



Goods and Services Tax

AWARENESS HANDBOOK

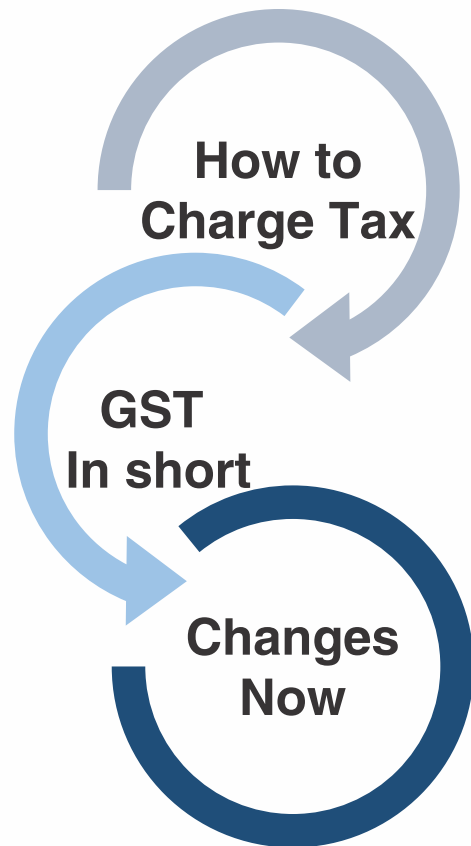
Talk to our staff today!

*bank aapki
mutthi mein*

 **HDFC BANK**
We understand your world

Overview:

GST is a comprehensive indirect tax on manufacture, sale & consumption of goods & services throughout India (except J&K) to replace taxes lived by the Central and State Governments.



- Tax on both goods and services when supplied
- Replacing – Central Excise, Service Tax, VAT, Entry Tax, CST etc.

- Dual GST – State GST/Union Territory GST and Central GST levied on common base
- Integrated GST on inter-state supplies and import
- Decentralized registration and compliances

- Shift to destination based tax – Place of Supply Rules
- Easy flow of credit

P01



What will be taxed?

- All goods and services (exclusions)
- Imports
- Exports are taxed at zero rate



Who will be taxed?

- All manufacturers, traders / dealers, importers / exporters and service providers.
- Small business / traders below a limit are exempted.



When will be taxed?

- Destination based – final consumer bears the tax
- Seller/service provider pays tax only on the value addition; gets full input tax credit



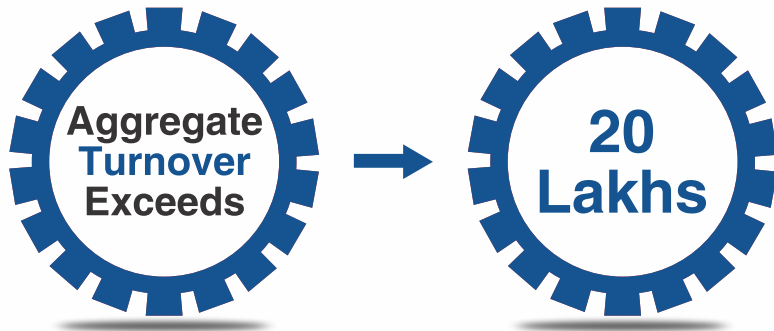
What will be the tax rate?

- Four rate tax structure (5%, 12%, 18% and 28%) – lowest rate for precious metals, stones etc., reduced rate for necessary items; standard rate for other goods
- Rates are yet to be finalized

P02

Criteria for GST

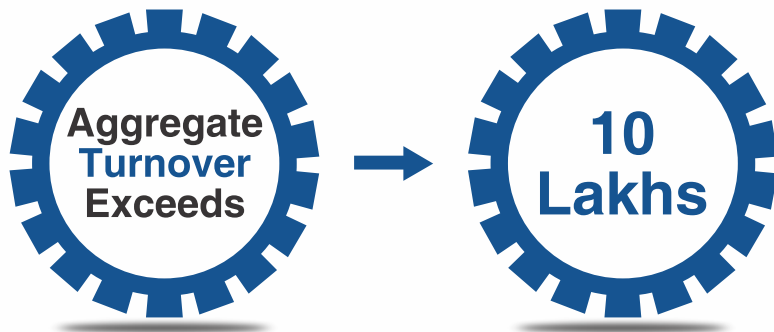
For all India [Except Special Category States]



When your aggregate turnover exceeds **20 Lakhs**, GST is applicable.

For Special Category States*

(As the aggregate turnover exceeds above 10 Lakhs GST is applicable under this category)



***Special Category States:** Arunachal Pradesh, Assam, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Sikkim, Tripura, Himachal Pradesh and Uttarakhand.

P03

Taxes Replaced

Central Taxes:

- Excise Duty
- Service Tax
- CST
- SAD
- CVD

State Taxes:

- VAT
- Entry Tax / Octroi
- Entertainment Tax
- Luxury Tax

Taxes not Replaced

Central Taxes:

- Basic Custom Duty
- Export Duties
- Clean Energy Cess
- Custom Cess

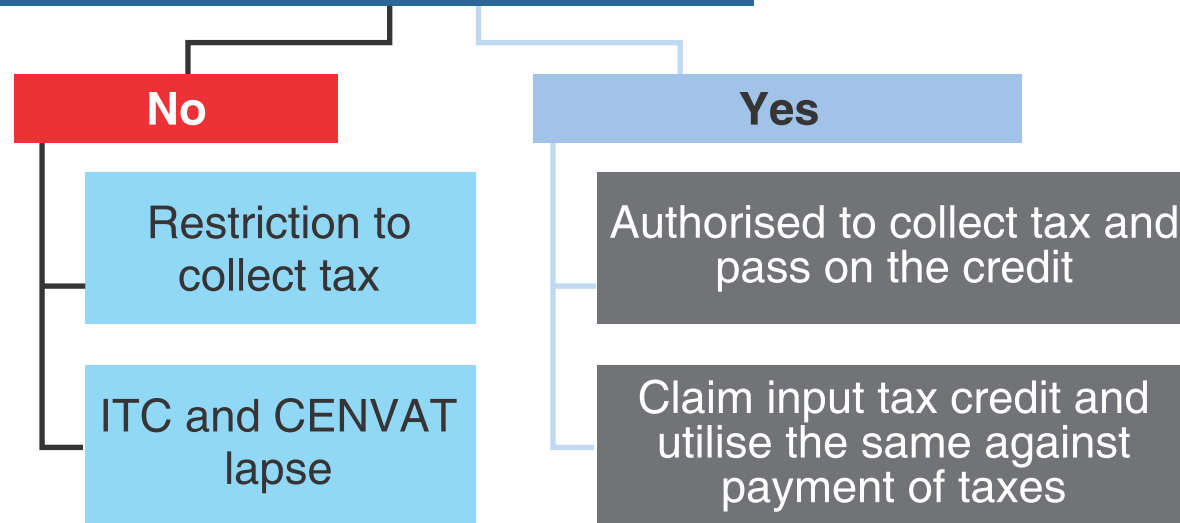
State Taxes:

- Stamp Duty
- Property Tax
- Tax on liquor and petroleum products

P04

GST Registration

Registration @ GST Network



Casual & Non-resident

- Temporary registration to be obtained who occasionally undertakes supply of services in a State where he has no place to fix business
- Advance deposit of tax to be made of the estimated tax liability
- Registration is valid for 90 days and can be extended

Input Services Distributor (ISD)

- Separate registration to be taken as ISD
- Credit of only input service to be distributed

Cancellation of registration

- Non-filing of returns continuously for 6 months
- Contravention of provisions of Act
- Non-commencement of business within 6 months in case of voluntary registration

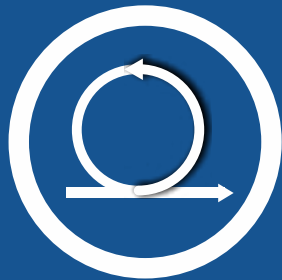
P05

Multiple registrations



- Separate registration for each state
- Option for obtaining separate registrations for different business
 - Two or more branches in single state – Single registration
- Example: M/s ABC Ltd. Has business of
 - Manufacture of AC (Mumbai)
 - Construction of residential apartments (Pune)
- M/s ABC Ltd. Has the option to obtain one single registration for both units or has the option to take separate registration for each line of business

Transition / Migration



- VAT / CST / Service Tax dealers have to migrate under GST law
- GST Registration number (GSTIN) to be obtained in the specified period

P06

GST Registration

Illustration:

- ✓ A Manufacturer has 6 factories in Maharashtra and sales offices in 4 states (including Maharashtra). It also has centralized service tax registration at Maharashtra

Present Tax Structure



6 Excise Registration



4 VAT Registration



1 Service Tax Registration

GST Structure



4 GST Registration
(1 for each state)

P07

Know your GST Registration Number

■ 15 Digit Alpha Numeric ■ Comprises of 5 elements



Sr. No.	Name of State or Union Territories	Type	STATE CODE used for VAT TIN No.	Vehicle Series First Two Characters	State Capital
1	Jammu and Kashmir	STATE	01	JK	Srinagar/Jammu
2	Himachal Pradesh	STATE	02	HO	Shimla
3	Punjab	STATE	03	PB	Chandigarh
4	Chandigarh	UT	04	CH	Chandigarh
5	Uttarakhand	STATE	05	UA	Dehradun
6	Haryana	STATE	06	HR	Chandigarh
7	Delhi	UT	07	DL	Delhi
8	Rajasthan	STATE	08	RJ	Jaipur
9	Uttar Pradesh	STATE	09	UP	Lucknow
10	Bihar	STATE	10	BR	Patna
11	Sikkim	STATE	11	SK	Gangtok
12	Arunachal Pradesh	STATE	12	AR	Itanagar

P08

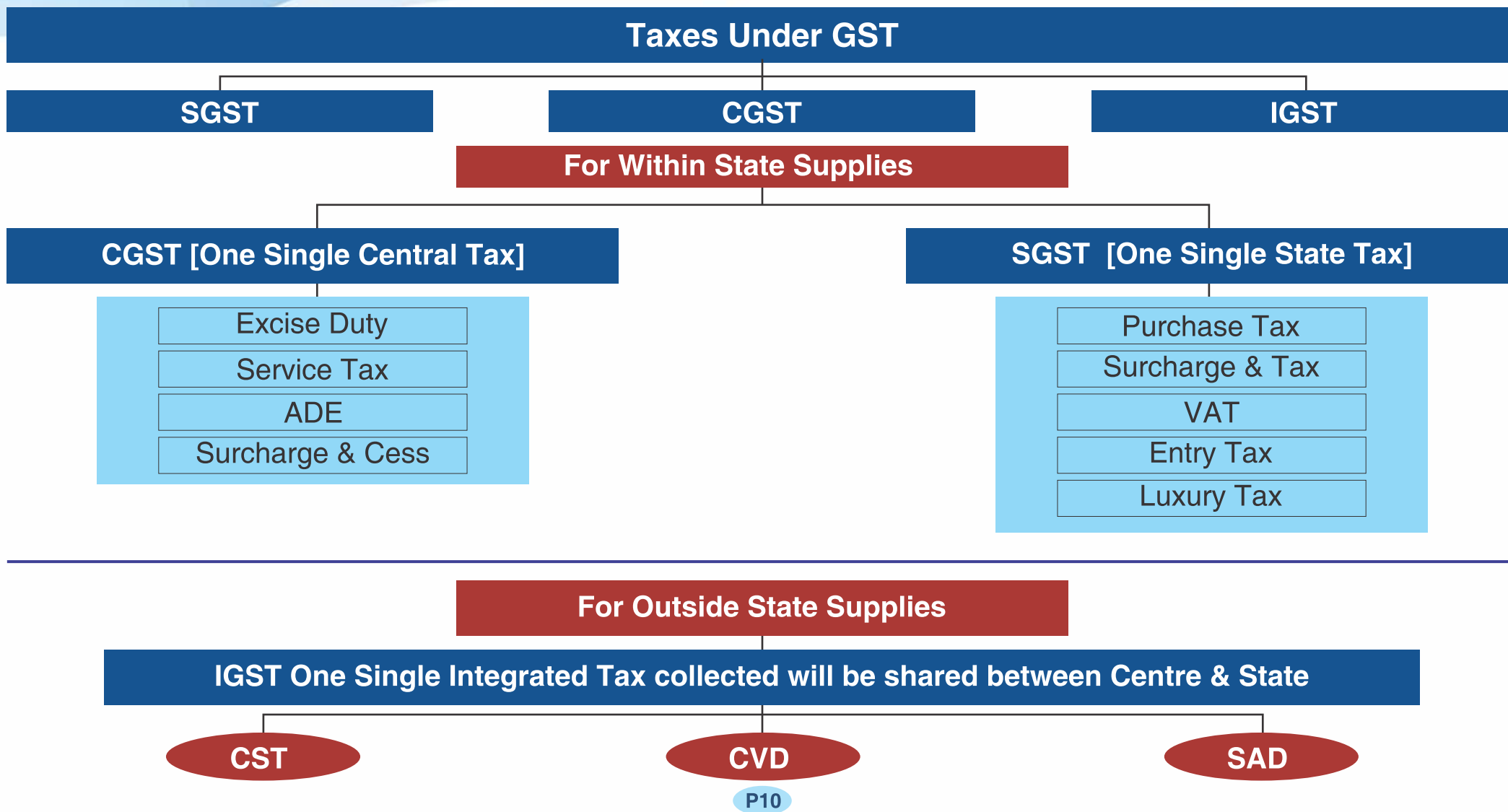
*bank aapki
mutthi mein*

13	Nagaland	STATE	13	NL	Kohima
14	Manipur	STATE	14	MN	Imphal
15	Mizoram	STATE	15	MZ	Aizawl
16	Tripura	STATE	16	TR	Agartala
17	Meghalaya	STATE	17	ML	Shillong
18	Assam	STATE	18	AS	Dispur
19	West Bengal	STATE	19	WB	Kolkata
20	Jharkhand	STATE	20	JH	Ranchi
21	Orrisa	STATE	21	OR	Bhubaneswar
22	Chhattisgarh	STATE	22	CG	Raipur
23	Madhya Pradesh	STATE	23	MP	Bhopal
24	Gujarat	STATE	24	GJ	Gandhinagar
25	Daman and Diu	UT	25	DD	Daman
26	Dadra and Nagar Haveli	UT	26	DN	Silvassa
27	Maharashtra	STATE	27	MH	Mumbai
28	Andhra Pradesh	STATE	28	AP	Hyderabad
29	Karnataka	STATE	29	KA	Bangalore
30	Goa	STATE	30	GA	Panaji
31	Lakshadweep	UT	31	LD	Kavarati
32	Kerala	STATE	32	KL	Triruvananthapuram
33	Tamilnadu	STATE	33	TN	Chennai
34	Puducherry	UT	34	PY	Puducherry
35	Andaman and Nicobar Island	UT	35	AN	Port Blair

P09

*bank aapki
mutthi mein*

 **HDFC BANK**
We understand your world



GST Benefits: Input Tax Credit on Expenses

GST gives an opportunity to avail Input tax credit on expenses incurred on furtherance of business

- Printing & stationery
- Office rent
- House keeping material
- Business meetings & conference

Assuming GST – 10%		Pre-GST	GST
Gross Profit		5,00,000/-	5,00,000/-
Indirect Expenses			
Travel Expenses*	1,00,000/-		
Office / Godown Rent	1,00,000/-		
Printing and Stationery	1,00,000/-		
Repairs & Maintenance	1,00,000/-		3,60,000/-
Net Profit			1,40,000/-



Rentals



Stationery



Travelling Expenses



Repair & Maintenance

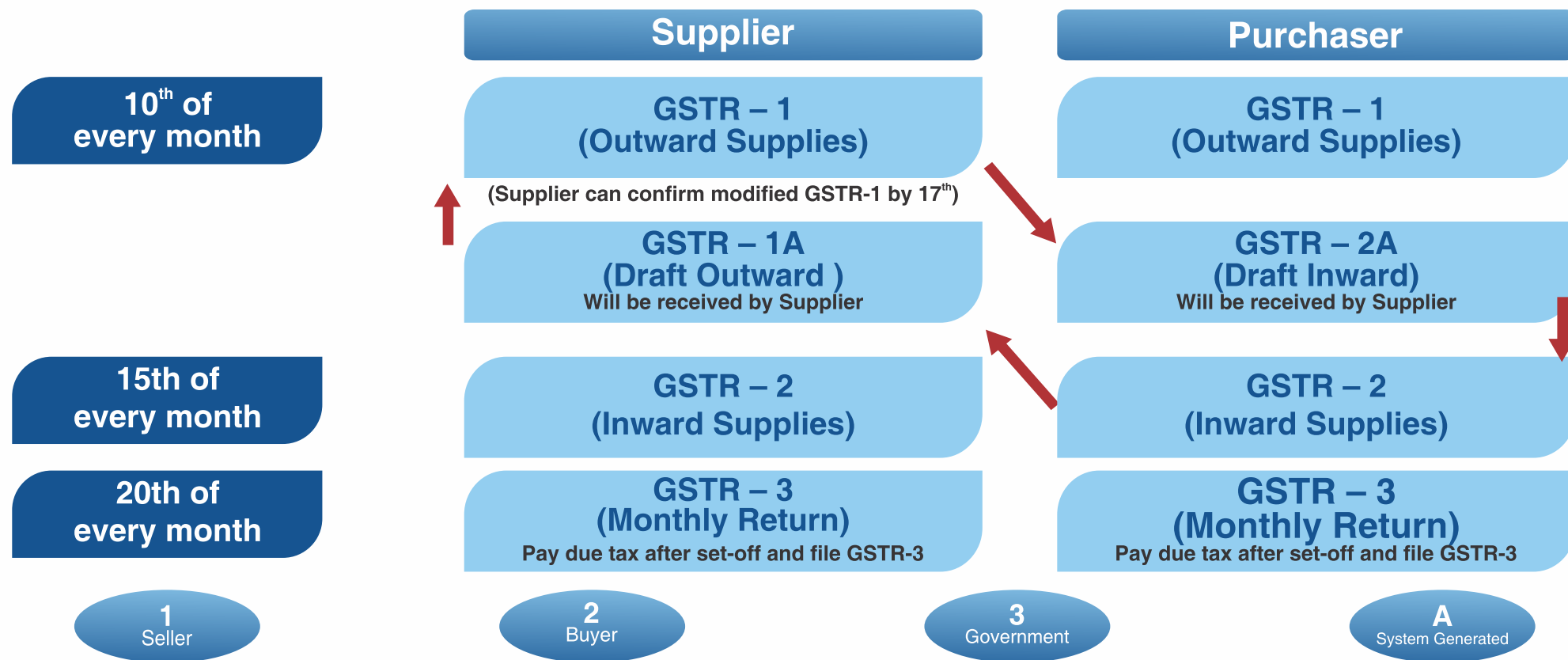
For all business related expenses please ask for Tax Invoice & your GSTIN have to be mentioned

P11

*bank aapki
mutthi mein*

 **HDFC BANK**
We understand your world

Return Filing Under GST



• **GSTR-4:** Quarterly Return for compounding Taxable person • **GSTR-5:** Return for Non-Resident foreign taxable person • **GSTR-6:** Return for Input Service Distributor • **GSTR-7:** Return for authorities deducting tax at source (TDS) • **GSTR-8:** Returns for e-commerce operator & Tax Collected at Source (TCS) • **GSTR-9:** Annual Return [along-with Registration-wise (each State) Reconciliation of GST Annual Return with Audited Accounts] • **GSTR-10:** Final return (on closure of business)

P12

*bank aapki
mutthi mein*

Coverage on Existing Stock / Inventory



Invoice issued within 12 months

Registered Regular Dealer

Intended to be used in taxable supply

Document evidencing payment of duty

Credit allowed in GST

100% in case of invoice with Tax details 40% in case of Invoice without Tax details

P13

Invoice Comparison

Under Excise and VAT

Complex Invoice format as compared to GST

Multiple Invoices –
Excise, VAT, Service Tax

HSN Code required only
in excise invoice

Under GST

Simple invoice as compared to Excise

One single invoice – GST

HSN Code required on
every GST invoice

Time limit for issue of invoice –

Before or at the time of removal of goods

P14

GST Invoice Format

GSTIN
Name
Address
Serial No. of Invoice
Date of Invoice

Details of Receiver (Billed to)
Name
Address
State
State Code

Details of Consignee (Shipped to)
Name
Address
State
State Code

GSTIN/Unique ID GSTIN/Unique ID

Sr.No	Description of Goods	HSN Code	Qty.	Unit	Rate (Per Item)	Total	Discount	Taxable Value	CGST		SGST		IGST	
									Rate	Amt	Rate	Amt	Rate	Amt
	Freight Insurance Packing and Forwarding Charges													
		Total												
	Total Invoice Value (In Figures)													
	Total Invoice Value (In Words)													
	Amount of Tax subject to Reverse Charges													

Declaration

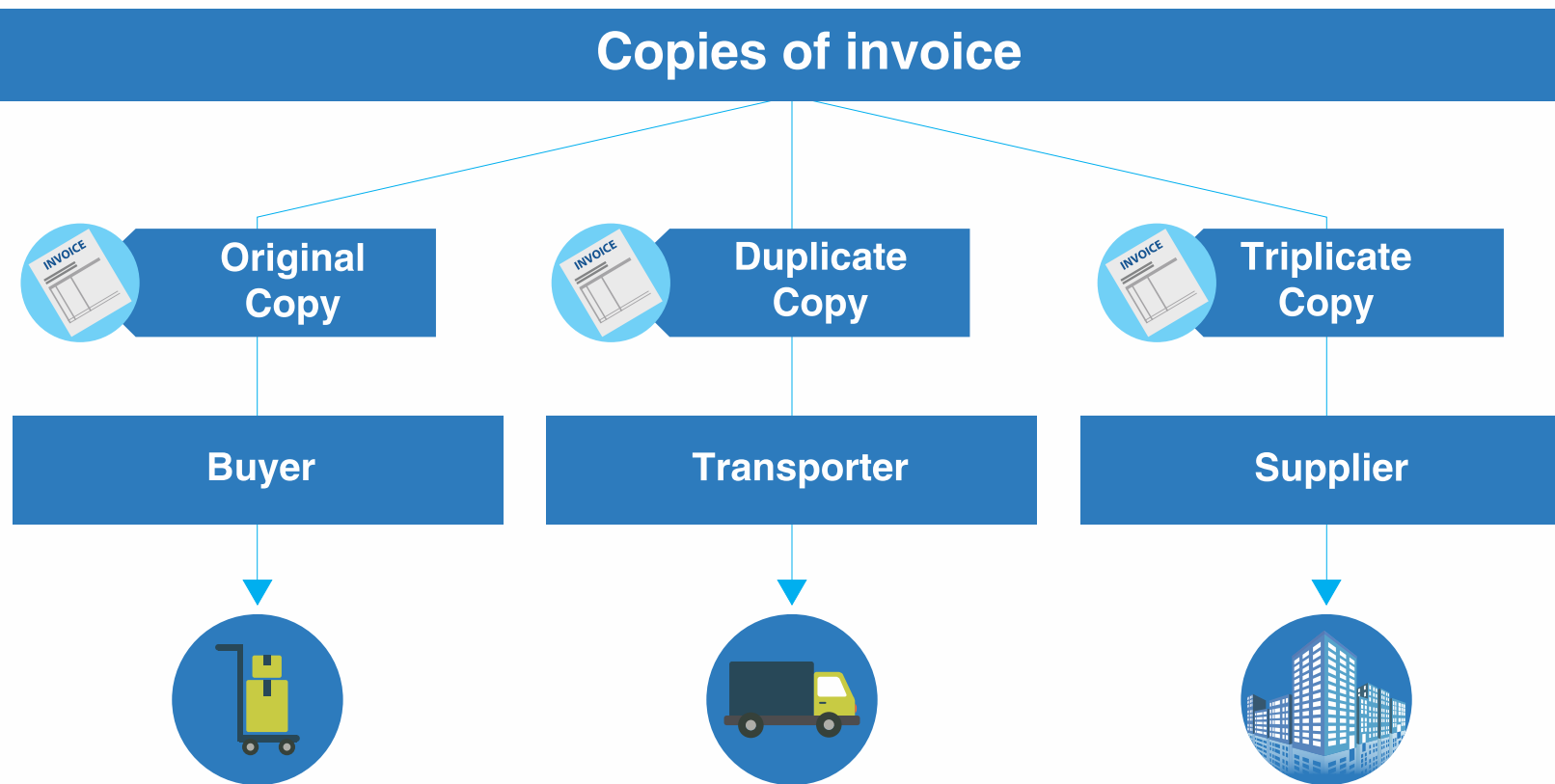
Signature
Name of the Signatory
Designation / Status

P15

*bank aapki
mutthi mein*

 **HDFC BANK**
We understand your world

Copies of invoice



GST Tax Payment: Modes of Payments:

Online Modes: • HDFC Bank Net Banking • HDFC Bank Corporate Net Banking • HDFC Bank Payment Gateway (Credit/Debit Cards)

Offline Modes: Cash/Cheque at HDFC Bank branches (upto Rs 10000)

P16

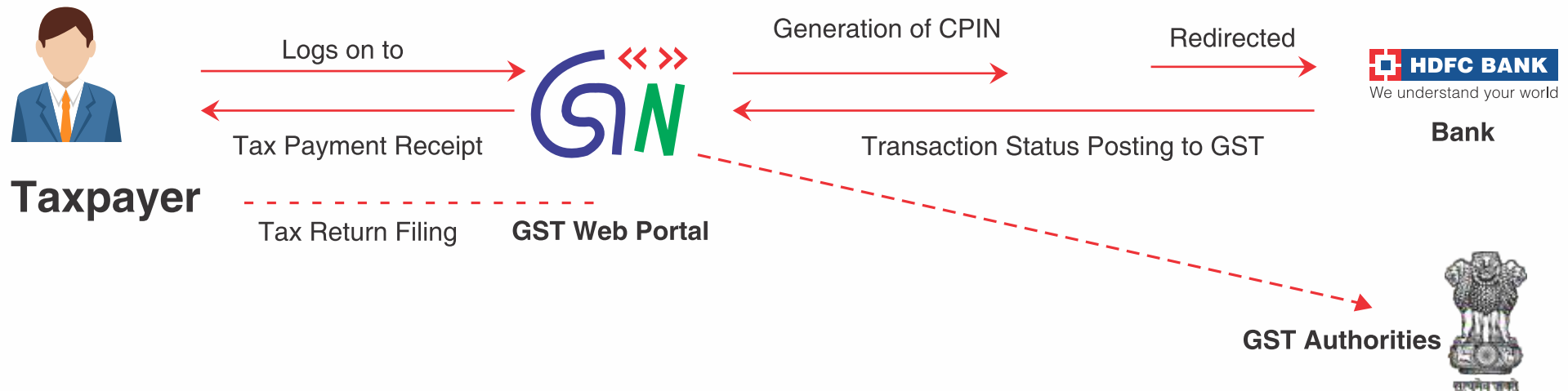
*bank aapki
mutthi mein*

Tax Payment Flow in GST

Current Process



New Process in GST



P17

*bank aapki
mutthi mein*

VAT vs. GST

	VAT	GST
Interaction with Government for Compliance	Once a quarter or month	Minimum of 3 times EVERY MONTH
Return revision	Allowed currently	No scope of revising the return
Bill/Invoice Matching	Not monitored extensively	Invoice of supplier and recipient NEED to MATCH
Input Credit	Available based on returns	Can be availed ONLY WHEN INVOICES ARE MATCHED and SELLER PAYS TAX LIABILITY
Input Credit on expenses	Not able to claim on all business expenses	Available for ALL INWARD which are used in furtherance of business

P18

Applicability of GST on all supplies

Particulars	Current Scenario	GST Scenario
TAX on Inter State Transfer of Goods to Branch or Agent	Exempt against Form – F	To be taxable but full credit available to dealers
TAX on Transfer of Goods to Branch of Agent within State	Generally Exempt; Depends Upon State Procedures	Might be taxable, Unless TIN of Transferor and Transferee is same
Cascading Effect	Credit between Excise Duty & Service Tax available but no set-off against VAT on Excise duty	Credit available on the full amount of taxes up to retailer
Cross Set-off of Levy	Currently set-off of Excise duty and Service tax is allowed	No cross set-off between CGST and SCST

P19

Consequences of non-compliance of GST

Late Fee & Interest

Failure to furnish returns

Quarterly (for composite dealer) / Monthly (for regular dealer):

Rs. 100/- per day for every day subject to a maximum of Rs. 5000/-

Annual Return: Rs. 100/- per day for every day subject to a maximum of Rs. 0.25 % of aggregate turnover

Interest on Total TAX Due – Rate yet to be notified

Cancellation of Registration

Regular Dealer: If return are not furnished for 6 consecutive tax period.

Composite Dealer: If returns are not furnished for 3 consecutive tax period.

Fines

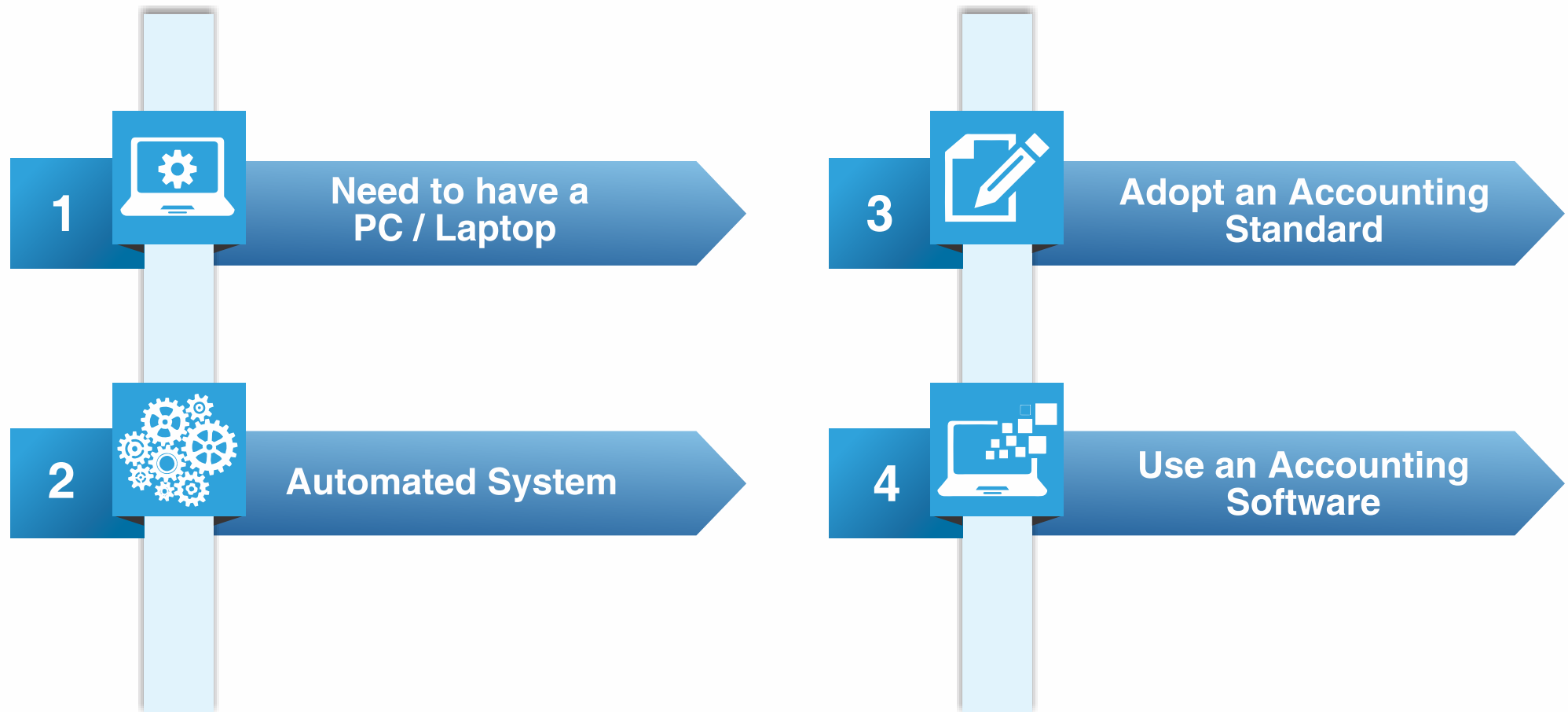
Tax evasion

Rs. 10,000/- or an equal amount to the extent of tax evaded.

Fine with imprisonment **up to 5 years** depending on amount of tax evasion with slab ranging from **25 Lakhs to 500 Lakhs**.

P20

How can you be GST Ready?



P21

*bank aapki
mutthi mein*