25,000	5,000
10	50,000	10,000
6	1,00,000	20,000

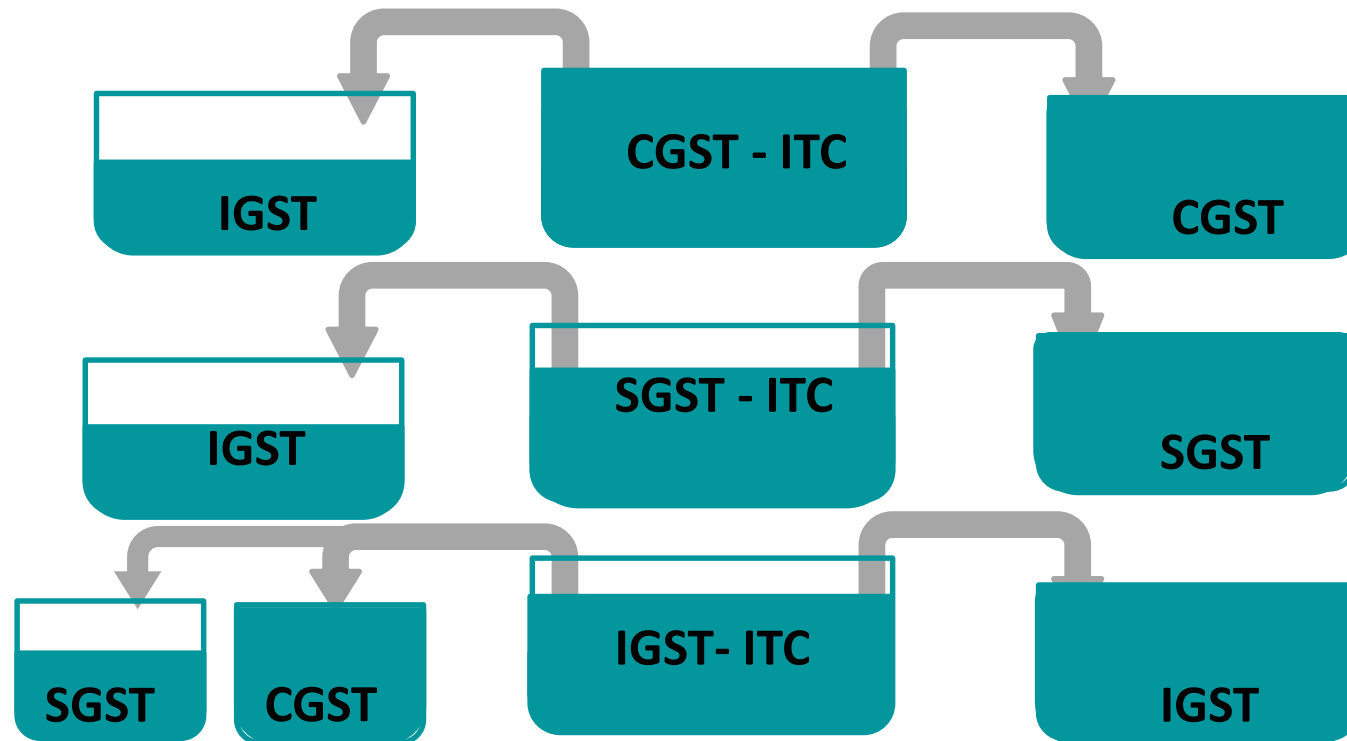
Outward supplies Register

Inv. No.	Amount	GST
1	1,25,000	25,000
2	75,000	15,000
3	40,000	8,000
4	75,000	15,000

AVAILING ITC IN GST REGIME

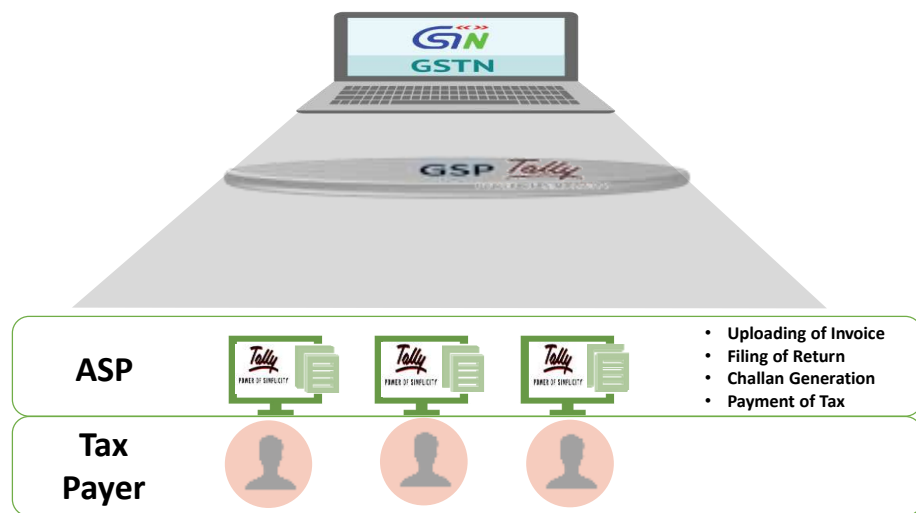


INPUT CREDIT ADJUSTMENT



Input credit will not be credited to bank. It will be available in an electronic ledger which can be adjusted against tax liability

IT ECOSYSTEM OF GST



To enforce these laws, **invoice level details** are a MUST

To implement this effectively, **technology** is a MUST

First time ever in India, **technology-centric** compliance will be implemented

NTATION

t credit
ases



IT ECOSYSTEM OF GST





TALLY FOR GST

GST CONCEPTS RECAP



IMPACT ON BUSINESS

Government's vision
Key implications
Illustrations

NEWS CLIP 8TH NOV

Government notifies demonetisation of Rs 500/Rs 1,000 notes

IANIS | New Delhi
November 8, 2016 Last Updated at 23:50 IST

**Didn't this news
surprise us?**

WHAT DOES IT INDICATE?

Government is **serious** about compliance

Non-compliance is not an option

GST is **more likely to be implemented** on 1st Apr 2017

Technology is used at the core to drive compliance

CONSEQUENCES OF NON-COMPLIANCE

Credit rating

Non compliance will affect a company's credit rating, which is visible to all.
Bad rating may impact customer & supplier confidence in the company, impacting business

Late Fee & Interest

Failure to furnish returns

Quarterly/ Monthly: Rs.100/- per day for every day subject to a maximum of Rs. 5000/-

Annual Return :Rs.100/- per day for every day subject to a maximum of Rs. 0.25 % of aggregate turnover

Interest on total tax due – Rate yet to be notified

Cancellation of Registration

Regular dealer: If returns are not furnished for 6 consecutive tax period

Composite dealer: If returns are not furnished for 3 consecutive tax period

COMPLIANCE DISCIPLINE IS IMPORTANT



If you miss a month's filing

- You can't file for the subsequent month
- Unless tax for the previous month is paid

BUSINESS IMPLICATIONS FOR YOU

VAT

GST

Interaction with Government for compliance

Once a quarter or month

3 times **EVERY MONTH**

Return filing

Summary of sales/purchases needs to be filed

Need to upload **EVERY** transaction

Invoice Matching

Not monitored extensively

Invoices of supplier and recipient **NEED to MATCH**

Input Credit

Availed based on returns

Can be availed **ONLY WHEN INVOICES ARE MATCHED** and **SELLER PAYS TAX LIABILITY.**

Input Credit on expenses

Was not able to claim on all business expenses

Available for **ALL INWARD** which are used in furtherance of business

ITC ON EXPENSES

GST gives an opportunity to avail Input tax credit on expenses incurred for furtherance of business

- Printing & stationery
- Office rent
- House keeping material
- Business meetings & conferences



			Pre - GST Era	GST - Era
Gross Profit			500,000	500,000
Indirect Expenses				
	Travel Expenses	90,000*		
	Office / Godown Rent	90,000		
	Printing and Stationery	90,000		
	Repairs & Maintenance	90,000	(400,000)	(360,000)
Net Profit			100,000	140,000



*Within State to the extent of CGST & SGST of the state.

For all business related expenses please ask for Tax Invoice & your GSTIN have to be mentioned

ITC ON CLOSING STOCK

On April 1, non-excise dealers can claim input tax credit on closing stock



Closing Stock



Input
Tax
Credit

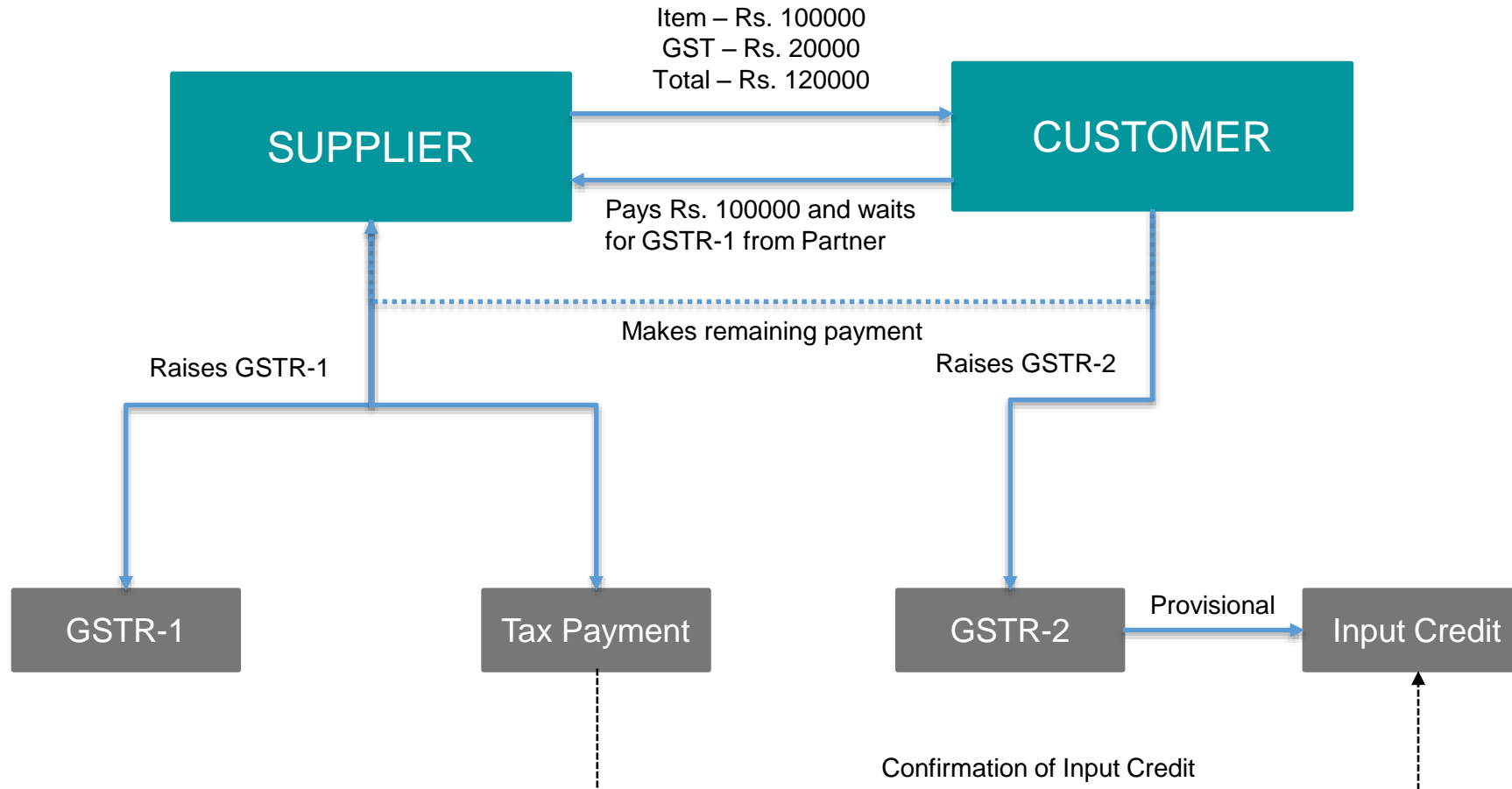
Start using technology right from today to avail this benefit



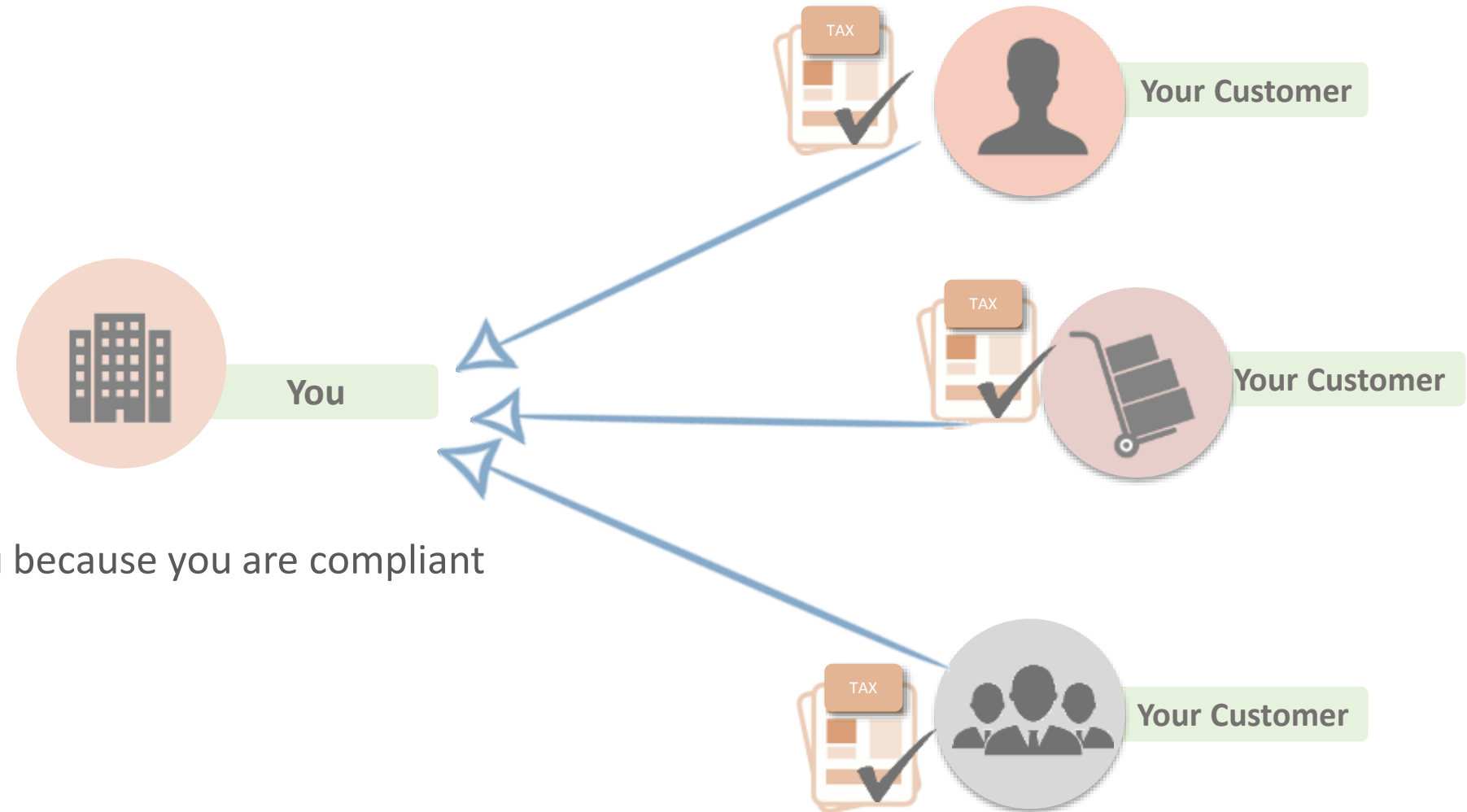
BUSINESS IMPLICATIONS CASH FLOW

A possible scenario where the business relationship is new/credibility is not formed yet

Invoice



YOUR CUSTOMERS HAVE CHOICES TOO



Customers will choose you because you are compliant

REGULAR VS COMPOSITE ILLUSTRATION – B2B

GST Rate Assumption: 20%			
Scenario 1	Dealer has registered as regular		
	Vendor	Distributor	Dealer
Base Price	1,00,000	1,05,000	1,12,000
GST	20,000	21,000	22,400
Gross Invoice Value	1,20,000	1,26,000	1,34,400
Effective Cost	-	1,00,000	1,05,000

- All businesses in supply chain are registered GST dealers and not availing the composite scheme
- Each Entity in the supply chain can get Input tax credit after upload and matching of transaction
- The distributor bills to end customer (Another Business)
- End customer avails input credit of Rs 22,400
- Cost to the end customer is Rs 1,12,000

REGULAR VS COMPOSITE ILLUSTRATION – B2B

GST Rate Assumption :20%			
Scenario 2	Dealer has availed composite scheme		
	Vendor	Distributor	Dealer
Base Price	1,00,000	1,05,000	1,26,000
GST	20,000	21,000	-
Gross Invoice Value	1,20,000	1,26,000	1,26,000
Effective Cost	-	1,00,000	1,26,000

- The Vendor ,Distributor avail input tax credit after uploading and matching there transactions.
- Dealer has availed composite scheme
- The Distributor bills to end customer (Another Business)
- The End customer cannot avail input tax credit
- Cost of the dealer will go up by x% where x will be defined by GSTN as tax rate for dealer opting composite scheme
- Cost to the end customer is Rs 1,26,000 + x%

SCENARIO 1 Vs SCENARIO 2

GST Rate Assumption :20%			
Scenario 1	Regular Dealer		
	Vendor	Distributor	Dealer
Base Price	1,00,000	1,05,000	1,12,000
GST	20,000	21,000	22,400
Gross Invoice Value	1,20,000	1,26,000	1,34,400
Effective Cost	-	1,00,000	1,05,000

GST Rate Assumption :20%			
Scenario 2	Dealer has availed composite scheme		
	Vendor	Distributor	Dealer
Base Price	1,00,000	1,05,000	1,26,000
GST	20,000	21,000	-
Gross Invoice Value	1,20,000	1,26,000	1,26,000
Effective Cost	-	1,00,000	1,26,000

- In **Scenario 2** the Dealer selling to end customer becomes non-competitive
- The cost to end customer is higher so he will not prefer to buy from this partner
- Being a GST registered regular dealer will make you competitive in the market

REGULAR VS COMPOSITE ILLUSTRATION – B2C

GST Rate Assumption :20%			
Scenario 3	Retailer is a Regular Dealer		
	Vendor	Distributor	Retailer
Base Price	50,000	55,000	65,000
GST	10,000	11,000	13,000
Gross Invoice Value	60,000	66,000	78,000
Effective Cost	-	50,000	55,000

- Consumer Durables retailer who sells white goods to home users is a Business to Consumer entity
- Home user doesn't avail input credit
- The retailer charges GST from Consumer and being regular dealer avails the input tax credit.
- The price to end customer is 78000

REGULAR VS COMPOSITE ILLUSTRATION – B2C

GST Rate Assumption: 20%			
Scenario 4	Retailer has opted for composite scheme		
	Vendor	Distributor	Retailer
Base Price	50,000	55,000	78,000
GST	10,000	11,000	-
Gross Invoice Value	60,000	66,000	78,000
Effective Cost	-	50,000	66,000

- Consumer Durables retailer who sells white goods to home users is a Business to Consumer entity
- Home user doesn't avail input credit
- The retailer has availed Composite scheme hence he pays X % on his turn over to Government
- The cost of the retailer is 66000 +X %
- The price to end customer is 78000

SCENARIO 3 Vs SCENARIO 4

GST Rate Assumption :20%			
Scenario 3	Retailer is a Regular Dealer		
	Vendor	Distributor	Retailer
Base Price	50,000	55,000	65,000
GST	10,000	11,000	13,000
Gross Invoice Value	60,000	66,000	78,000
Effective Cost	-	50,000	55,000

GST Rate Assumption: 20%			
Scenario 4	Retailer has opted for composite scheme		
	Vendor	Distributor	Retailer
Base Price	50,000	55,000	78,000
GST	10,000	11,000	-
Gross Invoice Value	60,000	66,000	78,000
Effective Cost	-	50,000	66,000

- In **Scenario 4**, the retailer is composite dealer and his cost is Rs. 11000 more than the regular dealer though they are billing the end customer at Rs. 78000
- In a B2C environment the end customer is not availing input credit and can buy from either of the two in case of same price
- However the composite Dealer becomes non-competitive because of less margins.



TALLY FOR
GST

GST BUSINESS IMPACT RECAP

TDL Bytes

Solutions

Integration
with Tally.ERP 9

HOW DO I PREPARE FOR THE CHANGE

ACTIONS YOU SHOULD TAKE

Make full use of Input Tax Credit & plan for better cash flow by

1. Being compliant
2. Dealing with compliant suppliers
3. Educating your customers to be compliant

HOW?



GST Compliant Software

- ☒ Allows recording of transactions
- ☒ Connects to GSTN seamlessly
- ☒ Is able to reconcile with data in GSTN

NO SOFTWARE IS USABLE FOR GST COMPLIANCE, WITHOUT THESE CAPABILITIES

WHAT SHOULD I BE DOING TODAY?

To ensure that your business is able to seamlessly transition to GST, you would need to

Ensure that your **Tax Returns = Books of Accounts** during filing

Keep full track of the total **Input Tax Credit** against each party

Record the details of **Tax Credit** available on existing stocks

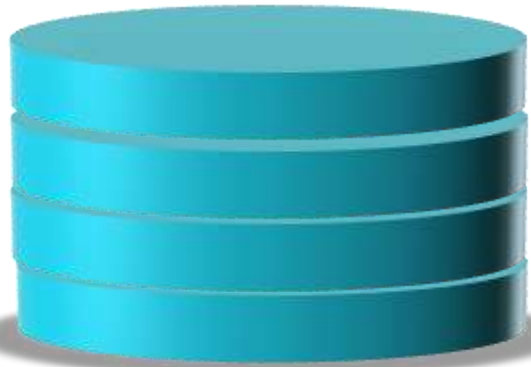
Discipline of meeting tax filing timelines

Need to maintain **invoice** level details going forward

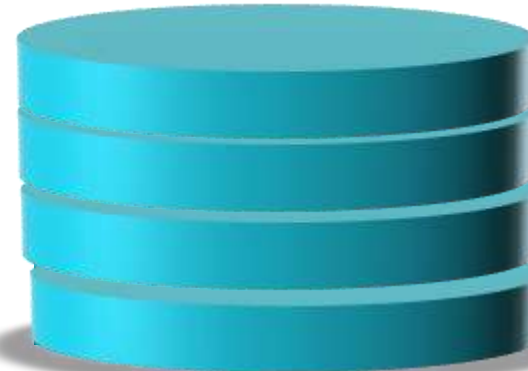
EASE OF TALLY TECHNOLOGY



TALLY'S FORESIGHT FEATURES



- Reconciling post reporting
- Reconciling at source
- Recording
- Configuration



- Third party Reconciliation
- Auto Bank Reconciliation
- Triangulation Report
- Tax Setup in Masters



GET THE TALLY ADVANTAGE

Tally.ERP 9 Release 5.4

VAT computation report for ensuring 100% of books matching the returns

System assisted quick exception report and rectification

Export of purchase & Sales details as per the prescribed format by a click of a button

Simple and Comprehensive Integrated inventory management system- Hassle free claim of opening input tax credit under GST

Tally's foresight of base technology fabric to meet GST compliance – Auto bank reconciliation, Third party confirmation, online payments

Use Release 5.4 to have an easy business transition to GST – opening balance, HSN code, return filing



Built in check to detect tax applicability and Rate of Tax



Determine whether CGST+SGST or IGST is applicable for the transaction

Triangulation Report



100 % compliant to GST Return

Auto Bank reconciliation



Reconcile GSTR-2A with Books

Third Party Reconciliation



Reconcile with Supplier books and ratify



TALLY FOR
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HOW DO I PREPARE FOR THE CHANGE RECAP



TALLY FOR GST APP

NOW ON YOUR FINGER TIP !



NEED HELP ON GST

Download TallyforGST App

Contact Tally : 1800 200 8859

Visit our Blog : <http://blogs.tallysolutions.com/>

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