1.1 FUNDAMENTALS OF GST

Difference between Direct Taxes and Indirect Taxes – illustrative list:

Direct Taxes	Indirect Taxes
1. Payer of tax and sufferer of tax one and same (i.e. impact and incidence on the same person)	1. Payer of tax not sufferer of tax whereas sufferer of tax is not paying directly to the Government (i.e. impact on one head and incidence on other head)
2. Income based taxes	2. Supply based taxes
3. Rate of taxes are different from person to person	3. Rate of duties are not differ from person to person
4. Entire revenue goes to Central Government of India	4. Revenue source to Central Government of India as well as State Governments (i.e. CGST and SGST)
5. Previous year income assessed in the assessment year	5. There is no previous year and assessment year concept
6. Central Board of Direct Taxes (CBDT) is an important part of Department of Revenue.	6. Central Board of Excise and Customs (CBEC) is an important part of Department of Revenue. The Central Board of Excise & Customs is being renamed as the Central Board of Indirect Taxes & Customs (CBIC), after getting legislative approval.
7. Progressive nature.	7. Regressive nature.

- CONSTITUTION [101ST AMENDMENT] ACT, 2016
- Constitution (122nd Amendment) Bill, 2014 received the assent of the President of India on 8th September, 2016 and became Constitution (101st Amendment) Act, 2016, which paved the way for introduction of GST in India.
- Constitution (101st Amendment) Act, 2016 was enacted on 8th September, 2016, with following significant amendments:
- (a) Concurrent powers on Parliament and State Legislatures to make laws governing goods and services. It means there will be dual control of State and Central authorities for all assesses.
- (b) As per Article 246A, the power to levy GST has been given to the Parliament as well as to Legislature of every
- State.
- a. CGST – enacted by Central Government of India.
- b. IGST – enacted by Central Government of India.
- c. SGST – enacted by respective State Governments
- d. UTGST – enacted by Central Government of India

- (c) IGST will be apportioned between Centre and the States in the manner provided by Parliament by Law as per
- the recommendation of the GST Council.
- (d) GST will be levied on all supply of goods and services except alcoholic liquor for human consumption.
- (e) The explanation to Article 269A of Constitution of India provides that the import of goods or services will be deemed as supply of goods or services or both in the course of inter-State trade or commerce. In case of import of goods IGST will be levied along with the Basic Customs duty.
- (f) Principles for determining the place of supply and when a supply takes place in the course of inter-state trade or commerce shall be decided by the Parliament.

- (g) The power to levy Central Excise duty on goods manufactured or produced in India is available in respect of the following products:
- a. Petroleum crude;
- b. High speed diesel;
- c. Motor spirit (commonly known as petrol);
- d. Natural gas;
- e. Aviation turbine fuel; and
- f. Tobacco and tobacco products.
- However, once GST is imposed there will be no duty on manufacture of these goods.

- (h) The power to impose tax on sale of the following products is still provided to the State Governments:
- a. Petroleum crude;
- b. High speed diesel;
- c. Motor spirit (commonly known as petrol);
- d. Natural gas;
- e. Aviation turbine fuel; and
- f. Alcoholic liquor for human consumption.
- However, once GST Council is recommend the date from which GST is imposed on these products (except alcoholic liquor for human consumption), and no sales tax will be imposed on these products

- 1.3 WHAT IS GST
- ● Goods and services tax means a tax on supply of goods or services, or both, except taxes on supply of alcoholic liquor for human consumption (Article 366 (12A) of Constitution of India).
- ● GST is a value added tax levy on sale or service or both.
- ● GST is a destination based consumption tax.
- ● GST offers comprehensive and continuous chain of tax credit.
- ● GST where burden borne by final consumer.
- ● GST eliminate cascading effect of tax.
- ● GST brings uniform tax structure all over India.

ADVANTAGES OF GST

- (a) One Nation One Tax.
- (b) Removal of bundled indirect taxes such as VAT, CST, Service tax, CAD, SAD, and Excise.
- (c) Removal of cascading effect of taxes i.e. removes tax on tax.
- (d) Increased ease of doing business;
- (e) Lower cost of production, increases demand will lead to increase supply. Hence, this will ultimately lead to rise in the production of goods. Resultantly boost to make in India initiative.
- (f) It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth

TAXES SUBSUMED UDER GST

Principles of Tax Subsummation

Various types of Central, State, and Local taxes were identified to be subsumed in GST. The principles given below were used to identify taxes that can be subsumed under GST –

Indirect Taxes: The taxes subsumed in GST should be indirect in nature. These taxes should be levied on the supply of either services or goods. Taxes not related to the supply of services and goods should not be included in GST.

Part of the Transaction Chain: The taxes selected for subsumption should be a part of the transaction chain that starts with the import, manufacture, and production of goods or services and ends with the consumption of goods and services.

Free Flow of Tax Credit: This subsummation must lead to a free flow of tax credit on inter-state and intra-state levels.

Revenue Fairness: The subsummation should be done keeping in mind the fairness of revenue for both the states and unions individually.

- **What Central Taxes were Subsumed in GST?**
- After applying the above-mentioned principles, a set of taxes was selected to be subsumed under the GST. Given below are the Central taxes that were subsumed under GST -
- Central Excise Duty (CENVAT) - Central excise duty is the indirect tax levied on the goods and services at the time when they are transferred from the production unit to the warehouse.
- Additional Excise Duties - This tax is levied on the goods scheduled under section 3 of the Additional Duties Act of 1957.
- Duties of Excise (Toilet and Medicinal Preparations) - It is the indirect tax or excise duty that is levied on the toilet and medicinal preparations.
- Additional Duties of Excise (Goods of Special Importance) - It is the additional duty levied on special goods such as tobacco, sugar, and textiles made in a mill.

- Additional Duties of Excise (Textiles and Textile Products) - The excise duty levied on textile products is known as additional excise duties.
- Additional Duties of Custom (CVD) - Additional CVD or special countervailing duty is the tax or duty imposed on imported goods to equalize the value of imported goods with domestic products to protect the interests of domestic manufacturers.
- Service Tax - Service tax is an indirect tax imposed on the services provided by cable operators, travel agents, restaurants, cab services, etc.
- Central Surcharge and Cesses - All the surcharges and cusses were also subsumed under GST.

• State Taxes Subsumed Under GST

State VAT - VAT is a value-added tax levied on goods and services at every stage of the supply chain. VAT varies from state to state.

Central Sales Tax - It refers to the tax levied on the sales generated during interstate trade and commerce in the industry.

Luxury Tax - Luxury tax is the indirect tax levied on the goods and services that are considered to be luxurious.

Entry Tax of all Types - It refers to a tax levied by the state governments on the movement of goods from one area to another.

Entertainment and Amusement Tax - It is a tax levied on commercial entertainment events by the state government.

Taxes on Advertisements - The tax levied on the advertisements published in print media like magazines, newspapers, etc.

State Surcharges and Cesses - All the surcharges and cesses levied by the state governments.

Taxes are not subsumed in GST

- Here is a list of the taxes that have not been subsumed under GST -

- Basic Customs Duty - Duties imposed at the time of import of goods in India.
- Export Duty - Duty imposed on the export of specific goods that are not abundantly available in India.
- Road and passenger tax and toll Tax - These are not levied on goods and services but can be considered as fees.
- Property Tax - taxes levied on property
- Stamp Duty - Tax imposed on the sale of property

GST - Self Service

https://selfservice.gstsystem.in

GST portal

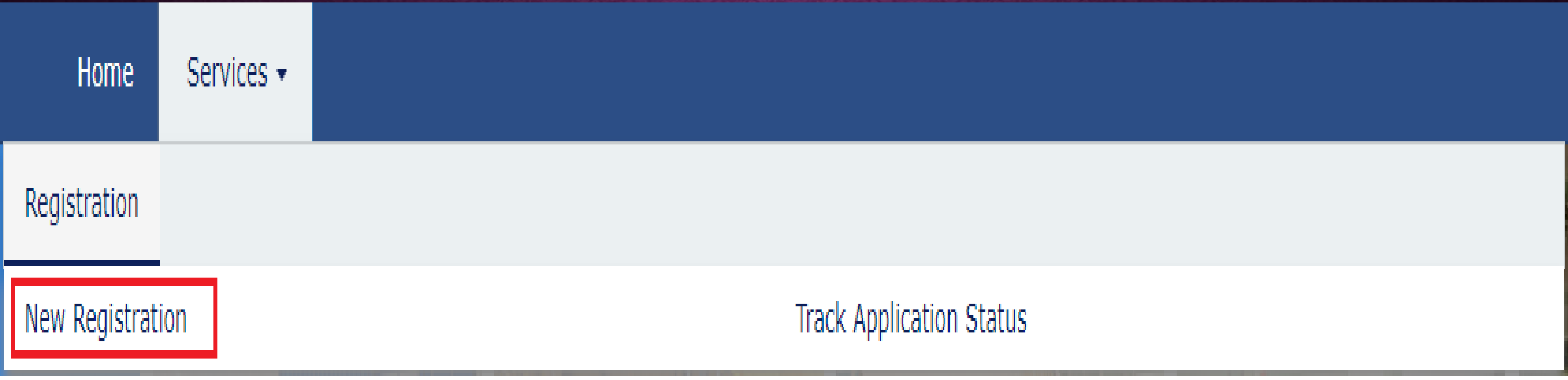
The Portal has been designed for lodging complaints by taxpayers and other stakeholders. They can lodge Complaint here indicating issues or problems faced ...

Report Issue / Complaint · Check Status · Feedback

STEP 1: ACCESS GST PORTAL

GO TO THE OFFICIAL GST PORTAL:

HTTPS://WWW.GST.GOV.IN


Home
Services
Registration
New Registration
Track Application Status

1 User Credentials — 2 OTP Verification

New Registration

• indicates mandatory fields

( ) New Registration ( ) Temporary Reference Number (TRN)

I am a •

Taxpayer

State / UT •

Select

District •

Select

Legal Name of the Business (As mentioned in PAN) •

Enter Legal Name of the Business

Permanent Account Number (PAN) •

Enter Permanent Account Number (PAN)

If you don't have PAN, Click here to apply

Eg: A B C D E 1 2 3 4 X

Email Address •

Enter Email Address

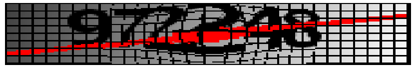
OTP will be sent to this Email Address

Mobile Number •

+91 Enter Mobile Number

Separate OTP will be sent to this mobile number

Type the characters you see in the image below •



PROCEED

You have successfully submitted Part A of the registration process. Your Temporary Reference Number (TRN) is 291700001721TRN.

Using this TRN you can access the application from My saved Applications and submit on GST Portal. Part B of the application form needs to be completed within 15 days, i.e. by ' 09/07/2017 ' using this TRN.

PROCEED

Dashboard | Services ▾ | Notifications & Circulars ▾ | Acts & Rules ▾ | Grievance

Dashboard

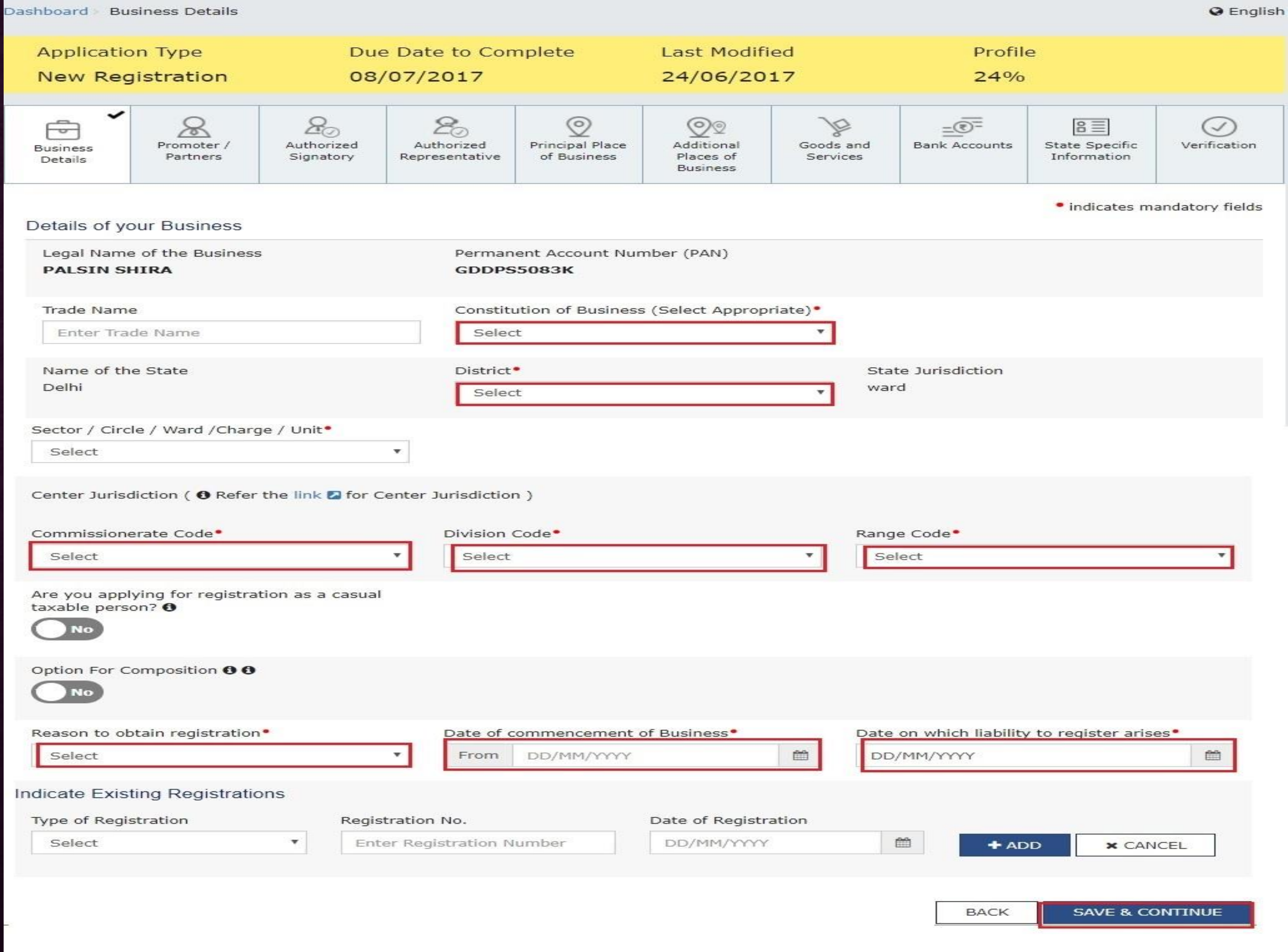
English

My Saved Application

Creation Date	Form No.	Form Description	Expiry Date	Status	Action
24/06/2017	GST REG-01	Application for New Registration	09/07/2017	Draft	

Track Application Status

You do not have any submitted applications


Dashboard > Business Details
English
Application Type
New Registration
Due Date to Complete
08/07/2017
Last Modified
24/06/2017
Profile
24%
Business Details
Promoter / Partners
Authorized Signatory
Authorized Representative
Principal Place of Business
Additional Places of Business
Goods and Services
Bank Accounts
State Specific Information
Verification
• indicates mandatory fields
Details of your Business
Legal Name of the Business
PALSIN SHIRA
Permanent Account Number (PAN)
GDDPS5083K
Trade Name
Enter Trade Name
Constitution of Business (Select Appropriate)•
Select
Name of the State
Delhi
District•
Select
State Jurisdiction
ward
Sector / Circle / Ward /Charge / Unit•
Select
Center Jurisdiction (Refer the link for Center Jurisdiction)
Commissionerate Code•
Select
Division Code•
Select
Range Code•
Select
Are you applying for registration as a casual taxable person?
No
Option For Composition
No
Reason to obtain registration•
Select
Date of commencement of Business•
From DD/MM/YYYY
Date on which liability to register arises•
DD/MM/YYYY
Indicate Existing Registrations
Type of Registration
Select
Registration No.
Enter Registration Number
Date of Registration
DD/MM/YYYY
+ ADD
✖ CANCEL
BACK
SAVE & CONTINUE

Application Type	Due Date to Complete	Last Modified	Profile
New Registration	08/07/2017	24/06/2017	24%

Business Details | Promoter / Partners | Authorized Signatory | Authorized Representative | Principal Place of Business | Additional Places of Business | Goods and Services | Bank Accounts | State Specific Information | Verification

• indicates mandatory fields

Details of Proprietor

Personal Information

Name of Person

First Name• Enter First Name
Middle Name Enter Middle Name
Last Name Enter Last Name

Name of Father

First Name• Enter First Name
Middle Name Enter Middle Name
Last Name Enter Last Name

Date of Birth• DD/MM/YYYY
Mobile Number • +91 Enter Mobile Number
Email Address • Enter Email Address

Gender• Male Female Others
Telephone Number (with STD Code) STD Enter Telephone Number

Identity Information

Designation / Status• Enter Designation
Director Identification Number Enter DIN Number
Are you a citizen of India? Yes

Permanent Account Number (PAN)• GDDPS5083K
Passport Number (In case of Foreigner) Enter Passport Number
Aadhaar Number Enter Aadhaar Number

Residential Address

Building No. / Flat No.• Enter Building No. / Flat No. / Door No.
Floor No. Enter Floor No.
Name of the Premises / Building Enter Name of Premises / Building

Road / Street• Enter Road / Street / Lane
City / Town / Locality / Village• Enter Locality / Area / Village
Country• Select

State• Enter State Name
District• Enter District Name
PIN Code• Enter PIN Code

Document Upload

Upload Photograph (of person whose information has been given above)•
File with JPEG format is only allowed.
Maximum file size for upload is 1 MB
Choose File No file chosen

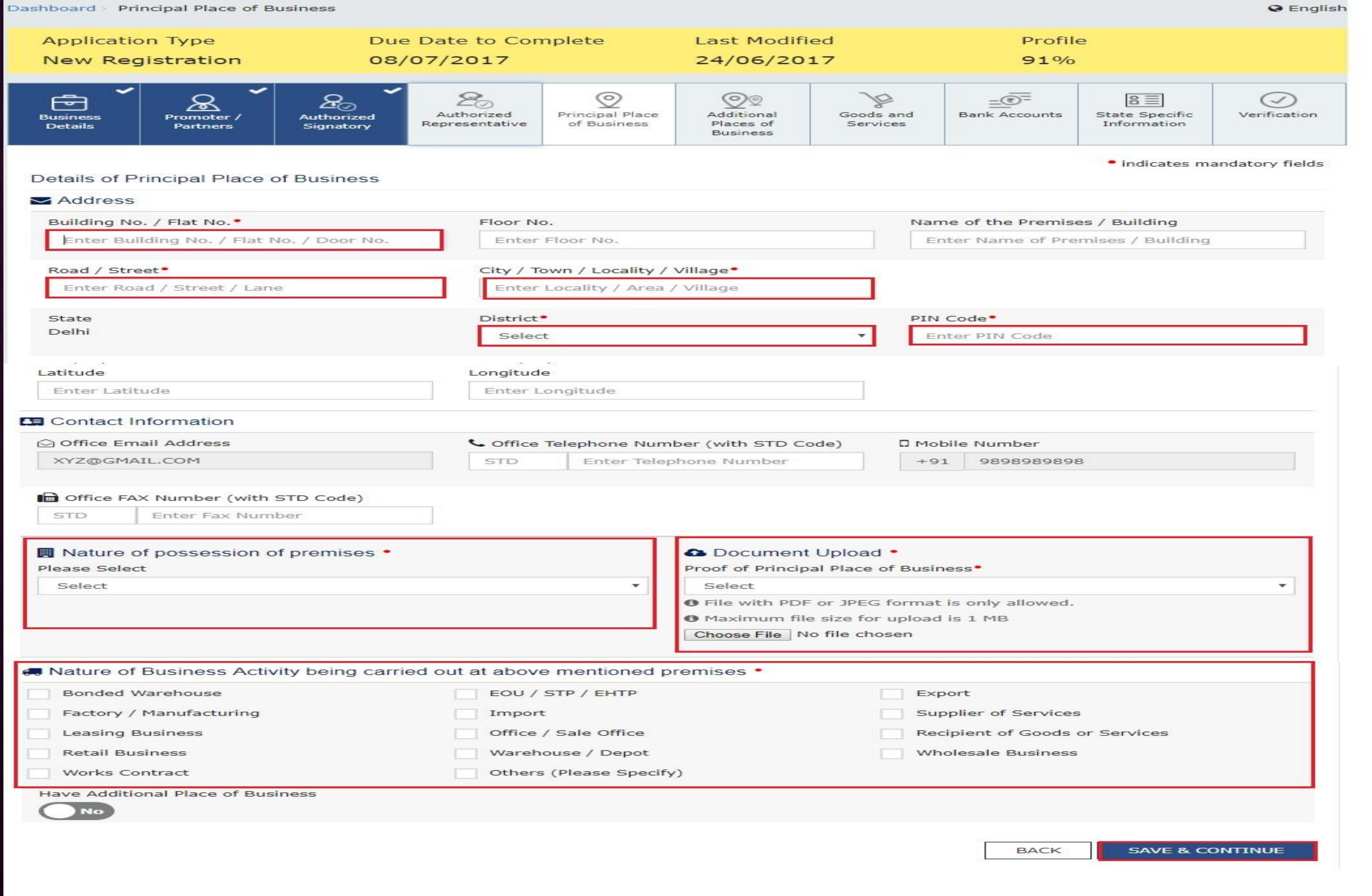
OR

TAKE PICTURE
You can use your device camera to take selfie photograph.

Other Information

Also Authorized Signatory No

BACK SHOW LIST ADD NEW SAVE & CONTINUE



Dashboard > Principal Place of Business
English
Application Type
New Registration
Due Date to Complete
08/07/2017
Last Modified
24/06/2017
Profile
91%
Business Details
Promoter / Partners
Authorized Signatory
Authorized Representative
Principal Place of Business
Additional Places of Business
Goods and Services
Bank Accounts
State Specific Information
Verification
• indicates mandatory fields
Details of Principal Place of Business
Address
Building No. / Flat No.•
Enter Building No. / Flat No. / Door No.
Floor No.
Enter Floor No.
Name of the Premises / Building
Enter Name of Premises / Building
Road / Street•
Enter Road / Street / Lane
City / Town / Locality / Village•
Enter Locality / Area / Village
State
Delhi
District•
Select
PIN Code•
Enter PIN Code
Latitude
Enter Latitude
Longitude
Enter Longitude
Contact Information
Office Email Address
XYZ@GMAIL.COM
Office Telephone Number (with STD Code)
STD
Enter Telephone Number
Mobile Number
+91
9898989898
Office FAX Number (with STD Code)
STD
Enter Fax Number
Nature of possession of premises •
Please Select
Select
Document Upload •
Proof of Principal Place of Business•
Select
File with PDF or JPEG format is only allowed.
Maximum file size for upload is 1 MB
Choose File
No file chosen
Nature of Business Activity being carried out at above mentioned premises •
Bonded Warehouse
EOU / STP / EHTP
Export
Factory / Manufacturing
Import
Supplier of Services
Leasing Business
Office / Sale Office
Recipient of Goods or Services
Retail Business
Warehouse / Depot
Wholesale Business
Works Contract
Others (Please Specify)
Have Additional Place of Business
No
BACK
SAVE & CONTINUE

Business Details | Promoter / Partners | Authorized Signatory | Authorized Representative | Principal Place of Business | Additional Places of Business | Goods and Services | Bank Accounts | State Specific Information | Verification

Goods | Services

Details of Goods / Commodities supplied by the business

Please specify top 5 Commodities

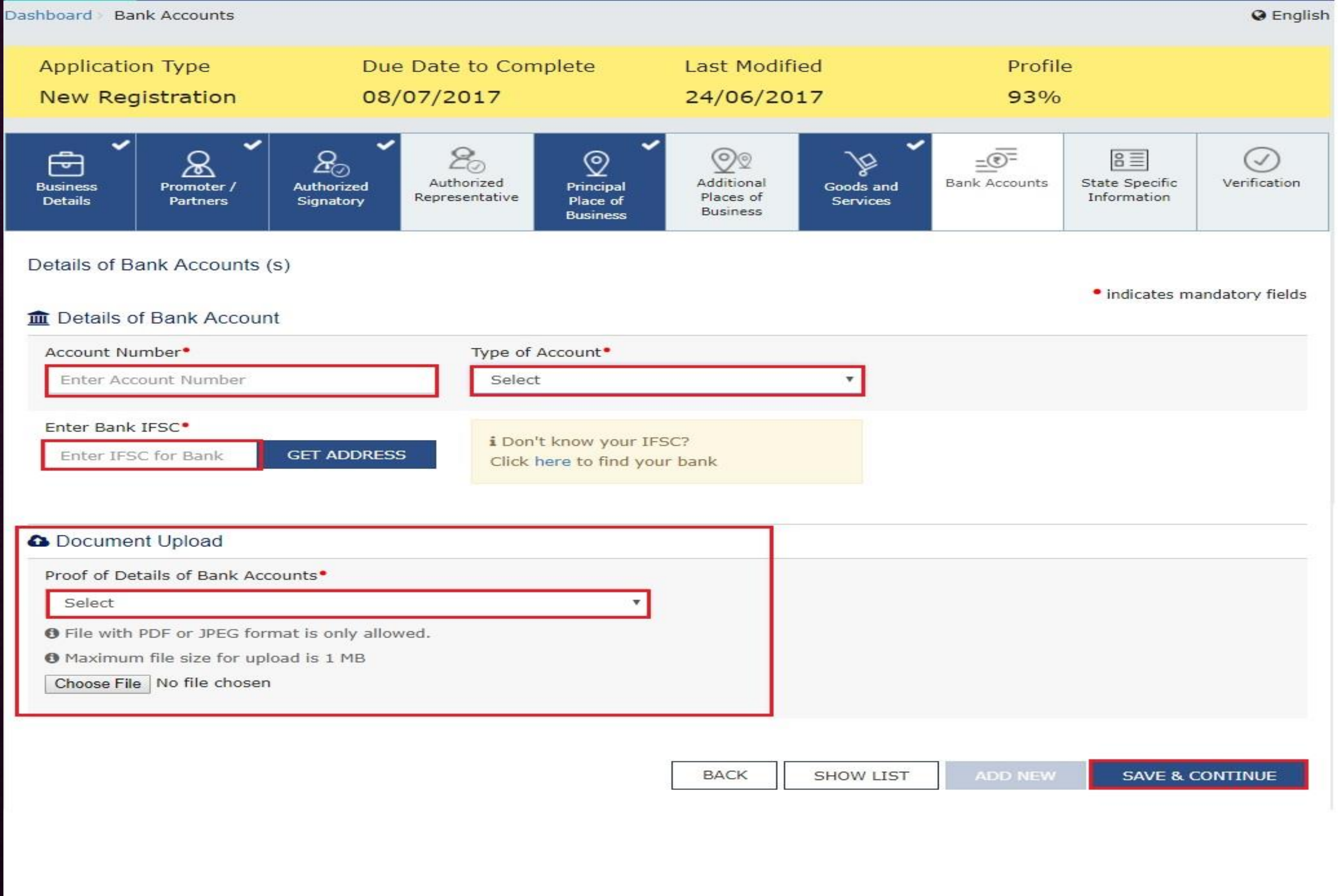
Search HSN Chapter by Name or Code

5208

5208
WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON, WEIGHING NOT MORE THAN 200 G/M2 - Unbleached :

Sl No	HSN Code (4 digit)	Description of Goods	Action
1	0902	TEA, WHETHER OR NOT FLAVOURED	DELETE

BACK | SAVE & CONTINUE


Dashboard › Bank Accounts
English
Application Type
New Registration
Due Date to Complete
08/07/2017
Last Modified
24/06/2017
Profile
93%
Business Details
Promoter / Partners
Authorized Signatory
Authorized Representative
Principal Place of Business
Additional Places of Business
Goods and Services
Bank Accounts
State Specific Information
Verification
Details of Bank Accounts (s)
• indicates mandatory fields
Details of Bank Account
Account Number•
Enter Account Number
Type of Account•
Select
Enter Bank IFSC•
Enter IFSC for Bank
GET ADDRESS
Don't know your IFSC?
Click here to find your bank
Document Upload
Proof of Details of Bank Accounts•
Select
File with PDF or JPEG format is only allowed.
Maximum file size for upload is 1 MB
Choose File
No file chosen
BACK
SHOW LIST
ADD NEW
SAVE & CONTINUE

Government of India
Form GST REG-06
[See Rule 10(1)]

Registration Certificate

Registration Number : 36GCJPS8386C1ZY

1.	**Legal Name**	Sooram Bhagya Laxmi			
2.	**Trade Name, if any**	Sai Santoshini Enterprises			
3.	**Additional trade names, if any**				
4.	**Constitution of Business**	Proprietorship			
5.	**Address of Principal Place of Business**	11-2-50, Ramalayam lane, Saroor Nagar East, Hyderabad, Rangareddy, Telangana, 500035			
6.	**Date of Liability**	28/08/2023			
7.	**Period of Validity**	From	28/08/2023	To	Not Applicable
8.	**Type of Registration**	Regular			
9.	**Particulars of Approving**	Centre			

Signature	Signature Not Verified Digitally signed by DS GOODS AND SERVICES TAX NETWORK 07 Date: 2023.09.11 14:45:09 IST
Name	VVN MADHAVI LATHA
Designation	Superintendent
Jurisdictional Office	SAROOR NAGAR - I
Date of issue of Certificate	11/09/2023
Note: The registration certificate is required to be prominently displayed at all places of business in the State.	

This is a system generated digitally signed Registration Certificate issued based on the approval of application granted on 11/09/2023 by the jurisdictional authority.

DETERMINATION OF GOODS AND SERVICES TAX (GST)

This tax is levied by the government on the supply of goods and services, and its determination is based on the following steps:

- **Step 1: Identify the Supply Type**
- Is it a **good** or **service**? GST applies to both.
- **Step 2: Find the GST Rate**
- Goods and services have different GST rates: 0%, 5%, 12%, 18%, 28%. Find the rate that applies to your item.
- **Step 3: Calculate the Value of Supply**
- **Value of Supply** = Price of the good or service (including shipping/handling) – Discounts.

- **Step 4: Apply the GST Rate**
- **GST Amount** = (GST Rate × Value of Supply) ÷ 100.
- **Step 5: Consider Input Tax Credit (ITC)**
- If you're a business, subtract the **GST paid on purchases (Input Tax Credit)** from the GST collected on sales (Output GST).
- **Step 6: Determine the GST Payable**
- **GST Payable** = Output GST – Input Tax Credit.

- **Example:**

- Let's say a business in India is selling a product for ₹20,000 with an 18% GST rate. The purchase cost (with GST) for the product was ₹10,000 with an 18% GST.

1. Determine Input GST:

Input GST= 10,000 ×18%=₹1,800

2. Determine Output GST:

Output GST=20,000×18%=₹3,600

3. Determine GST Payable:

GST Payable=Output GST−Input Tax Credit

GST Payable=3,600−1,800=₹1,800

- Thus, the business will need to pay ₹1,800 as GST to the government.

SUPPLY OF GOODS AND SERVICES

- In the context of **GST (Goods and Services Tax)**, the **supply of goods and services** refers to the **sale, transfer, exchange, or disposal of goods and services** for consideration. It forms the basis for the levy of GST. Here's what it means:
- **1. Supply of Goods:**
- The **supply of goods** refers to the transfer or sale of tangible items that are movable.
- **Goods** include physical products like food, clothes, electronics, furniture, etc.
- The transaction could involve sale, transfer, barter, lease, or gift of goods.
- **Examples:**
- Selling a mobile phone to a customer.
- Transfer of ownership of a chair from a manufacturer to a retailer.

- **2. Supply of Services:**
- The **supply of services** refers to the provision of intangible offerings that cannot be touched, seen, or physically handled.
- **Services** can include anything from consulting, healthcare, legal services, education, or repairs.
- **Examples:**
- A consultancy firm providing advice to a business.
- A doctor treating a patient.

Essential of the supply of goods and services for GST

- The **essentials of the supply of goods and services** for GST (Goods and Services Tax) are the basic components that determine when and how GST applies to a transaction. These essentials ensure that the tax is levied correctly.

1. The **transaction must involve the supply of either goods or services** or both

2. GST applies when there is **consideration** for the supply. **Consideration** refers to the money or money's worth paid for goods or services.

3. Supply should be made in the course or furtherance of business

4. Supply should be made by a taxable person

5. Supply should be a taxable supply

6. Supply should be made within the taxable territory

TYPES OF SUPPLY

- 1. INTRA-STATE SUPPLY
- 2. INTER-STATE SUPPLY
- 3. INWARD SUPPLY
- 4. OUTWARD SUPPLY

1. Intrastate Supply under GST

- **Intrastate supply** refers to the supply of goods or services within the same state or Union Territory (UT). When the supply of goods or services occurs within a single state or UT, it is considered an intrastate supply.
- **Tax Structure:**
  - For **intrastate supply**, **CGST (Central Goods and Services Tax)** and **SGST (State Goods and Services Tax)** are levied.
  - The rate of tax for both CGST and SGST is typically equal (e.g., 9% CGST and 9% SGST for a 18% tax rate).
- **Example of Intrastate Supply:**
  - A retailer in Mumbai selling goods to a customer in Mumbai.
  - A service provider in Delhi offering consulting services to a client based in Delhi.

2. Interstate Supply under GST

- **Interstate supply** refers to the supply of goods or services between two different states or Union Territories (UTs), or between a state and a UT.
- **Tax Structure:**
  - For **interstate supply**, **IGST (Integrated Goods and Services Tax)** is levied.
  - IGST is essentially the combination of CGST and SGST, and it is collected by the Central Government.
  - The rate of IGST is generally the sum of the CGST and SGST rate (e.g., if CGST is 9% and SGST is 9%, the IGST rate would be 18%).
- **Example of Interstate Supply:**
  - A manufacturer in Gujarat selling goods to a retailer in Maharashtra.
  - A service provider in Tamil Nadu offering a service to a client based in Karnataka.

Important Points to Note:

- **Place of Supply**: The classification of intrastate or interstate supply depends on the **place of supply**. The place of supply for goods is generally the location of the goods at the time of supply, and for services, it is the location where the services are provided.
- **Exemptions and Special Cases**: Some supplies, like exports or supply to SEZs (Special Economic Zones), are treated differently under GST and may not follow the standard intrastate or interstate classification.
- **Movement of Goods**: In cases of interstate supply, goods are moved from one state to another, triggering IGST. The seller must ensure correct documentation to avoid penalties or tax issues.

Conclusion:

- **Intrastate Supply** involves the sale of goods or services within a single state or UT and is subject to CGST and SGST.
- **Interstate Supply** involves the movement of goods or services between different states or UTs, and IGST is applicable.

Key Differences between Intrastate and Interstate Supply

Aspect	Intrastate Supply	Interstate Supply
Location	Supply within the same state or UT.	Supply between different states or UTs.
Tax Applicable	CGST + SGST (both taxes are levied).	IGST (single tax is levied).
Example	Sale of goods within the state, local services.	Sale of goods or services between different states.
Tax Collection	Collected by both central and state governments.	Collected by the central government.

3. Inward Supply

- Inward supply refers to the supply of goods or services that a business receives from other suppliers. This can be for further use in business operations, such as manufacturing, resale, or for consumption.
- **For the buyer**: It is the supply of goods or services purchased from a seller.
- **GST implication**: The GST paid on inward supply can be claimed as **Input Tax Credit (ITC)**, subject to eligibility criteria. This helps reduce the overall tax burden on businesses.

Example:

- A business purchasing raw materials from a supplier.
- A service provider receiving services from another business.

Inward supply can include:

- **Goods purchased** (e.g., raw materials, finished goods, etc.)
- **Services received** (e.g., legal, consultancy, or transportation services)
- **Imports** of goods and services from outside India.

- # 4. Outward Supply under GST
- **Outward supply** refers to the supply of goods or services by a taxpayer to another business or consumer. This is the sale or transfer of goods and services, which is subject to GST.
- **Outward Supply Includes:**
    - Goods or services provided by a business to a customer.
    - Sale of goods or services in the regular course of business.
    - Export of goods or services.
- **GST on Outward Supplies:**
    - GST is levied on outward supplies depending on the nature of the transaction (taxable, exempt, or export).
    - A business must charge GST on the sale of goods or services, and this is then payable to the government.
- **Examples of Outward Supply:**
- A wholesaler selling goods to a retailer.
- A service provider offering consulting services to a client.
- A business exporting goods to another country.

Key Differences between Inward and Outward Supply

Aspect	Inward Supply	Outward Supply
Definition	Goods/services received by a business.	Goods/services provided by a business to another party.
Tax Implications	Input tax is paid on the received goods/services.	Output tax is charged on the goods/services provided.
GST Application	Input Tax Credit (ITC) can be claimed, subject to conditions.	GST is charged and collected from the recipient.
Example	Purchasing raw materials, receiving services.	Selling goods, providing services, exports.

Transition to GST for Registered Businesses

Understanding the Key Steps in GST Implementation

- <u>**Slide 2: Introduction to GST Transition**</u>
- **Title:** What is GST and the Transition Process?
- **Content:**
  - GST replaced multiple indirect taxes like VAT, Excise, and Service Tax.
  - The **transition** from old tax systems to GST involved businesses ensuring continuity in input tax credits.
- This presentation focuses on:
  - **Availed ITC** under old tax regimes.
  - **Unavailed CENVAT** and **Input VAT on Capital Goods**.
  - **ITC on Closing Stock** at the time of GST implementation.

- **Slide 3: Input Tax Credit (ITC) under GST**
- **Title:** Input Tax Credit (ITC) in GST Regime
- **Content:**
  - Under GST, businesses can claim **ITC** on inputs, capital goods, and services used for business purposes.
  - **Conditions for availing ITC:**
    - The input must be used to provide taxable supplies.
    - The business must have a valid tax invoice.
    - ITC claims must be reported in GST returns.

- **Slide 4: Transition of Availed ITC**
- **Title:** Availed ITC: Transition to GST
- **Content:**
  - Businesses can carry forward the ITC from **previous indirect tax regimes** (like VAT, Service Tax, and Excise) into GST.
  - **Form TRAN-1** is filed to carry forward the credits.
  - The carried forward ITC should be adjusted against GST payable.
  - The process allows businesses to maintain tax continuity during the transition.

- **Slide 5: Unavailed CENVAT Credit**
- **Title:** Unavailed CENVAT Credit: Transition under GST
- **Content:**
  - Businesses with unavailed **CENVAT Credit** under the Excise and Service Tax regimes could carry it forward to GST.
  - The **CENVAT Credit** includes credit on capital goods and inputs that were not utilized under the old system.
  - This unavailed credit was claimed through **Form TRAN-1** during the transition.
  - Unutilized credit on **capital goods** could be carried forward, subject to certain conditions.

- **Slide 6: Input VAT on Capital Goods**
- **Title:** Transition of Input VAT on Capital Goods
- **Content:**
  - VAT paid on **capital goods** under the old tax system can be carried forward under GST.
  - The **Input VAT on capital goods** could be claimed as ITC by filing **Form TRAN-1**.
  - Special provision for capital goods used partially for business and partially for personal purposes.
  - The ITC on capital goods has a **useful life of 5 years** (or as specified), and credit is available on the unutilized portion.

- **Slide 7: Availing ITC on Closing Stock**
- **Title:** Availing ITC on Closing Stock
- Content:
  - Businesses were allowed to claim **ITC on closing stock** held on the day before the GST rollout.
  - **Conditions:**
    - The stock should be **held for business purposes**.
    - **Form TRAN-1** was used to declare the closing stock and claim ITC.
    - ITC on closing stock included inputs, semi-finished goods, and finished goods.
  - **Example:**
    - A manufacturer holding stock of raw materials on June 30, 2017, could claim ITC on those materials if they were used for business purposes under GST.

- **Slide 8: How to Claim ITC on Closing Stock (Form TRAN-1)**
- **Title:** Claiming ITC on Closing Stock through Form TRAN-1
- **Content:**
  - **Form TRAN-1** was required to be filed by businesses to declare closing stock and claim ITC.
  - Information to be included:
    - **Stock details** (inputs, capital goods, finished goods, etc.)
    - **Tax paid** on stock items.
    - **GSTIN of suppliers** (if available).
  - ITC on **capital goods** and **inputs in stock** could be carried forward subject to specific conditions.
  - The **credit could be claimed for stock held within 6 months** of GST rollout.

- **Slide 9: Key Forms for Transition**
- **Title:** Key Forms for Transition: TRAN-1 and TRAN-2
- **Content:**
  - **Form TRAN-1:**
    - Used for claiming ITC on closing stock and unavailed CENVAT.
    - Must be filed within 90 days (extended deadlines available).
  - **Form TRAN-2:**
    - Used for certain specific situations, like unregistered businesses or availing ITC on legacy credits.
  - **Form GSTR-3B:**
    - Used for regular GST returns, including adjustments for any unclaimed credits or new claims.

- **Slide 10: Challenges and Considerations**
- **Title:** Challenges in Transitioning ITC, CENVAT, and VAT on Capital Goods
- **Content:**
  - **Documentation:** Proper maintenance of records was critical for availing ITC.
  - **Inventory Management:** Businesses needed to accurately assess their **closing stock.**
  - **Time Limit for Claiming ITC:** There was a **time limit** (6 months) to claim ITC on closing stock.
  - **Legal Compliance:** Businesses faced challenges ensuring compliance with transition rules and deadlines.

- **Slide 11: Key Benefits of Transitioning ITC and CENVAT**
- **Title:** Benefits of Carrying Forward ITC and CENVAT Credit
- **Content:**
  - **Avoiding Double Taxation:** Carrying forward ITC ensures that businesses are not taxed again on inputs already taxed under previous regimes.
  - **Cost Efficiency:** The ability to set off unavailed credits on capital goods reduces business costs.
  - **Smooth Transition:** Ensures continuity and ease in business operations post-GST implementation.

- **Slide 12: Conclusion**
- **Title:** Conclusion: Successful Transition to GST
- **Content:**
  - The transition to GST was a significant shift for businesses, but it provided an opportunity to **claim credit on closing stock**, **unavailed CENVAT**, and **Input VAT** on capital goods.
  - By properly utilizing forms like **TRAN-1** and **TRAN-2**, businesses were able to ensure smooth transition and maintain tax efficiency.
  - Ongoing vigilance on **ITC claims** and filing of returns is essential for continued compliance.

Manual > Transition Form GST TRAN - 1

How can I file transition form GST TRAN - 1?

Every registered person who is eligible to take credit of eligible duties and taxes paid under existing laws in respect of input or input services or capital goods in his/her Electronic Credit Ledger, needs to file a declaration in Form GST TRAN - 1 within 90 days of the appointed day (1st July 2017) or as extended by the Commissioner after recommendation of GST Council.

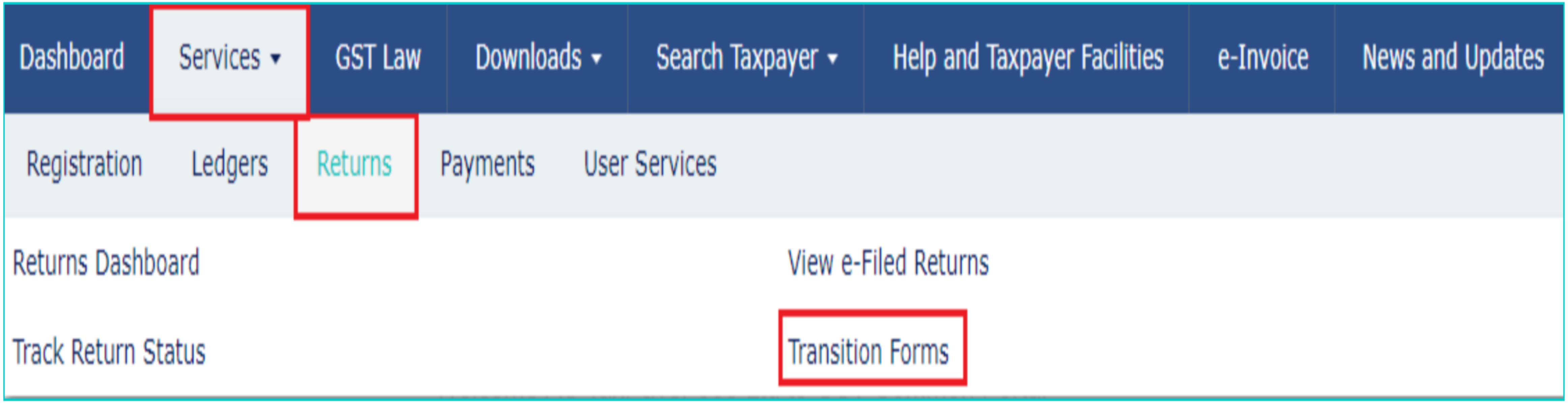
To file transition form GST TRAN - 1, perform the following steps:

1. Login and Navigate to Transitions Forms > TRAN - 1 page

1.1. Access the **www.gst.gov.in** URL. The GST Home page is displayed.

1.2. Login to the GST Portal with valid credentials.

1.3. Click the **Services > Returns > Transition Forms** command.



GST TRAN - 1

Transition Forms

TRAN - 1 | TRAN - 2 | Upload Documents

TRAN - 1 - Transitional ITC / Stock Statement

GSTIN - 24KUMAR5109B2ZD Legal Name - Services Industries Limited Trade Name -

Status - Not Filed

Whether all the returns required under existing law for the period of six months immediately preceding the appointed date have been furnished* Yes

The status of TRAN-1 is shown as **Not-filed** for all Taxpayers. This status is only for the current TRAN-1 filing window provided by Hon'ble Supreme court between 01.10.2022 to 30.11.2022 wherein the aggrieved taxpayers can File or Revise their TRAN-1 in accordance with the court's provisions. To access the earlier submitted/filed TRAN-1 please click "DOWNLOAD EARLIER FILED TRAN-1" button.

Note: Use CSV template & Upload functionality if you have large number of records in 5B, 9A and 9B.
Use Excel Macro Tool & Upload functionality if you have large number of records in 6A, 6B, 7A and 7B.

5(a), 5(b), 5(c) – Amount of tax credit carried forward in returns filed under existing laws

6(a), 6(b) - Details of capitals goods for which unavailed credit has not been carried forward under existing law (section140 (2))

7(a), 7(b), 7(c), 7(d) - Details of the inputs held in stock in terms of section 140(3), 140(4)(b), 140(5) and 140(6)

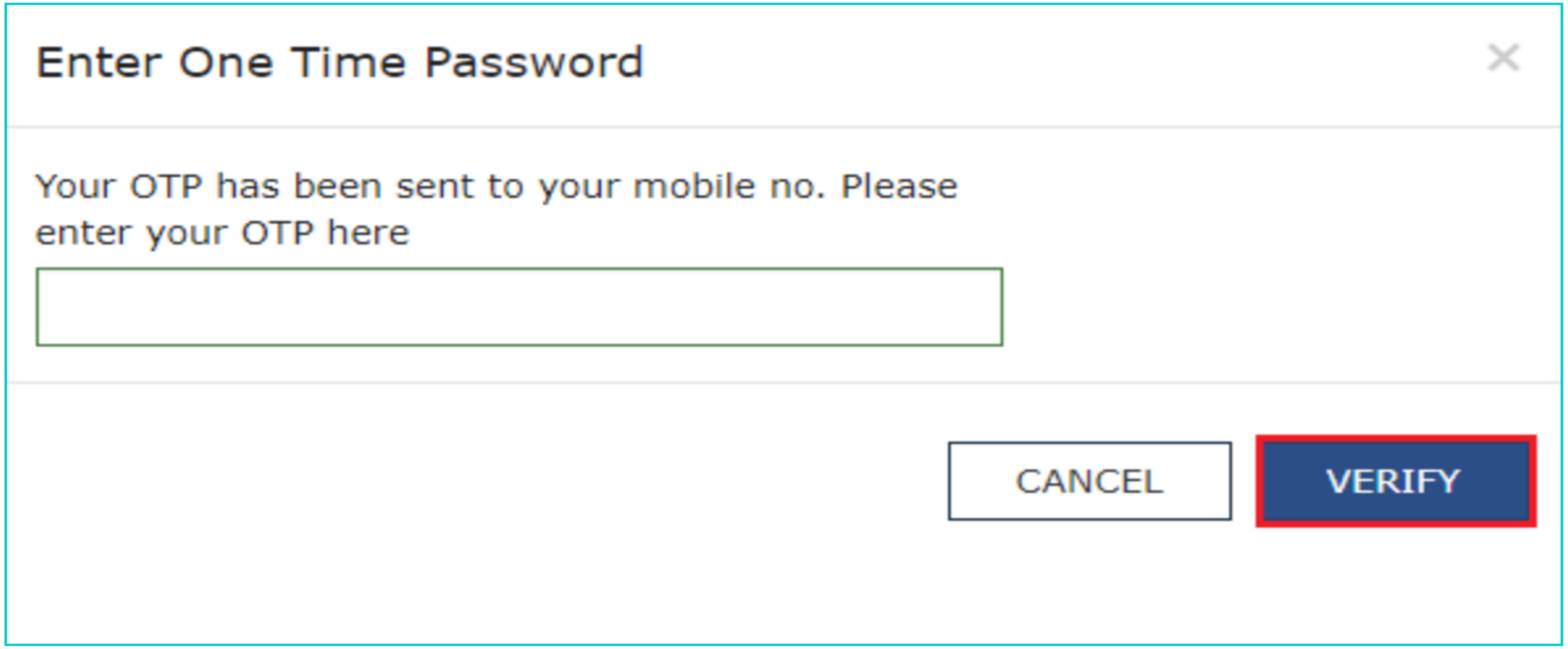
8 - Details of transfer of CENVAT credit for registered person having centralized registration under existing law (Section 140(8))

9(a), 9(b) - Details of goods sent to job-worker and held in his stock on behalf of principal under section 141

10(a), 10(b) - Details of goods held in stock as agent on behalf of the principal under section 142(14) of the SGST Act

FILE WITH EVC:

a. Enter the OTP sent on email and mobile number of the Authorized Signatory registered at the GST Portal and click the **VERIFY** button.



13. The success message is displayed and acknowledgement is generated. Click the **OK** button.
14. Scroll down the page and click the **Back** button.
15. Click the **Services > Returns > Transition Forms** command.

Status of the TRAN - 1 changes from “Submitted” to "Filed".

Dashboard > Returns > Transition Forms > TRAN - 1

English

Transition Forms

TRAN - 1 | TRAN - 2 | Upload Documents

TRAN - 1 - Transitional ITC / Stock Statement

Help Notes

GSTIN - 23MOUNT5108C1ZO

Legal Name - Reliance Industries Limited

Trade Name -

Status - Filed

Whether all the returns required under existing law for the period of six months immediately preceding the appointed date have been furnished* — Yes

Form TRAN - 1 is successfully filed with ARN AA230922000175R. An intimation of the same has been sent to your registered email id and SMS

To access the earlier submitted/filed TRAN-1 please click "DOWNLOAD EARLIER FILED TRAN-1" button.

TAX INVOICE

A TAX INVOICE IS A DOCUMENT ISSUED BY A REGISTERED TAXPAYER WHEN SUPPLYING GOODS OR SERVICES. IT IS A MANDATORY DOCUMENT THAT PROVIDES DETAILS ABOUT THE TRANSACTION AND SERVES AS PROOF OF THE SALE FOR THE PURPOSE OF CLAIMING INPUT TAX CREDIT (ITC).

- **Key Features:**
- Issued by a registered person (taxpayer).
- Must include details such as the seller's and buyer's name, GSTIN, invoice number, date of issue, description of goods or services, amount, and applicable tax rates.
- Used for claiming ITC.

Example of a Tax Invoice

Particulars	Details
Invoice Title	Tax Invoice
Invoice Number	00123456
Date of Issue	22nd December 2024
Supplier's Name	ABC Enterprises
Supplier's Address	123, XYZ Street, Mumbai, Maharashtra, 400001
Supplier's GSTIN	27ABCDE1234F1Z6
Recipient's Name	XYZ Retailers
Recipient's Address	456, DEF Road, Pune, Maharashtra, 411001
Recipient's GSTIN	27XYZR1234H1Z2
Description of Goods/Services	50 pieces of ABC brand laptops
HSN Code	8471 (for laptops)
Quantity/Unit	50 pcs
Taxable Value	₹500,000
GST Rate	18% (CGST: 9%, SGST: 9%)
CGST Amount	₹45,000
SGST Amount	₹45,000
Total Invoice Value	₹590,000
Place of Supply	Maharashtra (Mumbai)
E-way Bill Number	123456789012
Payment Terms	Payment due within 30 days

Mob. : 9830483259 **TAX INVOICE** Orginal Buyer's Copy / Transporter's Copy / Seller's Copy

M/S RAJ PLASTIC

Wholesaler & Retailer of Plastic Homoeopathic Container.

Purba Rajbati, Deara, Madhyamgram, North 24 Pgs. Kol-135

GSTIN No. : 19ADIPI6295A2ZG

Details of Receiver (Billed to)	
Name..	Invoice No. MPPL/..............................
Address	Date:..............................
..................................Mob. No:..............................	Place of Supply:..............................
	....
GSTIN:..	Transport :..............................

Sl. No.	DESCRIPTION OF GOODS	HSN Code	GST Rate	Qnty.	Rate	Total Amount Rs.	P.
				Gross Amount			
				Add:			
				SGST@			
				CGST@			
				IGST@			
				Rounded of			
				Net Amount			

Payment Mode:

Rupees..

....

E. & O. E.

All Disputes Subject to Kolkata Jurisdiction

For M/S Raj Plastic

- **Bill of Supply**
- A Bill of Supply is similar to a Tax Invoice but is issued for non-taxable supplies (i.e., exempt or out of the scope of GST) or in cases where the supplier is not required to collect tax (like a small taxpayer under the composition scheme).
- **Key Features:**
- Issued for exempt supplies or by composition scheme taxpayers.
- Does not include any GST.
- Can be issued for sales of goods or services that are exempt from GST.

Examples of Exempt Supplies under GST:

Type of Supply	Examples
Exempt Goods	- Fresh fruits and vegetables
	- Unprocessed food grains
	- Books (printed books)
	- Live animals (e.g., cattle, poultry)
Exempt Services	- Healthcare services (medical services by hospitals)
	- Educational services (primary education, vocational courses)
	- Religious services (temple services)
	- Public transport servi

Bill Of Supply

Bill Of Supply# BOS-000005

Zylker India,
44 Annasalai,
Chennai 600002, India.

GSTIN: 33GSPTN0371G1ZD
Phone: 98573829384
PAN 312456789

Balance Due
₹2,000.00

Bill To
Ambit Depots,
10 Thakur Street, Chennai 600450
Tamil Nadu, India.

33GSPKA0371G1FE
Phone: 982309583
Circuit ID: 57686533GSPKA0371G1FE

Bill Of Supply Date :	05 Sep 2017
Terms :	Due on Receipt
Due Date :	05 Sep 2017

Place Of Supply: Tamil Nadu (33)

#	Item & Description	HSN/SAC	Qty	Rate	Amount
1	Raw silk	50020010	1.00 kgs	2,000.00	2,000.00

Sub Total	2,000.00
Total	₹2,000.00
Balance Due	₹2,000.00

CREDIT AND DEBIT NOTES

- **Credit Notes** and **Debit Notes** are documents issued under the Goods and Services Tax (GST) system to adjust or correct the value of a supply after the invoice has been issued. These notes are used to reflect changes in the transaction value, such as discounts, returns, or any other discrepancies. They help maintain accurate tax records and are essential for ensuring that the tax paid is correctly adjusted.

Credit Note:

- A **Credit Note** is a document issued by a supplier to a buyer when the original invoice needs to be reduced. It is used in the following scenarios:
- When the **buyer returns goods** that were originally supplied (for example, defective or damaged goods).
- When there is a **discount** or **price reduction** after the sale.
- If there is a **change in the tax rate** applied on the supply.
- Any other reason where the value of the supply is reduced after the original sale.
- **Who Issues Credit Notes?**
- The **supplier** issues the **Credit Note** to the **recipient (buyer)**. The supplier must issue the credit note when there is a reduction in the value of the goods or services supplied.

Details to be Mentioned in a Credit Note:

- A Credit Note must contain the following details:
- **Title**: "Credit Note"
- **Reference to Original Invoice**: The details of the original invoice (invoice number, date, etc.) being adjusted.
- **Description of the Goods/Services**: The details of the goods/services being returned or the reduction in value.
- **Quantity and Amount**: The quantity of goods returned and the corresponding value.
- **GST details**: GST details, such as the tax rate (CGST, SGST, IGST), and the revised tax amount.
- **Reason for Issuance**: Clear reason for issuing the credit note (e.g., goods returned, discount allowed, etc.).

- **Debit Note:**
- A **Debit Note** is a document issued by the supplier to the buyer when the original invoice needs to be increased. This is usually issued in situations where:
- There was an **under-valuation** or mistake in the original invoice.
- The buyer **received more goods or services** than initially invoiced.
- There was a **change in the tax rate** that increases the value.
- Any other reason where the original price needs to be increased.
- **Who Issues Debit Notes?**
- The **supplier** issues the **Debit Note** to the **recipient (buyer)** when there is an increase in the value of goods or services supplied, or a mistake in the original invoice that needs to be rectified.

- **Details to be Mentioned in a Debit Note:**
- A Debit Note must contain the following details:
- **Title**: "Debit Note"
- **Reference to Original Invoice:** The details of the original invoice (invoice number, date, etc.) being corrected.
- **Description of Goods/Services**: The goods or services for which the value is being increased.
- **Quantity and Amount**: The quantity of goods and the additional value to be paid.
- **GST details**: GST details, such as the tax rate (CGST, SGST, IGST), and the additional tax amount.
- **Reason for Issuance**: Clear reason for issuing the debit note (e.g., price increase, additional goods supplied).

CREDIT NOTE

Description	Quantity	Price per item
Season Bat 87.5 cm	2	₹750.00
Season Ball 6 ball	2	₹620.00
	Tatal	₹1370.00
	Paid	₹1500.00
	Credit Balance	₹130.00

VS

DEBIT NOTE

Description	Quantity	Price per item
Season Bat 87.5 cm	2	₹750.00
Season Ball 6 ball	2	₹620.00
	Tatal	₹1370.00
	Paid	₹985.00
	Balance Due	₹385.00

SUPPLEMENTARY INVOICE

- A **Supplementary Invoice** is issued by a **supplier** to a **recipient** when there is an increase in the taxable value after the original tax invoice has been issued. It is typically used for price adjustments, additional services, or corrections in the original invoice. This ensures the correct amount of GST is paid based on the final value of the goods or services supplied.

- A supplementary invoice is used in cases where the **taxable value** or **GST amount** needs to be increased due to:
- **Price adjustments** (such as after a change in the value of goods or services supplied).
- **Mistakes or omissions** in the original invoice.
- **Additional charges** or **services** that were not initially included.

It is important to note that a **Supplementary Invoice** can only be issued in cases where the original **tax invoice** has already been issued, and it reflects a **higher value** or changes the initial terms.

- **Example of a Supplementary Invoice:**
- **Scenario: A Supplier Issues a Supplementary Invoice for Additional Charges**
- **Original Invoice**: A supplier sells goods worth ₹1,00,000 + ₹18,000 GST (18%) to a buyer.
- Later, the buyer requests additional packaging and transportation services, which were not part of the original agreement. The cost of the additional services is ₹10,000 + ₹1,800 GST (18%).
- In this case, the supplier will issue a **Supplementary Invoice** for the additional charges:
  - **Supplementary Invoice Amount**: ₹10,000 (additional charges) + ₹1,800 (GST) = ₹11,800.
- The supplementary invoice will reference the **original invoice number** and mention the additional value added due to the extra services. The buyer will then pay the extra ₹11,800 in addition to the original invoice amount.

GSTIN is Goods and Services Tax Identification Number.

It is a unique identification number assigned to every taxpayer (business) who is registered under the **Goods and Services Tax (GST)** regime. This number is issued by the tax authorities and is used for tracking and managing the GST obligations of the taxpayer, including tax payments, returns, and other compliance-related activities.

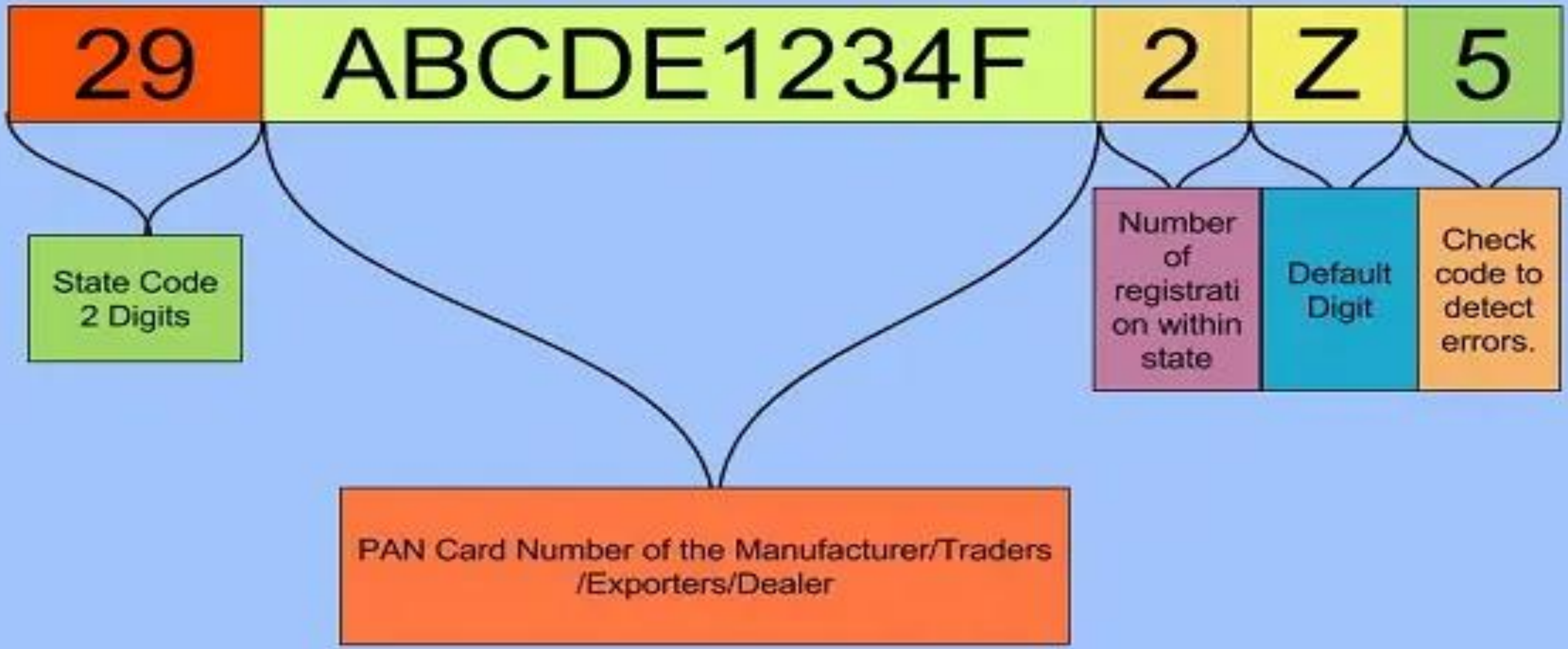
The **GSTIN** consists of **15 digits**:

1. The first 2 digits represent the **state code** (according to the Indian state codes).
2. The next 10 digits represent the **Permanent Account Number (PAN)** of the business or individual.
3. The 13th digit indicates the **entity number** in case of multiple registrations within the same PAN.
4. The 14th digit is an optional check code.
5. The 15th digit is a **checksum digit** used to verify the GSTIN's validity.

- For example, a GSTIN could look like this: **27ABCDE1234F1Z5**.

15 digit GSTIN (Goods and Services Tax Identification Number) format or structure

www.basunivesh.com



TRANSPORTATION OF GOODS WITHOUT THE ISSUE OF INVOICE

.

- **Transportation of Goods Without the Issue of Invoice** under GST refers to the movement of goods by a supplier or transporter where an **invoice** is not issued for the transportation of those goods.

- There are certain scenarios where goods may be transported without an invoice being issued, particularly in cases where the **transportation of goods** occurs under specific conditions or where the movement of goods is not linked to a taxable supply.

KEY SITUATIONS WHEN GOODS MAY BE TRANSPORTED WITHOUT AN INVOICE:

- **Goods Sent for Job Work**
- Goods Moving Under **Transporter’s Delivery**
- **Transportation for Personal Use or Non-Business Purposes**
- **Sales Involving Advance Payment**
- **Intra-Company Transfers**
- **Exempt or Non-Taxable Goods**

- **Goods Sent for Job Work:**
  - Under GST, goods sent to a **job worker** for further processing or transformation are not required to have an invoice at the time of transportation.
  - Example:

A manufacturer sends raw materials to a job worker for further processing. No invoice is issued for the raw materials being transported. The manufacturer may issue a **delivery challan** to document the goods' movement. The job worker will return the processed goods with an invoice later when the goods are ready to be sold.

Goods Moving Under **Transporter's Delivery**

In cases where the supplier is not directly involved in the transportation of goods, the **transportation service provider** (e.g., logistics company) may transport goods without an invoice, especially when goods are being delivered to a consignee who is directly responsible for the payment.

Example:

- **Bill of Lading** could state, "Goods moving under transporter's delivery are insured until arrival at the port of destination."

- **Transportation for Personal Use or Non-Business Purposes**

  If goods are being transported for personal use or non-business purposes, no invoice may be required, as the movement may not be for a taxable supply.

  Example

  Using an Uber to go out for dinner with friends after work falls under transportation for non-business purposes."

- **Sales Involving Advance Payment:**

In situations where the goods are sent on the basis of an **advance payment** or for sale on consignment, the movement of goods may happen before an invoice is issued. The invoice may be issued once the goods are sold to the end buyer, but during the transportation phase, the goods may not have an invoice.

Example

The hotel required an advance payment to confirm the reservation for the vacation package, with the remaining balance due upon check-in.

Intra-Company Transfers

- If goods are transferred between different branches, units, or locations of the same company, sometimes goods may be moved without an invoice.

Example

- The warehouse in Delhi transferred excess inventory of winter clothing to the warehouse in Hyderabab, anticipating higher demand in the southern market.

- <u>Exempt or Non-Taxable Goods</u>
- If the goods being transported are exempt or non-taxable, no invoice is needed. Examples include certain food items or goods that fall under specific exemptions under GST. However, GST is still applicable to the transportation service itself, even if no invoice is issued for the goods being transported.

  Example

- Bread, milk, fruits, and vegetables are considered exempt from sales tax in many states, as they are essential food items needed for daily consumption.

INPUT TAX

GST RETURNS

PAYMENT OF TAX

Input Tax

- **Definition:** Input tax refers to the tax paid by a taxpayer on the purchase of goods or services, which can be set off against the output tax (tax collected on sales) while calculating the final GST liability.
- **Eligible Input Tax:** Tax paid on goods and services purchased for business use, including raw materials, capital goods, and services required for business activities.
- **Eligibility for Input Tax Credit (ITC):**
  - The goods or services must be used for business purposes.
  - The taxpayer must be in possession of a valid tax invoice or debit note.
  - The supplier must have paid tax to the government.
  - The goods or services must not be used for personal consumption.
  - ITC cannot be claimed for certain goods and services (e.g., motor vehicles for personal use, food, etc.).

- **GST on Purchase vs. Sale:**
  - Input tax is the tax paid on purchases.
  - Output tax is the tax collected on sales.
  - The difference between input tax and output tax is the tax liability to be paid to the government.
- **Examples:**
- A manufacturer buying raw materials for ₹10,000 with ₹1,800 GST input can claim an ITC of ₹1,800.
- If the manufacturer sells the final product for ₹20,000 with ₹3,600 GST output, they pay the difference of ₹1,800 to the government.

GST RETURNS

- **Definition**: GST returns **are** **periodic statements** filed by taxpayers to report their sales, purchases, output tax, input tax, and net tax liability. These returns are submitted electronically to the GST portal.
- **Key Returns under GST:**
- **GSTR-1**:
  - Filed by **every registered taxpayer** except composition taxpayers, to report details of outward supplies (sales) of goods and services.
  - Frequency: Monthly (if turnover > ₹5 Crore) or Quarterly (if turnover ≤ ₹5 Crore).
- **GSTR-2**:
  - A return to report **inward supplies** (purchases) and claim input tax credit.
  - This return was suspended as of now, and the details are auto-populated from GSTR-1.

- **GSTR-3B**:
  - A **summary return** of outward supplies, input tax, and net tax liability.
  - To be filed monthly or quarterly.
  - It is the main return for tax payment.
- **GSTR-9**:
  - **Annual return** to summarize the details of GST paid, input tax credit claimed, etc., for the whole year.
- **GSTR-9C**:
  - A reconciliation statement filed by taxpayers with a turnover above ₹5 Crore, along with the audited financial statements.
- **Filing Process:**

1. **GSTR-1** must be filed first (details of sales).
2. **GSTR-3B** is filed to pay the tax based on the sales and purchases.
3. Taxpayers should file returns on or before the due date to avoid penalties and interest.

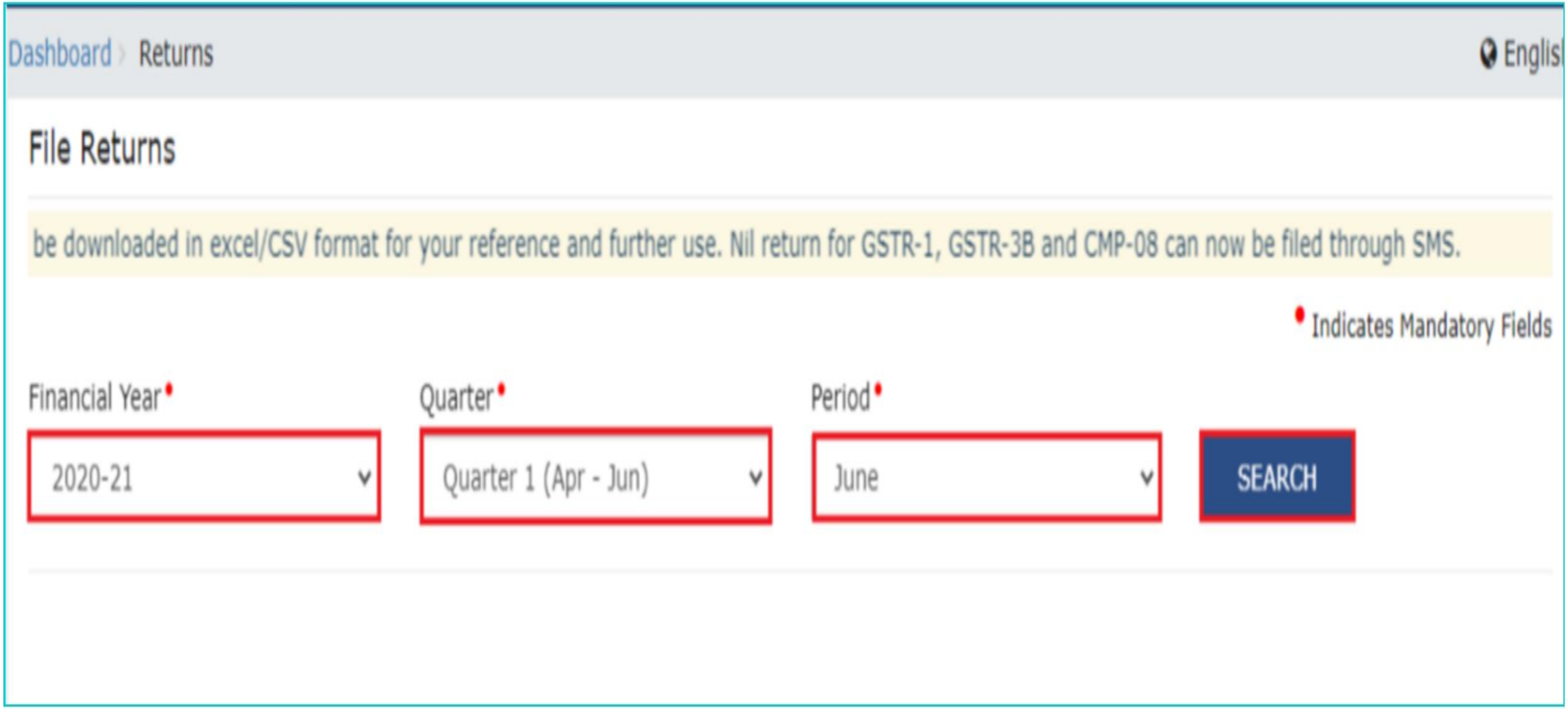
Manual> Filing Nil Form GSTR-1 Online by Normal Taxpayers

How can I file a Nil Form GSTR-1?

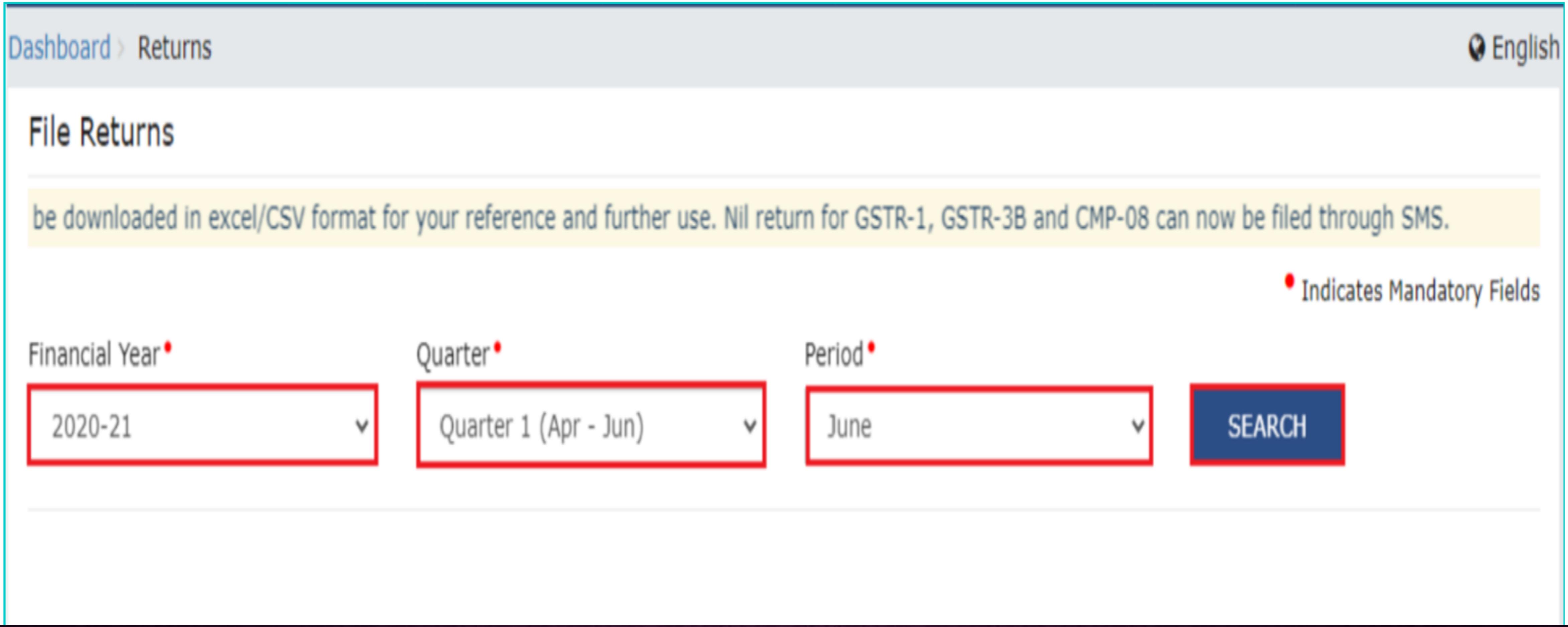
To file a nil Form GSTR-1, perform the following steps:

1. Access the **www.gst.gov.in** URL. The GST Home page is displayed. Login to the GST Portal with valid credentials. Click the **Services > Returns > Returns Dashboard** option.

2. The **File Returns** page is displayed. Select the **Financial Year, Quarter and Period (Month)** for which you want to file the return from the drop-down list. Click the **SEARCH** button.

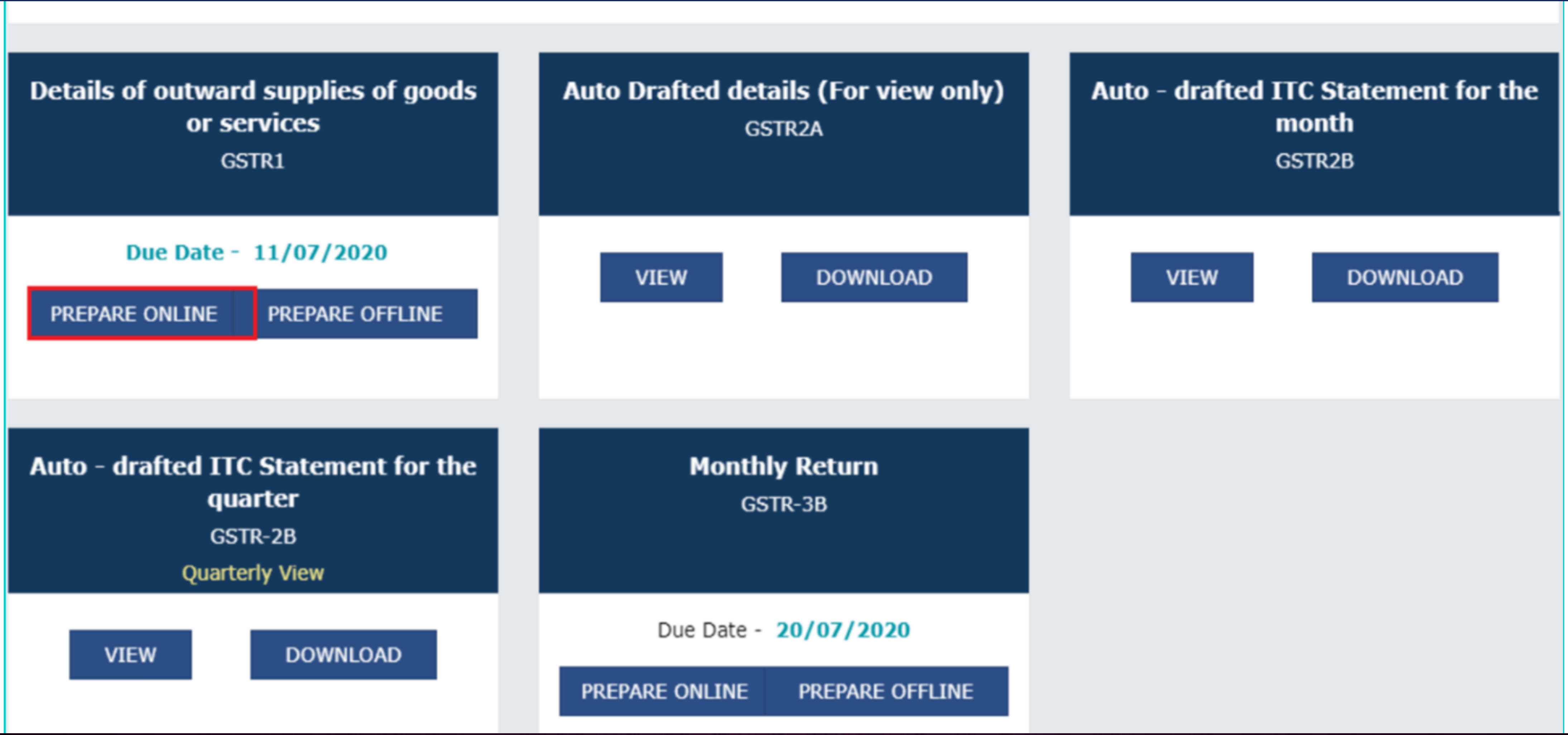


3. Click the **PREPARE ONLINE** button in the GSTR1 tile.



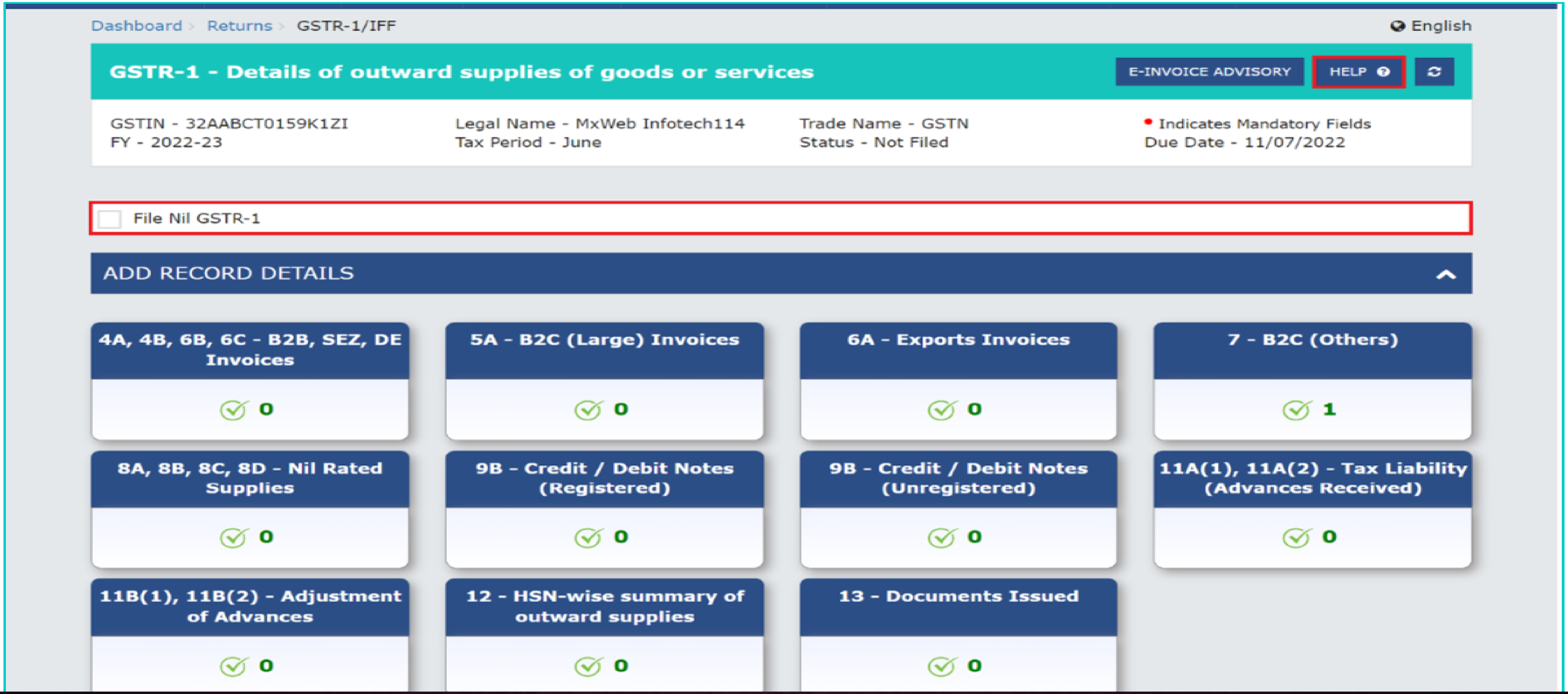
Manual> Filing Nil Form GSTR-1 Online by Normal Taxpayers

Click here to see this page in full context



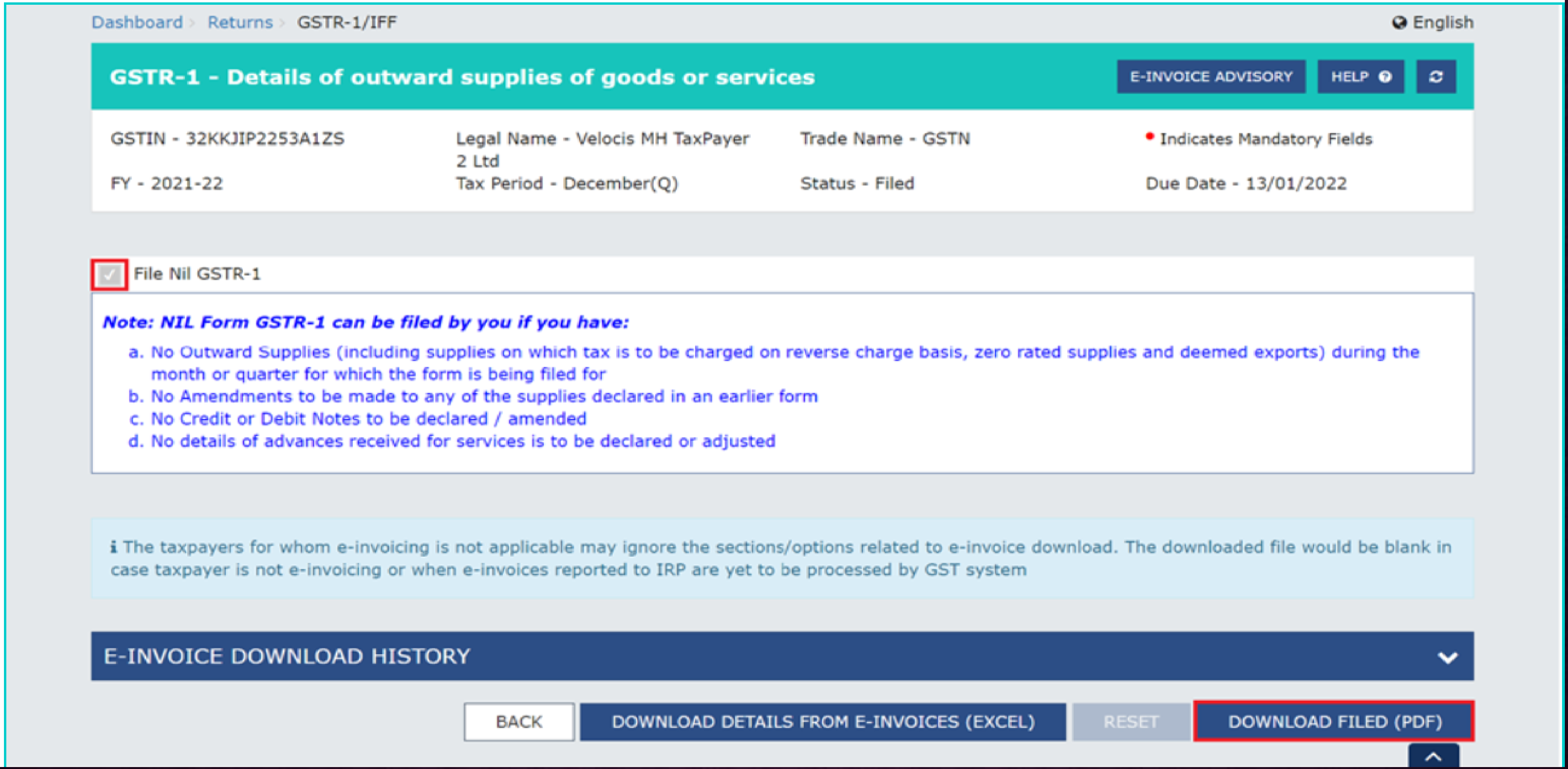
4. The **GSTR-1 – Details of outward supplies of goods or services** page is displayed. Select **File Nil GSTR-1** checkbox.

Note: You can click the **HELP** button to view help related to this page.



9.1 Click the **DOWNLOAD FILED (PDF)** button to download GSTR-1 form in PDF format.

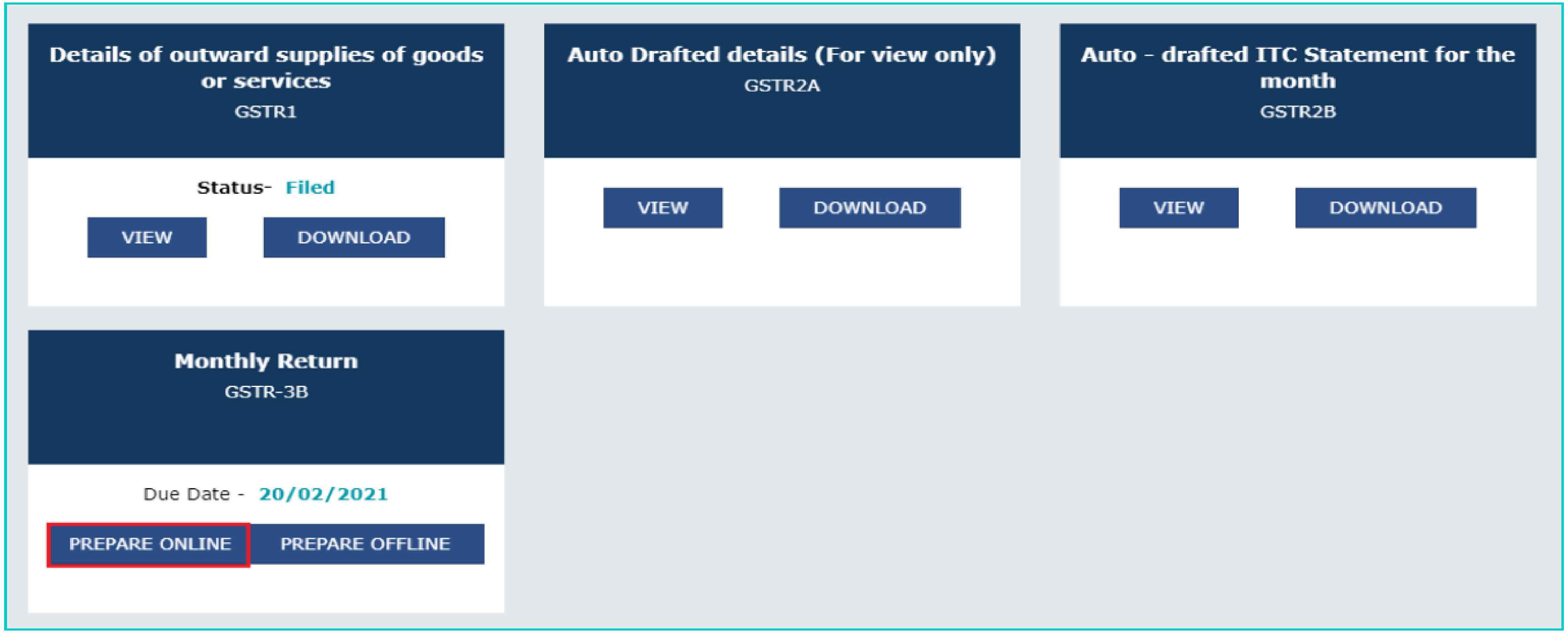
Note: Click the **DOWNLOAD DETAILS FROM E-INVOICES** button to download the details of e-invoices form in excel format.



Create and Submit GS…

Click here to see this page in full context

3.1. The **File Returns** page is displayed. This page displays the due date of filing the returns, which the taxpayer is required to file (using separate tiles). In the Form GSTR-3B tile, click the **PREPARE ONLINE** button.



PAYMENT OF TAX

- **Definition:** Payment of tax refers to the remittance of GST liabilities to the government. This is done through the GST portal after determining the net liability from the returns.

- **Payment Process:**
  - GST payment is done **online** through the GST portal.
  - Tax is paid via the **Electronic Cash Ledger** (for tax payment) and **Electronic Credit Ledger** (for Input Tax Credit).

- **Due Date:**

- Taxpayers must make the payment by the **20th of the next month** after the end of the tax period.

- If the taxpayer opts for **quarterly filing**, the payment is due by the **20th of the month following the quarter**.

•**Mode of Payment**:

•**Cash Payment**: Through the electronic cash ledger for the tax amount.

•**Credit Payment**: Using the input tax credit available in the electronic credit ledger.

•**Late Fees and Penalty**:

•If the payment is delayed, a late fee is applicable, and interest will be charged at **18% per annum** on the due amount.

- **Components of Tax Payment:**

1. **CGST (Central GST)**: Tax collected by the central government.
2. **SGST (State GST)**: Tax collected by the state government.
3. **IGST (Integrated GST)**: Tax applicable for interstate supply of goods and services.

- **Examples:**

- If a business has ₹10,000 CGST, ₹10,000 SGST, and ₹5,000 IGST to pay, they can pay through the cash ledger or use input tax credit available in their electronic credit ledger to set off part of the liability.

UNIT – GETTING STARTED WITH GST

- 1. **Introduction to Tally and GST**
- **Tally ERP 9:** A popular accounting software used for maintaining financial records, bookkeeping, and tax compliance.
- **GST (Goods and Services Tax):** An indirect tax that is levied on the supply of goods and services in India. It requires businesses to follow certain processes for registration, invoicing, filing returns, and maintaining records.

- **2. Prerequisites to Create a Company in Tally**
- Before creating a company and enabling GST features, ensure the following:
- **Tally ERP 9 is installed** on your system.
- **GSTIN** (Goods and Services Tax Identification Number) is obtained, as businesses need this number for GST compliance.
- Ensure the **correct version of Tally** is installed that supports GST features (Tally. ERP 9 Release 6.6 or higher).

- **3. Steps to Create a Company in Tally**

i) Open Tally ERP 9

1. Launch Tally by double-clicking the Tally icon on your desktop or accessing it from the Start menu.

ii) Select 'Create Company'

1. On the Tally Gateway screen, select '**Create Company**' to begin setting up a new company.
2. Press '**Alt + F3**' (Company Info menu) → Select '**Create**'.

iii) Enter Company Details Fill in the required fields as follows:

1. **Name of the Company**: Enter the official name of the business.
2. **Address:** Provide the complete address of the company, including State and Pin Code.
3. **Email Address:** Enter the business email ID.
4. **Phone Number**: Include the contact number.
5. **Financial Year Starting From:** Select the starting date for the financial year (typically April 1st).
6. **Books Beginning From:** This can be the same as the financial year start date or earlier if you are carrying forward balances.
7. **Currency Symbol:** Choose the currency (INR for Indian Rupees).
8. **Maintaining Stock:** Select '**Yes**' if the company deals with inventory (for stock management).
9. **VAT/CST:** Set it to **'No'** initially, as GST will be enabled later.

iv) . Set Up GST Features

- **Enable GST:**
  - Set the '**Enable Goods and Services Tax (GST)**' option to '**Yes**'.
  - This action activates all GST-related features, including GSTIN, tax rate settings, and GST reports.
- **Tax Registration Details:**
  - Enter **GSTIN**: Provide the GST Identification Number for the company.
  - **State**: Choose the state from the list based on your company's location (this impacts GST calculations).
- **V) Save the Company Profile**
- After entering all the details, select '**Save**' to create the company.

- **4. Enabling GST Features in Tally**
- Once the company is created, follow these steps to ensure all GST features are fully functional:

i) Activate GST in the Company

1. Go to '**F11: Features**' from the Gateway of Tally.
2. In the '**Statutory & Taxation**' section, set '**Enable Goods and Services Tax (GST)**' to **Yes**.

ii) Set GST Tax Rates

1. Go to '**Gateway of Tally**' → '**GST**' → '**GST Tax Rates**'.
2. Set the **GST Tax Rates** for the company, including:
    1. **GST rate for Sales and Purchases.**
    2. Differentiate between **CGST, SGST**, or **IGST** based on the nature of the transaction.

iii) Activate GST for Stock Items (if applicable)

1. If your company deals with inventory, ensure that GST is activated for stock items:
    1. Go to '**Gateway of Tally**' → '**Inventory Info**' → '**Stock Items**'.
    2. Create or modify items and enable GST in their tax settings by specifying the appropriate **GST tax rates**.

iv) Set GST for Ledgers (Sales/Purchases)

1. Go to '**Gateway of Tally**' → '**Accounts Info**' → '**Ledgers**'.
2. For each ledger related to sales and purchases, set **GST details** (e.g., GST tax rate, nature of supply).

   For example, create ledgers like '**Sales (GST@18%)**' or '**Purchases (GST@5%)**'.

- **5. Creating GST-Inclusive Sales and Purchase Invoices**
- Once GST features are enabled in Tally, you can create GST-compliant invoices:
- **Sales Invoice**:
  - From '**Gateway of Tally**', go to '**Vouchers**' → '**Sales**'.
  - Choose the ledger (sales) and items (stock) from your list.
  - Select the **appropriate GST tax rate** for each item.
  - Tally will automatically calculate CGST, SGST, or IGST as per the set rates.
- **Purchase Invoice**:
  - From '**Gateway of Tally**', go to '**Vouchers**' → '**Purchase**'.
  - Choose the ledger (purchase) and items, and enter GST details.

- **6. GST Reports in Tally**
- Tally provides several useful reports to assist with GST compliance:
- **GST Return Reports:** To view details of GST returns (GSTR-1, GSTR-3B, etc.), go to **'Gateway of Tally'** → **'Display'** → **'Statutory Reports'** → **'GST Reports'**.
- **GSTR-1:** This report provides the details of outward supplies.
- **GSTR-3B:** This report helps in filing the monthly GST return, including tax liabilities.

- <u>GST and Ledger Creation</u>

- Under GST, it is essential for businesses to maintain proper records and ledgers for their transactions. This ensures compliance with tax laws and helps in filing returns effectively.

1. Ledger Creation in GST:

A **ledger** in GST refers to the account where transactions related to various taxes, purchases, sales, and other financial entries are recorded.

Steps to Create a Ledger:

- **Step 1: Open GST Software/Accounting System**
  - Businesses use accounting software like Tally, QuickBooks, or any GST-compliant software to maintain ledgers.
- **Step 2: Go to the 'Accounts' Section**
  - Navigate to the section where accounts or ledgers are created.
- **Step 3: Select the Type of Ledger**
  - Choose the appropriate category of ledger based on the transaction. Examples include sales, purchases, taxes, expenses, etc.
- **Step 4: Enter Ledger Details**
  - Enter the necessary information like the name of the ledger (e.g., Sales, GST on Sales), group (e.g., Sundry Creditors, Taxes), and other specific details.
- **Step 5: Save the Ledger**
  - After entering all details, save the ledger to keep it in the accounting records for future use.

Tally.ERP 9

P: Print | E: Export | M: E-Mail | O: Upload | S: TallyShop | G: Language | K: Keyboard | K: Control Centre | H: Support Centre | H: Help

Gateway of Tally — Ctrl + M

Current Period
1-4-2024 to 31-3-2025

Current Date
Monday, 1 Apr, 2024

List of Selected Companies

Name of Company	*Date of Last Entry*
SAI SANTOSHINI ENTERPRISES	***No Vouchers Entered***

Gateway of Tally
Accounts Info.

Ledgers

Single Ledger

Create
Display
Alter

Multiple Ledgers

CReate
DIsplay
AlTer

Quit

F1: Select Cmp
F1: Shut Cmp
F2: Date
F2: Period
F3: Company
F3: Cmp Info
F11: Features
F12: Configure

Ctrl + N

Tally MAIN --> Gateway of Tally --> Accounts Info. --> Ledgers

Thu, 2 Jan, 2025 22:12:51

Tally.ERP 9

P: Print | E: Export | M: E-Mail | O: Upload | S: TallyShop | G: Language | K: Keyboard | K: Control Centre | H: Support Centre | H: Help

Ledger Creation — **SAI SANTOSHINI ENTERPRISES** — Ctrl + M

Name :
(alias) :

Total Opening Balance

Under : **Capital Account**

Inventory values are affected ? **No**

Mailing Details

Name :
Address :

Country :

Provide bank details ? **No**

Tax Registration Details

PAN/IT No. :

Opening Balance (on 1-Apr-2024) :

Q: Quit | A: Accept | D: Delete

Ctrl + N

F3: Company
F3: New Company
L: Details
B: Set Chq Books
S: Set Chq Printing
G: Groups
L: Ledgers
V: Voucher Types
F11: Features
F12: Configure

Tally MAIN --> Gateway of Tally --> Accounts Info. --> Ledgers --> Ledger Creation

Thu, 2 Jan, 2025 22:14:09

- **Defining Tax Details:**
- Under GST, tax details are crucial for accurate reporting and compliance. These details specify the tax rates, the type of taxes, and other related information required for GST returns.
- **Types of Taxes under GST:**
- GST taxes are divided into:
- **CGST (Central Goods and Services Tax)**: Levied by the central government.
- **SGST (State Goods and Services Tax)**: Levied by the state government.
- **IGST (Integrated Goods and Services Tax)**: Levied on inter-state transactions (when goods or services are supplied from one state to another).

- **Tax Ledgers in GST:**
- To define tax details, specific ledgers must be created for each tax. These ledgers will help track tax liabilities and input credits.
- **Step 1: Create Tax Ledgers for GST**
  - Examples include:
    - **CGST Ledger** (for Central GST payments)
    - **SGST Ledger** (for State GST payments)
    - **IGST Ledger** (for Integrated GST payments)
- **Step 2: Define Tax Rates**
  - GST has various rates like 5%, 12%, 18%, and 28%. When creating tax ledgers, businesses must define the appropriate tax rate for each transaction.

- Step 3: Set Taxability and GST Settings:
- Define whether the transactions are subject to CGST, SGST, or IGST. Also, ensure that the software/system is set up to calculate the tax automatically based on the sale/purchase invoice.
- Step 4: Set Up Input and Output Taxes Input Tax:
- Taxes paid on purchases of goods and services. Output Tax: Taxes collected on sales of goods and services.

- **Example of Tax Ledger Setup:**

1. **CGST Ledger:**
   1. **Name**: CGST 18%
   2. **Group**: Taxes on Output (or directly under GST Tax Group)
   3. **Type**: Indirect Tax
   4. **GST Rate**: 18%
2. **SGST Ledger:**
   1. **Name**: SGST 18%
   2. **Group**: Taxes on Output
   3. **Type**: Indirect Tax
   4. **GST Rate**: 18%
3. **IGST Ledger:**
   1. **Name**: IGST 18%
   2. **Group**: Taxes on Output
   3. **Type**: Indirect Tax
   4. **GST Rate**: 18%

- **Advantages of Proper Ledger Creation & Tax Details Setup:**
- **Easy GST Filing**: Proper ledger creation ensures that businesses can generate the correct GST returns (GSTR-1, GSTR-3B, etc.) without errors.
- **Accurate Tax Calculation:** By defining the tax rates and ledger details, businesses can automatically calculate the taxes on sales/purchases.
- **Input Tax Credit (ITC):** Businesses can claim Input Tax Credit on purchases, which reduces their overall tax liability.
- **Audit and Compliance:** Organized ledgers ensure smooth audits and compliance with the tax authorities.
- **Financial Reporting**: Clear segregation of sales, purchases, and taxes in ledgers leads to accurate financial statements.

TRANSFER OF ITC UNDER GST

- Under GST, Input Tax Credit can be transferred when there is a change in the ownership of a business or when a business is undergoing a reorganization.
- In other words, a registered taxpayer can transfer the input tax credit unutilized and available in his electronic credit ledger into another business by filing a declaration in Form GST ITC-02. The rules surrounding the transfer of ITC ensure that tax credits are transferred appropriately and are not lost during such changes.

- <u>**circumstances for Transferring ITC**</u>
- There are several situations under which ITC can be transferred:
- **a. Transfer of ITC in case of Change in Ownership**
- **When a business changes its ownership** (e.g., sale of business, merger, demerger, or succession), the accumulated ITC in the books can be transferred to the new owner.
- **Key conditions:**
  - Both the old and new owners must be registered under GST.
  - The transfer of ITC must be authorized by the transferring and receiving entities.
- **b. Transfer of ITC in case of Mergers and Demergers**
- In case of **merger** or **demerger** of two companies:
  - The ITC of the transferor (the merged/demerged company) can be transferred to the transferee (the receiving company).
  - The transfer must be recorded in the GST returns, and relevant documents (such as a board resolution or an agreement) should be maintained.
- **c. Transfer of ITC in case of Sale of Business**
- If a business is sold, the ITC balance available to the business can be transferred to the buyer.
- Proper documentation should be maintained for both parties to reflect the transfer of ITC.

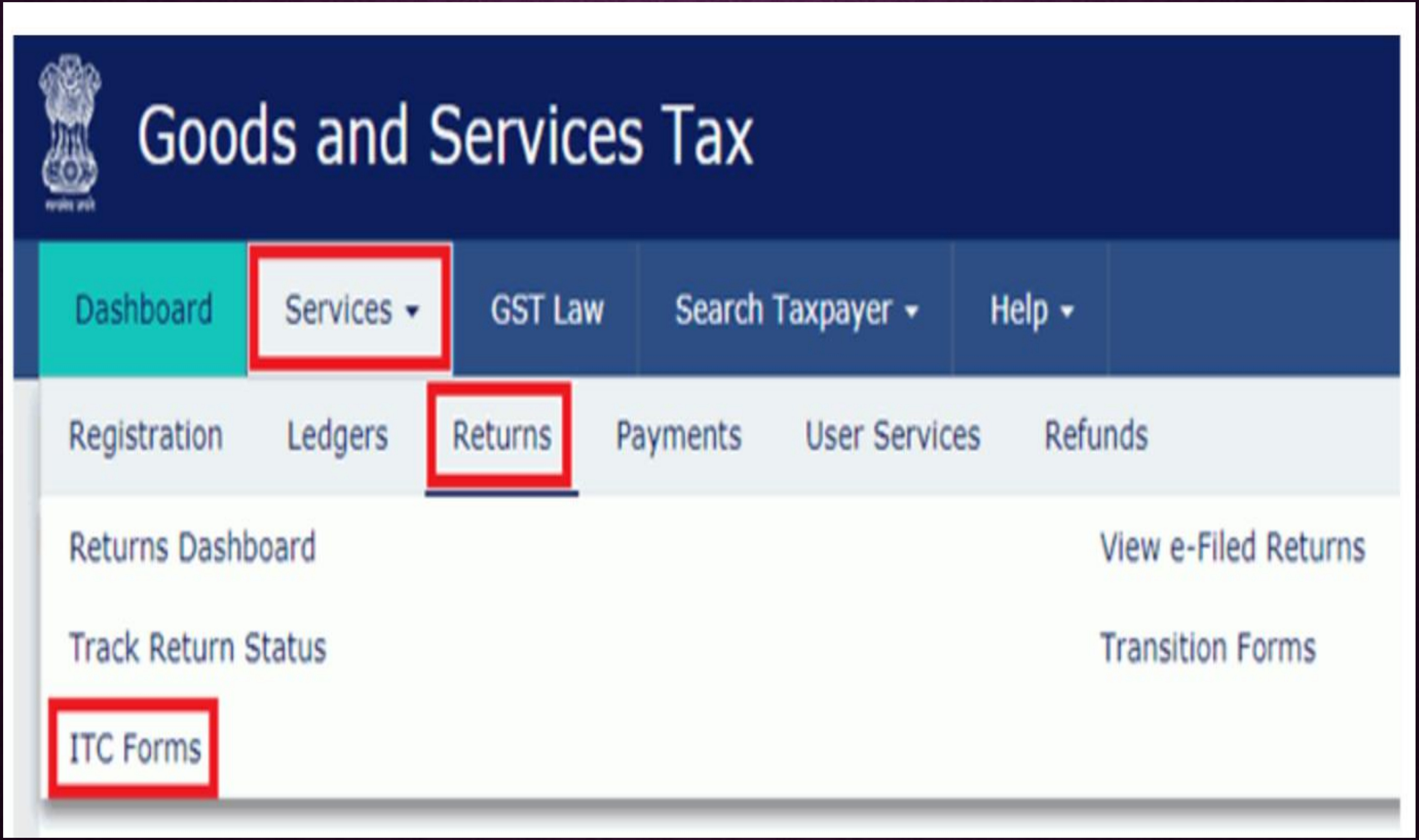
Procedure for Transferring ITC

- The procedure for transferring ITC is specified in GST law and requires the following steps:
- **a. Filing of Form GST ITC-02**
- This form is used to transfer the ITC balance from one registered person to another.
- It is filed by the **transferring entity** (seller, transferor) to the **receiving entity** (buyer, transferee).
- Information required:
    - GSTIN of both the transferring and receiving entities.
    - Details of the ITC being transferred (amount, nature of goods, services, etc.).
- **b. Approval from GST Authorities**
- The receiving entity must accept the transfer of ITC in Form GST ITC-02A. This step ensures that both parties agree to the transfer of credit.
- GST authorities may audit or verify the transaction for compliance.

- **Filing of Form GST ITC-02**
- The primary step to transfer unutilized ITC is for the **transferor** (business selling or transferring assets) to file **Form GST ITC-02**.
- **Steps involved in filing Form GST ITC-02:**
- **Part A (Transferor Details):** The transferor (seller or transferor of business) provides their GSTIN, name, and address.
- **Part B (Transferee Details):** The transferee (buyer or the entity receiving the credit) provides their GSTIN, name, and address.

- **Submission Process:**
- **Sign and Submit:** After filling out the form, the transferor submits the form electronically through the GST portal.
- **Transferor's Acknowledgment:** The transferor's GST account will be updated to reflect the ITC transfer.

- **Acceptance of ITC Transfer by Transferee**
- Once Form GST ITC-02 is filed by the transferor, the **transferee** (buyer or receiving business) will receive a notification in their account to accept or reject the ITC transfer.
- **Acceptance by Transferee:**
  - The transferee must accept the transferred ITC through **Form GST ITC-02A**.
  - The acceptance by the transferee ensures that the credit is added to their GST account, making it available for future use.


Goods and Services Tax
Dashboard
Services
GST Law
Search Taxpayer
Help
Registration
Ledgers
Returns
Payments
User Services
Refunds
Returns Dashboard
View e-Filed Returns
Track Return Status
Transition Forms
ITC Forms

Dashboard > Returns > ITC Forms > ITC02 English

GSTIN - 37ACXPK3463A4ZD Legal Name - Mukesh Dhanjibhai Karshala Trade Name - Status - **Not Filed**

Declaration for transfer of ITC in case of sale, merger, demerger, amalgamation, lease or transfer of a business under sub-section (3) of section 18

• Indicates Mandatory Fields

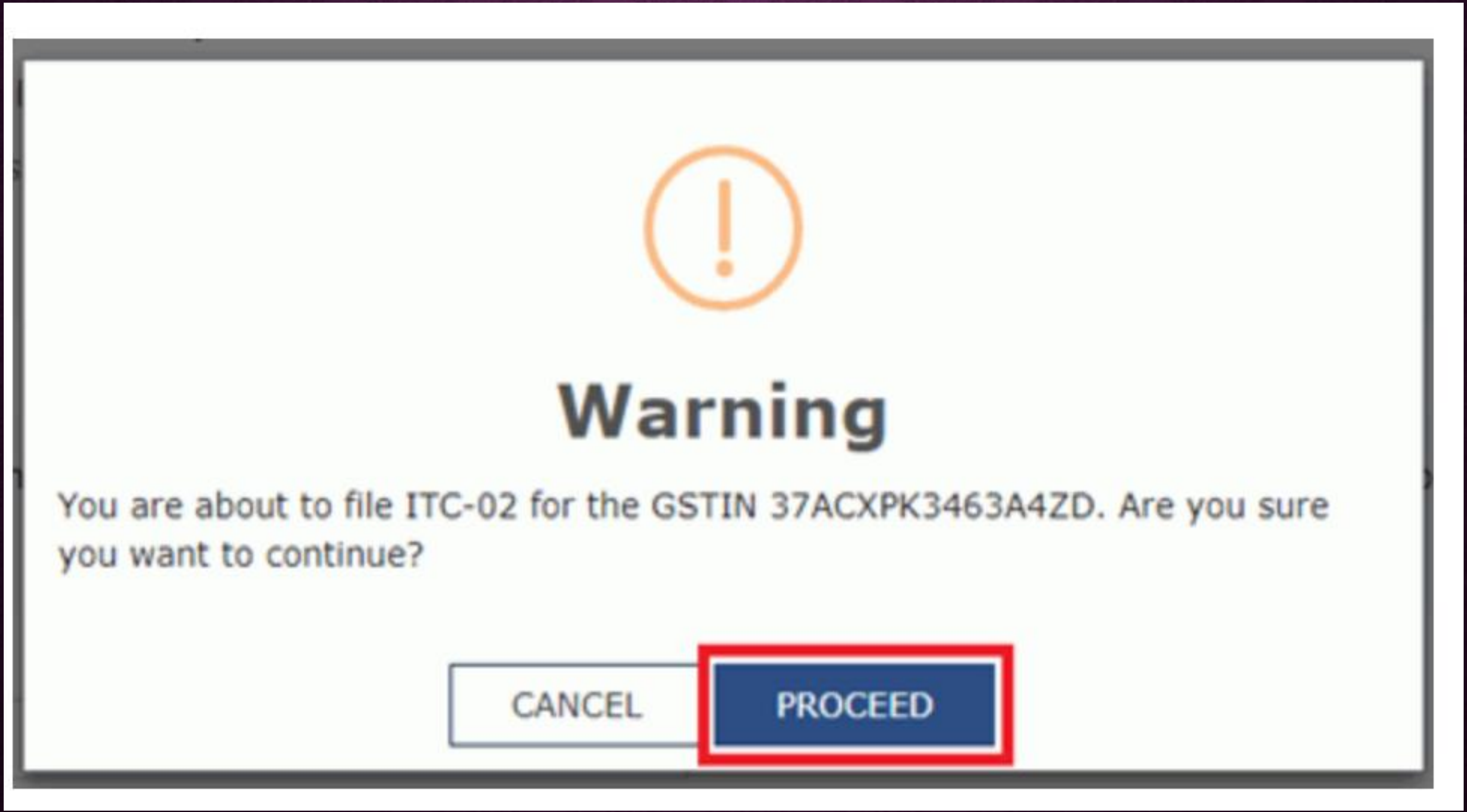
•

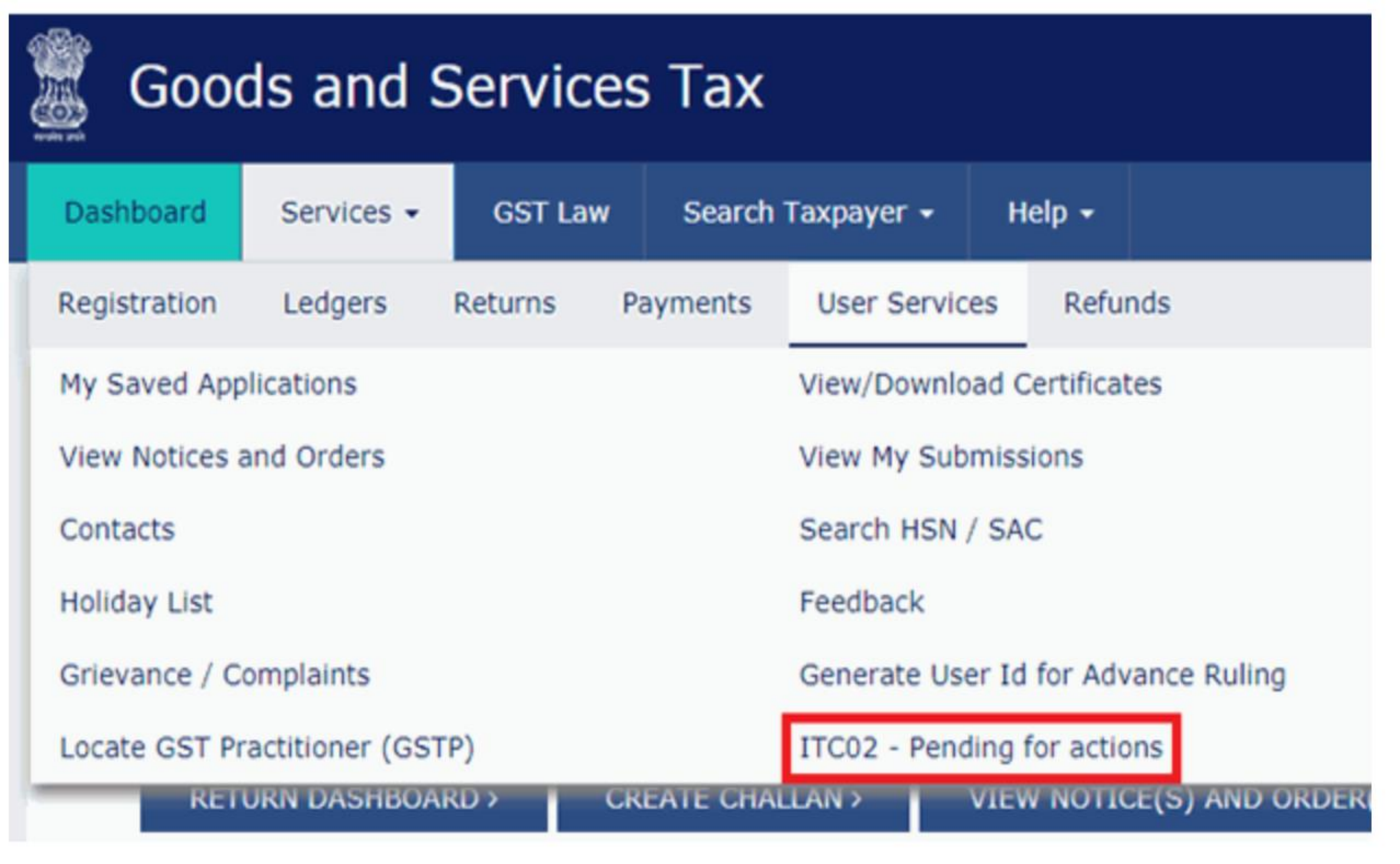
37ACXPK3463A2ZF

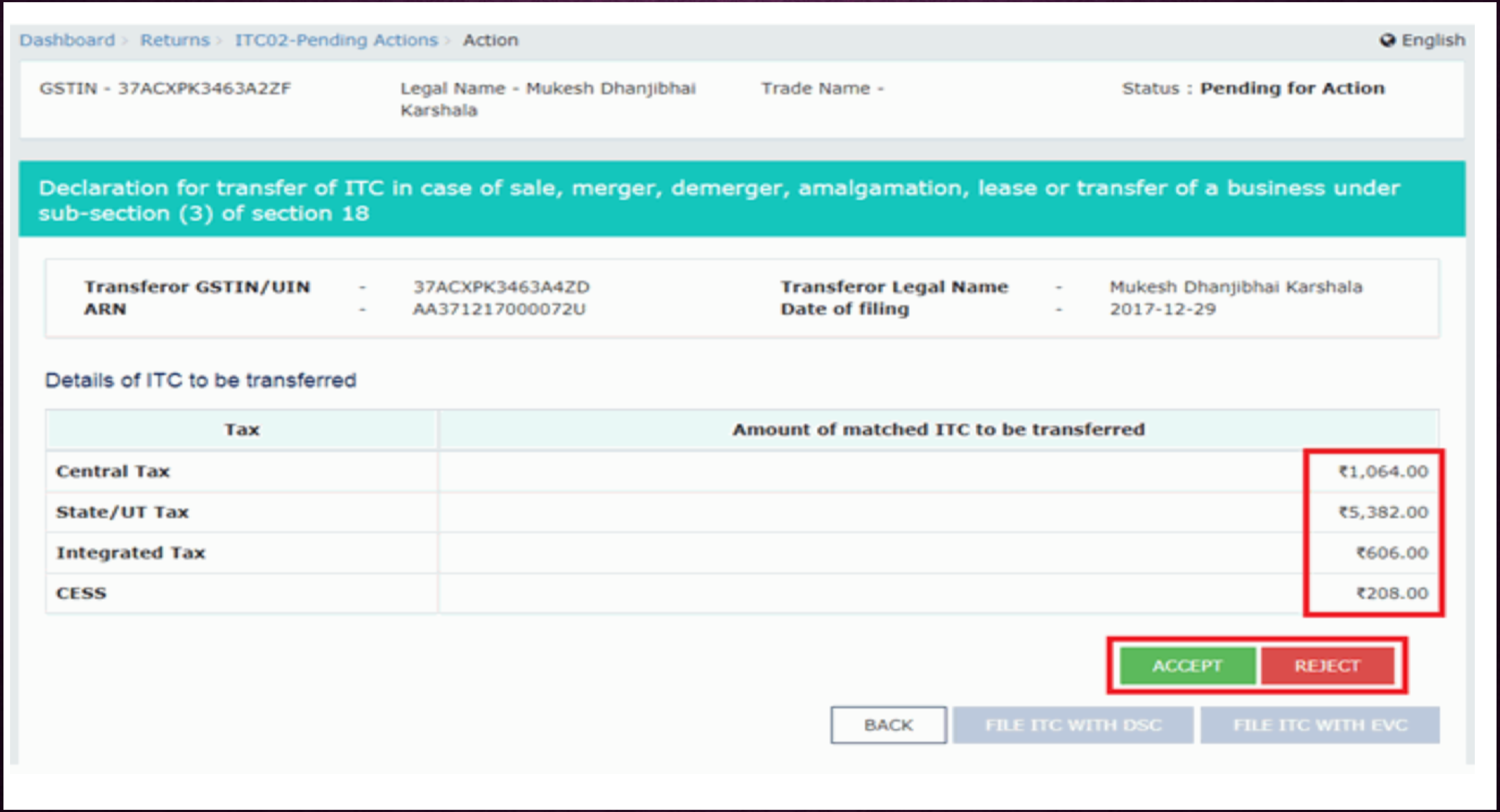
Mukesh Dhanjibhai Karshala

Details of ITC to be transferred

Tax	Amount of matched ITC available	Amount of matched ITC to be transferred
Central Tax	1,064.00	₹1,064.00
State/UT Tax	5,382.00	₹5,382.00
Integrated Tax	606.00	₹606.00
CESS	208.00	₹208.00


Warning
You are about to file ITC-02 for the GSTIN 37ACXPK3463A4ZD. Are you sure you want to continue?
CANCEL
PROCEED


Goods and Services Tax
Dashboard
Services
GST Law
Search Taxpayer
Help
Registration
Ledgers
Returns
Payments
User Services
Refunds
My Saved Applications
View Notices and Orders
Contacts
Holiday List
Grievance / Complaints
Locate GST Practitioner (GSTP)
View/Download Certificates
View My Submissions
Search HSN / SAC
Feedback
Generate User Id for Advance Ruling
ITC02 - Pending for actions
RETURN DASHBOARD ›
CREATE CHALLAN ›
VIEW NOTICE(S) AND ORDER



Dashboard > Returns > ITC02-Pending Actions > Action

English

GSTIN - 37ACXPK3463A2ZF

Legal Name - Mukesh Dhanjibhai Karshala

Trade Name -

Status : **Pending for Action**

Declaration for transfer of ITC in case of sale, merger, demerger, amalgamation, lease or transfer of a business under sub-section (3) of section 18

Transferor GSTIN/UIN	-	37ACXPK3463A4ZD	**Transferor Legal Name**	-	Mukesh Dhanjibhai Karshala
ARN	-	AA371217000072U	**Date of filing**	-	2017-12-29

Details of ITC to be transferred

Tax	Amount of matched ITC to be transferred
Central Tax	₹1,064.00
State/UT Tax	₹5,382.00
Integrated Tax	₹606.00
CESS	₹208.00

ACCEPT REJECT

BACK FILE ITC WITH DSC FILE ITC WITH EVC

Declaration for transfer of ITC in case of sale, merger, demerger, amalgamation, lease or transfer of a business under sub-section (3) of section 18

S. No.	ARN	GSTIN		Date of filing	Status
1	AA371217000072U	37ACXPK3463A4ZD	Mukesh Dhanjibhai Karshala	2017-12-29	Accepted

INTRASTATE INWARD SUPPLY OF GOODS (LOCAL PURCHASE) UNDER GST

- Definition: Intrastate inward supply of goods refers to purchases made within the same state. This involves the purchase of goods from suppliers located within the same state as the buyer.
- Tax Structure:
- For intrastate purchases, GST is levied as CGST (Central Goods and Services Tax) and SGST (State Goods and Services Tax). The tax rate depends on the goods or services being purchased and the applicable GST rate.
- For example, if the GST rate for a particular product is 18%, then the tax would be split equally: 9% CGST and 9% SGST.

- **Example:**
- A business in Maharashtra purchases goods worth ₹50,000 from a supplier within Maharashtra.
- The applicable GST rate is 18%. Therefore, CGST = ₹4,500 and SGST = ₹4,500.
- Total purchase value including tax = ₹50,000 (goods) + ₹4,500 (CGST) + ₹4,500 (SGST) = ₹59,000.

RECORDING LOCAL PURCHASE TRANSACTIONS IN TALLY ERP

- Following is a step-by-step guide for recording local purchases in Tally ERP.
- **Step 1: Set up GST Details in Tally ERP**
- Ensure that **GST** is enabled in Tally ERP by following these steps:
  - Go to **Gateway of Tally > F11: Features > Statutory & Taxation**.
  - Enable **GST** and fill in the necessary GST details such as GSTIN, nature of supply, and other details as per business requirements.

- **Step 2: Create Necessary Ledgers**
- For proper recording of local purchases, you must create relevant ledgers in Tally ERP:
- **Purchase Ledger:**
  - Go to **Accounts Info > Ledgers > Create.**
  - Create a ledger for **Purchases** (or a specific ledger for local purchases, e.g., "Local Purchases").
- **GST Ledgers:**
  - You need to create GST-ledger accounts for **CGST** and **SGST** to track the tax paid on purchases.
  - Go to **Accounts Info > Ledgers > Create.**
  - Create the following ledgers:
    - **CGST Input** (under Duties and Taxes).
    - **SGST Input** (under Duties and Taxes).
- **Supplier Ledger:**
  - Create a ledger for the supplier from whom you are purchasing the goods.
  - Go to **Accounts Info > Ledgers > Create** and create the supplier ledger under **Sundry Creditors.**

- **Step 3: Create Stock Items (If Applicable)**
- If the goods being purchased are inventory items, create **stock items** in Tally ERP.
- Go to **Inventory Info > Stock Items > Create**.
- Enter the relevant information, such as product name, unit of measurement, tax category (GST), and any other relevant details.

- **Step 4: Record the Local Purchase Voucher**
- Navigate to **Gateway of Tally > Accounting Vouchers > F9: Purchase** to record a purchase transaction.
- **Fill in the Purchase Voucher Details:**
- **Supplier Name:** Select the supplier from whom the goods are purchased.
- **Purchase Ledger:** Select the appropriate **Purchases** ledger (e.g., "Local Purchases").
- **Stock Items:** Enter the details of the goods purchased, including quantity, rate, and amount. Tally will automatically calculate the value of the goods.
- **GST Ledgers:** Tally will automatically generate the GST Input ledgers based on the GST rate set for the stock items.
    - For example, if the GST rate is 18%, Tally will calculate 9% CGST and 9% SGST based on the total value of the goods.

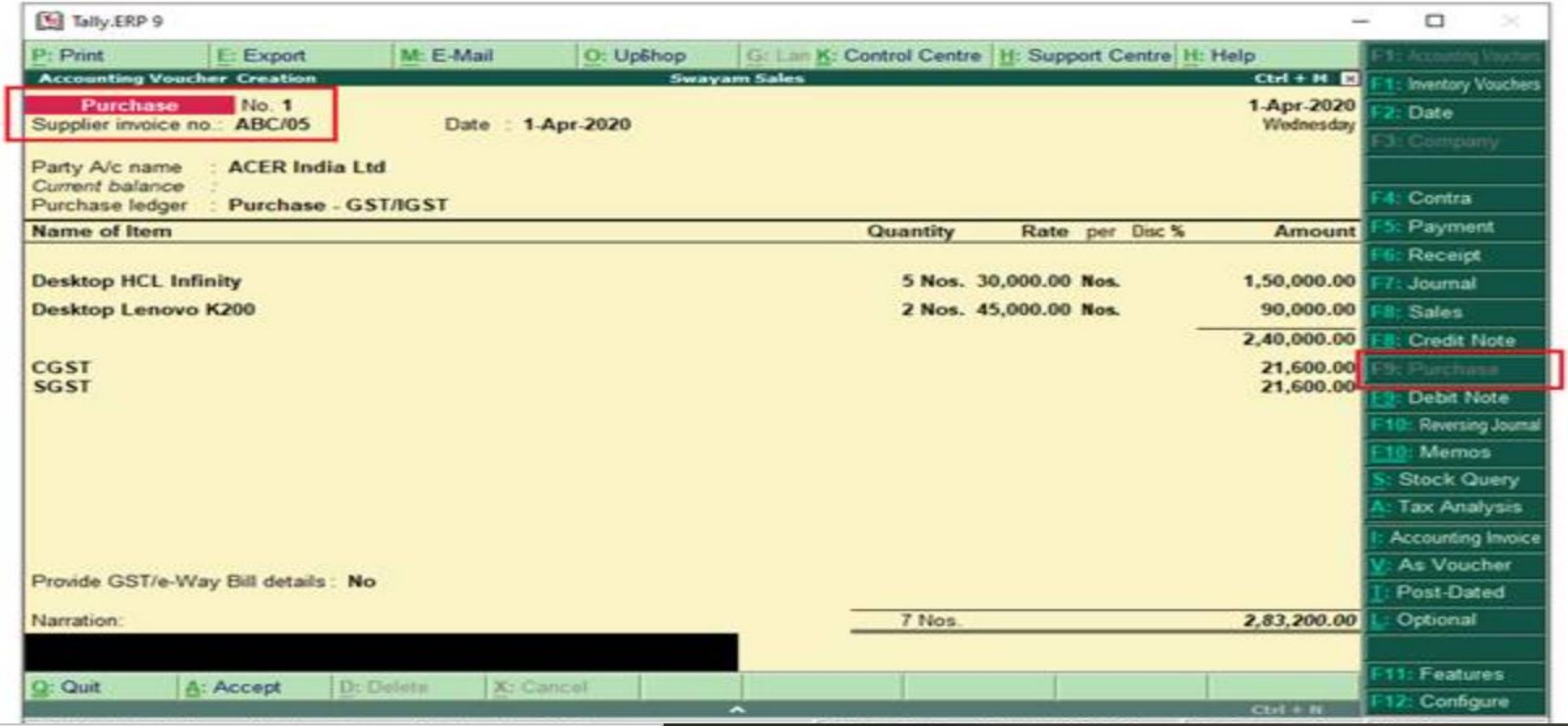
- **Step 5: Verification and Saving**
- Verify the details of the transaction, ensuring that the correct tax amounts (CGST and SGST) have been applied.
- Press **Enter** to save the purchase voucher.

1. Local Purchase (within State)

The purchase of goods or services from a supplier in the same state attracts central tax and state tax.

To record a Local Purchase Transaction:

1. Go to **Gateway of Tally** > **Accounting Vouchers** > **F9: Purchase**.



You can view the tax details by clicking **A: Tax Analysis**. Click **F1: Detailed** to view the tax break-up.

Tax Analysis | Swayam Sales | Ctrl + M

Tax Analysis

Particulars		Taxable Value	Tax rate	Duty/Tax Value
GST Details				
Purchase Taxable		**2,40,000.00**		**43,200.00**
Desktop HCL Infinity (DE123)		*1,50,000.00*		*27,000.00*
Item Value (Purchase Value 1,50,000.00)	*1,50,000.00*			
Central Tax			*9%*	*13,500.00*
State Tax			*9%*	*13,500.00*
Desktop Lenovo K200 (DE123)		*90,000.00*		*16,200.00*
Item Value (Purchase Value 90,000.00)	*90,000.00*			
Central Tax			*9%*	*8,100.00*
State Tax			*9%*	*8,100.00*
			Total	**43,200.00**

INTRASTATE OUTWARD SUPPLY OF GOODS (LOCAL SALES) UNDER GST

- Definition: Intrastate transactions refer to the sale and purchase of goods that occur within the same state. The tax on such transactions is levied as a combination of CGST and SGST.
- Tax Structure: The GST rate applicable to the goods is split equally between CGST and SGST. Example: If the GST rate is 18%, the tax will be divided as 9% CGST and 9% SGST for local sales.
- For Example: A business in Karnataka sells goods worth ₹50,000 within Karnataka itself.
- The GST applicable is 18%. Hence, CGST = ₹4,500 and SGST = ₹4,500.Total invoice value will be ₹50,000 + ₹4,500 (CGST) + ₹4,500 (SGST) = ₹59,000.

RECORDING LOCAL SALES TRANSACTIONS IN TALLY ERP

- **Steps for Recording Local Sales in Tally ERP:**
- **Step 1: Set up GST Details in Tally ERP**
- Before recording local sales transactions, ensure that GST is enabled in Tally ERP.
- Go to **Gateway of Tally > F11: Features > Statutory & Taxation**.
- Enable **GST** and configure the necessary GST details, including your GSTIN number, the nature of supply, tax rates, etc.

- **Step 2: Create Relevant Accounts**
- **Create Sales Ledger:** This is where the sales amount will be recorded.
  - Go to **Accounts Info > Ledgers > Create.**
  - Create a Sales Ledger (e.g., "Sales" or "Local Sales").
- **Create GST Ledgers:** Create separate ledgers for CGST and SGST.
  - Go to **Accounts Info > Ledgers > Create.**
  - Create the following ledgers:
    - **CGST Payable** (under Duties and Taxes)
    - **SGST Payable** (under Duties and Taxes)

- **Step 3: Create Stock Items**
- If your transaction involves the sale of specific goods, ensure stock items are created in Tally ERP.
  - Go to **Inventory Info > Stock Items > Create**.
  - Enter the details of the goods you are selling (e.g., Product Name, Unit of Measure, Tax Classification).

- **Step 4: Create Sales Voucher**
- Navigate to **Gateway of Tally > Accounting Vouchers > F8: Sales**.
- **Fill in the details:**
  - **Party Name:** Select the customer or party to whom goods are sold.
  - **Sales Ledger:** Select the Sales ledger (e.g., "Local Sales").
  - **GST Ledgers:** Tally will auto-populate the GST ledgers (CGST and SGST) as per the GST rate configured.
  - **Stock Item(s):** Enter the goods being sold, including the quantity and rate. The GST components will be automatically calculated based on the tax rate set in the stock item.

- **Step 5: Calculate and Record GST**
- Based on the goods sold and the GST rate configured for the stock items, Tally will automatically calculate the **CGST** and **SGST**.
  - For example, if the sale value is ₹50,000 and the GST rate is 18%, Tally will calculate **CGST** and **SGST** at 9% each (i.e., ₹4,500 each).
- Ensure that the total amount is correct, including the base sale value and tax amounts.
- **Step 6: Save and Verify the Voucher**
- After entering all the details, verify the sales invoice for accuracy.
- Once confirmed, press **Enter** to save the voucher.