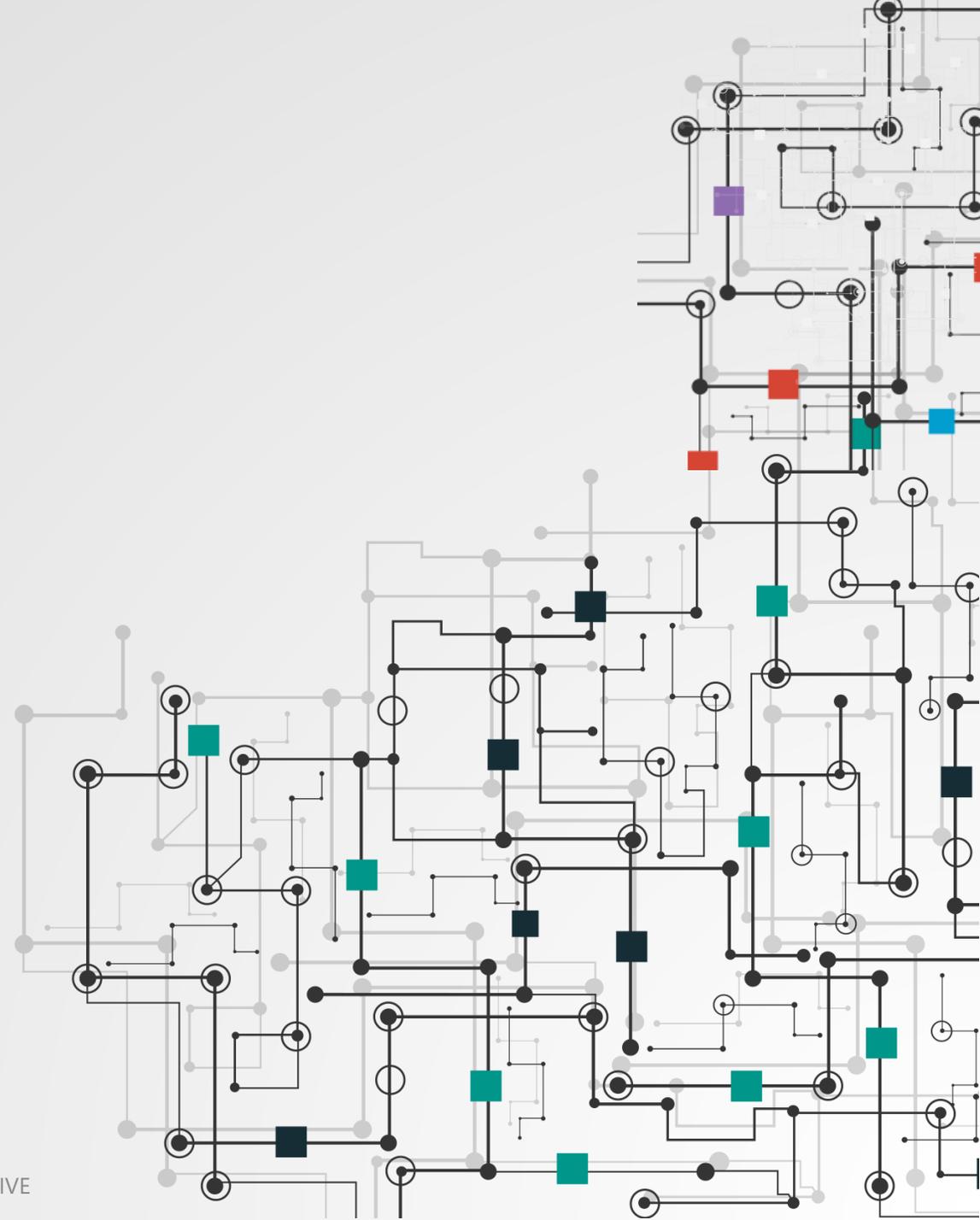**Cygnet GSP**

GST Returns Simplified

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INTRICACIES OF GST NETWORK AND
ROLE OF (GSP & ASP)

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EMERGING LANDSCAPES FOR GST

ORGANIZATION READINESS

Have you analyzed GST Impact on your Supply Chain, Logistics, pricing, working capital and inventory?

ECOSYSTEM

Are your Vendors, Customers and other Stakeholders GST compliant or not?

01

02

03

IT INFRASTRUCTURE

Is your accounting system GST Compliant?
Are you ready for complex return filing under GST regime?

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ROLE OF GSP, ASP AND GSTN

Tax Payer → **ASP** → GSP Pass-through API → **GSP** → API shared by GSTN → **GSTN**

ASP

- Reconciliation
- Multiple Business Management
- Validation/Sorting
- Distribution of Data into respective sections

GSP

Provides connectivity to connect to GSTN

Data Security.

GSTN

IT Backbone under GST regime

IMPACT ON IT SYSTEMS

INVOICE FORMAT

- Tax Invoice / Bill of Supply
- GSTIN / UIN
- HSN Code / Service Code
- Rate of CGST/IGST/SGST/UTGST
- Place of Delivery different from Place of Supply
- Is Reverse Charge applicable?

VENDOR MASTER

- State wise GSTIN and their addresses if more than one branches
- Reverse charge, if applicable
- Exemption, if applicable

REVENUE MASTER

- SGST, CGST, IGST, UTGST code
- SGST, CGST, IGST, UTGST Rate & Amount

STOCK TRANSFER

- Branch transfer is attracted by GST

PURCHASE ORDER AND SALES ORDER MASTER

- Sales data to be filed first, to make reconciliation easy, both should be changed in line with invoice format and include various details like GSTIN, HSN/SAC Code, POS etc

CUSTOMER MARKET

- State wise GSTIN and their addresses if more than one branches
- Reverse charge, if applicable
- Exemption, if applicable

EXPENSE GL/REGISTER

- SGST, CGST, IGST, UTGST code
- SGST, CGST, IGST, UTGST Rate & Amount

GOOD & SERVICES MASTER

- Maintain HSN/SAC code
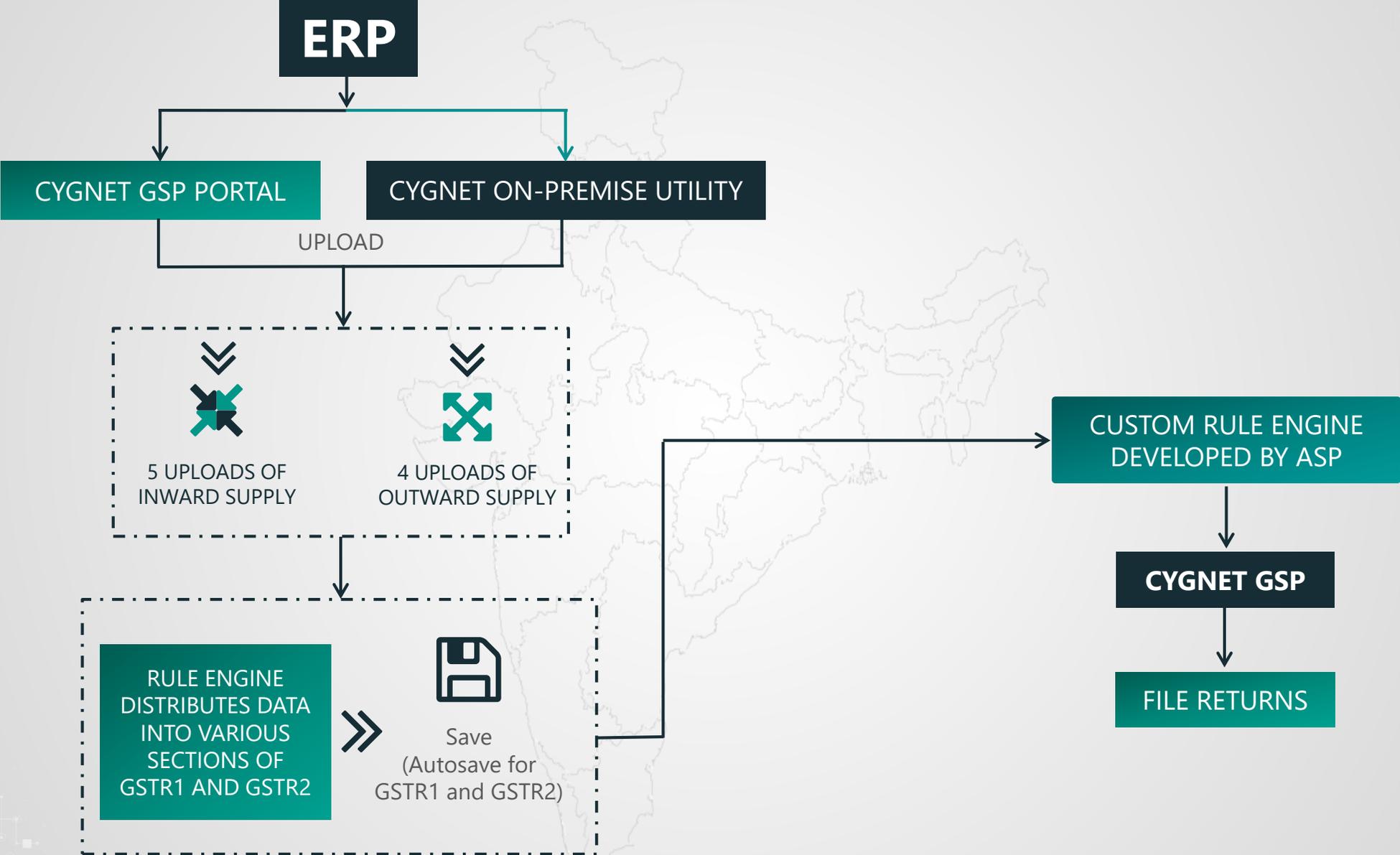- Product/ service wise Item codes to be mapped with HSN/ SAC Code
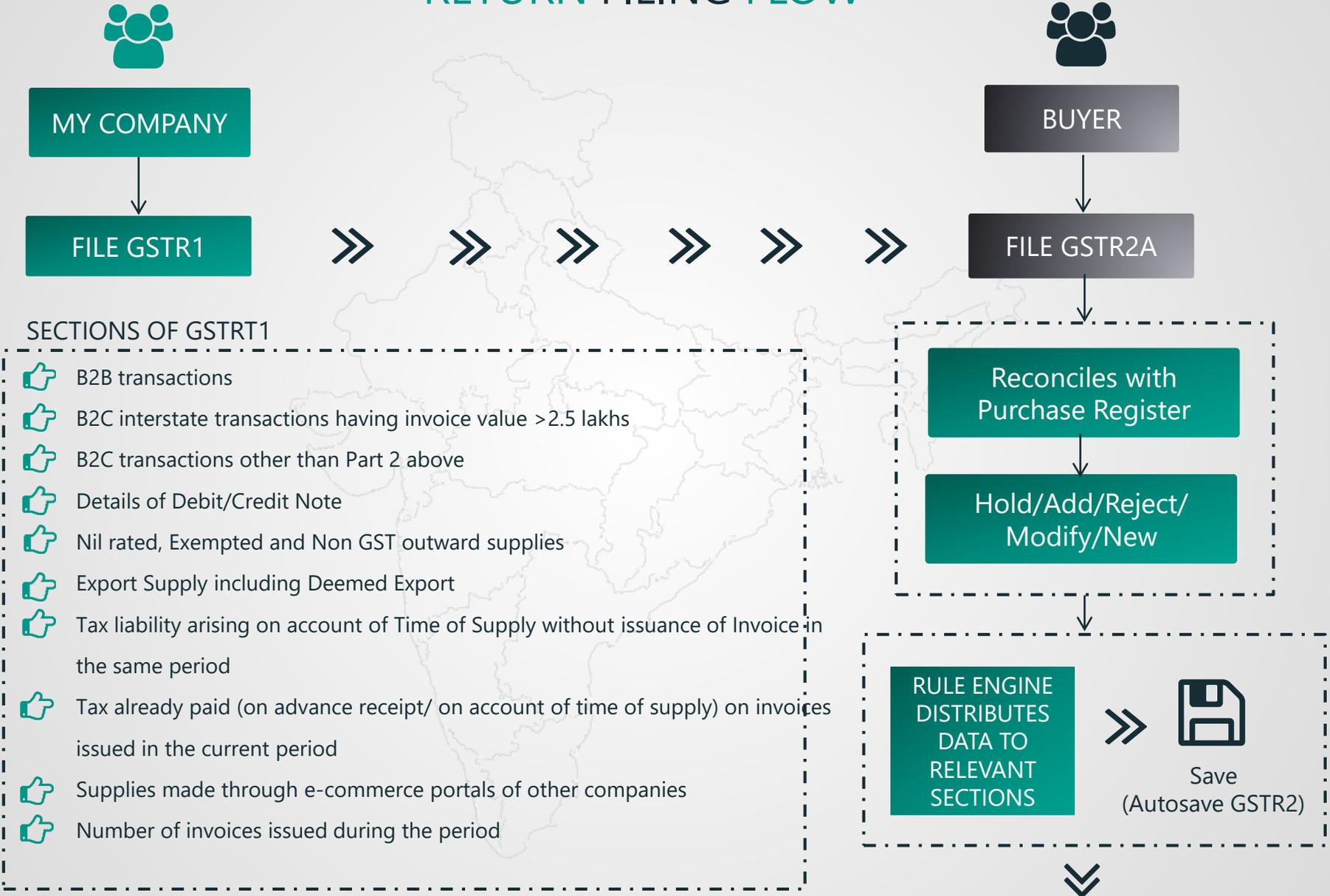
GSTR 1, 2 and 3 DETAILS

TYPES OF FORM

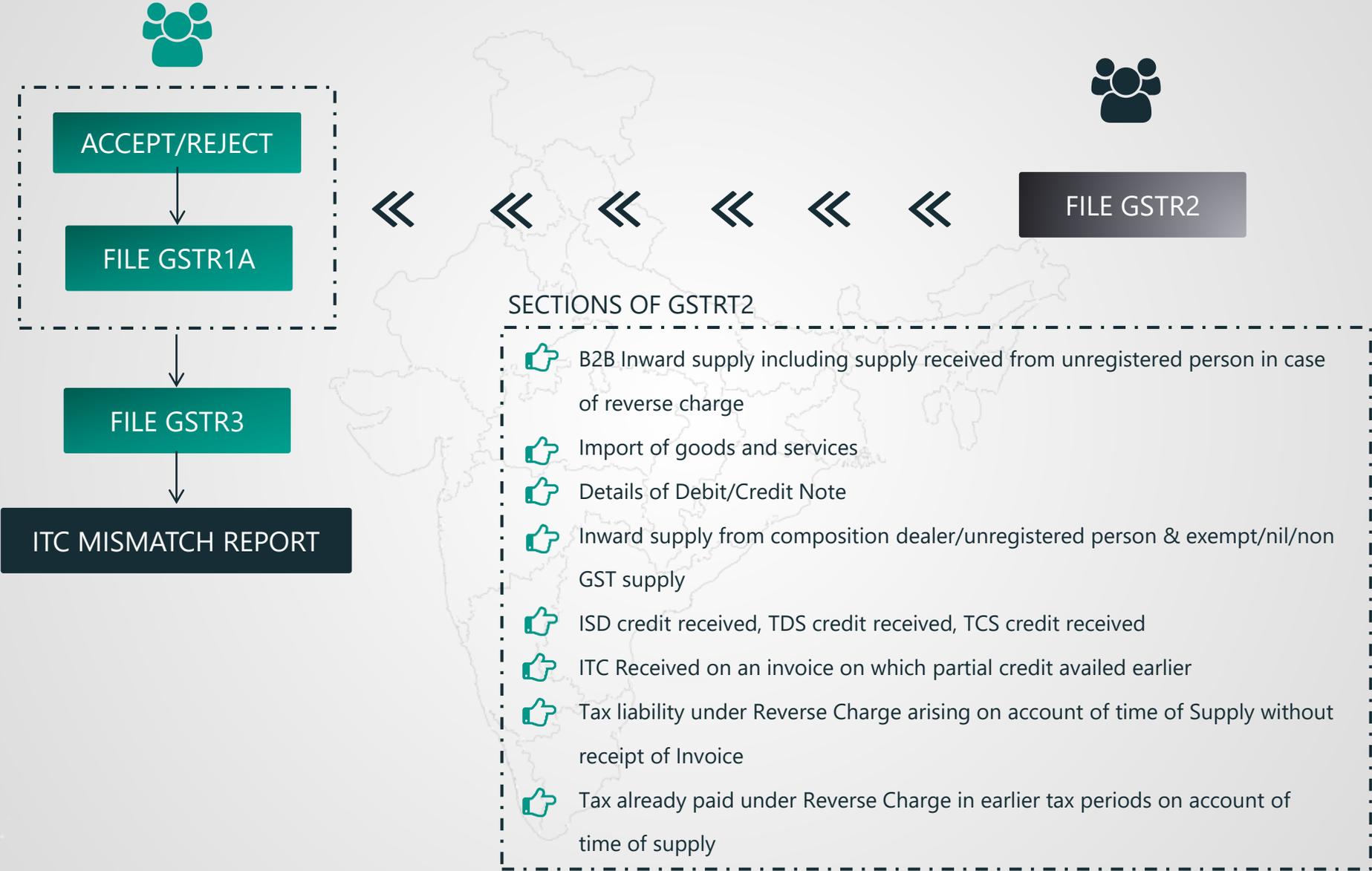|	
FORM GSTR - 1	Details of outward supplies of taxable goods and/or services effected
FORM GSTR – 2A	Details of inward supplies made available to the recipient on the basis of FORM GSTR-1 furnished by the supplier
FORM GSTR - 2	Details of inward supplies of taxable goods and/or services claiming input tax credit
FORM GSTR – 1A	Details of outward supplies as added, corrected or deleted by the recipient
FORM GSTR – 3	Monthly return on details finalization of outward supplies and inward supplies along with the payment of amount of tax

RETURN FILING FLOW

ERP

CYGNET GSP PORTAL

CYGNET ON-PREMISE UTILITY

UPLOAD

5 UPLOADS OF INWARD SUPPLY

4 UPLOADS OF OUTWARD SUPPLY

RULE ENGINE DISTRIBUTES DATA INTO VARIOUS SECTIONS OF GSTR1 AND GSTR2

Save (Autosave for GSTR1 and GSTR2)

CUSTOM RULE ENGINE DEVELOPED BY ASP

CYGNET GSP

FILE RETURNS

RETURN FILING FLOW

MY COMPANY

FILE GSTR1 ≫ ≫ ≫ ≫ ≫ ≫

BUYER

FILE GSTR2A

SECTIONS OF GSTRT1

- 👍 B2B transactions
- 👍 B2C interstate transactions having invoice value >2.5 lakhs
- 👍 B2C transactions other than Part 2 above
- 👍 Details of Debit/Credit Note
- 👍 Nil rated, Exempted and Non GST outward supplies
- 👍 Export Supply including Deemed Export
- 👍 Tax liability arising on account of Time of Supply without issuance of Invoice in the same period
- 👍 Tax already paid (on advance receipt/ on account of time of supply) on invoices issued in the current period
- 👍 Supplies made through e-commerce portals of other companies
- 👍 Number of invoices issued during the period

Reconciles with Purchase Register

Hold/Add/Reject/ Modify/New

RULE ENGINE DISTRIBUTES DATA TO RELEVANT SECTIONS ≫ 💾 Save (Autosave GSTR2)

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RETURN FILING FLOW

ACCEPT/REJECT

↓

FILE GSTR1A

↓

FILE GSTR3

↓

ITC MISMATCH REPORT

FILE GSTR2

SECTIONS OF GSTRT2

- 👍 B2B Inward supply including supply received from unregistered person in case of reverse charge
- 👍 Import of goods and services
- 👍 Details of Debit/Credit Note
- 👍 Inward supply from composition dealer/unregistered person & exempt/nil/non GST supply
- 👍 ISD credit received, TDS credit received, TCS credit received
- 👍 ITC Received on an invoice on which partial credit availed earlier
- 👍 Tax liability under Reverse Charge arising on account of time of Supply without receipt of Invoice
- 👍 Tax already paid under Reverse Charge in earlier tax periods on account of time of supply

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HOW DOES IT WORK?

IMPORTANT POINTS FOR CHANGE IN ERP SYSTEMS

Implementation of ERP Patches

Implement the Patches provided by major ERP system. In case it is proprietary ERP system addition of fields needed as per GST guidelines
E.g. Change in Invoice format as per Invoice Rules
Change in Tax Rate and Amount
Capturing of Stock Transfer separately

Validation of Invoices, PO & SO

To avoid invalidated data going into GSTN network necessary validation need to build at Invoice, PO and SO level. Garbage in shall be Garbage out. Our Validation engine shall work to an extent possible
If Invoice No. is mentioned incorrect, it will be part of Unmatched Records in reconciliation
If POS is wrongly captured, our validation Engine will throw an error basis the same. But while passing an entry capturing correct POS is very important
If GSTIN of Vendor is mentioned incorrect while passing entry, it will again be part of unmatched records

Flags for Nil rated, Exempted and non GST Products

Flag is required for Nil rated, exempted and Non GST product like Crude, Natural Gas, Petrol, Diesel, ATF because there is specific section in GSTR 1 and GSTR 2 (At HSN/SAC level and Inter State/Intra state transaction level))

Information for Reverse Charge

Ensure necessary flag for Reverse Charge applicable in your masters and the same getting exported with your data because invoice level separate identification is required for reverse charge applicability

Debit and Credit Note Master

Till date focus was never to route transaction through Debit/Credit Note. Under GSTR 1 filing, separate section required for Debit/Credit Note and Reconciliation between GSTR 2A and Inward Supply Register is also to be done at debit/credit Note level.
Referencing of Debit/Credit Note to invoice issued is equally important because the same is to be furnished while filing GSTR 1

IMPORTANT POINTS FOR CHANGE IN ERP SYSTEMS

Bill wise Reconciliation

1. Bill wise reconciliation needs to be built at ERP level in case of Advance Payments which will attract GST
2. To mitigate any future issues for all B2B transactions a bill wise settlement report is necessary
3. Referencing has to be given when advances get settled at a future date against invoice issued to avoid double taxation
4. Eg. Rs. 1000 received from X Ltd. in the month of Jan-2017. tax has to be paid on this advances and should be disclosed in Section 11 of GSTR 1

Invoice of Rs. 1500 issued against said advance in the month of Mar-2017. If proper referencing is not given, there are chances of making double payment for said amount under Section 5 and Section 11 of GSTR 1. If proper referencing is given then tax to be paid only on Rs. 500 in Section 5 whereas rest Rs. 1000 to be shown under Section 12 of GSTR 1

Business model changes

Implement the necessary Business model changes
Plan out the necessary ISD credit distribution
Suppose, X Ltd. is having 4 separate registrations though having single PAN. For certain expenses like Audit fees, consultancy charges etc invoicing is done in name and GSTIN of HO. In that case, X Ltd. should get ISD registration under HO and distribute credit to all those separate registrations as per ISD provisions. This will help X Ltd. in tax planning and liquidity management for each registration. There may be a possibility that HO is always having excess credit to be carried forward and branches have GST payable every month. By taking ISD registration, credit can be utilized in best possible way

Amendment to invoice

While making any amendment to invoice, referencing to be given against old invoice because while filing GSTR 1, both Original and Revised invoice both details are required to be furnished

WEB, MOBILE AND DESKTOP OFFERINGS

VALUE ADDITION

- 👍 Multi-layered reconciliation engine

- 👍 Sophisticated rule engine

- 👍 Multi stage validation process

- 👍 SMS & email services

- 👍 Support for both DSC & e-Signing

- 👍 Advanced filters

- 👍 User, roles & permission based system

- 👍 Single subscription for all your businesses / branches / locations

- 👍 Upload & download invoices in multiple formats such as CSV, XLS, XLSX, JSON, XML, etc.
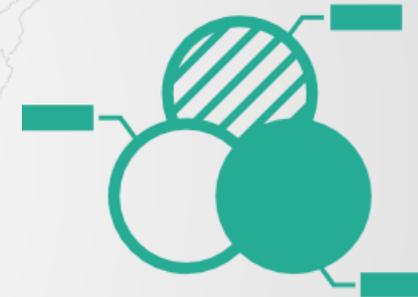
ON-PREMISE SOLUTION

ON-PREMISE SOLUTION

👍 Cygnet GSP ASP offering available as On Premise Desktop / Web Solution

👍 Data such as Invoices, Credit/Debit Notes, ITC Mismatch reports, etc. available on premises to the customer

👍 Our on-premise solutions are GSTN compliant
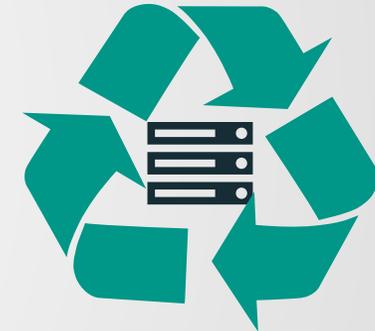
ENRICHED API

ENRICHED API

👍 Restful API design

👍 Integration ability with all different platforms and devices

👍 Secure & token based communication

👍 All functionality on Cygnet GSP web portal available as API integration

👍 Token & Session management, Branches/Locations/Users management, Rules, Reconciliation,

SMS & Email, validations, etc. value added features available in form of API
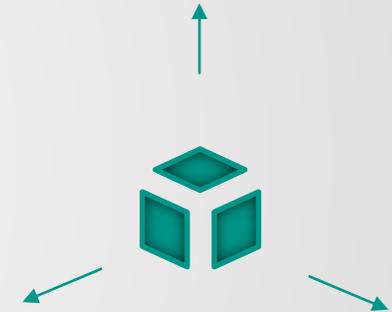
PASS THROUGH API

PASS THROUGH API

👍 All API calls directly open & available to third party software integration

platforms.

👍 Connected over high-speed bandwidth in our Data Center

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DATA TRANSFER UTILITY

DATA TRANSFER UTILITY

- Asynchronous Operation

- Bulk Uploads

- Big file uploads

- Real time Pause / Resume for uploads

- Auto resume

- Works on low internet bandwidth

- Detailed reporting of failed inward & outward supplies to GSTN

- Ability to generate and transfer raw data in CSV, JSON & XLS / XLSX format

- Ability to connect, import and export data from third party ERP systems

VALIDATION UTILITY

VALIDATION UTILITY

👍 Online and Offline mode

👍 Lightweight desktop application

👍 All Inward & Outward supplies checked against GSTN guidelines

👍 Ability to validate both excel and CSV files

👍 Bulk Import to validate multiple files at a time

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SOFTWARE SECURITY

SOFTWARE SECURITY

👍 HTTP SSL

👍 RSA + AES 256 Bit Encryption

👍 Subscription based database instances to ensure data integrity & privacy

👍 Authentication & Authorization

👍 SQL Injection

👍 XSS prevention

👍 CSRF attack

👍 Application DOS prevention