

# **Goods and Services Tax & Impact on Corrugated Box Industry**

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# Section 1

## GST Overview

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## *Update on last GST Council Meeting -*

### GST implementation date

- Date fixed at 1<sup>st</sup> July
- Special launch ceremony – Midnight of 30<sup>th</sup> June/ 1<sup>st</sup> July

### Return filing

- Return filing relaxed for first 2 months
- Form 3B is to be filed instead
- GSTR 1 for July to be filed on 5<sup>th</sup> Sept & Aug by 20<sup>th</sup>

### Other Decisions

- Composition limit enhanced to 75 lacs (50 for other states). Ice Cream, Ghutka & cigarettes Manufacturers cannot opt for Composition
- 5 rules approved. E-way bill portal not ready. States to continue their existing mechanism

# Overview of GST

## Taxes overview

### ***Taxes to be subsumed***

- Central levies
  - Central Excise
  - Service Tax
  - Central Sales Tax
  - Additional Duty of Customs
  - Special Additional Duty of Customs
  - Central Surcharges and Cesses related to supply of goods and services
- State levies
  - State VAT
  - Other State levies such as Luxury tax, Octroi, Entry tax, Purchase Tax Entertainment tax, etc
  - State Surcharges and Cesses related to supply of goods and services
  - Medicinal and Toilet Preparations (Excise Duties) Act, 1955

### ***Taxes outside GST***

- Basic Customs duty
- Stamp duty
- Taxes and duties on electricity
- Taxes and duties on alcohol for human consumption
- State excise duties

***Taxes and duties on petroleum products may be included within GST from a notified date***

# Impact of GST -

## Introduction of GST

GST introduced and Industry are to prepare for compliance of GST

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## Readiness

Since the introduction is announced long back but preparedness is taking time. Association may take active step in educating members

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## GST Credit

GST Paid in earlier stage is available as credit in next Stage. GST credit on goods and services are available

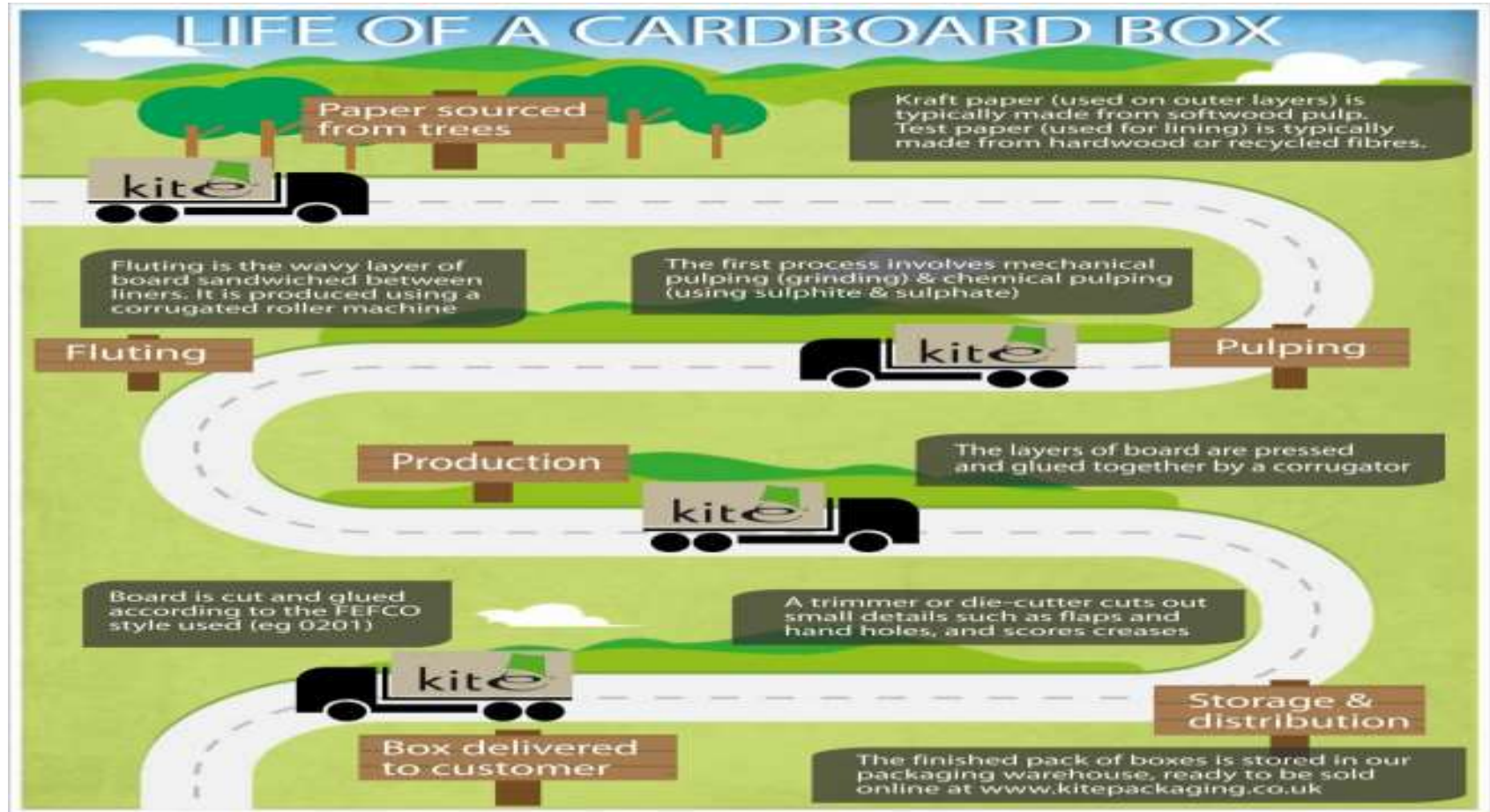
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## Strict compliance

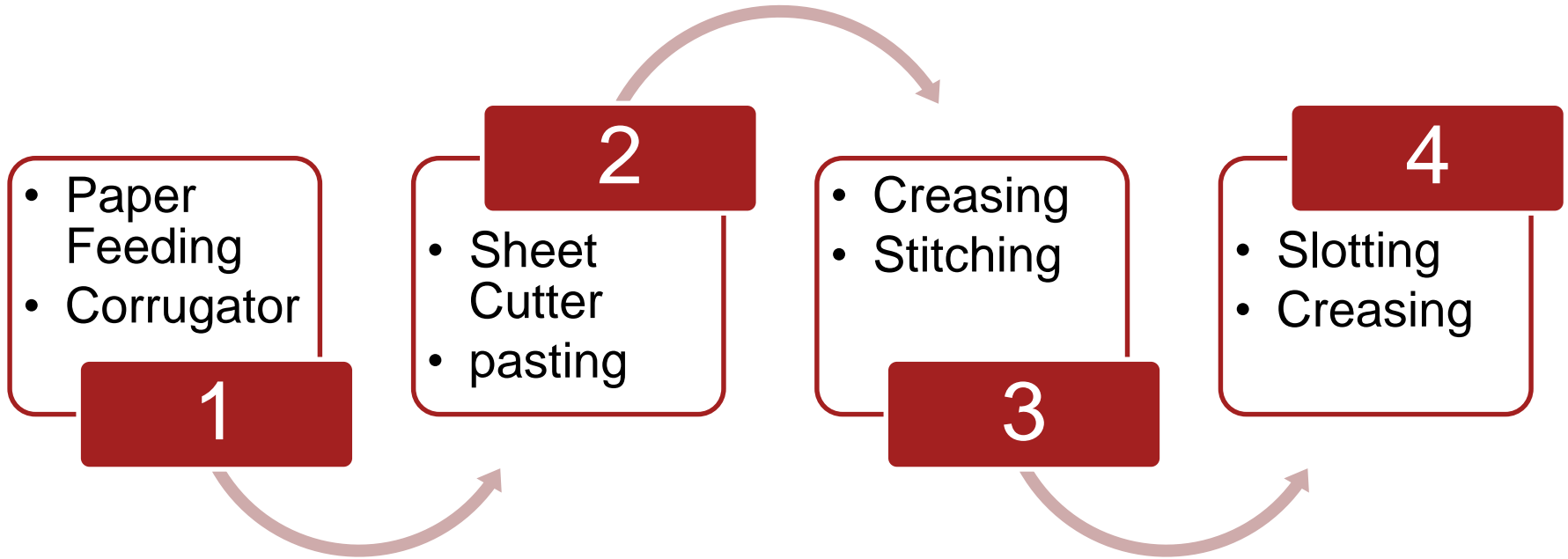
Compliance is to be managed which will be a challenge. Filing of multiple returns, matching of credits and like rules.

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# Corrugated Box – Stages of Processing



# ***Corrugated Box – Stages of Processing***



## ***Benefits of GST -***

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Reduction  
of  
multiplicity  
of taxes

Elimination  
of  
cascading  
effect

Common  
National  
Market

Simple tax  
regime

No  
distinction  
between  
goods &  
Services



# *Challenges for Corrugated Box Industry in GST -*

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Complex  
compliance  
rules

Multiplicity  
of Returns

Payment  
in 180  
days

Purchase  
from  
unregister  
ed Vendor

No distinction  
- Small  
Unorganised  
Sector &  
others

# ***Nature of Taxes – Inward & Outward Supplies***

<i><b>Levy</b></i>	<i><b>Current Tax</b></i>	<i><b>GST Regime</b></i>
<b>Local Purchase / Sales (TG to TG)</b>	<ul style="list-style-type: none"><li>• VAT</li><li>• Excise</li></ul>	<ul style="list-style-type: none"><li>• CGST</li><li>• SGST/UTGST</li><li>• Compensation Cess</li></ul>
<b>Inter State Purchase/ Sales (TG to AP/ AP to TG)</b>	<ul style="list-style-type: none"><li>• CST</li><li>• Excise</li><li>• Entry Tax/Octroi</li></ul>	<ul style="list-style-type: none"><li>• IGST</li><li>• Compensation Cess</li></ul>
<b>Imports</b>	<ul style="list-style-type: none"><li>• Basic Customs Duty (BCD)</li><li>• Countervailing Duty (CVD)</li><li>• Special Additional Duty (SAD)</li><li>• Customs Cess</li></ul>	<ul style="list-style-type: none"><li>• Basic Customs Duty (BCD)</li><li>• IGST</li><li>• Customs Cess</li><li>• Compensation Cess</li></ul>
<b>Exports</b>	<ul style="list-style-type: none"><li>• No Duty</li></ul>	<ul style="list-style-type: none"><li>• No Duty</li></ul>

# ***GST- Credit mechanism and adjustment***

<i><b>Levy</b></i>	<i><b>Leviable on</b></i>	<i><b>First Adjustable Against</b></i>	<i><b>Subsequent adjustment</b></i>	<i><b>Cannot be adjusted against</b></i>
<b>CGST</b>	<ul style="list-style-type: none"><li>Local supply of goods/Services</li></ul>	<ul style="list-style-type: none"><li>CGST</li></ul>	<ul style="list-style-type: none"><li>IGST</li></ul>	<ul style="list-style-type: none"><li><b>SGST</b></li></ul>
<b>SGST/UGST</b>	<ul style="list-style-type: none"><li>Local supply of goods/Services</li></ul>	<ul style="list-style-type: none"><li>SGST/UTGST</li></ul>	<ul style="list-style-type: none"><li>IGST</li></ul>	<ul style="list-style-type: none"><li><b>CGST</b></li></ul>
<b>IGST</b>	<ul style="list-style-type: none"><li>Inter-State supply of goods/Services</li><li>Imports into India</li></ul>	<ul style="list-style-type: none"><li>IGST</li></ul>	<ul style="list-style-type: none"><li>CGST; then</li><li>SGST</li></ul>	<ul style="list-style-type: none"><li><b>NIL</b></li></ul>

**GST Impact- All taxes are creditable and fungible. Credits are restricted for each state (State-wise credit pool). No adjustment between CGST & SGST/UGST**

# Section 2

## Legal Provisions

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# GST Laws & Rules

GST Laws & Rules

CGST Act

IGST Act

UTGST Act

GST (Compensation to the States) Act

SGST Act of respective States

Registration Rules (Revised)

Returns Rules (Revised)

Refund Rules (Revised)

Payment Rules (Revised)

ITC Rules

Transition Rules

Valuation Rules

Composition Rules

Accounts & Records

Advance Ruling

Appeal & Revision

Assessment & Audit

e-Way Bill – to be approved

# **Section 3**

## **Job Work & Composition Scheme**

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<i>Particulars</i>	<i>Situation</i>	<i>Treatment</i>	<i>Remarks</i>
<b>Job Worker registered / Unregistered</b>	<ul style="list-style-type: none"> <li>Inputs are sent for job work</li> </ul>	No tax applicable	<ul style="list-style-type: none"> <li>Principal to issue delivery challan</li> </ul>
<b>Inputs are brought back</b>	<ul style="list-style-type: none"> <li>To be brought back in 1 year</li> </ul>	No tax applicable	
<b>Inputs supplied from Job workers place</b>	<ul style="list-style-type: none"> <li>Job worker is <b>Registered</b>; OR</li> <li>supply is of <b>notified goods</b></li> </ul>	<ul style="list-style-type: none"> <li>Tax is applicable if supplied within India</li> <li>No tax if export</li> </ul>	<ul style="list-style-type: none"> <li>Job worker to declare place of business as his additional place of business</li> <li>Turnover of Principal not to be included in JW t/o</li> </ul>
<b>Inputs not brought back within 1 year</b>	<ul style="list-style-type: none"> <li>If inputs not brought back from JW Premises within 1 year</li> </ul>	<ul style="list-style-type: none"> <li>Tax to be paid by principal with interest</li> </ul>	<ul style="list-style-type: none"> <li>Care to be taken for bringing back material within 1 year</li> </ul>

# Job Work Mechanism

<i>Particulars</i>	<i>Situation</i>	<i>Treatment</i>	<i>Remarks</i>
<b>Processing charges by JW</b>	<ul style="list-style-type: none"><li>Job Worker is <b>Registered</b></li></ul>	GST is applicable at 18%	<ul style="list-style-type: none"><li>GST to be paid on Processing charges and credit available</li></ul>
<b>Processing charges by JW</b>	<ul style="list-style-type: none"><li>Job Worker is <b>not Registered</b></li></ul>	GST is applicable at 18%	<ul style="list-style-type: none"><li>GST to be paid on Processing charges by principal on RCM and Credit available</li></ul>
<b>Moulds, jigs, dies, fixtures or tools sent for JW</b>	<ul style="list-style-type: none"><li>Sent to JW for processing</li></ul>	<ul style="list-style-type: none"><li>No tax applicable</li></ul>	
<b>Waste or scrap generated &amp; removed</b>	<ul style="list-style-type: none"><li>Job worker registered</li></ul>	<ul style="list-style-type: none"><li>Can be sold with payment of duty</li></ul>	<ul style="list-style-type: none"><li>Job worker can supply directly from his premises and pay duty</li></ul>
<b>Waste or scrap generated &amp; removed</b>	<ul style="list-style-type: none"><li>Job worker not registered</li></ul>	<ul style="list-style-type: none"><li>Can be sold with payment of duty</li></ul>	<ul style="list-style-type: none"><li>Principal can supply and pay duty</li></ul>



# ***Composition Scheme -***

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- A. Special scheme – Turnover from Rs 10/20 lakhs to Rs 50/75 lakhs
- B. Composition scheme is optional. To be opted by assessee in form GST COMP - 01. On the day he ceases to remain in composition scheme he shall file application in GST COMP – 04 withdrawing from the scheme
- C. Cannot take input credit and charge any GST from customer
- D. Conditions for Composition Levy –
  - 1. Goods held in stock on 1<sup>st</sup> July is not purchased on Inter State or imported or branch outside State
  - 2. Not purchased from unregistered supplier where tax is to be paid on reverse charge
  - 3. He shall mention in the bill of supply as “Composition taxable person, not eligible to collect tax on supplies”

# Section 4

## GST Rates – Goods & Services

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# Rate of GST on Goods -

GST Council classified rates for 1211 Items in their meeting in Srinagar and subsequently some other goods. The classification followed Effective Tax Rate (ETR) existing in current regime.

Goods	Exempt	5% bracket	12% Bracket	18% Bracket	28% Bracket
Exempt	7%	14%	17%	43%	19%
ETR in current regime	Excise/VAT - Exempt in current regime	Excise – 0/6 VAT – 0/5	Excise – 0/6/12.5 VAT – 0/5/14.5	Excise – 6/12.5 VAT – 5/14.5	Excise – 12.5 & VAT – 14.5

# Impact of GST on Corrugated Box Industry –

Major inputs are classified under **Chapter 48** which are namely,

- |                  |                               |              |                 |
|------------------|-------------------------------|--------------|-----------------|
| 1. Paper & Board | 2. Corrugated Powder Gum, Gum | 3. LPG       | 4. Printing Ink |
| 5. PP Strap      | 6. Fevicol CPW Glue           | 7. BOPP Tape | 8. P&M          |

**Outputs** are Carton, Boxes, Paper Board, Uncoated Paper (classified under Chapter 48)

Inputs	12%	18% Bracket
Items	<b>INPUTS -</b> <ul style="list-style-type: none"> <li>Paper &amp; Board</li> </ul> <b>FINISHED PRODUCT -</b> <ul style="list-style-type: none"> <li>Cartons, boxes, Corrugated box cases, Uncoated paper &amp; Paper Board,</li> </ul>	<b>INPUTS</b> <ul style="list-style-type: none"> <li>Corrugated Powder Gum</li> <li>Gum, LPG, Printing Ink, PP Strap, Fevicol CPW Glue</li> <li>BOPP Tape, P&amp;M</li> </ul> <b>OUTPUTS –</b> <ul style="list-style-type: none"> <li>Recovered (Waste &amp; Scrap) paper or paper board</li> <li>Non Corrugated boxes (Others which is not specifically mentioned)</li> </ul>

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# Rate of GST on Services -

GST Council cleared rates on Services in 4 categories

Rates	Exempt	5% bracket	12% Bracket	18% Bracket (Standard Rate)	28% Bracket
Services	<ul style="list-style-type: none"> <li>Health Care</li> <li>Education</li> <li>Hotel – tariff below 1k</li> </ul>	<ul style="list-style-type: none"> <li>Economy class and rail travel</li> <li>Cab aggregators</li> <li>Job work – Gems, Jewellery &amp; Textile</li> </ul>	<ul style="list-style-type: none"> <li>Works contract</li> <li>Hotel – 1k to 2.5 k</li> <li>Business class air travel</li> <li>Non AC Restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Hotels tariff – 2.5k to 7.5 k</li> <li>AC Restaurants with liquor</li> <li>Cinemas tickets &lt;100</li> <li>Job work</li> <li>Services not included under any rate</li> </ul>	<ul style="list-style-type: none"> <li>Race clubs</li> <li>Cinemas tickets &gt;100</li> <li>Luxury hotel rooms</li> </ul>

# Section 5

## Impact on Business

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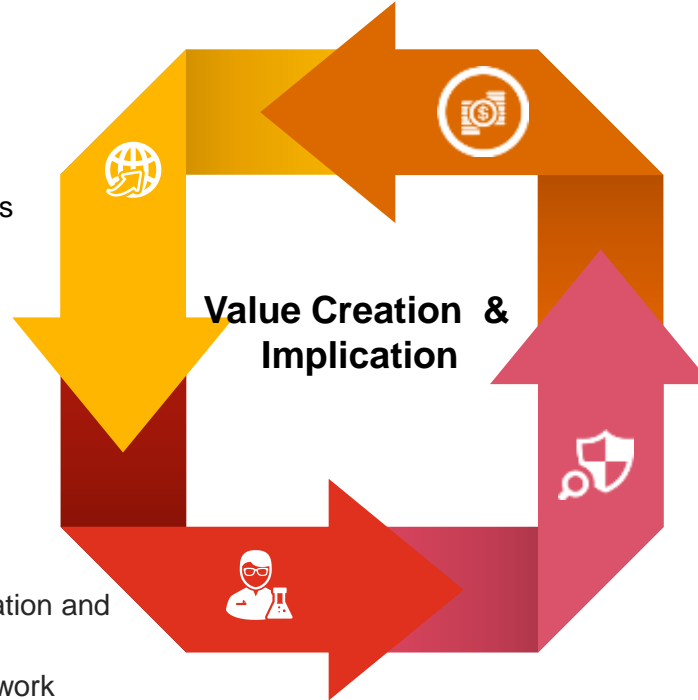
# GST – Value Creation and Implications

## TECHNOLOGY SYSTEM

- IT process changes
- Pricing procedure
- ERP reconfigurations
- Change in chart of accounts

## BUSINESS OPERATIONS

- Sourcing decisions, depot/warehouse consolidation and contractual arrangements
- Business' footprint and network configuration



## FINANCIAL

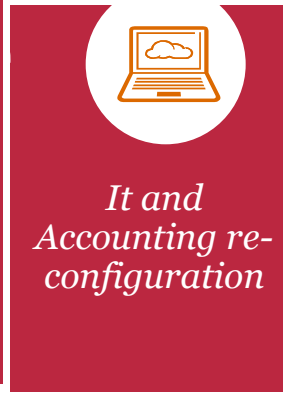
- Ambiguity in classification (goods or services) sorted out
- Increased credit availability on procurement of goods and services
- Export of services continue to be zero rated
- Cash flow management - Increase in rate of taxes

## COMPLIANCE & PROCESS

- Enhanced GST compliance
- Change in Time and place of supply
- Tax credit management – matching
- Registration, returns, payment and refund

## ***GST Impact on IT systems***

GST Impact on IT systems can broadly be classified into following heads





## GST invoice – Suggested format (No format is prescribed in GST Law)

GST INVOICE			ORIGINAL FOR RECIPIENT	
ABC <b>Address</b> State <span style="float: right;">State Code</span> Phone No.			<b>Tax Invoice No.</b> MAH-1718002 <b>Tax Invoice Date</b> 01-07-2017 <b>SOW No.</b> ABC - 001 <b>SOW Date</b> 01-06-2017	
<b>CIN No.</b> U72900MH2004PTC147168 <b>IEC Code</b> 0301039275			<b>PAN No.</b> ABCDE1234F <b>GSTIN No.</b> xxxxxxxxxxx1Z5	
<b>Goods Billed To :</b> ZS Associates India Pvt. Ltd. State <span style="float: right;">#N/A</span> <b>PAN No.</b> xxxxxxxxxxx <b>GSTIN No.</b> xxxxxxxxxxx1Z5			<b>Goods Shipped To :</b> ZS Associates India Pvt. Ltd. State <span style="float: right;">#N/A</span> <b>PAN No.</b> xxxxxxxxxxx <b>GSTIN No.</b> xxxxxxxxxxx1Z5	
Sl. No.	Description of Goods	HSN Code of Goods	Billed Amount (INR)	
1	Nature of supply	8523	6,00,000.00	
2	Discount Allowed @ 10%		60,000.00	
<b>Taxable Value of Supply of Goods</b>			<b>5,40,000.00</b>	
<b>Output GST Calculation</b>	<b>GST to be levied</b>	<b>Rate of Tax</b>	<b>Amount of GST Charged on Taxable Value :</b>	
	CGST	20%	CGST	1,08,000.00
	SGST	20%	SGST	1,08,000.00
<b>Total Value of Supply of Goods (In Figure)</b>			<b>7,56,000.00</b>	
<b>Total Value of supply of Goods (In Words)</b>				
<b>Rupees Twenty One Lakhs Sixty Thousand Only</b>				
<b>If GST is Payable Under Reverse Charge Basis</b>			<b>Payment Terms:</b>	
<b>Bank Details :</b> <b>Name of Beneficiary</b> <span style="float: right;">ABC</span> <b>Beneficiary Bank Name</b> <b>Bank Address</b> <b>IFSC Code</b>			<ul style="list-style-type: none"> <li>Total due in 45 days</li> <li>Overdue accounts are subject to a service charge of 1.5% per month</li> <li>Please make wire transfer to ABC</li> </ul>	
			<b>Signature</b>	
			<b>Designation</b>	
<b>DECLARATION</b>			<b>NOT APPLICABLE</b>	

***Section 6***  
***Accounts & Records***

## ***Records to be maintained -***

**Every Registered Taxable Person Shall Keep And Maintain Following Accounts and Other Records**



**Register of  
Goods  
Produced**



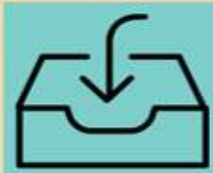
**Purchase  
Register**



**Sales Register**



**Stock Register**



**Input Tax  
Credit Availed**



**Output Tax  
Liability**



**Output Tax  
Paid**



**Other Records  
as Specified**

## ***Records to be maintained -***

<b>Accounts/ Records</b>	<b>Information Required</b>	<b>By Whom?</b>
<b>Register of Goods Produced</b>	Detail of goods manufactured in a factory or production house	Every assessee carrying out manufacturing activity
<b>Purchase Register</b>	All the purchases made within a tax period for manufacturing of goods or provision of services	All Assessee
<b>Sales Register</b>	Account of all the sales made within a tax period must be maintained	All Assessee
<b>Stock Register</b>	This register should contain a correct stock of inventory available at any given point of time	All Assessee
<b>Input Tax Credit Availed</b>	This register should maintain the details of Input Tax Credit availed for a given tax period	All Assessee
<b>Output Tax Liability</b>	This register should maintain the details of GST liability outstanding to be adjusted against input credit or paid out directly	All Assessee
<b>Output Tax Paid</b>	This register should maintain the details of GST paid for a particular tax period	All Assessee
<b>Other Records Specified</b>	Government can further specify by way of a notification, additional records and accounts to be maintained	Specific Businesses as notified by the government

# **Section 7**

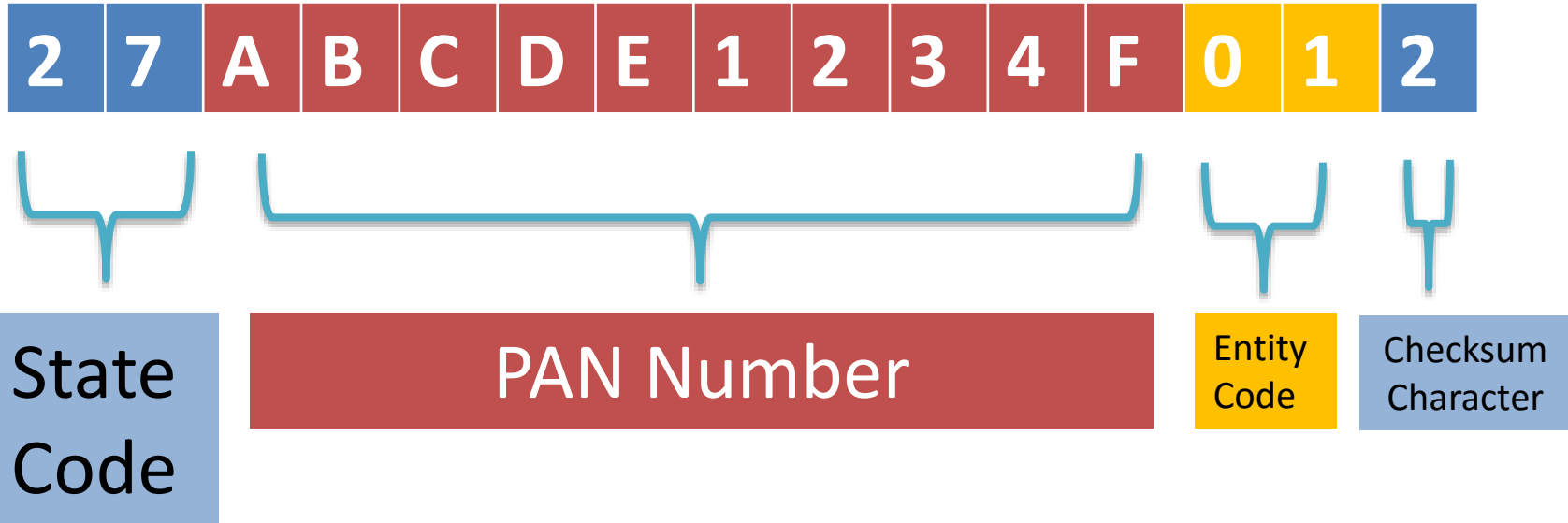
## **Migration, Registration and Transitional Provisions**

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# GST Number

1 State – 1 GST Number (Single Application)



# GST Migration Process

## Enrolment

- Person other than TDS deductor and ISD registered under existing law
- shall enrol by validating e-mail address and mobile number
- GSTN portal will re-open from 25<sup>th</sup> June for fresh enrolments

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## Provisional Registration

- Post enrolment, provisional registration be granted in **FORM GST REG-25**
- One provisional registration under GST

## Furnish information

- Post provisional registration, required information to be submitted in **FORM GST REG-24** **within 3 months** or extended period

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## Final Registration

- Information found **correct** - Final registration certificate in **FORM GST REG-06**
- Information found incorrect or incomplete -
- SCN to be issued for cancellation of registration in **FORM REG GST- 27**
- Registration to be cancelled in **FORM GST REG-26**

# Registration under GST – based on turnover

## Current Regime -

SI No	Law	Turnover (in Rs Lacs)
1	Excise	150
2	VAT	5-20
3	VAT – Composition	5/20-50
4	Service Tax	10

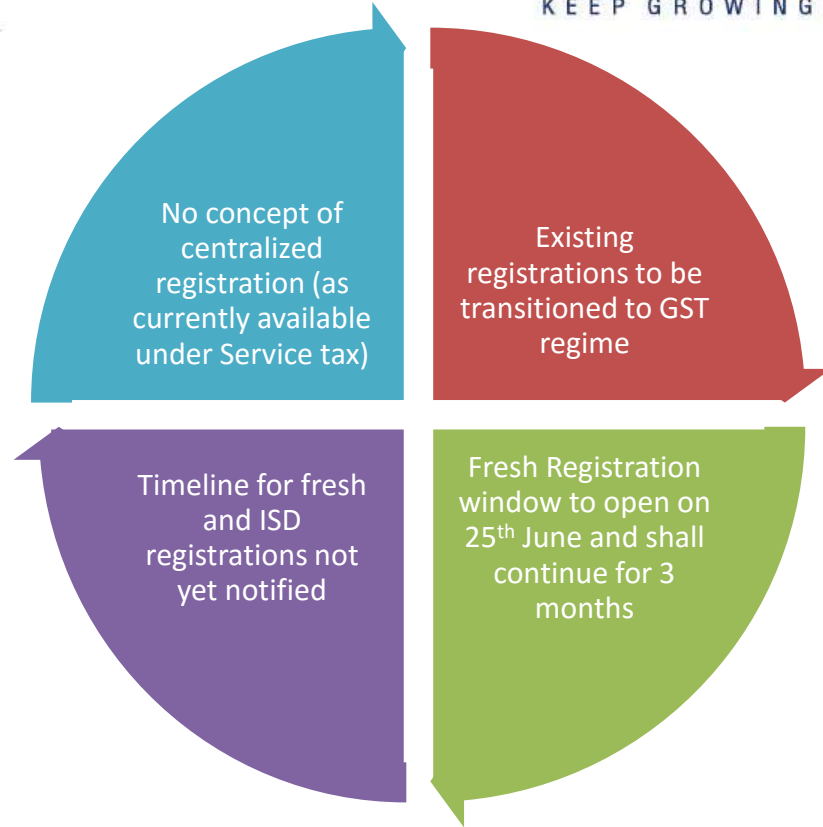
## GST Regime-

SI No	Law	Turnover (in Rs Lacs)
1	All India	20
2	Special Category States	10
3	Composition – All India	20-75
4	Composition – Special category States	10-50



# Registration Requirements

- Registration to be obtained in the State from where taxable supply is made
- Threshold for registration is INR 20 lakhs (in general, not applicable for inter-State supplies)
- One common registration for CGST, SGST and IGST per state
- More than one premises in same State can be registered together or separately – option with registrant
- Return and related compliances to be undertaken for each registration separately



# ***Compulsory Registration irrespective of specified threshold:***

Persons effecting  
any inter-State  
taxable supply

Casual taxable  
persons

Persons who are  
required to pay tax  
under reverse  
charge

Non-resident  
taxable persons

Persons required to  
deduct TDS as per the  
provisions of the act

Persons required to  
collect tax as per the  
provisions of the act

Input service  
distributor

Persons who supply  
goods and/or services on  
behalf of other taxable  
persons whether as an  
agent or otherwise

Persons who supply  
goods and/or services,  
through such e-Com  
operator

Every electronic  
commerce operator

OIADR

Other category as  
notified by the CG or a  
SG on the  
recommendations of  
the GST Council.

## Carry forward of credit in returns - Sec 140 (1)

Cenvat Credit of earlier period to be carried forward as CGST if eligible as credit under GST

VAT and entry tax credit of earlier period may be carried forward as SGST if eligible as credit in GST

Credit attributable to specified sections of CST Act (statutory forms) not substantiated within time limit, not to be carried forward - To be refunded if substantiated later

Important that all credits of earlier returns are filed on time

***Apply in Form GST TRAN-1 within 90 days from appointed day with prescribed details***

# Migration of Credits

Scenario	Credit Eligibility	Type of Credit Migrated
Credit in Returns	100% Credits allowed	Cenvat (Excise & Service Tax), VAT & Entry Tax (No Limitation)
Capital Goods	50:50 – 2016-17 0:100 – 2017-18	100% of balance credit available in GST Regime
Credit not in returns – Stocks with documents in hand	100% Credit Allowed	Cenvat (Excise & Service Tax), VAT & Entry Tax (Max 1 year old + segregation of stock)
Deemed Credit – 40% / 60%	40% < 18% 60% >= 18%	CGST Portion of tax paid in GST regime for outward supplies (6 return period)



## Reporting under GSTR TRAN - 1

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# Transition Plan- Credit carried forward through returns

## Reporting under TRAN-1

5. Amount of tax credit carried forward in the return filed under existing laws:

(a) Amount of Cenvat credit carried forward to electronic credit ledger as central tax (Section 140(1) and Section 140(4)(a))

Sl. no.	Registration no. under existing law (Central Excise and Service Tax)	Tax period to which the last return filed under the existing law pertains	Date of filing of the return specified in Column no. 3	Balance cenvat credit carried forward in the said last return	Cenvat Credit admissible as ITC of central tax in accordance with transitional provisions
1	2	3	4	5	6
	Total				

It is required to compile these details for filing TRAN -1

# Transition Plan- Credit carried forward through returns

## Reporting under TRAN-1

### 5. Amount of tax credit carried forward in the return filed under existing laws:

#### (b) Details of statutory forms received for which credit is being carried forward

Reporting for period : 1<sup>st</sup> April 2015 to 30<sup>th</sup> June 2017

Details for C-Form, F- Form, H/I-Form is to be maintained in following format

TIN of Issuer	Name of Issuer	Sr. No. of Form	Amount	Applicable VAT Rate
	Total			

It is required to compile these details for filing TRAN -1

# Transition Plan- Credit carried forward through return



## Reporting under TRAN-1

5. Amount of tax credit carried forward in the return filed under existing laws:

(c) Amount of tax credit carried forward to electronic credit ledger as State/UT Tax(For all registrations on the same PAN and in the same State)

Registration No. in existing law	Balance of ITC of VAT and [Entry Tax] in last return	C Forms		F Forms		ITC reversal relatable to [(3) and] (5)	H/I Forms		Transition ITC  2- (4+6-7+9)
		Turnover for which forms Pending	Difference tax payable on (3)	Turnover for which forms Pending	Tax payable on (5)		Turnover for which forms Pending	Tax payable on (7)	
1	2	3	4	5	6	7	8	9	10

It is required to compile these details for filing TRAN -1

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# Transition Plan- Credit carried forward through returns



## Reporting under TRAN-1

### 8. Details of transfer of Cenvat credit for registered person having centralized registration under existing law (Section 140(8))

Sl. No.	Registration no. under existing law (Centralized)	Tax period to which the last return filed under the existing law pertains	Date of filing of the return specified in Column no. 3	Balance eligible cenvat credit carried forward in the said last return	GSTIN of receivers (same PAN) of ITC CENTRAL TAX	Distribution document /invoice		ITC of CENTRAL TAX transferred
						No.	Date	
1	2	3	4	5	6	7	8	9
	Total							

It is required to compile these details for filing TRAN -1

# Transition Plan- Unavailed Credit on Capital Goods

## Reporting under TRAN-1

6. Details of capitals goods for which unavailed credit has not been carried forward under existing law (section 140 (2)).

(a) Amount of unavailed cenvat credit in respect of capital goods carried forward to electronic credit ledger as central tax

Sr. no	Invoice / Document no.	Invoice / document Date	Supplier registration no. under existing law	Recip registration no. under existing law	Details of capital goods on which credit has been partially availed			Total eligible cenvat credit under existing law	Total cenvat credit availed under existing law	Total cenvat credit unavailed under existing law (admissible as ITC of central tax) (9-10)
					Value	Duties and taxes paid				
						ED/ CVD	SAD			
1	2	3	4	5	6	7	8	9	10	11
		Total								

You are required to compile these details for filing TRAN -1

# Transition Plan- Unavailed Credit on Capital Goods

## Reporting under TRAN-1

6. Details of capitals goods for which unavailed credit has not been carried forward under existing law (section 140 (2)).

(b) Amount of unavailed input tax credit carried forward to electronic credit ledger as State/UT tax (For all registrations on the same PAN and in the same State)

Sr.no	Invoice / Document no.	Invoice / document Date	Supplier registration no. under existing law	registration no. under existing law	Details regarding capital goods on which credit is not availed		Total eligible VAT [and ET] credit under existing law	Total VAT [and ET] credit availed under existing law	Total VAT [and ET] credit unavailed under existing law (admissible as ITC of State/UT tax) (8-9)
					Value	Taxes paid VAT [and ET]			
1	2	3	4	5	6	7	8	9	10
		Total							

You are required to compile these details for filing TRAN -1

# Transition Plan- Credit in Stocks held not taken in return

## Reporting under TRAN-1

7. Details of the inputs held in stock in terms of sections 140(3), 140(4)(b) and 140(6).

(a) Amount of duties and taxes on inputs claimed as credit excluding the credit claimed under Table 5(a) and 7(a)

Details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock					
Sr. no.	HSN (at 6 digit level)	Unit	Qty.	Value	Eligible Duties paid on such inputs
1	2	3	4	5	6
<b>7A Where duty paid invoices or any other document are available</b>					
<b>Inputs</b>					
<b>Inputs contained in semi-finished and finished goods</b>					
<b>7B Where duty paid invoices are not available (Applicable only for person other than manufacturer or service provider)</b>					
<b>Credit in terms of Rule 1 (4)</b>					
<b>Inputs</b>					

You are required to compile these details for filing TRAN -1

# Transition Plan- Credit in Stocks held not taken in returns

## Reporting under TRAN-1

7. Details of the inputs held in stock in terms of sections 140(3), 140(4)(b) and 140(6).

(b) Amount of vat and entry Tax paid on inputs supported by invoices/documents evidencing payment of tax carried forward to electronic credit ledger as SGST/UTGST

Details of inputs in stock					Total input tax credit claimed under earlier law	Total input tax credit related to exempt sales not claimed under earlier law	Total Input tax credit admissible as SGST/UTGST
Description	Unit	Qty	Value	VAT [and Entry Tax] paid			
1	2	3	4	5	6	7	8
Inputs							
Inputs contained in semi-finished and finished goods							

You are required to compile these details for filing TRAN -1

# Transition Plan- Credit in Stocks held not taken in returns

## Reporting under TRAN-1

7. Details of the inputs held in stock in terms of sections 140(3), 140(4)(b) and 140(6).

(c) Stock of goods not supported by invoices/documents evidencing payment of tax (credit in terms of rule 1 (4)) (To be there only in States having VAT at single point)

Details of inputs in stock				
Description	Unit	Qty	Value	Tax paid
1	2	3	4	5

You are required to compile these details for filing TRAN -1

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## Reporting under TRAN-2 for availing the benefit of deemed credit – monthly filing of TRAN-2

4. Details of inputs held on stock on appointment date in respect of which he is not in possession of any invoice / document evidencing payment of tax carried forward to Electronic Credit ledger.

Opening stock for the tax period			Outward supply made					Closing balance
HSN (at 6 digit level)	Unit	Qty.	Qty	Value	Central Tax	Integrated Tax	ITC allowed	Qty
1	2	3	4	5	6	7	8	9

5. Credit on State Tax on the stock mentioned in 4 above (To be there only in States having VAT at single point)

Opening stock for the tax period			Outward supply made				Closing balance
HSN (at 6 digit level)	Unit	Qty.	Qty	Value	State Tax	ITC allowed	Qty
1	2	3	4	5	6	8	9

ARBL is required to compile these details for filing TRAN -2

# Transitional Stock – Credit Availability

Particulars	Duty paying document less than 1 Year		Duty paying document more than 1 Year*		Section Reference
Duty Paying Document	Available	Not Available	Available	Not Available	
Factory (Inputs, Input Services, Semi-Finished goods and Finished Goods)	Yes (100% of Excise+VAT)	Not Applicable	Not Applicable	Not Applicable	Section 140 (1) of CGST Act read with Rule 1 (1) of Rules. <ul style="list-style-type: none"> <li>Manufacturing locations can transfer all the credits through returns.</li> <li>If the manufacturing locations was into manufacture of both exempted and taxable goods which became taxable in GST, then for stock related to manufacture of exempted goods section 140(3) is applicable vide section 140(4)(b)</li> </ul>
Factory (Capital Goods)	Yes (100% of Excise+VAT)	Not Applicable	Not Applicable	Not Applicable	<ul style="list-style-type: none"> <li>Manufacturing locations can transfer all the credits through returns. Unavailed credit on capital goods can be availed as per Section 140 (2) of CGST Act read with Rule 1 (2) of Rules.</li> <li>No restriction on date of invoice.</li> </ul>
All Warehouses (Registered/ Unregistered)	Yes (100% of Excise+VAT)	Yes (60% of CGST 30% of IGST)	Yes (60% of CGST 30% of IGST)	Yes (60% of CGST 30% of IGST)	<ul style="list-style-type: none"> <li>Section 140 (3) of CGST Act read with Rule 3 (a) of Rules.</li> <li><b>Credit on stock more than 1 Year is litigative.</b></li> </ul>



# Section 7

## GST Returns Basics

# Returns – Current Vs GST –

## Current Regime -

SI No	Law	Number of returns – Per Annum
1	Excise	12+1
2	VAT	4 to 12
3	Service Tax	2
4	Audit report – VAT	T/o Limit

## GST Regime

SI No	Law	Number of returns – Per Annum
1	GST – Normal	36+1
2	GST – Composition	4+1
3	Audit Report	>1 cr turnover

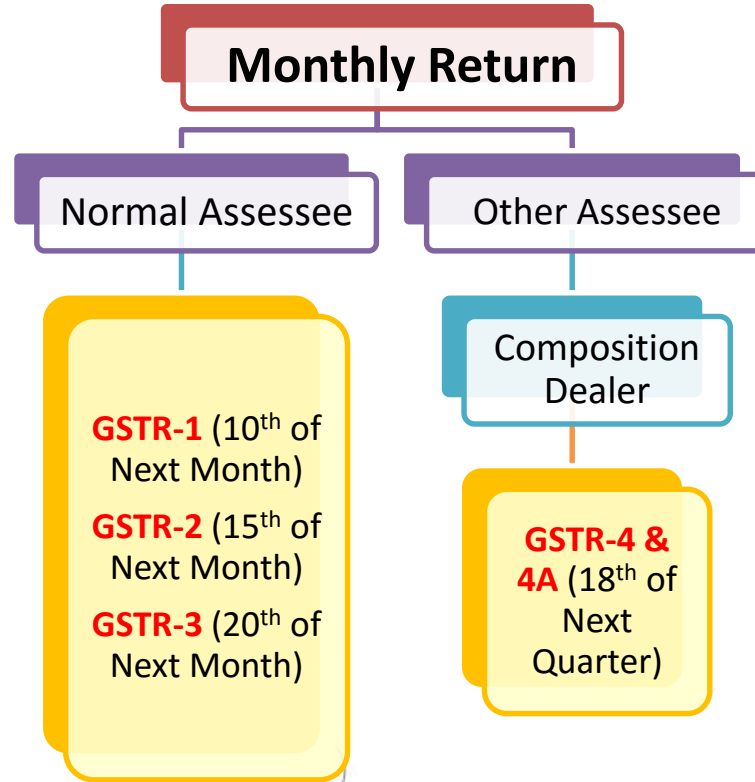
# Return Filing Due Date

August 2017							Calendarpedia Your source for calendars
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
30	31	1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	31	1	2	

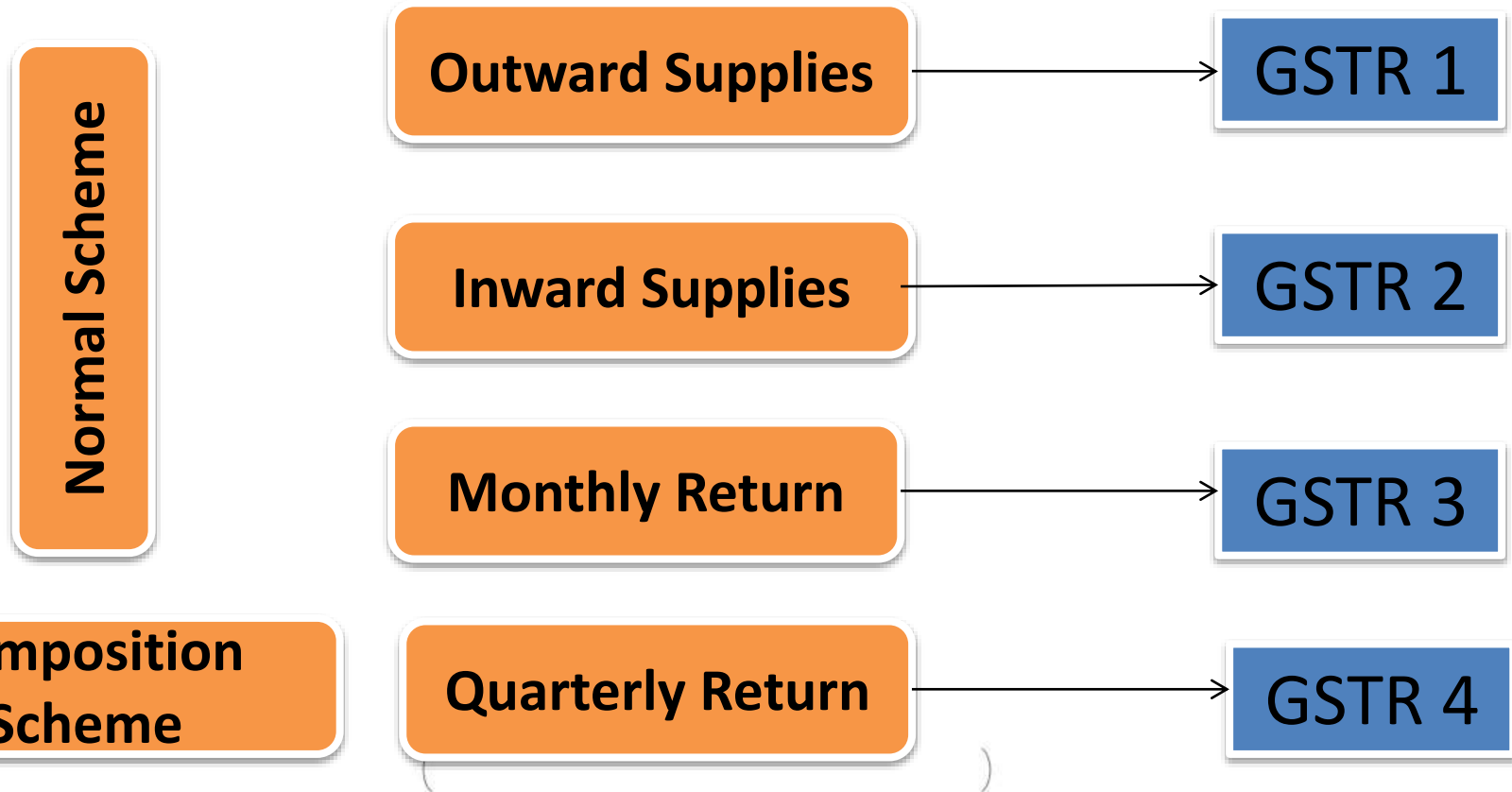
**GSTR-1** (10<sup>th</sup> of next month)/ **GSTR-2** (15<sup>th</sup> of next month)/ **GSTR-3** (20<sup>th</sup> of next month)/GSTR – 4 (18<sup>th</sup> of next month)

# Summary of GST Returns

For July and August Return filing has been deferred to September. Instead for the two months statement of sales & purchase in Form 3B is to be filed



# GST Monthly returns -



## GSTR – 1 - Sales

**OUTWARD SUPPLIES includes [goods &/or services]**

**Zero Rated  
Supplies &  
exports**

**Inter-  
state/Intra-  
state supplies &  
goods return**

**Debit notes,  
credit notes and  
supplementary  
invoice**

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## GSTR-2 - Purchase

**INWARD SUPPLIES includes [goods &/or services]**

Invoice wise details of all interstate and intrastate supplies from:

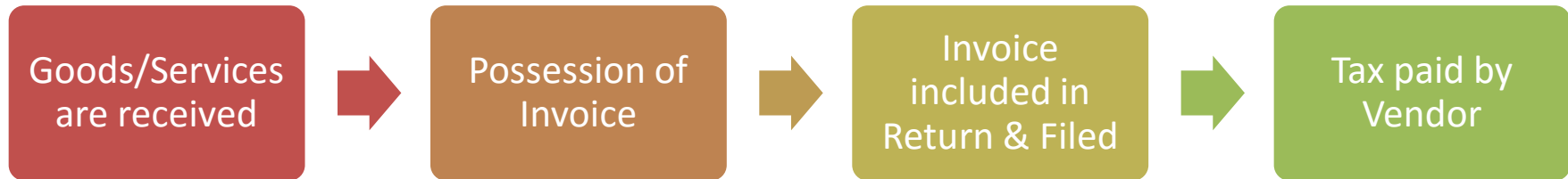
- ✓ REGISTERED PERSON
- ✓ UNREGISTERED PERSON

**Imports  
of goods  
and  
services**

Debit and  
credit notes  
received  
from the  
supplier

Details to be  
furnished by  
15<sup>th</sup> day  
succeeding  
the tax  
period

## Conditions for Claiming Input Tax Credit





## GST-1,2,3

- Upload details of outward supply on or before 10<sup>th</sup> of following month

**GSTR-1**

**GSTR-2A**

- Data will be auto populated in 2A of Recipient tax payer

- Actions of Accept, Reject or Modify has to be taken
- Additions can be made
- Return needs to be filed after 10<sup>th</sup> and on or before 15<sup>th</sup> of foll. month

**GSTR-2**

**GSTR-1A**

- Rejections, modifications and additions in GSTR-2 will be made available to supplier in 1A
- Supplier has to take action by 17<sup>th</sup>

- Auto-populated return will be available for submission along with the payment on 20<sup>th</sup> of Next Month

**GSTR-3**

# GST Returns

## **NIL RETURN**

Even in the case of no transactions, nil return are required to be filed for GSTR-3 & GSTR-4.

## **Date of Payment of Tax**

Last date of payment of tax is due date of furnishing of returns

## **Rectification of Return**

Returns cannot be revised however the returns can be rectified on earliest of the following :

1. Due date of filing of return for the month of:
  - September
  - Second Quarter

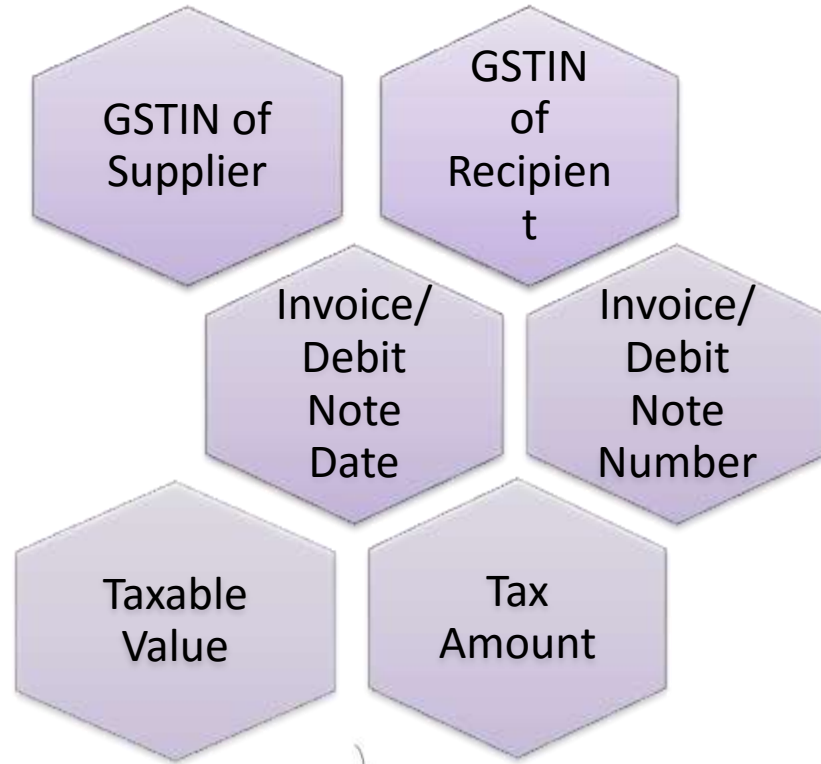
following the end of the financial year.

2. Actual Date of furnishing Annual Return

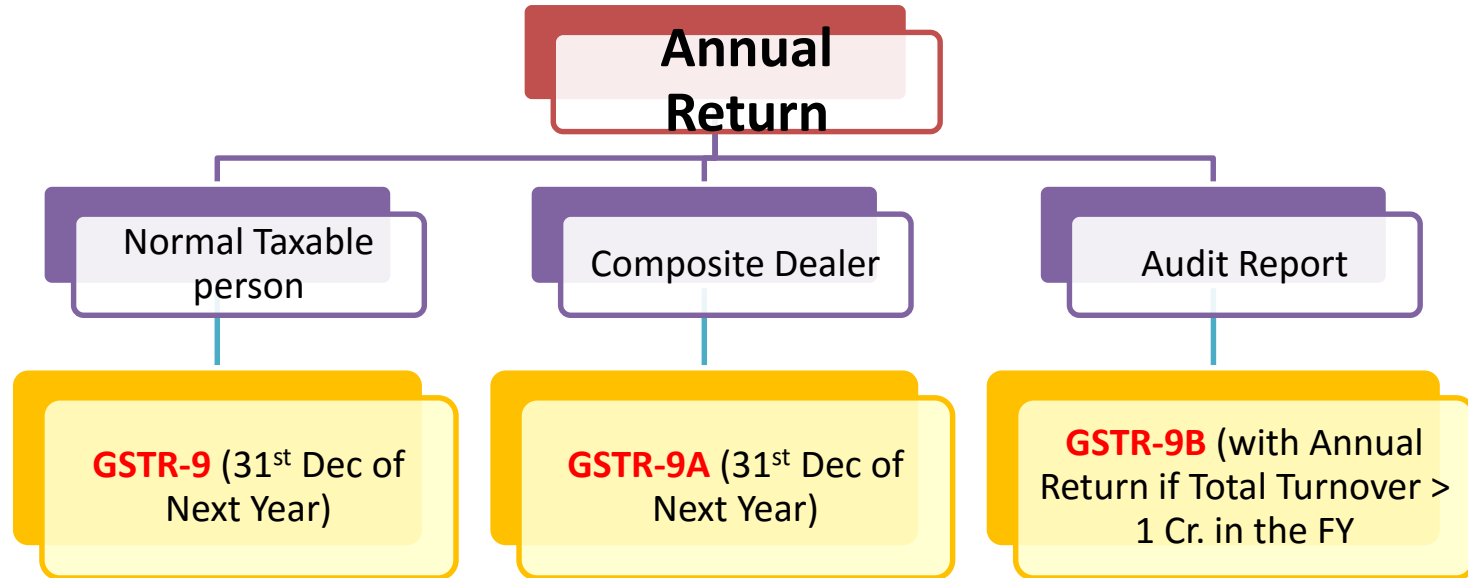
Return of a tax period cannot be filed if return for any of the previous tax period has not been furnished

## Matching of ITC

The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed shall be after the due date for furnishing the return in FORM GSTR-3



# Summary of GST Returns



# Section 8

## GSTN Ecosystem

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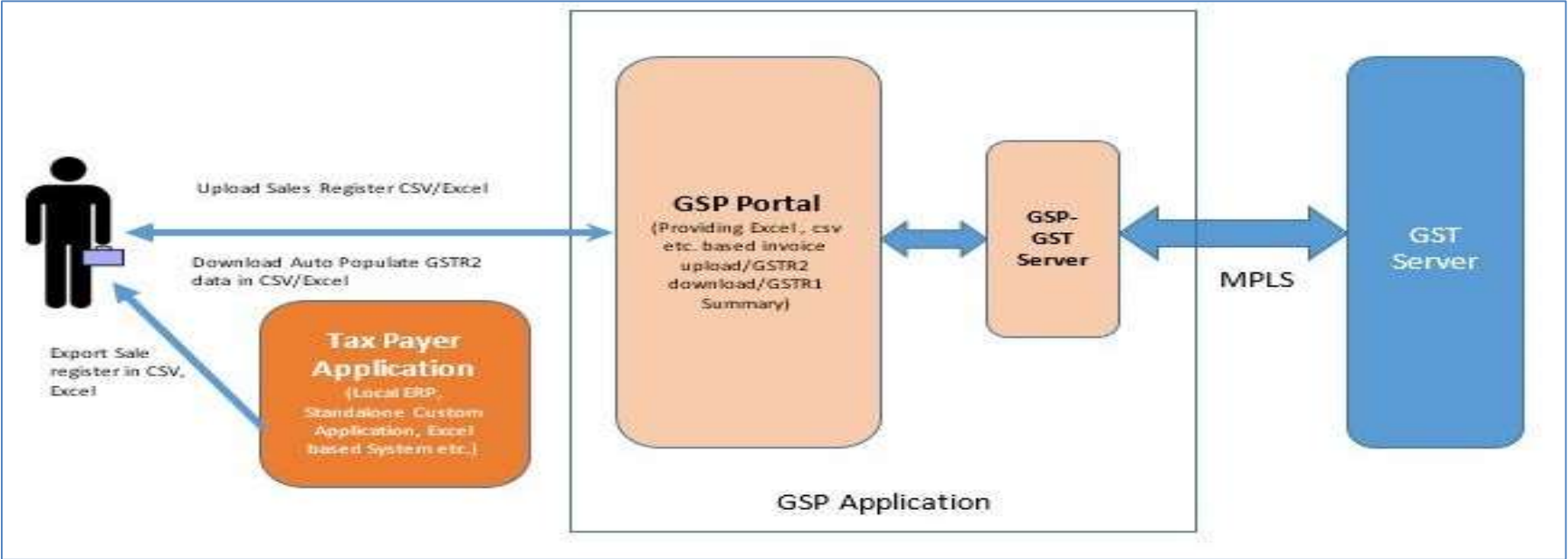
## Participants of GST Ecosystem

- RBI & Banks
- GST Council
- CG/SG
- GSTN
- Tax Payers
- ASPs/GSPs
- Income tax/Customs

# GSTN

## GST Service Providers-

Thus there will be two sets of interactions, one between the App user and the GSP and the second between the GSP and the GST System. It is envisaged that App provider and GSP could be the same entity. Another version could where data in required format directly goes to GSP-GST Server. The diagram below gives the most generic case.



## GSP

GST Suvidha Provider (GSP provides GST return filing and compliance solution (either by tax payer or through tax professionals))

## ASP

ASP (Application Service Provider) focuses on tax payer's raw data on sales and purchases and converting the same to GST returns, these GST returns will then be filed on behalf of the tax payer with GSTN via GSP.

GSPs and ASPs will provide much needed support to taxpayers in the IT ecosystem for GST. But, while the extent of support provided by a GSP may be limited to providing enriched access to the G2B portal, support provided by ASPs will extend much further and will address most taxpayers' compliance difficulties.



# Karvy ASP Features

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Dashboard reporting with  
drilldown capability



Invoice upload/ Interface for  
returns



Ledgers available/ Auto  
population of returns



View multiple GST  
Registrations in single ID



Role based authorization for  
users/ Work flow capability



Inbuilt Authorization  
(Maker/Checker) for return  
confirmation



Notifications and alerts



GST Rule engine



E-sign and file returns

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# Karvy ASP – Value Added Solutions

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Reports and dashboard for  
open items,



Comparison of GSTR 2  
data with Purchase books



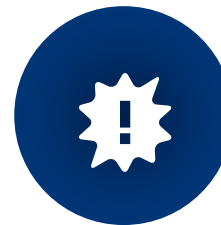
Secured access



On premise / Cloud based

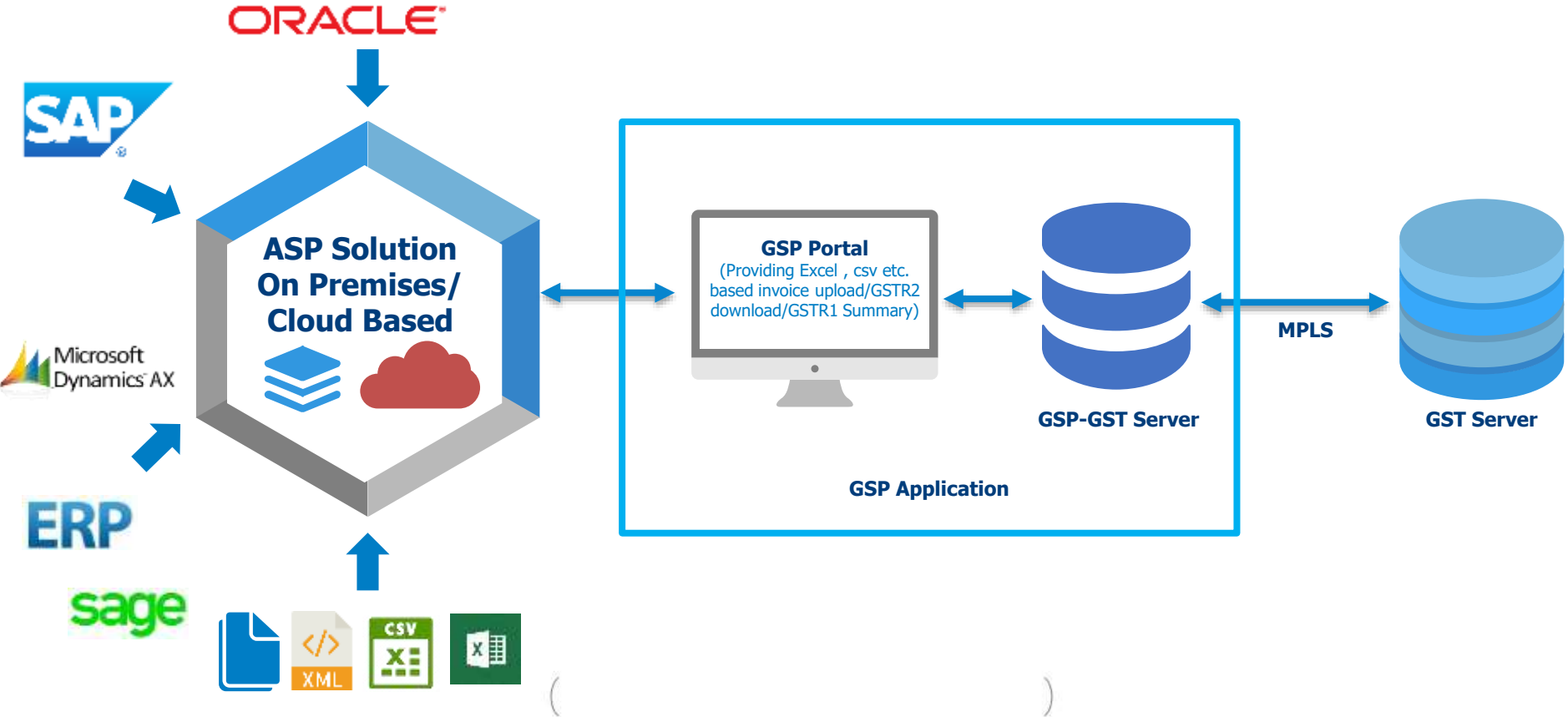


Assistance in GST  
Compliance



Auto reconcile and identify  
open items

# Karvy ASP Solution



# Way Ahead!!!

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**THANK YOU**

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# Contact Us

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