



# Indian GST Overview & Compliances

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**HCO** **HCO & Co.**  
CHARTERED ACCOUNTANTS  
*Transforming Knowledge into Values*

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- Established in 1962
- 16 Chartered Accountants and about 100+ employees
- Registered with all major regulatory bodies in India
- Services Offered – Audit, Bookkeeping, Payroll, Tax , Corporate Law, Virtual CFO, Global Mobility
- 10 Offices across India
- Worldwide presence through network membership of Antea and UTN
- ISO 9001:2015 Certified



# Agenda

## Session - I

- Basic Overview of GST In India
- GST Under Reverse Charge
- Input Tax Credit
- Tax Invoice
- E-invoice

## Session -II

- GST Returns
- Live Demonstration of GST Portal
- GST- TDS
- GST On Exports





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# Session - I

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- Basic Overview of GST In India
- GST Under Reverse Charge
- Input Tax Credit
- Tax Invoice
- E-invoice



# Indian Tax System

- **Direct Taxes**
  - Income Tax
  - Withholding Tax
- **Indirect Tax**
  - GST
  - Custom Duty on Imports
  - Excise Duty

# What is GST (VAT)?

- GST is Value added Tax (VAT) which is a comprehensive indirect tax levy on supply of goods and services.
- It has replaced around 17 Indirect Taxes levied on goods and services by the Indian Central and State Governments. It is aimed at being comprehensive for most goods and services.
- GST was implemented in India – July 2017

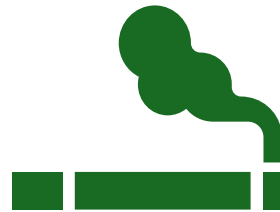
# Taxes Subsumed in GST

- Central Excise Duty
- Additional Excise Duties
- Excise Duty levied on Medicinal & Toiletries Preparations
- Service Tax
- Countervailing Duty (CVD)
- Special Additional Duty (SAD)
- VAT/ Sales Tax
- Central Sales Tax
- Entry Tax
- Surcharges
- Entertainment Tax
- Luxury Tax

# Taxes not Affected



**Custom duty**



**Central Excise on Petroleum Products & Tobacco**



**State VAT on Petroleum Products, Tobacco & Potable Liquor.**





**Register**

GST Registration

# Who Should Register for GST?

- Individuals registered under the Pre-GST law (i.e., Excise, VAT, Service Tax etc.)
- Businesses with turnover above the threshold limit of Rs. 40 Lakhs ( w.e.f 1/4/19)
- Casual taxable person / Non-Resident taxable person
- Agents of a supplier & Input service distributor
- Those paying tax under the reverse charge mechanism
- Person who supplies via e-commerce aggregator
- Every e-commerce aggregator
- Person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person
- Registration data can be amended as and when required/



# STRUCTURE OF GSTIN

State		PAN										Entity	Blank	Check
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

- 15-digit Alphanumeric structure
- Its is State-wise specific
- GSTIN is based on PAN
- 13th Digit for Business Verticals of entities with same PAN in same State
- 14th digit left blank for future use
- 15th digit – Checksum

# GST - SCHEME OF TAXATION

- **IGST** - Integrated Goods & Service Tax
- **CGST** - Central Goods & Service Tax
- **SGST** - State Goods & Service Tax









# CGST

- **Central Goods and Service Tax**

- Developed to monitor supply of goods and services within state (Intra state).
- Tax collected under CGST goes to Central Government



# SGST

**State Goods & Service Tax-** Developed to monitor supply of goods and services within state (Intra state). Tax collected under SGST goes to State government





# LEVY OF GST - SUPPLY

- Supply includes all goods and services *for Consideration* in course of *furtherance of business* such as:-
  - *Sale*
  - *Transfer*
  - *Barter*
  - *Exchange*
  - *License*
  - *Rental*
  - *Lease*
  - *Disposal*



# GST Rates



## GST TAX RATE IN INDIA



Reverse Charge  
Under  
**GST**



# REVERSE CHARGE MECHANISM

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- Reverse charge is a mechanism under which
  - the recipient of the goods or services is liable to pay tax instead of the provider of the goods and services.
  - Under the normal taxation regime, supplier collects the tax from the buyer and deposits the same after adjusting the output tax liability with the input tax credit available.
  - But under **reverse charge mechanism**, liability to pay tax shifts from supplier to recipient.



# REVERSE CHARGE MECHANISM

- Certain services are covered under RCM even provided by registered person as notified:
  - Services provided by GTA
  - Services provided by Individual or Firm of Advocates
  - Services provided by Arbitral Tribunal
  - Sponsorship Services
  - Certain Services provided by Local Authority
  - Services provided by Director of the company
  - Services Provided by Insurance Agent, Recovery Agent,
  - Service Provided by vessel from a place outside India
  - Radio Taxi or Passenger Transport Services through ECO
  - Transfer of right to use Copyright

# Input Tax Credit

CGST - SGST - IGST

# INPUT TAX CREDIT

**“Input Tax”** in relation to a taxable person, means the Goods and Services Tax charged on any supply of goods and/or services to him which are used or are intended to be used, in the course of furtherance of his business.

**“Input Tax Credit (ITC)”** means the availment of credit for input taxes paid.



# INPUT TAX CREDIT Conditions

- Person to possess tax invoice/ debit note issued by a registered supplier.
- Other taxpaying documents as prescribed.
- Receipt of goods /services
- Tax has been paid by supplier
- Filing of return u/s 34
- Goods received in lots/ instalments; credit be allowed on receipt of last instalment.
- Recipient of services to make payment of services within 3 months.
- ITC should reflect in GSTR 2B





# INPUT TAX CREDIT Negative List

- *Food and beverages*
- *Outdoor catering*
- *Beauty treatment*
- *Health services*
- *Cosmetic and plastic surgery*
- *Membership of a club*
- *Rent-a-cab*
- *Health and fitness centre*
- *Life Insurance*
- *Health Insurance(except when mandatory)*
- *Travel benefits to employees on vacation*



# Restriction for claiming ITC – Time Limit

- A taxable person shall not be entitled to take input tax credit in respect of any supply after the earlier of the following two events:
  - 30<sup>th</sup> November following the end of the financial year to which such invoice pertains; or
  - Filing of the relevant annual return.
- There is a 180-day rule which states that a registered person needs to pay to the supplier the value of goods and/or services along with the tax within 180 days from the date of issue of invoice in order to avail the benefit of ITC.

# COVERAGES

Dollars (in thousands)

VEHICLE	BODILY INJURY Each Person/Each Occurrence
1	100/300
2	100/300



## Rules for Invoicing





# Prerequisites of a Tax Invoice (Rule 46)

- Name, address and GSTIN of the supplier;
- Name, address and GSTIN of the recipient, if registered;
- Date of issue of invoice;
- Invoice number;
- Name and address of the recipient & the address of delivery along with the name of state & its state code, in case of an unregistered recipient & where the value of supply is Rs. 50000 or more.
- HSN code of goods or Accounting code of services;
- Description of goods or services;





# Prerequisites of a Tax Invoice (Rule 46)

- Quantity of the goods and unit or unique identity code;
- Total value of supply of goods or services or both;
- Taxable value of supply of goods or services or both after discount or abatement, if any;
- Rate of tax;
- Amount of tax charged;
- Place of supply along with name of state , in case of inter-state supply;
- Address of delivery (if it is different from place of supply);
- Whether the tax is payable on reverse charge basis; and
- Signature or digital signature of the supplier or his authorized representative.





# E-Invoicing

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- 21<sup>st</sup> March 2020 - Turnover limit INR 5000 Million
- 1<sup>st</sup> April 2021 - Turnover Limit reduced to INR 500 Million
- 1<sup>st</sup> April 2022 - Turnover reduced to INR 200 Million
- 1<sup>st</sup> October 2022 - Turnover reduced to INR 100 Million
- 1<sup>st</sup> August 2023 - Turnover reduced to INR 50 Million



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# E-Invoicing Exemptions

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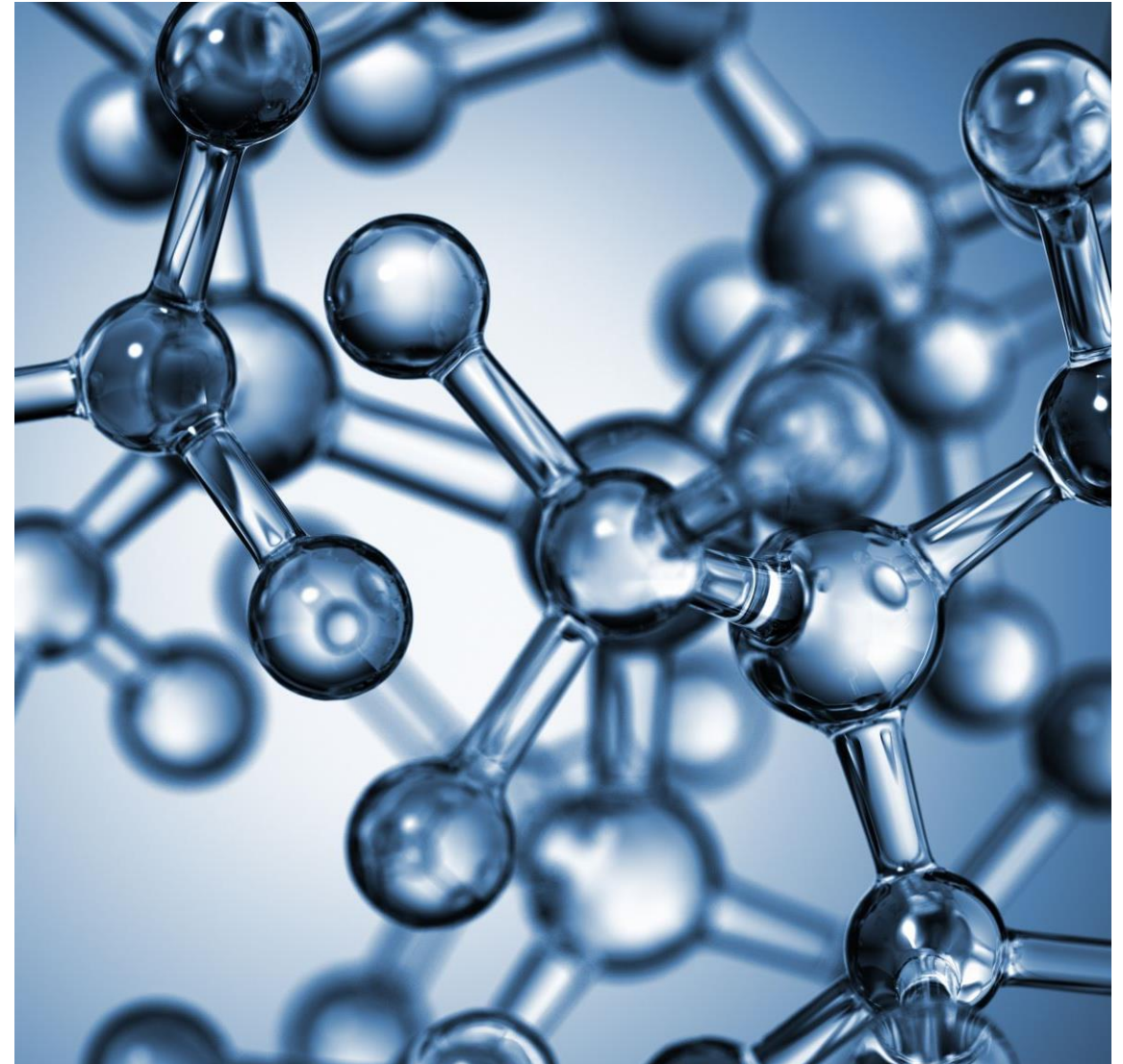
SEZ Unit

Insurance and Banking Companies

Person providing Passenger Transportation Service

Goods Transport Agencies

Person Providing Service of admission to the exhibition of cinematography film in multiplex



# Invoice Revision / Rectification

- Rectification of tax invoices can occur in several ways, and it can result either in a revised invoice or a supplementary invoice.
- A downward revision can be done using a **credit note**, while one can make an upward revision with a supplementary invoice or **debit note**.
- These revisions should generally be done within 6 months of issue of original invoice.
- Credit Note and Debit Note should be serially numbered and should be reported in GSTR 1 form of that particular month.

# Debit Note / Credit Note Format

There is no prescribed format, but credit /debit note issued by a supplier must contain the following particulars, namely:

- Name, address and GSTIN of the supplier
- Nature of the document
- Consecutive serial number
- Date of issue
- Name, address and GSTIN of buyer
- Serial number and date of the corresponding tax invoice
- Value of taxable supply of goods or services, rate of tax and the amount of the tax credited to the recipient; and
- Signature or digital signature of the supplier or his authorised representative.



# Coffee Break

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*Let's Have  
some Coffee*



# Session -II

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- GST Returns
- Live Demonstration of GST Portal
- GST- TDS
- GST On Exports

# GST Returns Due date

GSTR Form	Description	Due Date	Applicability
GSTR-1	Outward supplies of goods & services	Monthly: 11th of next month (Turnover > Rs. 5 Crore) Quarterly: 13th of month following quarter (Opted into QRMP scheme)	All registered taxpayers (except composition)
GSTR-3B	Monthly self-declaration of outward supplies, ITC claimed, tax liability & taxes paid	Monthly: 20th of next month Quarterly: 22nd/24th of month following quarter (Opted into QRMP scheme, based on state category)	All registered taxpayers
GSTR-4	Annual return for composition taxpayers	30th April of the following year	Composition taxpayers (turnover up to Rs. 1.5 crore for goods, Rs. 50 lakh for services)

# GST Returns Due date

GSTR Form	Description	Due Date	Applicability
GSTR-6	Monthly Return for Input Service Distributors (ISD)	13th of every month	Input Service Distributors
GSTR-7	Monthly return for TDS (Tax Deducted at Source) deductors	10th of every month	Persons required to deduct TDS under GST
GSTR-8	Monthly return for e-commerce operators collecting TCS (Tax Collected at Source)	10th of every month	E-commerce operators registered under GST
GSTR-9	Annual return for all registered taxpayers (except exceptions)	31st December of following year	All registered taxpayers (except composition, casual taxable, ISD, non-resident taxable, TDS payers)
GSTR-9C	Annual self-certified reconciliation statement (turnover > Rs. 5 Crore)	Same as GSTR-9 (31st December of following year)	Taxpayers with turnover exceeding Rs. 5 Crore
GSTR-10	Final return for cancelled or surrendered registration	Within 3 months of cancellation/order	Taxpayers whose registration is cancelled/surrendered



# GSTR 3B

- GSTR-3B is a self-declared summary GST return filed every month (quarterly for the QRMP scheme). Taxpayers need to report the summary figures of sales, ITC claimed, and net tax payable in GSTR-3B.
- A separate GSTR-3B must be filed for every GSTIN
- The GST liability must be paid on or before the date of filing GSTR-3B, earlier of its due date
- The GSTR-3B once filed cannot be revised
- Even in case of a zero liability, GSTR-3B must be compulsorily filed.

# GSTR 3B Screenshot

FY - 2024-25		Return Period - August		Due Date - 20/09/2024	
<a href="#">Click here</a> for system generated summary status for GSTR-3B.				<a href="#">Help Manual</a>	
<b>3.1 Tax on outward and reverse charge inward supplies</b>		<b>3.1.1 Supplies notified under section 9(5) of the CGST Act, 2017</b>		<b>3.2 Inter-state supplies</b>	
Integrated Tax ₹0.00	Central Tax ₹9,75,562.68	Integrated Tax ₹0.00	Central Tax ₹0.00	Taxable Value ₹0.00	Integrated Tax ₹0.00
State/UT Tax ₹9,75,562.68	CESS (₹) ₹68,23,672.43	State/UT Tax ₹0.00	CESS (₹) ₹0.00		
<b>4. Eligible ITC</b>		<b>5. Exempt, nil and Non GST inward supplies</b>		<b>5.1 Interest and Late fee for previous tax period</b>	
Integrated Tax ₹23,186.45	Central Tax ₹9,14,158.49	Inter-state supplies ₹0.00	Intra-state supplies ₹0.00	Integrated Tax ₹0.00	Central Tax ₹0.00
State/UT Tax ₹9,14,158.49	CESS (₹) ₹66,96,749.53			State/UT Tax ₹0.00	CESS (₹) ₹0.00
<b>6.1 Payment of tax</b>					
Balance Liability ₹0.00	Paid through Cash ₹0.00				
Paid through Credit ₹87,74,798.00					

[GSTR3B.pdf](#)

# GSTR-2B

- GSTR-2A is a purchase related return that is automatically generated for each business by the GST portal. When a seller files his GSTR-1, the information is captured in GSTR-2B.
- It is necessary for the invoices to be reflected in GSTR-2B as no ITC can be claimed on the invoices that do not appear in GSTR-2B of the registered person.
- The GSTR-2B is match with the ITC Register in order to ensure the input tax credit being claimed by the registered person.



# GSTR 2B Screenshot

Financial Year - 2024-25

Return Period - August

Generation date - 14/09/2024

SUMMARY

[ALL TABLES](#)

[View Advisory](#)

ITC available

ITC Not Available

HELP

S.NO.	Heading <a href="#">[Expand All]</a>	GSTR-3B table	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
Part A	ITC Available - Credit may be claimed in relevant headings in GSTR-3B					
I	All other ITC - Supplies from registered persons	4(A)(5)	4,74,698.63	1,47,484.02	1,47,484.02	1,615.85
II	Inward Supplies from ISD	4(A)(4)	0.00	0.00	0.00	0.00
III	Inward Supplies liable for reverse charge	3.1(d) 4(A)(3)	0.00	0.00	0.00	0.00
IV	Import of Goods	4(A)(1)	0.00	0.00	0.00	0.00
Part B	ITC Available - Credit notes should be net off against relevant ITC available headings in GSTR-3B					
I	Others	4(A)	786.87	2,734.88	2,734.88	0.00

[BACK TO DASHBOARD](#)

[DOWNLOAD GSTR-2B SUMMARY \(PDF\)](#)

[DOWNLOAD GSTR-2B DETAILS \(EXCEL\)](#)

# GSTR -1

- GSTR-1 is a monthly or quarterly return that should be filed by every registered GST taxpayer. It contains details of all outward supplies i.e sales.
- The due dates for GSTR-1 are based on your aggregate turnover.
- Businesses with sales of up to Rs.5 crore have an option to file quarterly returns under the QRMP scheme and are due by the 13th of the month following the relevant quarter.
- Whereas those taxpayers who do not opt for the QRMP scheme or have a total turnover above Rs.5 crore must file the return every month on or before the 11th of the next month.

# GSTR 1 Screenshot

B2B Invoices - Receiver-Wise-Summary

HELP  

Processed Invoices

Receiver Details	No. of Invoices	Total Taxable Value(₹)	Integrated Tax (₹)	Central tax (₹)	State/UT Tax (₹)	Cess (₹)
09AA...	1	5,000.00	0.00	300.00	300.00	0.00
09A	1	5,000.00	0.00	300.00	300.00	0.00
09AAA,	1	3,785.71	0.00	227.14	227.14	0.00
09A*	1	4,000.00	0.00	240.00	240.00	0.00
09	3	8,000.00	0.00	480.00	480.00	0.00

«	1	2	3	4	5	6	7	...	13	»
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# GSTR 1 Screenshot

Dashboard Services ▾ GST Law Downloads ▾ Search Taxpayer ▾ Help and Taxpayer Facilities



Dashboard > Returns > GSTR-1 > B2B English

## B2B Invoices - Summary

HELP ⓘ ↻

Uploaded by Taxpayer **Uploaded by Receiver** Modified by Receiver Rejected by Receiver

Processed Invoices Display/Hide Columns: ▾

Invoice No.	Invoice Date	Total Invoice Value (₹)	Total Taxable Value (₹)	Integrated Tax (₹)	Central tax (₹)	State/UT Tax (₹)	Cess (₹)	Source	Actions
9971	20/03/2020	4,480.00	4,000.00	0.00	240.00	240.00	0.00		 
9992	21/03/2020	2,240.00	2,000.00	0.00	120.00	120.00	0.00		 
9875	14/03/2020	2,240.00	2,000.00	0.00	120.00	120.00	0.00		 

BACK ADD DETAILS

# GST Portal

- <https://www.gst.gov.in>
- User id – Customized at time of First Login
- Password
- How to Login
- Explain in Brief GST portal facilities and options available

# GST Late Fee

GSTR FORM	LATE FEE
<b>GSTR-1</b>	The current GSTR-1 late fee is ₹50 per day for regular taxpayers under the QRMP Scheme. For the nil returns, it is ₹20 per day after the due date.
<b>GSTR-3B</b>	The Late Fee for Normal GSTR 3B Returns is ₹50 per day, while the late fee for Nil Returns is ₹20 Per day.
<b>GSTR-4</b>	If you didn't file GSTR-4 within the due date, the late fee will be ₹200 per day. You will be charged ₹5000 at maximum. For failing to file Nil returns, you will be liable to pay ₹500 at maximum.
<b>GSTR-7</b>	Filing GSTR-7 late incurs a daily penalty of ₹100 each for Central (CGST) and State (SGST) Goods and Services Tax, totaling ₹200 per day, capped at a maximum of ₹5,000 each for CGST and SGST. Additionally, interest at 18% per annum is levied on the TDS amount from the due date till payment.
<b>GSTR-9 Late Fee</b>	GSTR-9 late fee is ₹200 per day, with ₹100 each levied under CGST and SGST.



# Withholding Tax under GST



**Section 51 of the CGST Act, 2017 prescribes for “Tax Deduction at Source”**



**Following persons to deduct tax at source:**

**A department or an establishment of the Central Government or State Government;**

**Local authority;**

**Governmental agencies;**

**Such persons or category of persons as may be notified by the Government on the recommendations of the Council.**

# GST on Imports

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- The import of goods has been defined in the **IGST Act, 2017** as bringing goods into India from a place outside India.
- All imports shall be deemed as inter-State supplies and accordingly Integrated tax shall be levied in addition to the applicable Custom duties.
- The IGST Act, 2017 provides that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under the Customs Act, 1962.
- The integrated tax on goods shall be in addition to the applicable Basic Customs Duty (BCD) which is levied as per the Customs Tariff Act.
- In addition, GST compensation cess, may also be leviable on certain luxury and demerit goods under the Goods and Services Tax (Compensation to States) Cess Act, 2017.



# GST on Exports

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- The definition of “export of goods” in section 2(5) of IGST Act has been straight taken from section 2(18) of the Customs Act, 1962 and means taking goods out of India to a place outside India.
- Export of goods would be treated as inter-state supply in accordance with Section 7(5)(a) of the IGST Act. Under Section 16 of the IGST Act, following are treated as zero-rated supplies: I. Export of goods or services or both II. Supply of goods or services to Special Economic Zone developer or a Special Economic Zone unit
- Zero Rating of Exports: The export of goods or services is considered as a zero-rated supply. GST will not be levied on export of any kind of goods or services. The exporter has the option either to export under bond/Letter of Undertaking without payment of tax and claim refund of ITC or pay IGST by utilizing ITC or in cash at the time of export and claim refund of IGST paid.

# Letter of Undertaking

- Exporter who intends to export goods without payment of IGST, is required to furnish LUT. LUT has to be applied on common portal in Form RFD-11 and the same will be valid for the entire Financial Year.
- LUT is to be furnished prior to undertaking export of goods. However, Central Board of Indirect Taxes ('CBIC') vide circular no. 125/44/2019 dated November 18, 2019 has clarified that the substantive benefit of zero-rated supply may not be denied where the exporter has delayed in furnishing LUT. Accordingly, LUT may be admitted on ex post facto basis, considering, facts and circumstance of each case.
- Exporter is required to issue a tax invoice for export of goods and the particulars "Supply meant for export under bond or Letter of Undertaking without payment of integrated tax" is required to be mentioned on the tax invoice. Do note that overseas buyer does requires an Export Invoice denominated in agreed foreign currency and not tax invoice denominated in Indian Rupees.



# GST – Problems & Suggestions

- ITC can be claimed only up to **September** from end of financial year
- ITC on bills having invoice date up to 31st March of financial Year have to be claimed in 3B monthly return of September of subsequent year.
- To avoid mismatch of ITC data in GSTR 2A, executive to ensure that contractor's GSTIN, Invoice no & date, Invoice amount, place of Supply, RCM Flagging etc should be entered in IPAS as mentioned on the contractor's bill.
- To avoid missing ITC data in GSTR 2A it should be ensured that contractor have filed GSTR 1. Copy of Contractor's GSTR 1 with application from contractor can be obtained for confirmation.

# GST – Problems & Suggestions

- Only eligible ITC can be used for payment of output tax, hence correct classification/flagging of ITC is required at the time of passing of bill.
- Correct flagging at time of passing of bills is also necessary because reversal of ITC due to incorrect flagging is liable for interest on railways.
- Incorrect flagging may cause disallowance of ITC by GST authorities, which may result in additional tax liability, interest and penal charges to railways.



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## About HCO

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### Let's talk

For a deeper discussion on how to manage your Indian business compliances drop an email at [info@hco.ca.com](mailto:info@hco.ca.com)

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