

PRACTICAL GST WEBINAR

A Comprehensive 10-Hour Training with Real-World Applications



Presented by

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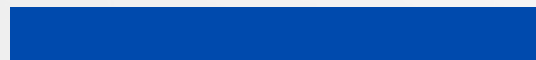
WHAT IS GST

GST is a comprehensive, multi-stage, destination-based indirect tax levied on the supply of goods and services in India.

It replaced multiple indirect taxes previously levied by the Centre and States.

BENEFITS OF GST

- Uniform tax structure across the country
- Removal of cascading effect of taxes (tax on tax)
- Ease of doing business and improved logistics
- Better compliance through technology
- Increased transparency and tax collection





TYPES OF GST

Type	Levied	AppliedC
CGST	Central Govt	Intra State
SGST	State Govt	Intra State
IGST	Central Govt	Inter State
UTGST	Union Territory	Within Union Territory

GST Council & Dual GST Model

- **GST Council:** Decision-making body headed by the Union Finance Minister with state finance ministers as members.
- **Dual Model:** Both Centre and States levy tax on a common base – ensuring shared revenue and autonomy.

Stage	Pre-GST Tax (Excise + VAT)	Post-GST
Manufacturer to Wholesaler	12% + 14.5% VAT (cascading)	18% GST
Tax Credit Available?	 No	 Yes
Effective Tax Burden	~26.8%	18%

Result:

Lower tax burden

Seamless input tax credit

Transparent pricing

REGISTRATION & COMPOSITION

MANDATORY REGISTRATION – WHO MUST REGISTER?

Criteria	Applicability
Turnover exceeds threshold	₹40 lakh (goods), ₹20 lakh (services) in most states
	₹20 lakh (goods), ₹10 lakh (services) in Special Category States
Inter-State supply of goods	Regardless of turnover
E-commerce sellers & aggregators	Regardless of turnover
Casual/Non-resident taxable persons	Compulsory before starting business
Reverse Charge Mechanism (RCM)	When liable to pay GST under RCM

STATES WITH LOWER THRESHOLD LIMITS

State/UT	Goods Threshold	Services Threshold
Manipur	₹10 lakh	₹10 lakh
Meghalaya	₹10 lakh	₹10 lakh
Mizoram	₹10 lakh	₹10 lakh
Nagaland	₹10 lakh	₹10 lakh
Tripura	₹10 lakh	₹10 lakh
Arunachal Pradesh	₹20 lakh	₹10 lakh
Sikkim	₹20 lakh	₹10 lakh
Uttarakhand	₹20 lakh	₹10 lakh
Puducherry	₹20 lakh	₹10 lakh
Other States & UTs	₹40 lakh	₹20 lakh

Voluntary Registration

- Available to businesses below threshold limits
- Useful when:
 - Business wants to claim Input Tax Credit (ITC)
 - Working with B2B clients
 - Expanding to inter-state supply
- Voluntary registrants must comply with all GST obligations

GSTIN – PAN-Based

- Format: 15 digits
- State Code (2) + PAN (10) + Entity Code (1) + Check Digit (2)
- Linked to business PAN
- Unique GSTIN for each state if operating in multiple states

COMPOSITION SCHEME ELIGIBILITY

Criteria	Details
Eligible for	Manufacturers, traders, restaurants (not services)
Turnover limit	Up to ₹1.5 crore (₹75 lakh for NE states)
Tax Rates	1% (traders), 5% (restaurants), 6% (services - optional)
Key Points	Cannot claim ITC, no inter-state sales, limited compliance burden

AMENDMENT & CANCELLATION OF REGISTRATION

Amendment Types:

- Core Fields (requires approval): Legal name, address, constitution of business
- Non-Core Fields (self-amendable): Contact info, authorized signatory, etc.

Cancellation Triggers:

- Business closed/transferred
- Change in constitution (e.g., sole prop → partnership)
- Voluntary cancellation
- Cancellation by officer (e.g., non-filing of returns)

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COMPLIANCE POST-REGISTRATION

Requirement	Details
Invoice Format	Must include GSTIN, HSN/SAC code, rate, etc.
Returns Filing	Monthly/quarterly returns (GSTR-1, GSTR-3B, etc.)
Record Keeping	Maintain books for 6 years from due date
Display of GSTIN	Mandatory at business premises and on name board
Payment of Tax	On or before due date to avoid interest/penalty



GST REGISTRATION GUIDE

CHECK ELIGIBILITY?

- Supply of Goods: Mandatory if your annual turnover exceeds ₹40 lakh (₹10 lakh in special category states).
- Supply of Services: Mandatory if turnover exceeds ₹20 lakh (₹10 lakh in special category states).
- E-commerce Sellers: Must register regardless of turnover.
- Casual Taxable Person (e.g., temporary stalls) must register regardless of turnover.

VISIT THE GST PORTAL

- Navigate to gst.gov.in.
- Go to Services → Registration → New Registration

PART A: FILL BASIC DETAILS & GENERATE TRN

- Select “Taxpayer”.
- Provide:
 - Legal Name (as per PAN)
 - PAN
 - Email Address
 - Mobile Number
- Enter the captcha and click Proceed.
- Verify via OTP sent to your email and mobile.
- This generates a Temporary Reference Number (TRN)—note it down for later use.

PART B: COMPLETE APPLICATION

- Go to Services → Registration → Temporary Reference Number (TRN).
- Enter the TRN, captcha, and proceed.
- Complete OTP verification again.
- Click the Edit icon and fill out:
 - Business Details (trade name, business constitution, start date, liability date, etc.)
 - Promoter / Director Details (PAN, Aadhaar, address, etc.)
 - Authorized Signatory details (who will handle GST compliance)
 - Principal Place of Business – upload address proof

DOCUMENT UPLOAD & VERIFICATION

- Required documents include:
- Proof of business constitution (e.g., Certificate of Incorporation)
- Passport-size photographs
- Proof of principal place of business (electricity bill, property tax receipt, etc.)
- Bank account details (passbook, bank statement, or cancelled cheque)
- Authorization documents (e.g., letter of authorization)

If submitting Part B as a company, you must apply using:

- DSC (Digital Signature Certificate), or
- E-Sign (via Aadhaar), or
- Electronic Verification Code (EVC)

SUBMIT & OBTAIN ARN

- Submit the form.
- You will receive an Application Reference Number (ARN) via email and SMS
- You can use this ARN to track your application status on the GST portal

APPROVAL AND GSTIN ISSUANCE

- Typically, within 7 working days, the GSTIN and registration certificate are issued
- In some cases, you may receive forms like REG-03 or REG-05 asking for additional information. Upon successful verification, your GSTIN is issued as REG-06 .

DOWNLOAD GST REGISTRATION CERTIFICATE

- Login to the GST portal.
- Navigate to Services → User Services → View/Download Certificates to download the GST certificate

QUICK SUMMARY TABLE

Step	Action
1. Eligibility	Check turnover or type of activity (e.g., e-commerce)
2. GST Portal	Visit gst.gov.in → Services → New Registration
3. Part A	Fill basic details, verify OTP → receive TRN
4. Part B	Use TRN to fill business, promoter, signatory, and location details
5. Document Upload	Provide proofs, bank details, photos
6. Submit & ARN	Submit application → receive ARN via email/SMS
7. Approval & GSTIN	Typically issued within 7 working days
8. Download Certificate	Download via portal in User Services

IMPORTANT THINGS TO KEEP IN MIND

- Registration is free; penalties are only for non-compliance or late registration
- If you exceed the threshold but fail to register, you may face penalties up to 100% of due tax
- You must register in each state where you have a business presence
- Those identified via UPI data as eligible have had notices sent; small traders are being encouraged to register, and some states are offering awareness campaigns and relief.

Once you get the GST registration, everything will go through GST compliance regardless of turnover. This also means you have to file GST returns, even if sales are 0 for the month/quarter."

MEANING AND SCOPE

SUPPLY UNDER GST

MEANING & SCOPE OF SUPPLY [SEC 7 OF CGST ACT]

Supply" is the foundation of GST – GST is levied on every supply of goods or services.

Supply includes:

- Sale, transfer, exchange, barter, lease, rental, license, or disposal
- Made for a consideration
- In the course or furtherance of business

Inclusions even without consideration (Schedule I):

- Permanent transfer of business assets where ITC was claimed
- Supply between related persons or distinct persons (e.g., branches in different states)
- Supply of goods by principal to agent and vice versa
- Import of services from related persons or establishments outside India

Exclusions:

- Activities listed under Schedule III (e.g., salary to employee, sale of land/building, funeral services)

COMPOSITE SUPPLY VS MIXED SUPPLY

Feature	Composite Supply	Mixed Supply
Definition	Two or more supplies naturally bundled and supplied together in ordinary course of business	Two or more individual supplies not naturally bundled , supplied for a single price
Tax Treatment	Taxed at the rate of principal supply	Taxed at the highest rate applicable to any item
Examples	- Hotel stay with complimentary breakfast	

TIME OF SUPPLY – WHEN TAX IS PAYABLE

Time of Supply – When Tax is Payable

For Goods [Sec 12]:

- Earlier of:
 - Date of invoice
 - Date of payment (recorded in books or credited in bank)

For Services [Sec 13]:

- If invoice issued within 30 days → Invoice date
- If not → Date of completion of service
- Whichever is earlier with payment date

Reverse Charge Mechanism (RCM):

- Time of supply = Earlier of:
 - Date of payment
 - 30 days from invoice (goods)
 - 60 days from invoice (services)

Important for calculating interest on late payment & determining return periods.

PLACE OF SUPPLY – DETERMINES TAX TYPE (IGST VS CGST+SGST)

Intra-State Supply:

Buyer & seller in same state

→ Charge CGST + SGST

Inter-State Supply:

Buyer & seller in different states

→ Charge IGST

Import / Export:

- Import of goods/services → IGST
- Export of goods/services → Zero-rated supply

EXAMPLE:

Scenario	Place of Supply	Tax Type
Seller in Delhi → Buyer in Mumbai	Mumbai	IGST
Hotel service in Goa to Delhi client	Goa	IGST
Local sale in Gujarat	Gujarat	CGST + SGST

Key Concept: Place of supply for goods is generally location of delivery; for services, it's location of recipient (with many exceptions).

VALUE OF SUPPLY – SEC 15 OF CGST ACT

Transaction Value:

- Price paid/payable for the supply
- Supplier & recipient are not related
- Price is sole consideration

Includes:

- Any taxes, duties, fees (except GST)
- Incidental expenses like packing, transport
- Interest or late fee
- Subsidies linked to price (except government subsidies)

Excludes:

- Discounts before or at time of supply if shown on invoice
- Post-supply discounts if per agreement & linked to specific invoices

INPUT TAX CREDIT

WHAT IS INPUT TAX CREDIT (ITC)?

Input Tax Credit means the credit of GST paid on purchases (inputs, input services, or capital goods) that can be used to offset GST liability on outward (sales) supplies.

In Simple Terms:

If you buy goods/services and pay GST on it, you can reduce that amount from the GST you have to pay when you sell your product or service.

Example of ITC

You buy raw material worth ₹1,00,000 + 18% GST = ₹1,18,000

→ **Input GST paid: ₹18,000**

You sell finished goods worth ₹1,50,000 + 18% GST = ₹1,77,000

→ **Output GST collected: ₹27,000**

GST Payable = ₹27,000 - ₹18,000 = **₹9,000**

CONDITIONS TO AVAIL ITC [SEC 16(1)]

You have a valid tax invoice/debit note from a registered supplier

Goods/services have been received

Tax has been actually paid to the government by the supplier

You have filed GSTR-3B return

Invoice is reflected in GSTR-2B of the recipient

Payment to supplier within 180 days – else ITC reversed temporarily with interest

Goods received in installments? ITC claimable only after last lot is received.

BLOCKED CREDITS – SEC 17(5)

CategoryBlocked ITC

- **Motor Vehicles**, If seating < 13, unless used for transport/sale/training
- **Food, Beverages, Catering**, Unless inward supply for outward taxable supply
- **Health Services, Life Insurance, Club Membership**, Except when mandated by law
- **Construction Services**, For immovable property (unless for resale)
- **Works Contract Services**, If not for plant & machinery
- **Free Gifts & Samples**, Distribution for promotion purposes
- **Personal Use**, Goods/services used for non-business purposes
- **Goods Lost, Stolen, Destroyed**, ITC ineligible on such loss
- **Fraud Cases** (fake invoices, non-existent suppliers), No ITC allowed

ITC REVERSAL – WHEN TO REVERSE ITC?

ITC already availed needs to be reversed in the following cases:

1. Non-payment to supplier within 180 days
2. Use for personal or exempted supplies
3. Post-supply discount or credit notes
4. Loss, damage, destruction of goods
5. Sale of capital goods – proportionate ITC to be reversed
6. Input services used partly for exempt supplies (Rule 42)
7. Capital goods for mixed supplies (Rule 43)

Reversal must be added to output liability with applicable interest.

MATCHING CONCEPT: GSTR-2B RECONCILIATION

Why Match GSTR-2B?

GST Matching is the process of comparing the Input Tax Credit (ITC) recorded in the taxpayer's purchase ledger (books of accounts) with the ITC reflected in GSTR-2B, which is auto-generated based on:

- GSTR-1 filed by suppliers
- Invoices uploaded via IFF (Invoice Furnishing Facility)
- ISD (Input Service Distributor) credits
- Credit/debit notes

Objective:

To ensure only eligible and correct ITC is claimed in GSTR-3B, in compliance with:

- Section 16(2)(aa) of the CGST Act
- Rule 36(4) of the CGST Rules

WHY MATCHING IS ESSENTIAL

- Prevents excess ITC claims
- Avoids interest, penalty, and notices like DRC-01C
- Ensures audit readiness
- Promotes supplier compliance

Types of GST Matching

Matching Type	Description
GSTIN Matching	Supplier GSTIN in books must match GSTR-2B
Invoice Matching	Invoice number and date should be identical
Taxable Value Matching	Amount before tax must match exactly
Tax Amount Matching	CGST, SGST, IGST, and Cess should match
RCM Entries	Reverse Charge Mechanism entries should be booked with self-invoice
ITC Eligibility	ITC should be eligible (no personal, blocked, or restaurant services, etc.)

EXPANDED EXAMPLE – GSTR-2B VS PURCHASE LEDGER RECONCILIATION

Period: March 2024

Company: Shivam Enterprises

GSTIN: 09ABXPS3456L1ZY

SN	Supplier Name	Invoice No/Date	ITC in Books	ITC in GST	Status	Issue	Action Needed
1	ABC Traders	INV001/05-03-24	₹15,000	₹15,000	✓ Matched	None	No action
2	Bright Tech Pvt Ltd	INV023/03-03-24	₹22,500	₹0	✗ Missing	Supplier didn't file GSTR-	Contact supplier to file
3	CoolAir Solutions	INV056/12-03-24	₹8,400	₹8,400	✓ Matched	None	No action
4	Delta Innovations	INV039/15-03-24	₹11,200	₹10,000	⚠ Mismatch	Tax value mismatch	Verify invoice and correct records
5	EverGlow Systems	INV078/21-03-24	₹6,300	₹0	✗ Missing	Wrong GSTIN entered by	Ask vendor to amend GSTR-1
6	FastMove Couriers	RCM/25-03-24	₹3,600 (RCM)	₹0	✓ Expected	RCM - Not in 2B	Book self-invoice; pay via 3B
7	GreenLeaf Interiors	INV112/17-03-24	₹4,500	₹4,500	✓ Matched	None	No action
8	Hexa Tech Industries	INV102/19-03-24	₹7,800	₹7,800	✓ Matched	None	No action
9	InstaPrint Pvt Ltd	INV129/29-03-24	₹9,000	₹0	✗ Missing	Invoice uploaded late	Will reflect in April's GSTR-2B
10	JustBrew Café	INV144/22-03-24	₹5,000	₹5,000	✗ Ineligible	Blocked (restaurant expe	Reverse in March's GSTR-3B

SUMMARY

Description	Amount (₹)
Total ITC in Purchase Ledger	₹93,300
ITC Available in GSTR-2B	₹61,700
RCM ITC (booked separately)	₹3,600
Ineligible ITC (restaurant)	₹5,000
Eligible ITC to claim	₹65,300
Difference requiring action	₹28,000

PRACTICAL CASE STUDY: GREENTECH SOLUTIONS PVT LTD

Background:







- Sector: Solar Equipment Distributor
- Period: December 2023
- ITC claimed in GSTR-3B: ₹8,20,000
- ITC in GSTR-2B: ₹7,60,000
- Discrepancy: ₹60,000
- DRC-01C Notice received in January 2024 under Rule 88D

Supplier	ITC Claimed	ITC in 2B	Difference	Reason
SunPower Ltd	₹2,10,000	₹2,10,000	₹0	✓ Matched
EcoRenew Pvt Ltd	₹1,50,000	₹1,00,000	₹50,000	GSTR-1 partially uploaded
GreenZone Equipments	₹2,30,000	₹2,30,000	₹0	✓ Matched
EnergyRoots LLP	₹1,30,000	₹1,20,000	₹10,000	Uploaded under wrong GSTIN
SolarBasics Inc.	₹1,00,000	₹1,00,000	₹0	✓ Matched

ACTION TAKEN

- Reversed ₹60,000 ITC in January's GSTR-3B
- Contacted suppliers:
- EcoRenew amended their return in January
- EnergyRoots corrected GSTIN and re-uploaded invoice
- Reclaimed ₹60,000 ITC in February 2024 GSTR-3B
- Adopted Reconciliation Tool
- Implemented monthly Vendor Compliance Tracker

BEST PRACTICES FOR GST MATCHING

Practice	Description
 Monthly Reconciliation	Match books with GSTR-2B before every GSTR-3B filing
 Vendor Compliance Tracking	Ensure vendors file GSTR-1 timely and accurately
 Maintain Documentation	Keep copies of all reconciliations, emails, notices
 Reverse Ineligible ITC	Identify blocked credits under Section 17(5)
 Use Automation Tools	Software like ClearTax, Tally, Zoho, Busy, GSTHero
 Track RCM Entries Separately	Book RCM transactions with self-invoice + payment

CONCLUSION

- GST Matching is crucial to ensure correct ITC claim and maintain full compliance.
- Regular reconciliation helps prevent ITC blockage, notices, and cash flow issues.
- Use of tech tools, internal controls, and vendor education is key to smooth compliance.