

# GST in INDIA

**Stepping stone towards tax compliant Country**



# Compliances Under GST



## Session Objects

GST Rating

Invoices,  
Debit Notes,  
Credit Notes

TDS/TCS

Anti  
profiteering



**Excellence in compliance  
Gives you Good Rating  
Sec 149**

# Invoice/ Debit Notes / Credit Notes

## Chapter VII Sec 31/34



# Invoice – Supply of Goods under Section 31

Involves Movement of goods	Any other case	Notified Goods/Supplies	Continuous Supply of Goods
<ul style="list-style-type: none"><li>• At The Time Removal of goods</li></ul>	<ul style="list-style-type: none"><li>• Time of delivery of Goods or Making Available</li></ul>	<ul style="list-style-type: none"><li>• Yet to Come</li></ul>	<ul style="list-style-type: none"><li>• Issue of Successive statements</li><li>• Or Receipt of Payment</li></ul>

# Invoice – Supply of Services

## Before / After rendering services

- but within the time prescribed
- Prescribed by Rule is 30 days

## Specified categories of services

- Other document relating to supply – Deemed to be tax invoice

## Continuous Supply of Services

- Payment ascertainable – Due date of payment\*
- Not ascertainable – Receipt of payment\*
- Payment linked to completion of an event – Completion of event\*
- Cessation of Supply – Before cessation (to the extent of supply) max up to 30 days



# Invoice – Special Circumstances

8

- ▶ Govt May Notify in respect of services any another document deemed to be issued as invoice or Tax Invoice may not be issued
- ▶ Sale of Goods on Approval
  - ▶ Supply is confirmed or 6 months from date of removal
- ▶ Invoices issued before issuance of registration certificate
  - ▶ Revised Invoice in one month
- ▶ Composition Dealers
  - ▶ Bill of Supply No invoice
- ▶ Receipt of Advances
  - ▶ Issue of Receipt voucher ( Refund Voucher)
- ▶ Purchases from URD / supplies under RCM
  - ▶ Raise invoice on date of receipt of goods / services



# Credit Notes

- ▶ Excess Value / Tax Charged - Goods / services
- ▶ Goods Returned
- ▶ Services found deficient
  - ▶ Supplier to issue credit note to recipient
  - ▶ Report the credit note in the month of issue not later than September following the end of the year or filing of annual return whichever ever erlier
  - ▶ Tax liability to be adjusted



# Debit Notes

10

- ▶ Less Value / Tax Charged - Goods / services
  - ▶ Supplier to issue debit note to recipient
  - ▶ Debit note includes **supplementary invoice**
  - ▶ Report the debit note in the month of issue
  - ▶ Tax liability to be adjusted

# Tax invoice shall include – Rule 1

- ▶ Name, address and GSTIN of the supplier;
- ▶ a consecutive serial number containing only alphabets and/or numerals, **unique for a financial year**;
- ▶ date of its issue;
- ▶ name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- ▶ name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient **is unregistered** and where the **taxable value of supply is fifty thousand rupees or more**;
- ▶ **HSN code of goods or Accounting Code of services**;
- ▶ description of goods or services;
- ▶ quantity in case of goods and unit or Unique Quantity Code thereof;
- ▶ total value of goods or services;

# Tax invoice shall include -

- ▶ taxable value of goods or services taking into account discount or abatement, if any;
- ▶ **rate of tax (CGST, SGST or IGST);**
- ▶ amount of tax charged in respect of taxable goods or services (CGST, SGST or IGST);
- ▶ 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;
- ▶ **whether the tax is payable on reverse charge;**
- ▶ the word “Revised Invoice” or “Supplementary Invoice”, as the case may be, indicated prominently, where applicable along with the date and invoice number of the original invoice; and
- ▶ signature or digital signature of the supplier or his authorized representative.
- ▶ **No need of Invoice to unregistered person**
- ▶ **Consolidated invoice at close of each day.**

# Time limit for issuing tax invoice – Rule 2

- ▶ In case of taxable supply of services shall be issued within 30 days from date supply of service
- ▶ For ( Insurance / Banking company / NBFC) 45 days
- ▶ From ( Insurance / Banking company / NBFC or any other class of Supplier of services between distinct person as specified in section 25 as referred to in section 25 as referred to in entry 2 of schedule 1, invoice may be issued before or at the time of such supplier records the same in his books of account or before the expiry of quarter during which the supply is made.

# Manner of issuing invoice – Rule 3

In case of Supply of Goods	In case of Supply of service
<ul style="list-style-type: none"><li>1) Original for recipient</li><li>2) Duplicate for Transporter</li><li>3) Triplicate for Supplier</li></ul>	<ul style="list-style-type: none"><li>1) Original for recipient</li><li>2) Duplicate for Supplier</li></ul>

**Serial Number of Invoices issued during tax period shall be furnished electronically through the common portal in Form GSTR 1**

# Bill of Supply – Rule 4 ( Composition Dealer)

- ▶ Name, address and GSTIN of the supplier;
- ▶ a consecutive serial number containing only alphabets and/or numerals, **unique for a financial year**;
- ▶ date of its issue;
- ▶ name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- ▶ **HSN code of goods or Accounting Code of services**;
- ▶ description of goods or services;
- ▶ Value of supply goods or services or both taking into account discount of **abatement** if any??
- ▶ Signature or digital signature of supplier or his authorised representative
- ▶ **Provided any tax invoice or similar document issued under any act in respect of non taxable supply shall be bill of supply**



# Receipt Voucher – Rule 5 ( Advances)

- ▶ Name, address and GSTIN of the supplier;
- ▶ a consecutive serial number containing only alphabets and/or numerals, **unique for a financial year**;
- ▶ date of its issue;
- ▶ name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- ▶ Amount of Advance taken
- ▶ **Rate of tax ( CGST/SGST/IGST/UTGST or cess)**
- ▶ **Amount of tax charged in respect of taxable goods and services**
- ▶ Place of supply in case of IGST transaction
- ▶ Whether tax is payable on reverse charge basis.
- ▶ Signature or digital signature of supplier or his authorised representative
- ▶ **In case of rate not ascertainable 18%**
- ▶ **Nature not determinable shall be treated as Inter state supply**

# Refund Voucher – Rule 6 ( Refund of Advances)

- ▶ Name, address and GSTIN of the supplier;
- ▶ a consecutive serial number containing only alphabets and/or numerals, **unique for a financial year**;
- ▶ date of its issue;
- ▶ name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- ▶ number and date of receipt voucher issued in accordance with provisions of sub- rule 5;
- ▶ description of goods or services in respect of which refund is made;
- ▶ amount of refund made;
- ▶ rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- ▶ amount of tax paid in respect of such goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- ▶ whether the tax is payable on reverse charge basis; and
- ▶ signature or digital signature of the supplier or his authorized representative.

# Payment Voucher – Rule 7 ( RCM Invoice)

- ▶ name, address and GSTIN of the supplier if registered;
- ▶ a consecutive serial number not exceeding sixteen characters, in one or multiple series,
- ▶ 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
- ▶ date of its issue;
- ▶ name, address and GSTIN of the recipient;
- ▶ description of goods or services;
- ▶ amount paid;
- ▶ rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- ▶ amount of tax payable in respect of taxable goods or services (central tax, State tax,
- ▶ integrated tax, Union territory tax or cess);
- ▶ 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; and
- ▶ Signature or digital signature of the supplier or his authorized representative.

# Rule 8 Revised tax invoice and Credit Notes or debit Notes

- ▶ The word “Revised Invoice” whenever applicable indicated prominently.
- ▶ Name, address and GSTIN of the supplier;
- ▶ a consecutive serial number containing only alphabets and/or numerals, unique for a financial year;
- ▶ date of its issue;
- ▶ name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- ▶ Name and address of the recipient and address of the delivery along with name of state and its code, if such recipient is unregistered
- ▶ Serial number and date of the corresponding tax invoice or as the case may be, bill of supply:
- ▶ Value of Taxable supply.
- ▶ Signature or digital signature of supplier or his authorised representative

# Rule 8 Revised tax invoice and Credit Notes or debit Notes

- ▶ Registration date granted earlier than the date of issuance of certificate of registration to him, may issue revised tax invoices in respect of taxable supplies effected in such period
- ▶ Consolidated invoice can be issued in case in case URD recipient of goods.
- ▶ Any invoice or debit note issued in pursuance any tax payable by section ( 74 /129/130) shall contain words “ Input Tax Credit Not Admissible”

# Invoice – Special Cases ( Invoice Rules)

- ▶ Invoices issued ISD
  - ▶ Certain Specified details
- ▶ Banking Company / Financial institution
  - ▶ Many Relaxation
- ▶ Goods Transport Agent
  - ▶ All Details as pertains to Invoice / GSTIN of Consigner/Consignee/ GTA person liable for payment
- ▶ Waybill???????????????????? (Delivery Challan)
- ▶ Passenger Transport Agency
  - ▶ Ticket ( and details under Rule 1)

# Transportation of goods without invoice (Invoice Rule 8)

- ▶ Supply of Gas when quantity is not known at the time of removal
- ▶ Transportation of Goods for Job Work
- ▶ Transportation of Goods for a reason other than way of supply
- ▶ Such other supplies as may be notified by board
- ▶ Max 16 Digit Delivery Challan,
- ▶ Way bill must be there



# Key Notes Regarding invoice and Filing of Returns

- ▶ Details of outward supplies shall include details of invoices, debit notes, credit notes and revised invoices.
- ▶ Rectification of error or omission allowed till the due date of filing of return for the next Sept or annual return, whichever is earlier.
- ▶ Late Fees – Rs.100/- for every day (Max Rs.5000)



# Key Notes Regarding invoice and Filing of Returns

- ▶ For **B2B supplies**, all invoices, whether Intra-state or Interstate supplies, will have to be uploaded.
- ▶ In **B2C supplies**, uploading in general may not be required as the buyer will not be taking ITC.
- ▶ However still in order to implement the destination based principle, invoices of value more than Rs.2.5 lacs in interstate B2C supplies will have to be uploaded. For intra-state invoices below Rs. 2.5 lacs and all intra-state invoices, state wise summary will be sufficient.
- ▶ GSTN will allow regular uploading of invoices even on a real time basis.

# Key Notes Invoices

## HSN CODE

- The **Harmonized Commodity Description and Coding System (HS)** of tariff nomenclature popularly known as **Harmonised System of Nomenclature (HSN)**,
- is an internationally standardized system of names and
- numbers for classifying traded products developed and maintained by the World Customs Organization.

### ► HSN/SAC Codes

Turnover	HSN / SAC Digits
Less than 1.5 crores	Not mandatory
Between 1.5 – 5 crores	2 digits*
More than 5 crores	4 digits
Exports	8 digits

# TDS and TCS under GST Section 51 and 52



# TDS Under GST Section 51

- ▶ **Who is liable to deduct TDS under GST?**
- ▶ **Following people are responsible for deducting tax-:**
- ▶ (a) a department or establishment of the Central or State Government, or
- ▶ (b) local authority, or
- ▶ (c) governmental agencies, or
- ▶ (d) such persons or category of persons as may be notified, by the Central or a State Government on the recommendations of the Council.

# TDS Under GST Section 51

- ▶ **Q2 What is the rate of TDS to be deducted under GST?**
  - ▶ The rate of TDS is 1% under GST.
- ▶ **Q3 Is there any limit for deducting TDS under?**
  - ▶ If the total value of supply under a contract exceeds **Rs 2.5 lakhs** then the person/entity would be liable to deduct TDS.
- ▶ **Q4 Time limit for payment of TDS?**
  - ▶ The deductor would be liable to make the payment of TDS by the 10th day of the next month.
- ▶ **For example:** A department of Central Government deducts TDS @1% from Y on 5 July 2017 then it is liable to make payment by 10 August 2017.

# TDS Under GST Section 51

## Important Points

- ▶ Value shall be excluding Taxes under GST
- ▶ No TDS in case in IGST Transactions
- ▶ Need to Pay with in Ten Days
- ▶ Issue certificate with next five days
- ▶ Short payment linked to Sec 73 and Sec 74
- ▶ Refund as per Regular refunds under Section 54
- ▶ Inward Supplies Details are Mandatory





# TCS Under GST Section 52

- ▶ **TCS compliance for e-commerce sector**
- ▶ A clause has been inserted under GST law for all the e-commerce aggregators. E-commerce aggregators are made responsible under the GST law for deducting and depositing tax at the rate of 1% from each of the transaction. Any dealers/traders selling goods/services online would get the payment after deduction of 1% tax. It is a significant change which would increase a lot of compliance and administration cost for online aggregators like Flipkart, snapdeal, amazon etc. They would need to deposit the tax deducted by the 10th day of the next month.
- ▶ All the traders/dealers selling goods/services online would need to get registered under GST even if their turnover is less than 20 Lakhs for claiming the tax deducted by aggregators.



# TCS Under GST Section 52

- ▶ The supplier shall take credit of TCS collected in his Electronic Cash Ledger.
- ▶ Where the outward supplies statement filed by operator does not match with the statement filed by supplier u/s 32, the discrepancy shall be communicated to both operator and supplier.
- ▶ Where the discrepancy has not been rectified by supplier in his valid return or operator in his statement, the same shall be added to the output tax liability of supplier, if the supplies shown by operator is more than the supplier. And supplier shall be liable for interest as well
- ▶ Mr. Ravi is a trader who sells his ready-made clothes online on Amazon India. He receives an order for **Rs 10,000** inclusive of tax and commission. Amazon charges a commission of **Rs 200**. Amazon would therefore need to deduct 1% tax (TCS) on the amount, excluding the money paid as commission (Rs. 200) and GST (Rs. **1800 when GST @18%**). Amazon would thus be deducting tax for Rs **80 (1% of Rs. 8000)**. ( $10000 - 1800 - 200 = 8000$ )

# Anti Profiteering measure Sec 171

Any Reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices.

Constitution of authority  
???????

CBEC Chairman  
announces government  
is in no rush to prepare  
such body



# THANK YOU.

CA Chetan Bumb +91 98223 88900  
Partner in Chetan Anand & Co.  
Partner in BCS & Associates LLP

## Disclaimer:

- Our comments are based on GST Act assented on 12<sup>th</sup> April 2017 and various updates (available in public domain)
- This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. On any specific matter, reference should be made to the appropriate advisor.
- For Private Circulation only



**Are you  
ready  
for  
GST?**

