

COVERAGE

Topic	Speaker	Duration
Input Tax Credit	CA Basavaraja MN	40 mins
GST Audit and Annual Return	CA P Nitish	55 mins
Export/Supplies to SEZ	CA Pinky Bhonsley	30 mins
Critical Issues in GST Compliances	CA Santhosh P P	30 mins
Recent Issues in GST and TDS	CA Subroto Bose	60 mins

PART I -INPUT TAX CREDIT

CA Basavaraja M N

FLOW OF PRESENTATION

Definition

Conditions for Availment

Blocked Credits

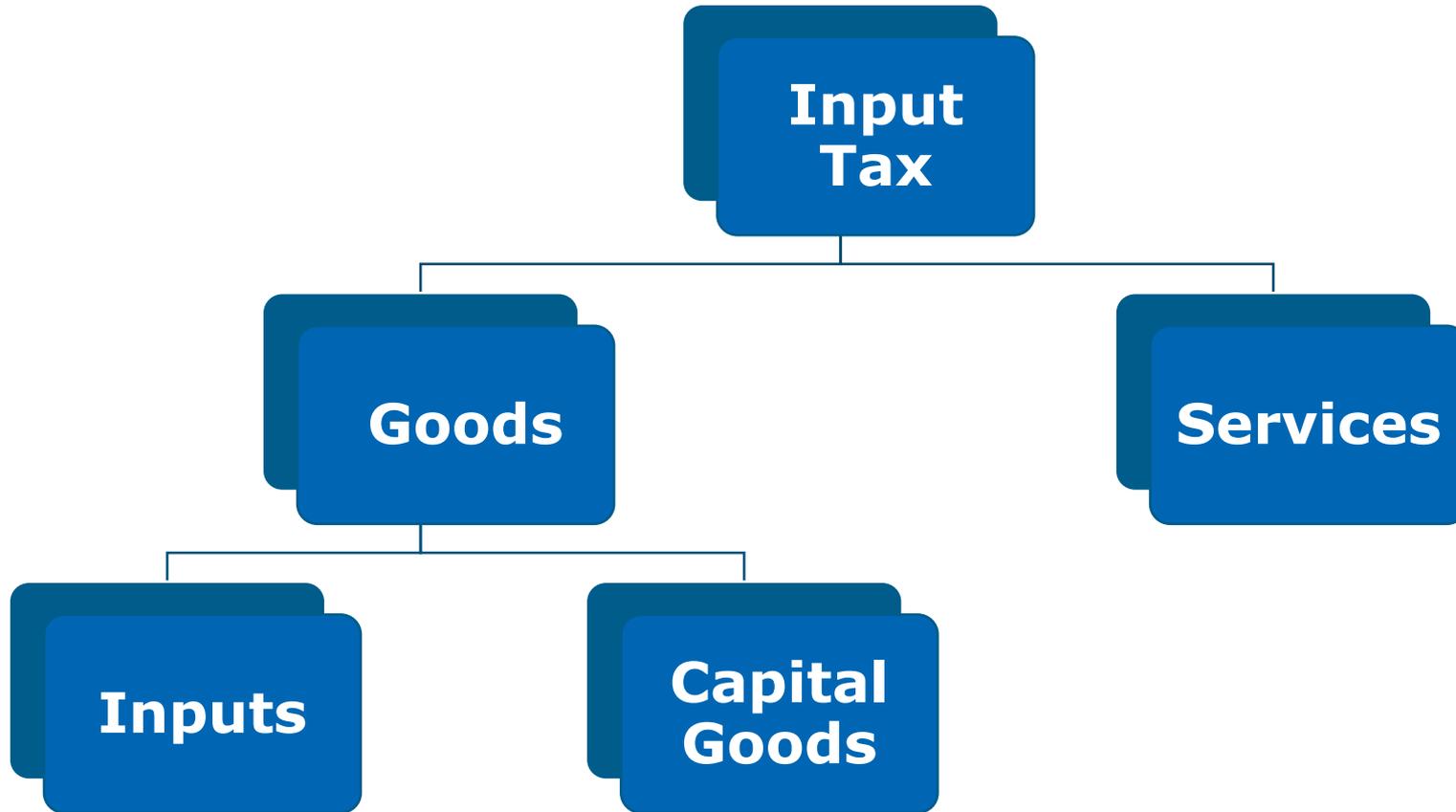
Apportionment of Credits

Documents Required

Distribution of ITC by ISD

Case Studies

DEFINITION



CONDITIONS

- Physical possession of tax invoice/debit note
- Goods/Services have been received
- Tax charged has been paid to the Government
- Returns have been filed

Notes:

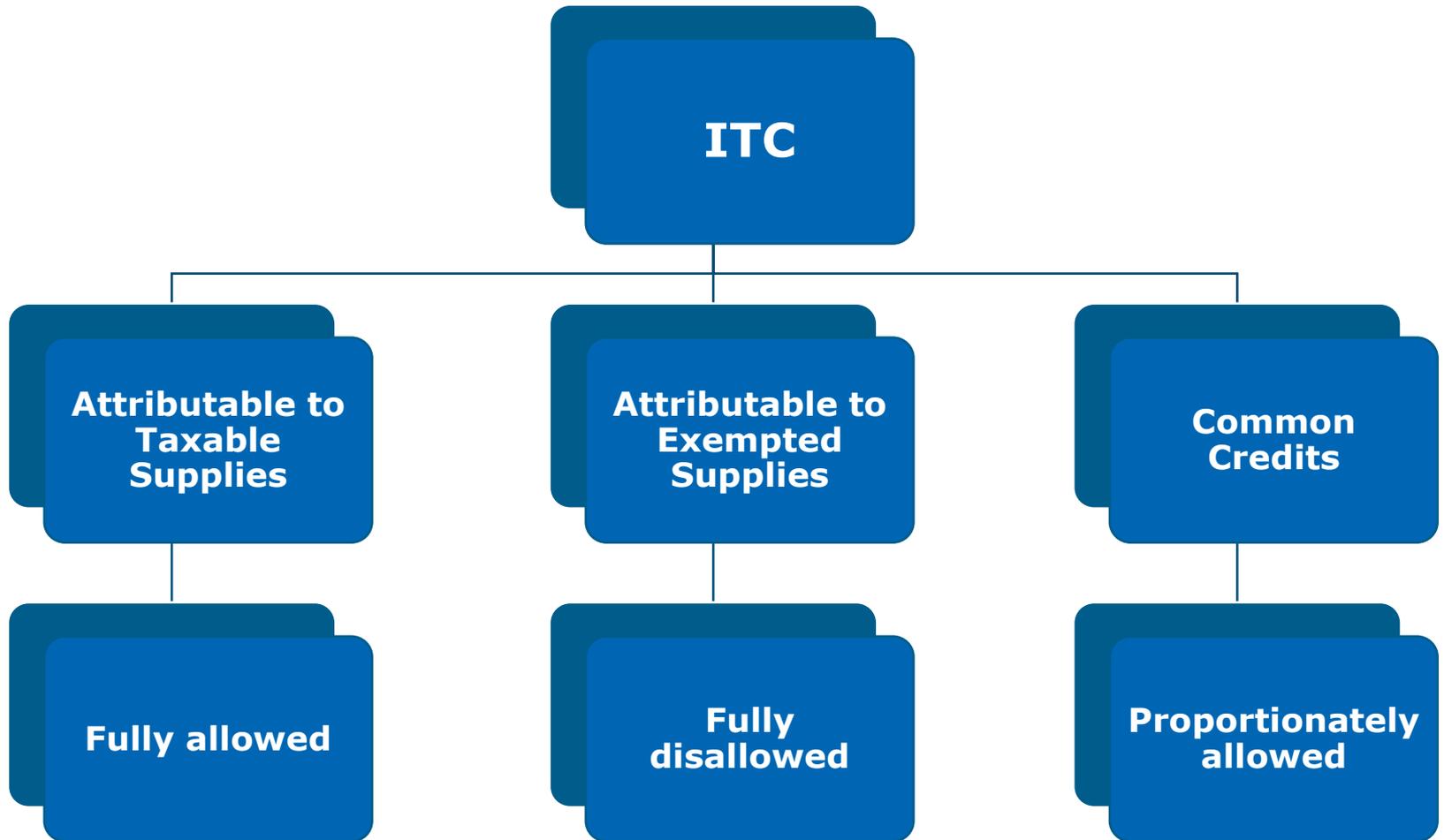
1. *No credit on GST on Capital Goods if IT depreciation claimed on such tax component*
2. *Failure to pay supplier within 180 days from the date of issue of invoice (Except Deemed Supplies – Schedule I transactions)*
3. *If goods received in lots ITC claim only upon receipt of last lot*
4. *Time Limit of availing Credit – earlier of*
 - *Due date for filing of return (Sept following year) OR Annual Return*

BLOCKED CREDITS

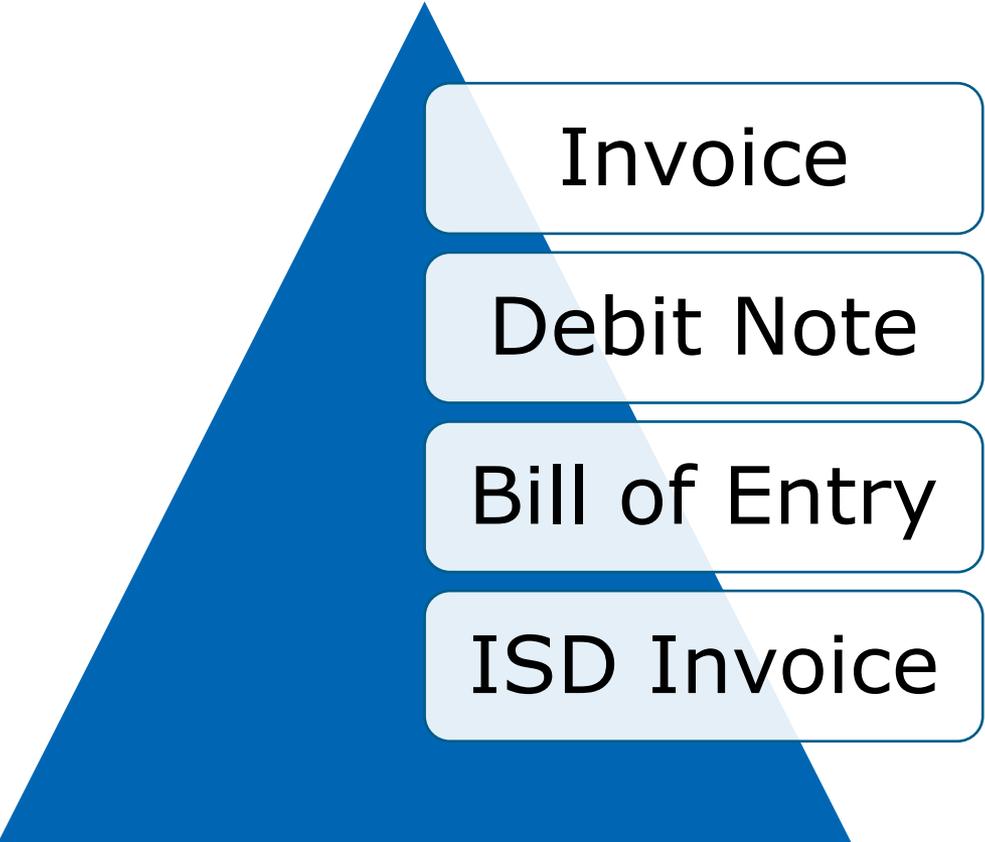
Blocked Credits

- Motor Vehicles
- Goods or Services used for Personal/other than business purpose
- Inputs destroyed/lost/stolen/written off or disposed as gift or sample
- Works Contract/Construction
- Composition Tax suppliers
- Rent a cab, life insurance and health insurance
- Membership of a club, health/fitness center, food and beverage, outdoor catering, beauty treatment, health services, cosmetic surgery, travel benefits

APPORTIONMENT OF CREDITS



DOCUMENTS REQUIRED



Invoice

Debit Note

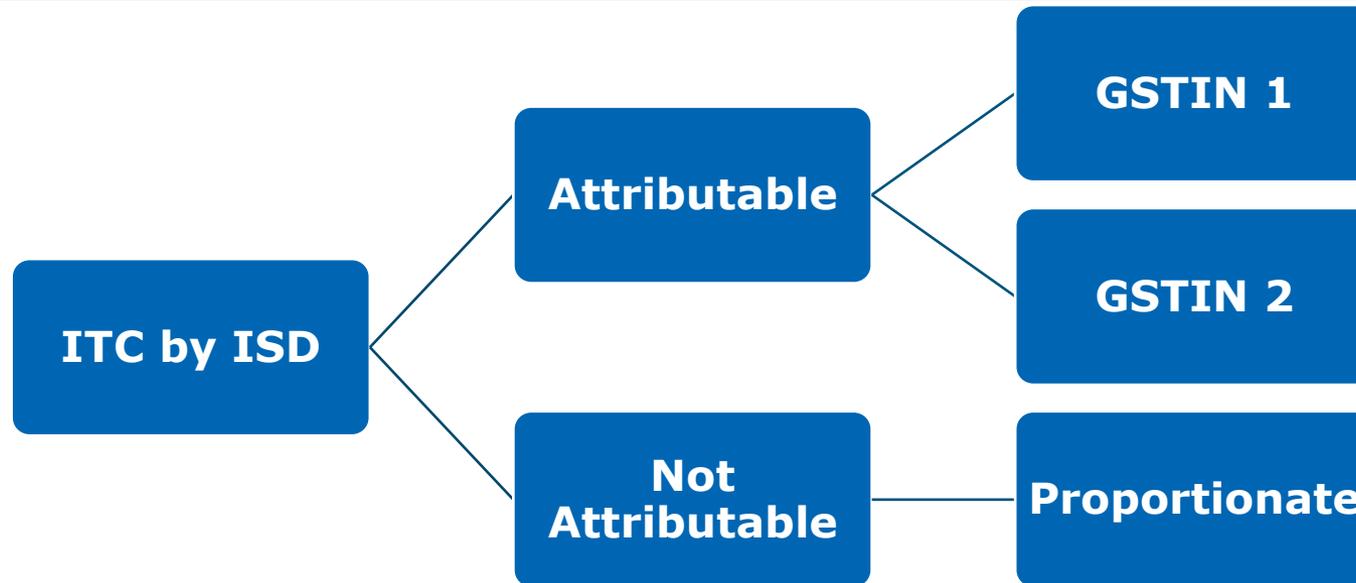
Bill of Entry

ISD Invoice

Notes:

- *ITC shall be availed only if all required details are mentioned.*
- *No ITC in respect of tax paid in pursuance of any order where demand is raised on account of fraud or willful misstatement or suppression of facts.*

DISTRIBUTION OF ITC BY ISD



Notes:

- *To be distributed in the same month.*
- *The ISD shall issue an-*
 - *ISD invoice, clearly indicating that it is issued only for ITC distribution*
 - *Credit note for reduction of credit in case the ITC already distributed gets reduced for any reason.*

RECENT DEVELOPMENTS – WILL BE NOTIFIED SOON

- EC,SHEC, KKC excluded from the transitional credits
- Supply of services brought under “Bill To Ship To” model for input tax credit
- High Sea sales, merchant trading, supply of goods lying in customs bonded warehouses before clearance for home consumption are not considered as supply
- Dumpers, fork-lifts – ITC would be available
- Any goods or services supplied to employees as required by any law, ITC would be eligible
- Vehicle maintenance cost

CASE STUDIES

- ITC of one state cannot be claimed at another state
- ITC on vehicle is available when the requirement of registration under Motor Vehicles Act, 1988 is not applicable
- Annual return (Item 6M) – Unavailed ITC through TRAN I/II
- AMC related services and credit eligibility thereof
- Imports - payment within 180 days

PART II – ANNUAL RETURN AND GST AUDIT

CA P NITISH

GSTR 9 – Annual Return - Overview

GSTR 9 - Contents

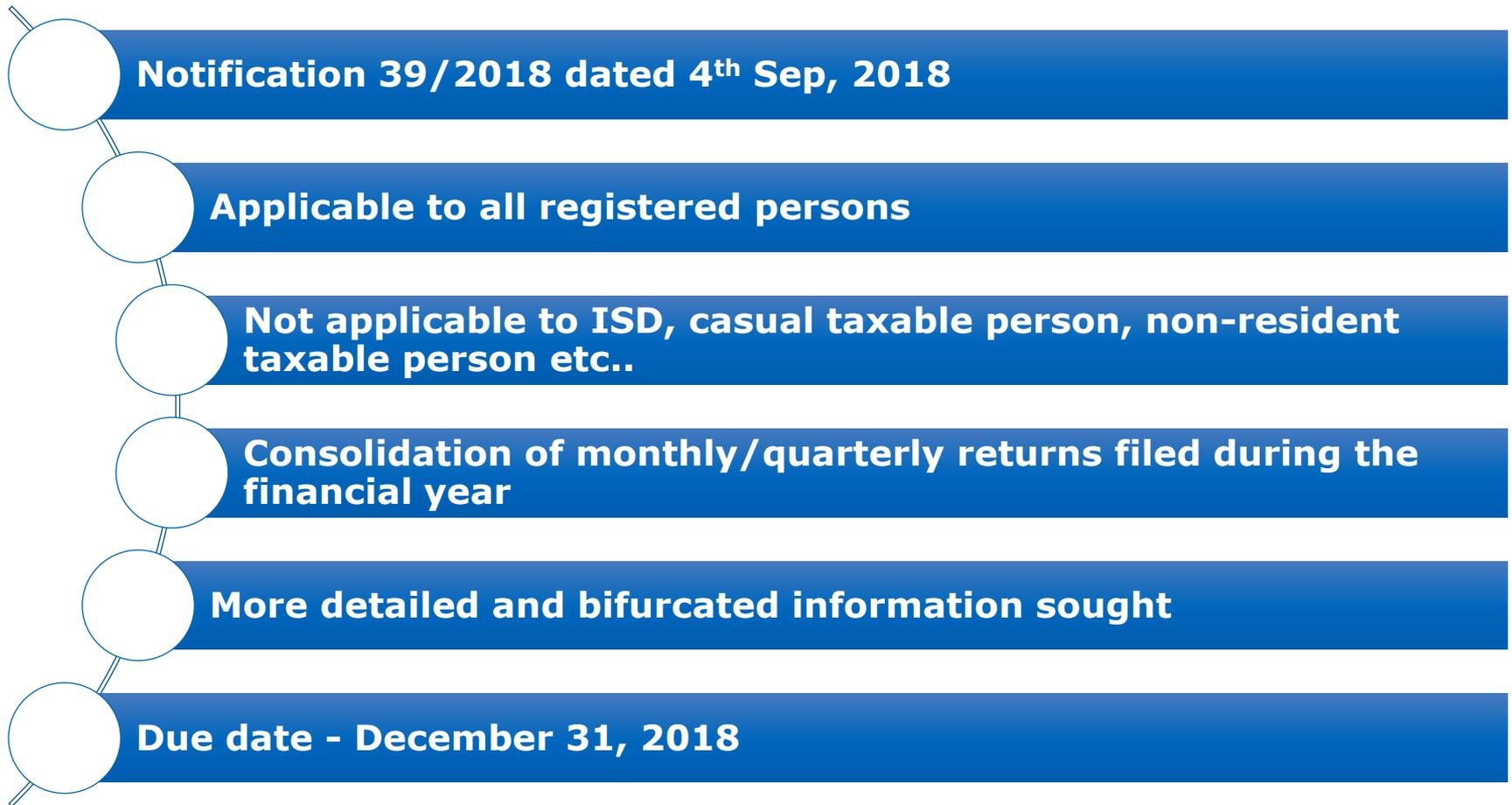
GST Audit – Applicability

GST Audit

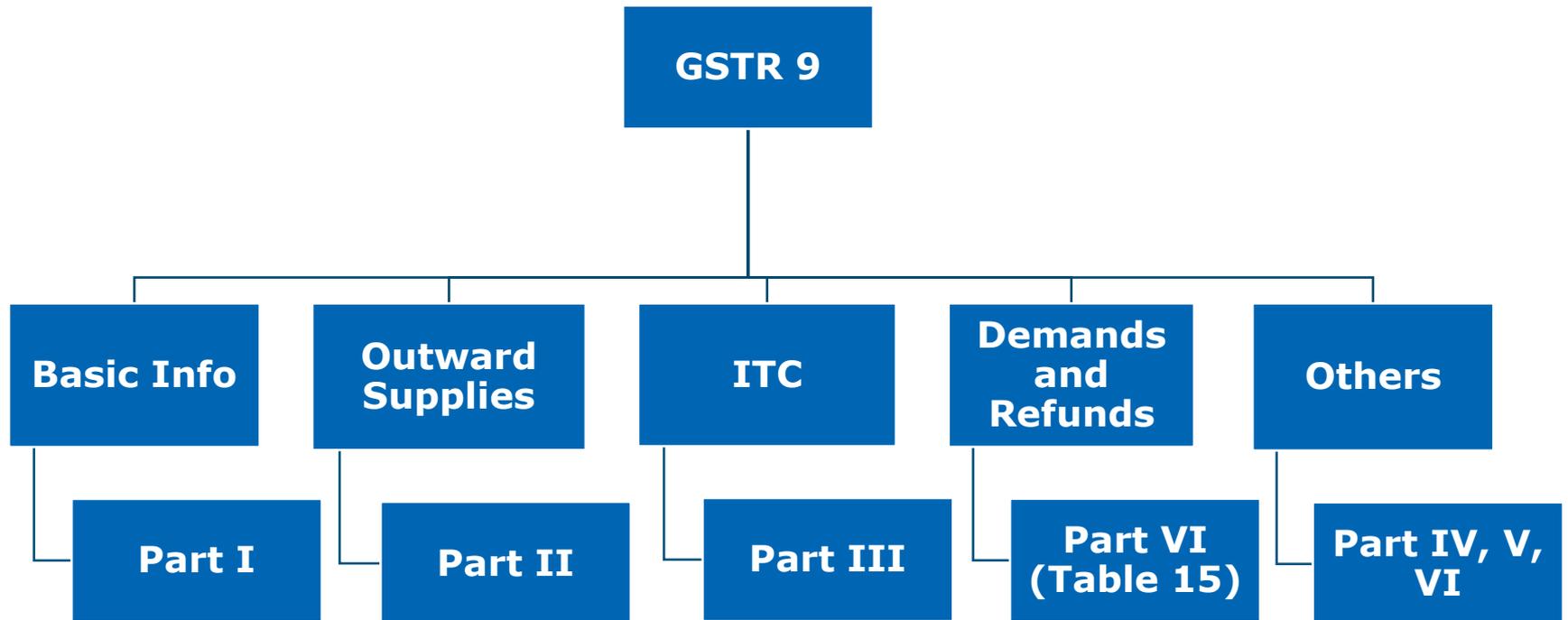
Basic understanding

Key pointers for Auditee

GSTR 9 – ANNUAL RETURN - OVERVIEW



GSTR 9 - CONTENTS



OUTWARD SUPPLIES

Part II

Detailed Information on:	Table Reference	
	GSTR 9	GSTR 1
B2C supplies	4	9 and 10
B2B supplies	4	4A and 4C
Exports/Supplies to SEZ	4 and 5	6A and 6B
Deemed Export	4	6C
Exempted, Nil Rated and Non-GST supply	5	8
Credit and Debit Notes	4 and 5	9B
Amendments	4 and 5	9A and 9C

Key issues to note:

- *HSN-wise and rate wise details to be maintained (refer table 17)*
- *Unadjusted advances as on 31st March, 2018*
- *Inward supplies on Reverse Charge*
- *Amendments – Having impact on value of taxable supply/tax*
- *Check for Schedule III transactions*
- *Notes on differences, if any*

OUTWARD SUPPLIES (Contd..)

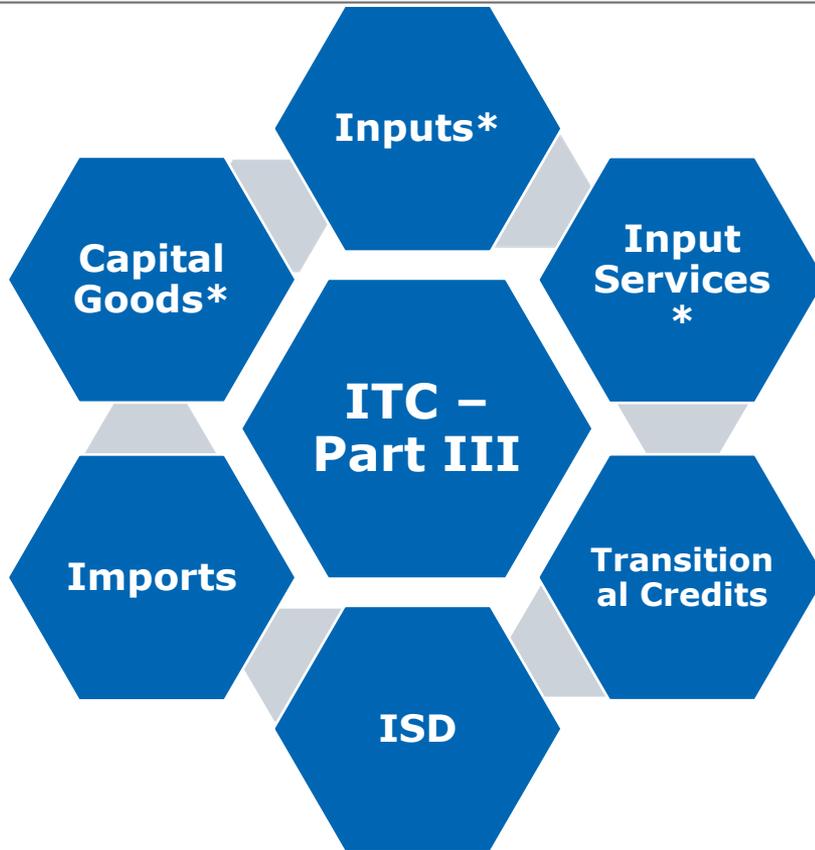
- From the Financial Statements, ascertain a detailed break-up of:
 - April – June 2017 turnover as disclosed in respective pre-GST regime returns
 - GSTN-wise turnover
 - B2C and B2B transactions
 - Exports with payment of tax and without payment of tax
 - Supplies to SEZ with payment of tax and without payment of tax
 - Exempted, Nil Rated and Non-GST supplies
 - Credit debit notes raised for the above transactions (as allowed under provisions of GST Act and Rules)
 - Inward supplies on which tax is paid on RCM basis
 - Other transactions affecting turnover
- Reconcile the turnover as per audited FS with turnover reported in the GST returns
- Details from the monthly GSTR 1 (from various tables) to be captured to populate the GSTR 9, for outward supplies.
- Refer to the instructions to the form.

OUTWARD SUPPLIES – AN EXAMPLE

Particulars	Amount in INR
Turnover in Financial Statements	1250
Pre GST turnover for FY 17-18	
Turnover for Apr - June 2017	250
Turnover under GST for FY 17-18 (GSTIN-wise)	
Karnataka	300
Maharashtra	200
Odisha	350
Delhi	150

Karnataka		
Turnover under GST for FY 17-18		300
Break-up:		
B2C	50	
B2B	100	
Exports	50	
Supplies to SEZ	25	
Exempt Supply	50	
Nil Rated supply	25	300
Add: Inter-branch Transfer (Deemed Supply)		50
Add: Sale of fixed asset		10
Add: Unadjusted Advance as on 31st Mar 2018		20
Less: Unbilled revenue		-10
Total turnover (Table 5N of GSTR 9)		370

INPUT TAX CREDIT



* RCM to be indicated separately

Key points to note:

- HSN-wise details of inward supplies to be maintained (refer table 18)
- Imports from SEZ
- RCM for supplies from unregistered persons upto October 2017

ITC Reversal

- Information on ITC reversal (under various Rules) declared in the returns to be reported
- ITC reclaimed
- A true-up after year-end review

INPUT TAX CREDIT (Contd..)

Other points:

- Reconciliation of inward supplies with books of accounts
- Details from the monthly GSTR 3B (from various tables) to be captured to populate the GSTR 9, for ITC related information. Refer to the instructions to the form.
- ITC in GSTR 2A, its bifurcation and reconciliation with books of account
- For ITC not appearing in GSTR 2A and the same is availed – get alternative confirmations.
- Ascertain ITC lapsed and check if the same is adjusted suitably in books

DEMANDS AND REFUND

Refunds	Demands
Refunds claimed during the financial year	Demands raised during the year
Check for RFD 01A	Check for the demand order
Check the electronic credit ledger	Deficiency memo is not a demand
Only GST refund and not refunds under erstwhile laws	Demand in Show cause notice not to be shown here

OTHER DETAILS

Tax paid

- Through cash
- Through ITC

Transactions of 17-18 reported in 18-19

- Amendments
- ITC reversal
- ITC availed

HSN/SAC Summary

- Outward Supplies
- Inward supplies

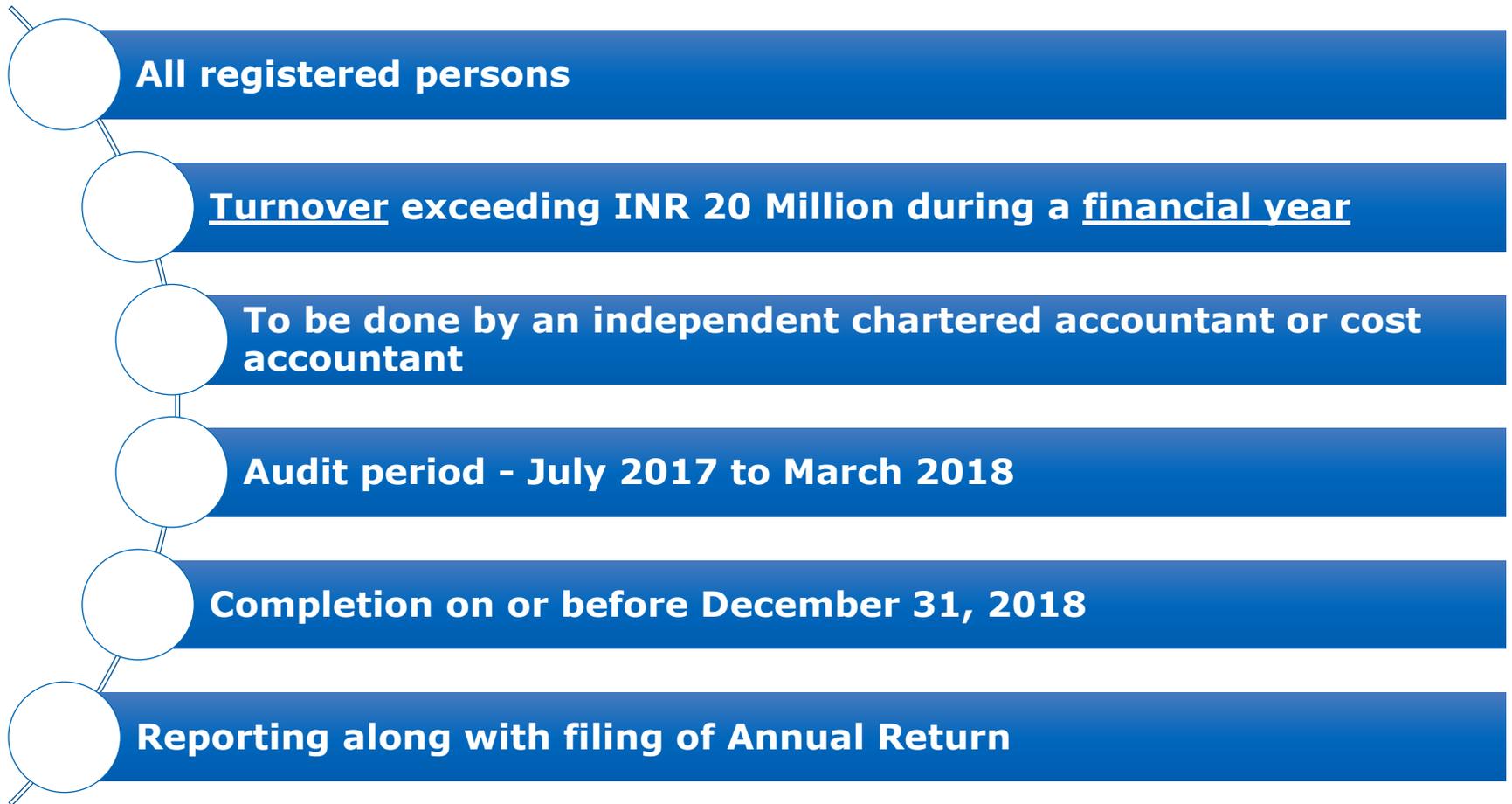
Miscellaneous

- Inward supplies from composition dealers
- Deemed supply (job work related)
- Goods sent on approval

Key points to note:

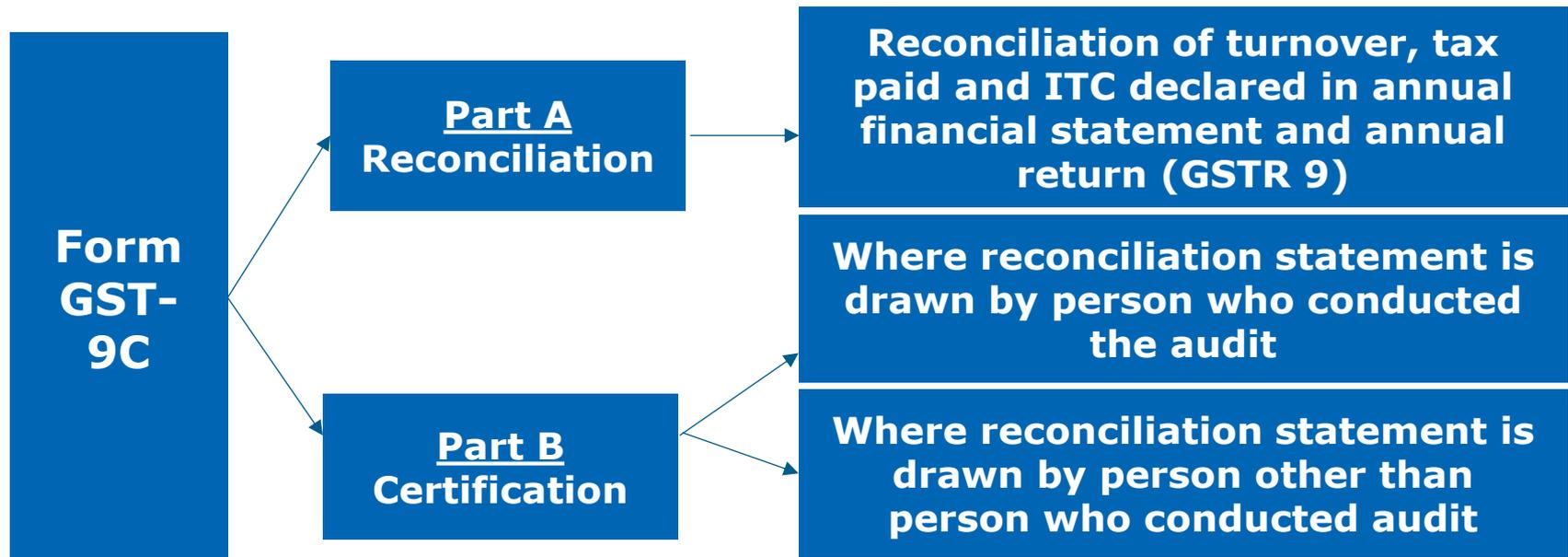
- *For ITC availed/reversed in FY 2018-19 pertaining to FY 2017-18 – workings to be maintained*
- *HSN/SAC Summary of inwards supplies:*
 - *Not asked in returns earlier*
 - *Challenges faced in collating information*

GST AUDIT - APPLICABILITY



GST AUDIT

- **GSTR-9C** notified by Government for audit certification



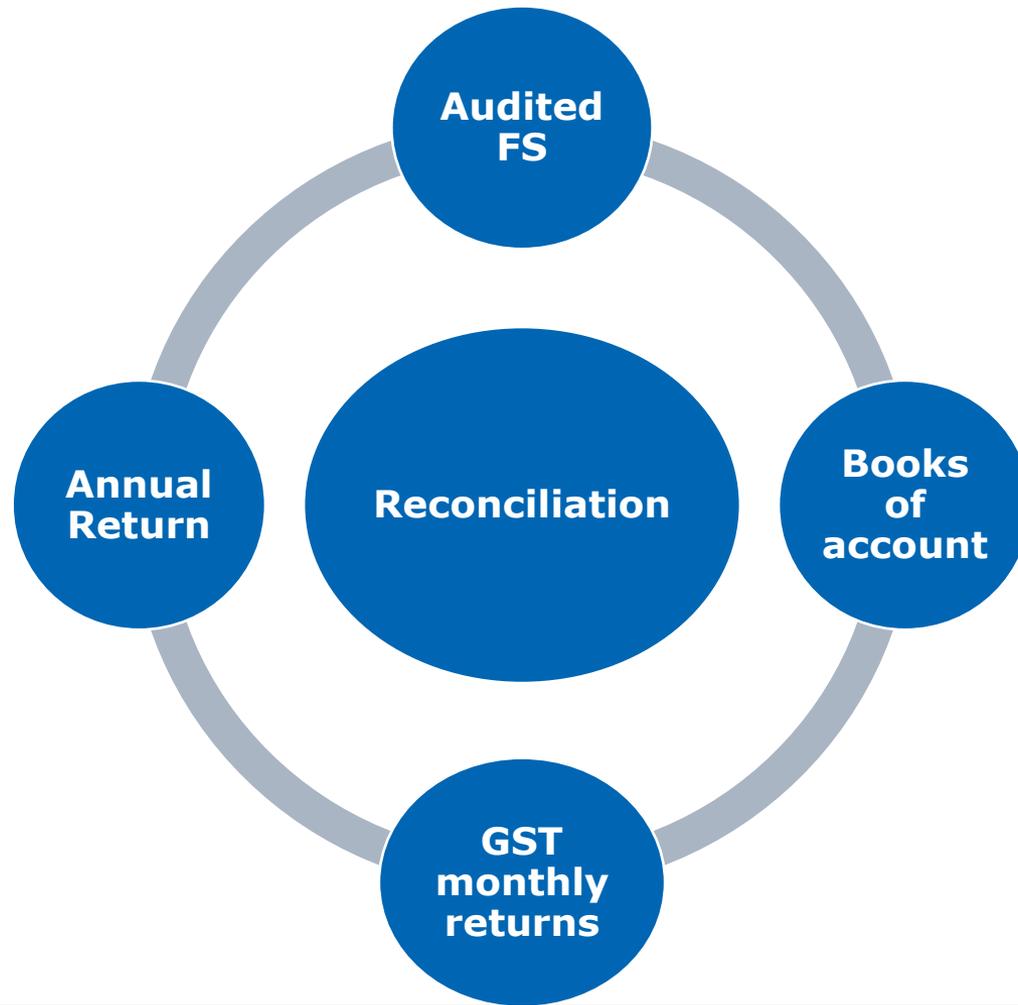
BASIC UNDERSTANDING

➤ **GST Audit**

- **true and correct** view of particulars given in GSTR-9C
- **proper maintenance** of books of account as required by GST Act and Rules – Section 35(1) of CGST Act r/w Rule 56
- **examination** of financial statements including cash flow statement
- financial statements and books of account are in **agreement**

**Separate for each
registration**

KEY POINTERS FOR AUDITEE



PART III – EXPORTS/SUPPLIES TO SPECIAL ECONOMIC ZONE

CA Pinky G Bhonsley

FLOW OF PRESENTATION

Export - Definition

Place of Supply

Special Economic Zone (SEZ)

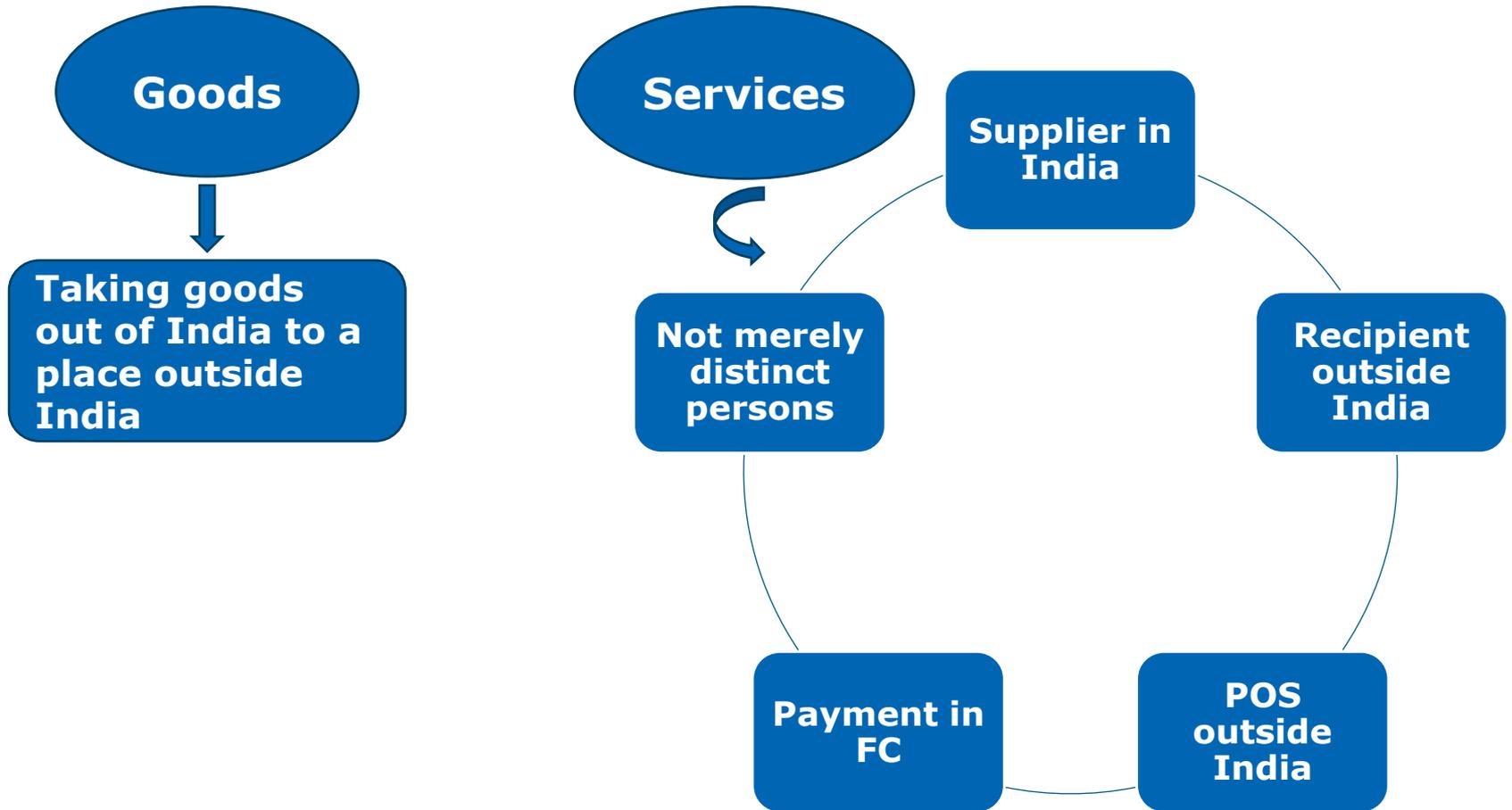
Zero Rated Supplies

Documentation

Deemed Exports

Benefits under FTP

EXPORT - DEFINITION



PLACE OF SUPPLY

- Place of Supply of Goods - **Location outside India.**
- Place of Supply of Services:
 - **Generally** – It is the location of recipient of service. If location is not available, it shall be the location of the supplier.
 - **Exceptions:**
 - Services directly in relation to immovable property → **Location of immovable property**
 - Admission to or organization of events → **Location where the event is actually held**
 - Intermediary Services → **Location of the supplier of service**
 - Services of Banking/Financial Institutions/NBFC's → **Location of the supplier of service**
 - Online information and database access or retrieval services → **Location of the recipient of service**

SPECIAL ECONOMIC ZONE (SEZ)

What is an SEZ?

- Geographical region
- Economic laws are more liberal
- Deemed as a foreign territory for trade operations, duties and tariff; specifically delineated duty-free enclave
- Governed by Special Economic Zone Act, 2005
- As per the Act, the Central Government shall notify the area as an SEZ

ZERO RATED SUPPLIES

Supplies to Overseas/SEZ

Without payment of IGST

- Applies to – Goods and Services
- Place of Supply – Outside India
- **LUT**
- Foreign Exchange Realization (only for Exports)
- **ITC Refund**
- **No refund of ITC on Capital Goods**

With payment of IGST

- Applies to – Goods and Services
- Place of Supply – Outside India
- **LUT not required**
- Foreign Exchange Realization (only for Exports)
- **IGST Refund**
- **ITC on capital goods can be utilized for payment of IGST**

DOCUMENTATION

- Documents as per Customs
- Additionally, as per GST:
 - Invoice to carry an endorsement

“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX”; or

“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”, as the case may be

DEEMED EXPORTS

- Certain supply of **goods** notified by the Government
- Notification no 48/2017 dated 18/10/2017 - notified supplies under deemed export:
 - a. Supply of goods against Advance Authorization
 - b. Supply of capital goods against Export Promotion Capital Goods Authorization
 - c. Supply of goods to EOU/STHP/EHTP
 - d. Supply of gold by a bank or Public Sector Undertaking specified in the notification No. 50/2017-Customs
- With payment of GST
- Refund claim by supplier or recipient

BENEFITS UNDER FOREIGN TRADE POLICY

Particulars	Merchant Exports from India Scheme (MEIS)	Service Export from India Scheme (SEIS)
Applicable Persons	All	All
Eligible Products	Goods specified in Appendix B	Services specified in Appendix 3D/E
Nature of Reward	Duty Credit Scrips	Duty Credit Scrips
Reward Basis	FOB	Net Exchange Earnings
Exchange Earnings	Realized FOB Value	15,000 (10,000 for Individuals)
Benefits	To payoff the below levies: a. Basic Customs Duty b. Safeguard Duty c. Anti-dumping Duty d. Composition Fee (FTP) e. Application Fee (FTP)	
Transferrable at 0% GST	Yes	Yes
Usage Time Limit	24 Months	24 Months

BENEFITS UNDER FOREIGN TRADE POLICY (Contd..)

Advance Authorization Scheme	Export Promotion Capital Goods Scheme
Issued by DGFT	Issued by DGFT
Duty free import of inputs	Duty free import of capital goods
Inputs physically incorporated in export product	Used in manufacture of export product
Issued to manufacturer exporter and merchant exporter	Issued to manufacturer exporter, merchant exporter and service provider
Validity period prescribed in Handbook of Procedures	Valid for 18 months from date of issue
Export obligation period prescribed in Handbook of Procedures	Export Obligation: <ul style="list-style-type: none"> • Export value – 6 times the duties saved • Export Period – 6 years from date of issue

SCENARIOS – NOT AN EXPORT

- Case 1 - Order for supply of a goods received from overseas customer – Goods delivered at any place in India; payment received in foreign currency
- Case 2 – Renting of immovable property in India to a person residing overseas; payment received in foreign currency
- Case 3 – Organizing of events in India (like exhibition) for an overseas customer
- Case 4 – Banking services provided by Indian banks to NRIs
- Case 5 – Services provided by Indian entity to its overseas branch (of the same company)

PART IV – CRITICAL ISSUES IN GST COMPLIANCES

CA Santhosh P P

FLOW OF PRESENTATION

2A Reconciliation with books

ITC reversal if payment not made in 180 days

Recovery from Employees

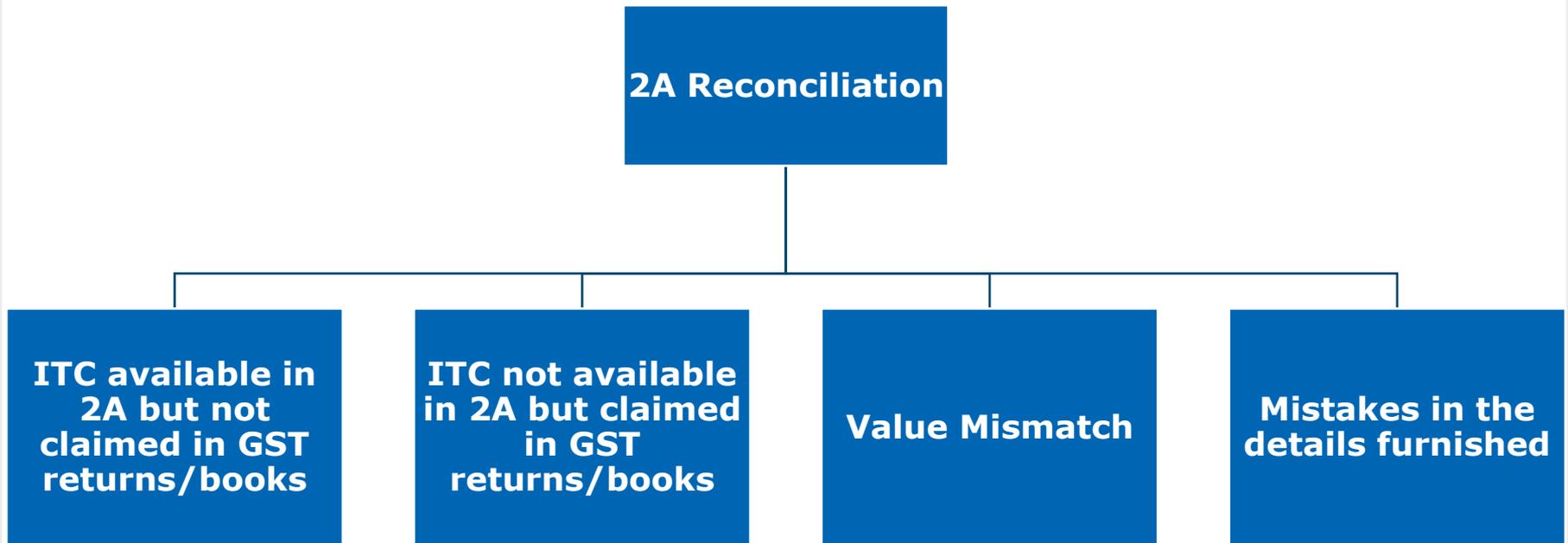
Intermediary

Job Work

Slump Sale

Works Contract

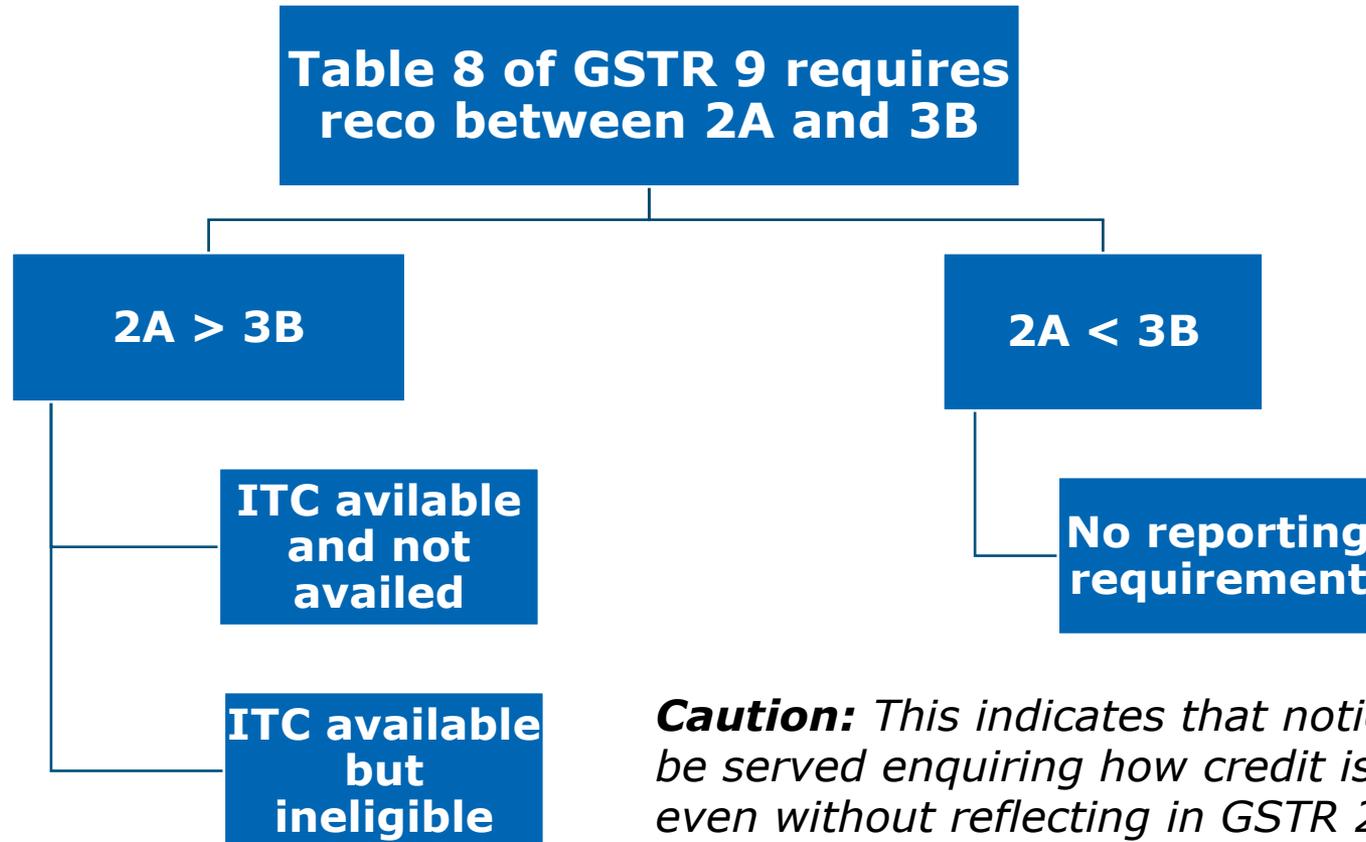
GSTR 2A RECONCILIATION WITH BOOKS



GSTR 2A RECONCILIATION WITH BOOKS

8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto>	<Auto>	<Auto>	<Auto>
B	ITC as per sum total of 6(B) and 6(H) above	<Auto >			
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above)	<Auto >			
I	Difference (G-H)				
J	ITC available but not availed on import of goods (Equal to I)				
K	Total ITC to be lapsed in current financial year (E + F + J)	<Auto>	<Auto>	<Auto>	<Auto>

GSTR 2A RECONCILIATION WITH BOOKS - ISSUES



Caution: This indicates that notices may be served enquiring how credit is taken even without reflecting in GSTR 2A.

ITC REVERSAL – PAYMENT NOT MADE WITHIN 180 DAYS

Issues	Solutions
Will ITC reversal apply to ITC claimed under Reverse Charge Mechanism?	No. Sec. 16(2) excludes tax payable on reverse charge basis
Will ITC reversal apply even if payment is made by book entries?	<ul style="list-style-type: none"> • Second proviso to Sec. 16(2) provides for ITC reversal in cases of non-payment. It does not prescribe the mode of payment. • Board Circular No. 122/3/2010-ST dated 30/4/10 – payment through book adjustment constitutes payment
Whether ITC reversal is required for transactions covered under Schedule I?	Proviso to Rule 37(1) provides that for transactions under Schedule I, payment shall be deemed to have been paid for the purpose of the second proviso to Sec 16(2)

RECOVERY FROM EMPLOYEES

- ***AAR in case of M/s. Caltech Polymers Pvt. Ltd., Malappuram,*** engaged in the manufacture and sale of footwear.
- Appellate authority has ratified the decision of Kerala AAR:
 - Recovery of food expenses from employees for the canteen provided by company considered as outward supplies and taxable under the Act.
 - Further, since the company recovers the cost of food items from their employees, this is a supply against consideration.
- Non-recovery of such food cost resolve the issue??

RECOVERY FROM EMPLOYEES (Contd..)

Issues	Solution
Sale of used assets like laptop, desktop, furniture etc, to Employees	Such transactions are treated as supply of goods.
Loans to Employees with or without interest.	There is no supply and these are financial transactions.
Recovery of group insurance	Only defray of expenses
Notice pay recovery	Notice pay recovery is nothing but a deduction from the salary payable to the resigning employee.

GST
Applicable

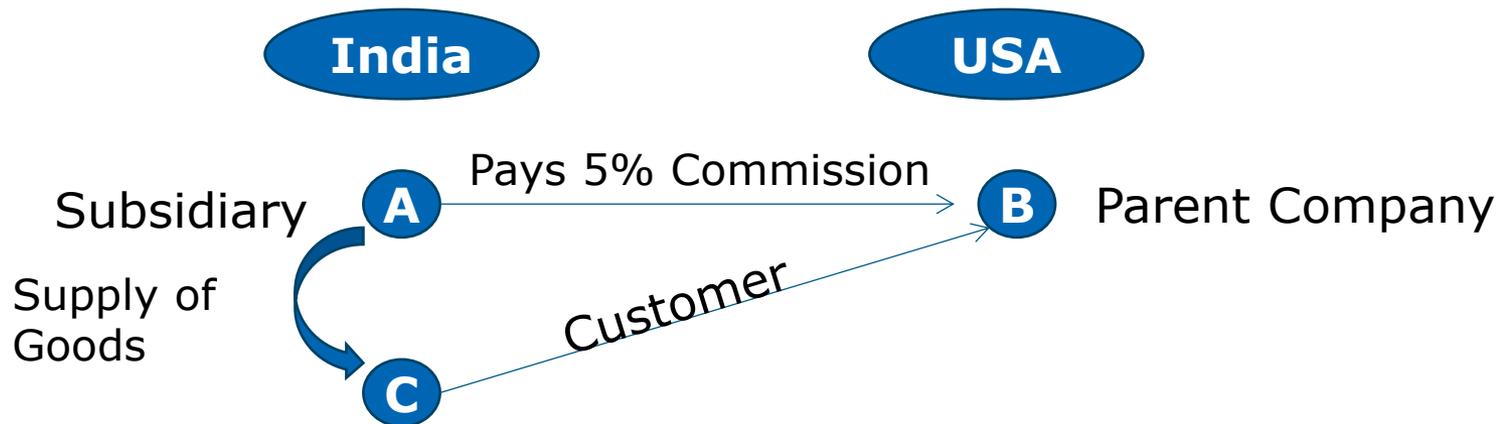
No GST

No GST

GST
Applicable

INTERMEDIARY

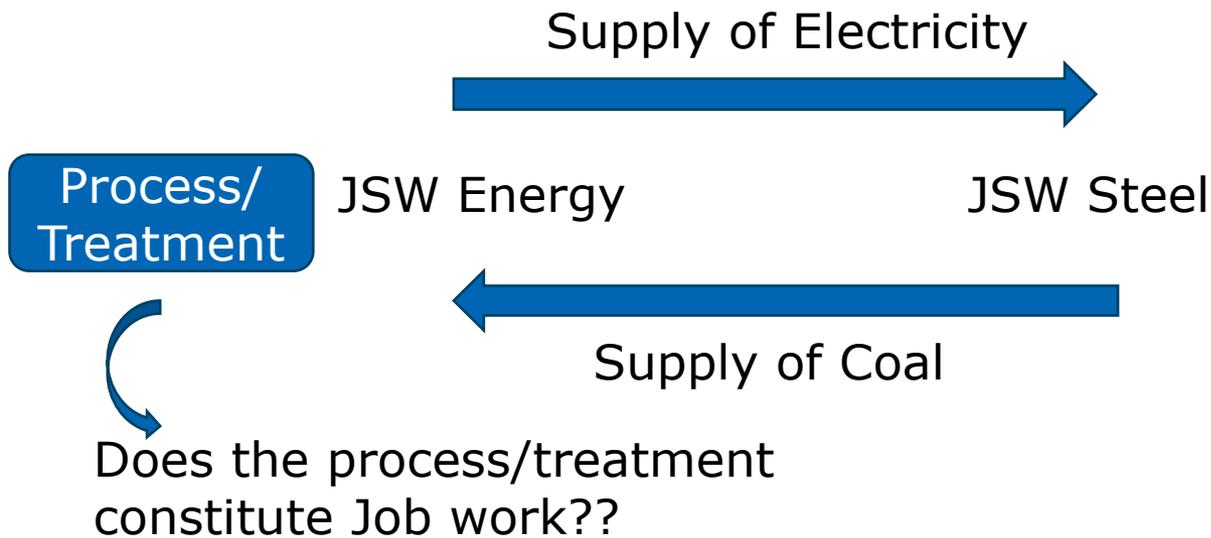
- Intermediary is defined u/s 2(13) of IGST Act,
- Intermediary means:
 - Broker, an agent or any other person
 - Arranges or facilitates the supply of goods or services or both between two or more persons
 - Does not include a person, who supplies such goods or services or both on his own account



JOB WORK

Particulars	Case 1	Case 2
Scope of work	Manufacture out of moulds and dies supplied by OEM	Manufacture out of moulds and dies owned by Component Manufacturer
Moulds and dies supplied by	OEM	OEM
Component manufactured by	Component Manufacturer	Component Manufacturer
Kind of Supply	Free of Cost	Free of Cost
Supply	No	Yes
ITC reversal by OEM	No	Yes
Value of moulds and dies	Not to include in the cost of component manufactured	Amortize over the cost of component manufactured

JOB WORK



AAR in JSW case:

- Process resulting in new commodity may lead to manufacture.
- It is a supply of goods and not service.

SLUMP SALE

In the case of Karnataka ruling in **Rajashri Foods Pvt Ltd:**

- Transfer of one of the unit with all its fixed assets and liabilities for a lumpsum consideration
- Going concern and treated as supply of service and is taxable at Nil rate under Sl. No. 2 of the Notification 12/2017-CT(R)
- Referring to Schedule II, it says where goods forming part of the assets of business are transferred is a **supply of goods**
- Whether slump sale is supply of goods or supply of service?

WORKS CONTRACT

- Works Contract in respect of non-immovable property is eligible for ITC
- Works contract in relation to immovable property if debited to P&L and not capitalized will be eligible for ITC. Accounting policy for capitalization should not override for GST purposes.
- Civil works with respect to P&M is eligible for ITC?
- Comprehensive AMC for P&M is eligible for ITC – as it is not a works contract under GST

WORKS CONTRACT COMPLEXITITES

Particulars	ITC Availability
M&E related Civil Works, Plumbing works etc.,	No ITC available
Internal Fire Hydrant system	No ITC available
Air conditioning equipments, sanitary ware, DG set power supply system, lighting system except for civil construction work	ITC available
Inward supplies received by way of repair, renovation etc towards residential colony	No ITC
Services for maintenance of hospital and pharmacy	No ITC - Neither a perquisite nor a statutory obligation
Services for plantation both inside and outside the plant	No ITC - not in the course or furtherance of business
Services used for creating sheds for protection of plant and machinery	No ITC

PART V – RECENT ISSUES IN GST AND TDS

CA Subroto Bose

AMORTISATION OF MOULDS & DIES

Moulds and Dies owned by Original Equipment Manufacturer (OEM) sent FOC to Contract Manufacturer (CM) and the contract between OEM and CM

does not mention these belong to CM

mentions that these belong to the CM

No supply from OEM to CM

No requirement of reversal of ITC by OEM

Value of moulds and dies not to form part of component value

No Supply from OEM to CM

Reversal of ITC by OEM

Amortized cost of moulds and dies to form part of component value

EMPLOYER – EMPLOYEE TRANSACTIONS

Whether supply by employer to employee is liable to GST

Legal Position

- Schedule III of the Central Goods and Services Tax ('CGST') Act mentions certain activities which are neither supply of goods nor supply of services and services provided by employee to employer in the course of employment is included in Schedule III
- Schedule I specifies levy of GST on supply between related persons even without consideration
- Employer and Employee are treated as related persons under GST Act
- Any supply by employer to employee may come within GST ambit

Note: Employer-employee agreements need to be drafted carefully

EXPORT OF GOODS / SERVICES AGAINST LUT

- All export of services from India will require that remittance is received within a period of 12 months from date of export else GST will be payable and such a transaction will not be treated as export (against LUT)
- For goods, exports have to be done within 3 months from the date of invoice else GST has to be paid as this will not be treated as export of goods against LUT
- Checks and balances must be in place to stop non-compliances as tax payments have to be done along with interest

Note: Control check to be applied to verify if remittances for export of service have been received within time

TRANSITION ISSUES

- **Credit claimed in Original Service tax return** **INR 100,000**
- **Credit claimed in Revised Service tax return** **INR 120,000**

- **Increase in credit claimed as a result of revision in return i.e. INR 20,000 available as refund in cash as per section 142(9)(b) of CGST Act**
- **Refund shall be provided as per the provisions of erstwhile law**
- **As per the provisions of section 11B of Central Excise Act, 1944 provisions of unjust enrichment needs to be fulfilled for claiming refund**

Note - No prescribed form for claiming refund under erstwhile Act or GST Act in case of assesses not involved in exports

TRANSITION ISSUES

- Credit carried forward in June 2017 Excise return **INR 100,000**
- Credit claimed in TRAN-1 on the basis of excise return **INR 100,000**
- Excise return for the month of June was filed on 5th July 2017



- Company inadvertently missed to take credit worth **INR 10,000**, on few invoices pertaining to the period April to June 2017
- As these invoices were not included in the excise returns, the same were not carried forward in the TRAN-1 form filed
- Excise return cannot be revised after the end of the calendar month in which original return was filed i.e. 31st July 2017



Note- How to claim credit of these invoices? Whether refund can be claimed in this case?

REFUND

- Exports without Letter of Undertaking (LUT) and refund claim filed
 - After verification of fact that exports have been made, delay to be condoned
- Filing frequency of refunds
 - At the option of exporter but period of refund claim cannot spread across FY's
 - Concept of tax period irrelevant
- For export of services - invoice and BRC / FIRC required
- For export of goods - Shipping Bill and Invoice is required but not BRC /FIRC

Note: On case-to-case basis, non issuance of LUT prior to exports may be accepted by the department

RECENT DEVELOPMENTS THROUGH AAR

SUPPLY OF FOOD & DRINKS TO EMPLOYEES OF COMPANY LOCATED IN SEZ

- Whether food supplies to employees of company located in SEZ would be deemed as supply to SEZ unit was examined in the case involving *Merit Hospitality Services Pvt. Ltd.* *
- Held that since food is cooked outside and supplied to contracted companies it cannot be classified as restaurant service
- Also, held that the company was not engaged in running restaurant services in SEZ
- Held also that it was not a supply to SEZ unit or developer
- Therefore its not restaurant services hence appropriate GST rate will be applicable

* *AAR Maharashtra*

OCEAN FREIGHT IN CASE OF CIF IMPORTS

- Transportation of goods in a vessel by a person located in non-taxable territory to a person located in taxable territory from a place outside India up to the customs station of clearance in India - leviable to GST under reverse charge @5%
- For imports done by vessels on CIF terms, the importer is liable to pay 5% GST under reverse charge on freight (actual or 10%*CIF value of imports)
- This was litigated as GST was being paid twice on freight by the importers
- The recent ruling in *M/s Chambal Fertilizers and Chemicals Limited** dated August 25, 2018 has specified that GST on ocean freight in case of CIF imports needs to be paid by the importers on reverse charge basis

*Rajasthan AAR

Note: IGST needs to be paid on ocean freight in case of CIF imports irrespective of dual taxation

CROSS CHARGING AMONG DISTINCT PERSONS

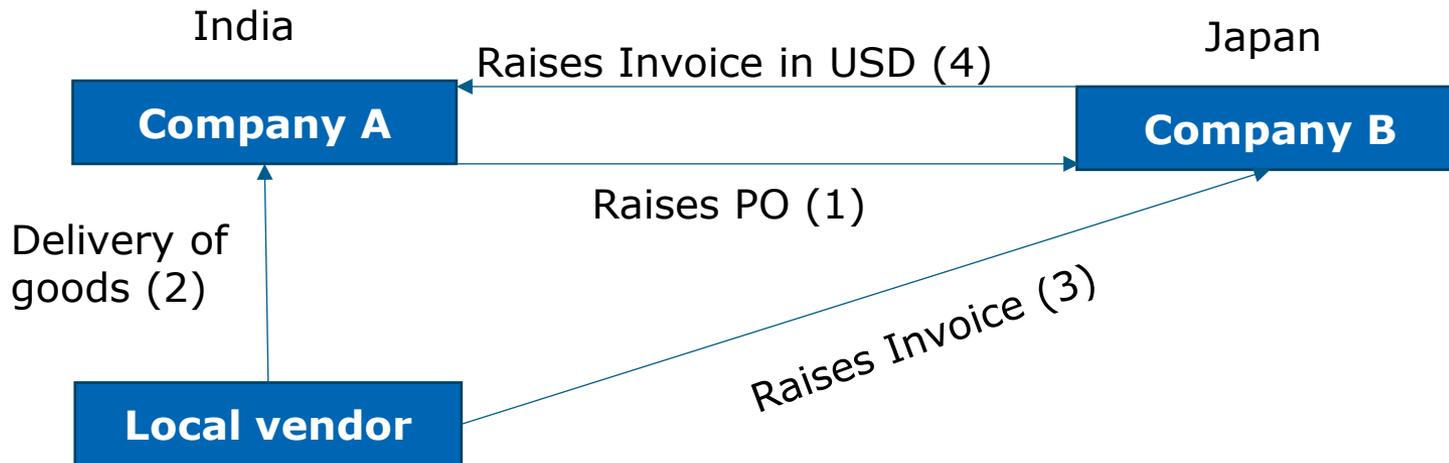
- Recent ruling in *M/s Columbia Asia Hospitals Private Limited** has differentiated between employees of head office and employees of branch and has not considered employees as employees of company as a whole
- This has led to a debatable situation especially in case where a company has more than one GSTIN
- Cross charging will be done basis a certain specified policy and against an invoice
- Valuation of such cross charge is important basis the Rules laid down

* Karnataka AAR

Note: GST to be levied on common expenses or common employee cost incurred by 1 unit for another unit

CASE STUDY - 1

- Company A is having an IT vendor company B based in Japan. Company B does not have any office in India
- Company B has a local partner in India who completes all purchasing and delivery within India for company B
- Flow of transaction



- Whether any GST liability needs to be discharged by company A on invoices raised by company B?

CASE STUDY - 2

- Company A is involved in export of services. The Company has made two export transactions with Company B in USA in the month of August 2017 and September 2017. The payment for these export transactions have not been realized by Company A within the stipulated time period of 1 year from the date of export invoice.
- However, Company B had made payment for the invoices to Company A's parent company located in UK. But against the said invoices no remittance was received in India
- Whether IGST needs to be paid in case of non-receipt of consideration within 1 year from the date of invoice? Any other implications?
- Also, for another export invoice, Company A has recorded the same as bad debts in its books and no remittance has been received
- Whether IGST needs to be paid in case exports are written off as bad debts?

TAX DEDUCTED AT SOURCE

TAX DEDUCTED AT SOURCE

TDS is a mechanism where in specified class of recipient of supply of goods and services are required to deduct GST at the rate specified from the payment made to supplier

Applicable w.e.f. October 1st, 2018

Rate notified 2% (CGST+SGST)

WHO IS REQUIRED TO DEDUCT TDS

A department or establishment of the CG and SG

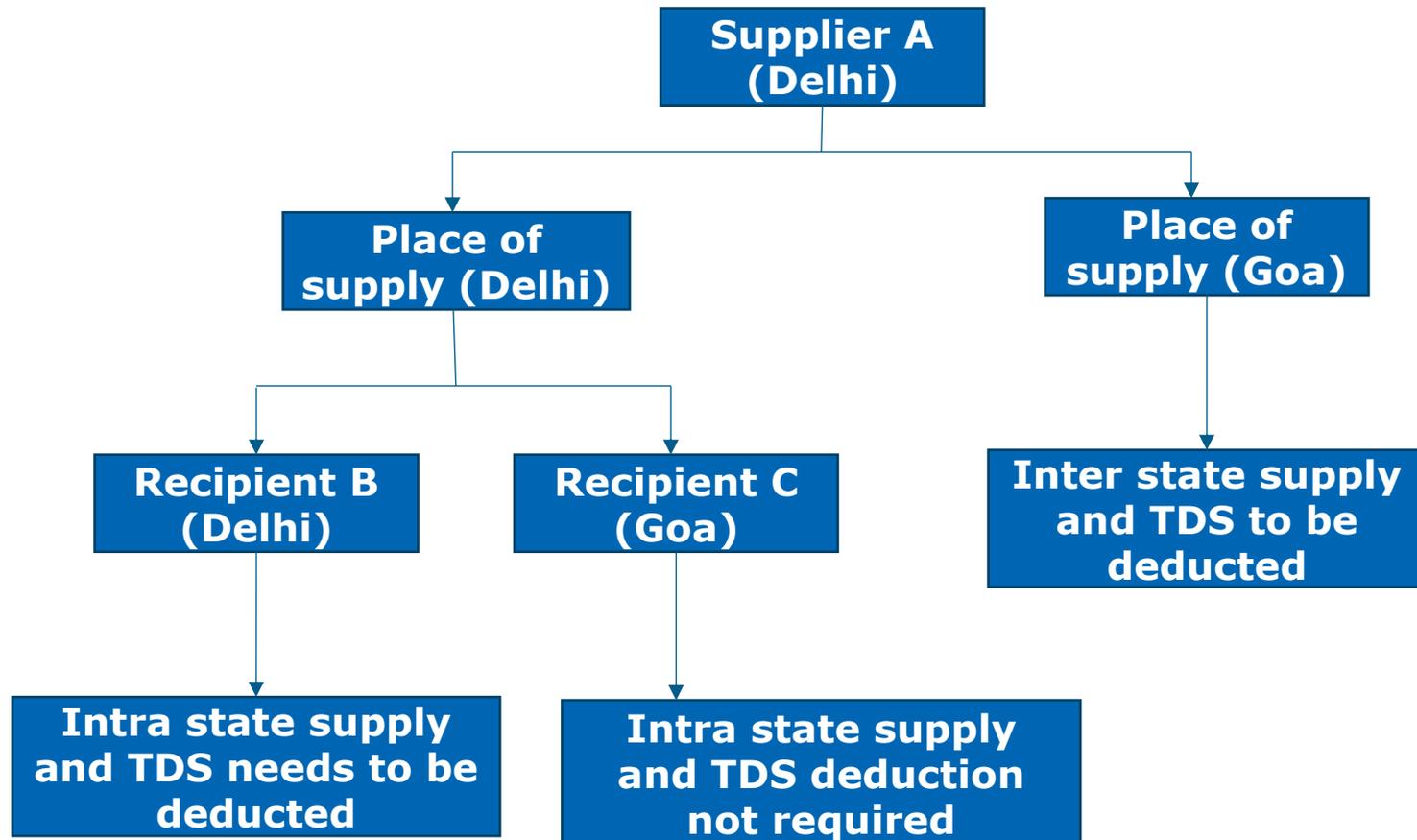
Local Authority

Government Agencies

Persons notified by government for ex public sector undertakings, Society established by government etc.

WHEN TDS IS REQUIRED TO BE DEDUCTED

This can be understood by way of a flow chart given below



TRANSACTIONS ON WHICH TDS IS DEDUCTED

TDS is to be deducted from the payment made to supplier, where the total value of such supply, under a contract exceeds INR 2,50,000

Important points to be noted

- (a) TDS provisions attracts only if taxable value exceeds INR 2,50,000**
- (b) Limit of INR 2,50,000 needs to be seen contract wise and not on aggregate basis**
- (c) Even if the said supplier is not registered TDS needs to be deducted if supplies under a single contract exceeds INR 2,50,000**

REGISTRATION & RETURNS

Compulsory registration as per section 24 of CGST Act, 2017

Need to obtain separate registration and GSTIN as TDS deductor even if registered as a regular supplier

Registration can be done using PAN/TAN through GST portal

Monthly return in Form GSTR 7 to be filed within 10th of the month following the month in which deduction was made

OTHER PROCEDURAL ASPECTS

Deductor shall furnish to the deductee a certificate in Form GSTR 7A reflecting contract value, GST and other particulars

Form GSTR7A needs to be provided to the deductee within 5 days of submitting the return

After filling return under Form GSTR 7 Tax deposited by deductor would get credited in the electronic cash ledger of the deductee

The deductee shall claim the credit of such deduction in Form GSTR-3B

Questions



We Are Here to
Help!



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