

Refund scenarios in GST

A Refund of **unutilized** Input tax credit allowed only in following cases Sec.54

I. Exports of goods and services incl. **Zero Rated Supplies**. It can be tax paid on the inputs used in the use of goods and services which are exported at zero rate or if tax is paid on such exports ; such tax

Exception: **No refund** of Unutilized ITC, if goods exported are subjected to **export duty**

Contd....

Refund scenarios in GST

2. On account of accumulation of rate of **tax on inputs higher than the rate of taxes on Output Supplies**.

Credit accumulation due to output being tax exempt or nil-rated and Credit accumulation due to inverted duty structure i.e. due to tax rate differential between output and inputs).

There will be **no refund of ITC of goods lying in stock at the end of the Financial year**. It is proposed to be carried forward.

Inverted Duty Structure – Advanced Situations

Input				Output	Remarks
X	Y	Z	E		
5%	12%	18%	28%	Pdt A -28%	
5%	12%	18%	–	Pdt B -18%	
5%	12%	18%	28%	Pdt C -18%	
5%	12%	18%	–	Pdt D -12%	
5%	12%	18%	28%	Pdt E -12%	
5%	12%	18%	28%	Pdt F - 5%	
5%	12%	18%	28%	Pdt G – Exempt	

Refund scenarios in GST

- On Finalization of **Provisional Assessment**. A dealer can apply for Provisional assessment which the officer is bound to do final assessment. If on final assessment refund is due to the dealer, it shall be paid.
- Refund of **Pre-deposit** for filing appeal including refund arising in pursuance of an appellate authority's order (when the appeal is decided in favour of the appellant).
- Refund of Balance in **E_Cash Ledger (PLA)** may be claimed through return filed u/s 39 itself

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Refund scenarios in GST

Tax **wrongfully collected and deposited** with the Central or State Government.

A taxable person who has paid IGST/CGST/SGST mistakenly as an Interstate/intrastate supply, but the nature of which was subsequently clarified, then, upon payment of CGST and SGST in the appropriate State or IGST, he shall be allowed to take refund of the tax paid under the mistaken head, subject to Rules.

Excess payment of tax **due to mistake** or inadvertence on account of wrong mentioning of nature of tax/GSTIN/tax amount etc.

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Refund scenarios in GST

Refund of tax payment on **purchases made by Embassies or UN bodies**. (Sec 55)

The United Nations Organization and Consulates or Embassies are required to take a Unique Identity Number and purchases made by them will be reflected against their number in GSTIN and refunds can be granted. A separate process will be notified in the Rules.

Formula – GST Refund

In the case of zero-rated supply of goods or services or both without payment of tax under Bond or LUT, refund of input tax credit shall be granted as per the following formula –

$$\text{Refund Amount} = \left[\frac{\text{Turnover of zero rated goods} + \text{Turnover of zero rated supply of services}}{\text{Adjusted Total Turnover}} \right] \times \text{Net ITC}$$

Refund shall be the least of the following [Cir. 59/33/2018 CT]–

- (a) Refund as per above formula
- (b) The balance in the e-credit ledger of the claimant at the end of the tax period for which the refund claim is being filed after the return for the said period has been filed; and
- (c) The balance in the e-credit ledger of claimant at the time of filing the refund application

Refund scenarios in GST

A. Credits to the Manufacturing and Trading Account of Ms.X Ltd	Rs. Crores
1. Income from Goods Segment [Out of which Export Goods are to the extent of Rs. 300]	1500
2. Electricity sold to the Central Grid	50
3. Income from Service Segment [Out of which Export was Rs. 50]	250

The Extract of the ITC Account of the Assessee reveals the following -

Particulars	Rs. Crores
1. Cenvat Credit availed relating to Inputs	100
2. Cenvat Credit relating to Capital Goods (50% availed during the period)	5
3. Cenvat Credit relating to Input Services	20

Find the amount of Cenvat Credit Refund for which the Assessee is eligible during the relevant period, if the credit of inputs and Input Services at the time of refund claim

~~Ans is 50 Crores~~
 Sol: Refund = $(300+50) \times 120 / (1500+250) = 24 \text{ Cr}$

Inverted Duty Structure – Advanced Situations

A. Credits to the Manufacturing and Trading Account of Ms.X Ltd	Rs. Lakhs
1. Income from Pdt X (5%)	2700
2. Income from Services (18%)	300

The Extract of the ITC Account of the Assessee reveals the following -

Particulars	Rs. Lakhs
1. Inputs (Rm X - 18%)	150
2. Inputs (Rm X - 12%)	30
3. Inputs (Rm X - 5%)	20
4. Input Services	35

Find the amount of Cenvat Credit Refund for which the Assessee is eligible during the relevant period, if the credit of inputs and Input Services at the time of refund claim

~~Ans is 40 Lakhs~~

Sol: Refund = $[2700 \times (150+30+20) / (2700+300)] - (2700 \times 5\%) = 45 \text{ Lakhs. However restricted}$

Procedure

A. General procedures on submission of application

Refunds under GST is **application based and subject to verification**. Application to be submitted **through GSTN Portal** with provision for **uploading supporting documents**.

Any person claiming refund of any tax or interest shall make application to the proper officer.

Rules prescribe different persons who can claim refund and **event after which the application may be filed**.

The application shall be made **before expiry of 2 years from the relevant date**.

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Procedure

14. "Relevant Date" means-

- (a) In the case of goods exported out of India -
 - (i) If the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India, or
 - (ii) If the goods are exported by land, the date on which such goods pass the frontier, or
 - (iii) If the goods are exported by post, the date of dispatch of goods by the Post Office concerned to a place outside India;
- (b) In the case of supply of goods regarded as deemed exports, the date on which the return relating to such deemed exports is furnished;
- (c) In the case of services exported out of India, the date of-
 - (i) Receipt of payment in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India, where the supply of service had been completed prior to the receipt of such payment; or
 - (ii) Issue of invoice, where payment for the service had been received in advance prior to the date of issue of the invoice;

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Procedure

- (d) In case where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority / Tribunal / Court, the date of communication of such judgment, decree, order or direction;
- (e) In the case of refund of unutilized input tax credit under Inverted Duty Structure, the relevant date shall be the due date for furnishing of return u/s 39 for the period at the end of the financial year in which such claim for refund arises; (W.E.F 01.02.2019)
- (f) In the case where Tax is paid provisionally under this Act or the rules made there under, the date of Adjustment of Tax after the Final Assessment thereof;
- (g) In the case of a person, other than the supplier, the date of receipt of goods or services or both by such person; and
- (h) In any other case, the date of payment of tax.

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Documents to be accompanied with the Application form

General documents which will be **prescribed in the Rules** . [Only declaration if the amount of refund is less than 2 Lakhs (earlier 5 Lakhs)]

But the following documents for various scenarios are mentioned in the **Business Process document**.

1. For exports (a) to be submitted by the applicant. There will be a provision to **upload scanned copies -**

- i) Export invoice;
- ii) Shipping Bill (Export Promotion copy);
- iii) Mate's Receipt / Transporter's Challan (in case of export by road);
- iv) Packing list;
- v) Bill of Lading/ Airway Bill;
- vi) Bank Realization Certificate (BRC).
- vii) In case of services, invoice and FIRC / BRC

(Removed
in
Rules)

2. For Supplies to SEZ / Deemed Export

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Verification

The verification will be **mostly online**

The Import Export code (IEC) details captured at the time of issuance of GSTN can be **verified with DGFT** online.

As proposed, if the **linkage with** the customs network **ICEGATE** is worked out, shipping bill which includes relevant details from the export invoice and packing list can be verified online.

Note: W.e.f. 01.09.2019, The Government may disburse the refund of the State tax in such manner as may be prescribed, and a Single Window Clearance mechanism for Refunds have been notified in this regard.

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Refund Formula / Sanction etc.

A simple formula prescribed in the rules may be based on proportionate credit based on export turnover/total turnover.

Declaration obtained from the exporter regarding export duty / Receipt in SEZ / Deemed Export etc.

Refund shall be granted within 60 days from the date of application **complete in all respects**

For **export refunds to notified category of dealers**, **90%** refund can be granted before verification subject to such conditions and restrictions.

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Concept of Unjust Enrichment

Art 265 of the Constitution – No tax shall be levied or collected except by Authority of Law.



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Concept of Unjust Enrichment

The refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to –

- Refund of tax paid on Export of goods or services or both or on inputs or Input Services used in making such Exports
- Refund of unutilized Input Tax Credit on account of Inverted Duty Structure
- Refund of Tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued;
- Refund of tax in pursuance of Sec. 77;
- Tax and interest, if any, or any other amount paid by the applicant, if he hadnot passed on the incidence of such tax and interest to any other person; or
- Tax or interest borne by such other class of applicants as the Central / State Government may, on the recommendation of the Council, by notification, specify.[Sec.54(8)]

Interest on Delayed Refunds

Interest accrues after 60 days from the date of application of refund.

Interest rate notified at 6%

Withholding of Refunds

Refund **can be withheld** in the following circumstances:

- If the registered dealer has **not submitted return**, till he files the return.
- The proper officer **can also deduct unpaid taxes** if any of the dealer.
- **Commissioner/Board** can withhold refund, if, the Order of Refund is under appeal and he is of the **opinion** that grant of such refund will **adversely affect revenue**.

Deminimus threshold for refund Sec.38(11)

No refund shall be granted if the amount is less than **Rs.1000/-**.

It shall apply for each tax head separately and not cumulatively.

Further, the limit would not apply in cases of refund of excess balance in the electronic cash ledger. [Sec.54(14)]

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Refund Forms

Form	Purpose
GST RFD-01	Application for Refund
GST RFD-01 -Annex 1	CA / Cost Acc. Certificate
GST RFD-03	Deficiency Memo issued by Officer
GST RFD-04	Order for Provisional Refund (subject to conditions)
GST RFD-05	Payment Advice of Provisional Refund w/l 7 days
GST RFD-06	Order for Final Refund w/l 60 days of Complete Application
GST RFD-07	For Adjustment of Refund against arrears
GST RFD-08	SCN for rejecting Refund
GST RFD-09	Reply to SCN
GST RFD-10 / 11	Application for Refund for spl cat. / Statement of In. supp.

Amount
rejected shall
be re-credited
to e_Credit
Ledger

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Key Takeaways

Refund scenarios **limited**.

Total **online** process.

Online verification to the extent possible.

Communication and **status check** of refund application by the dealer online.

Fixed time limit for refunds in the Act.

Minimal or no blockage of Capital to dealers

Latest Amendments

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Critical Issues

(1) Violation of Criteria for Exports –

(a) Supplies to **Branch office Outside India**,

(b) **POS** India,

(c) Non Receipt of Foreign Currency

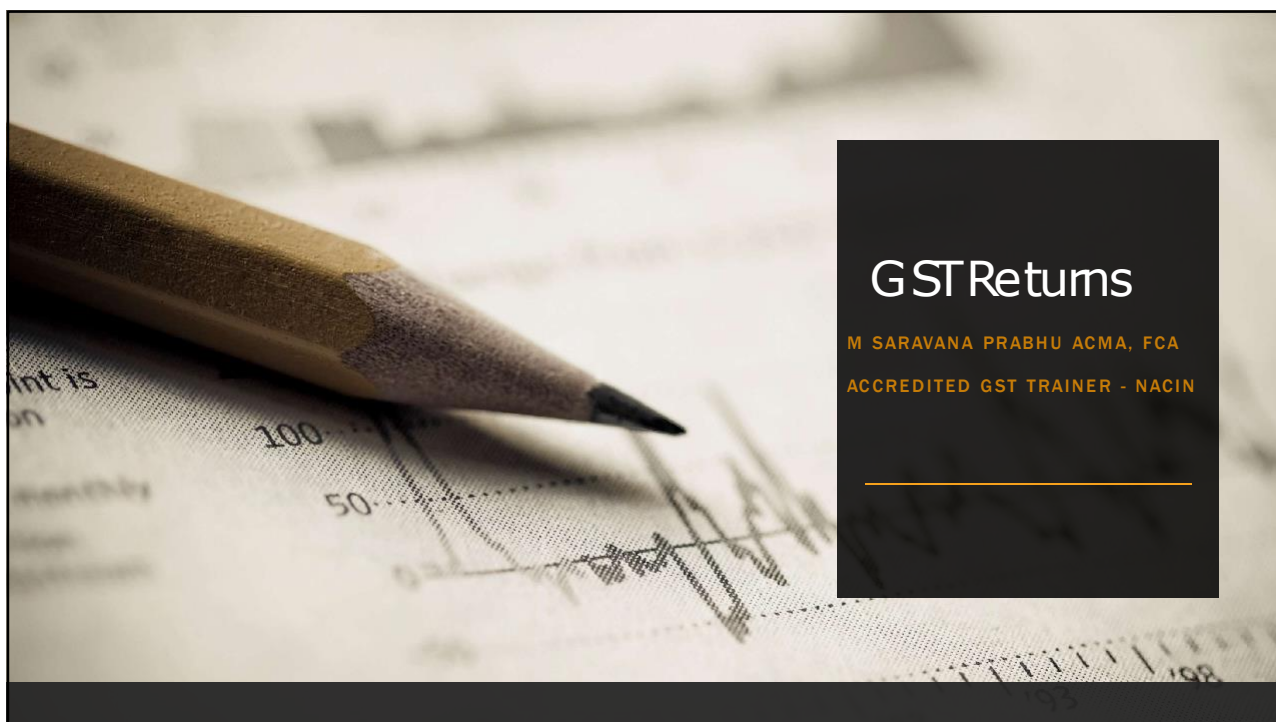
(2) Non-Receipt within Time Limit

(3) Time Period of Claiming Refund

(4) Inter-change of Options for Claiming Refund

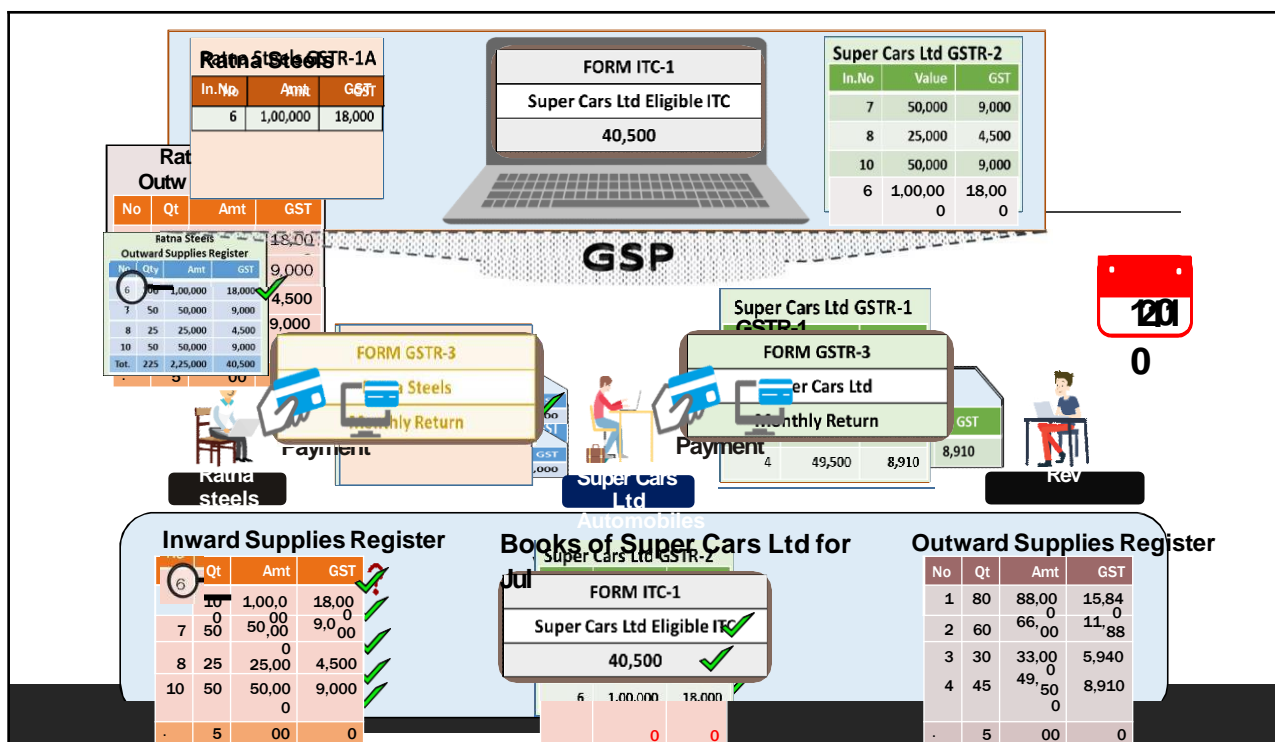
Latest Amendments

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Snap Shot of Returns

Sec./Rule	Type of Taxable Person	Form	Due Date
S. 39/ R. 61	Every registered person under regular scheme including CTP. (<i>Note:</i> Nil return needs to be filed mandatorily even if there is no supply for the month)	GSTR3B	20 th of the next month
S.37/R.59	Every registered person under regular scheme including CTP having Outward Supplies with annual aggregate T/o > 1.5 Crore	GSTR 1	10 th of the next month
	Outward Supplies with annual aggregate with T/o ≤ 1.5 Crore		Last date of month subsequent to the quarter



Snap Shot of Returns

S.38/ R.60	Inward Supplies	GSTR 2	15 th of the next month	Monthly (These have been deferred by the GST Council)
S.39/ R.61	Return [now replaced with GSTR 3B refer above] Composition tax payer / person paying tax under Notification No. 2/2019 CT (R) dt. 07.03.2019 (Note: Nil return needs to be filed mandatorily even if there is no supply.)	GSTR 3	20 th of the next month	
S.39(2)/ R. 62		GSTR 4	30 th April of the next financial year	Return for a Financial Year
		GST CMP 08	18 th of the month succeeding the quarter	Quarterly Statement for payment of tax.

Snap Shot of Returns

S.39(5)/ R.63	Registered NRTP	GSTR 5	20 th of Next month (or) Within 7 days after expiry of registration, whichever is earlier.	Monthly return
R.64	Registered person providing OIDAR services from a place outside India to a non-taxable online recipient.	GSTR 5A	20 th of Next month	Monthly return
S.39/R.65	Input Service Distributor (ISD)	GSTR 6	13 th of Next month	Monthly return

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Snap Shot of Returns

S.39(3)/ R.66	Registered person required to deduct tax at source	GSTR 7	10 th of Next month	Monthly return
S.52(4) /R.67	E-commerce operator (not being an agent) deducting TCS	GSTR 8	10 th of Next month	Monthly Statement

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Snap Shot of Returns

S.44	Regd. Person other than an ISD, tax deductor/tax collector, CTP & NRTP	GSTR 9	31st Dec of Next FY	Annual Return (Need to provide details of Income & Expenses for the entire FY)
	Regd. Person paying tax under Composition Scheme	GSTR 9A	31 st Dec of Next FY	
	E-commerce Operator required to collect tax at source	GSTR 9B	31 st Dec of Next FY	Annual Statement
S.35(5)	Registered person whose aggregate turnover during a financial year exceeds Rs. 2 crore	GSTR 9C	31st Dec of Next FY To be submitted along with the Annual Return [GSTR -9/9A]	Reconciliation Statement

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Snap Shot of Returns

S.45	Taxable person whose registration has been surrendered or cancelled	GSTR 10	Within 3 months of the date of cancellation or date of order of cancellation, whichever is later.	Final Return - One Time
R.82	Det. of Inward Supplies by UIN Holders	GSTR 11	On Need Basis to claim refund / On Demand	

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GSTR3 B :: Step-1

Goods & Service Tax (GST) - Returns

Return Period - January Due Date - 20/02/2018

FY - 2017-18

Please answer the following questions to enable us to show relevant sections

A. Do you want to file Nil return?*
Note: Nil return can be filed by you if you have not made any outward supply (commonly known as sale) AND have NOT received (commonly known as purchase) any goods/services AND do not have any tax liability.
☐ Yes ☐ NO

B. Have you made any supply of goods/services (including nil rated, exempt and non-GST supplies) or received any supplies liable to reverse charge during this tax period? (Table 3.1)*
☐ Yes ☐ NO

C. Have you made any inter-state supplies to unregistered persons, composition taxable persons or UIN holders? (Table 3.2)*
☐ Yes ☐ NO

D. Do you have any claim/reversal of Input tax credit(ITC) on purchase of goods or receipt of services? (Table 4)*
☐ Yes ☐ NO

E. Have you received any nil rated, exempt or non-GST supplies during this tax period? (Table 5)*
☐ Yes ☐ NO

F. Do you have any interest or late fee (including carry forward late-fee) liability? (Table 5.1)*
☐ Yes ☐ NO

G. Do you have any tax liability due to GST TRAN-17(System-populated) (Table 6)*
☐ Yes ☐ NO

Help
 Based on your answers, relevant tables of GSTR-3B will be visible on the next page. You may go back to previous screen by clicking on Back button.

BACK NEXT

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GSTR3 B :: Step-2

Dashboard Returns GSTR3B

GSTR-3B - Monthly Return

GSTIN - 07AAADL0510G1Z4 Legal Name - CBEC Taxpayer 3575 Ltd Status - Not Filed
 FY - 2017-18 Return Period - July Due Date - 20/08/2017

3.1 Tax on outward and reverse charge inward supplies

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

3.2 Inter-state supplies

Taxable Value	Integrated Tax
₹0.00	₹0.00

4. Eligible ITC

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

5. Exempt, nil and Non GST inward supplies

Inter-state supplies	Intra-state supplies
₹0.00	₹0.00

5.1 Interest and Late fee

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

6. Payment of tax

Balance Liability	Paid through Cash
₹0.00	₹0.00
Paid through Credit	
₹0.00	

Top



GSTR3 B :: Step-3

Goods and Services Tax

Dashboard Returns GSTR3B Outward and Reverse Charge Inward

3.1 Details of Outward Supplies and inward supplies liable to reverse charge

Nature of Supplies	Total Taxable value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(b) Outward taxable supplies (zero rated)	₹0.00	₹0.00			₹0.00
(c) Other outward supplies (Nil rated, exempted)	₹0.00				
(d) Inward supplies (liable to reverse charge)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(e) Non-GST outward supplies	₹0.00				

CANCEL CONFIRM

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GSTR3 B :: Step - 4

Details

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	₹0.00			₹0.00
(2) Import of services	₹0.00			₹0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹0.00	₹0.00	₹0.00	₹0.00
(4) Inward supplies from ISD	₹0.00	₹0.00	₹0.00	₹0.00
(5) All other ITC	₹0.00	₹0.00	₹0.00	₹0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of CGST/SGST rules	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00
(C) Net ITC Available (A) - (B)	₹0.00	₹0.00	₹0.00	₹0.00
(D) Ineligible ITC				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

CANCEL CONFIRM

GSTR-1- Step -1

Goods and Services Tax

Dashboard Returns English

File Returns Indicates Mandatory Fields

Financial Year* Return Filing Period*

2017-18 October SEARCH

Details of outward supplies of goods or services GSTR1

Status- Filed

VIEW GSTR1 PREPARE OFFLINE

Auto Drafted details (For view only) GSTR2A

VIEW DOWNLOAD


Monthly Return GSTR3B

Status- Filed

VIEW GSTR3B PREPARE OFFLINE

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GSTR-1 Step -2

Dashboard > Returns > GSTR1


GSTR-1 - Details of outward supplies of goods or services

* Indicates Mandatory Fields

GSTIN - 33AAACG8977F1Z	Legal Name - GOVINDARAJA MUDALIAR SONS PVT LTD	Trade Name - GOVINDARAJA MUDALIAR SONS (P) LTD.
FY - 2017-18	Return Period - October	Status - Filed
Aggregate Turnover in the preceding financial year*		Due Date - 10/01/2018
₹2,04,31,30,567.00		₹46,73,57,514.00

GSTR-1 - Invoice Details ** Important Notice: If the Invoices are more than 500, Please check here

<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">4A, 4B, 4C, 6B, 6C - B2B Invoices 615</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Value</td> <td style="width: 50%;">Total Taxable Value</td> </tr> <tr> <td>₹16,87,73,573.16</td> <td>₹14,30,31,756.86</td> </tr> <tr> <td>Total Tax Liability</td> <td></td> </tr> <tr> <td>₹2,57,41,816.51</td> <td></td> </tr> </table> <p style="font-size: small; margin-top: 5px;">never the same will not be part of actual liabil</p>	Total Value	Total Taxable Value	₹16,87,73,573.16	₹14,30,31,756.86	Total Tax Liability		₹2,57,41,816.51		<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">5A, 5B - B2C (Large) Invoices 0</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Value</td> <td style="width: 50%;">Total Taxable Value</td> </tr> <tr> <td>₹0.00</td> <td>₹0.00</td> </tr> <tr> <td>Total Tax Liability</td> <td></td> </tr> <tr> <td>₹0.00</td> <td></td> </tr> </table>	Total Value	Total Taxable Value	₹0.00	₹0.00	Total Tax Liability		₹0.00		<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">9B - Credit / Debit Notes (Registered) 6</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Taxable Value</td> <td style="width: 50%;">Total Tax Liability</td> </tr> <tr> <td>₹3,34,482.00</td> <td>₹60,206.76</td> </tr> </table> <p style="font-size: small; margin-top: 5px;">liability will be computed net off credit note and</p>	Total Taxable Value	Total Tax Liability	₹3,34,482.00	₹60,206.76
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GSTR-1 Step -3

Goods & Service Tax (G) > Returns > GSTR1

Goods and Service Tax Network (G) > https://return.gst.gov.in/return/gstr1

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<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">9A - Amended B2C (Large) Invoices 0</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Value</td> <td style="width: 50%;">Total Taxable Value</td> </tr> <tr> <td>₹0.00</td> <td>₹0.00</td> </tr> <tr> <td>Total Tax Liability</td> <td></td> </tr> <tr> <td>₹0.00</td> <td></td> </tr> </table>	Total Value	Total Taxable Value	₹0.00	₹0.00	Total Tax Liability		₹0.00		<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">9A - Amended Exports Invoices 0</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Value</td> <td style="width: 50%;">Total Taxable Value</td> </tr> <tr> <td>₹0.00</td> <td>₹0.00</td> </tr> <tr> <td>Total Tax Liability</td> <td></td> </tr> <tr> <td>₹0.00</td> <td></td> </tr> </table>	Total Value	Total Taxable Value	₹0.00	₹0.00	Total Tax Liability		₹0.00		<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">9C - Amended Credit/Debit Notes (Registered) 0</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Taxable Value</td> <td style="width: 50%;">Total Tax Liability</td> </tr> <tr> <td>₹0.00</td> <td>₹0.00</td> </tr> </table>	Total Taxable Value	Total Tax Liability	₹0.00	₹0.00
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<div style="background-color: #003366; color: white; padding: 5px; text-align: center; font-weight: bold;">9C - Amended Credit/Debit Notes (Unregistered) 0</div> <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Total Taxable Value</td> <td style="width: 50%;">Total Tax Liability</td> </tr> <tr> <td>₹0.00</td> <td>₹0.00</td> </tr> </table>	Total Taxable Value	Total Tax Liability	₹0.00	₹0.00																		
Total Taxable Value	Total Tax Liability																					
₹0.00	₹0.00																					



GSTR-1 Step -4

7 - B2C (Others) 1		8A, 8B, 8C, 8D - Nil Rated Supplies 0		11A(1), 11A(2) - Tax Liability (Advances Received) 0	
Total Taxable Value	Total Tax Liability	Total Nil Amt	Total Exempted Amt	Gross Advance Received	
₹9,02,051.00	₹1,62,369.18	₹0.00	₹0.00	₹0.00	
		Total Non-GST Amt		Total Tax Liability	
		₹0.00		₹0.00	

11B(1), 11B(2) - Adjustment of Advances 0		12 - HSN-wise summary of outward supplies 10		13 - Documents Issued 2	
Gross Advance Adjusted		Total Value	Total Taxable Value	Total Docs	Cancelled Docs
₹0.00		₹16,98,38,875.76	₹14,39,34,556.00	621	0
Total Tax Liability		Total Tax Liability		Net Issued Docs	
₹0.00		₹2,59,04,316.31		621	

11A - Amended Tax Liability (Advance Received) 0		11B - Amendment of Adjustment of Advances 0		10 - Amended B2C(Others) 0	
Gross Advance Received		Gross Advance Adjusted		Total Taxable Value	
₹0.00		₹0.00		₹0.00	
Total Tax Liability		Total Tax Liability		Total Tax Liability	
₹0.00		₹0.00		₹0.00	



GSTR-1 Step -5

11B(1), 11B(2) - Adjustment of Advances 0		12 - HSN-wise summary of outward supplies 10		13 - Documents Issued 2	
Gross Advance Adjusted		Total Value	Total Taxable Value	Total Docs	Cancelled Docs
₹0.00		₹16,98,38,875.76	₹14,39,34,556.00	621	0
Total Tax Liability		Total Tax Liability		Net Issued Docs	
₹0.00		₹2,59,04,316.31		621	

11A - Amended Tax Liability (Advance Received) 0		11B - Amendment of Adjustment of Advances 0		10 - Amended B2C(Others) 0	
Gross Advance Received		Gross Advance Adjusted		Total Taxable Value	
₹0.00		₹0.00		₹0.00	
Total Tax Liability		Total Tax Liability		Total Tax Liability	
₹0.00		₹0.00		₹0.00	

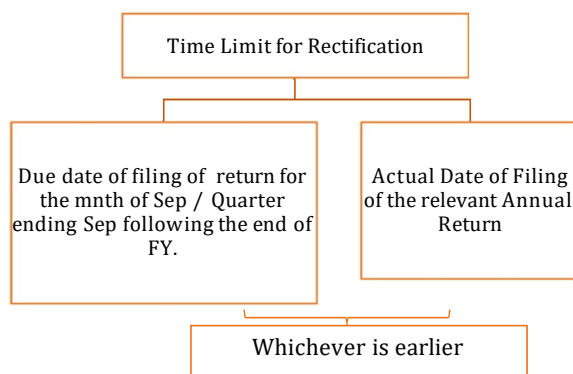
GENERATE GSTR-1 SUMMARY

☐ I acknowledge that I have reviewed the details of the preview and the information is correct and would like to submit the details. I am aware that no changes can be made after submit.



Returns – Spl Points

- 1. Rectification of Errors / Omissions:** Under GST, there is no mechanism to file revised returns, rectification of Errors/Omissions is allowed only on subsequent returns.

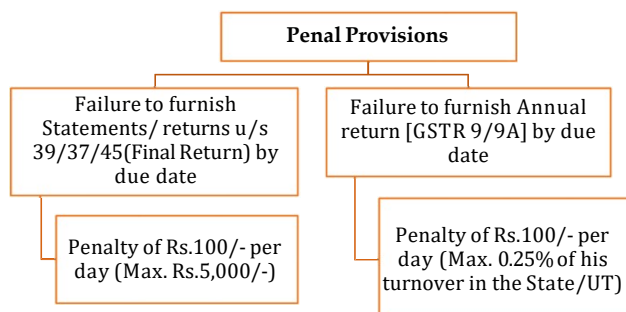


Returns – Spl Points

- 1. Rectification of Errors / Omissions:** Under GST, there is no mechanism to file revised returns, rectification of Errors/Omissions is allowed only on subsequent returns.
- 2. Due date of Payment of Tax:** Both Due date for payment of tax & Filing of return are one and the same. Exception: Advance Deposit of tax by CTP/NRTP.
- 3. First Returns and Final Returns**
- 4. Return Defaulters:** If a regd. Person fails to furnish returns u/s 39/44/45/52, a notice shall be served to him to furnish such returns **within 15 days**.



Returns – Spl Points



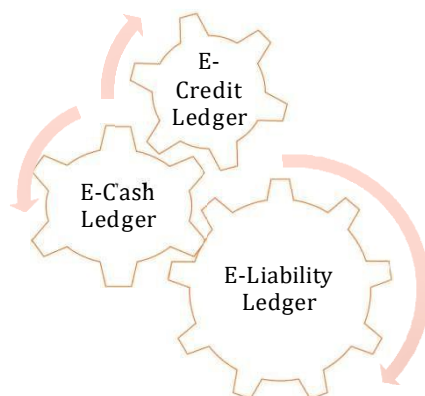
An equal amt of Late fee leviable under SGST/UTGST

GST Payment

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MSARAVANAPRABHU@OUTLOOK.COM

Snap Shot of Payments



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Snap Shot of Payments

Ledger	Major heads	Minor heads	Remarks
e-Cash Ledger	CGST, SGST, UTGST, IGST, Cess	Tax, Int, Penalty, Other payments	Used for payment of Output Tax and Reverse Charge
e-Credit Ledger	CGST, SGST, UTGST, IGST, Cess	Only Tax	Used only for payment of Output Tax

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E Cash Ledger

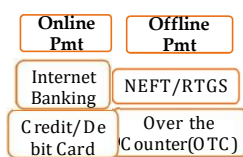


Cash Receipts (Cr) using
online modes/OTC
Deposits.
TDS
TCS

Liability Pmts (Dr)

Pmt of Tax, Int, Penalty, Fee
& other amt.

Modes of Deposit in E-cash Ledger:



Note: Only Rs.10,000/-
per challan per tax
period is allowed for
OTC & No limit for
other modes.

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E Cash Ledger

Deposits

- On common portal, a challan in **Form GST PMT-06** is generated & info of amt to be deposited towards tax, int, penalty & any other amt is entered.
- CPIN** will be created for every successful challan generated by tax payer(valid for 15days)
- On **successful credit** to the concerned Govt. A/c, a **CIN** shall be generated by collecting bank & the same is indicated in challan.
- Amt shall be Cr to the e-cash ledger of the person & receipt made available on common portal.
- Amt deducted **u/s 51** / **collected u/s 52** from the regd

Refund & Discrepancies

- If any person claimed refund from e-cash ledger, the same shall be debited from e-cash ledger.
- On rejection of refund by PO - the amt so debited to the extent of rejection shall be credited again by an order in Form GST PMT-03
- Any discrepancy relating to (a)Deposit not reflecting - Form GST PMT 07 (b) Any other discrepancy-Form GST PMT-04 shall be communicated through common portal.

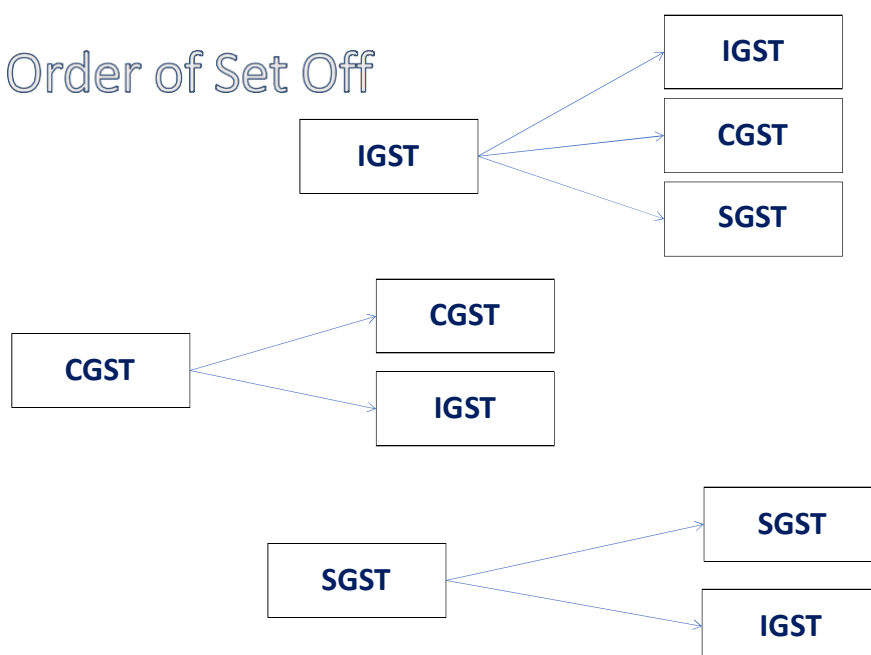
50

E Credit Ledger

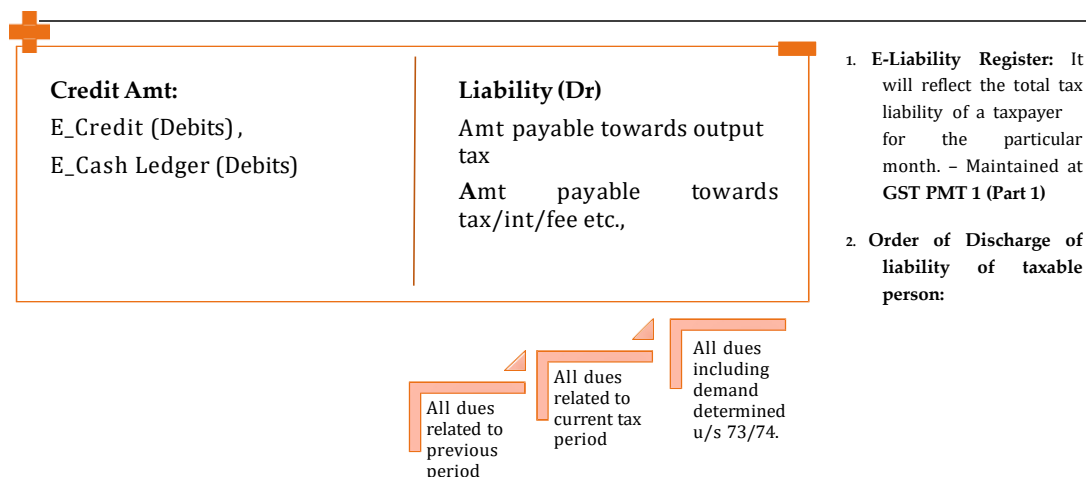
<p>Credit Amt: ITC as self assessed in the return in the form of CGST,SGST,UTGST,IGST</p>	<p>Liability Pmts (Dr) Pmt of Tax of CGST, SGST, UTGST, IGST in below order</p>
--	--

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Order of Set Off



E Liability Ledger



1. **E-Liability Register:** It will reflect the total tax liability of a taxpayer for the particular month. – Maintained at GST PMT 1 (Part 1)
2. **Order of Discharge of liability of taxable person:**

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Interest (Sec. 50)

1. Every person who fails to pay the tax or any part thereof to the Government within the period prescribed under the Act / Rules, shall, for the period for which **the tax or any part thereof remains unpaid**, pay on his own, interest at such rate not exceeding 18% as may be notified, on the recommendation of the Council.

2. The interest rate notified is **18% w.e.f. 1.7.2017 – Notfn 13/2017 CT dated 28/6/2017 and Corresponding Notfn 6/2017 IT**

3. The interest as above shall be calculated in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid till the actual date of payment.

A proviso has been inserted in Sec. 50 vide the Finance (No.2) Act, 2019 providing for deposit of interest only on net liability payable in Cash (after setting off of ITC)

Exception: Where returns are filed subsequent to initiation of any proceeding's u/s 73 or 74, the above new proviso is not applicable

TCS for E_Comm- Basics

E_Comm - Basics

Definitions

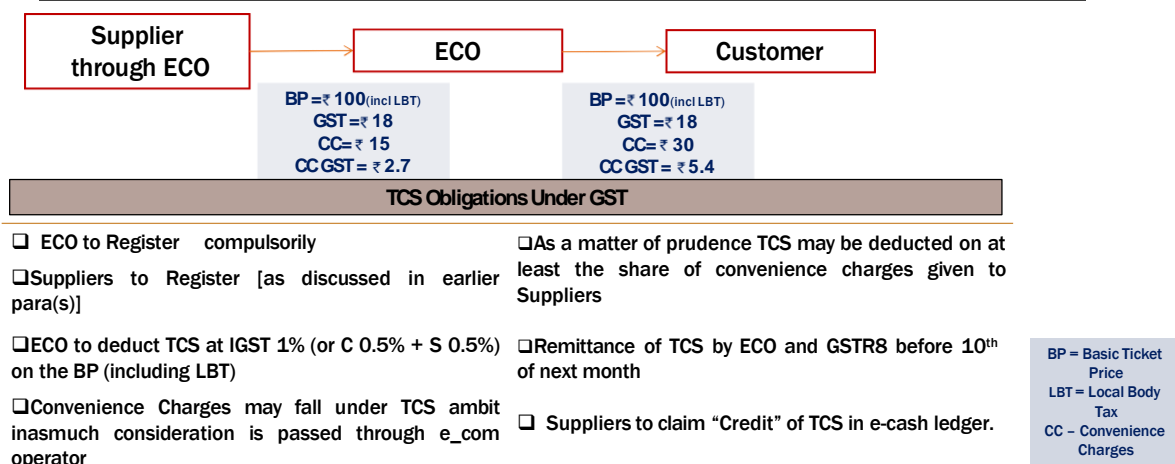
Sec. 2 (44): “**Electronic Commerce**” means the supply of goods or services or both, including digital products over digital or electronic network.

2. Sec. 2 (45): “**Electronic Commerce Operator**” means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

E-Commerce / E-Commerce Operator

E-Commerce – Sec.2(44)	E-Commerce Operator – Sec.2(45)
=> E-Commerce means	=> E-Commerce Operator means
=> the supply of G/S or both	=> Any person who
=> Including Digital Products	=> Owns, Operates, Manages
=> Over digital or Electronic Network.	=> Digital or electronic Facility or platform for e-commerce

Model 1 – TCS Implications



E_comm Operators – TCS

- ECO shall collect an amount calculated at such rate not exceeding 1% of the net value of taxable supplies made through it by other suppliers
- Such TCS shall be made only where the consideration with respect to such supplies is to be collected by ECO
- Such TCS to be deducted at GSTIN Level (supplier wise) *
- Rate of TCS is 0.5% each i.e under CGST and SGST Act / UTGST Act respectively and the same is 1% under the IGST Act, 2017. **[Notfn No. 52/2018 – CT]**
- Supplier can take credit in e_Cash Ledger

*[GST Council - Law Committee FAQ dt. 28-09-2018]

E_Comm Operators – TCS Returns etc.

The TCS to be paid to the Govt. within 10 days after the end of the month

ECO shall furnish the monthly details of outward supplies (including Sales Returns if any), and TCS collected, in Form GSTR 8*, within 10th of Next month.

The details of TCS furnished by an e-commerce operator under section 52 in **FORM GSTR-8 shall be made available to the concerned person in Part C - GSTR 2A electronically**

ECO to furnish annual statement in Form GSTR 9B, before the 31st Dec of Next FY.

ECO shall rectify errors if any in the statement to be furnished for the month during which such errors are noticed, subject to payment of interest, u/s 50(1)

Such rectification to be done On or before the due date for furnishing of statement for September of Next FY or the actual date of furnishing of the relevant annual statement, whichever is earlier.

Where Tcs not required

Where the consideration with respect to such supplies is not collected by ECO

Payment in respect of Non Taxable/Exempt Supplies

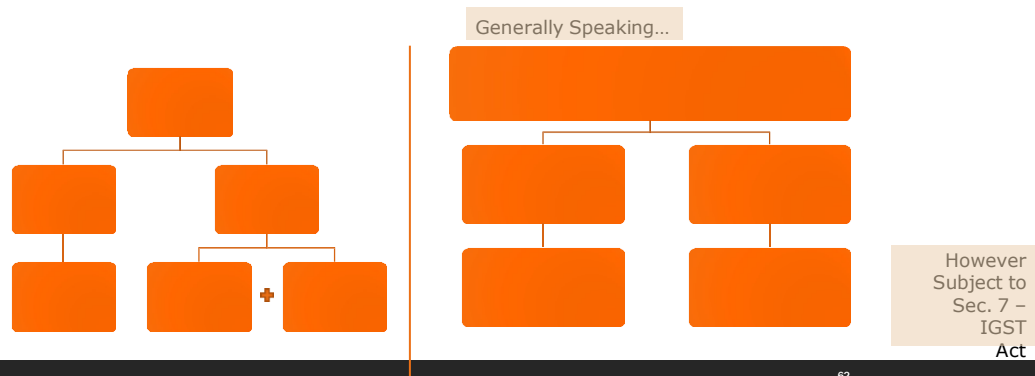
Supplies where Tax is to be paid on reverse charge basis by the Recipient ***[Law Committee FAQ No 15]**

Payment to Suppliers who are not required to be registered under GST

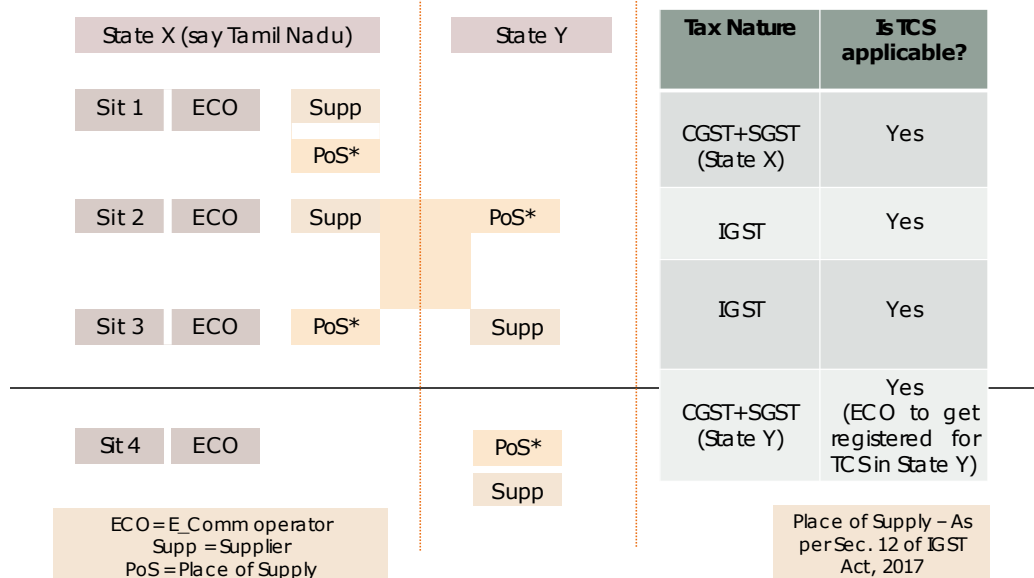
TCS – Nature of Tax in Different Situations

The Nature of TCS to be deducted is based on the nature of Tax for the underlying transaction for which payment is made.

Therefore, TCS can either be CGST + SGST / IGST depending on the nature of the Transaction, based on the Location of the Supplier and the Place of Supply



TCS – Nature of Tax in Different Situations



SPECIFIC FAQs RELATING TO TCS

Query 1: Does e- comm operator need separate Registration under GST Act for TCS?

Reply: (a) Separate Registration is reqd. for TCS in Form GST REG 07 as compared to existing GSTIN as a supplier

(b) However for Registration can be taken using the Head Office Address as the Place of Business. *[GST Council - Law Committee FAQ dt. 28-09-2018]

Query 2 : TCS amount should be collected at 2% or 1%

Reply: (a) ECO to collect an amount calculated at such rate not exceeding 1% as may be notified.

(b) Rate of TCS is 0.5% each i.e under CGST and SGST Act / UTGST Act respectively & 1% under the IGST Act, 2017. [Not. No. 52/2018 – CT]

(c) Supplier can take credit in e-Cash Ledger.

Query 3: Is TCS Collected 1% is on Including GST /Excluding GST of the net value of Taxable Supplies?

Reply: Net value of taxable supplies shall mean the aggregate value of Taxable Supplies of goods or services or both, other than services notified u/s 9(5), made during any month by all registered persons through the operator reduced by the aggregate value of taxable Supplies returned to the suppliers during the said month.

As per Section 15(2), Net value of taxable Supplies shall include -

(a) Any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than GST/ Compensation Cess to be included

Hence it follows that - (a) GST need not be considered as part of Value for TCS
(b) However any other Levies such as Entertainment Tax / LBT etc shall be considered and TCS to be made on the same

Query 4: Does TCS collected is 1% on convenience charges?

Reply: Refer the earlier discussion on this. Convenience Charges may fall under TCS ambit inasmuch payment is passed through ECO

However a view may be taken that Since the same may not be "Service provided through e-comm Operator" u/s 52(1) & hence not TCS is attracted.

Query 5: Does e-comm operator should get registered state-wise?

Reply: Registration is required in each State / UT where deductees are located

.

However for Registration can be taken using the Head Office Address as the place of business. *[GST Council - Law Committee FAQ dt. 28-09-2018]

Query 6: When to deduct and remit TCS?

Reply: (a) Sec 52 specifies that TCS shall be made on the net value of taxable supplies made through it by other suppliers where the consideration w.r.t. such supplies is to be collected by the operator.

(b) Hence it follows, TCS to be made when (a) supply is made through ECO, (b) consideration is collected

***[GST Council - Law Committee FAQ 13]** TCS is to be collected once supply has been made through the e-commerce operator and where the business model is that the consideration is to be collected by the e-commerce operator irrespective of the actual collection of the consideration. For example, if the supply has taken place through the e-commerce operator on 30th October, 2018 but the consideration for the same has been collected in the month of November, 2018, then TCS for such supply has to be collected and reported in the statement for the month of October, 2018.

Tax Deducted at Source

Sec 51(1): TDS - Applicability

51. (1) **Notwithstanding** anything to the contrary contained in this Act, the Government may mandate,—

(a) a **department or establishment** of the CG or SG; or

Ex: Department of Economic Affairs | Central Board of Direct Taxes | Central Board of Indirect Tax and Customs

(b) **local authority**; or (Section 2(69) defines)

Ex: Chennai Municipal Corporation | Panchayat

(c) **Governmental agencies**; or

Ex: NHAI | IB | CBI | Election Commission of India | RBI | SEBI

(d) such persons or category of persons as may be **notified** by the Government on the recommendations of the Council.



Sec 51(1): TDS - Applicability

Notification No. 33/2017-Central Tax dated 15 September 2017

- Appoints effective date (not applicable date) - 18 Sept 2017

Section 51(1)(d) – Notified Persons

(a) an **authority or a board or any other body**, -

(i) **set up by an Act of Parliament** or a State Legislature; or

(ii) **established by any Government**,

Ex: Spices Board | Coffee Board | Rubber Board

with = >51% participation by way of **equity or control**, to carry out any function;



Sec 51(1): TDS - Applicability, Rate & Value

(b) **society** established by CG or SG or LA under the Societies Registration Act, 1860 (21 of 1860);

Ex: Central Government Employees Welfare Housing Organisation

(c) **public sector undertakings (PSUs):**

Ex: NTPC | ONGC | SAIL | BHEL | IOCL | GAIL

- to deduct **tax @ 1%**
- from the **payment made or credited**
- ~~to the supplier of taxable goods or services or both,~~
- where the total value of such supply, under **a contract, > INR 2.5 lakhs***

• *** Value = Value of Taxable Supplies excl GST**



Sec 51(1): TDS – Applicability Summary

LoS	PoS	LoR	TDS	GST
TN	TN	TN	Applicable	CGST + TN-SGST
TN	TN	Karnataka	Not applicable	CGST + TN-SGST
TN	Karnataka	Karnataka	Applicable	IGST
TN	Kerala	Karnataka	Applicable	IGST
TN	Karnataka	TN	Applicable	IGST

TAX
DEDUCTION
AT SOURCE

Sec 51:TDS – Non Applicability

(a)When goods and/or services are supplied from a **PSU to another PSU**, whether or not a distinct person. (Notification No 61/2018 CT dt. 05.11.2018 w.e.f 01.10.2018)

(b)When supply of goods and/or services takes **place between one person to another person specified in clauses (a) to (d) of Sec.51(1)** (Notfn. No 73/2018 CT dt. 31.12.2018)

(c)All Goods / Services supplier under a Contract are **Exempted / Non-GST / Sch III Supplies**

(d) Where Tax is to be paid on a **Reverse Charge Basis**

(e)When the Location of the Supplier and the Place of Supply is in a State/ UT which is different from the State/ UT of registration of the recipient

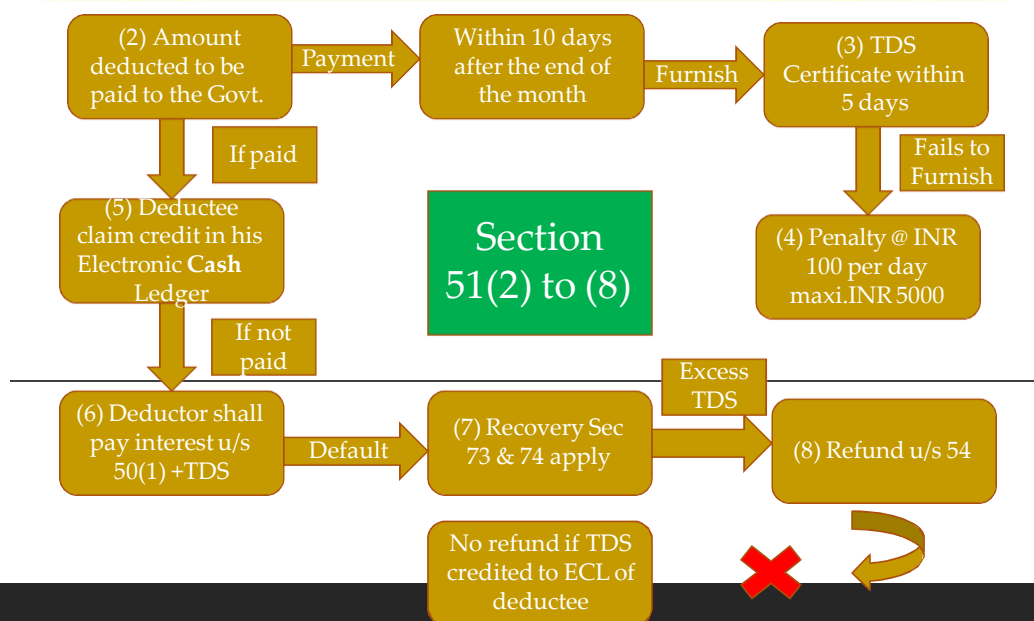
Sec 51:TDS – Case Studies

No.	Particulars	TDS	Reasons
(a)	Finance Department is making a payment of Rs.3 Lakh to a supplier of 'Printing & Stationery'	Yes	Total value of supply excl. Tax > Rs.2.5L
(b)	Education Department is making payment of Rs.5L to a supplier of 'printed books and printed or illustrated post cards' where payment for books is Rs.2L and Rs.3L is for other printed or illustrated post cards	Yes	Yes, deduction is required in respect of payment of Rs. 3 Lakh (Post Card – Taxable supply, Books – Exempted)
(c)	Finance Department is making payment of Rs.1.5 Lakh to a supplier of 'car rental service'. Total value of supply under the contract excl. Tax= Rs.2 Lakhs	No	No TDS Since the total value of supply under the contract excl. Tax ≤ Rs.2.5 L
(d)	Health Department executed a contract with a local supplier to supply "medical grade oxygen" of Rs.2.6 Lakh (including GST) and is making full payment	No	Tot Val (excl Tax) = 2.32L [2.6L * 100/112] ≤ Rs.2.5 L

Sec 51:TDS – Case Studies

No.	Particulars	TDS	Reond
(e)	Municipal Corporation of Kolkata purchases a heavy generator from a supplier in Delhi. Now, it is making payment of Rs.5 Lakh and IGST @18% on Rs.5 Lakh for such purchase.	Yes	Total value of supply excl. Tax> Rs.2.5L. IGST (2%) since LoS=Del, PoS = Kol
(f)	Municipality is making payment of Rs.5 Lakh to a supplier in respect of cleaning of drains where the value of supply of goods is not more than 25% of the value of composite supply	No	This supply of service is exempt vide SI. No.3ANot.12/2017 CTR (Services to Govt.)
(g)	Government school is making a payment of Rs.3 Lakh to a supplier for supply of cooked food as mid-day meal under a scheme sponsored by Central/State Government.	No	This supply of service is exempt in terms of SI. No. 66 of Not.12/2017 CTR (Edu Services)

Sec 51(2) to (8)- Summary



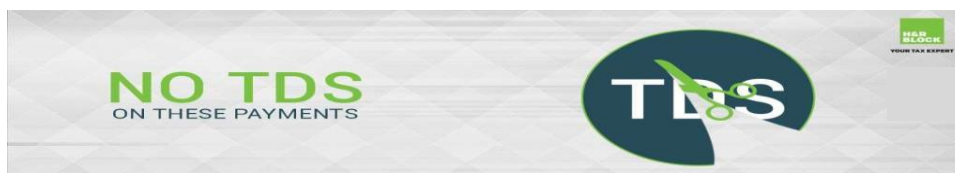
Sec 51(1): No TDS

Proviso

- Provided that
- **no deduction** shall be made
- if the **location of the supplier and PoS** is in a State or UT
- which is **different from the State** or UT of **registration of the recipient**.

Points to be Noted:

- No TDS on URP
- **For Intra state Supply** - Location of the supplier | 2. PoS | 3. Recipient's registered POB - All must be inside a State
- **For Interstate** – TDS applicable as per section 20.



Thank You

M SARAVANA PRABHU ACMA, FCA
ACCREDITED GST TRAINER -
NACIN