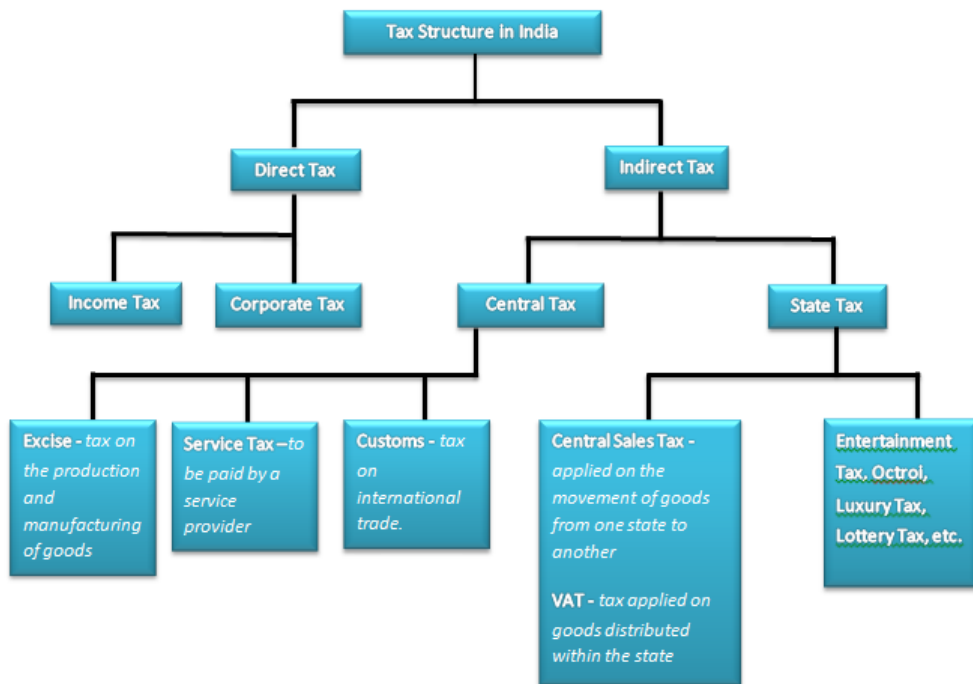
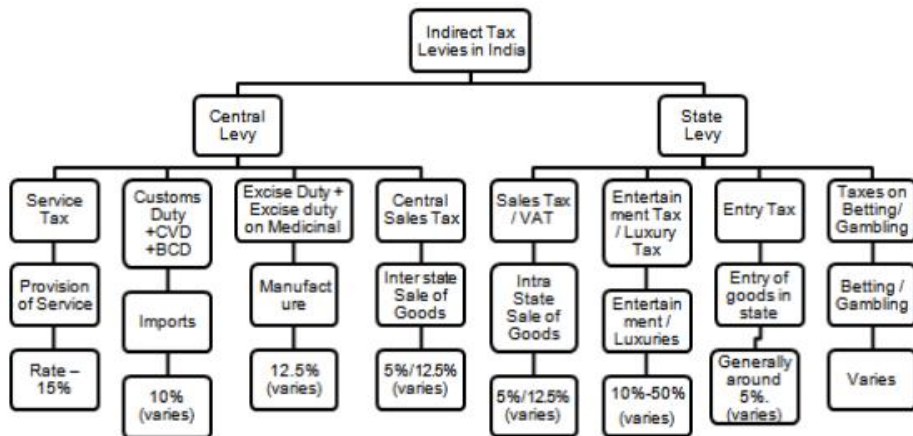


1. Draw a chart showin tax structure in india



2. Pre GST Tax levied in India



The above flow chart states all the indirect taxes that were earlier levied both at central and state level. India had a dual system of taxation of goods and services, which was quite different from dual GST.

Central Government levied taxes on the following:

- Income Tax: Tax collected on the income of an individual
- Customs duties: Duties collected on the exports and imports of goods
- Service tax: Taxes gathered on various services
- Central excise: Taxes on Manufacturing of dutiable goods

State Governments levied the following taxes:

- Value Added Tax (VAT): Sales of goods involve the particular tax. The sales of the goods in intrastate are covered by the VAT Law of that state, whereas those among the inter-state is levied by the Central Sales Tax Act.
- Stamp duties and Land Revenue: Since land is a matter on which only State Governments can govern, thus the Stamp duties on transfer of immovable properties are levied by State Governments.
- State Excise on Liquor and certain agricultural goods. In India, indirect taxes are in vast numbers as there were several of taxes to be incurred on manufacture, import, and sale and even purchase in certain cases. Further the law was governed less by the Acts and more by day to day notifications, circulars and orders by the Governing bodies. Further there are some local indirect taxes levied like Local Body Taxes (LBT) or Octroi

3 Write any five limitations of Pre-GST Indirect taxes

1. Increased costs due to software purchase

Businesses have to either update their existing accounting or ERP software to GST-compliant one or buy a GST software so that they can keep their business going. But both the options lead to increased cost of software purchase and training of employees for an efficient utilization of the new billing software.

2. Being GST-compliant

Small and medium-sized enterprises (SME) who have not yet signed for GST have to quickly grasp the nuances of the GST tax regime. They will have to issue GST-complaint invoices, be compliant to digital record-keeping, and of course, file timely returns. This means that the GST-complaint invoice issued must have mandatory details such as GSTIN, place of supply, HSN codes, and others.

3. GST will mean an increase in operational costs

As we have already established that GST is changing the way how tax is paid, businesses will now have to employ tax professionals to be GST-complaint. This will gradually increase costs for small businesses as they will have to bear the additional cost of hiring experts. Also, businesses will need to train their employees in GST compliance, further increasing their overhead expenses.

4. GST is an online taxation system

Unlike earlier, businesses are now switching from pen and paper invoicing and filing to online return filing and making payments. This might be tough for some smaller businesses to adapt to. Cloud-based GST billing software like the *ClearTax GST Billing Software* is definitely an answer to this problem. The process for return filing on ClearTax GST is very simple. Business owners need to only upload their invoices, and the software will populate the return forms automatically with the information from the invoices. Any errors in invoices will be clearly identified by the software in real-time, thus increasing efficiency and timeliness.

5. SMEs will have a higher tax burden

Smaller businesses, especially in the manufacturing sector will face difficulties under GST. Earlier, only businesses whose turnover exceeded Rs 1.5 crore had to pay excise duty. But now any business whose turnover exceeds Rs 20 lakh will have to pay GST.

However, SMEs with a turnover upto Rs 75 lakh can opt for the composition scheme and pay only 1% tax on turnover in lieu of GST and enjoy lesser compliances. The catch though is these businesses will

then not be able to claim any input tax credit. The decision to choose between higher taxes or the composition scheme (and thereby no ITC) will be a tough one for many SMEs.

4. What was the significance of Introduction of VAT in Indirect Taxes prior to implementation of GST . Write a short note

VAT was introduced value added tax (VAT) into the Indian taxation system from 1 April 2005. The existing general sales tax laws were replaced with the Value Added Tax Act (2005) and associated VAT rules.

A few states (Gujarat, Tamil Nadu, Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand, Uttarakhand and Uttar Pradesh) without Karnataka opted to stay out of VAT taxation system during the initial introduction of VAT but adopted it later.

As of 2 June 2014, VAT has been implemented in all the states and union territories of India except Pondicherry Andaman and Nicobar Islands and Lakshadweep Island.

Every commodity passes through different stages of production and distribution before finally reaching the consumer. Some value is added at each stage of the production and distribution chain: for instance, a forged metal tool is more valuable than metal, which was itself more valuable than the ore that was originally mined. Value Added Tax (VAT) is a tax on this value addition at each stage.

Under a VAT system, a dealer collects tax on his sales, retains the tax paid on his purchase and pays the balance to the government. It is a consumption tax, because it is borne ultimately by the final consumer. The tax paid by the dealer is passed on to the buyer. It is not a charge on the dealer. VAT is instead a multipoint tax system with provision for collection of tax paid on purchases at each point of sale.

How is VAT computed?

In order to understand VAT, one must first understand its two components: input and output tax.

What is output tax?

Output tax is VAT charged to the customer on sales.

What is Input Tax?

The tax a dealer pays for purchases is input tax.

VAT computation

A dealer pays VAT by deducting the tax paid on purchases (input tax) from his tax collected on sales (output tax). In other words, $VAT = Output\ Tax - Input\ Tax$.

For example: A dealer pays Rs.10.00 @ 10% on his purchase price of goods valued Rs.100.00. He sells the goods at Rs.150.00 and collects tax amounting to Rs.15.00 (@ 10%). He will pay Rs.5.00 (Rs.15.00- Rs.10.00) as he has already paid Rs.10.00 to his seller while purchasing those goods.

5. Need for GST in India

There are various taxes that have to pay at every stage and differently collected by State and Central Government and rates differ from one state to another. If we talk about GST, it will unified whole

nation and taxes will be divided among Central and State Government, which will make easier to provide services and goods across country, as no more additional state taxes will be imposed.

Why in India, there is a need for GST?

Imposing several taxes on goods and services can lead to high cost and inefficient tax structure which can subject to shirking and revenue disclosures. The need for **GST** in Indian Taxation System will add value at each stage and will set off the rates both at state and at central level. Introducing GST, will increase the efficiency of taxation, improves the economic growth and it will bring whole nation to one national market.

What happen in present scenario? Our present taxation system is very complex and very confusing, corruption chance is there, which leads to distrust of government, there are hidden tax for exports, whereas no charge applicable on Importing of Goods/Services from one state to another.

Just to overcome these issues, Rajya Sabha introduced **GST** bill, which will bring transparency to taxation and consumer will get to know how much tax amount they are paying to government for sale/ purchase/ manufacturing.

Following are some of the points that can easily explain the need for **GST**:-

Tax Structure will be Simple: – At present, there are huge number of taxes that has to pay by consumers, with GST it will single tax to pay, which is much easier to understand. For businesses, accounting complexities will reduce and results less paperwork, which will save both time and money. GST will increase economic **GDP** by 2%-2.5%.

Tax revenue will increase: Simple tax structure will bring more tax payers and in return it will be revenue for government.

Competitive pricing: What GST will do? Well, it will eliminate all other taxes of indirect taxes and this will effectively mean that tax amount paid by end users (consumers) will reduce. As in Economics, lower will the prices, more will be demand for that product, results in more consumption of goods, which will be benefited to companies.

Boost to exports: If Indian market will be competitive in pricing, then more and more foreign players will try to enter the market, which results in more numbers of exporters and benefits to Indian Market. As far there is no tax rate is finalized, but yes GST is much needed in the countries where, it lacks transparency and complex taxation system.

There is a question in everyone's mind....."Do we have to pay tax at different different rates and at different different levels? Is there no solution to this? Yes, the solution to this is **implementation of GST**. GST will take away cascading effect of various taxes that are charged on sale/ production/ purchase and so. Products reaches to customers at very high rate as compared to manufacturing, so with **GST** there will be only one tax and it will reduce burden to pay off.

Remove Cascading Effect : In the earlier tax systems there was cascading effect VAT is to be paid on Excise duty and other duties like custom duty. So once GST is introduce there will be complete elimination of cascading Effect and there will be one nation one tax.

Remove the difficulties of previous tax Systems: by implementing the GST there are various difficulties will be exhausted like C- form issues for interstate sales transactions filling of various monthly returns like service tax returns excise returns.

6. What are the important stages in implementation of GST.

Step-1 Registration :-

Every business carrying out a taxable supply of goods or services under GST regime and whose turnover exceeds the threshold limit which can be known in GST guidelines, if you are applicable you will be required to register as a normal taxable person. This process of registration is referred to as GST registration.

Now that we know who needs to register, the question arises that are there any benefits for registration? GST registration is critical because it will enable you to avail various benefits that are available under the GST regime. One such benefit is to avail seamless input tax credit. Multiple taxes are being clubbed under GST and thus the cascading of taxes that is prevailing currently will no longer be the case. Also, timely registration will help you avoid any kind of interface with tax authorities.

Step-2 Organization realignment:-

GST is going to affect each business in one way or other, so a proper information should be found out about the supply chain of the organization i.e. which area will be most affected by GST and which area will be least affected and according to this proper organization realignment should be done.

Step-3 Alignment of invoicing :-

We know how important invoices are, their importance will increase after the implementation of GST, a tax invoice is an essential evidence to:

- support a registered person's claim for the ITC of GST (input tax) incurred;
- trigger the time of supply as the invoice date will determine when GST is to be accounted for by a registered person on the supply of goods and services (accounting on invoice basis);

now there are certain guidelines that need to be followed when making these invoices. To know the format of tax invoice please refer to the article "GST tax invoice"

Other invoices like debit, credit notes and other accounting formats should also be aligned according to GST requirements.

Step-4 IT systems:

With GST comes a large number of challenges for various organizations like detail record keeping has become necessary, input credit rules are complicated, large number of compliances, the cost of compliance is too high for the whole supply chain, a good IT infrastructure can help the organizations in tackling these challenges hence an updated IT system should be put into place before GST. To know various ways in which IT can help during GST implementations please read the article "**Do you need IT system for GST?**"

Step-5 Update GSTIN to your trade network :-

GST registration is required to be obtained for each state from where taxable supplies are being made. Each taxpayer will be allotted a State-wise PAN-based 15-digit Goods and Services Taxpayer Identification Number (GSTIN). This number will serve as an identification proof for businesses and have to be used while making invoices, hence GSTIN of

both vendors and customers have should be found out to make invoices therefore it is necessary for businesses to update GSTIN to Vendors and customers which will be different

Step-6 Input tax credit arrangement:-

A taxable person can accumulate credits of taxes paid and carry them forward in a return. With the introduction of the GST, the last set of credits will have to be transferred. To do this, you must furnish proof of his/her last return filed under the old regime. You will, therefore, need to make sure that all input taxes paid are included in it; by doing so, you will be claiming the credit of the same under the new regime.

For example, let's consider July 1, 2017 as the appointed day for the GST rollout. The taxpayer must make sure that he/she has taken into account all the stock lying on June 30, 2017 and claim input credit during the filing of returns for the period ending June 30, 2017. The taxpayer, thus, must ensure that all such goods and services are eligible for such a credit under the new GST law.

Step-7 Understanding various GST tools and its working :-

When GST rolls out, each registered taxpayer will get a profile created on the government's GST website. The taxpayer using the login credentials will be able to access all features along with a dashboard. All the taxpayers will also get three electronic ledgers namely E-cash Ledger, E-credit Ledger & E-liability Ledger. These ledgers will reflect the amount of tax payable, input credit balance, and on adding money to the cash ledger the taxpayer will also be able to settle the tax liability online.

Step-8 Monitor progress and keep your employees informed:-

Getting ready for GST compliance is a huge challenge. Companies need to keep on monitoring their progress from time to time so as not to fall back. For this proper flow of information is required as fast information about status can make you make right decisions at right time.

As companies take steps to get ready for GST compliance, they may encounter disruption of internal processes. They need to take their employees into confidence and explain that this is just a transition phase and soon they will get used to this, and things will fall into place.

Step-9 Review and validate results:-

GST is much more stringent than our old taxation system hence even when it seems that your organization is completely prepared for GST reviewing the rules and your preparedness for GST poses no harm. Keep reviewing may result in detection of some error which can cause the company to dodge many difficulties in the future. Hence reviewing and validating the results will be an important step for GST implementation. in different states.

7. What are the taxes subsumed under GST

GST is commonly described as indirect, comprehensive, broad based consumption Tax. The Dual GST which would be implemented in India will subsume many consumption taxes. The objective is to remove the multiplicity of tax levies thereby reducing the complexity and remove the effect of Tax Cascading. The objective is to subsume all those taxes that are currently levied on the sale of goods or provision of services by either Central or State Government. Subsumation of large number of taxes and other levies will allow free flow of larger pool of tax credits at both Central and State level.

1. PRINCIPLES OF TAX SUBSUMATION

The various Central, State and Local levies were examined to identify their possibility of being subsumed under GST. While identifying, the following principles were kept in mind:

- Taxes or levies to be subsumed should be primarily in the nature of indirect taxes, either on the supply of goods or on the supply of services.
- Taxes or levies to be subsumed should be part of the transaction chain which commences with import/ manufacture/ production of goods or provision of services at one end and the consumption of goods and services at the other.
- The subsumation should result in free flow of tax credit in intra and inter-State levels.
- The taxes, levies and fees that are not specifically related to supply of goods & services should not be subsumed under GST.
- Revenue fairness for both the Union and the States individually would need to be attempted.

2. CENTRAL TAXES TO BE SUBSUMED IN GST

On application of the above principles and various papers which have been released in this regard, it is deduced that the following Central Taxes should be, to begin with, subsumed under the Goods and Services Tax:

- Central Excise Duty (CENVAT)
- Additional Excise Duties
- The Excise Duty levied under the Medicinal and Toiletries Preparations (Excise Duties) Act 1955
- Service Tax
- Additional Customs Duty, commonly known as Countervailing Duty (CVD)
- Special Additional Duty of Customs – 4% (SAD)
- Surcharges and Cesses levied by Centre are also likely to be subsumed wherever they are in the nature of taxes on goods or services. This may include cess on rubber, tea, coffee, national calamity contingent duty etc.
- Central Sales Tax to be phased out.

3. STATE TAXES TO BE SUBSUMED IN GST

Following State taxes and levies would be, to begin with, subsumed under GST:

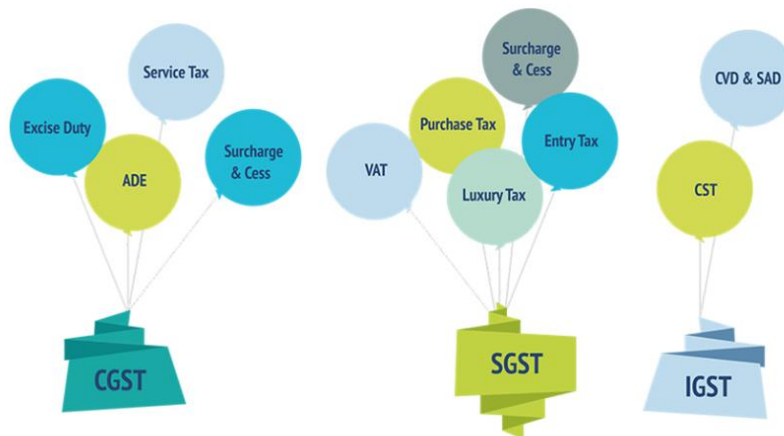
- VAT / Sales tax
- Entertainment tax (unless it is levied by the local bodies)
- Luxury tax
- Taxes on lottery, betting and gambling
- State Cesses and Surcharges in so far as they relate to supply of goods and services
- Octroi and Entry Tax
- Purchase Tax

4. Taxes subsumed under IGST

CVD and SAD

CST

Taxes to be subsumed in GST



8. Visit CBIC Website and make a note of important contents.

To login into the website type www.cbic.gov.in in the address bar and press enter
After logging in to the website there is menu below listed

- About us
- GST
- GST awareness
- GSTP/CBRL Exam
- Customs
- Central Excise
- Service Tax
- Tender/Auctions
- News & Media

➤ Contact Us

And noted that there is a news flash scrolling with the latest updates, notification etc.,

There is a separate menu containing import links for CITIZEN CORNER

There is a separate menu containing import links for Highlights with Photo Gallery

There is a separate menu containing useful links for

- GST Application
- ICEGATE Application
- ACES Application
- Login to Antarang
- India code portal
- Nacen e-learning Portal

It is noted that at the bottom of the website information related to Updates and Latest notification & circulars are give notification are related to GST, Customs, Central Excise and Service Taxes

I checked with GST Main menu it is noticed that there are different Tabs are given about GST

<p style="text-align: center;">MyGST</p> <ul style="list-style-type: none"> ● GST Council Secretariat ● e-version GST Flyers ● Overview on GST ● GST - Concept & Status (01-04-2019) ● Advantages of GST ● Consumer Awareness ● Standard Operating Procedure on TDS ● Anti-Profiteering ● MSME ● GST HINDI LEXICON ● FAQs 	<p style="text-align: center;">GST Laws, Rules & Rates</p> <ul style="list-style-type: none"> ● Books ● Acts ● Rules ● Notifications ● Circulars/Orders ● Classification of Services ● GST Rates/Ready reckoner/Finder ● Filing of GST return ● 	<p style="text-align: center;">Migration to GST</p> <ul style="list-style-type: none"> ● Distribution of GST Taxpayers between Central & State Government ● Step By Step Guide To Taxpayers ● FAQs on Migration to GST ● Migration FAQs ● Communication to Taxpayers regarding migration to GST ● Guidance note to Dept Officers ● Changes in Customs ● Public Notice
<p style="text-align: center;">GST in the Media</p> <ul style="list-style-type: none"> ● Media Clips ● GST India YouTube Channel ● Press release ● An article on GST by the Revenue Secretary published in Dainik Jagran ● Articles on GST by CBIC Officers 	<p style="text-align: center;">GST Background Materials</p> <ul style="list-style-type: none"> ● NACIN GST Weekly Update ● Other Constitutional Amendment ● Reports on GST ● Business Processes ● GST IT Training ● CCA's Advisory on refunds ● CBIC GST Application Newsletter ● FAQs 	<p style="text-align: center;">GST HELPDESK</p> <ul style="list-style-type: none"> ● Commissionerate ● Nodal Officers for E-way Bills ● Advisory on AIO Functioning connectivity issues ● CBICMITRA HELPDESK ● GSTN HELPDESK ● Related links

9 What is the major difference in incidence of tax during pre and post GST implementation with respect to inter-state transfer. Explain with example.

Inter State sale will be governed by **IGST** (Integrated Goods and Services Tax) Act, 2017. Integrated Goods and Service Tax (IGST) is the sum of CGST and SGST which will get imposed on the goods and services in Inter State Supply. It is destination based and will accrue to the importing state. In simple words, we can say IGST is the combined tax imposed other than

CGST and SGST. If the rate of SGST is 12% and the CGST is 15% then the rate of the IGST will be 27%.

Inter State sale– Impact

GST has two components :

- CGST – Revenue will go to the Central Government.
- SGST – Revenue will go to the State Government.

Example of Inter State sale

Tax rate of CGST and SGST are 15% and 12% respectively.

Anil, a Chennai registered trader, sold goods to Dev, a Mumbai registered trader, for Rs. 10 Lakhs and further Dev sold the goods to Bharat, a Delhi registered retailer, for Rs. 11 Lakhs.

Firstly, Anil sold the goods to Dev

- Anil will collect IGST at the CGST+SGST rate on Rs. 10 Lakhs.
- Dev will get the credit which he can use for further payment of his GST. This credit will be given after the payment of IGST to Anil on Rs. 10 Lakhs.

Secondly, Dev sold the goods to Bharat

- Dev will collect IGST at the CGST+SGST rate on Rs. 11 Lakhs.
- Bharat will get the credit which he can use for further payment of his GST. This credit will be given after the payment of the IGST to Dev on Rs. 11 Lakhs.

So Finally, Maharashtra will get the SGST on Rs. 10 Lakhs from Chennai on the first transaction between Anil and Dev. Maharashtra will also be collecting tax on the second transaction between Dev and Bharat on the amount of Rs. 11 Lakhs which it will further transfer to the Central Government (CGST) and to the Delhi government (SGST).

Delhi will get the SGST on the amount of Rs. 11 Lakhs from the transaction between Dev and Bharat.

Hence, Inter State sale will benefit as the transactions do not have to be taxed twice. This is in contrast to present taxation regime where if you purchased goods from Mumbai you pay tax there and then again in your state in which you ultimately sell it. These will help the traders to increase their Inter State sale by lowering tax burden.

10. What are the exclusive products not included in the purview of GST. Why?

Taxes on products not under GST

The following tax and product types are not covered under GST. Business owners making sales or purchases of these products should make sure they understand the specific tax requirements that will still be imposed beyond GST assessments.

- **Tax on items containing alcohol**

Alcoholic beverages for human consumption would be kept out of the purview of GST as an exclusion mandated by constitutional provision. Sales Tax/VAT could be continued to be levied on alcoholic beverages as per the existing practice. VAT is levied on alcohol purchases in some states, and there will be no objection to that. Excise duty, which is presently levied by the states, may also be unaffected.

- **Tax on Petroleum Products**

The full range of petroleum products, including crude oil and motor spirits including Aviation Turbine Fuel (ATF) and High Speed Diesel (HSD), would be kept outside GST, as is the prevailing practice in India. Sales tax could continue to be levied by the states on these products with the prevailing floor rate. Similarly, Centre could also continue its levies. A final opinion on whether natural gas should be kept outside the GST will be issued after further deliberations.

As for petroleum products, although the GST constitutional amendment provides for levying GST on these products, it allows the timeframe for their inclusion to be decided by the GST Council. Therefore, in the initial years of GST, petroleum products will remain out of the scope of GST.

The existing taxation system under VAT and the Central Excise Act will continue for both of the commodities listed above.

Why this exclusion

VAT or sales tax on petroleum products contributes to nearly 33 percent of state revenues, and Centre also earns significant excise duty income on the generation of petroleum products from crude oil. To protect these significant revenue interests, both the Governments want GST to first stabilize before they allow the GST Council to consider their inclusion.

Similarly, for alcohol, states don't want to lose the significant revenue currently earned from state excise duty. In many states, the revenue from state excise taxes imposed on alcohol brings in 25 percent of total revenue. For this reason, the state excise tax on alcohol has been kept out of the constitutional mandate for levying GST.

This decision was made to provide fiscal security to states and ensure that there is a minimum guaranteed income under the proposed GST regime.

Impact of such exclusions

Any planning for GST has to take into consideration the non-availability of credits for taxes paid on petroleum products, though these products are inputs for most business activities. Major taxes paid on inputs won't be eligible for ITC, so they will remain part of the cost of production and sales, as they are now.

Such exclusions negate, to some extent, the pros of unification, giving rise to one more layer of complexity when it comes to tax compliance for business organizations. Manual handling of these transactions can lead to wasted time and manpower, and these calculations are prone to errors. Using automated solutions for indirect tax compliance — including GST and all other products outside GST — is the fastest and most cost-effective way to solve this problem.

11. When GST council was notified and what is its composition.

Seven months after the formation of the Modi government, the new Finance Minister Arun Jaitley introduced the GST Bill in the Lok Sabha, where the BJP had a majority. In February 2015, Jaitley set another deadline of **1 April 2017** to implement GST.

Goods & Services Tax Council is a constitutional body for making recommendations to the Union and State Government on issues related to Goods and Service Tax. The GST Council is chaired by the Union Finance Minister and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.

The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2016, for introduction of Goods and Services tax in the country was introduced in the Parliament and passed by Rajya Sabha on 3rd August, 2016 and by Lok Sabha on 8th August, 2016. Consequent upon this, the Hon'ble President of India accorded assent on 8th September, 2016, and the same was notified as the Constitution (One Hundred and First Amendment) Act, 2016. As per Article 279A (1) of the amended Constitution, the GST Council has to be constituted by the President within 60 days of the commencement of Article 279A. The notification for bringing into force Article 279A with effect from 12th September, 2016 was issued on 10th September, 2016.

As per Article 279A of the amended Constitution, the GST Council which will be a joint forum of the Centre and the States, shall consist of the following members: -

- a. the Union Finance Minister..... Chairperson;
- b. the Union Minister of State in charge of Revenue or Finance..... Member;
- c. the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government..... Members.

As per Article 279A (4), the Council will make recommendations to the Union and the States on important issues related to GST, like the goods and services that may be subjected or exempted from GST, model GST Laws, principles that govern Place of Supply, threshold limits, GST rates including the floor rates with bands, special rates for raising additional resources during natural calamities/disasters, special provisions for certain States, etc.

The Union Cabinet in its meeting held on 12th September, 2016 approved setting-up of GST Council and setting up its Secretariat. The Cabinet inter alia took decisions for the following:

- a. Creation of the GST Council as per Article 279A of the amended Constitution;
- b. Creation of the GST Council Secretariat, with its office at New Delhi;
- c. Appointment of the Secretary (Revenue) as the Ex-Officio Secretary to the GST Council;
- d. Inclusion of the Chairperson, Central Board of Excise and Customs (CBEC), as a permanent invitee (non-voting) to all proceedings of the GST Council;
- e. Create one post of Additional Secretary to the GST Council in the GST Council Secretariat (at the level of Additional Secretary to the Government of India), and four posts of Commissioner in the GST Council Secretariat (at the level of Joint Secretary to the Government of India).

12. What are different types of taxes levied under GST.

Tax structure under GST



13. What are the laws supporting the levy of GST. Explain with examples or rules.

GST is replaced by several indirect taxes so the old laws rules and regulation are supporting the levy of GST there are many laws and rules made by the GST Council while implementing the GST the following are some of the GST laws and rules.

GST Laws & Rules

- **101st Constitution Amendment Act, 2016**
- **GST Acts**
 - i. **CGST Act**
 - ii. **IGST Act**
 - iii. **UTGST Act**
 - iv. **GST (Compensation to the States) Act**
- **Final GST Rules**
 - i. **Composition - Rules and Formats**
 - ii. **Valuation Rules**
 - iii. **ITC - Rules and Formats**
 - iv. **Invoice, Debit & Credit Notes - Rules**
 - v. **Payment - Rules and Formats**
 - vi. **Refund - Rules and Formats**
 - vii. **Registration - Rules and Formats**
- **Draft GST Rules**
 - i. **Accounts and Records**
 - ii. **Advance Ruling**
 - iii. **Appeals and Revision**
 - iv. **Assessment and Audit**
 - v. **e-Way Bill**
 - vi. **Transition Rules**
 - vii. **Revised Return Rules**
- **GST Rates**
 - **GST Rates of Goods**
 - i. **Chapter wise GST rate Schedule for Goods decided in the GST Council Meeting held on 18.05.2017**
 - ii. **Chapter wise rate wise GST Schedule - 03.06.2017**
 - iii. **GST Compensation Cess rates decided in the GST Council Meeting held on 18.05.2017**
 - iv. **Addendum to the GST Rate Schedule for Goods - 18.05.2017**
 - v. **Addendum to the GST Rate Schedule - 03.06.2017**
 - vi. **GST rates approved by the GST Council - 11.06.2017**
 - vii. **IGST Exemptions approved by the GST Council - 11.06.2017**
 - viii. **Revised Threshold for Composition Scheme - 11.06.2017**
 - ix. **Decisions of the GST Council on Composition Levy & GST rate on certain goods taken in 17th Meeting - 18.06.2017**
 - **GST Rates of Services**
 - i. **GST rate Schedule for services**
 - ii. **List of Services under reverse charge**
 - iii. **Classification Scheme for Services under GST**
 - iv. **Decisions taken by the GST Council in the 16th meeting - 11.06.2017**
 - v. **Decisions of the GST Council on Composition Levy & GST rate on certain goods taken in 17th Meeting - 18.06.2017**
 - vi. **Decisions taken on services at 20th GST Council meeting 5 August, 2017**

14. What is RNR?

Revenue neutral rate(RNR) is a structure of different rates established in order to match the current revenue generation with revenue **under GST**. RNR calculation has to include the cascading effect on certain goods having no excise or sales tax implications.

The golden rule for collection of tax is given by world's oldest economist Sage Kautilya *alias* Chanakya Muni more than 2000 years ago. He said that 'the King should collect tax from different persons as the humble bee collects honey from different flowers without making any harm to them'. Thus, all efforts should be made to keep the GST rate as low as possible.

In the proposed GST regime, the revenue of the Government would not be the same in comparison with the present tax structure due to tax credit mechanism or otherwise. Therefore, an adjustment in tax rate is required to avoid reduction in revenue of the Government. Hence, the rate of tax will have to be suitably adjusted to ensure that tax revenue does not reduce. This rate is termed as 'Revenue Neutral rate' (RNR). It is the rate at which tax revenue remains the same despite giving credit of duty paid on inputs and other factors.

It is the tax rate that will allow the Government to receive the same amount of money despite of changes in tax laws. In the GST regime the revenue of the government would not be same in comparison with the present tax structure due to tax credit mechanism, removal of cascading effect, or otherwise. Therefore an adjusted in tax rate is required to avoid reduction in revenue of the government. This adjusted Rate is termed as Revenue Neutral Rate (RNR).

Salient Features

- Rate which will give at-least the same level of revenue, which the Centre and States are presently earning from Indirect taxes.
 - A case of no revenue loss to exchequer
 - Proposed / talked about @ 16% to 27% (likely to be much lower in the present circumstances due to opposition)
 - Committee on GST rates has suggested RNR of 15 % to 15.5%
 - States want higher RNR but it may not be desirable
- In the process of determining the tax rate various facts, figures and factors are taken into consideration before arriving at revenue neutral rate. RNR is the good indicator of future requirement in calculating the adequate compensation to both state as well as central government.

For the determination of RNR, the National Institute of Public Finance and Policy had undertaken a study on Revenue Implications of GST and Estimation of Revenue Neutral Rate. NIPFP recommends that GST rate will be same as the combined central and state taxes on Goods at present but it should be lower than the combined central and state taxes on services.

The sub-committee had proposed a total RNR of almost 27 percent for the dual – structure GST. While the state GST component is proposed to be 13.91% , the central GST component is proposed at 12.77 %. This rate computation work in progress and its need to be updated as per the latest figures of revenue collection. As per Dr . P. Shome the RNR rates would be fixed at little higher level to ensure that there would be no revenue loss from the proposed changes and a normal growth is maintained.

Factors for Determination of RNR

Present tax rates and collection in absolute numbers:

- Excise duty, which is levied at various rates, median rate is 12%
- CVD rate on import of goods
- Service tax rate, presently 14 %
- State VAT rate, varies from 0% to 20% (0, 5, 12.5, 20)
- Collection of the Government from these levies

15. What are the categories of Goods and Services for levying GST.

Types of categories under GST rate

The GST tax is levied based on Revenue Neutral Rate (RNR). For the purpose of imposing GST tax in India, the goods and services are categorised in to four.

These 4 categories of goods and services are as follows:

Exempted Categories under GST in India.

The GST and council and other GST authorities notifies list of exempted goods. Such goods are not fallen under payment of GST tax. The authorities may modify or amend the list time to time by adding deleting any item if required by notification to public.

Essential Goods and Services of GST in India

Essential category of goods and services are charged very lower GST rate. Essential goods and services are the goods and services for necessary items and items under basic importance.

Standard Goods and Services for GST in India

A major share of GST tax payers falls under this category of Standard Goods and Services. A standard rate of GST is charged against the goods and services under this category.

Special Goods and Services for GST tax levy

Under special category of goods and services, GST rates would be high. Precious metals including luxury items of goods and services fall under special Goods and Services for GST rate implementation.

16. Briefly explain the important components of Supply

Time, Place and Value of Supply

Under [GST](#), 3 types of taxes can be charged in the invoice. SGST and CGST in case of an intra-state transaction and IGST in case of an interstate transaction. But deciding whether a particular transaction is inter or intrastate is not an easy task.

Think about an online training where customers are sitting in different parts of the world.

Say in case, hotel services, where the receiver may have an office in another state and may be visiting the hotel only temporarily, or where goods are sold on a train journey passing through different states.

To help address some of these situations, the IGST act lays down certain rules which define whether a transaction is inter or intrastate. These rules are called the place of supply rules.

There are three important concepts:

[Importance of Time, Place and Value of Supply](#)

[1. Time of Supply](#)

[A. Supply of goods](#)

[B. Supply of services](#)

[C. Reverse charge](#)

[2. Place of supply](#)

[A. Supply of Goods](#)

[B. Supply of Services](#)

[3. Value of Supply of Goods/Service](#)

Why are time place and value of supply important?

Time of supply means the point in time when goods/services are considered supplied'. When the seller knows the 'time', it helps him identify due date for payment of taxes.

Place of supply is required for determining the right tax to be charged on the invoice, whether IGST or CGST/SGST will apply.

Value of supply is important because GST is calculated on the value of the sale. If the value is calculated incorrectly, then the amount of GST charged is also incorrect.

Time of Supply

Time of supply means the point in time when goods/services are considered supplied'. When the seller knows the 'time', it helps him identify due date for payment of taxes.

CGST/SGST or IGST must be paid at the time of supply. Goods and services have a separate basis to identify their time of supply. Let's understand them in detail.

A. Time of Supply of Goods

Time of supply of goods is earliest of:

1. Date of issue of invoice
2. Last date on which invoice should have been issued
3. Date of receipt of advance/ payment*.

For example:

Mr. X sold goods to Mr. Y worth Rs 1,00,000. The invoice was issued on 15th January. The payment was received on 31st January. The goods were supplied on 20th January.

*Note: GST is not applicable to advances under GST. GST in Advance is payable at the time of issue of the invoice. [Notification No. 66/2017 - Central Tax](#) issued on 15.11.2017

Let us analyze and arrive at the time of supply in this case.

Time of supply is earliest of –

1. Date of issue of invoice = **15th January**
2. Last date on which invoice should have been issued = 20th January

Thus the time of supply is 15th January.

What will happen if, in the same example an advance of Rs 50,000 is received by Mr. X on 1st January?

The time of supply for the advance of Rs 50,000 will be 1st January (since the date of receipt of advance is before the invoice is issued). For the balance Rs 50,000, the time of supply will be 15th January.

B. Time of Supply for Services

Time of supply of services is earliest of:

1. Date of issue of invoice
2. Date of receipt of advance/ payment.
3. Date of provision of services (if invoice is not issued within prescribed period)

Let us understand this using an **example**:

Mr. A provides services worth Rs 20000 to Mr. B on 1st January. The invoice was issued on 20th January and the payment for the same was received on 1st February.

In the present case, we need to 1st check if the invoice was issued within the prescribed time. The prescribed time is 30 days from the date of supply i.e. 31st January. The invoice was issued on 20th January. This means that the invoice was issued within a prescribed time limit.

The time of supply will be earliest of –

1. Date of issue of invoice = **20th January**
2. Date of payment = 1st February

This means that the time of supply of services will be 20th January.

C. Time of Supply under Reverse Charge

In case of reverse charge the time of supply for service receiver is earliest of:

1. Date of payment*
2. 30 days from date of issue of invoice for goods (60 days for services)

*w.e.f. 15.11.2017 'Date of Payment' is not applicable for goods and applies only to services. [Notification No. 66/2017 – Central Tax](#)

For example:

M/s ABC Pvt. Ltd undertook service of a director Mr. X worth Rs. 50,000 on 15th January. The invoice was raised on 1st February. M/s ABC Pvt Ltd made the payment on 1st May.

The time of supply, in this case, will be earliest of –

1. Date of payment = 1st May
2. 60 days from date of date of invoice = **2nd April**

Thus, the time of supply of services is 2nd April.

2. Place of supply

It is very important to understand the term '[place of supply](#)' for determining the right tax to be charged on the invoice.

Here is an **example:**

Location of Service Receiver	Place of supply	Nature of Supply	GST Applicable
Maharashtra	Maharashtra	Intra-state	CGST + SGST
Maharashtra	Kerala	Inter-state	IGST

A. Place of Supply of Goods

Usually, in case of goods, the place of supply is where the goods are delivered.

So, the [place of supply of goods](#) is the place where the ownership of goods changes.

What if there is no movement of goods. In this case, the place of supply is the location of goods at the time of delivery to the recipient.

For example: In case of sales in a supermarket, the place of supply is the supermarket itself.

Place of supply in cases where goods that are assembled and installed will be the location where the installation is done.

For **example**, A supplier located in Kolkata supplies machinery to the recipient in Delhi. The machinery is installed in the factory of the recipient in Kanpur. In this case, the place of supply of machinery will be Kanpur.

B. Place of Supply for Services

Generally, the [place of supply of services](#) is the location of the service recipient.

In cases where the services are provided to an unregistered dealer and their location is not available the location of service provider will be the place of provision of service.

[Special provisions](#) have been made to determine the place of supply for the following services:

- [Services related to immovable property](#)
- Restaurant services
- Admission to events
- [Transportation of goods and passengers](#)
- Telecom services
- [Banking, Financial and Insurance services.](#)

In case of services related to immovable property, the location of the property is the place of provision of services.

Example 1:

Mr. Anil from Delhi provides interior designing services to Mr. Ajay(Mumbai). The property is located in Ooty(Tamil Nadu).

In this case, place of supply will be the location of the immovable property i.e. Ooty, Tamil Nadu.

Example 2:

A registered taxpayer offers passenger transport services from Bangalore to Hampi. The passengers do not have GST registration. What will be the place of supply in this case?

The place of supply is the place from where the departure takes place i.e. Bangalore in this case.

3. Value of Supply of Goods or Services

Value of supply means the money that a seller would want to collect for the goods and services supplied.

The amount collected by the seller from the buyer is the [value of supply](#).

But where parties are related and a reasonable value may not be charged, or transaction may take place as a barter or exchange; the GST law prescribes that the value on which GST is charged must be its 'transactional value'. This is the value at which unrelated parties would transact in the normal course of business. It makes sure GST is charged and collected properly, even though the full value may not have been paid.

17. What activities are included in supply.

Definition of Supply under GST

Definition of 'supply' Under section 2(92) read with **section 3** 'supply' includes ***all forms of supply of goods and/or services such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. Schedule I specified the supply.***

Analysis: Supply is the term replaced for the term sale; no scope has been left for any confusion and the definition includes every term which shall be coined as sale. Even the supply which is made or agreed to be made without a consideration will also amount to sale.

Any transfer of title to goods is a **supply of goods**, transfer of right to use goods [section 4(8) of APVAT Act, 2005], Hire purchase transactions, transfer of business assets are also brought under the ambit of term 'supply' as per Schedule II.

1. Supply includes

- (a) all forms of supply of goods and/or services such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business,
- (b) importation of service, whether or not for a consideration and whether or not in the course or furtherance of business, and
- (c) a supply specified in Schedule I, made or agreed to be made without a consideration

2. Schedule II, in respect of matters mentioned therein, shall apply for determining what is, or is to be treated as a supply of goods or a supply of services.

Activities which are not Supply

Activities and transactions specified in Schedule III –

Services by an employee to the employer in the course of or in relation to his employment;

Services of funeral, burial, crematorium or mortuary including transportation of the deceased.

Actionable claims, other than lottery, betting and gambling

Sale of land / Sale of building after occupation or completion will not attract GST. Thus, sale of building before completion or before occupancy will attract GST

Such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council.

Deemed Supply of Goods & Services

Following matters will be treated as deemed supply of goods and services and will attract GST :

1. In case of Transfer of title in goods, OR, Right in goods, OR of undivided share in goods without the transfer of title, OR, transfer under an agreement which stipulates that property will pass at a future date upon payment of full consideration

2. In case of Land & Building, – Any lease, tenancy, easement, license to occupy land or building (both for commercial or residential purpose, fully or partly)

3. Treatment or Process, which is being applied to another person's goods is a supply

4. Transfer of Business Assets – Where goods forming part of the assets of a business are transferred or disposed of, and are no longer forming part of business **OR** Where goods held for business are put to use for any private use, in such a way, as not for business **OR** Where any person ceases to be a taxable person, any goods earlier forming part of business, unless (a) the business is transferred as a going concern to another person, or (b) the business is carried on by a personal representative who is deemed to be a taxable person **With or Without for a Consideration**

5. Supply of Services – Following shall be treated as deemed “supply of Services” :

renting of immovable property;

construction of a complex, building, civil structure or a part thereof, including a complex or building intended for a sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate;

Temporary transfer or permitting the use or enjoyment of any intellectual property right;

6. Composite Supply – Following shall be treated as deemed “supply of Services” :

works contract as defined in section 2 (119) of CGST Act

Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.

7. Supply of goods – supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.

Inward Supply or Purchases– “*Inward Supply*” in relation to a person, shall mean receipt of goods and/or services whether by purchase, acquisition or any other means and whether or not for any consideration

Outward Supply or Sales – “*Outward Supply*” in relation to a person, shall mean supply of goods and/or services, whether by sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made by such person in the course or furtherance of business

Continuous Supply – Means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, by notification, specify

18. Brief registration process of GST.

Procedure for GST Registration:

a) Details to be furnished:

Before applying for [registration process](#), person has to declare the following:

- PAN
- Mobile number
- E-mail address
- State or UT

In **Part A of FORM GST REG-01** on the Common Portal, either directly or through a Facilitation Centre notified by Commissioner.

b) Reference Number:

On successful verification of the PAN, mobile number and e-mail, a temporary reference number shall be generated and communicated to the applicant.

c) Application:

Using the reference number, the applicant shall electronically submit an application in **Part B of FORM GST REG-01**, duly signed or verified through electronic verification code (EVC), along with documents specified in the form.

d) Specified Documents:

The following specified documents are required to be submitted along with the application:

A. Documents required for Private Limited Company, Public Company (limited company) / One Person Company (OPC):

i) Company documents

- PAN card of the company
- Registration Certificate of the company
- Memorandum of Association (MOA)/ Articles of Association (AOA)
- Copy of Bank Statement
- Declaration to comply with the provisions
- Copy of Board resolution

ii) Director related documents

- PAN and ID proof of directors

iii) Registered Office documents

- Copy of electricity bill/ landline bill, water bill
- No objection certificate of the owner
- Rent agreement (in case premises are rented)

B. Documents required for Limited Liability Partnerships (LLPs):

i) LLP Documents

- PAN card of the LLP
- Registration Certificate of the LLP
- LLP Partnership agreement
- Copy of Bank Statement of the LLP
- Declaration to comply with the provisions
- Copy of Board resolution

ii) Designated Partner related documents

- PAN and ID proof of designated partners

iii) Registered Office documents

- Copy of electricity bill, landline bill, water bill
- No objection certificate of the owner
- Rent agreement (in case premises are rented)

C. Documents required for Normal Partnerships

i) Partnership documents

- PAN card of the Partnership
- Partnership Deed

- Copy of Bank Statement
- Declaration to comply with the provisions

ii) Partner related documents

- PAN and ID proof of designated partners

iii) Registered Office documents

- Copy of electricity bill / landline bill, water bill
- No objection certificate of the owner
- Rent agreement (in case premises are rented)
- Documents required for Sole proprietorship / Individual

iv) Individual documents

- PAN card and ID proof of the individual
- Copy of Cancelled cheque or bank statement
- Declaration to comply with the provisions

v) Registered Office documents

- Copy of electricity bill/ landline bill, water bill
- No objection certificate of the owner
- Rent agreement (in case premises are rented)

D. Acknowledgement:

On the receipt of an application, an acknowledgement shall be issued to the applicant in FORM GST REG-02.

19. Ram Enterprises purchased goods from Shyam Enterprises. The goods were supplied on 15/01/2018. Ram Enterprises paid an advance of Rs. 1,00,000 for purchases on 10/01/2018. The invoice was raised on 30/01/2018. Explain with respect to supply.

Time of Supply for Goods

For goods, time of supply is the earliest of the following dates:

Date of issue of an invoice by the supplier.

If an invoice is not issued, then the last date on which the supplier is required to issue an invoice

Date on which the supplier received the payment.

For services, time of supply is the earliest of the following dates:

Date of issue of an invoice by the supplier. All service invoices must be issued within 30 days of provisioning of services.

Date of receipt of payment.

In the given scenario Supply Taxable is on 30/01/2018

20. Mr. Y was travelling from Hyderabad to Bengaluru on flight. During his journey he purchased some books. Determine the incidence of tax. Identify place of supply

In case of goods purchased or sold on board the place of supply will be the place from where the flight has been arrived.

In the given scenario the place of supply will be “Hyderabad” because the flight has been arrived from Hyderabad.

21. What is Composite supply and Mixed Supply? What is the rate of tax applied?

Composite supply under GST?

Composite supply means a supply comprises two or more goods/services, which are naturally bundled and supplied in with each other in the ordinary course of business, one of which is a principal supply.

It means that the items are generally sold as a combination.

The items cannot be supplied separately.

How to determine if it is a composite supply?

A supply of goods and/or services will be treated as composite supply if it fulfills the following criteria:

Supply of 2 or more goods or services together **AND**

It is a natural bundle, i.e., goods or services are **usually provided together in the normal course of business.**

They cannot be separated.

What tax rate will apply?

The tax rate of the principal supply will apply on the entire supply.

Example:

Goods are packed and transported with insurance. The supply of goods, packing materials, transport and insurance is a composite supply. Insurance, transport cannot be done separately if there are no goods to supply. Thus, the supply of goods is the principal supply.

Tax liability will be the tax on the principal supply i.e., GST rate on the goods.

If the second condition is not fulfilled it becomes a mixed supply.

What is mixed supply under GST?

Mixed supply under GST means a combination of two or more goods or services made together for a single price.

Each of these items can be supplied separately and is not dependent on any other.

Under GST, a mixed supply will have the tax rate of the item which has the highest rate of tax.

For example-

A Diwali gift box consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink and fruit juices supplied for a single price is a mixed supply. All are also sold separately. Since aerated drinks have the highest GST rate of 28%, aerated drinks will be treated as principal supply and 28% will apply on the entire gift box.

How to determine if it is a mixed supply or a composite supply?

You have to rule out that the supply is a composite supply. A supply can be a mixed supply only if it is not a composite supply.

If the items can be sold separately, i.e., the supplies not naturally bundled in the ordinary course of business, then it would be a mixed supply.

For example:

If a person buys canned foods, sweets, chocolates, cakes, dry fruits, aerated drink and fruit juices separately and not as a Diwali gift box, then it is not considered a mixed supply. All items will be taxed separately.

22. Write a short note on the process of GST.

India's biggest indirect tax reform in the form of Goods and Services Tax (GST) has completed 1 year. A comprehensive dual GST was introduced in India from 1 July 2017.

The idea of moving towards the GST was first mooted by the then Union Finance Minister in his Budget for 2006-07. The talks of ushering in GST took concrete shape with the introduction of Constitution (122nd Amendment) Bill, 2014. The Bill was passed by the Parliament on 8 August 2016. This was followed by the ratification of the Bill by more than 15 states. On 12 April 2017, the Central Government enacted four GST bills:

- Central GST (CGST) Bill
- Integrated GST (IGST) Bill
- Union Territory GST (UTGST) Bill
- The GST (Compensation to States) Bill

In a short span of time, all the states approved their State GST (SGST) laws. Union territories with legislatures, i.e., Delhi and Puducherry, have adopted the SGST Act and the other 5 union territories without legislatures have adopted the UTGST Act.

The GST Council, a recommendatory body consisting of representatives of Central as well as state governments, has met on several occasions and taken important decisions relating to tax rate structure, exemptions, rules, composition scheme etc. Over the period, the Council has recommended a reduction in the tax rates of various goods and services. It is also considering the various issues faced by trade and industry and endeavoring to simplify the new tax regime and ease compliance.

On the compliance front, all registered persons have to file monthly returns in Form GSTR-3B (containing a summary of outward and inward supplies) by the 20th of the succeeding month. Additionally, an invoice-wise return of outward supplies needs to be submitted in Form GSTR-1 by the 10th of the succeeding month. Taxpayers with turnover upto INR 1.5 crores can file Form GSTR-1 on quarterly basis. The Government has suspended the requirement of filing Form GSTR-2 (containing details of inward supplies) and GSTR-3 (a consolidated statement of inward and outward supplies).

The GST Council has approved a simplified GST return format wherein the taxpayers will be required to file only one monthly return. Input tax credit will be available based on invoice details of outward supplies uploaded by the supplier. Taxpayers having turnover below INR 5 crores will have an option to file return on quarterly basis.

Under GST, there is a provision for the person in charge of a conveyance to carry electronic way bill (e-way bill) if the consignment value exceeds INR50,000. E-way bill can be generated through various modes such as web (online), Android app, SMS using Bulk Upload Tool and API-based site-to-site integration. The e-way bill system has become effective for inter-state as well as intra-state movement of goods.

GST has been a major transition in the Indian tax framework. It has evolved significantly from the time of its inception. It is expected that Government's pro-active measures and industry's active participation, will make it a truly "Good and Simple Tax" in the times to come.

23 What are the types a dealer can opt at registration?

We have two types of registration in GST

1. GST normal or regular Dealer
2. GST Composite Dealer

The following is the difference between Composite and regular dealer

NORMAL DEALER	COMPOSITION DEALER
They calculate GST Payable by deducting OUTPUT GST -INPUT GST	They calculate GST Payable by Paying OUTPUT GST At lower rate (No Input taken)
They file Monthly Returns(GSTR3B, GSTR1, 2,3) + Annual Returns (12*2 +1=25 Returns in One Year)	They file Quarterly Returns(GSTR4) + Annual Returns (1*4 +1=5 Returns in One Year)
They can make Interstate Sales as well as local Sales	They cannot make Interstate Sales. They can only sell within state
Higher Rate of tax is applicable (5%,12%,18%,28%)	Rates of tax are lower For Traders 1% For Manufacturers 2% -1% from 1 jan 2018 For Restaurants 5% For Other Services N/A0
It is applicable for large assesses having turnover >1.5 CRORE If turnover less than 1.5 crores,still Normal scheme can be chosen	It is applicable for small assesses having turnover upto 1.5 CRORE in Previous Year

24. What is the threshold limit for composite dealers & registered dealers?

Composite dealer

Any person with the aggregate turnover **not exceeding Rs. 75 lakhs for special category states** (11 special category states Jammu n Kashmir (w.e.f 8th July 2017), Arunachal Pradesh, Uttarakhand, Nagaland, Assam, Meghalaya, Mizoram, Himachal Pradesh, Sikkim, Tripura, Manipur) and for rest of India who's turnover is not exceeding 1.5 Crores can opt for composite dealer

No permission shall be granted to a taxable person under certain conditions:

- who is engaged in the supply of services (except service of restaurant); or
- who makes any supply of goods which are not leviable to tax under this Act; or (c) who makes any inter-State outward supplies of goods; or
- who makes any supply of goods through an e-commerce operator who is required to collect tax at source or
- who is a manufacturer of such goods as may be notified

Any person with the aggregate turnover **exceeding Rs. 75 lakhs for special category states** and for rest of India who's turnover is exceeding 1.5 Crores can opt for Regular dealer

25. List out five examples of B2C transactions?

B2C, refers to the transactions conducted directly between a company and consumers who are the end-users of its products or services.

Below I have included some B2C companies as an example:

1. D Mart : Selling goods directly to the consumers
2. Chermas : Selling clothes directly to the customers
3. Medi Plus : Selling Medicines to the customers
4. Reliance Fresh : Selling Vegetable and grocery to the customers
5. Nike : Selling Footware to the customers

26. Draw a specimen of Invoice, Tax Invoice and Bill of Supply.

Tax Invoice

ABC LT D No 34, GS Building Calicut GSTIN/UIN: 32AAEFO1405F1ZY E-Mail : acc@abc.com	Invoice No. 1	Dated 1-Feb-2018
Buyer NATIONAL ELECTRONICS MOUNT ROAD, CALICUT, RABY TOWER, FLOOR NO 3, 690001 State Name : Kerala, Code : 32 GSTIN/UIN : 32AAAGM0289C1ZS Place of Supply : Kerala	Delivery Note	Mode/Terms of Payment
	Supplier's Ref. SO4565	Other Reference(s)
	Buyer's Order No.	Dated
	Despatch Document No. 4855	Delivery Note Date
	Despatched through GATI	Destination CALICUT
	Bill of Lading/LR-RR No. 87545 dt. 1-Feb-2018	Motor Vehicle No. KL60-D-4587
	Terms of Delivery	

Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	DVD	8521	18 %	10 PCS	3,500.00	PCS	35,000.00
	CGST						3,150.00
	SGST						3,150.00
Total				10 PCS			₹ 41,300.00

Amount Chargeable (in words) E & OE

INR Forty One Thousand Three Hundred Only

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
8521	35,000.00	9%	3,150.00	9%	3,150.00	6,300.00
Total	35,000.00		3,150.00		3,150.00	6,300.00

Tax Amount (in words) : **INR Six Thousand Three Hundred Only**

Declaration

We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for ABC LT D

Authorised Signatory

SUBJECT TO KANNUR JURISDICTION

This is a Computer Generated Invoice

AMKSS & Co.

1st Floor, Vikram - III, Plot No. 100
Sector - 5/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCP1234Z1ZX

Bill of Supply										
Serial Number : AMKSS/17-18/00000			State : Gujarat							
Date of Issue :			State Code : 24							
Details of Receiver Billed to:				Details of Consignee Shipped to:						
Name :				Name :						
Address :				Address :						
GSTIN/UIN :				GSTIN/UIN :						
State :				State Code :		State :			State Code :	
Sr. No.	Description of Product / Service	HSN AC S	UOM	Qty	Rate	Amount	Less: Discount	Value of Supply		
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
Total :				-		-	-	-		
Total Invoice Amount in Words:										
: Bank Details :										
• Bank Account Number : {{{Account Number}}}										
• Bank Branch IFSC : {{{IFSCODE}}}										
: Terms and Conditions :						Certified that the particulars given above are true and correct				
						For, AMKSS & Co.				
			(Common Seal)			Authorised Signatory				
[E&OE]										

27. What is Supplementary invoice.

Supplementary invoice has to be issued by a taxable person in case where any deficiency is found in the tax invoice which is already issued to the customer. Dictionary meaning of the term “supplementary” is added to complete or make up a deficiency. Thus supplementary tax invoice is to be issued where any deficiency is found in a tax invoice issued already to supplement / remove such deficiency.

For example: Mr. X has sold Colour TV to Mr. Y for Rs. 10000/- and issued tax invoice to Mr. Y and later Mr. X came to know that the Colour TV cost is Rs.12000/- in this case Mr. X has to issue supplementary invoice for difference amount Rs. 2000/- below is the format of supplementary invoice

SUPPLEMENTARY INVOICE/ DEBIT NOTE / CREDIT NOTE															
Name of Supplier: Address: Email id: GSTIN:									SI/DN/CN No.: Date Tax payable under Reverse Charge: (Yes/No) Mode of Transportation Place of Supply:						
Details of Receiver (Billed to)									Details of Consignee (shipped to)						
Name Address State State Code GSTIN:									Name Address State State Code GSTIN:						
S No.	Description of Goods/Services	HSN/ Accounting Code	Qty	Unit	Rate per item (Rs.)	Total (Rs.)	Discount (Rs.)	Taxable Value (Rs.)	CGST		SGST/UTGST		IGST		Total (Rs.)
									Rate	Rs.	Rate	Rs.	Rate	Rs.	
															Total Invoice Value
Declaration: The particulars given above are true and correct. SI/DN/DC is issued in pursuance of Invoice No. _____ dated _____									Freight Charges Loading charges Packing Charges Insurance Charges Other Charges						
(Value in Words)									Total Amount						
Terms & Conditions									For M/s _____						
									(Authorized Signatory)						

28.What is the eligibility for availing Input Tax Credit.

Input Tax in relation to a taxable person, means the Goods and Services Tax charged on any supply of goods and/or services to him which are used or are intended to be used, during furtherance of his business. Conditions To Claim is one of the most critical activity for every business to settle its tax liability.

ITC being the backbone of GST and a major matter of concern for the registered persons, conditions for eligibility to ITC and eligible ITC have been prescribed which is more or less in line with pre- GST regime. These rules are also quite particular and stringent in its approach.

Input Tax Credit under GST – Conditions To Claim

A registered person will be eligible to claim Input Tax Credit (ITC) on the fulfilment of the following conditions:

1. Possession of a tax invoice or debit note or document evidencing payment
2. Receipt of goods and/or services
3. Goods delivered by supplier to other person on the direction of a registered person against a document of transfer of title of goods
4. Furnishing of a return
5. Where goods are received in lots or installments ITC will be allowed to be availed when the last lot or installment is received.
6. Failure of the supplier towards supply of goods and/or services within 180 days from the date of invoice, ITC already claimed by recipient will be added to output tax liability and interest to paid on such tax involved. On payment to supplier, ITC will be again allowed to be claimed
7. No ITC will be allowed if depreciation has been claimed on tax component of a capital good
8. Time limit to claim ITC against an Invoice or Debit Note is earlier of below dates:

The due date of filing GST Return for September of next Financial year

OR

Date of filing the Annual Returns relevant for that Financial year

Items on which credit is not allowed

1. Motor vehicles and conveyances except the below cases
2. Such motor vehicles and conveyances are further supplied i.e. sold
3. Transport of passengers
4. used for imparting training on driving, flying, navigating such vehicle or conveyances
5. Transportation of goods
6. food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery

But if the goods and/or services are taken to deliver the same category of services or as a part of a composite supply, credit will be available

Example: Mr. Dev purchases cosmetic creams to supply it to a customer, then credit of ITC paid on purchases will be allowed.

7. Sale of membership in a club, health, fitness centre.

8. rent-a-cab, health insurance and life insurance except the following:

1. Government makes it obligatory for employers to provide it to its employees
2. goods and/or services are taken to deliver the same category of services or as a part of a composite supply, credit will be available

Example: Mr. Dev takes the service of rent-a-cab to supply to Mr. Manoj, a customer, then credit of ITC paid on purchases will be allowed.

9.travel benefits extended to employees on vacation such as leave or home travel concession.

10. Works contract service for construction of an immovable property (except plant & machinery or for providing further supply of works contract service)

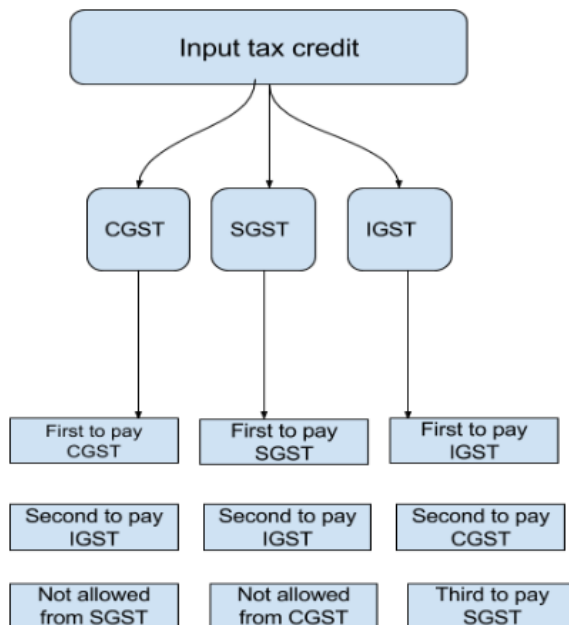
11. Goods and/or services for construction of an immovable property whether to be used for personal or business use

12. Goods and/or services where tax have been paid under composition scheme

13. Goods and/or services used for personal use

14. Goods or services or both received by a non-resident taxable person except for any of the goods imported by him.
15. Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples
16. ITC will not be available in the case of any tax paid due to non payment or short tax payment, excessive refund or ITC utilized or availed by the reason of fraud or willful misstatements or suppression of facts or confiscation and seizure of goods.

29. With the help of diagram show Input Credit Mechanism.



30. List out masters to be created to effect GST in tally.

To effect GST in Tally the following steps to be followed.

- Step 1. Configuration of GST in Tally
- Step 2. Creation of Sales Ledgers under Sales Account Group
- Step 3. Creation of Purchase Ledgers under Purchase Account Group
- Step 4. Creation of CGST, SGST & IGST Account under Duties & Taxes Group
- Step 5. Creation of Stock Item and give the Tax rate in alter GST details
- Step 6. Creation of Customer account under sundry debtors group
- Step 7. Creation of Supplier account under sundry creditor group
- Step 8. Posting of vouchers Sales and purchase
- Step 9. Reports >> GOT >> Display >> Statutory Reports >> GST >> GSRT1 / GSTR2

33. Who files GSTR-6A

The GSTR-6 form is a monthly return form required to be furnished by an input service distributor at the GST Portal. It contains the details of ITC received by an ISD and also contains all the documents issued for distribution of ITC and the manner of distribution of such credit against all the relevant tax invoices. GSTR 6 has to be filed by every ISD, even if it is a nil return.

GSTR-6A is an automatically generated form based on the details provided by the suppliers of an ISD, in their [Form GSTR-1](#). However, it is to be noted that Form GSTR-6A is a read only form, and any changes to be made in it, have to be done while filing GSTR-6 form. One can view the Form GSTR-6A by going to the return dashboard on the GST portal.

As discussed above, filing GSTR-6 involves 2 forms – Form GSTR-6 and Form GSTR-GA, both of which have to be furnished by the Input Service Distributor.

Thus for an ISD, the GSTR-6 return filing dates are as follows:

- **Form GSTR-6A** – By the 11th of the succeeding month – Furnish the details of inward supplies made available to the ISD on the basis of Form GSTR-1 furnished by the supplier
- **Form GSTR-6** – By the 13th of the succeeding month – Furnish the details of ITC distributed

As per the recent [GST](#) notifications, the GSTR-6 due date for the month of July 2017 was extended up to 31st December 2017, while the due dates for the months of August to October, will be communicated later.

34. What type of GST Returns, e-commerce operators need to file.

GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct [TCS](#) (Tax collected at source) under GST. GSTR-8 contains the details of supplies effected through e-commerce platform and amount of TCS collected on such supplies.

Every e-commerce operator registered under GST is required to file GSTR-8. E-commerce operator has been defined under GST Act as any person who owns or manages a digital or electronic facility or platform for electronic commerce such as Amazon etc. All such e-commerce operators are mandatory required to obtain GST registration as well as registered for TCS (Tax collection at source).

E-commerce operator is any person who owns or manages the digital or electronic facility or platform for electronic commerce such as Amazon, Flipkart, etc. The e-commerce operator provides a platform whereby the sellers can reach out to a large number of customers by getting registered online on their platform. Customers also get benefits as they get access to multiple sellers and competitive prices for the desired product.

GSTR-8 shows the details of supplies effected through the e-commerce platform and the amount of TCS collected on such supplies. Currently, the Government has put the TCS provisions on hold. It is going to be applicable from 1st Oct 2018 onwards. In case of TCS being applicable, the supplier can take the input credit of such TCS deducted by the e-commerce operator after filing of GSTR-8 by the e-commerce operator. The amount of such TCS will be reflected in Part C of Form [GSTR-2A](#) of the supplier.

For instance, consider that Shanta Enterprises supplies garments worth Rs 20,000 through Amazon. Now Amazon being the e-commerce operator will deduct the TCS @ 1% and deposit Rs 200 with the Government. The amount of Rs 200 will get reflected in GSTR-2A of Shanta Enterprises after filing of GSTR-8 by Amazon.

35. What is Reverse Charge Mechanism

Normally, the supplier of goods or services pays the tax on supply. In the case of Reverse Charge, the receiver becomes liable to pay the tax, i.e., the chargeability gets reversed.

Reverse charge is applicable for the below transactions

A. Supply from an Unregistered dealer to a Registered dealer

If a vendor who is not registered under GST, supplies goods to a person who is registered under GST, then Reverse Charge would apply. This means that the GST will have to be paid directly by the receiver to the Government instead of the supplier.

The registered dealer who has to pay GST under reverse charge has to do self-invoicing for the purchases made.

For Inter-state purchases the buyer has to pay IGST. For Intra-state purchased CGST and SGST has to be paid under RCM by the purchaser.

B. Services through an e-commerce operator

If an e-commerce operator supplies services then reverse charge will be applicable to the e-commerce operator. He will be liable to pay GST.

For example, UrbanClap provides services of plumbers, electricians, teachers, beauticians etc. UrbanClap is liable to pay GST and collect it from the customers instead of the registered service providers.

If the e-commerce operator does not have a physical presence in the taxable territory, then a person representing such electronic commerce operator for any purpose will be liable to pay tax. If there is no representative, the operator will appoint a representative who will be held liable to pay GST.

C. Supply of certain goods and services specified by CBEC

CBEC has issued a list of goods and a list of services on which reverse charge is applicable.

36. What are the activities specified as Negative List according to Schedule -III.

There are certain activities or transactions which are not liable for GST in India. These transactions are kept out of purview of GST. Schedule-III to CGST Act 2017 or State/UT GST Acts 2017 contains such Activities or transactions which shall be treated neither as a supply of goods nor a supply of services.

These activities are listed below:-

1. **Services by an employee to the employer** in the course of or in relation to his employment.

2. **Services by any court or Tribunal** established under any law for the time being in force.

Explanation:- For the purposes of paragraph 2, the term "court" includes District Court, High Court and Supreme Court.

3. (a) **The functions performed by :-**

- Members of Parliament,
- Members of State Legislature,
- Members of Panchayats,
- Members of Municipalities and
- Members of other local authorities;

3. (b) The duties performed by **any person who holds any post** in pursuance of the provisions of the **Constitution in that capacity**; or

3. (c) The duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.

4. **Services of funeral, burial, crematorium or mortuary** including **transportation** of the deceased.

5. **Sale of land and sale of building** where entire consideration has been received after issuance of completion certificate from a competent authority (where such certificate required) or after its first occupation, **whichever is earlier**

6. **Actionable claims, other than lottery, betting and gambling.**

[As per Section 3 of the Transfer of Property Act, 1882:

Actionable Claim is a claim to any debt, (other than a debt secured by mortgage of immovable property or by hypothecation or pledge of movable property,) or to any beneficial interest in movable property not in possession either actual or constructive, of the claimant, which the civil courts recognize as affording grounds of relief whether such debt or beneficial interest be existent, accruing or conditional or contingent.]

Following clauses inserted by CGST Amendment Act 2018, applicable w.e.f. 01.02.2019

7. **Merchanting Trade Transactions :-** Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory **without such goods entering into India.**

8. (a) **Supply of warehoused goods to any person before clearance for home consumption;** {The expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962.}

8. (b) **High Sea Sales :-** Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

37. Mr. Ankur purchased goods for Rs. 8,00,000 and paid tax @ 5% from a dealer in same locality. He sold Rs. 4,00,000 worth goods to Raj and collected tax from him. Record the following transaction with the help of accounting Software.

In the given problem there is no inventory so we have to configure the tax rate at ledger creation

Step 1. Create company in the name of Ankur

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Ankur
Address : Hyderabad
Country : India
State: Telangana

Financial Year : 1-4-2018
Books Beginning from : 1-4-2018.

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory &Taxation give the following particulars

Enable Goods and Services Tax (GST)	? YES
Set / alter GST details	? Yes
State:	:Telangana
Registration type	: Regular
Assessee of Other Territory	: No
GSTIN / UIN	: 36AJCPS0057J1Z5
Applicable form	: 1-4-2018.
Periodicity of GSTR-1	: Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name	: GST - Purchase
Under	: Purchase Account
Is GST Applicable	? Applicable
Set / alter GST details	? Yes and press F12 and make Yes to All columns
Description	: Goods
HSN / SAC	: 1234
Nature of Transaction	: Purchase Taxable
Integrated Tax	: 5%
Central Tax	: 2.5%
State Tax	: 2.5%
Cess	: 0%
Type of Supply	: Goods

Ctrl +A to save

Name	: GST- Sales
Under	: Sales Account
Is GST Applicable	? Applicable
Set / alter GST details	? Yes and press F12 and make Yes to All columns
Description	: Goods
HSN / SAC	: 1234
Nature of Transaction	: Sales Taxable
Integrated Tax	: 18%
Central Tax	: 9%
State Tax	: 9%
Cess	: 0%
Type of Supply	: Goods

Ctrl +A to save

Name	: Supplier
Under	: Sundry Creditor
State:	Telangana

Registration type : Regular
GSTIN/UIN : 36AADCR6508A1ZQ
Ctrl + A to save

Name : Raj
Under : Sundry Debtor
State: Telangana
Registration type : Regular
GSTIN/UIN :36AABFJ9848C2Z8
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name : SGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : State Tax
Ctrl + A to save

Step 4 Voucher Entry
Gate of Tally > Accounting Voucher >

Click on F9 Purchase on right side button bar or press F9
Press Alt + I to convert into Accounting Invoice. And give the below particulars
Supplier Invoice No:25 Date:1-4-18
Party Name: Supplier

Particulars	Amount
GST- Purchase	800000
CGST	20000
SGST	20000
Total	840000
Ctrl + A	

Click on F8 Sales on right side button bar or press F8
Press Alt + I to convert into Accounting Invoice. And give the below particulars

Reference No:1
Party Name: Raj

Particulars	Amount
GST- Sales	400000
CGST	10000
SGST	10000
Total	420000
Ctrl + A	

Step 5 Reports Gateway of Tally > Display > Statutory Reports > GST > GSTR3B

GSTR-3B		Prob - 7	Ctrl + M	
GSTR-3B		1-Apr-2018 to 30-Apr-2018		
Returns Summary				
Total number of vouchers for the period				2
Included in returns				2
Participating in return tables		2		
No direct implication in return tables		0		
Not relevant for returns				0
Incomplete/Mismatch in information (to be resolved)				0
Table No.	Particulars		Taxable Value	Tax Amount
3.1	Outward supplies and inward supplies liable to reverse charge		4,00,000.00	20,000.00
3.2	Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders			
4	Eligible ITC			40,000.00
5	Value of exempt, nil rated and non-GST inward supplies			
5.1	Interest and Late fee Payable			
Reverse Charge Liability and Input Credit to be booked				
	Reverse Charge Inward Supplies			0.00
	Import of Service			0.00
	Input Credit to be Booked			
Advance Payments				
	Amount Unadjusted Against Purchases			0.00
	Purchase Against Advance from Previous Periods			
<small>Note: Amount is not shown for Input Credit to be Booked. Drill down for values.</small>				
Quit				
Ctrl + N				

38. Mahesh Enterprises of Hyderabad purchased goods from Ashish Enterprises of Chennai, he paid GST @ 28%. Record the transaction in accounting software

In the given problem there is no inventory so we have to configure the tax rate at ledger creation

Step 1. Create company in the name of Mahesh Enterprises

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Mahesh Enterprises Financial Year: 1-4-2018
Address : Hyderabad Books Beginning from : 1-4-2018.
Country : India
State: Telangana
Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory & Taxation give the following particulars

Enable Goods and Services Tax (GST) ? YES
Set / alter GST details ? Yes
State: :Telangana
Registration type : Regular
Assessee of Other Territory : No
GSTIN / UIN : 36AJCPS0057J1Z5
Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally > Accounting info > Single Ledger > Create

Name : IGST - Purchase
Under : Purchase Account
Is GST Applicable ? Applicable
Set / alter GST details ? Yes and press F12 and make Yes to All columns
Description : Goods
HSN / SAC : 1234
Nature of Transaction : Interstate Purchase Taxable
Integrated Tax : 28%
Central Tax : 14%
State Tax : 14%
Cess : 0%
Type of Supply : Goods

Ctrl +A to save

Name : Ashish Enterprises
Under : Sundry Creditor
State: Tamilnadu
Registration type : Regular
GSTIN/UIN :33AAACC6106G5Z4
Ctrl + A to save

Name : IGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type :Integrated Tax
Ctrl + A to save

Step 4 Voucher Entry

Gate of Tally > Accounting Voucher >

Click on F9 Purchase on right side button bar or press F9
Press Alt + I to convert into Accounting Invoice. And give the below particulars
Supplier Invoice No:50 Date:1-4-18
Party Name: Ashish Enterprises

Particulars	Amount
IGST- Purchase	100000
IGST	28000
Total	128000
Ctrl + A	

Step 5 Reports Gateway of Tally > Display > Statutory Reports> GST > GSTR2> Select B2B invoices -3, 4A

Party Register		Mahesh Enterp 38		Ctrl + M		
Vouchers of : B2B Invoices - 3, 4A		1-Apr-2018 to 30-Apr-2018				
Supplier Name	Supplier GSTIN/UIN	No.of Invoices	Taxable Value	Tax Paid	ITC Availed	Reconciliation Status
Ashish Enterp	33AAACC6106G5Z4	1	1,00,000.00	28,000.00	28,000.00	

39. Create 3 stock items named milk, bread and Ice creams. Opening balances of these 3 stock items would be milk – 10 litres, Bread– 20 Pkts and Ice creams – 25 numbers. Create 1 sundry debtor and 1 sundry creditor within state. Record a purchase entry of 5 liters of milk at 5% GST rate for 80 per litre, 10 Pkts of Bread for Rs.25 per pkt at 5% GST rate and 30 numbers of Ice creams for 30 per Ice cream at 18% GST rate. A sale entry 10 liters of milk Rs.90 per liter, 15 Pkts of Bread for Rs.40 per pkt and 35 numbers of Ice creams for 50 per Ice cream.

Step 1. Create company in the name of Mahesh Enterprises

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Kiran Dairy Products Financial Year: 1-4-2018
Address : Hyderabad Books Beginning from : 1-4-2018.
Country : India
State: Telangana
Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory & Taxation give the following particulars

Enable Goods and Services Tax (GST) ? YES
Set / alter GST details ? Yes
State: :Telangana
Registration type : Regular
Assessee of Other Territory : No
GSTIN / UIN : 36AJCPS0057J1Z5
Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3. Creation of Units of Measures (UOM)

Gateway of Tally > Inventory info > Units of Measures > Create

Type : Simple
Symbol :Nos
Formal name : Numbers
Unit Quantity Code (UQC) : No-Numbers
Number of decimal places : 0

Type : Simple
Symbol :Pkt
Formal name : Packet
Unit Quantity Code (UQC) : PAC- Packs
Number of decimal places : 0

Type : Simple
Symbol :Ltr
Formal name :Liters
Unit Quantity Code (UQC) : OTH _Others
Number of decimal places : 2

Step 4. Gateway of Tally > Inventory info > Stock Items > Create

Name: Milk
Under : Primary
Units :Ltr
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description : Milk
HSN Code: 2524
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 5%
Central Tax : 2.5%
State Tax : 2.5%
Cess : 0%
Type of Supply : Goods

Ctrl +A to save

Name: Milk
Under : Primary
Units :Ltr
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description : Milk
HSN Code: 2524
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 5%
Central Tax : 2.5%
State Tax : 2.5%
Cess : 0%
Type of Supply : Goods
Opening Balance Qty : 10 Ltr Rate 80 Per Ltr Value : 800

Ctrl +A to save

Name: Bread
Under : Primary
Units :Pkt
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description : Bread
HSN Code: 4141
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 5%
Central Tax : 2.5%
State Tax : 2.5%
Cess : 0%
Type of Supply : Goods
Opening Balance Qty : 20 Pkt Rate 25 Per Pkt Value : 500
Ctrl +A to save

Name: Ice Cream
Under : Primary
Units :Nos
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description : Ice Cream
HSN Code: 5252
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 18%
Central Tax : 9%
State Tax : 9%
Cess : 0%
Type of Supply : Goods
Opening Balance Qty : 25Nos Rate 30 Per Nos Value : 750
Ctrl +A to save

Step 5 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name : GST - Purchase
Under : Purchase Account
Is GST Applicable ? Applicable
Set / alter GST details ? NO
Type of Supply : Goods
Ctrl +A to save

Name : GST- Sales
Under : Sales Account
Is GST Applicable ? Applicable
Set / alter GST details ? NO
Type of Supply : Goods
Ctrl +A to save

Name : Supplier
Under : Sundry Creditor
State: Telangana
Registration type : Regular
GSTIN/UIN : 36AADCR6508A1ZQ
Ctrl + A to save

Name : Customer
Under : Sundry Debtor
State: Telangana
Registration type : Regular
GSTIN/UIN :36AABFJ9848C2Z8
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name : SGST
 Under : Duties & Taxes
 Type of Duty /Tax : GST
 Tax Type : State Tax
 Ctrl + A to save

Step 6

Gateway of Tally > Accounting Voucher > Press F9 for Purchase and Press Alt + I to convert into Item invoice give the below particulars

Supplier Invoice No .50 Date: 1-4-18
 Purchase ledger: GST- Purchase

Name of Item	Quantity	Rate per	Amount
Milk	5 ltr	80.00 Ltr	400.00
Bread	10 Pkt	25.00 Pkt	250.00
Ice Cream	30 Nos	30.00 Nos	900.00
			1550.00
	CGST		97.25
	SGST		97.25
			1744.50

Ctrl + A to save

Press F8 for Sale and Press Alt + I to convert into Item invoice give the below particulars

Reference No .1 Date: 1-4-18
 Purchase ledger: GST-Sales

Name of Item	Quantity	Rate per	Amount
Milk	10 ltr	90.00 Ltr	900.00
Bread	15 Pkt	40.00 Pkt	600.00
Ice Cream	35 Nos	50.00 Nos	1750.00
			3250.00
	CGST		195.00
	SGST		195.00
			3640.00

Press Alt+ A for Tax Analysis and press Alt F1 for detail information

State: Telangana

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory &Taxation give the following particulars

Enable Goods and Services Tax (GST)	? YES
Set / alter GST details	? Yes
State:	:Telangana
Registration type	: Regular
Assessee of Other Territory	: No
GSTIN / UIN	: 36AJCPS0057J1Z5
Applicable form	: 1-4-2018.
Periodicity of GSTR-1	: Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name	: GST – Purchase @ 5%
Under	: Purchase Account
Is GST Applicable	? Applicable
Set / alter GST details	? Yes and press F12 and make Yes to All columns
Description	: Goods
HSN / SAC	: 1234
Nature of Transaction	: Purchase Taxable
Integrated Tax	: 5%
Central Tax	: 2.5%
State Tax	: 2.5%
Cess	: 0%
Type of Supply	: Goods

Ctrl +A to save

Name	: GST – Purchase @ 18%
Under	: Purchase Account
Is GST Applicable	? Applicable
Set / alter GST details	? Yes and press F12 and make Yes to All columns
Description	: Goods
HSN / SAC	: 3214
Nature of Transaction	: Purchase Taxable
Integrated Tax	: 18%
Central Tax	: 9%
State Tax	: 9%
Cess	: 0%
Type of Supply	: Goods

Ctrl +A to save

Name : Supplier

Under : Sundry Creditor
State: Telangana
Registration type : Regular
GSTIN/UIN : 36AADCR6508A1ZQ
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name : SGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : State Tax
Ctrl + A to save

Step 4 Voucher Entry
Gate of Tally > Accounting Voucher >

Click on F9 Purchase on right side button bar or press F9
Press Alt + I to convert into Accounting Invoice. And give the below particulars
Supplier Invoice No:65 Date:1-4-18
Party Name: Supplier

Particulars	Amount
GST- Purchase @ 5% 10000	
CGST	250
SGST	250
Total	10500
Ctrl + A	

Click on F9 Purchase on right side button bar or press F9
Press Alt + I to convert into Accounting Invoice. And give the below particulars
Supplier Invoice No:85 Date:1-4-18
Party Name: Supplier

Particulars	Amount
GST- Purchase @ 5%	5000
GST – Purchase @ 18%	5000
CGST	575
SGST	575
Total	11150

Press Ctrl + A for Tax Analysis you will get the below screen

Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name : GST – Sales @ 12%
Under : Sales Account
Is GST Applicable ? Applicable
Set / alter GST details ? Yes and press F12 and make Yes to All columns
Description : Goods
HSN / SAC : 1234
Nature of Transaction : Sales Taxable
Integrated Tax : 12%
Central Tax : 6%
State Tax : 6%
Cess : 0%
Type of Supply : Goods

Ctrl +A to save

Name : Packing charges
Under : Indirect Expenses
Is GST Applicable ? Not Applicable
Include in assessable value calculation for : GST
Appropriate to : Both
Method of calculation : Based on Value
Ctrl + A to save

Name : Freight Charges
Under : Indirect Expenses
Is GST Applicable ? Not Applicable
Include in assessable value calculation for : GST
Appropriate to : Both
Method of calculation : Based on Value
Ctrl + A to save

Name : Interest for delay payment
Under : Indirect Income
Is GST Applicable ? Not Applicable
Include in assessable value calculation for : GST
Appropriate to : Both
Method of calculation : Based on Value
Ctrl + A to save

Name : Customer
Under : Sundry Debtor
State: Telangana
Registration type : Regular
GSTIN/UIN :36AABFJ9848C2Z8
Ctrl + A to save

Name : CGST
 Under : Duties & Taxes
 Type of Duty /Tax : GST
 Tax Type : Central Tax
 Ctrl + A to save

Name : SGST
 Under : Duties & Taxes
 Type of Duty /Tax : GST
 Tax Type : State Tax
 Ctrl + A to save

Step 4 Voucher Entry
 Gate of Tally > Accounting Voucher >

Click on F8 Sales on right side button bar or press F
 Press Alt + I to convert into Accounting Invoice. And give the below particulars
 Reference No:65 Date:1-4-18
 Party Name: Customer

Particulars	Amount
GST- Sales @ 12%	20000
Packing Charges	800
Freight Charges	2800
Interest on delay payment	750
CGST	1461
SGST	1461
Total	27272

Press Alt + A for tax analysis and press Alt + F1 for detail you will get the following screen

Tax Analysis			
Mr. A Kumar 41			
Tax Analysis			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
GST Details			
Sales Taxable			
GST - Sales (5417)			2,922.00
Sales Value	20,000.00		2,922.00
Packing Charges (800.00 / 20,000.00 * 20,000.00)	800.00		
Freight Charges (2,800.00 / 20,000.00 * 20,000.00)	2,800.00		
Interest for Delay Payment (750.00 / 20,000.00 * 20,000.00)	750.00		
Central Tax		6%	1,461.00
State Tax		6%	1,461.00
Total			2,922.00

Press Ctrl + A

42. Mr. X sold 1000 units of goods to Mr. Y for Rs. 20,000 and total unit sold during the year to Mr. Y after including these units is 2500 unit. As per terms of the agreement if Mr. Y is purchasing more than 2000 unit of goods in a year then Mr. X is allowing 10% discount in all the supplies. Assuming IGST rate is 18%. How discount will be recorded?

Here in the given problem it is understood that there are some terms and conditions between Mr X and Mr Y. as per terms if Mr Y is purchasing more than 2000 No's in the financial year then he will be getting the 10% discount on all the purchases made in the whole financial year.

The calculation of discount is below

Total discount = number of units purchase in financial year * Rate per No's * 10%
Number of units purchased = 2500
Rate per unit = 20000/1000 = 20
Total discount = 2500*20*10%
Total discount = 5000

GST is levied on Discounts also. In tally discount should be posted in Debit Note

Let us see how to post the transactions in tally

Step 1. Create company in the name of Mr A & co

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Mr A & co	Financial Year : 1-4-2018
Address : Hyderabad	Books Beginning from : 1-4-2018.
Country : India	
State: Telangana	

Press Ctrl + A to Save the company

Gateway of Tally > Accounting info > Single Ledger > Create

Name	: Turnover Discount
Under	: Indirect Expenses
Is GST Applicable	? Applicable
Set / alter GST details	? Yes press F12 and make Yes to All columns
Description	: Discount
HSN / SAC	: 1234
Nature of Transaction	: Inter State Purchase Taxable
Integrated Tax	: 18%
Central Tax	: 9%
State Tax	: 9%
Cess	: 0%
Type of Supply	: Goods

Ctrl + A Save

Name	: IGST
Under	: Duties & Taxes
Type of duty/tax	: GST
Tax type	: Integrated Tax

Ctrl + A Save

Name : Mr B
Under : Sundry Creditors
Country : India
State : Delhi
Registration type : Regular
GSTIN /UIN : 07AAJPK8851A1ZR
Ctrl + A Save

Step 3. Activation of Debit Note

Gateway of Tally > F11 > Inventory features >
Use debit and credit notes : Yes
Record credit notes in invoice mode : Yes
Record debit notes in invoice mode : Yes

Step 4 Accounting voucher

Gateway of Tally > Accounting Vouchers > press ctrl +F9 for Debit Note and enter the below particulars

Original Invoice No. 1 Date : 1-4-18
Party Name : Mr B

Particulars	Amount
Turnover Discount	5000
IGST	900
Total	5900

Ctrl + A Save

43. Create 5 stock items with GST @ zero tax rates, @ 5%, @12%, and @18%, record interstate purchase and sale transactions. Show the details of input tax credit.

Goods purchased form Adish Enterprises GST No.07AAJPK8851A1ZR Delhi

Stock Item	Qty	Rate	Gst Rate	Rate	Tax	Total Amt
Jute	100 Kg	125	0%	12500	0	12500
Tea Powder	50 Kg	180	5%	9000	450	9450
Books	100 Nos	125	12%	12500	1500	14000
Biscuits	50 Pkt	20	18%	1000	180	1180
Paint	100 Ltr	225	28%	22500	6300	28800
				57500	8430	65930

Goods purchased form Aditya Enterprises GST No.37AHLPK3851D1ZC Andhra pradesh

Stock Item	Qty	Rate	Gst Rate	Rate	Tax	Total Amt
Jute	75 Kg	150	0%	11250	0	11250
Tea Powder	45 Kg	250	5%	11250	562.5	11812.5
Books	90 Nos	150	12%	13500	1620	15120
Biscuits	45 Pkt	25	18%	1125	202.5	1327.5

Step 4. Gateway of Tally > Inventory info > Stock Items > Create

Name: Jute
Under : Primary
Units : Kg
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description : Jute
HSN Code: 2524
Calculation type : On Value
Taxability : Nil Rated
Type of Supply : Goods

Name: Tea Powder
Under : Primary
Units :Kgs
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description :Tea Powder
HSN Code: 4152
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 5%
Central Tax : 2.5%
State Tax : 2.5%
Cess : 0%
Type of Supply : Goods

Name: Books
Under : Primary
Units :Nos
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description :Colour Books
HSN Code: 4178
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 12%
Central Tax : 6%
State Tax : 6%
Cess : 0%
Type of Supply : Goods

Name: Biscuits
Under : Primary
Units :Pkt
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description :Biscuits
HSN Code: 1010
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 18%
Central Tax : 9%

State Tax : 9%
Cess : 0%
Type of Supply : Goods

Name: Paint
Under : Primary
Units :Ltr
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description :Paint
HSN Code: 4530
Calculation type : On Value
Taxability : Taxable
Integrated Tax : 28%
Central Tax : 14%
State Tax : 14%
Cess : 0%
Type of Supply : Goods

Step 5 Creation of Ledgers accounts

Gateway of Tally >Accounting info > Single Ledger > Create

Name : GST - Purchase
Under : Purchase Account
Is GST Applicable ? Applicable
Set / alter GST details ? NO
Type of Supply : Goods
Ctrl +A to save

Name : GST- Sales
Under : Sales Account
Is GST Applicable ? Applicable
Set / alter GST details ? NO
Type of Supply : Goods
Ctrl +A to save

Name : Adish Enterprises
Under : Sundry Creditor
State: Delhi
Registration type : Regular
GSTIN/UIN : 07AAJPK8851A1ZR
Ctrl + A to save

Name : Aditya Enterprises
Under : Sundry Debtor
State: Andhra Pradesh
Registration type : Regular
GSTIN/UIN :37AHLPK3851D1ZC
Ctrl + A to save

Name : IGST
Under : Duties & Taxes
Type of Duty /Tax : GST

Tax Type :Integrated Tax
Ctrl + A to save

Step6 Voucher Entry

Gateway of Tally > Accounting Voucher > press F9 for purchases and press alt+I to convert into Item invoice mode. And give the below particulars

Supplier invoice no. 254 Date: 1-4-18
Party Name: Adish Enterprises
Purchase ledger : GST – Purchase

Stock Item	Quantity	Rate	Amount
Jute	100 Kg	125	12500
Tea Powder	50 Kg	180	9450
Books	100 Nos	125	14000
Biscuits	50 Pkt	20	1180
Paint	100 Ltr	225	28800
			57500
IGST			8430
Total			65930

Ctrl + A to save

Gateway of Tally> Accounting Voucher > press F for sales and press Alt+I to convert into Item invoice mode. And give the below particulars

Ref No . 254 Date: 1-4-18
Party Name: Adish Enterprises
Purchase ledger : GST – Purchase

Stock Item	Qty	Rate	Amount
Jute	75 Kg	150	11250
Tea Powder	45 Kg	250	11250
Books	90 Nos	150	13500
Biscuits	45 Pkt	25	1125
Paint	85 Ltr	300	25500
			62625
IGST			9525
Total			72150

Ctrl + A to Save
Step 7 Report

Gateway of Tally > Display > Statutory Report > GST > GSTR3B

GSTR-3B		Karthik Mobile Stores		Ctrl + M	
GSTR-3B				1-Apr-2018 to 30-Apr-2018	
Returns Summary					
Total number of vouchers for the period				6	
Included in returns				2	
Participating in return tables				2	
No direct implication in return tables				0	
Not relevant for returns				2	
Incomplete/Mismatch in information (to be resolved)				2	
Table No.	Particulars	Taxable Value	Tax Amount		
3.1	Outward supplies and inward supplies liable to reverse charge	62,625.00	9,525.00		
3.2	Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders				
4	Eligible ITC		8,430.00		
5	Value of exempt, nil rated and non-GST inward supplies	12,500.00			
5.1	Interest and Late fee Payable				
Reverse Charge Liability and Input Credit to be booked					
Reverse Charge Inward Supplies				0.00	
Import of Service				0.00	
Input Credit to be Booked					
Advance Payments					
Amount Unadjusted Against Purchases				0.00	
Purchase Against Advance from Previous Periods					
<i>Note: Amount is not shown for Input Credit to be Booked. Drill down for values.</i>					
Q: Quit					

44. What are the conditions for E-Way bill. What are the options available in Tally.

EWay Bill is an Electronic Way bill for movement of goods to be generated on the eWay Bill Portal. A GST registered person cannot transport goods in a vehicle whose value exceeds Rs. 50,000 (Single Invoice/bill/delivery challan) without an e-way bill that is generated on ewaybillgst.gov.in Alternatively, Eway bill can also be generated or cancelled [through SMS](#). When an e-way bill is generated, a unique Eway Bill Number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

E-Way bill should be generated by the below mentioned dealer

- **Registered Person** – Eway bill must be generated when there is a movement of goods of more than Rs 50,000 in value to or from a Registered Person. A Registered person or the transporter may choose to generate and carry away bill even if the value of goods is less than Rs 50,000.
- **Unregistered Persons** – Unregistered persons are also required to generate e-Way Bill. However, where a supply is made by an unregistered person to a registered person, the receiver will have to ensure all the compliances are met as if they were the supplier.
- **Transporter** – Transporters carrying goods by road, air, rail, etc. also need to generate e-Way Bill if the supplier has not generated an e-Way Bill.

if you are already using Tally.ERP 9, below is a simple step-by-step guide on how to generate e-Way Bill Numbers for transactions recorded in Tally.ERP 9.

The e-Way Bill captures invoice details and transport details. The invoice level details will be readily available in the invoices which you have created in Tally.ERP 9.

Tally.ERP 9 provides two options to print invoices. You can choose from either of the following two options which are available in the F12 configuration while printing.

- "Print item-wise GST details" option
- "Print HSN/SAC details" option
- Tally.ERP 9 Release 6.4 will identify invoices that need [e-Way Bill](#) and alert you if there are any missing details which are mandatory for generating the bills.
- With a single click, you can export all the information needed for generating e-Way Bill numbers in a JSON format or the Excel Offline Utility tool provided by the department.
- You will have the flexibility to export e-Way Bill information for each invoice at the time of saving, or for multiple invoices at one go through a report.
- Upload the JSON file in the e-Way Bill portal. The e-Way Bill numbers generated on the portal can be updated against their corresponding invoices in Tally.ERP 9.
- You can record and track invoices along with their e-Way Bill numbers from reports.

45. Mr. Ajay (Hyderabad) provides consultancy services to Mr. Vijay (unregistered, address on record shows Tamil Nadu) and charged Rs.10000, levied GST @18%. Even provided consultancy services to Mr. Anand (unregistered and address is not available) Rs.15000, GST @ 12%. Show the transactions in Tally.

According to GST Law if there is any sale of services to unregistered persons in such case we have to see the address of the service receiver if address is provided or available in the records then the place of supply of services will be the place of residence of unregistered dealer. If the address is not available in records the place of supply will be location of supply of service.

In the given problem services rendered to Mr. Vijay will be the interstate sale transaction because the place of supply and receiver of service are different states and to Mr. Anand will be intrastate sale because place of supply and receiver of supplier are same because the address is not in the record

Step 1. Create company in the name of Ajay Enterprises

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Ajay Enterprises	Financial Year : 1-4-2018
Address : Hyderabad	Books Beginning from : 1-4-2018.
Country : India	
State: Telangana	

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory & Taxation give the following particulars

Enable Goods and Services Tax (GST)	? YES
Set / alter GST details	? Yes
State:	:Telangana
Registration type	: Regular
Assessee of Other Territory	: No
GSTIN / UIN	: 36AJCPS0057J1Z5
Applicable form	: 1-4-2018.
Periodicity of GSTR-1	: Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally > Accounting info > Single Ledger > Create

Name	: Consultancy services
Under	: Sales
Is GST Applicable	? Applicable
Set / alter GST details	? Yes and press F12 and make Yes to All columns
Description	: consultancy service
HSN / SAC	: 1234
Nature of Transaction	: Not applicable
Taxability	: Taxable
Integrated Tax	: 18%

Assessee of Other Territory : No
GSTIN / UIN : 36AJCPS0057J1Z5
Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name : GST – Sales
Under : Sales Account
Is GST Applicable ? Applicable
Set / alter GST details ? No
Type of Supply : Goods

Ctrl +A to save

Name : M/s Raj
Under : Sundry Debtor
State: Telangana
Registration type : Regular
GSTIN/UIN :36AABFJ9848C2Z8
Ctrl + A to save

Name: Discount
Under : Indirect Expenses
Type of ledger : Discount
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name: SGST
Under: Duties & Taxes
Type of Duty /Tax: GST
Tax Type: State Tax
Ctrl + A to save

Step 3 Creation of Stock Items

Gateway of tally >> Inventory Info >> Units of Measure >> Create

Symbol: Nos

Formal Name : Numbers

Unit quantity code (UQC) : Nos-Numbers

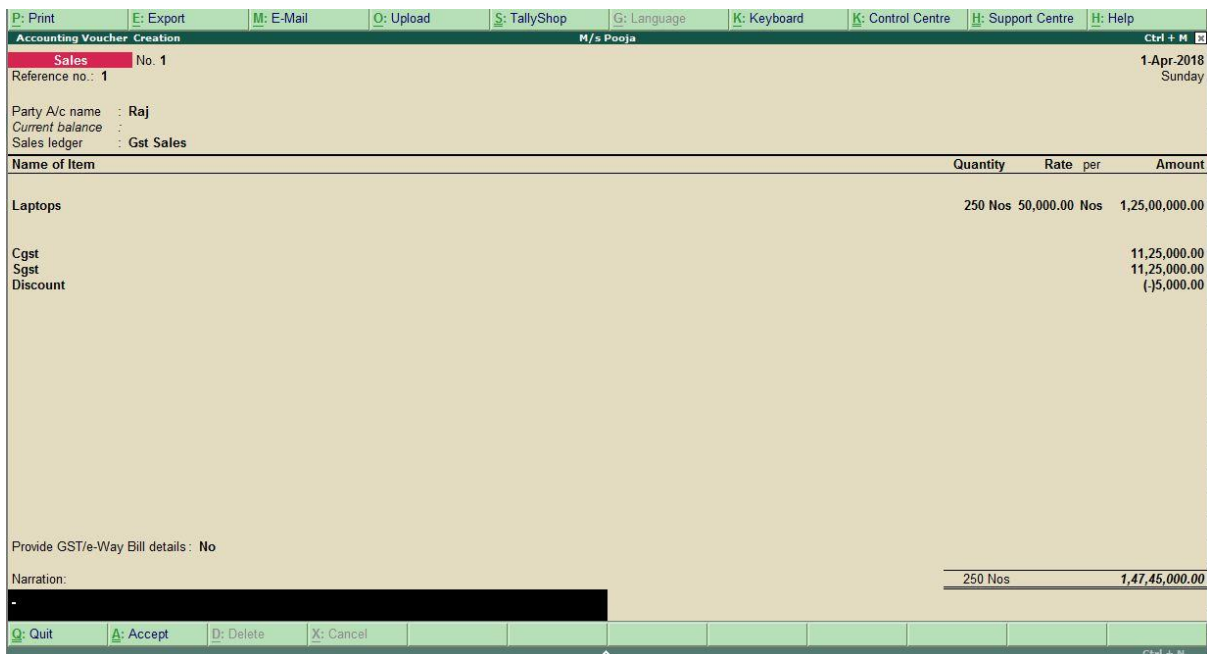
Gateway of tally >> Inventory Info >> stock items >> Create

Name: Laptop

Under : Primary
 Units :Nos
 GST Applicable : Applicable
 Set/alter GST Details ? Yes
 Description :Laptop
 HSN Code: 7510
 Calculation type : On Value
 Taxability : Taxable
 Integrated Tax : 18%
 Central Tax : 9%
 State Tax : 9%
 Cess : 0%
 Type of Supply : Goods

Step 4 Voucher Entry
 Gate of Tally > Accounting Voucher >

Click on F8 Sales on right side button bar or press F8
 Press Alt + I to convert into Item Invoice. And give the below particulars
 Reference No:65 Date:1-4-18
 Party Name: Raj

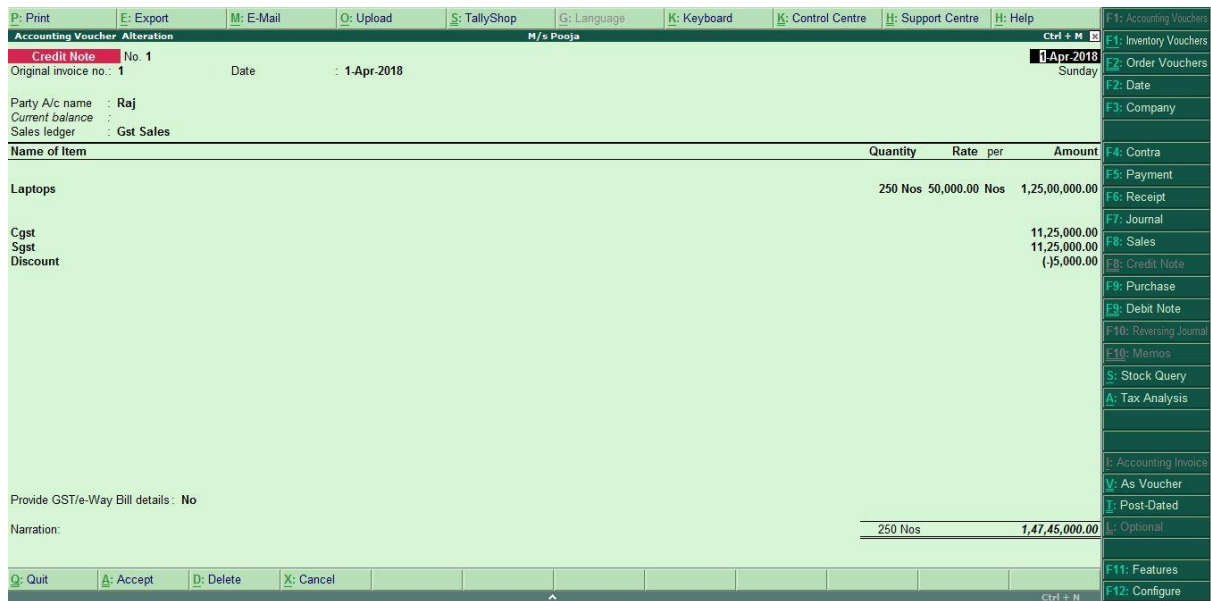


Activation of Debit Note / Credit Note

Gateway of Tally > F11 > Inventory features >
 Use debit and credit notes : Yes
 Record credit notes in invoice mode : Yes
 Record debit notes in invoice mode : Yes

Step 4 Accounting voucher

Gateway of Tally > Accounting Vouchers > press ctrl +F8 for Debit Note and enter the below particulars



48. Assume five intra state purchase and sale transactions and show Input tax credit in Tally.

Purchase:

Party Name	State	GSTIN	Item	Qty	Rate	Amount	GST	Tot. Amt
Primodia	Gujarat	24AAACC6106G2Z6	computer	10	25000	250000	45000	295000
Vijay Textiles	Maharashtra	27AAACC6106G4ZY	computer	5	25000	125000	22500	147500
Deltra Global	Karnataka	29AAACC6106G1ZX	computer	12	25000	300000	54000	354000
Lallu Pvt Ltd	Kerala	32AAACC6106G3Z8	computer	15	25000	375000	67500	442500
Bheema & Co	Tamilnadu	33AAACC6106G5Z4	computer	20	25000	500000	90000	590000

Sales

Party Name	State	GSTIN	Item	Qty	Rate	Amount	GST	Tot. Amt
Kiran Kumar	Gujarat	24AAACC6106G2Z6	computer	5	30000	125000	22500	147500
Kishore	Maharashtra	27AAACC6106G4ZY	computer	3	30000	75000	13500	88500
Reeha Enterprises	Karnataka	29AAACC6106G1ZX	computer	8	30000	200000	36000	236000
Anviksha & Co	Kerala	32AAACC6106G3Z8	computer	10	30000	250000	45000	295000
Kumar & Co	Tamilnadu	33AAACC6106G5Z4	computer	15	30000	375000	67500	442500

Step 1. Create company in the name of Villa Computers Solutions Pvt. Ltd.

Gateway of Tally > Press Alt+F3 > Create Company > fill the below particulars

Name: Villa Computers Solutions Pvt. Ltd.
Address : Hyderabad
Country : India
State: Telangana

Financial Year : 1-4-2018
Books Beginning from : 1-4-2018.

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory &Taxation give the following particulars

Enable Goods and Services Tax (GST)	? YES
Set / alter GST details	? Yes
State:	:Telangana
Registration type	: Regular
Assessee of Other Territory	: No
GSTIN / UIN	: 36AJCPS0057J1Z5
Applicable form	: 1-4-2018.
Periodicity of GSTR-1	: Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name	: GST – Sales
Under	: Sales Account
Is GST Applicable	? Applicable
Set / alter GST details	? No
Type of Supply	: Goods

Ctrl +A to save

Name	: GST – Purchase
Under	: Sales Account
Is GST Applicable	? Applicable
Set / alter GST details	? No
Type of Supply	: Goods

Ctrl +A to save

Name : Primodia
Under : Sundry Creditor
State: Gujarat
Registration type : Regular
GSTIN/UIN :24AAACC6106G2Z6
Ctrl + A to save

Name : Vijay Textiles
Under : Sundry Creditor
State: Maharastra
Registration type : Regular
GSTIN/UIN :27AAACC6106G4ZY

Ctrl + A to save

Name : Deltra Global
Under : Sundry Creditor
State: Karnataka
Registration type : Regular
GSTIN/UIN :29AAACC6106G1ZX
Ctrl + A to save

Name : Lallu Pvt. Ltd
Under : Sundry Creditor
State: Kerala
Registration type : Regular
GSTIN/UIN :32AAACC6106G3Z8
Ctrl + A to save

Name : Bheema & Co
Under : Sundry Creditor
State: Tamil Nady
Registration type : Regular
GSTIN/UIN :33AAACC6106G5Z4
Ctrl + A to save

Name : Kiran Kumar
Under : Sundry Debtor
State: Gujarat
Registration type : Regular
GSTIN/UIN :24AAACC6106G2Z6
Ctrl + A to save

Name : Kishore
Under : Sundry Debtor
State: Maharastra
Registration type : Regular
GSTIN/UIN :27AAACC6106G4ZY

Ctrl + A to save

Name : Reeha Enterprises
Under : Sundry Debtor
State: Karnataka
Registration type : Regular
GSTIN/UIN :29AAACC6106G1ZX
Ctrl + A to save

Name : Anviksha & Co
Under : Sundry Debtor
State: Kerala
Registration type : Regular
GSTIN/UIN :32AAACC6106G3Z8
Ctrl + A to save

Name : Kumar & Co
Under : Sundry Debtor
State: Tamil Nady
Registration type : Regular
GSTIN/UIN :33AAACC6106G5Z4
Ctrl + A to save

Name : IGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Integrated Tax
Ctrl + A to save

Step 3 Creation of Stock Items
Gateway of tally >> Inventory Info >> Units of Measure >> Create
Symbol: Nos
Formal name : Numbers
Unit quantity code (UQC) : Nos-Numbers

Gateway of tally >> Inventory Info >> stock items >> Create

Name: Computer
Under : Primary
Units :Nos
GST Applicable : Applicable
Set/alter GST Details ? Yes
Description: Computer
HSN Code: 8471
Calculation type: On Value
Taxability: Taxable
Integrated Tax : 18%
Central Tax : 9%
State Tax : 9%
Cess : 0%
Type of Supply : Goods

Step 4 Voucher Entry
Gate of Tally > Accounting Voucher >

Click on F9 Purchase on right side button bar or press F9
Press Alt + I to convert into Item Invoice. And give the particulars as below

Supplier Invoice No. : 252 Date: 1-4-18
Party name : Primodia
Purchase Ledger : GST – Purchase

Name of Item	Qty	Rate	Amount
Computer	10	25000	250000
IGST			45000
Total			295000

Ctrl + A Save

Supplier Invoice No. : 022
Party name : Vijay Textiles
Purchase Ledger : GST – Purchase

Date: 1-4-18

Name of Item	Qty	Rate	Amount
Computer	05	25000	125000
IGST			22500
Total			147500

Ctrl + A Save

Supplier Invoice No. : 048
Party name : Deltra Global
Purchase Ledger : GST – Purchase

Date: 1-4-18

Name of Item	Qty	Rate	Amount
Computer	12	25000	300000
IGST			54000
Total			354000

Ctrl + A Save

Supplier Invoice No. : 0488
Party name : Lallu Pvt Ltd
Purchase Ledger : GST – Purchase

Date: 1-4-18

Name of Item	Qty	Rate	Amount
Computer	15	25000	375000
IGST			67500
Total			442500

Ctrl + A Save

Supplier Invoice No. : 018
Party name : Bheema & Co
Purchase Ledger : GST – Purchase

Date: 1-4-18

Name of Item	Qty	Rate	Amount
Computer	20	25000	500000
IGST			90000
Total			590000

Ctrl + A Save

Click on F8 Sales on right side button bar or press F8
Press Alt + I to convert into Item Invoice. And give the particulars as below

Ref No. : 01 Date: 1-4-18
Party name : Kiran Kumar
Purchase Ledger : GST – Sales

Name of Item	Qty	Rate	Amount
Computer	05	30000	150000
IGST			27000
Total			177000

Ctrl + A Save

Ref No. : 01 Date: 1-4-18
Party Name : Kiran Kumar
Purchase Ledger : GST – Sales

Name of Item	Qty	Rate	Amount
Computer	05	30000	150000
IGST			27000
Total			177000

Ctrl + A Save

Ref No. : 03 Date: 1-4-18
Party Name : Reeha Enterprises
Purchase Ledger : GST – Sales

Name of Item	Qty	Rate	Amount
Computer	08	30000	240000
IGST			43200
Total			283200

Ctrl + A Save

Ref No. : 04 Date: 1-4-18
Party Name : Anviksha & Co
Purchase Ledger : GST – Sales

Name of Item	Qty	Rate	Amount
Computer	10	30000	300000
IGST			54000
Total			354000

Ctrl + A Save

Ref No. : 05 Date: 1-4-18
 Party Name : Kumar & Co
 Purchase Ledger : GST – Sales

Name of Item	Qty	Rate	Amount
Computer	15	30000	450000
IGST			81000
Total			531000

Ctrl + A Save

Reports

Gateway of Tally >> Display >> Statutory Reports >> GST >> GSTR3B

The screenshot displays the GSTR-3B report interface. At the top, it shows the period from 1-Apr-2018 to 30-Apr-2018. The 'Returns Summary' section indicates 10 vouchers included in returns. The main table lists taxable value and tax amount for various categories:

Table No.	Particulars	Taxable Value	Tax Amount
3.1	Outward supplies and inward supplies liable to reverse charge	12,30,000.00	2,21,400.00
3.2	Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders		
4	Eligible ITC		2,79,000.00
5	Value of exempt, nil rated and non-GST inward supplies		
5.1	Interest and Late fee Payable		
Reverse Charge Liability and Input Credit to be booked			
	Reverse Charge Inward Supplies		0.00
	Import of Service		0.00
	Input Credit to be Booked		
Advance Payments			
	Amount Unadjusted Against Purchases		0.00
	Purchase Against Advance from Previous Periods		

Note: Amount is not shown for Input Credit to be Booked. Drill down for values.

49. Out ward supplies, B2B, Goods sold to R dealer Rs. 120000, Goods sold to Customer (B2C) Rs.15000, Goods sold to Interstate dealer Y Rs. 150000. Assuming GST @ 18% show the effect of outward supplies in GST Return.

Step 1. Create company in the name of P.U Solutions Pvt. Ltd.

Gateway of Tally >Press Alt+F3>Create Company > fill the below particulars

Name: P.U Solutions Pvt. Ltd.
 Address : Hyderabad
 Country : India
 State: Telangana

Financial Year : 1-4-2018
 Books Beginning from : 1-4-2018.

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory &Taxation give the following particulars

Enable Goods and Services Tax (GST) ? YES
Set / alter GST details ? Yes
State: :Telangana
Registration type : Regular
Assessee of Other Territory : No
GSTIN / UIN : 36AJCPS0057J1Z5
Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name : Y Dealer
Under : sundry debtor
State: Tamil Nadu
Registration type : Regular
GSTIN/UIN :33AAACC6106G5Z4
Ctrl + A to save

Name : R Dealer
Under : sundry debtor
State: Telangana
Registration type : Regular
GSTIN/UIN :36AJCPS0057SJ1Z5
Ctrl + A to save

Name : IGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Integrated Tax
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name: SGST
Under: Duties & Taxes
Type of Duty /Tax: GST
Tax Type: State Tax
Ctrl + A to save

Name : GST- Sales
Under : Sales Account
Is GST Applicable ? Applicable
Set / alter GST details ? Yes and press F12 and make Yes to All columns

Description : Goods
 HSN / SAC : 1234
 Nature of Transaction : Sales Taxable
 Integrated Tax : 18%
 Central Tax : 9%
 State Tax : 9%
 Cess : 0%
 Type of Supply : Goods

Ctrl + A Save

Name : IGST- Sales
 Under : Sales Account
 Is GST Applicable ? Applicable
 Set / alter GST details ? Yes and press F12 and make Yes to All columns
 Description : Goods
 HSN / SAC : 1234
 Nature of Transaction : Interstate Sales Taxable
 Integrated Tax : 18%
 Central Tax : 9%
 State Tax : 9%
 Cess : 0%
 Type of Supply : Goods
 Ctrl + A save

Voucher Entry

Gateway of Tally >> Accounting Voucher

Click on F8 Sales on right side button bar or press F8

Press Alt + I to convert into Accounting Invoice. And give the particulars as below

Ref No. 1

Party Name : R Dealer

Particulars	Amount
GST – Sales	120000
CGST	10800
SGST	10800
Total	141600

Ctrl + A Save

Ref No. 2

Party Name : Cash

Select GST registration type as consumer in dispatch detail

Particulars	Amount
GST – Sales	15000
CGST	1350
SGST	1350
Total	1770

Ctrl + A Save

Ref No. 3

Party Name : Y Dealer

Particulars	Amount
IGST – Sales	150000
IGST	27000
Total	177000

Ctrl + A Save

Reports

Gateway of Tally >> Display >> Statutory Report >> GST>> GSTR1

P.U SOLUTIONS PVT LTD						1-Apr-2018 to 30-Apr-2018
Returns Summary						
Total number of vouchers for the period						3
Included in returns						2
Included in HSN/SAC Summary						2
Incomplete HSN/SAC information (to be provided)						0
Not relevant for returns						0
Incomplete/Mismatch in information (to be resolved)						1
Sl No.	Particulars	Voucher Count	Taxable Value	Tax Amount	Invoice Amount	
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	1	1,50,000.00	27,000.00	1,77,000.00	
2	B2C(Large) Invoices - 5A, 5B					
3	B2C(Small) Invoices - 7	1	15,000.00	2,700.00	17,700.00	
4	Credit/Debit Notes(Registered) - 9B					
5	Credit/Debit Notes(Unregistered) - 9B					
6	Exports Invoices - 6A					
7	Tax Liability/Advances received) - 11A(1), 11A(2)					
8	Adjustment of Advances - 11B(1), 11B(2)					
9	Nil Rated Invoices - 8A, 8B, 8C, 8D					
Total		2	1,65,000.00	29,700.00	1,94,700.00	
HSN/SAC Summary - 12						
Document Summary - 13						
Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.						

50. Purchased goods from registered dealer M/s Modern, Rs. 50000 and Rs. 5000 was paid as advance, Purchased goods from unregistered dealer M/s. Ram Rs. 40000. Purchased goods from interstate dealer M/s Jyothi. Rs. 75000. Goods returned to M/s Jyothi Rs.5000, after raising tax invoice. Record Inward supplies in Tally.

Step 1. Create company in the name of Karunya Enterprises.

Gateway of Tally >Press Alt+F3>Create Company > fill the below particulars

Name: Karunya Enterprises.

Financial Year : 1-4-2018

Address : Hyderabad

Books Beginning from : 1-4-2018.

Country : India

State: Telangana

Press Ctrl + A to Save the company

Step 2. Configuration of GST in Tally

Gateway of Tally > Press F11-Company Features > Statutory &Taxation give the following particulars

Enable Goods and Services Tax (GST) ? YES

Set / alter GST details ? Yes

State: :Telangana
Registration type : Regular
Assessee of Other Territory : No
GSTIN / UIN : 36AJCPS0057J1Z5
Applicable form : 1-4-2018.
Periodicity of GSTR-1 : Monthly

Press Ctrl+ A to Save

Step 3 Creation of Ledger Accounts.

Gateway of Tally >Accounting info > Single Ledger > Create

Name : M/s Modern
Under : Sundry Creditor
State: Telangana
Registration Type : Regular
GSTIN/UIN :36AJCPS0057J1Z5
Ctrl + A to save

Name : Ram
Under : Sundry Creditor
State: Telangana
Registration type : Unregistered
Ctrl + A to save

Name : M/s Jyoth
Under : Sundry Creditor
State: Maharastra
Registration type : Regular
GSTIN/UIN :27AAACC6106G4ZY

Name : IGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Integrated Tax
Ctrl + A to save

Name : CGST
Under : Duties & Taxes
Type of Duty /Tax : GST
Tax Type : Central Tax
Ctrl + A to save

Name: SGST
Under: Duties & Taxes
Type of Duty /Tax: GST
Tax Type: State Tax
Ctrl + A to save

Name : GST- Purchase
Under : Purchase Account
Is GST Applicable ? Applicable
Set / alter GST details ? Yes and press F12 and make Yes to All columns

Description : Goods
 HSN / SAC : 1234
 Nature of Transaction : Purchase Taxable
 Integrated Tax : 18%
 Central Tax : 9%
 State Tax : 9%
 Cess : 0%
 Type of Supply : Goods

Ctrl + A Save

Name : IGST- Purchase
 Under : Purchase Account
 Is GST Applicable ? Applicable
 Set / alter GST details ? Yes and press F12 and make Yes to All columns
 Description : Goods
 HSN / SAC : 1234
 Nature of Transaction : Interstate Purchase Taxable
 Integrated Tax : 18%
 Central Tax : 9%
 State Tax : 9%
 Cess : 0%
 Type of Supply : Goods

Ctrl + A save

Voucher Entry

Gateway of Tally >> Accounting Voucher

Click on F9 Purchase on right side button bar or press F9

Press Alt + I to convert into Accounting Invoice. And give the particulars as below

Ref No. 52

Party Name : M/s Modern

Particulars	Amount
GST – Purchase	50000
CGST	4500
SGST	4500
Total	59000

Ctrl + A Save

Select payment voucher or press F5

Account : Cash

Particulars	Amount
M/s Modern	5000
Select the method of adjustment as Agst ref and select 52	

Ctrl + A save

Click on F9 Purchase on right side button bar or press F9

Press Alt + I to convert into Accounting Invoice. And give the particulars as below

Press F12 configuration (Allow modification of tax details for GST – Yes)

Ref No. 25

Party Name : M/s Modern

Particulars	Amount
GST – Purchase	40000
Select purchase from unregistered Dealer – Taxable from classification /Nature	
Total	40000

Ctrl + A Save

Ref No. 255

Party Name : M/s Jyothi

Particulars	Amount
IGST – Purchase	75000
IGST	13500
Total	88500

Ctrl + A Save

Activate Debit Note and Credit Note from Gateway of Tally F11 Company Feature >>
Inventory Features >> Use Debit Note Notes and Credit Notes – YES and Record Debit
Notes in invoice – YES

Click on Ctrl + F9 Debit Note

Press Alt + I to convert into Accounting Invoice. And give the particulars as below

Original invoice no . 255

Party Name : M/s Jyothi

Particulars	Amount
IGST – Purchase	5000
IGST	900
Total	5900

Ctrl + A Save

Reports

Gateway of Tally >> Display >> Statutory Reports >> GST >> GSTR2

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard C: Control Centre H: Support Centre H: Help						F1: Detailed
GSTR-2 : 36AJCPS0057J1Z5						F2: Period
Kaurmya Enterprises						F3: Company
1-Apr-2018 to 30-Apr-2018						
Returns Summary						
Number of vouchers for the period						
Included in returns						5
Invoices ready for returns						4
Invoices with mismatch in information						2
Not included in returns due to incomplete information						0
Not relevant for returns						1
Incomplete HSN/SAC information (to be provided)						0
Particulars						
	No. of Invoices	Taxable Value	Total Tax	Total ITC Available	Reconciliation Status	
To be reconciled with the GST portal						
B2B Invoices - 3, 4A						
Credit/Debit Notes Regular - 6C						
To be uploaded on the GST portal						
B2BUR Invoices - 4B						
Import of Services - 4C						
Import of Goods - 5						
Credit/Debit Notes Unregistered - 6C						
Nil Rated Invoices - 7 - (Summary)						
Advance Paid - 10A - (Summary)						
Adjustment of Advance - 10B - (Summary)						
Total Inward Supplies						
ITC Reversal/Reclaim - 11 - (Summary)						
Total No. of Invoices						4
HSN/SAC Summary - 13						
Reverse Charge Liability to be Booked						
Reverse Charge Inward Supplies						0.00
Import of Service						0.00
						3 more ...
Quit						

- A: Vch. Accepted as Valid
- J: Stat Adjustment
- E: Export Return
- L: Load File
- O: Open GST Portal
- S: Save Return
- A: View Status-wise
- F9: Inventory Reports
- F10: A/c Reports
- F11: Features
- F12: Configure