Business Standard

GSTN makes PIN code must for transporters, businesses for e-way bill

So far, businesses and transporters are required to broadly mention the distance and place of loading and unloading of consignments for generating e-way bill

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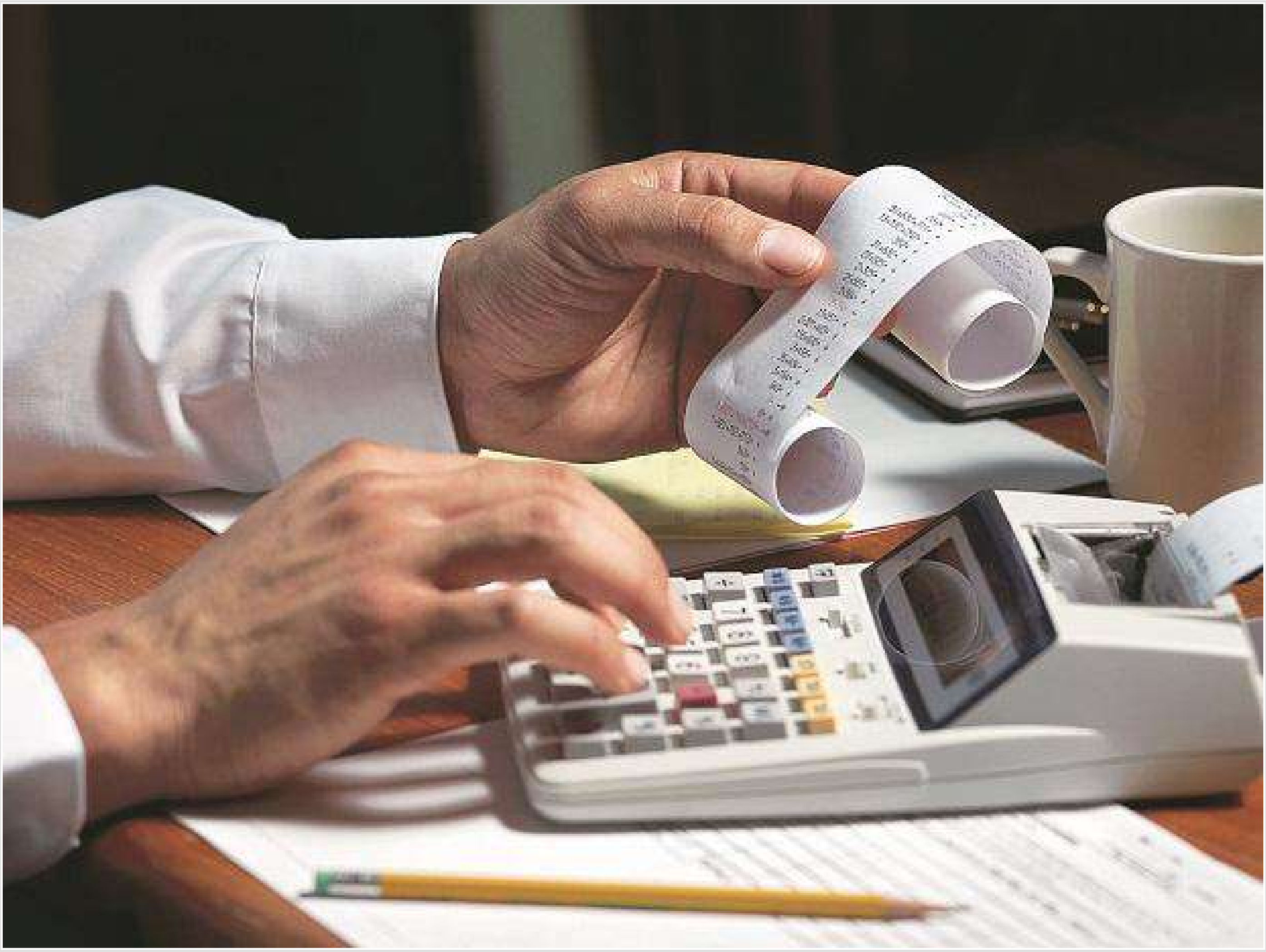

Tightening the norms for issuance of e-way bill, the GST Network has made it mandatory for businesses and transporters to mention PIN codes of places of loading and unloading of consignments.

Quoting of PIN codes, according to officials, will help in calculating the correct distance and determine the validity of the electronic way or e-way bill, which is used by businesses to transport goods worth over Rs 50,000 both within and outside a state.

So far, businesses and transporters are required to broadly mention the distance and place of loading and unloading of consignments for generating e-way bill.

As the validity of the e-way bill depends upon the distance mentioned by the businesses, it was feared that this could lead to tax evasion by transporters making multiple trips on the basis of same e-way bill.

The validity of the e-way bill is one day if the distance to be covered is less than 100 km. For every additional 100 kms or part thereof, the validity of the bill goes up by one day.

Under the revised procedures for obtaining e-way bill, the GSTN has introduced the facility of auto population of state name based on the PIN code entered at consignor or consignee addresses, an official statement said Wednesday.

The move would further smoothen the experience of users generating e- way bill, the Goods and Services Network (GSTN) said.

Another new feature now available on the e-way bill portal now alerts the generator of the e-way bill through a pop up and SMS message, in case the total invoice value entered by them is very high, to avoid making mistake, GSTN said.

"The new features are part of GSTN's continuous efforts to improve user experience and make the e-way bill generating process easy and convenient for users. These new features have been developed and introduced in response to feedback from both users as well as tax authorities to make generating of e-way bill easier," GSTN said.

Between April 1 when the system came into force and September 30, a total of Rs 253.2 million e-way bills have been generated. Of this, the inter-state transport of goods have accounted for 121.4 million of the bills while the intra state transport has contributed to 131.2 million.

As many as 245.3 million taxpayers and 31,232 transporters have registered with the e-way bill system so far.

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Know how GST impacts your Income Tax Returns this year

BY ET CONTRIBUTORS | OCT 04, 2018, 09.54 AM IST

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By Archit Gupta

There is still time for GST return filing for the month of September 2018, which is due on 20th October 2018.

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It is now essential for every business or professional, to provide GST details in their income tax returns.

While the compliances are relatively less for proprietors and individual businessmen, companies have been asked to give a split of their expenses, between payments made to GST registered and not registered entities for the FY 2017-18. This makes the financial statements and GST filings inter-connected. There is substantial cross-reporting between the two, let's understand this further.

The GSTIN and turnover/gross receipt as per GST must be reported while filing ITR-4. This, of course, applies only if you are registered under GST. Details of CGST and SGST or IGST paid on Sales/ Purchases/ Expenses must be given in the profit and loss account, by all those who are filing ITR-3, ITR-5 and ITR-6. Additionally, the amount of input tax credit remaining unclaimed as of 31st March 2018 should be disclosed in 'Schedule OI'(Other Information) of the ITRs listed above.

As per the Income Tax Act, 1961, companies are required to furnish their returns in the ITR - 6 form, except for those earning income from property held for charitable purpose, who must file ITR-7. These companies while filing the ITR-6, have to disclose the break-up of their total expenditure including purchases from entities which may or may not be not registered under GST.

This requirement is applicable to all companies whether or not required to get their books of accounts audited under section 44AB. Earlier, GST related reporting in Form 3CD was relaxed until 31st March 2019. But this relaxation has not been extended to ITR-6. Being the first filing season post the GST implementation, an interim relief was expected until GST system settles in.

The assessees under the GST schedule of ITR-6 must declare the following:

- Total summary expenditure: The assessee must state the total amount of expenses made during the year after GST was implemented; break-up of the aggregate of the expenditure as reported in the schedule Part A - Profit & Loss/ Profit & Loss as per Indian Accounting Standards between July 2017 up to March 2018.
- Purchases from or expenditure made to entities registered under GST must be reported. This is done by giving break up of expenses into 3 buckets - for goods and services exempt from GST, purchases from composition dealers and balancing figure will be reported purchases/expenses under 'other registered entities'.
- Expenditures relating to entities not registered under GST.

Companies need to report the breakup of the total purchase and expenses booked in the Profit and Loss Account (P&L) in the GST schedule. There should be a clear bifurcation of expenditure that attracts GST and those that do not attract GST. Such expenditure may include the purchase of inputs, consumables, freight, repairs, rents, audit fees, etc.

These assessees are required only to give a summary of the expense details, and not report on the GSTIN level. The objective behind this is to gauge in total the transactions taking place under registered GST and unregistered GST entities.

With regards to the ITR-4 to be filed by businesses opting for presumptive tax scheme, declaring GSTIN will have significant relevance. An assessee opting to presumptive taxation scheme must have turnover below 2 crores if doing a business (Section 44AD) and under

Rs 50 lakh if pursuing specified professions (under Section 44ADA). The GSTIN disclosure gives IT Department a source to verify the turnover with that declared under GST system.

In conclusion, company assessees are inconvenienced with little clarity on how this data may be used and what to expect in the coming months on compliance. The data so reported by assessees may be subject to changes later and this may need a revision too; this means that the data being reported in the income-tax returns and the GST returns must be aligned to avoid potential disputes in the future.

There is still time for GST return filing for the month of September 2018, which is due on 20th October 2018. But reconciliation for FY 2017-18 by businesses between GST returns and books of accounts is of utmost importance even before filing of Income tax returns for AY 2018-19 (now due on 15th October 2018). Since the management and the auditor will sign off on the financial statements which include GST numbers. Timely reconciliation will save assessees from pain and revisions later.

The writer is Founder & CEO ClearTax.