



The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)



# AMRITSAR BRANCH OF NIRC STUDENTS NEWSLETTER AUGUST - 2020

“GST- WAY FORWARD”.



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### ADDRESS:-

- ICAI Bhawan Bhai Gurdas Ji Nagar (New Amritsar)
  - Room No. 401-402, Aaykar Bhawan,  
Central Revenue Building, The Mall, Amritsar.
- Phone :  
E-mail : [amritsar@icai.org](mailto:amritsar@icai.org), [amritsar.icai@gmail.com](mailto:amritsar.icai@gmail.com)  
Website : [nircamritsar.org](http://nircamritsar.org)  
Printed and Published by :  
Amritsar Branch of NIRC of ICAI  
(for Private Circulation Among Members Only)

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*From the Desk of the President ICAI...* 

**Dear Students,**

Goods and Services Tax (GST) is a transformational change in indirect tax regime subsuming almost all indirect taxes at the Central and State levels. It is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. It promotes the concept of common market with common tax rates and procedures, including the removal of various economic barriers, and eventually improves the ease of doing business in the country. For simplifying the implementation of GST across the country, the Government has brought various Notifications, Circulars, Press release, FAQs etc. from time to time. To face the challenges, it is imperative for our members to keep pace with the recent developments.

The Institute of Chartered Accountants of India (ICAI) has always endeavored to support the Government with all its resources, expertise and efforts to make the GST implementation a great success, particularly in our role as "Partner in GST Knowledge Dissemination". ICAI has been providing suggestions regularly, starting from Constitutional Amendment (GST) Bill, dispersing knowledge amongst all stakeholders through various publications, newsletters, e-learning, webcasts, certificate courses, programmes, conferences, workshops, training programmes for Government officials, survey on GST implementation etc.

At this backdrop, I am happy to note that the Amritsar branch of NIRC of ICAI is bringing out ENewsletter on GST- The Way Forward to further enrich the knowledge of our members and to keep them updated in these challenging times. I appreciate the efforts put in by the entire managing committee of Amritsar branch for bringing out this Newsletter.

I hope the Newsletter would be immensely useful to the members and other stakeholders in their professional endeavors and in disseminating information about the branch activities.

With Warm regards.  
Sd/-

**CA. Atul Kumar Gupta**  
President, ICAI

August, 2020

President





## *From the Desk of the Chairman.*

“The Secret of Life is not Enjoyment but Education through Experience”

-Swami Vivekananda



### **Dear Students,**

I hope you, your family and all your nears and dears are keeping safe. This issue of E-Newsletter is based on “GST- Way Forward”. A perfect GST may be implemented In a Perfect World where there is equality in terms of willingness and ability to pay tax .Where these assumptions become false, a perfect element of GST starts shading away and poses difficulties in implementation. These factors lead to the birth of different tax rates and tax exemptions.

The new GST return system will be implementing from 1st October 2020. Challenges in transition from old Regime to the new Regime are anticipated and resolved in advance. Currently there is a gap of 1 to 3 months between the date of generation of invoice and reporting of the same in the GST returns. This leads to a situation where there is no mechanism to find out how many invoices of how much value have been issued. At the same time, ITC can be taken by the others in the GSTR-3B ,(No linkage with GSTR1 and GSTR2A). Accordingly GST Council has recently decided to introduce electronic invoicing system in a phased manner for B2B transactions from 1st October 2020 for the threshold having turnover above 500 crores. E-invoicing is a rapidly expanding technology which would help the tax payers in backward integration and automation of tax relevant processes. It would also helps the tax authorities in combating the menace of tax evasion.

I am happy to share that revamped website of Amritsar branch is relaunched by honorable President CA Atul Gupta Ji on August 8, 2020 with unique and user friendly features for members and students. I would like to thank honorable President who have been pillar of support in setting up the Amritsar Branch Building, selecting our branch for GST helpdesk to assist various stakeholders including trade, commerce and industry to the extent possible, and supporting us as always.

It is not doing the Best and Great things, it is all about doing better always & do small things that are great. I along with my entire team, shall put all the best possible efforts to ensure our standing with mother body ICAI, our nation and humanity. We seek your love, support for all future endeavors.

Stay Safe, Stay Healthy

August, 2020

With Warm regards.  
CA SANJAY ARORA  
Chairman, 2020-21

Amritsar Branch of NIRC of ICAI



Chairman



## From the Desk of the Secretary...

**Dear Students,**

**Warm Greetings,**

First of all, I congratulate to all the members and Students on Independence day and Krishna Janmashtmi. We with immense delight present our members a special edition of GST the way Ahead for the month of July 2020. In this edition we are specially thankful to our President ICAI CA Atul Kumar Gupta Sir for sharing their views in this edition of News letter. We are also thankful to NIRC Member CA Rajender Arora for sharing his knowledge through the article for Amritsar branch of NIRC for the Aug 2020.

GST was introduced on 1st July 2017 keeping in view the One Nation one Tax. GST can be said be a global platform for indirect taxes as GST has been implemented by about 164 countries in the world. GST is a consumption based tax providing the right of taxation to the state in which goods or services are actually consumed. The idea behind the GST is removal of economic barrier with common tax rates for ease of doing businesses in the country. This is the fourth year of GST and over the passage of time, GST has become more acceptable and smooth in the business environment. ICAI and members have played vital role in the implementation of GST in India. ICAI is still continuously making efforts for sharing the knowledge of GST among the members through Seminars and now through Virtual Meetings.

In the GST a way ahead, many challenges are still to come and we need to continuously update ourself for upliftment of profession.

I am pleased to inform you that We have updated website of Amritsar Branch. In the branch website, new features like Members Directory, Testimonials of Past chairpersons, Gallery, Past events, quick links of Tax sites etc have been added. I request each member to kindly register yourself in the branch directory to make our mission successful. Also give your suggestions and feedback for the website updation.

In this month also, we will continue our Virtual CPE meetings (Webinars) through online platform for the knowledge updation of members of Amritsar branch with best faculties and best topics as per the requirements specially on Income Tax topics and need of hour.

Dear Students,

ICAI is already taking many initiatives for the students to ensure that Nov. 2020 Exam may be conducted even in case covid continues till November. ICAI is making arrangements for exams following the criteria of Physical Distancing. Further ICAI has not left any stone unturned for the wellbeing of the students. Keeping in view the Covid situation, Orientation Programmes are being conducted through Virtual mode. ICAI has also given many relaxations to students for the time period for registration or joining Articleship training or attempt for exams etc. with the regulations. ICAI has also taken a very good initiative by providing revision classes for the students via virtual tools. Students can learn different subject/topics from best faculties of India. So you can revise or prepare your Exams without incurring any cost.

Every one of you is going through a challenge to crack this a very noble Professional CA course. Work hard, develop the habits of self motivate and set your goals for the future. Be dedicated and keep on doing working for exams. Don't panic, Nov. 20 exam surely will be won by you.

Keep yourself safe and stay healthy in the pandemic.

August, 2020

With Warm regards.

Sd/-

**CA Shashi Pal**

Editor in Chief

Secretary, ICAI Amritsar Branch





## *From the Desk of the Editor....*

“Success seems to be connected with action. Successful people keep moving .They make mistakes,but they don’t quit”

-Conrad Hilton

### **Dear Students,**

This is the most difficult time which most of us have ever seen in our life. This is a time where many lives are full of fear due to COVID-19 as the impact of COVID 19 is no different than a chain reaction and it is such a vicious circle where we never know as to how many are going to be impacted if a single person gets affected .In this time, we can only take precautions and offer prayers for the well-being of the whole world.

This August issue of E-Newsletter is based on“GST-Way Forward”. GST was always projected as a Good and Simple Tax as taxes under different laws were subsumed to onebut in implementation it was never simple as it didn’t meet the expectations of the tax payers and stakeholders. A number of amendments have been made to GST law since its inception and a plethora of circulars and notifications have been issued till date which makes it further complex. To make GST really a “Good and Simple Tax” it is very important to make specific provision for each area of litigation so that litigation is reduced to minimal.Further, there are various judgements given by various Advance Ruling Authorities whereby a similar matter is decided differently which creates a lot of confusion in the minds of stakeholders.As such there is a need to create a Centralised System of Advance Rulings so that the stand of the Department on a particular matter is static.

There is also a need to enable certain features such as rectification, revision, consolidation of debit and credit notes and technological advancements and better grievance redressal by GSTN which should be taken care of in the new GST regime. Thus with the enhancement of certain features, specific provisions for litigative matters The GST council can really make GST a Good and Simple Tax which will further lead to ease of doing business.

I also congratulate the Amritsar Branch for the relaunch of the website of Amritsar Branch of NIRC of ICAI. The enhanced features of the new website will be definitely helpful to all the esteemed members and the students.

Praying for the good health of all.

With Warm regards.  
**CA MANISH MIDHA**  
Editor

August, 2020

Editor





## *From the Desk of the Chairperson....*



**Dear Students,**

Today through this column of mine I would take an opportunity to congratulate all the stakeholders on successful implementation of Goods and Service Tax(GST) for consecutive three years and many more years to come. If we talk it from common man's perspective it has reduced a lot of hassel which used to be there in earlier tax regime systems as there were multiple taxes having cascading effect.

GST is one nation one tax system. Initially it was having a lot of implementation issues and many disputable issues but our Government and my professional colleagues have left no stone unturned in its successful implementation. As we know the Blame game may not sort out the issues, whereas positive acts from both ends would resolve the same. As quoted by Martin Luther King "Darkness can't drive out darkness, only light can do that", hence we being responsible citizens of the country should strive towards making the law respectable in order to respect the same.

A world-class, simplified, and technology-enabled robust GST system is not only critical for a sustainable growth, but also imperative for the ease of doing business. In the next few years, the government may take steps to further simplify the GST law. These steps can prove to be a harbinger of growth at a time when the entire world is affected by the COVID-19 pandemic. Implementing e-invoicing and new returns, rationalising GST rates, reducing litigations related to transitional credits, centralising advance ruling authority, having a single jurisdiction for audits and investigations, and strengthening the GSTN system would be the key areas to watch out for in the near future.

With Warm regards.

Sd/-

**CA Palak Bansal**

Chairperson

NICASA Amritsar Branch.



Chairperson

August, 2020



## TDS & TCS PROVISIONS UNDER GOODS & SERVICES TAX



**ABEDEEN KAPASI**  
abedeenkapasi@gmail.com



Dear Readers,

### 1) TAX DEDUCTION AT SOURCE

#### INTRODUCTION

The concept of TDS is very much familiar term under the Direct Tax Law of our country which is the Income Tax Act, 1961 which means Tax Deduction at Source. TDS is the amount deducted by the principal agent or employers under various sections like 192, 194 & 195 of the Income Tax Act. The TDS deducted is remitted to the account of Central Government every month and the returns are filed quarterly. We can summarize the concept of TDS in a single line as, **“Deduct and remit as you pay/ incur the expense”**

Now as far as GST is concerned, Section 51 of the CGST Act requires the Government Departments to deduct tax at source for the payment made or credited to the supplier of goods or services or BOTH.

Now let us discuss the provisions of TDS which is drafted under the GST Law in detail point by point.

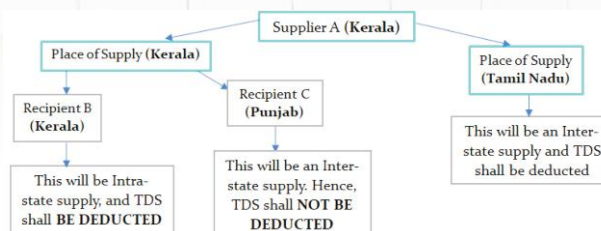
#### a) Applicability

The Applicability of TDS Provisions was postponed for implementation till 30th September 2018, i.e., the TDS provisions are implemented from 1st October 2018 onwards.

#### b) Threshold Limit, Percentage, & Registration for Deduction of Tax

- Tax would require to be deducted @ 2% for the payment made to the supplier of taxable goods or services or BOTH (excluding the amount of IGST, CGST, SGST, UTGST, & Cess, whichever is applicable depending upon the basis of the supply)

- Tax would require to be deducted @ 2% for the payment made to the supplier of taxable goods or services or BOTH (excluding the amount of IGST, CGST, SGST, UTGST, & Cess, whichever is applicable depending upon the basis of the supply)
- TDS would be deducted when the value of contract is more than **Rs. 2,50,000 (Here the value of contract is excluding the GST portion and not inclusive)**
- No deduction shall be made if the supplier and the place of supply is located in a same state, but the recipient is located in another state.
- As there is no any threshold prescribed under the GST Law, TDS Deductor has to **COMPULSORILY** register itself. The Deductor has a privilege of obtaining registration under GST without the requirement of PAN which is a basic requirement.



#### c) Specified undertakings

- As per Section 51(1) of CGST Act, the following entities specified in the law are empowered or directed to deduct tax at source.
  - ✓ A Department or Establishment of the Central Government or State Government (Example: Department of Posts i.e. INDIA POST, Indian Railways)
  - ✓ Local Authority (Example: Municipal Corporations, Committees, Panchayats etc.)



### c) Specified undertakings

- ✓ Governmental Agencies
- ✓ Any authority or a Board or any other Body which has been set up by the parliament or a state legislature or by the Government with 51% equity (i.e. Control) owned by the Government
- ✓ A society established by the Central Government or State Government or a Local Authority and is registered under the Societies Registration Act, 1860
- ✓ Public Sector Undertakings

### d) Payment, Certificate, Late fees, Interest on non-remittance / late remittance and Credit of TDS under GST

- As per **Section 51(2)** of the CGST Act, the amount deducted is required to be deposited within 10 days after the end of the month in which the tax was deducted.
- As per **Section 51(4)** of the CGST Act, the deductor is required to issue the certificate to the deductee within 5 Days of deposit of tax by the deductor to the concerned Government Account.
- The certificate issued by the deductor will include the information, such as Total Contract value, total amount deducted, Rate of TDS and the amount paid to appropriate Government.
- If the deductor fails to issue the certificate within the time limit of 5 Days, then he shall be **LIABLE** to pay late fee of Rs. 100 per Day from the expiry of 5th day, until the certificate is issued to the deductee by deductor. However, the maximum late fee is restricted to **Rs. 5,000/-**
- If any Deductor fails to remit the TDS deducted to the Government within the time limit specified above, he is **LIABLE** to pay the penal Interest u/s 50 in addition to the amount of tax deducted. [**Section 51 (6)**]

- As per **Section 51(5)** of the CGST Act, the DEDUCTEE will take the credit of TDS deducted from these payments on the basis of TDS certificate. The deductee will claim the credit of tax in the **Electronic Cash Ledger**, which needs to be reflected in the return of the DEDUCTOR for the transaction period.

### e) Miscellaneous

- In case of excess or erroneous deduction of TDS, the deductor or deductee can claim REFUND of such amount under Section 54 of the CGST Act.
- Under the Income Tax Act, 1961, TDS is not required to be deducted for the consumables purchased, and the TDS is required to be deducted for the expenses incurred under various heads such as Contract payments (194C), technical & Professional charges(194J), Commission (194H), Rent (194IB) etc. But in GST, the specified undertakings as stated above are required to deduct tax @ 2% on all the taxable supplies of goods & services received if the contract value exceeds **Rs. 2,50,000/- PER CONTRACT**.

## 2. TAX COLLECTION AT SOURCE

### INTRODUCTION

Before rolling out GST in the Indian economy, TCS was part of the State Tax Laws. TCS was levied and collected on the sale value of certain commodity as notified by the State tax authorities like Timber, Tobacco, Tendu leaves, Jewellery, Car etc.

In a single line, TCS is, **“Collect and remit as you sell or receive”**

Now, in the GST regime, **Section 52** of CGST Act, 2017 has specified the provision of collection of tax at source.

TCS refers to the tax collected by the **Electronic Commerce Operator** (herein referred to as the E-Commerce Operator), when the supplier supplies some goods or services through its portal and the payment for that supply is collected by the E-Commerce Operator. The Consideration for the





goods / service is collected by the operator from the customer and passed on to the actual supplier after deducting the commission by the operator.

Now, let us discuss the provisions of TCS drafted under the GST law, point by point.

#### a) Applicability

Like in the case of TDS, the applicability of TCS provisions was also postponed till 30th September 2018 due to several technical glitches faced by the E-commerce operators.

#### b) Registration

The E-Commerce Operator through whom goods or services are supplied by another person as well as the supplier supplying the goods through an operator needs to COMPULSORILY register themselves under GST. The Threshold of Rs. 40 Lakhs is not applicable to them. **[Section 24(x) and 24(ix) of the CGST Act, 2017]**

#### c) Procedure and the manner of calculation

- Every E-Commerce operator, not being an agent shall collect an amount calculated @ 1% of the NET VALUE OF TAXABLE SUPPLIES made through it where the consideration with respect to such supplies is to be collected by the operator and pay to the Government.
- Net Value of Taxable Supplies = Aggregate Value of taxable supplies of goods / services, other than the notified services u/s 9(5) by all registered persons through operator MINUS Taxable supplies RETURNED to Suppliers.

#### d) Payment & Credit utilization

- As per Section 52(3) of the CGST Act, 2017, the amount of tax collected at source is required to be remitted to the account of the Central Government within 10 Days after the end of the month when the collection of tax is made.
- The supplier of goods and services can claim the input in their Electronic Cash Ledger as collected and reflected by the E-Commerce operator in the monthly return filed.

#### e) Monthly & Annual Return/ Statement and Input Tax Credit

- Every E-Commerce operator who collects amount of tax shall electronically furnish a MONTHLY statement in Form GSTR-8 within 10 Days from the end of the month in which the collection is made.
- The amount of TCS collected by the E-Commerce operator will be reflected in GSTR-2A of the supplier after filing of Form GSTR-8 (by E-Commerce operator) in the GSTN Portal.
- In the same way, as in filing monthly returns, the E-Commerce operator is also required to furnish an Annual statement electronically in Form GSTR-9B by 31st December following the end of the financial year as per section 52(5) of the CGST Act.

**Presently, the date for filing Annual return for E-Commerce operators in Form GSTR-9B is not notified by the Central Board of Indirect Taxes and Customs, Ministry of Finance, Government of India, New Delhi.**

**Also, presently, the last date for filing the Annual return in Form GSTR 9(Annual return for regular taxable persons), 9A (dealer registered under Composition scheme) & 9C (The Audit Report and the Reconciliation Statement) is September 30, 2020**

- The return in Form GSTR-8 and GSTR-9B shall contain the following details relating to i) Outward supplies of goods and services, ii) Goods and services returned, and iii) Amount collected during the month or Financial Year.

#### f) Errors or Omissions and its rectification

If any E-Commerce operator who collects the amount u/s 52(1) of the Act, after furnishing the return/statement found any errors or omissions or incorrect particulars therein, other than as a result of scrutiny, audit, inspection, or enforcement activity by the tax authorities, then he shall rectify the same in



the return of the month of such discovery, subject to payment of Interest u/s 52(6) of the Act.

- The amount in respect of which any discrepancy in the value of such supplies is noticed, the same would be communicated to both the parties under Section 52(9) of the Act. If such discrepancy in the value is not rectified within the given time, then such amount would be added to the Output tax liability of the supplier. The Supplier will have to pay the differential amount of output tax along with INTEREST.

### g) Notices, its reply and Recovery Proceedings

**Section 52(12)** empowers an authority not below the rank of Deputy Commissioner to serve a notice requiring an e-commerce operator to furnish such details relating to:

i) supplies of goods or services or both effected through such an e-commerce operator during any period; or

ii) stock of goods held by the suppliers making supplies through such e-commerce operator in the godowns or warehouses, by whatever name called, managed by such an e-commerce operator and declared as additional places of business by such suppliers, as may be specified in the notice.

- The E-Commerce operator is required to furnish such details **within 15 WORKING Days** from the date of serving of notice.
- In case an E-Commerce operator fails to furnish the information required by the notice, it shall also be liable for PENALTY UPTO **Rs. 25,000/-**

### PRACTICAL ILLUSTRATION EXPLAINING THE TCS MECHANISM UNDER GST

ABC Pvt Ltd. of Amritsar sells mobile phones on Amazon and a customer from Amritsar ordered a mobile phone worth Rs. 40,000. GST rate on mobile phones is 18%. Amazon deducts its commission @10% on value of goods. Calculate

**the amount which ABC Pvt. Ltd. will receive (net) after all deductions assuming there is no ITC balance lying unutilised.**

**Solution:**

#### INVOICE RAISED BY M/s. ABC PVT LTD TO CUSTOMER

Particulars	Amount
Selling price of Mobile phone	40,000
<b>Add:</b> CGST @ 9%	3,600
<b>Add:</b> SGST @ 9%	3,600
<b>Invoice value for the customer</b>	<b>47,200</b>

#### INVOICE RAISED BY AMAZON TO M/s. ABC PVT LTD.

Particulars	Amount
Commission (40,000 * 10%)	4,000
<b>Add:</b> IGST @ 18%	720
<b>Add:</b> TCS @ 1%	400
<b>Total amount to be paid by M/s. ABC Pvt Ltd to Amazon</b>	<b>5,120</b>

Amazon will pay ABC Pvt. Ltd. a net amount of Rs. 42,080 (47,200 - 5,120). As we know that GST law allows credit of IGST to be utilized against CGST output liability and claim the TCS paid by e-commerce operator, ABC Pvt. Ltd. will deduct Rs. 1,120 (720+400) while paying its output liability of Rs. 7,200 (3,600 + 3,600) and will pay only Rs. 6,080/- in cash towards its output tax liability. Therefore, the net amount which would be received in the hands of M/s. ABC Pvt. Ltd. will be as follows:

Particulars	Amount
Total amount received from Customer	47,200
<b>Less:</b> Amount deducted by Amazon	5,120
<b>Net amount to be received from Amazon (A)</b>	<b>42,080</b>

Particulars	Amount
<b>GST Output liability</b> (3,600 + 3,600)	<b>7,200</b>
<b>Less:</b> ITC of IGST paid on Commission	720
<b>Less:</b> Credit of TCS	400
<b>Net GST liability to be paid in cash (B)</b>	<b>6,080</b>



Therefore, net amount that would be received in the hands of ABC Pvt Ltd will be **Rs. 36,000/- (A-B)**

### **CONCLUSION**

The main objective of introducing the TDS & TCS Provisions under GST is to get more transparency under the system to have a curb on the bulky transactions incurring in the current situation. Therefore, I hereby conclude that, we all should welcome this present move of the Government of India to ensure that, the compliance is made by all the taxable persons in the whole chain of the supply process and take this One Nation One Tax One Market initiative of the Government positively. The TDS and TCS provisions under GST are akin to the concept under the Income Tax Act where the Deductee can avail the TDS or TCS Credit by viewing the credit in Form 26AS. In GST, the TDS/TCS Credit is availed through the E-Cash ledger in the GSTN Portal while making the payment of GST and setting off of the ITC Credit.

Thank You

By,  
**Abedeem B. Kapasi**  
CA Final  
Kozhikode (Calicut), Kerala  
[abedeemkapasi@gmail.com](mailto:abedeemkapasi@gmail.com)



## PFA article on E-Invoicing under GST



**SHUBHAM MAHESHWARI**  
shubhammaheshwari032@gmail.com



### Introduction

In order to curb the GST evasion and to further simplify the process, the government has come with yet another scheme of 'E-invoicing' or 'Electronic invoicing'. It is a system in which B2B invoices are authenticated electronically by GSTN for further use on the common GST portal. The government laid the legal roadmap of E-invoicing by issuing Notification no. 68/2019-CT to 72/2019-CT on 13th December, 2019. Also they inserted sub rules 4, 5 and 6 to Rule 48 of Central Goods and Services tax rules, 2017 and introduced Form GST INV-01. Initially the scheme was applicable from 1st April, 2020 to all the taxpayer having a turnover exceeding 100 crores but as per recent amendments and updates, now the applicability has been pushed to 1st October, 2020 and will be applicable to those, having turnover exceeding 500 crores (Instead of 100 crores earlier). Also an updated format of form GST INV-01 was issued via Notification no. 60/2020-CT on 30th July, 2020.

### Benefits of E-Invoicing System:-

The major benefits of e-invoicing system are as follows:

- **Standardization** : One time reporting on B2B invoice data, to reduce reporting in multiple formats (one for GSTR-1 and the other for e-way bill).
- **Automation**: There will be Auto-generation of Sales and Purchase Registers (ANX-1 and ANX-2). Also we can generate E-Way bill using E-invoice data.
- **Seamless Reconciliation** : Reconciliation and data verification between suppliers and recipient will be seamless and thus will provide better control over input tax credit computation and claim.

- **Lesser Compliance** : Reduction in overall compliance burden. Substantial reduction in input credit verification issues as same data will get reported to tax department as well to buyer in his inward supply (purchase) register.
- **Elimination of fake invoices** : Reduction of tax evasion, System level matching of input credit and output tax.
- **Information Availability** : There will be real-time availability of information to all the relevant participants in the supply chain.
- **Environment friendly** : The need of the paper form of the multiple copies of E-way bill is eliminated. Hence, the tons of paper will be saved per day.

### How the System will change:-

Currently, businesses generate invoices through various softwares, and the details of these invoices are uploaded in the GSTR-1 return. Once the GSTR-1 is filed by the respective suppliers, the invoice information is reflected in form GSTR-2A for the recipients for viewing only. On the other hand, the consignor or transporters must generate e-way bill by again importing the invoices in excel or JSON manually.

Under the e-invoicing system the process of generating and uploading invoice details will remain the same. It will be done by importing using the excel tool/JSON or via API integration, either directly or through a GST Suvidha Provider (GSP). The data will seamlessly flow to GSTR-1 preparation and for the e-way bill generation too. The e-invoicing system will be the key tool to enable this.

### How the system will work?



The notified tax payers have to generate the IRN for the supplies/ sales. That is, the IRN has to be generated for the documents of Invoices, Debit Notes and Credit Notes for the local, interstate and export transactions. The tax payer has to upload the complete invoice details, prepared manually or through internal ERP/accounting system, as per the format, and after due validations of the data, the system returns the IRN with the signed invoice and QR code back to the tax payer. The IRN, Ack No, Date and QR code has to be printed by the tax payer on the invoice being issued to the buyer. It may be noted that the IRN can be generated by the supplier only and not by buyer or transporter.

#### **Different mode for generation of IPN:-**

The Tax payers can use any of the following methods for IRN generation:-

- **Offline tool** - Upload the invoices in standard format and generate the IRN in one go.
- **API - Through GSP's integration** - System-to-system integration using APIs through registered GSP's.
- **API – Direct integration** - System-to-System integration using API directly from Tax payers system.
- **API - Through enabled sister concerned GSTIN** - System-to-System integration using API through the sister company of the Tax payers having same PAN. If it has been enabled for API.
- **E-Way Bill API enabled Tax Payers** - System-to-System integration using API for already E-Way Bill enabled Tax Payers.

#### **E-invoice portal:-**

Government on 4th August, 2020 released the E-invoice portal. Following are its few features :-

- The tax payer can see the features like rules, notifications, help, manuals, Audio-Video materials, FAQs, etc. on the e-invoice portal.

- The tax payer can come to know his eligibility for generation IRN by going to the e-invoice portal and selecting 'e-invoice status of Tax Payer' under Search option. On entry of the GSTIN, the system will indicate whether this GSTIN is enabled/ notified for the IRN generation.
- The tax payer can also know the list of registered GSP's (GST Suvidha Providers), who have enrolled to provide the e-invoice services to the tax payers. This option available as GST Suvidha Providers (GSP) under search option.
- One can upload the IRN generated and signed invoice file and get it verified on the portal for the authenticity of the IRN. For this option, select 'Verify Signed Invoice' under search option.
- There is an option in the website to download a Mobile App (for Android and iOS) which may be used to verify the authenticity of the QR code and the contents printed on the invoice. This app may be used by any taxpayers or any external agencies like banks and other financial institutions for verifying the invoice.

Quick references:-

E-invoice portal:-

<https://einvoice1-trial.nic.in/#>

API Developer:-

<https://einv-apisandbox.nic.in/>



## GST-The way forward



**TISHA GUPTA**  
tisha5561@gmail.com



In the Indian federal system since 1935, armed the Union and State with multiple taxes and cesses that they could levy. Capsizing a varied of taxes into a single GST has been a major structural reform in the country. GST is based on the concept of 'ONE NATION ONE TAX'.

As we are in the 4 th year of the implementation of GST, based on the experience of three years, there are various reforms introduced in the taxation system to make it more stable and beneficial for the economy. Various sections were framed under GST to give a boost to the economy. One of such section is section 10-'COMPOSITION LEVY'. The composition levy is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs. 1.5 crore and pays a flat rate of tax regardless of what they manufacture, provide as a service or trade they carry on.

### **SECTION 10-COMPOITION LEVY**

This scheme offers to a registered person, who is required to pay tax at fixed rate on the value of outward supply, regardless of the actual rate of tax applicable on the said outward.

### **Taxpayers who can opt for composition scheme**

A taxpayer whose turnover is below Rs 1.5 crore can opt for Composition Scheme. In case of North-Eastern states and Himachal Pradesh, the limit is now Rs 75 lakh.

As per the CGST (Amendment) Act, 2018, a composition dealer can also supply services to an extent of ten percent of turnover, or Rs.5 lakhs, whichever is higher. This amendment will be applicable from the 1st of Feb, 2019. Further, GST Council in its 32nd meeting proposed an increase to this limit for service providers on 10th Jan 2019.

### **Taxpayers who cannot opt for Composition Scheme**

The following people cannot opt for the scheme-

- Manufacturer of ice cream, pan masala, or tobacco
- A person making inter-state supplies
- A casual taxable person or a non-resident taxable person
- Businesses which supply goods through an e-commerce operator

### **Conditions for availing Composition Scheme**

The following conditions must be satisfied in order to opt for composition scheme:

- No Input Tax Credit can be claimed by a dealer opting for composition scheme
- The dealer cannot supply goods not taxable under GST such as alcohol.
- The taxpayer has to pay tax at normal rates for transactions under the Reverse Charge Mechanism
- If a taxable person has different segments of businesses (such as textile, electronic accessories, groceries, etc.) under the same PAN, they must register all such businesses under the scheme collectively or opt out of the scheme.
- The taxpayer has to mention the words 'composition taxable person' on every notice or signboard displayed prominently at their place of business.
- The taxpayer has to mention the words 'composition taxable person' on every bill of supply issued by him.
- As per the CGST (Amendment) Act, 2018, a manufacturer or trader can now also supply services to an extent of ten percent of turnover, or Rs.5 lakhs, whichever is higher. This amendment will be applicable from the 1st of Feb, 2019.



### How can a taxpayer opt for composition scheme?

To opt for composition scheme a taxpayer has to file GST CMP-02 with the government. This can be done online by logging into the GST Portal.

This intimation should be given at the beginning of every Financial Year by a dealer wanting to opt for Composition Scheme.

### How Should a Composition Dealer raise bill?

A composition dealer cannot issue a tax invoice. This is because a composition dealer cannot charge tax from their customers. They need to pay tax out of their own pocket.

Hence, the dealer has to issue a Bill of Supply.

The dealer should also mention “composition taxable person, not eligible to collect tax on supplies” at the top of the Bill of Supply.

### GST rates for a composition dealer

Following chart explains the rate of tax on turnover applicable for composition dealers :

Tax payable by Manufacturer	Rate of tax -1 % (0.5%+0.5 %) of turnover in State
Tax on restaurant services not serving alcohol	Rate of tax -5 % (2.5%+2.5 %) of turnover in State
Tax payable by traders	Rate of tax -1 % (0.5%+0.5 %) of turnover in State

### How should GST payment be made by a composition dealer?

GST Payment has to be made out of pocket for the supplies made.

The GST payment to be made by a composition dealer comprises of the following:

- GST on supplies made.
- Tax on reverse charge
- Tax on purchase from an unregistered dealer\*

\*Only on the specified categories of goods and services and well as the notified class of registered persons with effect from 1st Feb 2019 but is yet to be notified. Hence, not applicable until then.

### Returns to be filed by a composition dealer

A dealer is required to pay tax in a quarterly statement CMP-08 by 18th of the month after the

end of the quarter. Also, a return in form GSTR-4 has to be filed annually by 30th April of next financial year from FY 2019-20 onwards. GSTR-9A is an annual return to be filed by 31st December of the next financial year. It was waived off for FY 2017-18 and FY 2019-20.

Also, note that a dealer registered under composition scheme is not required to maintain detailed records.

### AMMENDMENT IN 32 ND GST COUNCIL MEETING

Lower GST Rate Composition Scheme for Service Providers- Earlier, the scheme was available to only the suppliers of goods. The scheme will now be available to service providers too. The scheme for service providers is available from 1 April 2019. The composition scheme for service providers gives an option to taxpayers rendering services having aggregate annual turnover up to Rs. 50 lakh to pay tax at a nominal rate, subject to conditions.

The following persons can opt into this scheme

1. Supplier of services only (i.e., service providers)
2. Suppliers of goods and services (i.e., those suppliers who were not eligible for composition scheme earlier)
3. Rate for composition service providers: For composition service providers, the applicable GST rate is 6% (being 3% CGST + 3% SGST)

### AMMENDMENT UNDER FINANCE BILL 2019

A new sub-section has been introduced to bring in a similar Composition Scheme for Service Providers, as well as suppliers of both goods and services (mixed suppliers), having an annual turnover of up to Rs. 50 lakhs in the preceding financial year.

Two further explanations have been added to this section-

- (i) Value of exempt supplies of services provided by way of extending deposits, loans or advances, with interest or discount as the consideration shall not be considered as part of the aggregate turnover, for determining eligibility into the scheme.



(ii) Value of exempt supplies of services provided by way of extending deposits, loans or advances, with interest or discount as the consideration shall not be considered as part of the aggregate turnover, to determine the value of turnover in a particular State or Union Territory.

In addition, any supplies made from 1st April of the year till the date the taxpayer becomes liable for registration shall not be taken into account.

### Reduction in Composition Rates

Particulars	Earlier Composition Scheme	Now in GST Act
Trader	1%	0.5%
Manufacturer	2.5%	1%
Restaurant	N/A	2.5%
Service provider	N/A	N/A

Reduction in composition rates is a welcome move for the MSME sector. Composition scheme has many restrictions such as non-availability of ITC, not eligible for inter-state transactions. Reduction in composition rates will attract more taxpayers to register.

However, service providers are still not eligible for composition scheme thus burdening the various professionals and freelancers.

### No Permission Required for Composition Scheme

Now a taxpayer, whose turnover was less than 50 lakhs in the last financial year, can OPT to pay under composition scheme. He does not have wait for the permission of the proper officer. He can directly register himself under composition scheme.

### BENEFITS OF COMPOSITION SCHEME

One of the Central Board of Excise & Customs (CBEC's) flyers on composition levy scheme in GST says: "Composition levy scheme is a very simple, hassle-free compliance scheme for small taxpayers. It is a voluntary and optional scheme.

· Easy compliance as no elaborate accounts and records to be maintained  
· Simple Quarterly Return  
Fewer compliances in GST. No need to maintain a full set of books of accounts.

- No need to issue a tax invoice.
- Lesser tax rates
- Simplified quarterly return.

### The setbacks in the composition levy of GST

Although it is made for small taxpayers but still there are many restrictions in composition levy. They make it less lucrative.

- It is only good for the B2C supplier. Tax paid via composition invoice is not allowed as an input tax credit.
- The composition dealer is not allowed to collect tax from the buyer. He needs to mention on his specific invoice also that he is not eligible to collect the tax.
- He is not eligible to claim the input tax credit of the tax he has paid on his purchases.
- A composition dealer is also liable for the payment of tax in RCM. The tax paid in reverse charge is not allowed as ITC as well.
- He is not rescued from all the compliance. He is also required to maintain stock.
- It is viable for very few businesses.

GST has a long way ahead as it will become a strengthened digital platform with prompt implementation of the deferred of the much needed transparent e-invoicing mechanism which reflects the minuscule details of B2B transactions and is inclined towards the strengthening of the seamless flow of ITC.





The Institute of Chartered Accountants of India  
NICASA & Amritsar Branch of NIRC of ICAI  
organised  
**VIRTUAL STUDENTS COMPETITION**  
on 25th July 2020

**THE CATEGORIES OF EVENTS WERE:**

SINGING

DANCING (SOLO/GROUP)

POETRY

STAND UP COMEDY

GAMES

Students from various cities across India participated and the event was a big hit and an opportunity for students to showcase their talent. The events were hosted by NICASA Team. The panel of judges for all the events were :

CA PALAK BANSAL

CA PREITY NAGI

CA ISHA SETH

CA SAHIBA ARORA

Cash prizes and digital certificates were awarded to winners of all categories. Winners of competition in each category were :

**SINGING**

JYOTSANA

SUGANDH THAPAR

RAKSHIT SHARMA

HARKIRAT

**DANCING (SOLO/GROUP)**

ISHA VERMA

PARAS

RAJWINDER SINGH

ARCHIT

SHAURYA

**POETRY COMPETITION**

TARUN ARORA

ASHMEET BHATIA

BHAWNA NANDA

AKSHIT MAHESHWARY

SANVEER SINGH

PAWANPREET SINGH.



The event can be watch at the given you tube link  
<http://www.youtube.com/watch?v=RXbQ7BJHjPM>

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(SETUP BY AN ACT OF PARLIAMENT)

**NICASA & Amritsar Branch of ICAI**

organising three hours virtually Student's competition & activities Program on  
**25-july-2020 (Saturday)**

**GAMES**  
\* PUBG \*CHESS  
\*LUDD

**OTHER EVENT**  
\* DANCE (SOLO/ GROUP) \* SINGING  
\* POETRY / STAND UP COMEDY

(STUDENTS CAN SEND THEIR VIDEO BEFORE HAND ALSO OR THEY CAN PERFORM SPONTANEOUSLY DEPENDING ON THEIR OPTION THEY CHOOSE)

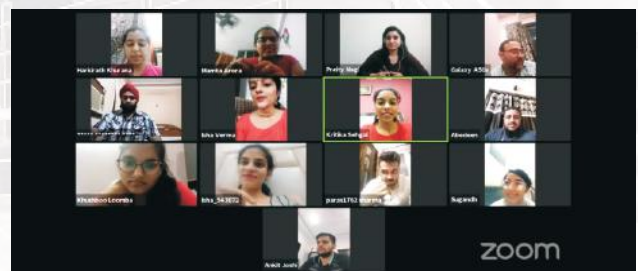
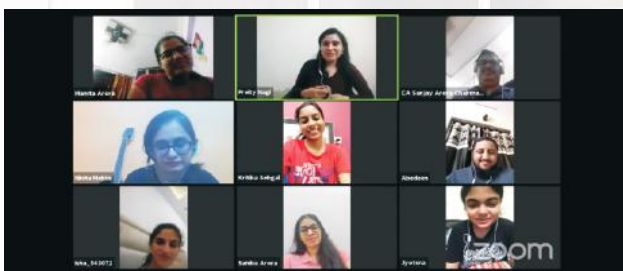
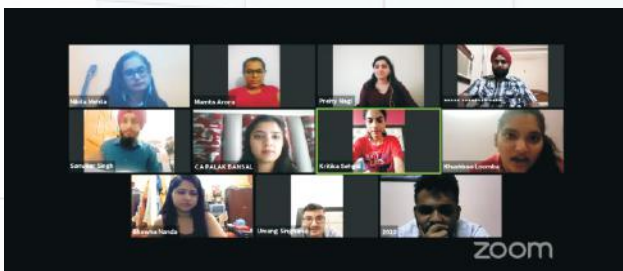
Timings: 4.30 PM to 7.30 PM

**Cash Prize will be awarded to the winners**

Kindly register yourself at "amritsar@nicasa.org" along with your Name, SRN, Activities, contact no and video if any.

for more details & Queries Contact :-

<b>CA Palak Bansal</b> (Chairman- NICASA) Amritsar Branch of ICAI (m.) 99134-62470	<b>Sajan Sharma</b> (Executive Member) NIRC- NICASA (m.) 78372-57993	<b>Vishal Narang</b> (Vice-Chairman) NICASA- Amritsar Branch (m) 9646328806	<b>Kritika Sehgal</b> (Secretary) NICASA- Amritsar Branch (m) 8556040485
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## **Be A Light In Someone's Life**

*(a initiative to encourage students to explore their hidden talent)*

Email : [bealightinsomeonelife@gmail.com](mailto:bealightinsomeonelife@gmail.com)

Contact us :facebook, Instagram, +91-90232-46010

Since the day I was young  
Life I dreamed of  
To be a person who have  
All the happiness in life;  
  
No sorrow, no pain  
all I want was only pleasure,  
I had dreamed of my life  
with only flowers beneath my feet;



But as I grew up  
I saw the different colours of life  
What I thought before  
was just a dream;

As I understood the colours of life  
I realise the real beauty of this world  
as like as thorns enhance the beauty of flowers  
Pain gives the joy of success;

I realise that without hardwork  
Success felt like  
Child born with a silver spoon;

And then I decided to live life  
Which I had dreamed of  
With some bitter sour taste  
adding in my sweet journey

**ASHAR BRINDA**



## *Experiences During Lockdown*



I look back to the days when fear was long back forgotten,  
I look forward to the days when we realised that our life is a puppet dancing on the tune of HIS  
I look back to the days when we never valued, not time, nor money, forget family,  
I look forward to the days when our senses can differentiate between necessity and greed  
I look back to the days when Humanity was a mere word,  
I look forward to the days when a helping hand does not require pictures to prove itself  
I look back to the days when earning was a major goal,  
I look forward to the days when satisfaction and peace is an accomplishment  
I look back to the days when power was a trend,  
I look forward to the days when patience replaces it  
I look back to the days when expectations soared high,  
I look forward to the days when self-love and self healing explores  
I look back to the days when ignorance was our comfort,  
I look forward to the days when awareness takes a new turn.  
  
I look back to the days when finding faults was a job,  
I look forward to the days when blessings haunt our minds  
I look forward to a better world.

THERE IS ALWAYS A WILD DARKNESS UNDER A TAMED DAWN

**LAMIYA POONAWALA**