CHAPTER 15 · COMPLIANCE MANUAL · 2024 EDITION

Goods & Service Tax Act (GST)

*This chapter is an extract from **The RST Compliance Manual**, a regulator-mapped reference for Indian business entities curated by the partners of R S T & Co.*

The goods and services tax (GST) is **a tax on goods and services sold domestically for consumption**.

The tax is included in the final price and paid by consumers at point of sale and passed to the government by the seller. The GST is a common tax used by the majority of countries globally.

15.1 Applicability

Criteria for Registration

Every Person whose total Gross receipts from Service/Works Contract is greater than/who reasonably expects his total turnover exceeds 20 lakhs rupees during any year *(Exception: Dealers specified in points 3 to 7 below)*.

Every Person whose total Gross receipts from Manufacturing/Trading is greater than / who reasonably expects his total turnover exceeds 40 lakhs rupees during any year.

In case of Online Aggregating Business/E commerce operators like Flipkart, Amazon, Myntra etc, from rupee one, registration shall be mandatory.

In case of a person making interstate taxable supply/Casual supply of taxable goods/service, dealer payable GST on Reverse Charge Mechanism(RCM) no basic exemption shall apply.

All OTT service providers providing service from outside India to a person in India, No basic exemption shall apply.

All Non resident taxable persons making taxable supply in India.

Online Traders & Service providers on own or through online aggregators.

15.2 Compliance

Every Entity must hang NAME BOARD (Displaying Registered Name) in front of Business Premises along with GSTIN.

GST registration certificates must be hanged in Business Premises.

15.2.1 Maintenance of Records

Stock Register

Maintaining Vouchers: With continuous serial numbers, following vouchers shall be maintained: purchase invoices with date wise, sales invoices with tax in serial number, cash receipt vouchers, cash payment vouchers, bank receipt vouchers, bank payment voucher, debit note if any, credit note, if any.

15.2.2 Maintaining Books of Accounts

Purchase Books, Sales Books, Cash Books, Credit & Debit notes, Separate Register for Exempted Sales, Journals, Bank Books, Stock Register, GST Returns, GST Audit Report.

15.2.3 Due Dates & Forms under the GST ACT

Form	Subject	Due Date
REG-01	Application for Registration	End of the Month in case if falls in above criteria
REG-14	Amendments for Registration	Within 30days from such changes
GSTR-01/ IFF	Monthly Form of Reporting Outward supply	Within 11th of the following month in Karnataka For QRMP/IFF opted quarterly returns, due date is 13th following month
GSTR-3B	Monthly Summary Returns	20th of Following month QRMP-23rd of following month
REG-06	GST Registration certificate	GST Registration certificate
CMP 08	Returns to be submitted - Composition Dealer	Quarterly 18th day of the month following the relevant quarter
GSTR-09	GST Annual Return for Turnover > 2 Crore	31st Dec of following year
GSTR-9C	GST Reconciliation statement for TO >5Cr.	31st Dec of following year
EWB-01	E way bill	Immediately on dispatch

Details once submitted cannot be altered or modified under any circumstances. However, E-way bills can be cancelled within 24hrs.

All the Forms as said above has to be compulsory filed online through departmental website

Dealer whose total turnover does not exceed Rs. 5 Crores in a year can opt and file returns quarterly.

Revised Return (Section 35): No return can be revised.

15.2.4 Other compliances

Invoice to be raised immediately.

Credit note and Debit note can be raised within 6 months.

Budget 2022: Key Changes in GST

The last date to make corrections, upload missed sales invoices or notes, or claim any missed Input Tax Credit (ITC) of one financial year is extended to 30th November of the following year.

Suppose a person registered under the composition scheme fails to file an annual return within three months after the due date of 30th April of the following year. In that case, his registration can be cancelled by the officer. Likewise, for any other taxpayer, the six months consecutive default in return filing is replaced with defaulting consecutively for tax periods as may be prescribed.

Section 38, earlier called furnishing of inward supplies, is amended completely to remove reference of earlier GSTR-2 and replace it with GSTR-2A and GSTR-2B with new provisions on ‘Communication of details of inward supplies and input tax credit'.

The due date to file GSTR-5 by non-resident taxable persons is revised from the 20th of next month to the 13th of next month.

Sections 42, 43, and 43A pertaining to matching reversal of input tax credits have been removed.

Budget 2022: Key Changes in GST

Composition Scheme and E-commerce Operators

ITC on Corporate Social Responsibility (CSR) not available

Schedule III transactions to be included in the exempt supply

Alignment of Interest on payment beyond 180 days: Section 50

15.3 Consequences of default

Interest on late payment of GST or delay in GST Return is **18% p.a.** on the GST declared in the return or to be declared. Interest is to be computed proportionately in case of part of the month. For this purpose, a month refers to 30 days.

Fee for late returns (Section 72) :

Nil payable – Rs. 20 per day, maximum Rs. 1,000.

Other txase - Rs. 50 is to be paid for each day of default.

Penalty for late payment: 10% of Tax due subject to minimum Rs. 10,000 on SCN.

15.4 Prosecution of dealers

Evasion Tax/Fake Billing/Non-payment of collected GST for 3 months/Fraudulent Refunds/Fake Records/Obstruction of officer/False Information, etc.

1 crore to 2 crores - bailable, imprisonment up to 1 year

2 crores to 5 crores - bailable, imprisonment up to 3 years

above 5 crores - bailable, imprisonment up to 5 years

If the offence continues, imprisonment up to 5 years with fine.

15.5 Audit under GST - NONE

15.6 E–Way Bill

All the supplies shall ensue e-way bill when value of the invoice exceeds Rs. 50,000. In case of failure to raise e-way bill, a penalty of 100% of tax or Rs. 10,000 whichever is higher shall be levied.

All the movement of goods for more than 10km & Invoice value more than 50,000, raising e-way bill is mandatory.

Validity of the e-way bill shall be as per bulk and/or distances.

Note: All taxable goods which are transported for purposes other than as a result of sale are mandated to raise E-sugam irrespective of value.

15.7 ACTS SUBSUMED WITH GST

Entry Tax; Luxury Tax; Excise Duty; Service Tax

End of Chapter. *For the complete Compliance Manual, additional chapters, or a tailored briefing for your finance and compliance teams, contact **info@rstandco.co.in**.*