

ERNAKULAM BRANCH OF SICASA
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
INDIA
E-NEWSLETTER



IGNITE

Aspired minds, Inspire.

JUNE 2017 EDITION

CHAIRMAN'S MESSAGE



Dear Young Friends,

We are on the threshold of welcoming a land mark tax legislation-Goods and Service Tax (GST)-One Nation-One Tax-One Market. It is considered as the mother of all tax reforms and is expected to bring about a uniform system of indirect taxation by replacing various taxes levied by central and state governments as well as local authorities. On our part, being an integral part of the tax system, as tax and auditing professionals, we have to support the Government for the smooth implementation of this historic tax reform. It is essential we educate ourselves and educate others.

There was overwhelming response from the members for the two day GST Seminar organised at YMCA Hall, Ernakulam on 20th and 21st June 2017. Infact we had to close the registration due to space constraints. All the members attended were highly appreciative of the sessions of the learned faculties and we are planning for a one day seminar to bring the updates and practical solutions to the problems in the coming months. Apart from GST Seminar, we had conducted a seminar on Career Counselling and the Revised Scheme of CA Education at Bharthiya Vidyabhavan Hall, Ernakulam, where 255 students from different schools attended. One of the highlights of June 2017 was the Indoor games for members where nearly 250 students joined and contested in different sports events at Rajiv Gandhi Indoor Stadium, Ernakulam. It was a moment of eye opener for all of us how multi-talented our students are. Apart from all these, we had, other programme like study circle meeting, world environment day celebration, Talent hunt competition, Blood Donation programme, Yoga awareness class wherein members participated in large numbers.

Friends, “We don’t see things as they are, We see things as we are.” These are the words of Anais Win. It is very true that on whatever we see, we make a judgement, based on purely our personal thinking. Our judgement may have been influenced by whatever we read or heard earlier. It may not be correct always and in some cases, we may have to regret our decision also. Don’t be very hasty in taking decisions. Always try to see the reality of the things on the other side and understand the correct position before making a decision or judgement.

With warm regards

CA Roy Varghese
Chairman, SICASA Ernakulam Branch

SECRETARY'S REPORT



Dear Friends,

We will be witnessing the biggest indirect tax reform Independent India has seen with the roll out of the Goods and Service Tax on July 1st. GST has also been included for 10 marks in Paper 8: Indirect Tax Laws for CA Final Examination from November 2017 attempt onwards. Keeping in mind the importance of the topic for us, as students and as professionals we have decided to make this month's issue of Ignite a GST special edition. At the onset, I would like to convey my heartfelt Eid Greetings to all our readers on behalf of the entire committee. I would also like to extend my congratulations to all the winners of Intra Branch Indoor games tournament held on 10th June, 2017 at the Regional Sports Centre, Kadavanthara. We have also conducted a Half-Day Seminar on TDS and TCS provisions and Revised Scheme of Education on 17th June, 2017. We are very proud to let you know that we were also able to conduct an Ifthar Meet on the same day for the first time. The event saw a turnout of over a hundred students and I extend my thanks to the student fraternity for their enthusiasm and support. We had also conducted a Two Day Seminar on 20th and 21st of June, 2017 at YMCA Hall. The seminar was attended by more than 350 students. All the sessions were planned to provide students with an overall idea of GST both in academic as well as practical aspects. We have a busy month coming up in July, with Encore 2017, our Intra-Branch Cultural Fest. We also have a full day seminar as well as a half day seminar planned for the month. The Ernakulam Branch of ICAI and Ernakulam Branch of SICASA will be jointly conducting the Intra- Branch Quiz Competition on 29th July, 2017. I look forward to seeing you all at the upcoming events.

Regards,
Farzeen Fazal



EDITOR'S NOTE

Dear friends,

GST being considered the mother of all tax reforms is all set to be implemented and India will be witnessing a game changing tax reform soon. This edition of Ignite focuses on GST and it's various provisions. The two day seminar organized by SICASA on GST was a very successful event and we have included articles prepared by the student speakers of the seminar. We have focused to bring these articles in chart form for better understanding and clarity. Do read and write to us your views regarding this massive tax reform. Happy Reading!

Regards,
Sreelakshmy Menon

AT A GLANCE

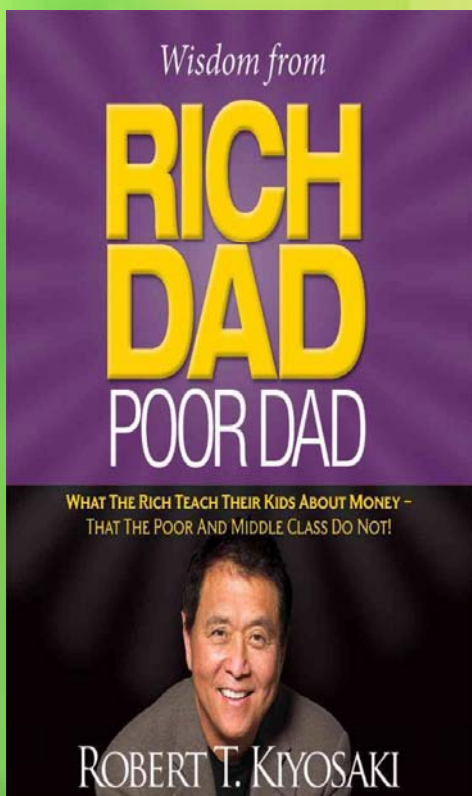
- 1) Time of Supply-An Overview.....5
- 2) Registration under GST provisions.....7

Congratulations

Ms. Devika S for securing 3rd prize in the Regional Level elouction held at chennai on 18th June, 2017. She would be contesting in the National Level Elocution Contest.



THE BOOKWORM!



Name of the book: Rich Dad, Poor Dad

Author: Robert Kiyosaki

Personal finance author and lecturer Robert T. Kiyosaki developed his unique economic perspective from two very different influences - his two fathers. One father (Robert's real father) was a highly educated man but fiscally poor. The other father was the father of Robert's best friend - that Dad was an eighth-grade drop-out who became a self-made multi-millionaire. The title *Rich Dad, Poor Dad* refers to the two main male influences that Robert had as a child. His own father, the figurative "poor dad," worked at a steady job for a living, while the "rich dad" (the father of a friend) ran a multitude of businesses. Most of this book is told from the perspective of Robert learning from his "rich dad" about how to make money – and seeing how his "poor dad" made huge money mistakes. The book was originally self-published in 1997 before being picked up commercially to become a [New York Times](#) bestseller. It has since sold 26 million copies and become a household name.

TIME OF SUPPLY-AN OVERVIEW

1) Forward Charge

Time of supply is prescribed to be earlier of

A) Date of issue of invoice by supplier or the last date on which he is required under **Section 31** to issue the invoice with respect to the supply

Or

B) Date of on which the supplier receives the payment with respect to the supply

This edition focuses on GST and it's provisions. We have covered the concepts 'Time of Supply' and 'Registration under GST Provisions' in this edition.

SECTION 31

Supply of GOODS

Before or at the time of –

a) **Removal of Goods** for supply to the recipient ,where supply involves **movement of goods**,

or

b) **Delivery of goods or making available thereof to the recipient**, in any other case.

Supply of SERVICES

Before or after the provision of service

But within a period of **30 days** in all cases/**45 days in case of banking** and financial institution from the date of supply of service.

2) Reverse Charge

Time of Supply for Goods

Earliest of the following

- i. **Date of receipt of goods**, or
- ii. **Date on which payment is made**, or
- iii. **Date immediately following 30 days from the date of issue of Invoice** by the supplier.

Time of Supply for Services

Earliest of the following

- i. **Date on which payment is made** or
- ii. **Date immediately following 60 days from the date of issue of Invoice** by the supplier.

3) Vouchers

- 1) Tax is applicable only on the subset of actionable claims which **do not represent property in the form of money or securities** and all other forms of actionable claims representing any other property is includable in the definition of goods.
- 2) The property that actionable claims represent even if they are in non-physical form will continue to remain goods and not become services.

Time of supply of Goods and Services–

- i. the date of **issue of voucher** if the supply is identifiable at that point
- or
- ii. and in all other instances, the **date of redemption** of voucher

Residuary

Where none of the above provisions are able to satisfactorily answer the time of supply, it is to be determined based on the residuary provision which states that the time of supply is –

- i) where a periodical return has to be filed, the **due date prescribed for such return**
- ii) in any other case, the **date of payment of the tax.**

Special charges

Sec 12 (6) & 13 (6) Time of supply to the extent it relates to an addition in the value of supply by way of **interest, late fee or penalty** for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

Any form of special charges imposed is liable to GST on receipt basis only if it is due to delay in payment of consideration.

Special Charges imposed for delay in the payment of consideration will enjoy the facility of time of supply being the date of receipt of the charges imposed, that is cash payment of GST.

REGISTRATION UNDER GST PROVISIONS

Person liable for Registration (Sec 22 & 24)

- Aggregate Turnover > Rs. 20 lakhs in a financial year (Rs. 10 lakhs in case of Special category states).
- Person having registration under existing indirect tax laws
- Transferee in case of transfer of business by taxable person
- Compulsory registration cases as per Sec 24.
 - E.g.: Inter-state supplier, person liable to pay tax on reverse charge etc.

Persons not liable for Registration (Sec 23)



Registration: GST v/s Other Indirect taxes

Goods and Services Tax	Central Excise Duty	Service Tax	State VAT laws
Section 22 of CGST Act, 2017	Section 6 of Central Excise Act, 1944	Section 69 of Finance Act, 1994	As per relevant state VAT laws
Aggregate Turnover > Rs. 20 Lakhs	Turnover > Rs. 150 Lakhs	Turnover > Rs. 10 lakhs	Turnover exceeding Rs. 5 lakhs to Rs. 10 lakhs under many state laws

Deemed Provisions for Registration

- Linking provisions between the CGST and SGST/ UTGST Acts.
- Registration under one Act → Deemed to the registration under the other Act.
- Rejection of application under one Act → Rejection under other Act also.

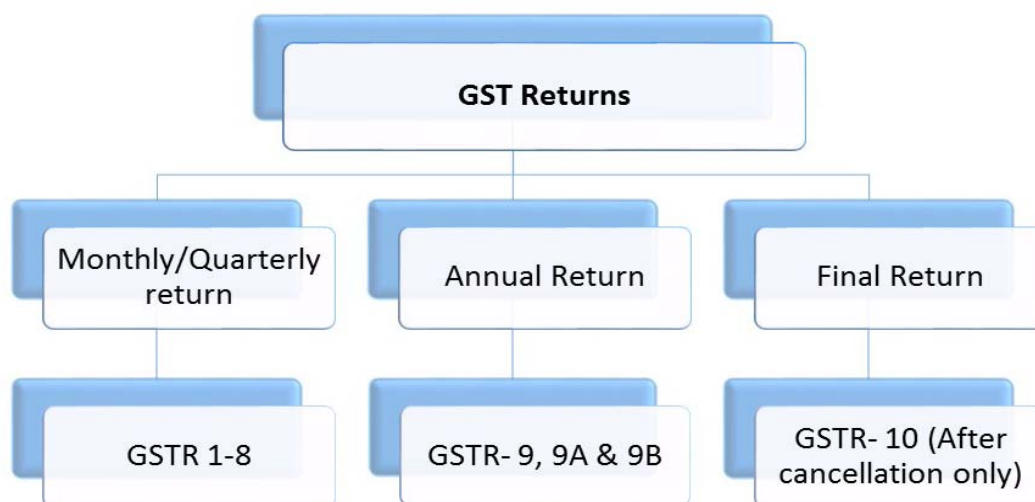
Procedure for Registration (Sec 25)

- **Application** to be submitted **within 30 days** (5 days from the commencement of business in case of casual taxable person/ NR taxable person)
- Every person **shall quote PAN** in the application
- Registration is granted after due verification within prescribed time limit.
- Rejection of application only after giving reasonable opportunity of being heard.
- Normally 1 single registrations are obtained for one person.

Cancellation of Registration (Sec 29)

- **Granting** of cancellation → **business is discontinued**, transferred fully for any reason including death of proprietor/ **change in the constitution** of the business/ **no longer liable to be registered** under Section 22.
- **Effecting by proper officer** → Contravention of Act, **Continuous non-filing of return for 6 months** (3 tax period for composition scheme), non-commencement of business within 6 months for voluntary registration, **registration through fraud**, wilful misstatement etc.
- Gives reasonable opportunity of being heard.
- Will not relieve from the liabilities under the Act.

RETURNS AND MATCHING OF CREDIT

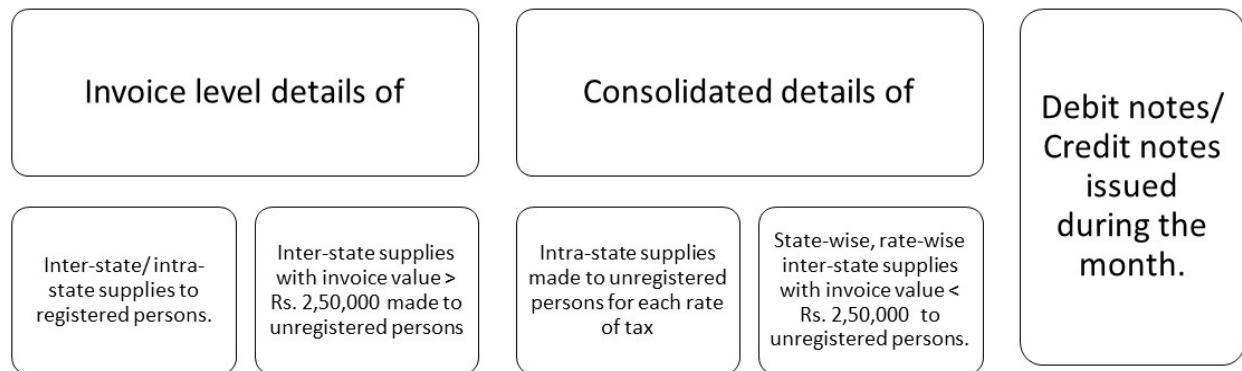


Returns applicable for different persons





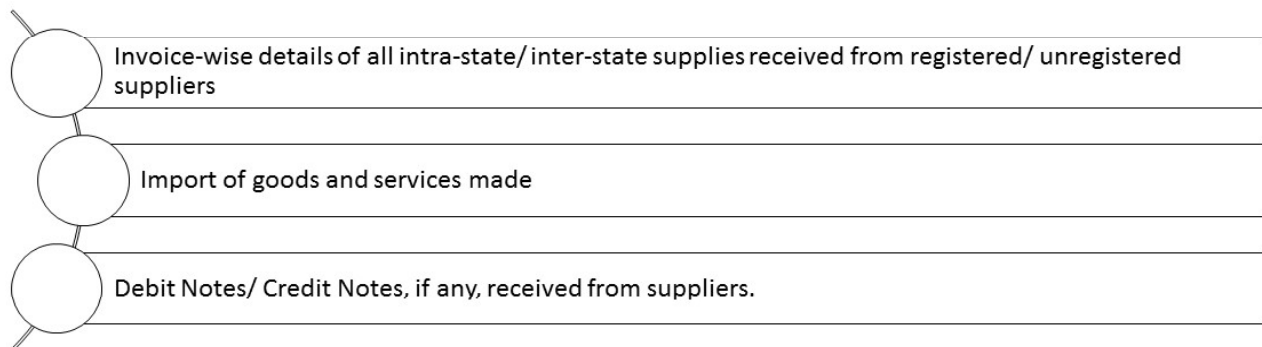
GSTR- 1 (Outward Supply)



Due date for filing → 10th of subsequent month.

The portal will not be available for furnishing the details of outward supply from 11th to 15th of each month.

GSTR 2 (Inward Supply)



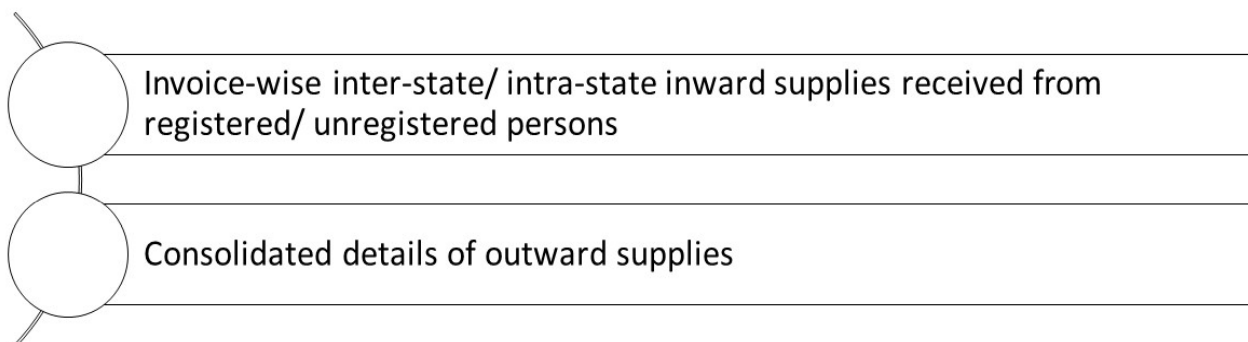
Due date for filing → 15th of subsequent month.

Based on the GSTR-1 filed by suppliers, details of inward supplies are made available to the recipient in GSTR- 2A

GSTR 3 (Monthly Return)

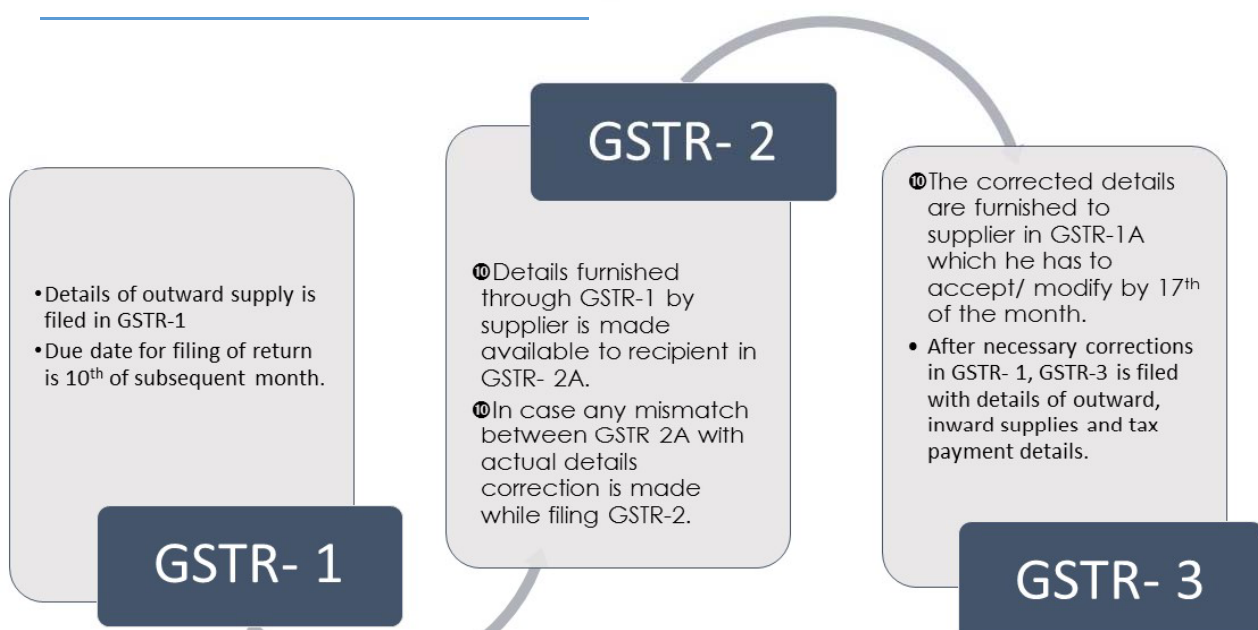
- **Part A:** electronically generated based on GSTR 1 and GSTR 2 filed.
- **Part B:** Details of tax, interest, penalty, fee etc. through E-cash ledger/ E-credit ledger.
- Any refund claim of any balance in the E-cash ledger may be claimed in Part B (deemed to be application for refund)
- Due date of filing → 20th of subsequent month

GSTR 4 (Quarterly return- Composition Scheme)



Due date of filing → 20th of subsequent month

Process of return filing



Annual return

Type of taxable person	Form in which annual return to be filed
Normal registered person	GSTR- 9
Composition dealer	GSTR- 9A
E-Commerce operator	GSTR- 9B

Limit for audit under GST: Aggregate Turnover > Rs. 2 Crore

Annual return needs to be filed with a copy of audited annual accounts and a reconciliation statement in GSTR 9C.

Audit can be done by CA/ CMA.

Due date for filing → December 31 following the end of the financial year

Matching of Input Tax Credit

- After filing of GSTR-1, GSTR-2 and GSTR-3, the details of inward supply furnished by recipient will be matched with the corresponding details.
- In the process of such matching, the details of inward supplies which matches with the details of outward supplies shall be finally accepted and shall be accordingly communicated to the recipient.

This article shall be continued in the forthcoming issue. The above given article is prepared by Amal Paul and Achuth Pradeep.

SICASA Programmes for the month of July 2017

Sl.	Date	Programmes
1	09.07.2017	CA Students Cultural Fest – Encore 2017 at Renewal Center, Azad Road, Kaloor, EKM
2	13.07.2017	SICASA Managing Committee Meeting
3.	18.07.2017	Study Circle Meeting on Revised AS 10 Property, Plant and Equipment
4.	22.07.2017	Proposed One Day Seminar
5.	29.07.2017	Proposed Half Day Seminar
6.	29.07.2017	Quiz Contest for CA Students & AGM 2017

HALF DAY SEMINAR ON 17.06.2017



INDOOR GAMES ON 10.06.2017



BLOOD DONATION CAMP ON 26.06.2017



TWO DAY SEMINAR ON GST ON 20TH & 21ST JULY 2017

