

Overview of GST and Basics of Implementation



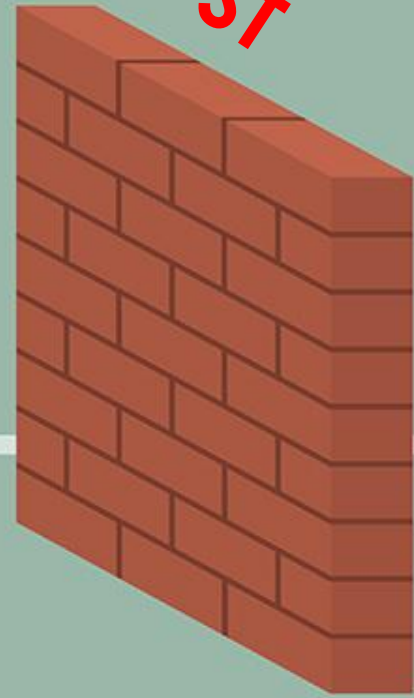


Topics for today's discussion

- Why GST & Commodity out of scope of GST
- Taxes going to be subsumed in GST
- Concept of supply
- Time of supply
- Value of supply
- Input tax credit
- Job work
- Concept of invoice and contains of Invoice
- Registration
- Returns
- Transitional credit lying in stock and returns
- Question and Answer



GST



**EXCISE
SERVICE TAX
VAT**



Why GST ?

- Multiple tax on multiple stage.
- To remove channel of tax on tax i.e. Cascading effect of tax
- Hassle free cross broader transactions- Mobile check post
- One nation one tax -Uniform tax rate on goods and service through out the country
- Simple tax structure
- Less exemption and less rates
- Removing doubt what is goods & what is

service-i.e. Software , AMC contract and Leasing etc.

- Development of one common market
- Transparent in taxation system
- Reduction in price ?





Taxes going to be subsuming under the GST ERA

CENTRAL TAXES LIKE

- Additional customs duty (CVD) Special additional duty (SAD)
- Central excise duty
- Additional excise duties
- Excise duty levied under the Medi. and Toiletries Prepar. Act
- Service Tax
- Central Sales Tax
- Surcharge and all Cesses in relates to goods and services



STATE TAXES LIKE

- VAT including purchase tax
- Entertainment tax
- Entry Tax
- Luxury Tax
- Surcharge and all Cesses in relates to goods and services



Out side the GST net-Will be covered under GST after recommendation of Council

Excluded from the List I entry 84 and List II entry 54 of COI

- Crude oil
- Petrol
- Diesel
- Aviation Turbine Fuel(ATF)
- Natural Gas
- Alcohol for human consumption as Excluded from the scope of Article 366 (12A)
- Electricity ? Article 287





Interesting Questions.....

- Electricity Duty
- Octroi
- Property Tax
- Professional Tax
- Stamp duty
- Basic Custom duty





GSTN

- **Goods And Service Tax Network.** It provides Information Technology platform in upcoming era of GST to the Government and Taxpayer. It is developed by Infosys Ltd.



Key points of GST

- What is SGST/CGST and IGST?
- What is supply ?
- What is interstate supply and intra state supply (within state)?



SGST (State Goods and Services Tax)-The SGST is tax levied on the **intra state supply** of goods and services by the state government.



CGST (Central Goods and Services Tax)-The CGST is tax levied on the **intra state supply** of goods and / or service by the central government.



IGST (Integrated Goods and Services Tax)-The IGST is levied on the **inter state supply** of goods and/or services by the central government.



Concept of Supply V/s. Sale

- In **common parlance** supply means **to make available to someone**

- **Now with this definition Supply shall also include**
 - All forms of supply of goods and services or both
 - Sale/ Transfer /Barter / Exchange /License/Rental/Lease or Disposal
 - Made or agreed to be made
 - For a consideration
 - By a Person
 - In the course or furtherance of Business



Transactions to be considered as supply of services



Services specified in Schedule II under the CGST

Transfer of right to use goods [1 (b)]

Lease, tenancy, easement, license to occupy land [2 (a)]

Lease of building [2 (b)]

Any treatment or process which is applied to another's goods [3]

Making available of goods for private use [4 (b)]

Renting of immovable property [5 (a)]

Sale of under construction units [5 (b)] (Entire Consideration than - Not)

Temporary Transfer of IPR [5 (c)]

Development of IT software [5 (d)]

Agreeing to the obligation to do an act or refrain from doing an act [5 (e)]

Transfer or right to use [5 (f)] (Lease)]

Works Contract [6 (a)]

Supply of food as a part of service [6 (b)]



Schedule II Transfer of assets

- Transfer or disposal of business assets by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration- **Supply of goods.**
- Goods held or used for the purposes of the business are put to **any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business,** whether or not for a consideration- **Supply of service.**

Transaction neither supply of goods nor services

- Employee who provides service to his employer
- Court or Tribunal
- Services performed by Member of Parliament , Panchayats, Municipalities and local authorities.
- Duties performed by person who holds any posts in pursuance of COI
- Duties performed by any persons chair person or member or director in a body established by Central Government
- Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
- Actionable claims, other than lottery, betting and gambling.

Composite supply



- Section 2(30) of the CGST Act defines Composite Supply as a **supply of two or more taxable supplies of goods or services or both** or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.
- Principal Supply is defined in Section 2(90) of the Act.
 - Means the supply of that goods or service which constitute the predominant element of the composite supply.
- So for a Composite Supply two conditions are to be fulfilled:
 - (a) Supply of two or more goods or services together.
 - (b) They are naturally bundled and supplied together in the ordinary course of business.
 - (c) One of them is a Principal Supply.

IGST (Integrated goods and services tax) Overview

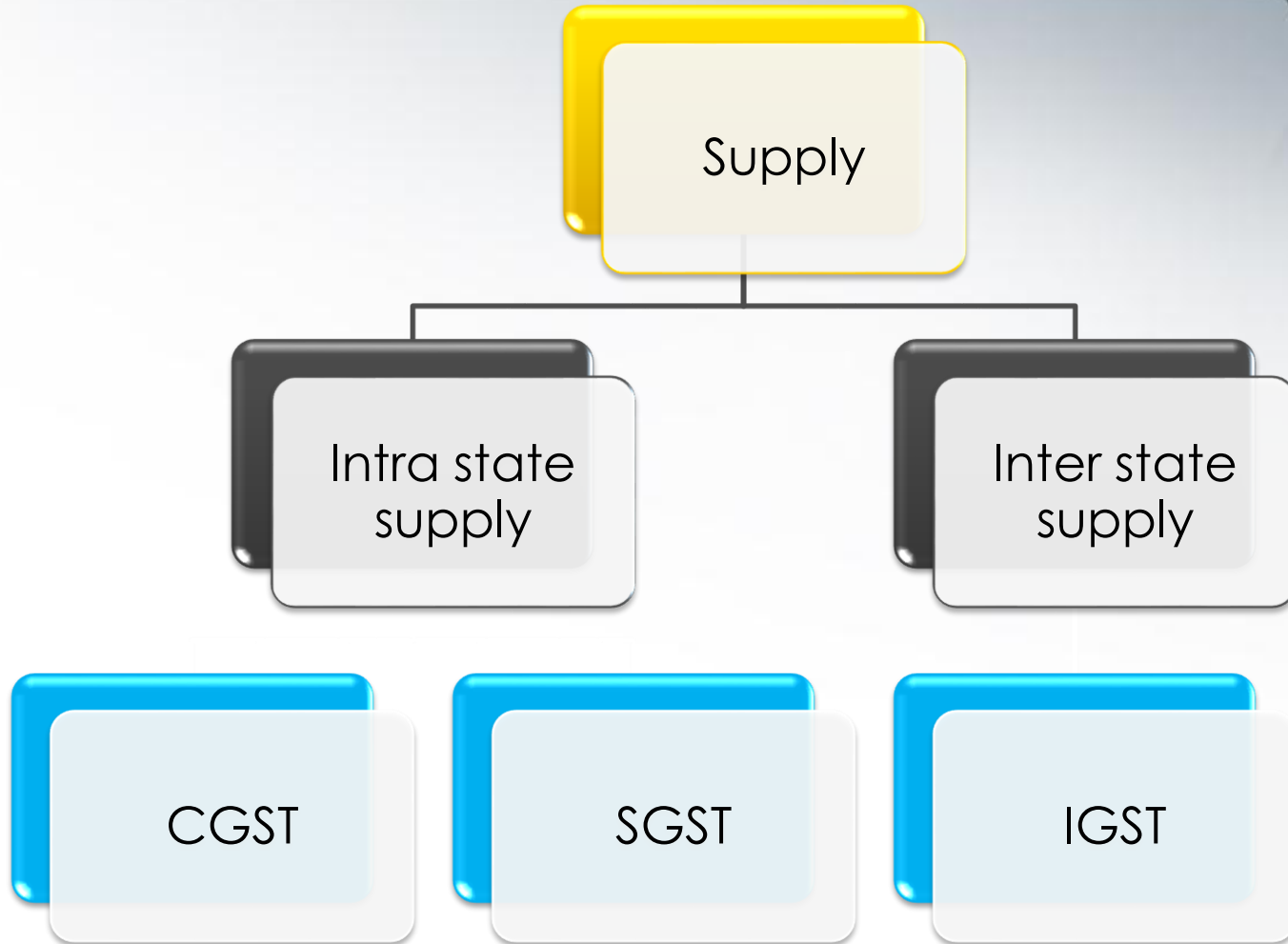


- All export and import of goods and/or services will be deemed to be a supply of goods and/or services made in inter state trade or commerce.
- Importing goods and/or service attracts IGST
- Export will be treated as zero rated supply

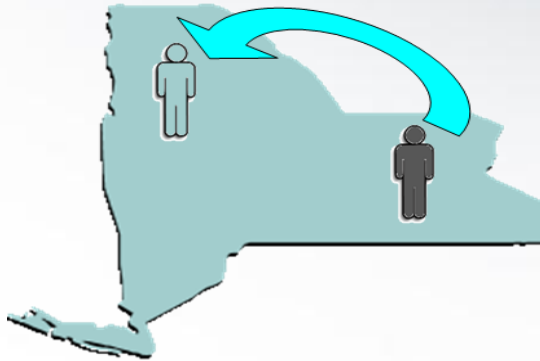
What is the impact of replacement of CST Act by IGST Act ?

- No Form C, E1 and E2, F, H, I and J
- No exemption of merchant export or penultimate sales against form H
- No Exemption of stock transfer and consignment sales
- No exemption on LR and RR Sales
- No declared goods
- No exemption of high seas sales, sale in the course of import and export

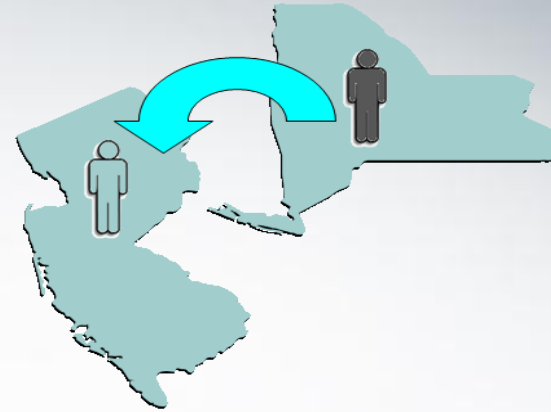
Taxes applies to supply



Intra State Supply V/s Inter State Supply

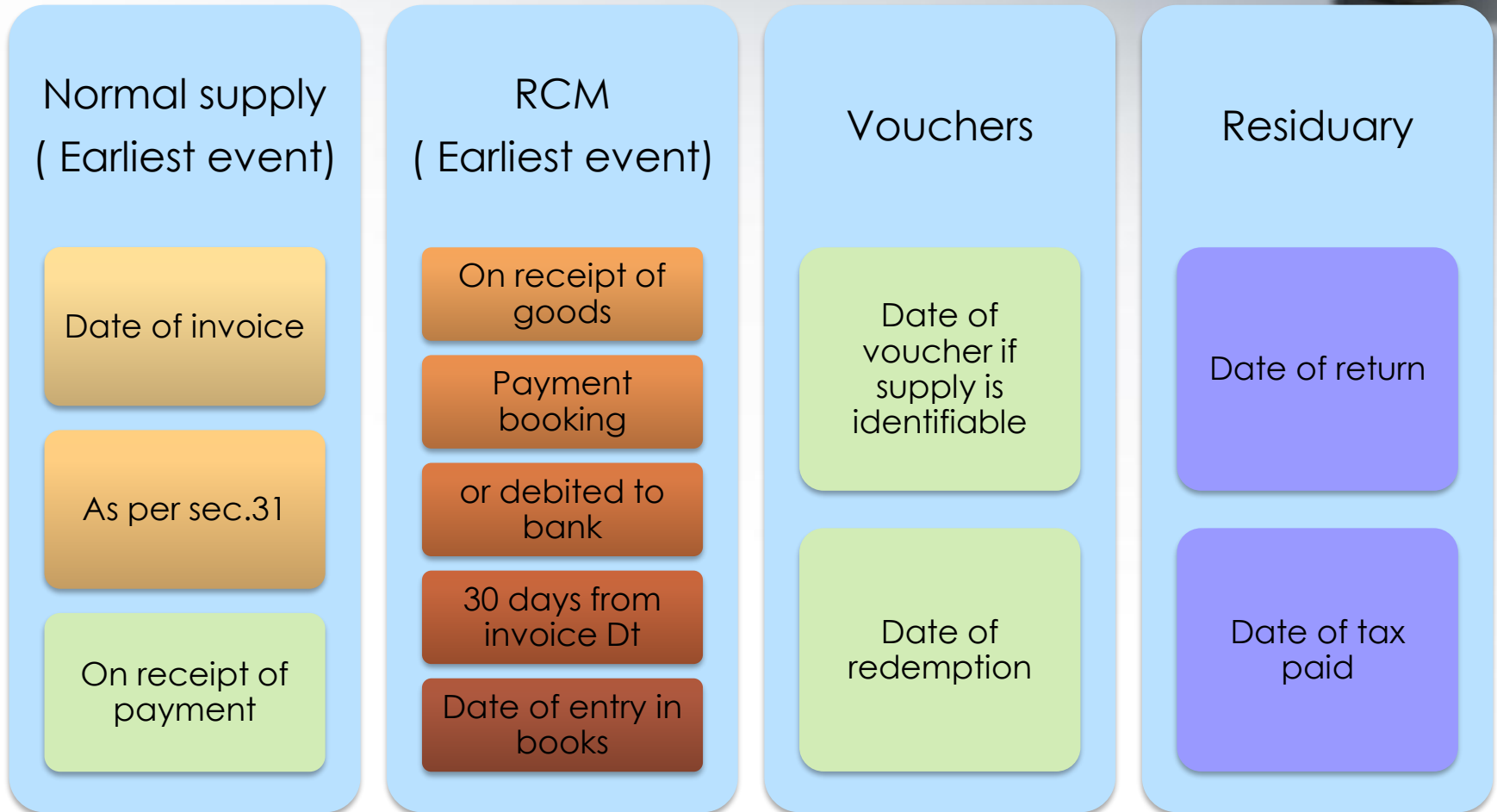


- Place of supply(POS) of goods and or services and location of supplier(LOS) is **in the same states** then same is intra state supply of goods and/or services
- CGST / SGST to be paid



- Place of supply of goods and or services and location of supplier is **in the different states** then it is inter state supply of goods and/or services.
- IGST to be paid

Time of supply of goods



Value of supply includes & excludes



- Any taxes, duties, cesses, fees and charges levied under any law (except CGST, SGST, UTGST, Cess) if charged separately-**Property tax?**
- Supplier is liable to pay any amount but incurred by recipient not included in supply price.
- Incidental expenses charged by supplier as well as anything done by supplier at the time of or before delivery of goods or supply of service.
- Interest or late fee or penalty for delayed payment of any consideration for any supply.
- Subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.
- Discount given & record in the invoice before or at the time of supply.
- After supply- If agreed prior to supply and linked to the invoices and recipient has reduced input tax credit.

Condition for claiming ITC



- Registered taxable person must possess tax invoice, debit note, supplementary invoice or any other taxpaying document issued by the supplier
- Goods and/or services must be received by him
- Tax has been paid by the supplier or **through utilization of ITC admissible in respect of said supply.**
- Supplier has furnish the valid return u/s.39.
- Payment is required to be made within 180 days from date of invoice
- ITC Cannot be entitled to invoice after September or filing annual return (earliest event) to which invoice relates.
- ITC cannot be claimed for tax component of capital goods if capitalized the same along with tax component and availed depreciation.
- ISD have to distribute credit in the same month.



Proportionate Credit



- If goods and services are partly used for business and partly for other ITC is required to be reversed as per rule 7 for other use of the same.
- If goods and services are partly used for taxable and zero rated supply and partly for exempted supply ITC is required to be reversed. Rule 7.
- In case of sale, merger, demerger, amalgamation, lease etc. unutilized credit will be transferred as per rule 6.
- If normal taxable person opt for composition or taxable goods become exempted goods and credit on the goods and services are availed then same is required to be paid by debiting cash ledger or credit ledger in consonance with rule. If credit is lying then same will be lapse.
- After availing credit on capital goods, same were supplied then ITC is required to be reduce by following percentage method prescribe in rule 8 or value of supply whichever is higher.

ITC not available



- Motor vehicle except supplied in usual course of business or providing taxable services of (1)Transportation of passengers or (2) Transportation of goods or (3) imparting training on motor driving skills
- Food and beverages , Out door catering, Beauty Treatment, Cosmetic and plastic surgery, Health service, Club membership, Health and fitness used for own consumption, Member ship of club etc., travel benefit extended to employee.
- Works contract service supplied for construction of immovable property except plant and machinery
- Goods and service or both received by taxable person for construction of an immovable property
- Goods lost, stolen, destroyed ,write off or disposed off by way of gift or free sample

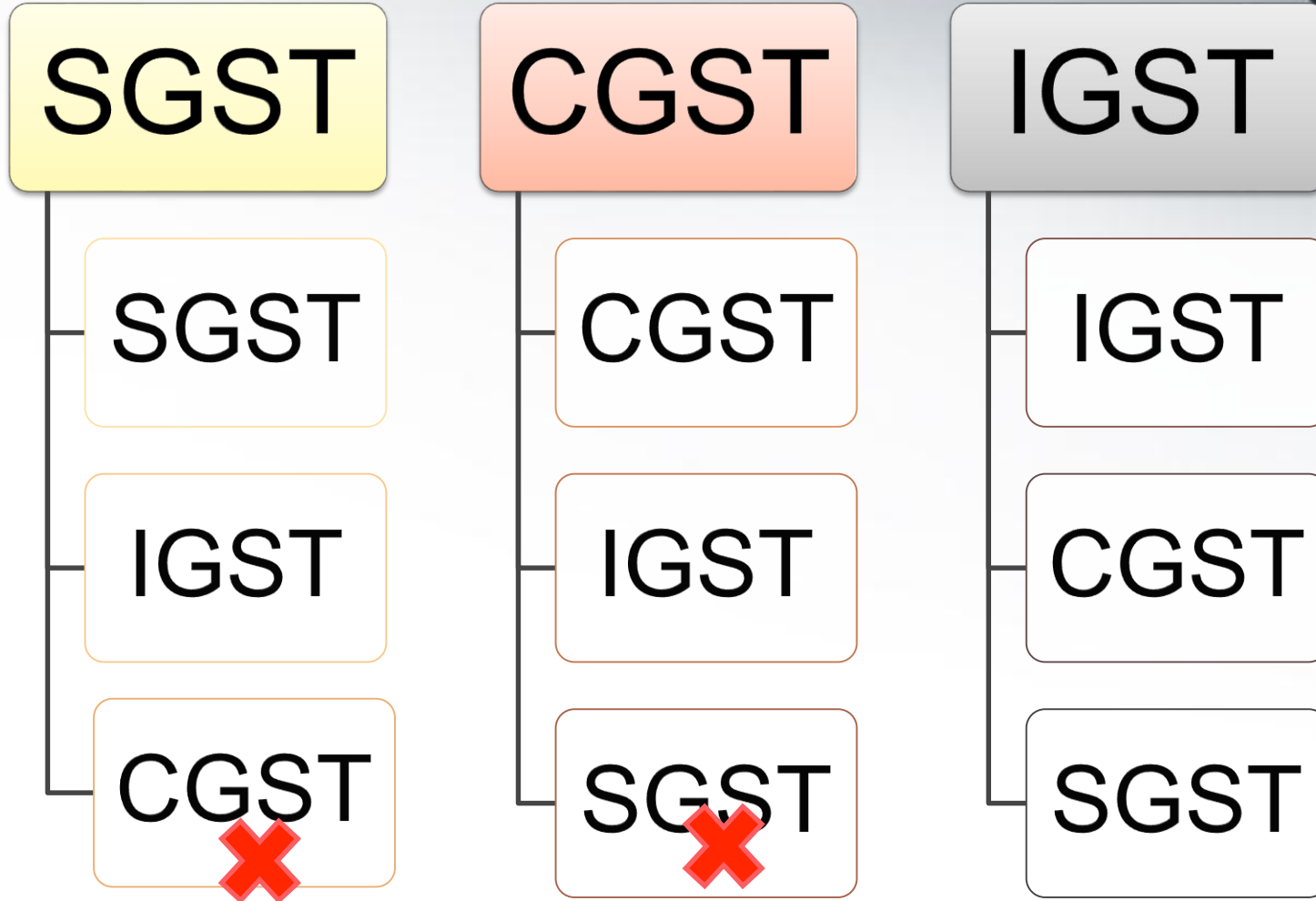
Condition for claiming ITC



Input tax credit on <u>inputs</u> of stock on some event	Taxable person <u>applied for Compulsory registration</u> entitled ITC if application made within time subject to condition
	Taxable person making <u>voluntary application</u> entitled to take ITC preceding to the date of registration
	Taxable person who has opted composition permission ceases -Entitled .

Register person cannot claim credit of input tax on supply of service after one year from the date of invoice

Input tax credit



Registration



- Every supplier who makes taxable supply of goods or services or both beyond aggregate TO limit of Rs:-20 lakhs in a year is liable to take compulsory registration.
- We recommend that every business gets himself registered whether or not he is liable to GST, as we foresee that companies will avoid transacting business with non registered assesseees in times to come
- Aggregate turnover of goods and/or service[define in sec. 2(6)]
Value of all taxable supplies + Exempted supplies + Export + Inter state supplies of goods or services or both (Having same PAN No)
Excludes inward supplies on which tax to be levied on revers charge basis and also Excludes amount of CGST/SGST/ IGST and Cess



Registration



Person can opt registration for each business vertical separately within state.- It is optional.

- One PAN one GSTIN per state is basic concept of GST.
- However for different Business verticals separate registration number can be obtained for each separate business vertical within state.
- Definition of business vertical is given in sec.2(18)
- Main drawback is both unit will be treated as distinct person and transaction between both of them will be treated as supply and liable to tax.
- Compliance cost will be increased.

Certain Important Information

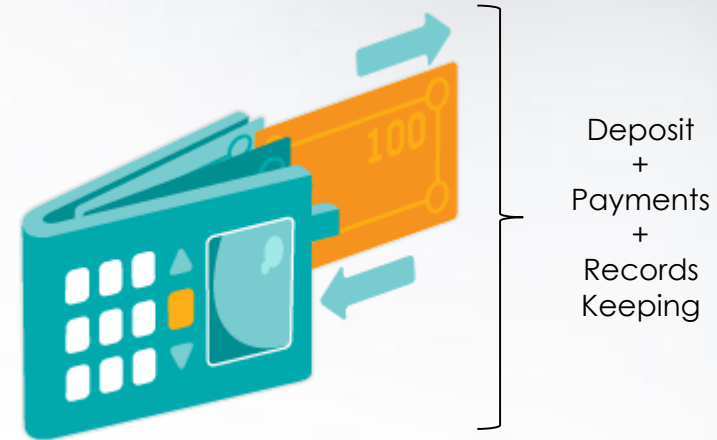


- ✓ Tax payer is making Self-assessment of tax liability
- ✓ E return is common for SGST, CGST, IGST - E filing of return compulsory
- ✓ Register person not allowed to filed return if previous return is not filed
- ✓ Tax payment as per self asstt. Is compulsory to treat return as valid return. –
Return filed without payment of tax not valid return
- ✓ Not taken into account for invoice matching & inter-Government fund
settlement
- ✓ No Provision for filing revise return
 - Differential Tax liability to be captured through Debit Note/Credit
Note/Supplementary invoices / correction mechanism
- ✓ Keep eye on Electronic Cash Ledger
- ✓ Keep eye on electronic ITC Ledger
- ✓ Keep eye on electronic Tax liability Ledger

Electronic Cash Ledger



- ✓ Electronic cash Ledger is an e-Wallet for all your financial transaction
- ✓ It is updated in near real time
- ✓ Electronic Cash Ledger captures all the details of amount deposited to the exchequer & utilization of such amounts for the payment of tax liability, demand on account of mismatch, interest, penalties fees etc.



Creation & Maintenance of Electronic Credit Ledger



What is Electronic Credit Ledger?

- The Electronic Credit Ledger is created by default when a taxpayer successfully registers under the GST regime except for those taxpayers who opt for composition scheme or registered for TDS/TCS
- Taxpayers under composition scheme cannot avail ITC
- In case of non-resident foreign taxpayer, they can take ITC only on input tax paid on reverse charge on imported goods





Tax Liability Register

1. The Tax Liability Register will capture all the liabilities of the Taxpayer
2. The liabilities will be auto populated through Returns for taxpayers or by tax officials for other liabilities from assessment or enforcement etc.
3. In certain cases, it may be populated by Tax Officials using the Tax Official's Interface
4. The Tax Liability Register is only for viewing by the Taxpayer because no manual entries can be made into the Tax Liability Register by the Taxpayer
5. Viewing for this ledger can be done for 6 months to the previous dates

Returns for class of registered taxable person



Regular
Monthly- GSTR-
1,1A, 2,2A,3
Annual -9,9B



Compounding
Taxpayer
Quarterly GSTR- 4,4A
Annual- 9A.



Foreign Non-
Resident
Taxpayer
GSTR-5



Input Service
Distributor
GSTR- 6,6A



Tax Deductor
GSTR-7



E Commerce operator
GSTR-8



Casual taxable person
GSTR-1,1A, 2,2A ,3

Periodicity of returns (1/2)



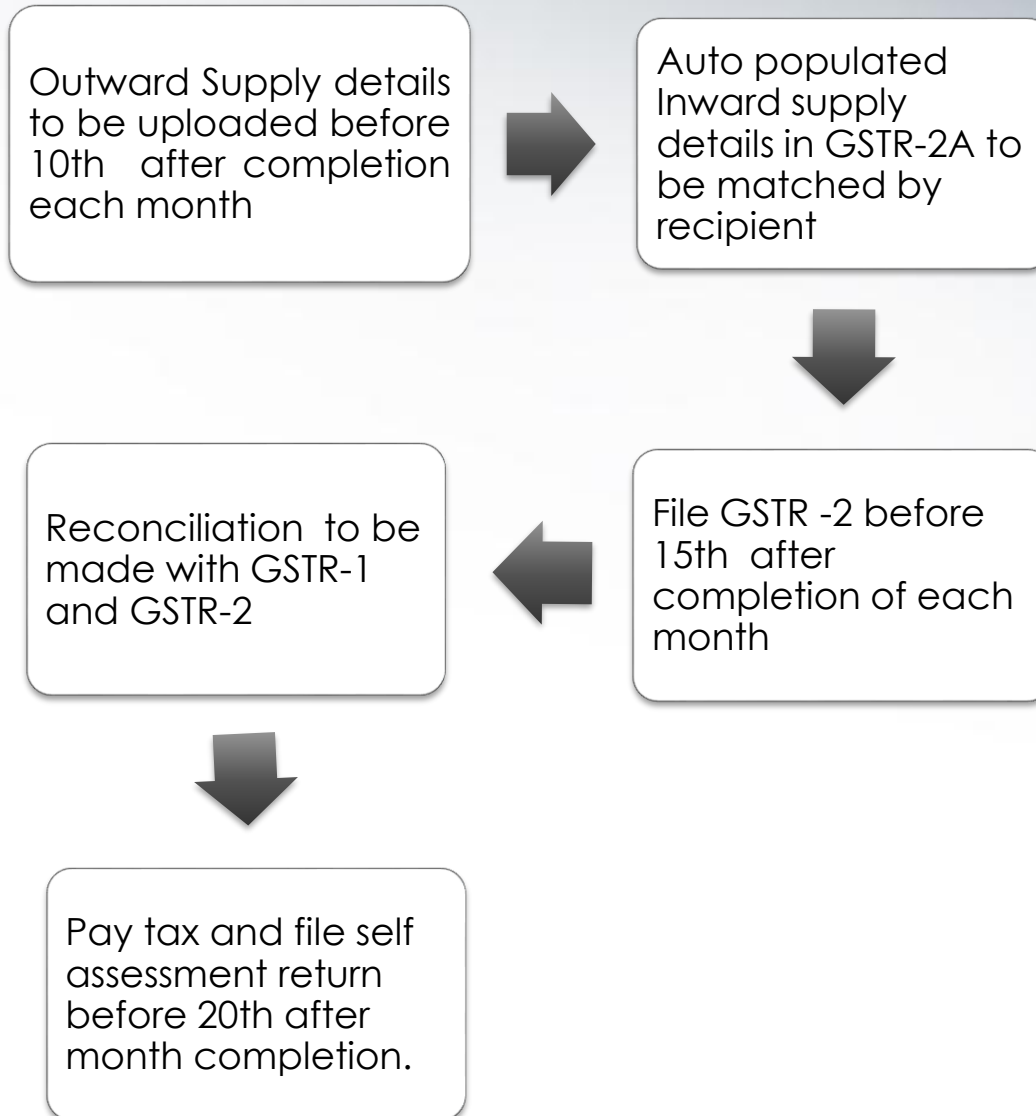
Type of return	Applicable to which taxable person	Last date
GSTR 1	Outward supplies made by taxpayer (other than compounding taxpayer and ISD)	Within 10 days after completion of month
GSTR-1A	Details of outward supplies as added, corrected or deleted by the recipient	
GSTR 2	Inward supplies received by a taxpayer (other than a compounding taxpayer and ISD)	Within 15 days after completion of month
GSTR-2A	Details of inward supplies made available to the recipient on the basis of FORM GSTR-1 furnished by the supplier	
GSTR 3	<u>Monthly return (other than compounding taxpayer and ISD)</u>	Within 20 days after completion of month
GSTR 4	Quarterly return for Compounding Taxpayer	Within 18 days after completion of Quarter
GSTR-4A	Details of Inward supplies received by taxable person who has opted composition base on GSTR-1	

Periodicity of returns (2/2)



Type of return	Applicable to which taxable person	Last date
GSTR 5	Periodic return by Non-Resident Foreign Taxpayer	Within 20 days after completion of month and within 7 days after last of registration
GSTR 6	Return for Input Service Distributor (ISD)	Within 13 days after completion of month
GSTR-6A	Details of inward supplies made available to the ISD recipient on the basis of FORM GSTR-1 furnished by the supplier	
GSTR 7	Return for Tax Deducted at Source	Within 10 days after completion of month
GSTR 8	Statement for E-Commerce Operators	Within 10 days after completion of month
GSTR 9	GST Annual Return	On or Before 31st Dec after completion FY
GSTR 9A	Simplified Annual return by Compounding taxable persons registered under section 8	On or Before 31st Dec after completion FY
GSTR 10	GST Final Return	Within three months

How to file return





Mismatch Reports

What happens when I click on Mismatch Reports?

- Mismatch Report w.r.t. the Taxable supplies will be displayed:
 - Supplier Mismatch
 - Receiver Mismatch
 - E-commerce Mismatch

Goods and Services Tax | A+ A- | Ganesh Harvest Solutions ▾

Dashboard | Services ▾ | Notifications & Circulars ▾ | Acts & Rules ▾ | Downloads ▾

Returns > View Mismatch Reports

FY - 2015-2016 | Month - January | Status - Pending
Last updated Date - 10th January | Total Tax Liability - ₹ 700.00

Mismatch Report

Section No.	Mismatch Report
1	Supplier Mismatch
2	Receiver Mismatch
3	E-commerce mismatch

BACK

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Failure to file returns

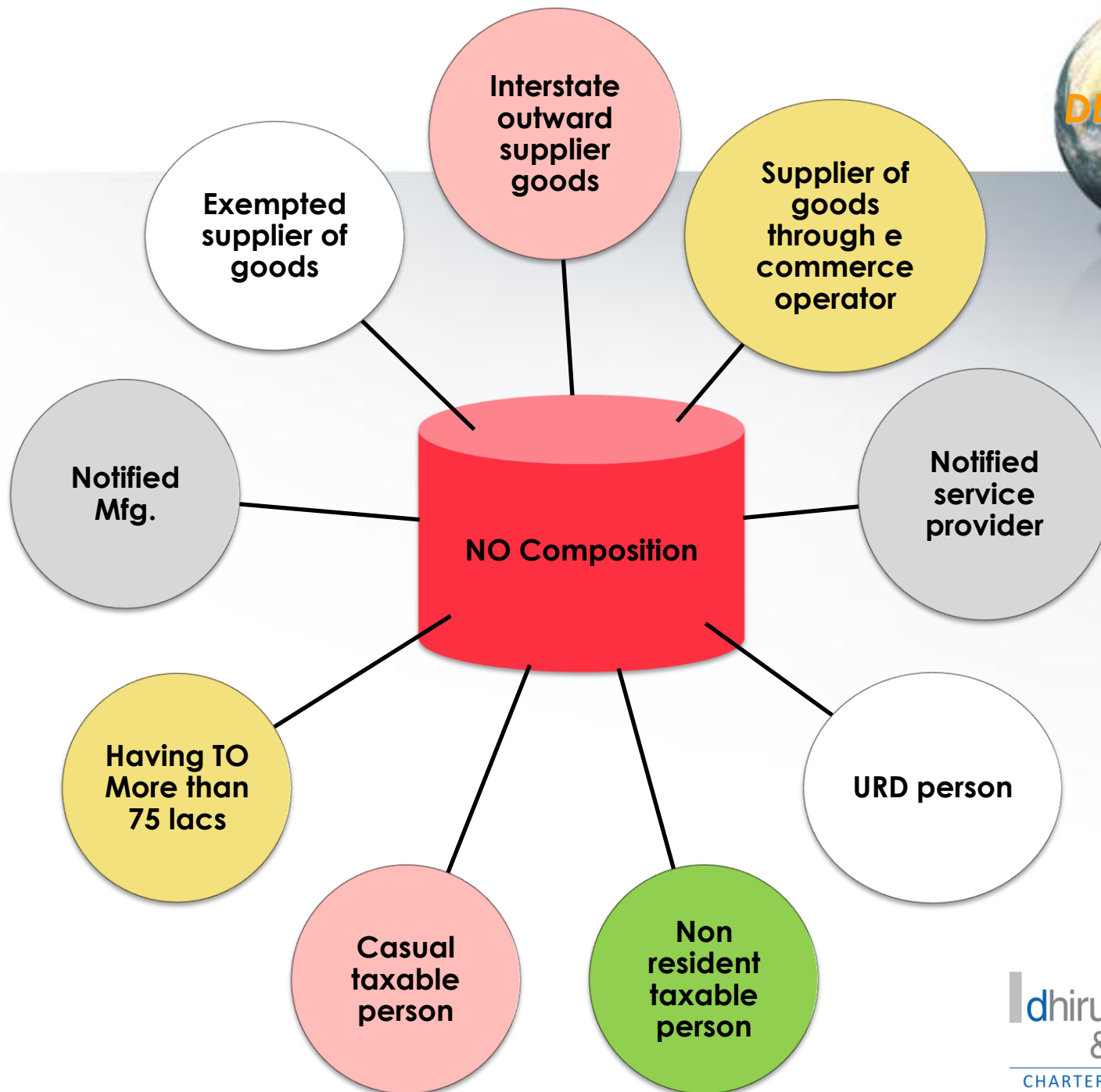


- ✓ Notice in GSTR 3A to file return.
- ✓ For delay in filing of all returns except annual return, the late filing fees is Rs. 100/day subject to a maximum of Rs. 5000
- ✓ For delay in filing annual returns, the late filing fees is Rs. 100/day subject to a maximum of **0.25% of the turnover of the state**



Composition scheme under the GST

- Aggregate turnover of the registered person should not exceed Rs:- 75 Lakhs in the preceding year.
- Increasing limit for turnover up to 1 crore is under consideration.
- Composition scheme applies to all registration no of India (Same PAN No.)
- Any intimation to opt for composition scheme in respect of any place of business in any State or Union territory shall be deemed to be an intimation in respect of all other places of business registered on the same PAN.
- Effective from beginning of the year- Cannot be opted during the year except new registration.
- Withdrawal can done during the year
- Liable to pay tax on reverse charge basis
- Input tax definition not covered composition tax
- Every year not required to file composition application
- Penalty for breach of condition



Rate of Composition tax u/s.10

1%

- Notified manufacturer of the goods

2.5%

- Supplier of food for human consumption specified in Schedule II 6(b) other than alcohol for human consumption

0.5%

- Any other supplier eligible for composition levy under section 10



Restriction to opt composition



Shall not collect any tax from the recipient on supplies made by him.

Shall not issue tax invoice but Issue Bill of Supply.

Shall not be entitled to any credit of input tax.

Shall mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him.

shall mention the words “composition taxable person” on every notice or signboard displayed.

Composition dealer shall furnish a quarterly return in FORM GSTR-4 and annual return in 9 B.

Job work Sec.143



Job works means to process or to make treatment on the goods of principal(Registered taxable person).

Goods can be sent for job work under intimation. Supply made without payment of tax to job worker.

After job work goods is required to bring back w/o payment of tax to the principal place and from the place of principal further supply can be made within India on payment of tax and without payment of tax if goods is exported.

Goods can also directly supplied on payment of tax from job worker place with following condition:-

Principal declared job worker place as an additional place

Job worker is registered dealer u/s.19.

Input tax credit – Job work



Inputs

- Principal is entitled to claim ITC on inputs sent for job work if goods received back within 1 yrs.
- Also entitled if inputs directly sent to job worker. 1 year will be calculated from date of receipt of goods by Job worker.

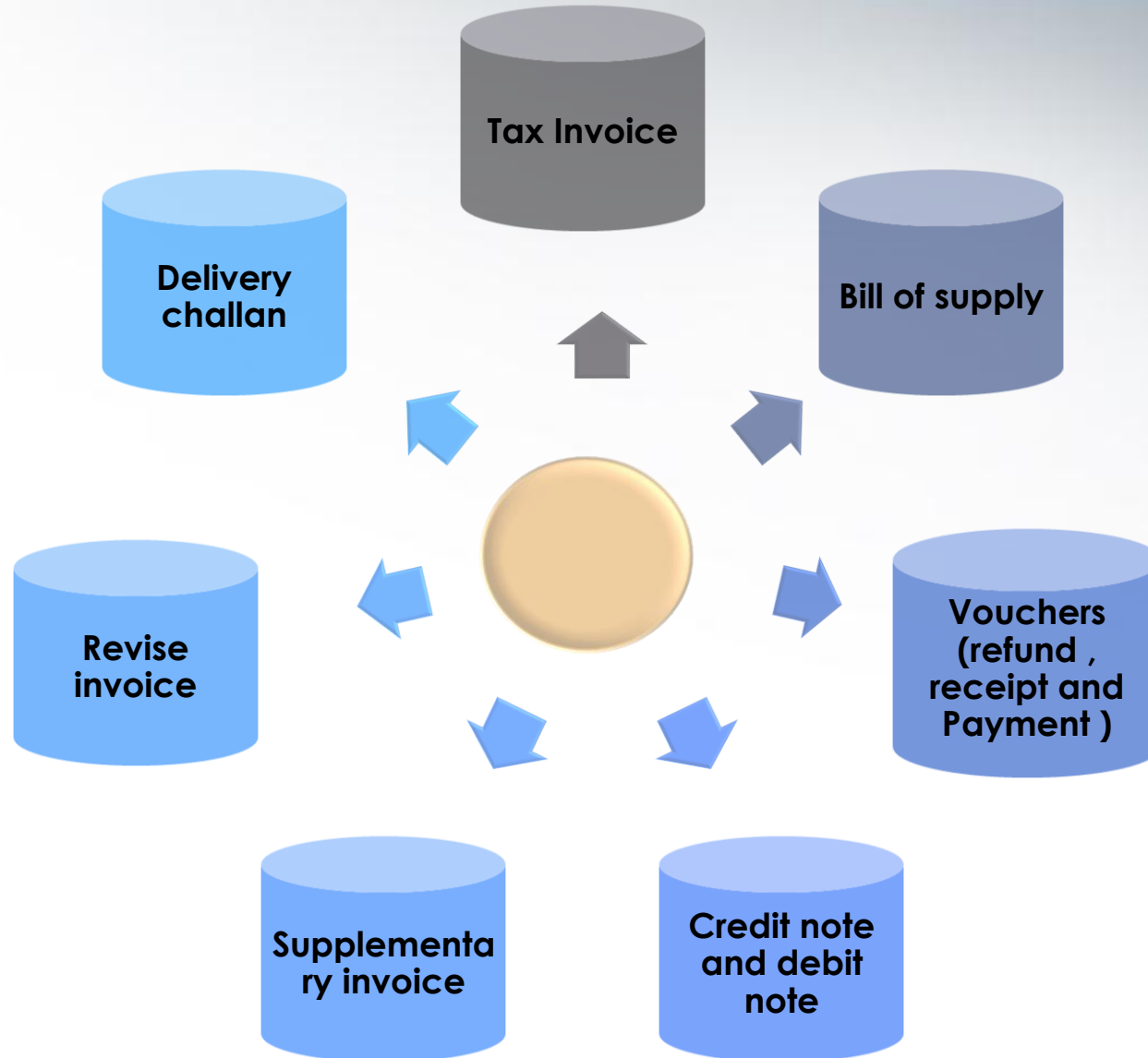
Capital goods

- Principal is entitled to claim ITC on CG sent to Job worker if CG received back within 3 yrs (From sent out).
- Entitled if CG directly sent to job worker. 3 yrs will be calculated from the date of receipt of CG by Job worker.

Breach of condition

- If goods and capital goods sent to job worker are not received back in stipulated time then same will be treated as supply.
- Scrap generated during job work can be supplied by job worker on payment of tax if registered or by principal if not.

Documents that need to be Under GST format



Credit note and debit note Cntd. 1/2



Excessive value /tax charged in tax invoice or for goods return

Where goods and service both are found deficient

Lesser value or tax charged in tax invoice

Supplier of goods shall issue credit note or debit note

Supplier have to show CN or DN in the month in which same is issued

CN Required to be issued before filing of annual return or September month of the next FY which ever is earlier

If tax is passed on to any other person then NO CN can be issued

Mandatory Contents



SR NO	PARTICULARS	TAX INVOICE	BILL OF SUPPLY	RECEIPT VOUCHER	CN/DN SUP. INV.
1	Name, Add. and GSTIN of supplier	✓☐	✓☐	✓☐	✓☐
2	Consecutive Sr. No of invoice which must be unique for FY(Multiple series permissible), Date	✓☐	✓☐	✓☐	✓☐
3	Name, Add. and GSTIN of registered recipient	✓☐	✓☐	✓☐	✓☐
4	Name ,Add. Of recipient, Add. Of delivery state, State, state code if URP & Value of supply is more than Rs:-50K	✓☐	☐	☐	✓☐
5	Sr No and date of corresponding invoice or bill of supply	☐	☐	☐	✓☐
6	HSN Code/SAC code	✓☐	✓☐	☐	☐
7	Description of goods or services	✓☐	✓☐	✓☐	☐
8	Qty and unit in case of goods	✓☐	☐	☐	☐

Mandatory Contents



SR NO	PARTICULARS	TAX INVOICE	BILL OF SUPPLY	RECEIPT VOUCHER	CN/DN SUP. INV.
9	Amount of advance taken	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10	Total value of supply of goods or service or both	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11	Taxable value of goods or service or both after discount or abatement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Rate of tax, Amount of tax charged	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13	For supply in the inter state trade and commerce (place of supply and state name)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Delivery address if place of supply and delivery state is different	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15	Inward supply of goods and service or both liable to reverse charge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16	Signature /Digital signature	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

HSN and SAC Code



- HSN code means Harmonized System of Nomenclature in relates supply of goods (internationally accepted) and SAC means Services Accounting code in relates supply of service.
- Taxpayers
 - ✓ TO less than 1.5 Cr not to mention HSN code in invoice;
 - ✓ TO between Rs. 1.5 cr to Rs. 5 Cr shall use 2 digit code;
 - ✓ TO more than Rs. 5 cr and above shall use 4 digit code.
- Services will be required to be classified as per the SAC.

Manner to issue of invoice



- Tax Invoice **for supply of goods** is required to be prepared in triplicate
 - Original for Recipient
 - Duplicate for transporter
 - Triplicate for supplier
- Tax Invoice for **supply of service** is required to be issued in Duplicate
 - Original for Recipient
 - Duplicate for supplier
- The serial no of invoice is required to be furnished electronically through the common portal in form GSTR-1.

Tax Invoice

Original / duplicate/triplicate

Company name
Address

Dhirubhai Shah & Doshi
Ahmedabad, Gujarat

GSTIN **15 digits**
Phone **079 26403325**
Mob:- **9879006018**
Email **info@dbsgroup.in**
Web site **www.dbsgroup.in**

Date **01/01/2018**
Invoice No:- **01/ADI/2018**
Transporter:-
LR No:-
Delivering state code

Buyer **ABC Ltd**
Address **Thane**
 Maharashtra
GSTIN **15 digits**

Consignor:- **XYZ Ltd**
Address **Vatva, Ahmedabad**

Consignee:- **ABC Ltd**
Address **Dombivali**
 Maharashtra

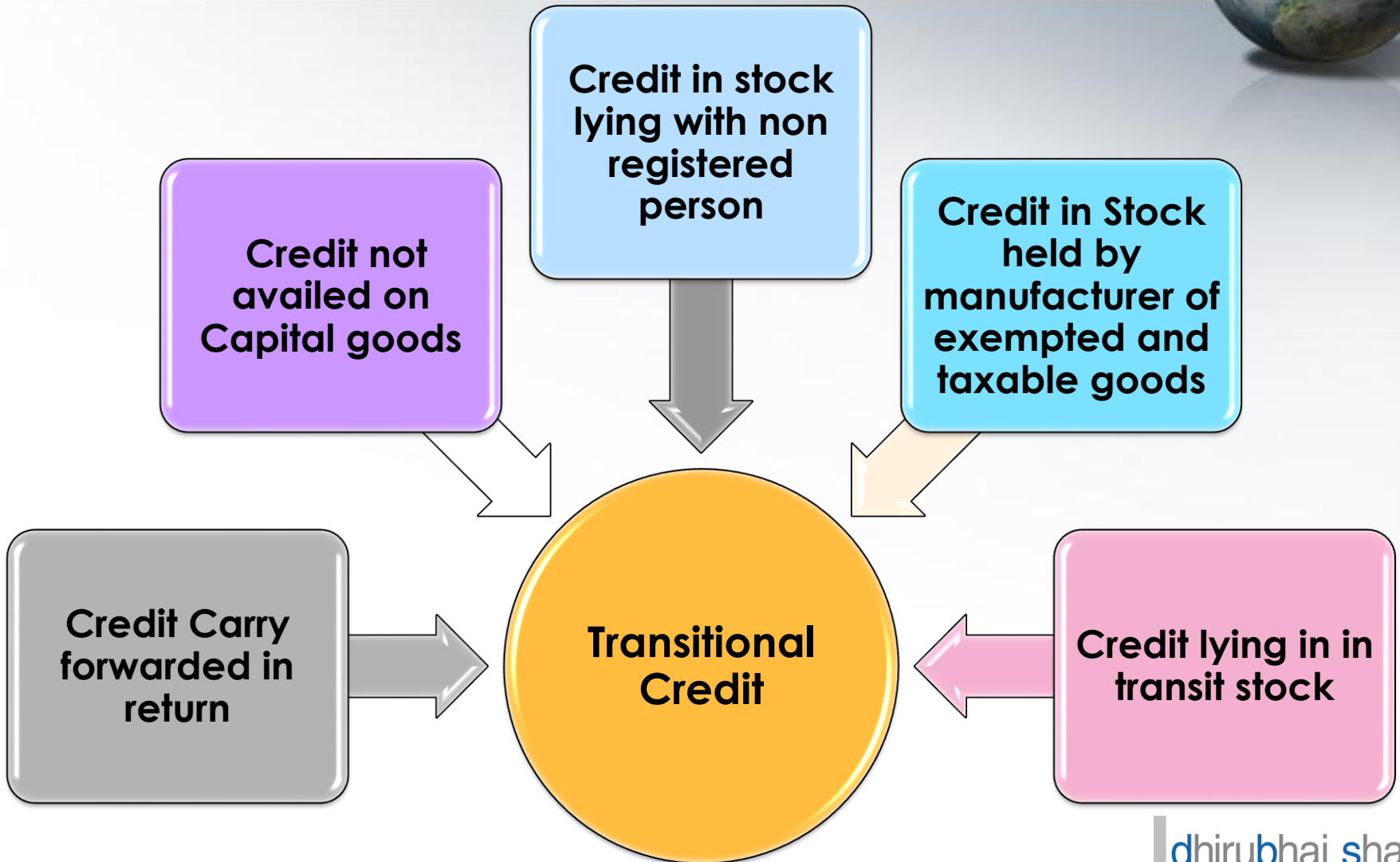
Sr No	Description of Goods/service	HSN/Accounting Code	Qty	UOM	Rate Per Unit	Total	Discount	Taxable value	CGST		SGST		IGST	
									Rate	Amt	Rate	Amt	Rate	Amt
<div style="font-size: 2em; opacity: 0.3; pointer-events: none;">DRAFT INVOICE UNDER THE GST</div>														
	Packing charges													
	Insurance Charges													
	Forwarding charges													
	Freight charges													
Total									=	=	=	=	=	=
								Total of Taxable Value	CGST	SGST	IGST			
								345	1	7	9			
Service and goods received liable to reverse charge Cess														
Gross invoice value in words:-								Gross Value of Invoice	123456					
Terms and conditions:-								Sign and seal of recipient goods and	For Comapany					
1														
2														
3									Authorise signatory/Digital signature					
I/we certify that our registration certificate under the GST Act is in force on the date on which supply of goods specified in the invoice is made by me/us and the transaction of supply are covered under this invoice has been effected by me/us in the regular course of my/our buisness.														

Movement of goods without tax invoice is permissible under GST Act?



- If Yes How? And Which supply of goods are covered?
- Delivery challan is required to be issued for following event:-
 - ❖ If tax invoice not issued at the time of removal of goods and goods are transported
 - ❖ Supply of Liquid Gas where quantity is not known
 - ❖ Goods transported for Job work
 - ❖ Transportation of goods other than supply
- In WayBill Delivery challan is required to be declared
- Delivery challan should be in triplicate

Transitional Credit





CENVAT/VAT/Entry tax credit shown as Carry forward in return Sec.140(1)

- Register person is entitled to carry forward credit in return filed under existing law.
- Those who has not migrated themselves will not be entitled to carry forward the credit.
- Register person who has not filed an application for registration within time will also not eligible for the credit.
- Carry forward **credit will be auto populated** in electronic credit ledger of the respective taxable person.
- Application is required to be filed in **GSTR TRAN-1 within 90** days after implementation of GST electronically duly signed wherein amount tax or duty is required to be shown separately. Extension?
- Inputs have been received from EOU and Electronic Hardware Technology Park are also entitled to take credit subject to Rule 3(7) of CENVAT Credit rule,2004.



Allocation of carry forward credit in GST



Sr. No.	Eligible duty or tax can be CF	Entitlement	Form
1	Basic Excise duty	✓ <input type="checkbox"/>	CGST
2	Service tax	✓ <input type="checkbox"/>	CGST
3	Counter vailing duty and SAD	✓ <input type="checkbox"/>	CGST
4	VAT including purchase tax and addi.tax	✓ <input type="checkbox"/>	SGST
5	Entry tax	✓ <input type="checkbox"/>	SGST
6	Swatch Bharat Cess	<input type="checkbox"/>	<input type="checkbox"/>
7	Krishi Kalyan Cess	<input type="checkbox"/>	<input type="checkbox"/>
8	Education Cess	<input type="checkbox"/>	<input type="checkbox"/>
9	Higher education Cess	<input type="checkbox"/>	<input type="checkbox"/>
10	Luxury tax and Octroi	<input type="checkbox"/>	<input type="checkbox"/>
11	Central Sales Tax Act	<input type="checkbox"/>	<input type="checkbox"/>
12	ISD credit	?	?



Transitional Provisions – CGST Act

Sr. No.	Issue	Solution	Statutory provision
1	Treatment of unavailed CENVAT Credit on capital goods	<ul style="list-style-type: none"> As per existing law ,50% of cenvat credit on capital goods is available in year of capital expenditure and balance 50% in succeeding FY. Hence , cenvat credit on capital expenditure done in FY 16-17 shall be treated as below:- (a) 50% Cenvat Credit to be availed in FY 16-17. (b) Balance 50% Cenvat Credit to be availed on or before 30th June 2017 <p>For Capital expenditure done during April 2017 to June 2017 shall be treated as below:-</p> <ul style="list-style-type: none"> (a) 50% Cenvat credit to be availed on or before 30th June 2017 (b) As per section 140(2) Unavailed cenvat credit on capital goods carried forward in GST Trans 1 to be allowed to a registered person during the Financial year 2017-18. <p>For capital expenditure done on or after 1st July,2017:- 100% credit can be claimed of capital purchase made on or after 1st July,2017 in the year of acquisition of capital goods.</p>	140(2)

	Under Present Law	Under GST	Result
Capital Goods	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
	✓ <input type="checkbox"/>	<input type="checkbox"/>	? ✓ <input type="checkbox"/>
	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>



Further condition for registered taxable person not having duty paid docs and having duty paid stock

- Credit will be allowed **@60 % if CGST and SGST is payable @18%** or more after GST Act implemented and credited after payment of central tax (CGST) and state tax (SGST).
- Credit will be allowed **@40 % if CGST and SGST is payable @12%** after GST Act implemented and credited after payment of central tax (CGST) and state tax (SGST).
- **Supply liable to IGST** will also eligible to avail credit @30% for more than 18% and 20% for 12% or less after payment of IGST.
- The scheme is available for **six tax period** after GST Act come into force. Therefore it is mandatory for him to sold the goods within six months.
- The goods must be excisable goods and also not liable to nil rate.
- Document of procurement must be available with Registered person.
- Have to submit form GST TRAN-2 end of each six tax period for stock held by Registered person.
- The amount of credit will be credit to Form GST PMT-2.
- The stock must be identifiable.



Other duty paying documents



- ✓ Supplementary invoice issued by manufacturer
- ✓ Supplementary invoice or challan issued by output service provider
- ✓ Bill of entry
- ✓ A certificate issued by an appraiser of custom in respect of goods imported through foreign post office
- ✓ Challan of service tax paid by recipient when recipient is liable to pay on reverse charge
- ✓ A service tax certificate for transportation of goods by rail
- ✓ Invoice and challan issued by ISD



SGST Provision -Credit of VAT Act and Entry Tax lying in stock

- A registered person, who was not liable to be registered under the existing law **(For example Manufacturer of fabrics and entry tax paid on interstate purchase of yarn).**
- Who was engaged in the sale of exempted goods or tax free goods**(Trader of Medical implants or unbranded farshan).**
- Goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State under the existing law but which are liable to tax under this Act **(For example Chemical fertilizer).**
- Which is going to be taxable will entitled to claim credit on inputs held in stock or semi finished goods or finished goods.
- Taxes are VAT including purchase tax /additional tax and Entry Tax.
- Other provisions of SGST are same as CGST.

Exempted and non exempted manufacturer and service provider sec.140(4)



- **A Registered Taxable Person Who, as per earlier laws** Manufacturer of Exempted as well as non exempted goods as per Central Excise Act, 1944.(Pharma Co mfg life saving drug and other drug).
- Register persons engaged in the sale of taxable goods and exempted goods or tax free goods.(Mfg of fabric and technical textile).
- Provider of Exempted as well as Non Exempted Services shall entitled to take credit of **eligible duties and & taxes** in respect of inputs held on **appointed date**.
- For Non Exempted goods/services as per **section 140(1)** of CGST Act, 2017 .
- For exempted goods/services as per **section 140(3)** of CGST Act, 2017
 - ✓ Not to make purchases of capital goods as 140(3) speaks about inputs only.

Registered person switching over from composition to non composition



- Registered person who is paying tax at fix rate under the existing law is entitled to claim credit of eligible duties and tax held in stock ,semi finished goods and finished goods subject to following condition:-

Inputs and goods must be used for making taxable supply.

Registered person has not opted composition.

Inputs and goods must be eligible for credit under the GST Act.

Invoice or other docs must be posses by him.

The said invoice and other docs must not be more than 12 months.

Provision for price upward and downward Sec.142(2)



Supplementary invoice or debit note

- Contract enter pre GST And goods and service or both supplied pre GST due to revision of price upward
- Supplier will issue within 30 days from the revision of price

Credit note

- Contract enter pre GST And goods and service or both supplied pre GST due to revision of price upward
- Supplier will issue within 30 days from the revision of price
- Liability of supplier will reduced if receipt reduce the tax credit





Way Forward

- **Credits appearing under Excise, SAD, Service Tax and VAT shall be c/f in GST Tran-1:-** If companies are liable to output tax then 100% of such credits shall be eligible to be carried forward. If company is not liable to a certain output tax liability but the stock contains element of taxes in it, then the credits should be raised to the extent of 40%/60% as the case may be. For e.g a trader of mobile phones is only liable to pay VAT. He can still carry forward 40% of the excise duty element on the phones in stock and carry forward the same in GST regime
- **Credit of CST:** As per the current provisions CST is being expensed companies. Now going forward, the CST embedded in stock shall be an admissible ITC under GST regime. Hence the company needs to figure out the stock position wherein purchases have been made in previous 12 months i.e. from 1st July 2016 to 30th June 2017 and compute the CST portion in such stock. Thereafter such CST shall be considered as an admissible ITC under GST regime and accordingly credit shall be accrued in books of accounts.
- **File all the requisite returns:** (incl. quarterly return of S. Tax for June-17 quarter, once published by Govt.) on time for smooth carrying forward of CENVAT credit to the GST regime. It is advisable that the return is filed in a manner that it does not require revision.
- For transitioning the CENVAT credit of inputs held in stock and input contained in semi-finished goods or finished goods in stock to the GST regime, **collect the pending invoices** if any.
- An effort should be made **to expedite the pending refund claims, if any,** by liaising / follow up with the concerned revenue authorities
- **Issue all the invoice** in respect of the goods supplied or service provided before 30th June 2017.



Way Forward

- Payments in respect of **services liable to RCM should be made before 30th June 2017** and avail the CENVAT credit – payments made under the GST regime may attract higher tax rate.
- **Avoid all purchases after 28th June, 2017** so that complexities for c/f credit under GST Tran-1 can be minimized. As such tax paid on purchases under GST regime would be set off with easier credit mechanism
- **Vendor master** to be updated to capture all the requisite details as necessary for GST regime.
- Formulating accounting process and accounting ledgers in manner to generate reports for **capturing the data in the GST returns.**
- **Revisit policy on discount.**
As per Section 15 of CGST Act, 2017 (Value of Supply) discount is not included in value of supply only if discount is given:-
 - (a) Before or at the time of supply if such discount has been duly recorded in the invoice issued in respect of such supply; and
 - (b) After the supply has been effected if-
 - (i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and
 - (ii) ITC as is attributable to the discount on basis of document issued by the supplier has been reversed by the recipient of supply



Way Forward

- Ensure that the vendors have undertaken the GST migration process.
- Reconcile the HSN code in respect of the goods procured from the vendors which are also traded by the Company – to avoid classification dispute.
- The rules and regulations of section 171 which pertains to Anti-Profiteering are yet to be framed. Once the same is notified company needs to identify and strategize suppliers who will be in a position to pass on excess input credit and thereby lower our cost of procurement.
- Revisit on the procurement of goods since under the GST regime all the interstate procurements would be chargeable to IGST which shall be creditable.
- Ensure that the invoices in respect of goods obtained or the services availed have been collected before the appointed date.
- Entire VAT credit as on 30th June,2017 shall be c/f under GST Tran-1 return as SGST.
- CST declaration of Form C and H is required to be obtained for period 01.04.2015 to 30.06.2017 on or before 30th June,2017
- Due date to file GST Tran-1 is 20th september,2017. However in order to be eligible to set-off existing credits against our output tax liability arising in GST regime,it is advisable to file GST Tran-1 as early as possible



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**dhirubhai shah
& doshi**

CHARTERED ACCOUNTANTS

<< On the letter head of the Company >>

Date

Name and address of the vendor,

Dear _____

Sub: Registration of Vendors - Transition to Goods and Services Tax ('GST') regime

You would be aware that India is moving towards a GST regime which would substantially transform the current Indirect Tax landscape. There is a potential for harnessing benefits offered under GST regime and it is in our mutual interest to analyze the impact on supplies being made.

As you may be aware, Government is making all the efforts to implement GST from 1st of July 2017. As a step towards implementation of GST, the central government has launched portal (www.gst.gov.in) for migration of existing taxpayers to GST. In this process, state VAT authorities and Central Service Tax Authorities would provide provisional GST ID/username and temporary password to all existing Assesseees. These credentials would be required for logging onto GST portal and complete the enrolment process by providing requisite details. On successful completion of the process, the assesseees would be provided provisional GST registration on the appointed date.

To ensure smooth transition to GST regime, the central government had laid down enrolment schedule for various states and service providers. As a business partner of our company, we urge you to complete the enrolment process if not done yet for seamless continuity of business.

GST places a lot of reliance on compliances wherein item-wise details of all supplies would need to be uploaded on the GSTN portal. Further, there are requirements to capture and report additional nomenclature / tax fields on invoices / in accounting and reports. Therefore, IT system needs to be geared up well in advance so that such details are available for uploading on GSTN.

A timely action on the aforesaid aspects would help in smooth transition to GST and in strengthening our business relationship. The above would be helpful in complying with GST requirements and would be beneficial throughout the supply chain.

You are our valuable business partner and in light of above it is of paramount importance to smoothly transit to the GST regime. Accordingly we request you to share with us your registration details so that we incorporate it into our database. For reporting timely and correct compliances, our IT systems also need to be geared up so that we are also ready for transition to GST on the cut-off date. For the same, we would require the following details of your company mentioned in **Annexure – I**.

Please feel free to reach out to us in case you require any clarifications or wish to discuss the same further.

Thank you.

Yours faithfully,

For XYZ Private limited

(Authorized Signatory)

Annexure – I

Sr. No.	Particulars	Vendor's comment/reply
1.	Registration ID [GSTN / Unique ID]	
2.	Permanent Account (PAN) Number	
3.	Full Name of Registrant	
4.	State	
5.	Constitution of Business (Company, LLP, Partnership, Proprietorship, AOP, BOI)	
6.	Address of Principal Place of Business (along with pincode)	
7.	Whether Composition scheme will be availed (tentatively Yes/No/NA)	
8.	Trade Type: [Factory / Mfg. / Trader / Supplier/ Service provider/ Leasing business / Warehouse / SEZ]	
9.	HSN code of goods / Service	
10	Accounting Code of services to be supplied	

Please note that in case of Registrations obtained for more than 1 state then provide the above details state wise i.e. GST registration obtained in each state by your company

TAX INVOICE

Sr no	Details required as per Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	If customer is registered - GSTIN/ Unique ID Number. If customer is not registered and the taxable value of the supply is INR 50k or more -Name and Address of recipient and address of delivery, alongwith name of the state and its code.
5	Invoice number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters , containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
6	Date of the issue of document
7	Description of goods / services along with HSN code of goods or Accounting Code of services
8	- Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce - Place of delivery where the same is different from the place of supply (ie Bill to- Ship to Model) - Address of delivery where the same is different from the place of supply
9	Quantity in case of goods and unit or Unique Quantity Code thereof
10	Total value of supply of goods or services or both & taxable value of supply of goods or services or both after taking into account discount or abatement, if any
11	GST Rate - IGST (for Interstate supply) / CGST, SGST or UTGST (for Intrastate supply) and Cess
12	GST Amount - IGST (for Interstate supply) / CGST, SGST or UTGST (for Intrastate supply) and Cess
13	Total amount (including GST)
14	Signature or digital signature of the supplier or his authorized representative.
15	Indicate on the face of the invoice as to whether GST is payable under reverse charge

Note:

- 1) Tax invoice is required to be issued for supply of taxable goods before or at the time of,-
 - a) removal of goods for supply to the recipient, where the supply involves movement of goods; or
 - b) delivery of goods or making available thereof to the recipient, in any other case

Tax invoice is required to be issued for supply of taxable services, before or after the provision of service but within 30 days from the date of supply of services
- 2) Invoice for supply of goods shall be prepared in Triplicate in the following manner;
 - (i) the original copy being marked as 'Original For Recipient'
 - (ii) the duplicate copy being marked as 'Duplicate For Transporter'
 - (iii) the triplicate copy being marked as 'Triplicate for Supplier'
- 3) Invoice for supply of services shall be prepared in Duplicate in the following manner;
 - (i) the original copy being marked as 'Original For Recipient'
 - (ii) the duplicate copy being marked as 'Duplicate For Supplier'
- 4) The Commissioner may on recommendations of the Council, by notification, specify,
 - (i) The number of digits of HSN code for goods or the Accounting Code for services, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and
 - (ii) The class of registered persons that would not be required to mention the HSN code for goods or the Accounting Code for services, for such period as may be specified in the notification

- 5) The supplier is not required to issue a tax invoice in accordance with the provisions of GST law in the following scenarios:
- (i) the recipient is not a registered person;
 - (ii) the recipient does not require such invoice

In such cases, the supplier shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies

- 6) Where supplier is GTA (goods by road in goods carriage, invoice issued or any other document by GTA would contain
- i) gross weight of the consignment,
 - ii) name of the consignor and the consignee,
 - iii) registration number of goods carriage in which the goods are transported,
 - iv) details of goods transported,
 - v) details of place of origin and destination,
 - vi) GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency, and
 - vii) also containing other information as prescribed under rule 1
- 7) Where supplier is providing passenger transportation services, a tax invoice shall include ticket in any form, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as prescribed under rule 1
- 8) If supplier is insurer or a banking company or a financial institution, including a non-banking financial company, then tax invoice or any other document
- a. may or may NOT to be serially numbered and
 - b. may or may not contain the address of the recipient of taxable service, provided other details are mentioned
- 9) Where the goods are being transported in a semi knocked down or completely knocked down condition:
- (a) the supplier shall issue the complete invoice before dispatch of the first consignment;
 - (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
 - (c) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
 - (d) the original copy of the invoice shall be sent along with the last consignment
- 10) The Rules do not specifically require giving reference of the Receipt Voucher Number in case advances had been received earlier. However, the same may be provided in the invoice to enable tracking of advances and payment of appropriate tax
- 11) In case goods and services are procured from unregistered vendors, the invoice must bear the signature or digital signature of authorised representative of the recipient

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

EXPORT INVOICE

Sr no	Details required as per Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	Name and address of the recipient, address of delivery, name of the country of destination and number and date of application for removal of goods for export
5	Invoice number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year <u>in one or multiple series</u> , not exceeding sixteen characters , containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
6	Date of the issue of document
7	Description of goods / services along with HSN code of goods or Accounting Code of services
8	Quantity in case of goods and unit or Unique Quantity Code thereof
9	GST rate - IGST rate (applicable only in case of export supply on payment of IGST)
10	GST amount - IGST amount (applicable only in case of export supply on payment of IGST)
11	Total value & taxable value of goods after taking into account discount or abatement, if any (including IGST in case of export supply on payment of IGST)
12	Signature or digital signature of the supplier or his authorized representative.
13	Endorsement on the invoice “SUPPLY MEANT FOR EXPORT ON PAYMENT OF INTEGRATED TAX” or “SUPPLY MEANT FOR EXPORT UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

BILL OF SUPPLY

Sr no	Details required as per Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	If customer is registered - GSTIN/ Unique ID Number.
5	Invoice number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters , containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
6	Date of the issue of Bill of Supply
7	Description of goods or services or both along with HSN code of goods or Accounting Code of services
8	Total value & taxable value of goods or services or both after taking into account discount or abatement, if any
9	Signature or digital signature of the supplier or his authorized representative.

Note:

- 1) The Commissioner may on recommendations of the Council, by notification, specify,
 - (i) The number of digits of HSN code for goods or the Accounting Code for services, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and
 - (ii) The class of registered persons that would not be required to mention the HSN code for goods or the Accounting Code for services, for such period as may be specified in the notification
- 2) A bill of supply is to be issued where the registered person is supplying exempted goods or services or both or paying tax under the provisions of Section 10 (ie under composition levy)

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

RECEIPT VOUCHER

Sr no	Details required as per Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	If customer is registered - GSTIN/ Unique ID Number.
5	Receipt voucher number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, in one or multiple series, not exceeding sixteen characters , containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
6	Date of the issue of Receipt Voucher
7	Description of goods / services
8	Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce
10	Amount of Advance taken
11	GST rate - IGST (for Interstate supply) / CGST, SGST or UTGST (for Intrastate supply) and Cess
12	GST amount - IGST (for Interstate supply) / CGST, SGST or UTGST (for Intrastate supply) and Cess
13	Signature or digital signature of the supplier or his authorized representative.
14	Indicate on the face of the document as to whether GST is payable under reverse charge
15	Total amount (including GST)

- 1) A receipt voucher is to be issued by a registered person on receipt of advance payment with respect to any supply of goods or services or both evidencing the receipt of such advance
- 2) Where at the time of receipt of advance,
 - i) the rate of tax is not determinable, the tax shall be paid at the rate of 18%
 - ii) the nature of supply is not determinable, the same shall be treated as inter-State supply

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

REFUND VOUCHER

Sr no	Corresponding details required under the Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	If customer is registered - GSTIN/ Unique ID Number.
5	Refund voucher number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year
6	Date of the issue of Refund voucher
7	Description of goods / services on which refund made
8	Number and Date of Receipt voucher (against receipt of advances)
9	Amount of Refund
10	GST rate - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases) / Cess
11	GST amount - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases)/ Cess
12	Total amount (including GST)
13	Signature or digital signature of the supplier or his authorized representative.
14	Indicate on the face of the document as to whether GST is payable under reverse charge

Notes:

- 1) The supplier is required to issue a refund voucher when advances had been received (and receipt voucher issued) but no supply was made and no tax invoice issued ie on refund of advances

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

PAYMENT VOUCHER

Sr no	Corresponding details required under the Revised GST Invoice Rules
1	Name and address of Supplier
2	GSTIN of Supplier
3	Name, address of customer
4	If customer is registered - GSTIN/ Unique ID Number.
5	Payment voucher number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
6	Date of the issue of Payment voucher
7	Description of goods / services
8	Place of supply along with the name of State, in case of inter-state supply
9	Amount paid
10	GST rate - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases) / Cess
11	GST payable - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases)/ Cess
12	Total amount (including GST)
13	Signature or digital signature of the supplier or his authorized representative.

Notes:

- 1) The supplier is required to issue a payment voucher at the time of payment for goods and services on which RCM applies (including payment to unregistered vendors)

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

SUPPLEMENTARY TAX INVOICE, REVISED INVOICE, CREDIT NOTE OR DEBIT NOTE

Sr no	Details required as per Revised GST Invoice Rules
1	Nature of the document - the word 'Revised Invoice', wherever applicable, indicated prominently
2	Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply
3	Name and address of Supplier
4	GSTIN of Supplier (if registered)
5	Name, address of customer
6	If customer is registered - GSTIN/ Unique ID Number. If customer is not registered - Name and Address of recipient and address of delivery, alongwith name of the state and its code.
7	Invoice number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters containing alphabets or numerals or special characters hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year
8	Date of the issue of document
9	Taxable value of goods or services
10	GST rate - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases) / Cess
11	GST amount - IGST (for Interstate purchases) / CGST, SGST or UTGST (for Intrastate purchases)/ Cess credited or debited to the recipient
12	Total amount (including GST)
13	Signature or digital signature of the supplier or his authorized representative.

Note:

- 1) In case of Inter State supplies where value of supply does not exceed two lakh fifty thousand rupees, consolidated revise invoice may be issued separately in respect of all receipt located in a state, who are not registered
- 2) Any invoices or debit note in pursuance of any tax payable in accordance with below mentioned section shall prominently contain " INPUT TAX CREDIT NOT ADMISSIBLE":
 - (i) Section 74 (Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized by reason of fraud or any wilful misstatement or suppression of fact)
 - (ii) Section 129 (Detention, seizure, and release of goods and conveyances in transit)
 - (iii) Section 130 (Confiscation of goods and conveyance and levy of penalty)
- 3) The registered person may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered under the Act during such period
- 4) Revised invoice: A registered person may, within one month from the date of issuance of certificate of registration, issue a revised invoice against the invoice already issued during the period beginning with the effective date of registration till the date of issuance of certificate of registration to him.

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

ISD INVOICE OR ISD CREDIT NOTE

Sr no	Details required as per Revised GST Invoice Rules
1	Name and address of Input Service Distributor
2	GSTIN of Input Service Distributor
3	Name, address and GSTN of recipient to whom the credit is distributed
4	Invoice number - consecutive serial number containing only alphabets and/or numerals, unique for a financial year in one or multiple series, not exceeding sixteen characters, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year
5	Date of the issue of the document
6	Amount of credit distributed
7	Signature or digital signature of the supplier or his authorized representative.

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

Delivery Challan
Transportation without Invoice

Sr no	Details required from a GST law compliance perspective
1	Date and Number of delivery challan
2	Consigner name, address and GSTIN
3	Consignee name, address and GSTIN/ Unique ID number (in case of registered recipient)
4	HSN code of the goods and / or UIN
5	Description of goods
6	Quantity (provisional, where the exact quantity being supplied is not known)
7	Taxable value
8	GST rate - IGST, CGST, SGST, UTGST, Cess - as the case maybe - where the transportation is for supply to the consignee
9	GST amount - IGST, CGST, SGST, UTGST, Cess - as the case maybe - where the transportation is for supply to the consignee
10	Place of supply, in case of inter-State movement
11	Signature

Notes

- 1 Delivery Challan shall be prepared in Triplicate in case of supply of goods in the following manner;
 - (i) the original copy being marked as 'Original For Consignee'
 - (ii) the duplicate copy being marked as 'Duplicate For Transporter'
 - (iii) the triplicate copy being marked as 'Triplicate for Consigner'
- 2 Where goods are transported on delivery challan, the same shall be declared in WAYBILL
- 3 Where the goods are being transported in a semi knocked down or completely knocked down condition,
 - (i) the supplier shall issue the complete invoice before dispatch of the first consignment;
 - (ii) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
 - (iii) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
 - (iv) the original copy of the invoice shall be sent along with the last consignment.
- 4 Delivery challan is to be issued in the following cases:
 - (i) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
 - (ii) transportation of goods for job work
 - (iii) transportation of goods for reasons other than by way of supply, or
 - (iv) such other supplies as may be notified by Board
- 5 Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods

The above contents are basis the invoice rules presently available in the public domain. The same needs to be revalidated basis the final rules/ clarifications/ notifications etc issued in this regard

Certain points to consider for incorporating the same in the IT Systems (To be discussed with the IT Vendor)

1. Any purchases from an unregistered buyer would attract GST under reverse charge mechanism. Thus, any company making payments to an unregistered supplier or payments not supported with an invoice i.e. petty cash expenses etc. needs to ensure that GST under service tax is to be paid by 20th of succeeding month. If the company fails to pay this GST, penal incidence may attract. Hence, control points should be established in the company itself which will throw a report at the end of the month stating all such purchases from unregistered dealers.
2. The Accounting software/ ERP system should give an output report for any expenses that have been incurred but does not have a supporting invoice or does not bear a GST number on the same. As such transactions shall be liable under the Reverse charge mechanism. Only with the help of such a report will the company be able to discharge its GST liability within due dates
3. The ERP/Accounting software used by the client should give an option to include certain master details such as GST Number, HSN Code of the supplier, SAC code of the supplier, rate of GST etc This will help the company to track the unregistered purchases. Also, with the help of HSN and SAC code along with rate of tax for various purchases should as far as possible be included in the master records of the vendor itself. As far as possible no manual intervention should be possible in feeding such input rates.
4. ERP should have an option of selecting whether a particular supplier has availed the composition scheme. The ERP System/ Accounting software should be inbuilt with an option to highlight the suppliers who have availed composition scheme. Since, input taxes paid to supplier's opting for composition scheme, are not eligible for credit, the system itself should be able to give a report mentioning all such purchases under composite scheme.
5. The ERP System/Accounting system should contain some fields which would automatically suggest whether the transaction is of SGST/CGST or IGST. For this the necessary fields to be inbuilt are place of supply, destination of supply, place of recipient etc. As far as possible manual intervention at the time of making this invoice shall be negligible. This will reduce the chances of errors of classifying a sales into CGST, SGST and IGST
6. The system should suggest the tax rate by mapping the HSN codes with the applicable GST rates. For e.g. if we purchase steel then the applicable GST rate for input shall be system driven. By this we will be able to reconcile the rates of GST levied by the supplier in his invoice. Further, this step would be very helpful in cases where GST is to be paid under RCM. Since under RCM, different products/services would attract different rates
7. Further, a company dealing in multiple products/services shall have inbuilt systems where the ERP/Accounting software shall suggest the rate of GST on output supply at the time of making an invoice/advance receipt voucher. As far as possible manual intervention of mentioning rates should be avoided
8. The system shall have inbuilt and incorporated all the formats of Invoices, export invoices, debit notes, credit notes, advance receipt vouchers, payment voucher, Refund voucher,

delivery challans as per the requirements of the GST law. For e.g. All invoices, refund vouchers, debit notes credit notes shall have auto generated numbers

9. The ERP/Accounting software shall develop a system that calculates the GST Credit in its respective form. i.e. SGST, CGST, IGST. Thus company shall get a report of each of its input credit in a separate form
10. Further, once the credits are raised in the Accounting system/ERP, setting off such credits against output tax liability shall be as per the GST rules and regulations. For. E.g. SGST credit first shall be set off only against SGST liability and cannot be set off against CGST liability, thus the system itself shall have a control point restraining the company to go ahead with such a set off which is not permissible under GST.



✓ Ahmedabad

✓ Baroda

✓ Mumbai

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COMPANY PROFILE

Dhirubhai Shah & Doshi (DBS) was established in the year 1961 and has been providing professional services for more than 50 years. The firm has its Head office in Ahmedabad and Branches at Baroda & Mumbai. The firm has affiliate networks in Rajkot & Delhi, thereby having a presence across Gujarat and important cities of India. The firm being spearheaded by CA K D Shah is overall being managed by 8 partners and ably supported by a team of more than 100 professionals and semiprofessionals. We strike a very good balance in our team composition having the right mix of young and experienced chartered accountants. We are a multidisciplinary organization with a purpose to partner our clients in a proactive manner that translates service into value addition for our clients.



About Us

Long lasting relationships with our clients:

Our relationships are based on trust, reliability and transparency which has resulted into relationships lasting with our clients for decades which in itself is a testimonial to our service.

Multidisciplinary organization:

At DBS we strive to excel in all domain areas of practice. We have adopted a partner driven approach where each vertical is headed by an expert who is supported with a competent team. This helps us to give a holistic plan and one stop solution to our clients.

Resources:

We strive to have the best team that is effective and motivated to perform and succeed. We ensure regular trainings, seminars and study circles for our team members. We urge them to take up post qualification courses and certification courses because we believe that only through constant upgradation of knowledge can there be a sustainable client delivery. We believe in extensive use of technology and IT support for our deliverables.

Deliver what we promise

Quality deliverable is never an accident. It is always the result of an intelligent and unending effort. Our longstanding relationship with clients for decades is a testimonial to the delivery we have made to our clients of what we have promised. We strive to deliver to our clients in a proactive manner that translates service into value addition.

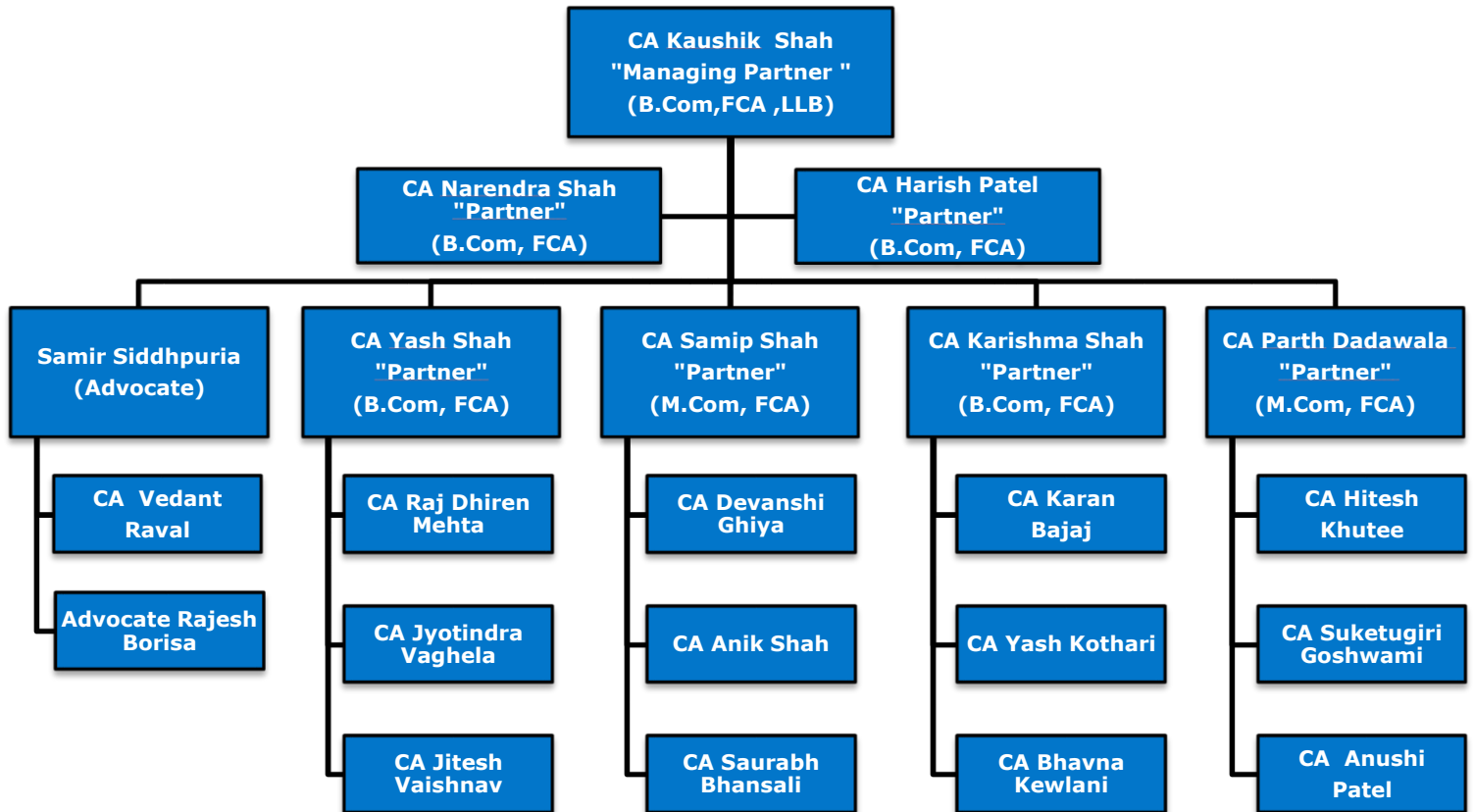
Place Clients before Us

We have always believed in the principle of placing the interests of our clients before us. We believe in Mahatma Gandhi's words "A customer is the most important visitor on our premises, he is not dependent on us we are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so".

A blend of experience and youth:

The most important resources for any Accounting firm are its people. The firm is what it is, because of the people associated with it. We have the perfect mix of experience that is ably backed by young energetic professionals. We firmly believe in the famous quote by Mr. Henry Ford "Coming together is a beginning. Keeping together is progress. Working together is success".

Our Team



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Services We Offer (1/2)

Audit & Assurance

We believe Audit and assurance service is much more than just a procedural formality. Be it statutory audit or internal, our core focus is to bring value addition to the assignment in a manner that highest client satisfaction is obtained in terms of assuring true and fair disclosures, identifying risks, evaluating systems, providing cost benefit analysis etc. In our opinion, audit when carried out as per client needs, becomes a window of opportunity rather than an overhead. Our services include the following:

- Statutory audits
- Tax audit
- Limited Reviews
- Internal/System audits
- Management Audits/ Operational Audits
- IND AS / IFRS Convergence
- Internal Financial Control Review (IFC)
- Special/ Investigation Audits
- Due Diligence Reviews
- Forensic Audit
- Certification

Advisory

India is amidst a major transformation process in regards to accounting and taxation reforms. While on the accounting front we are converging into a platform similar to IFRS i.e. IND-AS, on the Indirect Tax front there will be a see change in the way business is done on account of introduction of GST. This constant evolution needs new strategies and new business solution keeping the legal framework in mind. We help our clients overcoming any barriers of growth with our financial and legal advisory consultancy. Provide services related to Ideation to the clients in terms of business restructuring through Mergers, Demergers, slump sale, Subsidiarsation etc. We play a key role in valuing sell-outs, buy-outs and existing businesses by employing appropriate valuation basis/ methodologies on an assessment of legal, operational and financial aspects Our services include the following:

- Corporate & Secretarial Services
- Mergers & Acquisition Related Services
- Valuation Services
- FEMA consultancy
- ERP Implementation
- Services relating to STPI
- Management Information System (MIS) Development

Services We Offer (2/2)



Direct & Indirect taxes

We follow a very honest and transparent system of handling tax matters for clients which is our main USP in this domain. We not only ensure that our clients comply with the regulatory framework, we create value maximization tax plans and tax optimization structures to enable them attain maximum advantage within the four corners of law.

Planning

We offer tax planning to optimize overall tax burden. We help companies structure their transactions in a manner that they benefit and are rest assured that as they grow, their expansion is not hampered by unforeseen tax liabilities.

Compliance

We have a strong tax team which is involved with preparation and filing of returns with the various Tax Departments of India. We pro-actively engage ourselves to ensure clients adhere to compliance requirements under the different statutes governed by Direct and Indirect Tax laws.

Representation

We provide specialized assistance when it comes to representing our clients to the Tax officers and Tax Departments. Our team is capable and technically well equipped to represent before revenue and tax authorities for any legal issues raised by the tax officers at all levels such as Commissioner Appeals, Appellate Tribunal, Transfer pricing officers etc.

We offer high-end expertise in the areas encompassing the following:

- Income Tax
- International Taxation & Transfer Pricing
- Goods and Service Tax
- Sales Tax & VAT
- Service Tax



Publications

Publications

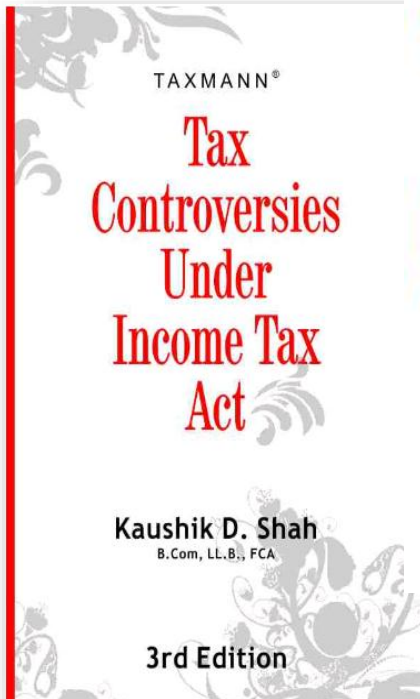
- Newsletter
- News Alert
- Annual Budget
- Various Books



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- 2 Updates on Section 56D of the Companies Act, 1956
- 3 4 Disallowance of Interest u/s 14A waived off
- 4 Transfer Pricing Update
- 5 XBRL (extensible Business Reporting Language)
- 6 Due Date Calendar

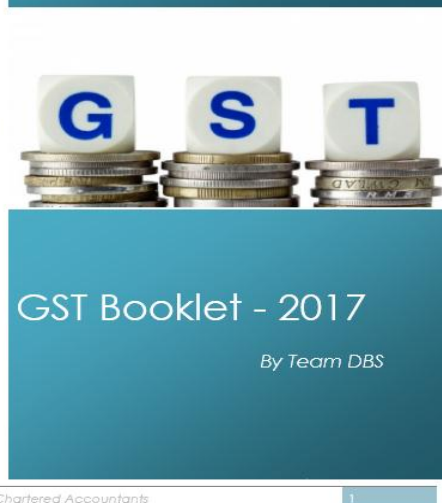
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(CBDT) and G...
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and a profess...
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The law mini...



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- Impact on Construction, Real Estate Companies and Hotel Industry**
- Positive Impact**
- This year the Budget allowed projects started before March 31, 2008, to be completed within five years instead of four for claiming deduction of their profits in 80(B)(X).
 - The built-up area of the shops and other commercial establishments included in the housing project is proposed to be 3% of the aggregate built-up area of the housing project or 5000 sq. ft., whichever is higher. This benefit will be available to projects approved on or after the 1.4.2005.
 - Section 80-ID of the Income-tax Act provides for 100 per cent deduction for five years for hotels in the National Capital Territory of Delhi and adjacent districts which have to start functioning or the convention centre has to be constructed, from the present 31st March, 2010 to 31st July, 2010.
 - This Budget also extended the interest rate subvention on a housing loan up to Rs.10 lakh where the house price is up to Rs.20 lakh, announced in the earlier Budget, to March 31, 2011.
 - With the aim of creating slum free India Rs.1270cr has been allocated to Rajiv Awas Yojana, an increase of almost 8 times compared to previous year of Rs.150cr. This creates a window of opportunities for real estate players in Mumbai, Calcutta Chennai etc.
 - The advantage in tax slabs will increase disposable income and their affordability. This will mean they can pay a higher EMI and be eligible for loans of higher value.
 - For the hotel industry, finance minister's move to give investment-linked deduction to new hotels in two-star or above categories is the most welcoming announcement. The important point to consider over here is that earlier only few regions were notified as eligible for claiming such a deduction however this budget proposes to allow deduction to any two star or above hotel constructed anywhere across India.



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