

MADURAI BRANCH OF SIRC OF ICAI
STUDY CIRCLE MEETING – 16th June 2017
REGISTRATION, RETURNS and TRANSITIONAL PROVISIONS ON GST

Take-Aways

Persons liable to pay tax

- Person whose supplies of goods or services or both are more than Rs. 20 Lakhs per annum is required to pay GST. In case of special category States, the limit is Rs. 10 Lakhs
- He is required to register with GST authorities. He has to apply electronically and submit his PAN details, address proof, details of constitution etc.
- Persons whose turnover is less than Rs. 75 Lakhs per annum can opt to pay tax under composition scheme. The rates are 2% for manufacturers, 1% for traders and 5% for restaurants.
- Persons opting for Composition should buy only from registered persons, if they buy from unregistered persons, they will be liable to pay GST on these purchases on RCM
- E-commerce companies will be required to pay 1% as Tax collection at Source. In some cases (like tax services), they will be liable to pay entire tax on forward charge.
- In case of supplies to Government or Local Authority or Government agencies, provisions for TDS of 1% has been made, if contract value exceeds Rs. 2,50,000.

Registration under GST

- Single PAN based registration and single return for SGST/UTGST/IGST and CGST
- Application electronically in Form GST REG-01
- The mobile number and email address will be verified by OTP. PAN number will be verified from database of CBDT
- Specified documents should be submitted electronically
- Registration will be approved within 3 working days if documents are in order. Otherwise, notice may be issued in Form GST REG-03
- Clarification should be given in Form GST REG-04
- Proper officer can reject the application electronically in form GST REG 05
- If no action within 7 working days, registration shall be deemed to be granted
- Certificate of Registration in Form GST REG-06
- Physical verification of premises can be done after registration
- Application for registration for TDS in Form GST REG-07
- Non-resident taxable person can apply in Form GST REG-09
- Application for amendment in registration certificate in Form GST REG-13
- Application for cancellation of registration in Form GST REG-14
- Migration of existing taxable person as per rule 16 of Registration Rules



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Returns under GST

- GST is payable by taxable person on self-assessment basis
- Taxable person can file return by himself/GST practitioner/GSP (GST Suvidha Providers)
- Electronic payment of taxes under different heads. Payment by Internet Banking, Credit/Debit Note, NEFT or RTGS. Over the counter payment upto Rs. 10,000 can be made by challan generated in form GST PMT-06
- Record of cash deposited in “Electronic Cash Ledger” in form GST PMT-05
- Record of input tax credit in “Electronic Credit Ledger” in form GST PMT-02
- Tax liability Register shall be in form GST PMT 01
- Invoice wise details of outward supplies to be uploaded by supplier by 10th of following month in form GSTR-1
- These details will be auto-populated in GSTR-2A of the recipient
- Recipient can accept, reject, add or modify and prepare details of his receipts in GSTR-2 by 15th of the month
- Unmatched details will be in GSTR-1A of the supplier. He can accept or reject these upto 17th
- Credit of matched invoices will be available to recipient on provisional basis
- Matching of input tax credit and final acceptance of input tax credit will be in form GST ITC 1
- Payment of tax on self-assessment basis and filing of return by 20th in form GSTR-3
- Dealers paying tax under composition scheme to file returns in form GSTR-4
- Later return can be filed only when earlier returns are filed.
- If supplier does not pay entire tax on his outward supplies fully within 60 days, credit taken by recipient reversed with interest
- Payments made in Electronic Cash Ledger will be first be applied to earlier dues of tax, interest, late fees and penalty and then to current dues.
- Unmatched invoices can be adjusted upto return of following September or due date of filing of Annual returns
- Annual returns to be filed by 31st December in following year in form GSTR-9
- Audit report shall be in form GSTR-9B



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Transitional provisions of ITC at the time of switching to GST on 01/07/2017

- Taxable Persons who are paying service tax, State VAT or Central Excise are required to migrate to GST. They will get temporary PAN based registration number. Final registration will be granted after submitting necessary information and papers – Sec 139 of CGST Act
- A manufacturer who is having CENVAT credit balance in his return on 30/06/2017 can carry forward his CENVAT credit as CGST credit. He can also take unavailed CENVAT credit of excise duty paid on capital goods – Section 140(1) and 140(2) of CGST Act. He has to submit application in form GST TRAN 1 within 29th August 2017
- A dealer or manufacturer who has input tax credit under State VAT or Entry Tax in his return on 30/06/2017 can carry forward his input tax credit as SGST Credit. He can also take unavailed credit of State VAT paid on capital goods – Sec 140(1) and 140(2) of SGST Act. He has to submit application in form GST TRAN 1 within 29th August 2017
- If goods were supplied under CST Act, details of claims and CST forms (C, F, H, I, E-I and E-II shall be submitted within 29th August 2017 – Proviso to rule 1(1) of Transitional Provision Rules. It seems that the provision is for those availing State incentives for refund of CST, since otherwise, input tax credit of Central Sales Tax (CST) Is not admissible
- A taxable person under GST who was not eligible to take CENVAT credit but is now under GST can take input tax credit of excise duty which was paid on the stock with him, if he has Invoice or Other documents evidencing payment of excise duty. He has to submit stock statement – Section 140(3) of CGST Act.
- A taxable person under GST who was not earlier under Central Excise but is now under GST and **does not have excise duty paying documents** evidencing payment of excise duty, can take input tax credit of:

If CGST Rate is $\geq 9\%$ - Credit of 60% of CGST payable on Such stocks after payment of GST

If CGST Rate is $\leq 9\%$ - Credit of 40% of CGST payable on Such stocks after payment of GST

Credit allowed in respect of supplies made till 31st Dec 2017. He has to submit stock statement and submit statement in form GST TRAN1 within 29th August 2017. Also, statement showing the supplies for each of 6 months (i.e.) till 31st Dec 2017



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- A taxable person who was not earlier under State VAT but is now under GST can take input tax credit of State VAT which was paid on the stock with him, if he has tax invoices or other documents evidencing payment of State VAT. He has to submit stock statement – section 140 (3) of SGST Act.

 - A taxable person under GST who was not earlier under State VAT or but is now under GST and **does not have State VAT paying documents** evidencing payment of VAT, can take input tax credit of:
 - If SGST Rate is $\geq 9\%$ - Credit of 60% of SGST payable on Such stocks after payment of GST
 - If SGST Rate is $\leq 9\%$ - Credit of 40% of SGST payable on Such stocks after payment of GST
- Credit allowed in respect of supplies made till 31st Dec 2017. He has to submit stock statement and submit statement in form GST TRAN1 within 29th August 2017. Also, statement showing the supplies for each of 6 months (i.e.) till 31st Dec 2017
- If goods were cleared by supplier prior to 01st July 2017 by paying excise duty and State VAT but goods received after 1st July 2017 by recipient, input tax credit of such excise duty or State VAT is available if such invoice was recorded in books of accounts within 30 days (i.e.) before 30th July 2017. He has to furnish specified details – Section 140(5) of CGST Act and SGST Act

 - If material was sent for job work and was lying with job worker, input tax credit can be taken on submission of details – Section 141 of CGST Act and SGST Act

 - If goods were sent on approval basis and were not with the taxable person on 01st July 2017, details are to be submitted in form GST TRAN-1

