

GOODS AND SERVICES TAX (GST) ORIENTATION COURSE

Hosted By

AKOLA BR OF WIRC OF ICAI

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GOODS AND SERVICES TAX

Agenda for todays Session :

- ✓ GST Returns
- ✓ Payments under GST
- ✓ Refund under GST

GOODS AND SERVICES TAX

Salient Features of GST Returns

- GST is a self-assessed destination based taxation system.
- The submission and processing of return is an important link between the taxpayer and tax administration.
- Filing of returns would only be through online mode.
- Facility of offline generation and preparation of returns will also be available. The returns prepared in the offline mode will have to be uploaded. (Just like the same which we can do for Service Tax and Excise Returns)
- There will be a common e-return for CGST, SGST / UTGST, and IGST.
- A registered Tax Payer shall file GST Return at GST Common Portal either by himself or through his authorised representative i.e. TRP's.

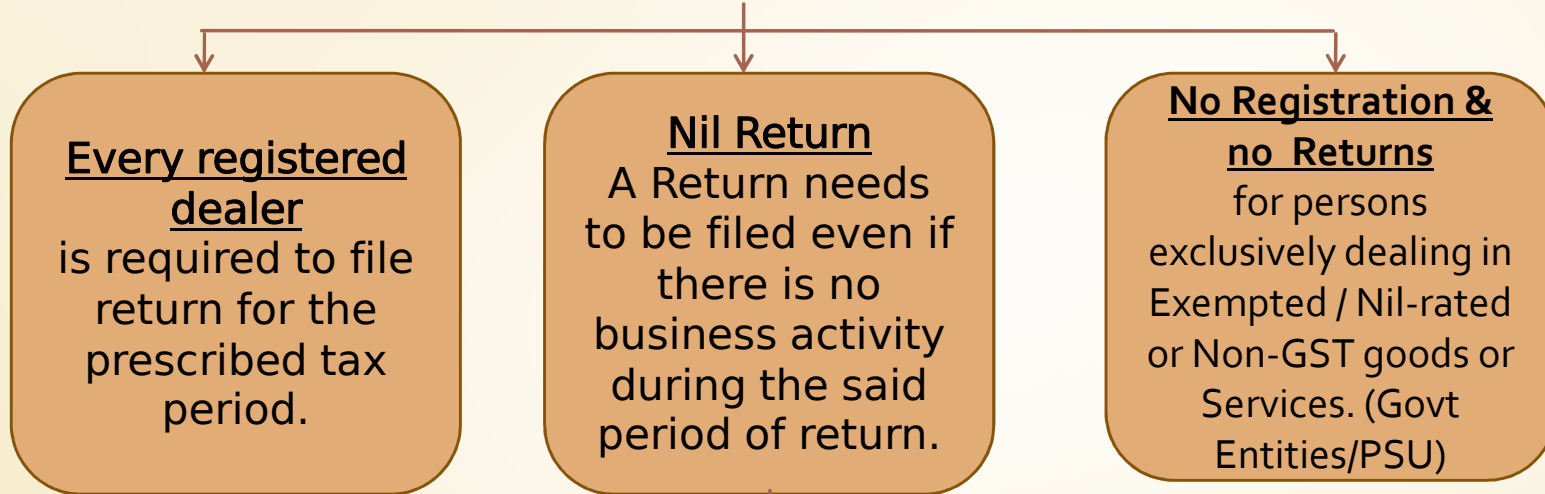
GOODS AND SERVICES TAX

Salient Features of GST Returns

- No provision to **revise a return** but there is a provision for **rectification** of a return by way of debit / credit notes.
- Last date for rectification of a return is 30th September following the end of the financial year or before furnishing the annual return, whichever is earlier.
- GST is based on **transaction wise** i.e. need to give bill wise details relating to sales and purchases relating to goods and invoice-wise details relating to services.
- System is so designed that the Input Tax Credit will be matched automatically.
- Input Tax Credit which is unmatched will be **auto-reversed**.

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Who needs to file Return in GST regime?



| | | | | | | | |
|----------------------------|-----------------------|-----------------------------|---------------------------|-----------------------------------------|-------------------------------------------------------|--------------------------------------------|---------------------------------------|
| Normal / Regular Tax payer | Casual Taxable Person | Non Resident Taxable person | Input Service Distributor | Person required to deduct tax at source | E-commerce operator required to collect tax at source | Person registered as composition tax payer | Persons having unique identity number |
|----------------------------|-----------------------|-----------------------------|---------------------------|-----------------------------------------|-------------------------------------------------------|--------------------------------------------|---------------------------------------|

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Who do not need to file a GST Return?

❖ Government entities / PSUs , etc. not dealing in GST supplies or persons exclusively dealing in exempted / Nil rated / non - GST goods or services would neither be required to obtain registration nor required to file returns under the GST law.

❖ However, State tax authorities may assign Departmental ID to such government departments / PSUs / other persons and will ask the suppliers to quote this ID in the supply invoices for all inter-State purchases being made to them.

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Types of Returns and Due Dates:

Eight different types of Returns are prescribed viz. GSTR 1 to GSTR 11; Types of taxpayers for every return and the periodicity of return for different categories of taxpayers is as follows..

| Sr. | FORM | PARTICULARS | DUE DATE |
|-----|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1 | GSTR 1 | Statement of Outward supplies | 10 th of next month |
| 1a | GSTR 1A | Details of inward supplies accepted, rejected, deferred, corrected by recipient | 17 th of next month |
| 2 | GSTR 2 | Statement of Inward Supplies | 15 th of next month |
| 2a | GSTR 2A | Details of outward supplies by suppliers will be available in GSTR 2A <ul style="list-style-type: none">▪ Part A : Supplies by Regular tax payers▪ Part B : Supplies by Input Service Distributors▪ Part C : Details of Tax deducted at source▪ Part D : Details of Tax collected at source | |

GOODS AND SERVICES TAX

Types of Returns and Due Dates (contd):

| SR. | FORM | PARTICULARS | DUE DATE |
|-----|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 3 | GSTR 3 | Monthly Return <ul style="list-style-type: none"> ▪ Part A: Details of GSTR 1 & 2 – auto populated ▪ Part B: Tax liability - Cash/Credit ledger | 20 th of next month |
| 3a | GSTR 3A | Notice to non filler (Monthly return/Final return) | |
| 3b | GSTR 3B | Monthly return in lieu of Return 3 ** | |
| 4 | GSTR 4 | Composition Dealer – Quarterly return | 18 th of next month |
| 4a | GSTR 4A | Details of inward supplies to composition dealer | |
| 5 | GSTR 5 | Return by Non resident taxable person | 20 th of next month or 7 th day after expiry of registration, whichever is earlier |
| 6 | GSTR 6 | ISD - details of credit received and those issued | 13 th of next month |

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Types of Returns and Due Dates (contd):

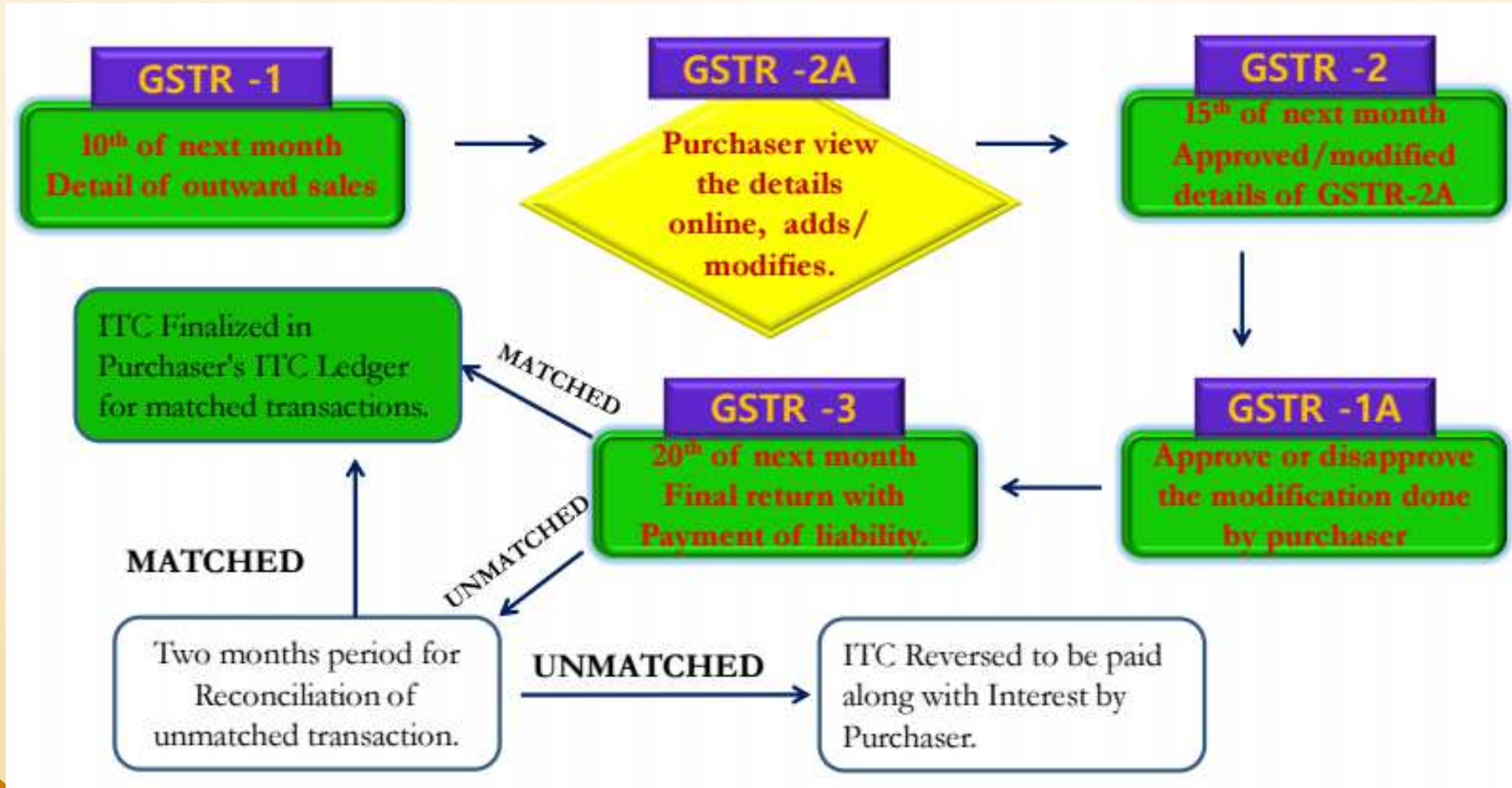
| SR. | FORM | PARTICULARS | DUE DATE |
|-----|---------|-------------------------------------------------------------------------------|--------------------------------------|
| 7 | GSTR 7 | Return by person required to deduct tax at source | 10 th of next month |
| 7a | GSTR 7A | TDS certificate | |
| 8 | GSTR 8 | Return by e-commerce operator- TCS | 10 th of next month |
| 9 | GSTR 9 | Annual return by registered taxable person | 31 st December of next FY |
| 9a | GSTR 9A | Annual return by composition dealers | |
| 9b | GSTR 9B | Annual Return by e-commerce operator | |
| 9c | GSTR 9C | Audited annual account & reconciliation statement (duly certified by CA/ICWA) | |
| 10 | GSTR 10 | Final Return | 3 months from date of cancellation |
| 11 | GSTR 11 | Details of inward supplies by person having UIN | |

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Normal/ Regular Tax Payers

- Normal / Regular taxpayers (including casual taxpayers) would have to file
 - GSTR-1 (details of outward supplies)
 - GSTR-2 (details of inward supplies) and
 - GSTR-3 (monthly Return) for each registration.
 - GSTR-9 (Annual return)
- Normal / Regular taxpayers with multiple registrations (for business verticals) within a State would have to file GSTR-1, GSTR-2, GSTR-3 and GSTR-9 (Annual return) for each of the registrations separately.
- A separate reconciliation statement, duly certified by a Chartered Accountant, will have to be filed by those taxpayers who are required to get their accounts audited under section 44AB of Income Tax Act 1961

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GOODS AND SERVICES TAX

GSTR 1 - Statement of Outward Supplies

- A. **Sec 37(1)** – Outward supplier to furnish the details of **outward supplies** of goods and services by **10th of the month**.
- B. The details to be submitted will include “details of outward supplies” i.e. **details of invoices, debit notes, credit notes and revised invoices issued** in relation to outward supplies made during any tax period.
- C. Facility of **real time uploading** of invoices – likely to be made available.
- D. GSTR- 1 **will not be allowed to be furnished between 11-15th** of the month.



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Inclusion in outward supplies

E. The details of outward supplies of goods or services or both furnished in FORM GSTR-1 shall include inter-alia

a) **Invoice - wise details**

| Type | Supplies made to | Invoice value | Level of submission |
|------------|----------------------|---------------|---------------------|
| Interstate | Registered persons | Any | Invoice level |
| Intrastate | Registered persons | Any | Invoice level |
| Interstate | Unregistered persons | > Rs 250,000 | Invoice level |

b) **consolidated details**

| Type | Supplies made to | Invoice value | Level of submission |
|------------|----------------------|---------------|---------------------|
| Intrastate | Unregistered persons | Any | Consolidated |
| Interstate | Unregistered persons | < Rs 250,000 | Consolidated |

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Inclusion in outward supplies

- (c) debit and credit notes, if any issued during the month for invoices issued previously.
- (d) export invoices issued with or without payment of IGST
- (e) advances received for taxable supplies during the month
- (f) supplies through E-Commerce operator

F. The details of outward supplies furnished by the supplier shall be made available electronically to the **concerned registered persons** (recipients)

in **Part A of FORM GSTR-2A**,
in **FORM GSTR-4A** and
in **FORM GSTR-6A**

through the Common Portal **after the due date of filing of FORM GSTR-1**

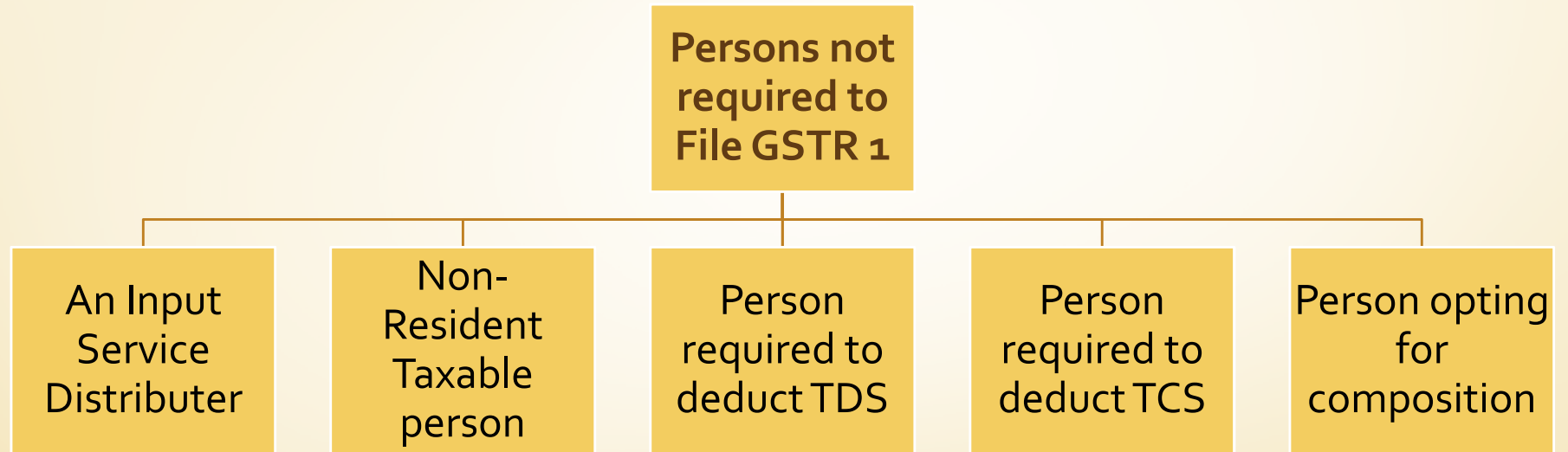
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Indication of HSN Details under GSTR-1

| Category of taxable person and turnover in the preceding financial year | Any taxpayer, irrespective of his turnover, may use HSN code at 6- digit or 8- digit level if he so desires |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aggregate turnover is < Rs 1.5 crores | HSN/SAC is not mandatory for taxable person whose aggregate turnover is less than 1.5 crores |
| Aggregate turnover is Rs 1.5 to Rs. 5 crores | HSN codes may be specified only at 2- digit chapter level as an optional exercise to start with. This would be mandatory from the second year of GST implementation SAC code is mandatory |
| Aggregate turnover is > rs 5 crores | HSN – minimum of 4 digits – mandatory SAC code is mandatory |
| All exports included above categories | HSN codes at 8 digit level - mandatory |

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RETURNS under GST



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GSTR 2A - Details of outward supplies by suppliers

- A. As per Section 37 (1) – Details of outward supplies to be made available to the recipient.
- B. GSTR- 2A likely to be available on a **real – time basis**.
- C. This cannot be **modified**.
- D. Data Source in GSTR 2A – For availment of credit
 - **Part A** consists of data of inward supplies from GSTR-1 and GSTR-5.
 - **Part B** consists of data of inward supplies from GSTR-6. (ISD)
 - **Part C** consists of data of inward supplies from GSTR-7 (TDS)
 - **Part C** consists of data of inward supplies from GSTR-8 (TCS)



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GSTR 2 - Statement of Inward Supplies

- A. Sec 38 (1) – **Verify, validate, modify or**, if required, **delete** the details relating to outward supplies, credit or debit notes, credit distributed by ISD, Tax deduction at source, etc. as communicated to him to prepare the details of his inward supplies.
- B. Such person may include therein, the invoice wise details of inward supplies and credit or debit notes, etc. received by him in respect of such **supplies that have not been declared by the supplier.**
- C. Furnish details including:
- inward supplies on which the tax is payable **on reverse charge basis.**
 - inward supplies of goods and/or services taxable under the IGST Act. i.e. **Import of goods/ services.**



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GSTR 2 - Statement of Inward Supplies

- D. If payment to vendor is not made **within 180 days**, then **reversal of credit** taken to declared in GSTR-2 in the month following the month in which such **period expires**.
- E. The details of inward supplies of goods or services or both furnished in Form GSTR-2 shall include, *inter-alia*-
 - (a) **invoice wise details** of all inter-State and intra-State supplies received from **registered persons or unregistered persons**;
 - (b) **import of goods and services** made; and
 - (c) **debit and credit notes**, if any, received from supplier.
- F. **Rectification of any errors or omission in respect of unmatched entries** can be made by GST return of September of next financial year or furnishing of the annual return for the said year.

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GSTR 2 - Statement of Inward Supplies

- G. Recipient tax payer is required to declare in Column No. 12 of Table 4 whether the inward supplies are **inputs or input services or capital goods (including plant and machinery)**.

- H. The recipient taxpayer has the following option to act on the auto populated information:
 - a. Accept,
 - b. Reject,
 - c. Modify (if information provided by supplier is incorrect), or
 - d. Keep the transaction pending for action (if goods or services have not been received)

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GSTR 1A - Details of auto drafted supplies

- A. As per Rule - The details of inward supplies **added, corrected or deleted** by the recipient in his **FORM GSTR-2** under section 38 shall be made available to the supplier electronically in FORM GSTR-1A through the Common Portal
- B. As per Rule – GSTR 1A will be prepared from **GSTR-2 and GSTR-4**.
- C. Supplier may either **accept or reject the modifications** made by the recipient and FORM GSTR-1 furnished earlier by the supplier **shall stand amended to the extent of modifications accepted by him**.
- D. GSTR-1A will be generated after 15th and **process of acceptance needs to be completed by 17th of the Next month**.

Issue – GSTR 1A will not reflect any credit claimed under GSTR-6.

- How to accept amendments of GSTR-4 as it is quarterly return

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GSTR-3 - Monthly Return u/s 39

- Section 39 (1) - Every registered taxable person **other than composite dealer, tax deductor, tax collector, non-resident, casual taxable person and ISD** shall, for every calendar month or part thereof, furnish, a return, electronically, of
 - inward and outward supplies of goods and/or services,
 - input tax credit availed,
 - tax payable,
 - tax paid and
 - other particulars as may be prescribed
- A registered person shall **not be allowed** to furnish a return for a tax period **if the return for any of the previous tax periods has not been furnished by him.**
- In GSTR-3, **maximum data** of this return (Part A) is **auto populated** from sales and purchase registers (GSTR-1 and GSTR-2).

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GSTR-3 - Monthly Return u/s 39

- Only details of **payment of tax** under various tax heads of CGST, SGST and IGST separately would have to be communicated in **Part B**.
- If date of submissions of GSTR-1 and GSTR -2 is extended then **GSTR 3B to be submitted instead of GSTR-3**.
- Details of ITC balance (CGST, SGST and IGST) at the end of the tax period will be auto-populated in the ITC ledger irrespective of mode of filing return.
- GSTR-3 filed without discharging complete liability will **not be treated as valid return**.
- If taxpayer has filed a return which was not valid earlier and later on, he intends to discharge the remaining liability, then he has to file the **Part B of GSTR-3 again**.

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GSTR-3 - Monthly Return u/s 39

- Any **refund claimed from cash ledger** is also to be reflected in GSTR-3
- Refund from cash ledger can only be claimed only when all the return related liabilities for that tax period have been **discharged**.
- Due Date - 20th of the next month
- Due date for payment of tax: Every registered taxable person, to **pay to the credit** of the appropriate Government the tax due as per return **not later than the last date of return**.



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GSTR 4A - Inward supplies to composition dealer

- A. As per Section 37 (1) – Details of outward supplies to be made available to **the compounding dealer (i.e. recipient)**.
- B. GSTR- 4A likely to be available on a **real – time basis**.
- C. This cannot be **modified**.
- D. Data Source in GSTR 4A
 - **Part A** consists of data of inward supplies from GSTR-1 & GSTR-5.
 - **Part B** consists of data of inward supplies from GSTR-7 (TDS)
- E. **Composite dealer is not allowed to sell through E-Com, hence no TCS.**

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GSTR 4 - Quarterly Return for Compounding Dealers

- GSTR-4 is required to be filed by the person opting for **composition scheme u/s 10**.
- Every registered person furnishing the return under composition scheme shall discharge his liability towards **tax, interest, penalty, fees or any other amount payable** under the Act or these rules by debiting the electronic cash ledger.
- As per draft GST law, following assesses are liable to file return in this form:
 - whose turnover is less than ₹ 75 lakhs and
 - there is no interstate transaction.

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GSTR 4 - Quarterly Return for Compounding Dealers

- The return furnished shall include, inter-alia:
 - (a) **invoice wise inter-State and intra-State inward supplies received** from registered and un-registered persons;
 - (b) **import of goods and services** made;
 - (c) consolidated details of **outward supplies** made; and
 - (d) **debit and credit notes** issued and received, if any;
- Due Date - **18th of the month next to quarter**

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GSTR-5 - Return for Non-Resident Taxable Persons

- This return is to be filed by a **Non-Resident Taxable Person**.
- Non-resident taxable person will have to **deposit tax in advance** at the time of making registration application based on the estimated tax liability.
- Such deposit will be first credited to the electronic cash ledger and then it can be utilized.
- The outward supplies shown in this return will be reflected in corresponding GSTR 2, GSTR 4 and GSTR 6 of the recipient.
- Credit of **only imported items** is allowed to be taken under GSTR-5
- Due Date – **20th of next month or 7th day after expiry of registration, whichever is earlier.**

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GSTR-6 - Return for Input Service Distributor

- This return will be filed by the **Input Service Distributors (ISD)**.
- ISD will have to determine the eligibility of the credit received and then distribute the credit to its branches/receiving unit.
- Invoice wise details of **credit distributed** to the branches/receiving unit will have to be provided in GSTR 6.
- In this return form, input service distribution ledger will be maintained.
- Credit distributed by ISD will be available to the **branches/receiving unit in GSTR-2**.
- Due Date - **15th of the next month**

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GSTR-7 - TDS Return

- GSTR-7 is required to be filed by registered person who is required to **deduct tax at source u/s 51 at the rate of 1%**.
- **Invoice-wise details** to be given on which Tax is deducted along with the corresponding contract details.
- Deductor will furnish a **certificate in Form GSTR-7A within 5 days** of the amount paid to the government.
- TDS deducted will be available to the deductee's as credit in **GSTR-2 and GSTR-4**.
- Due Date - **10th of the next month**

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GSTR-8 - TCS Return by E-commerce operators

- GSTR-8 is required to be filed by E-commerce Operator who is required to **collect tax at source u/s 52 at the rate of 1%**.
- This will contain invoice-wise and merchant-wise details of supplies effected through such operator and the amount of tax collected as section 52.
- Tax collected will be available to the supplier as credit in its GSTR-2
- Due Date - **10th of the next month**

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GSTR-9 - Annual Return

- In this return the **total annual return information** will be matched by the department with the monthly /quarterly return filled by the assessee.
- Every registered person who is required to get his accounts audited (having a turnover exceeding Rs. 2 crore) shall furnish the **annual return along with a copy of the audited annual accounts and a reconciliation statement.**
- Annual return (GSTR-9) (Annexure-IX) will be filed by all normal / regular taxpayers. It will be based on financial records. Compounding taxpayer will also file a simple annual return.
- Due Date – **31st December of the next financial year.**

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GSTR – 10 Final Return

- Every taxable person applying for **cancellation of registration** will have to file a **final return in GSTR-10**.
- Return will contain **details of closing stock** at the date of surrender as follows,
 - Inputs as such
 - Inputs in semi-finished Goods
 - Inputs in Finished Goods
 - Input services
 - Capital Goods

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GSTR – 11 Inward supplies statement for UIN

- Specialized agencies of the **United Nations Organization** or Consulate or Embassy of foreign countries shall be granted a Unique Identity Number (UIN).
- Such persons having UIN will have to **submit invoice wise details of inward supplies** in GSTR-11. This is to be filed **monthly by 28th**.
- **It shall not be auto populated.**

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Matching of Credit

- **Concept of Matching** – credit is available only if tax is duly received by government
- Every taxable person shall, be entitled to take credit of input tax, as self- assessed, in his return and such amount shall be credited, **on a provisional basis**, to his electronic credit ledger. [u/s 41]
- Provisional credit can be used only **for self-assessed tax liability**.
- **“Valid return”** means a return furnished under on which self-assessed tax has been paid in full;

GOODS AND SERVICES TAX

Matching, reversal and reclaim of input tax credit

- Details of every inward supply furnished by recipient for a tax period shall be matched –
 - with the corresponding details of outward supply furnished by the supplier in GSTR -1
 - with the IGST paid on imports.
 - for duplication of claims of input tax credit.
- Details which match with GSTR -1 of supplier will be finally accepted and will be communicated to the recipient.

Matching input tax credit

- GSTR Rules - Matching of claim of input tax credit
- The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed shall be matched after the due date for furnishing the return in FORM GSTR-3
 - (a) GSTIN of the supplier, (b) GSTIN of the recipient,
 - (c) Invoice/Debit Note date, (d) Invoice/Debit Note number,
 - (e) Taxable value , (f) Tax amount:

GOODS AND SERVICES TAX

Matching, reversal and reclaim of input tax credit

- Mis-match can be due to following reasons:
 - a) Duplication of input credit in GSTR -2 by recipient
 - b) Amount not matching with GSTR-1 of supplier
 - c) Amount not declared by supplier in GSTR -1

- When Mis-match is due (a):
 - Discrepancy shall be communicated to the recipient
 - Duplicate input tax credit i.e. extra credit shall be added to the output tax liability of recipient in the month of communication
 - Interest shall be payable from the date of availment of such credit till the date of addition to output tax liability.

GOODS AND SERVICES TAX

➤ When Mis-match is due (b) and (c):

Communication to both party if

- Amount not matching with GSTR-1 of supplier
- Amount not declared by supplier in GSTR-1
- Say, discrepancy may pertain to April and communicated in May

If not rectified by the supplier in GSTR-1 of May

- Added to liability of recipient in GSTR-1 of June month
- Liable to pay interest from date of availment to the date of addition

Afterwards, if supplier rectifies in GSTR-1 (August)

- Recipient can reduce from output tax liability
- Interest will be refunded to recipient (maximum upto amount paid by supplier)

GOODS AND SERVICES TAX

Matching, reversal and reclaim of reduction in output tax liability (credit notes)

- Details of **every credit note relating to outward supply** furnished by supplier for a tax period shall be matched-
 - with the **corresponding reduction in the claim for input tax** credit by the recipient in GSTR -2
 - for **duplication of claims for reduction** in output tax liability.
- The **claim for reduction that matches with the corresponding reduction** in the claim for input tax credit **shall be finally accepted** and communicated to the supplier.
- Process to be followed is similar as done for matching of the input credit.

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- Mis-match can be due to following reasons (as given in section):
 - a) Duplication of claims for reduction in output tax liability
 - b) Reduction of output tax liability exceeds the reduction of input tax
 - c) Credit note is not declared by the recipient

- When Mis-match is due to (a)
 - Discrepancy shall be communicated to the supplier

 - Duplicate reduction of output tax liability shall be added to the output tax liability of supplier in the month of communication

 - Interest shall be payable from the date of claim for reduction in output tax till the date of addition to output tax liability.

GOODS AND SERVICES TAX

➤ When Mis-match is due to (b) and (c):

Communication to both party if

- Amount not matching with GSTR-1 of supplier
- Amount not declared by recipient in GSTR-2
- Say, discrepancy pertains to April and communicated in May

If not rectified by the recipient in GSTR-2 of May

- Added to liability of supplier in GSTR-1 of June month
- Liable to pay interest from date of claim for reduction in output tax till date of addition to output tax liability.

Afterwards, if recipient rectifies in GSTR-2 (August)

- Supplier can reduce from output tax liability
- Interest will be refunded to supplier (maximum upto amount paid by recipient)

GOODS AND SERVICES TAX RETURNS UNDER GST

No of Returns

| TAXPAYER | TOTAL RETURNS |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Regular registered Tax payer | 3 returns * 12 months = 36 + 1 Annual return = 1 Total = 37 |
| Regular registered Tax payer with TDS & ISD | 5 returns * 12 months = 60 + 1 Annual return = 1 Total = 61 |
| Regular registered Tax payer with TDS, TCS & ISD | 6 returns * 12 months = 72 + 1 Annual return = 1 Total = 73 |
| <ul style="list-style-type: none">✓ To be filled for each state separately✓ through common single login✓ within 20 days of next month✓ with no provision for revision of return | |

GOODS AND SERVICES TAX

Practical difficulties in Return filing

1. **37 returns for one registration** as compared to 2 returns for a service provider.
2. The **books of accounts are usually not maintained state-wise**. There are no separate ledgers to record sales made from each state.
3. There is **no concept of revised returns**. Any corrections / modifications can be made in the subsequent return under **'amendment' tables or by way of debit note/ credit note**.
4. Credit in GSTR 2 flows from GSTR 1, GSTR 5 and GSTR 6. The **time gap** between filing of **GSTR 1 and GSTR 2 is only 5 days** whereas in case of **GSTR 6 and GSTR 2** it is only 2 days.



PAYMENTS UNDER GST

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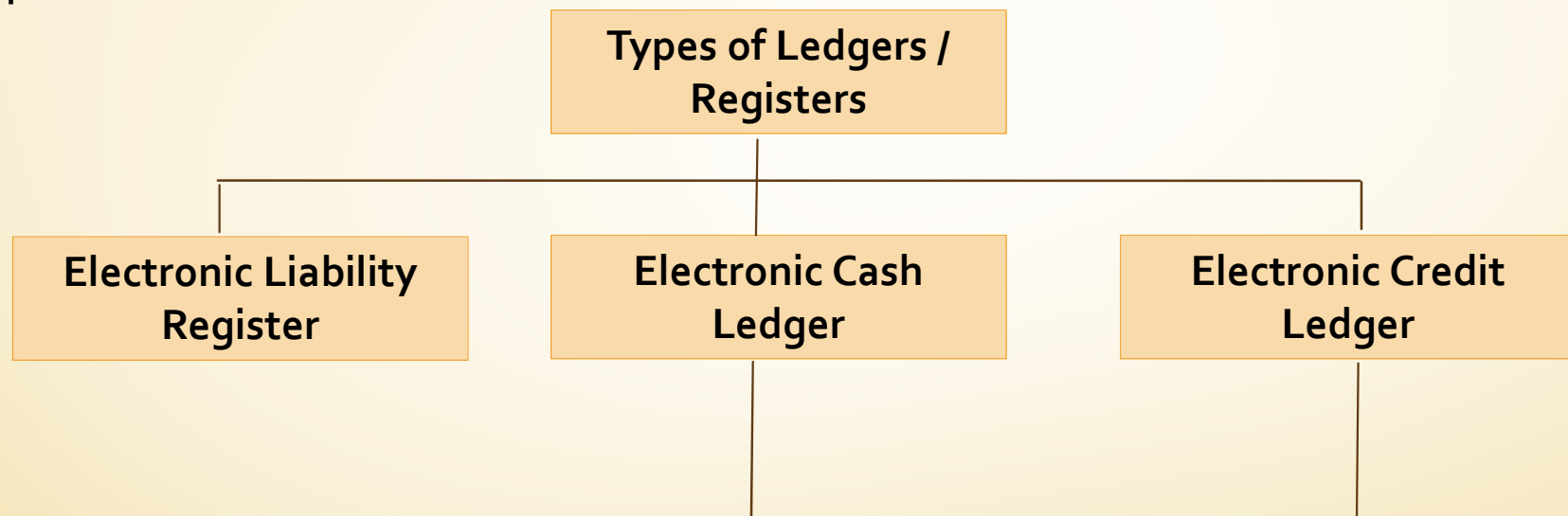
PAYMENTS UNDER GST

- Section 49 deals with payment of tax, interest, penalty and other amounts.
- Payments under GST can be made either through electronic cash ledger or through electronic credit ledger as per the provisions of Section 49 of CGST Act, 2017 and Rules framed there under.
- Referring to the provisions of Act and its rules, the Government is focusing primarily on e-payments for the liabilities arising under GST rather than over the counter payments.
- Simultaneously, over the counter payment by cash/cheque/DD is permissible upto ₹ 10,000/- per challan per tax period and this is permissible for small assessee's only.

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PAYMENTS UNDER GST

- Recording and maintenance of register/ledgers on the common portal:-



Where any payment is made through Electronic Cash / Credit Ledger or where any amount is debited or credited in the said ledgers, a Unique Identification Number (UIN) shall be generated. The said number relating to discharge of any such liability shall be indicated in the corresponding entry in the electronic liability register.

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ELECTRONIC LIABILITY REGISTER

- All liabilities of a taxable person under this Act shall be recorded & maintained in Electronic Liability Register in Form GST PMT-01 ▶
sec 49(7) and Rule 1
- All amounts shall be debited to the Register.
- Debits to the Register will be for :
 - Tax and other dues as per Return
 - Tax and other dues as determined by Proper Officer
 - Tax and interest due to mismatch
 - Any interest
- Payment of liability as per Return shall be done by debiting electronic Cash or Credit Ledger and this Register shall be credited accordingly.

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ELECTRONIC LIABILITY REGISTER

- Following amounts shall be paid from by debiting the Electronic Cash Ledger and this Register shall be credited accordingly
 - TDS
 - TCS
 - Amt under RCM
 - Amt under Composition
 - Interest, penalty, late fee or others
- Sequence of discharging tax and other dues :
 - Previous Tax period
 - Current tax period
 - Any other amount payable under this Act

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ELECTRONIC CREDIT LEDGER

- The Input Tax Credit (ITC) as self-assessed in the return of a registered person shall be credited to his electronic credit ledger to be maintained in Form GST PMT-02 ►
sec 49(2) ad Rule 2.
- Debit / credit entries to this ledger shall be (Rule 2):
 - Self-assessed ITC in the return shall be credited to the ledger
 - Utilization towards output tax shall be debited to the ledger
 - Unutilized amount in the Electronic Credit Ledger after payment of tax and other dues can be claimed as refund, ledger shall be debited accordingly.
 - If refund is rejected, then ledger shall be re-credited by proper officer by order in Form GST PMT-03

GOODS AND SERVICES TAX

ELECTRONIC CREDIT LEDGER

- Sequence and restriction for the utilization of Input Tax Credit:-

| Input Tax Credit | Can be utilized against | Order of utilization |
|------------------|--------------------------|---------------------------------------|
| CGST | CGST & IGST | 1. CGST 2. IGST |
| SGST | SGST & IGST | 1. SCGT 2. IGST |
| UTGST | UTGST & IGST | 1. UTGST 2. IGST |
| IGST | IGST, CGST, SGST & UTGST | 1. IGST 2. CGST 3. SGST / UTGST |

- Cross utilization of SGST & CGST & UTGST is not permissible

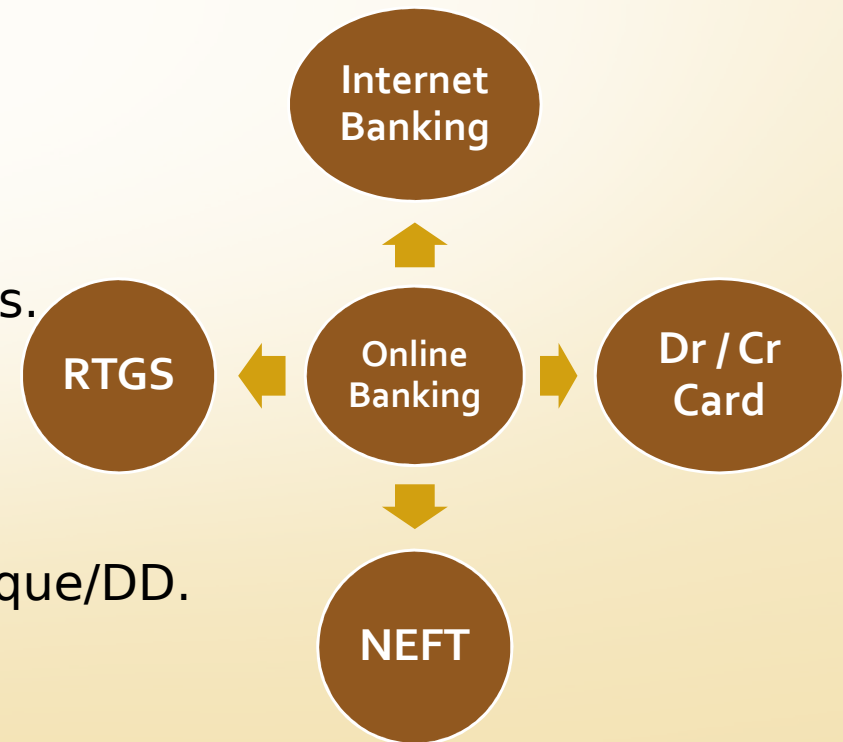
GOODS AND SERVICES TAX

ELECTRONIC CASH LEDGER

- Every deposit made towards tax, interest, penalty, fee or any other amount by a person shall be credited to the electronic cash ledger to be maintained in Form GST PMT-05.
sec 49(1) ad Rule 3.

- **Payment Source**

- Payment of GST by taxpayer can be made through four online modes.
- Over The Counter (OTC) up to Rs. 10,000/- is permitted per challan per tax period by cash/cheque/DD.



GOODS AND SERVICES TAX

ELECTRONIC CASH LEDGER

- **Payment Procedure**
 - Challan to be generated in FORM GST PMT-06 for the tax, interest, etc. to be deposited (Valid for 15 days).
 - Payment by non-registered person shall be made on the basis of temporary identification no.
 - Where the payment is made by way of NEFT or RTGS mode, the mandate form shall be generated along with the challan and the same shall be submitted to the bank from where the payment is to be made (The said mandate form will be valid for 15 days from the date of generation of challan).

GOODS AND SERVICES TAX

ELECTRONIC CASH LEDGER

- **Payment Procedure (contd)**
 - On successful payment, a **Challan Identification Number (CIN)** will be generated and the same shall be indicated in the challan.
 - On receipt of CIN from the authorized Bank, the said amount shall be credited to the electronic cash ledger.
 - But if CIN is not generated or not communicated, person may represent in **FORM GST PMT – 07** to bank/electronic gateway.

GOODS AND SERVICES TAX

ELECTRONIC CASH LEDGER

- Debit/credit entries in Electronic cash ledger in Form GST PMT-05
 - Self-payment shall be credited to the ledger;
 - TDS or TCS to be credited to electronic cash ledger of the person from whom the amount was deducted or collected;
 - Payment towards tax, interest, penalty, fee or any other amount shall be debited to the ledger.
 - Balance in Electronic cash ledger after payment of tax and other dues can be claimed as refund. Amount claimed as refund to be debited to the ledger.
 - If refund is rejected, ledger to be re-credited by proper officer by order in Form GST PMT-03;

GOODS AND SERVICES TAX

INTEREST ON DELAYED PAYMENT

- Where payment under GST is not made within the prescribed time, registered taxable person shall pay interest for such delay as under (sec 50):-

| Case | Situation | Rate of Interest |
|---------|------------------------------------------------------------------|---------------------|
| Case-I | For delayed payment | Maximum rate is 18% |
| Case-II | For excess claim of ITC/excess reduction in output tax liability | Maximum rate is 24% |

GOODS AND SERVICES TAX

TAX DEDUCTION AT SOURCE

- These provisions are applicable for tax deduction when goods/services are supplied to Department or establishment of CG or SG, local authority or Govt. agencies. (u/s 51)

| No | Particulars | Description |
|----|-------------|------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Deductor | Department or establishment of CG or SG, local authority or Govt. agencies |
| 2 | Deductee | Supplier of Taxable Goods / Services |
| 3 | Rate | 1% of the payment made |
| 4 | Limit | Total value of supply (excluding GST) under contract exceed Rs. 2,50,000/- |
| 5 | No TDS | If the state/UT of location of the supplier and place of supply is different from the state/UT of registration of recipient |

GOODS AND SERVICES TAX

TAX DEDUCTION AT SOURCE

| No | Particulars | Description |
|----|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 | Payment of TDS | 10th of the next month |
| 7 | Certificate | Deductor shall furnish certificate with details of contract value, amount deducted, etc. |
| 8 | Late fee for non-furnishing | Late Fee on Deductor if certificate is not furnished within 5 days of TDS payment to Govt Fee = ₹100/- per day subject to max ₹5000/- |
| 9 | Effect in cash ledger | TDS to be credited to electronic cash ledger of the person from whom the amount was deducted after the same is reflected in the return of Deductor |
| 10 | Applicability of other provisions | Section 50(interest), section 54(refund) and Section 73/74(SCN) equivalently applicable |

GOODS AND SERVICES TAX

SUMMARY OF FORMS UNDER PAYMENT PROVISIONS

| No | Particulars | Form No |
|----|-----------------------------------------------------------------------------------------------------|------------|
| 1 | Electronic Liability Register | GST PMT-01 |
| 2 | Electronic Credit Ledger | GST PMT-02 |
| 3 | Electronic Credit or Cash Ledger to be re-credited by proper officer by order if refund is rejected | GST PMT-03 |
| 4 | Communication of discrepancy in Electronic Credit Ledger | GST PMT-04 |
| 5 | Electronic Cash Ledger | GST PMT-05 |
| 6 | Challan for deposit of Goods & Services Tax | GST PMT-06 |
| 7 | Representation if CIN is not generated or communicated | GST PMT-07 |

GOODS AND SERVICES TAX

REFUND UNDER GST

GOODS AND SERVICES TAX

REFUND UNDER GST

- Timely refund mechanism is essential in tax administration, as it facilitates trade through the release of blocked funds for working capital, expansion and modernisation of existing business.
- The claim and sanctioning procedure will be completely online and time bound
- The relevant date provision embodied in Section 54 of the CGST Act, 2017, provision contained in Section 77 of the CGST Act, 2017 and the requirement of submission of relevant documents as listed in Rule 1(2) of Refund Rules is an indicator of the various situations that may necessitate a refund claim.

GOODS AND SERVICES TAX

SITUATIONS LEADING TO REFUND CLAIMS

- A claim for refund may arise on account of:
 1. Export of goods or services
 2. Supplies to SEZs units and developers
 3. Deemed exports
 4. Refund of taxes on purchase made by UN or embassies etc.
 5. Refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court
 6. Refund of accumulated Input Tax Credit on account of inverted duty structure
 7. Finalisation of provisional assessment
 8. Refund of pre-deposit
 9. Excess payment due to mistake

GOODS AND SERVICES TAX

SITUATIONS LEADING TO REFUND CLAIMS

10. Refunds to International tourists of GST paid on goods in India and carried abroad at the time of their departure from India
 11. Refund on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied
 12. Refund of CGST & SGST paid by treating the supply as intra-State supply which is subsequently held as inter-State supply and vice versa
- The GST law requires that every claim for refund is to be filed within 2 years from the relevant date [u/s 54(1)].
 - A refund application needs to be filed in Form GST RFD-01 electronically. Rule 1.

GOODS AND SERVICES TAX

REFUND UNDER GST

- An application has to be filed for the refund by the UN or Foreign Embassies, etc before the expiry of 6 months from last day of the quarter in which such goods/service were received. [u/s 54(2)]
- Refund of unutilized input tax credit can be claimed in the following cases [u/s 54(3)] :

Zero Rated goods
/ services

Export Duty is not
payable on Export of
Goods/services

Higher Rate of Inputs
than Outputs

- Refund is not eligible in following cases:

Goods are
Exempt / Nil
rated

Export Goods /
services are subject
to Export Duty

Refund of
output tax
under IGST

Duty drawback
or refund of
IGST

GOODS AND SERVICES TAX

DOCUMENTS FOR REFUND

- The documents required for claiming refund shall include [u/s 54(4)] :
 - (a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant and
 - (b) such documentary or other evidence, like the amount mentioned in tax invoice, as the applicant may furnish to establish the amount of tax and interest, if any, paid by the applicant and that he has not passed the tax burden to another person.
- If the amount of refund claimed is less than Rs 2 lakhs then the taxpayer can file **self-declaration** based on documentary evidence, certifying that the incidence of such tax is not passed on to any other person.

GOODS AND SERVICES TAX

REFUND UNDER GST

- The refund shall be sanctioned to the claimant [u/s 54(8)] :
 1. Tax paid on zero-rated supply of goods / services
 2. Tax on inputs or input services used in making zero rated supply.
 3. Un-utilized ITC
 4. Tax paid on supply which is not provided either wholly or partially. Here invoice is not been issued or refund voucher is issued.
 5. Tax which is wrongly collected and paid to Central / State Government
 6. Tax, interest or other amount paid but incidence of tax is not passed to other person.
 7. Tax or interest borne by notified class of persons.

GOODS AND SERVICES TAX

REFUND UNDER GST

- The refund order shall be issued
 - within 60 days of receipt of complete application
 - for conditions not mentioned in sec 54(8)
 - amount to be credited to Welfare Fund
 - u/s 54(5)
- Refund will be on provisional basis
 - claim is by persons other than notified registered persons
 - on a/c of export of goods / services
 - refund of 90% of total amount claimed (excluding ITC not finalised)
 - remaining 10% after verification of documents submitted
- No refund shall be granted / paid, if refund amount is less than ₹1000/-

GOODS AND SERVICES TAX

- The refund shall be withheld or deducted if
 - the claimant is defaulter in filing any return u/s 39
 - not paid any tax, interest or penalty due
 - under this Act or existing law [u/s 54 (10)]
- **Interest on delayed payment of refund**
 - Tax becomes refundable u/s 54(5)
 - it is not refunded within 60 days from the date of application
 - interest not exceeding 6%
 - period immediately after expiry of 60 days till date of refund.
- A ltd has filed refund claim for excess tax paid with all documents on 19.08.17. The dept sanctioned the refund on 30.11.17. Thus interest would be applicable for period 19.10.17 to 30.11.17

GOODS AND SERVICES TAX

- Interest on delayed payment of refund
 - refund is sanctioned in an appeal by Appellate authority/ Tribunal / Court
 - against the order of refund sanctioning authority
 - interest not exceeding 9%
 - period immediately after expiry of 60 days from the date of application till date of refund.
- A ltd has filed refund claim for excess tax paid with all documents on 19.08.17. It was rejected by refund sanctioning authority. On appeal the Tribunal passed the order for refund and hence the dept sanctioned the refund on 30.09.18. Thus interest would be applicable for period 19.10.17 to 30.09.18.

GOODS AND SERVICES TAX

CONSUMER WELFARE FUND

- The refund amount gets credited to Consumer Welfare Fund if the applicant is unable to prove that the incidence of tax is not actually passed on to the other person.
- The Fund shall be credited in the following situation:
 - the amount of refund mentioned in sec 54(5)
 - income from investment of the amount credited to the fund.
 - any other monies received by it.
- All the amount credited to the fund shall be utilised for the welfare of the consumers in such manner as prescribed.

GOODS AND SERVICES TAX

GST REFUND FORMS

| Form No | Name of Form |
|-------------------|-----------------------------------------------------------------------------------------|
| <u>GST RFD-01</u> | Application for Refund •Annexure 1 Details of Goods •Annexure 2 Certificate by CA |
| <u>GST RFD-02</u> | Acknowledgement |
| <u>GST RFD-03</u> | Deficiency Memo |
| <u>GST RFD-04</u> | Provisional Refund Order |
| <u>GST RFD-05</u> | Payment Advice |
| <u>GST RFD-06</u> | Refund Sanction/ Rejection Order |
| <u>GST RFD-06</u> | Interest on delayed refund order (same as refund order) |

GOODS AND SERVICES TAX

GST REFUND FORMS

| Form No | Name of Form |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>GST RFD-07</u> | Order for complete adjustment of sanctioned Refund/ order for withholding of refund |
| <u>GST RFD-08</u> | Notice for rejection of application for refund |
| <u>GST RFD-09</u> | Reply to the show cause notice |
| <u>GST RFD-10</u> | Application for Refund by any specialize agency of UN or Multilateral Financial Institution and Organization, Consulate or Embassy of foreign countries, etc. |

*Thank
you*



**Are you
ready
for
GST?**