AN OVERVIEW OF GST

(A COMPREHENSIVE E-BOOK)

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Chapter 1: Basics of Taxation and Introduction of GST

What is Tax?

The term tax can be defined as a compulsory financial charge with regard to some levy which is imposes on the taxpayer through a government organization for the funding of different types of expenditure of the Government. As per the law of India, the failure in paying of tax, evasion of tax, resistance of tax is punishable.

Taxes can be divided in to two types direct and indirect and it can be paid in monetary terms or in terms of labor. Most of the countries across the globe follow the taxation structure for the payment of public national needs as well as functioning of government. Some of the countries impose a flat rate for the taxation of the personal annual income of an individual whereas other follows the slab of tax rate for as per the limit of the annual income. However, in case of indirect income the theory is different as these taxes are collected for the buying or selling of certain goods or services.

What is Direct and Indirect Tax?

Taxes are imposed in many forms which may be direct or indirect. The taxes which are paid directly to the government by the payer of tax are known as direct tax, as the name suggests. Some of the examples of direct tax are income tax, wealth tax, corporation tax etc. This type of tax is applied on the organizations and individual who pay the taxes to the government directly.

On the other hand, the taxes which are applied by the manufacturers and sellers for the purchase or sell of goods and services can be termed as indirect tax. This type of tax is paid to the government initially through an intermediary, who later make addition in the amount of the tax paid for the valuation of the goods and services and passes the same on the total amount of the user. Some of the examples of indirect taxes are service tax, VAT, excise duty, custom duty etc. However, all these type of indirect taxes is currently replaced with the introduction of Goods and Service Tax (GST) in the year 2017 in India.

What is GST?

As mentioned earlier, Goods and Services Tax (GST) is an indirect tax which is also known as consumption tax imposed in India for the supply of various goods and services. GST is imposed in almost each and every step in the process of production. However, this tax is meant to be refunded to the parties in different stages of manufacturing other than the end user.

Generally, the tax slabs under GST for collection of tax is divided into five slabs such as 0%, 5%, 12%, 18% and 28%. However, it is to be noted that the products in relations to alcoholic drinks, petroleum products, electricity are not being taxed under the current GST regime. In simple words, the GST regime does not define or has provided any provision for taxation. The aforesaid items are taxed separately by the state government of each state. Apart from that special rate have been prescribed for some precious and semi precious stones and gold which are 0.25% and 3% respectively. Additionally a cess of 22% is being charged on top of 28% of GST on some items which includes luxury cars, aerated drinks and tobacco products.

Goods and Service Tax came into force on 1 July 2017 across India. This implementation of the act came into force with the implementation of 101 Amendment of the Indian Constitution by the Government of India. The implementation of GST replaced the other existing indirect taxes including service tax, vat, custom duty, excise duty etc. Currently, all the indirect tax rules, regulations, rates are administered by the Goods and Service Tax council. This council consists of finance ministers of all states and central government.

History of GST

The reform indirect tax regime in India began in the year 1985 by Vishwanath Pratap Singh, then Finance Minister of India. (At that time Rajiv Gandhi was the Prime Minister of India). The government of India in the same year with the introduction of the MODVAT tax which is also known as Modified Value Added Tax. Later, the other Prime Minister of India P V Narasimha Rao and his Finance Minister Manmohan Singh was of the idea to implement the scheme of Values Added Tax also known as VAT for every state.

Later, in the year 1999, the proposal for the implementation of Goods and Service Tax also known as GST was proposed in a meeting in front of the Prime Minister Atal Bihari Vajpayee and his panel of economic advisory which includes governors of Reserve Bank of India IG Patel, C Rangarajan and Bimal Jalan. The aforesaid advisory committee was later governed by the Finance Minister of West Bengal Asim Dasgupta to form a design for the model of GST.

The Ravi Dasgupta Committee later provided the task to put the backend technology and the logistics. However, in the year 2015, it was known as the Network of GST which worked as a uniform regime of taxation throughout the country. In the year 2002, the government of Atal Bihari Vajpayee, the Government of India constituted a task force under the guidance of Vijay Kelkar for the recommendations of various tax reforms in India. This task force in the year 2005 recommended to roll out GST as per the suggestion of the twelfth Finance Commission.

When the Government of NDA came in to force in the year 2004 in the Lok Sabha election, P Chidambaram, the new Finance Minister in February 2006 did not discontinue the previous proposal on GST and rolled out the same in the month of April 2010. However, The Trinamool Congress in the year 2011 was expanding its power in West Bengal and the head of GST committee Asim Dasgupta resigned from his post. However, in an interview he stated that almost 80%

In the year 2014, Bharatiya Janata Party in Lok Sabha election came into power. The approved the bill for GST was again introduced by the standing committee as it was lapsed at that time. After the formation of Modi government, the new finance minister Arun Jaithley proposed the GST bill again in the Lok Sabha where majority of members were of BJP. In February 2015, for the implementation of GST finance minister Arun Jaitley provided a deadline till 1 April 2017. The Lok Sabha passed the aforesaid Constitutional Amendment Bill for implementation of GST. However, the congress demanded that the GST Bill must be sent back again to the selection committee for review of the Rajya Sabha as a result of disagreement on the various statements mentioned in the Bill in relation to tax. At last, the Amendment Bill was passed in August 2016. From the next 15-20 days, about 18 states made ratification in the passed amendment bill and thereafter the then President of India Pranab Mukherjee provided his nod for the implementation of GST.

Thereafter, a 21 member selection committee was made to propose various laws in relation to GST. The GST Council later in the year 2017 approved the Central Goods and Services Tax Bill otherwise known as The CGST Bill, the Integrated Goods and Services Tax Bill otherwise known as The IGST Bill, the Union Territory Goods and Services Tax Bill otherwise known as The UTGST Bill, the Goods and Services Tax (Compensation to the States) Bill otherwise known as The Compensation Bill. On 29 March 2017, All the aforesaid bills was passed in the Lok Sobha and later on 6 April 2017, Rajya Sabha also passed these bills. The acts for the aforesaid passed bills were enacted in 12 April 2017. After that, state legislations of the prospective states passed the State Goods and Services Tax Bills.

After enacting all the laws in relation to GST, On 1 July 2017, the Goods and Services Tax was introduced and implemented all over India except Jammu and Kashmir. The Goods and Service Tax was launched on 7 July 2017 in Jammu and Kashmir. The entire country became unified in the field of indirect taxation. However, no GST will be applicable on buying the selling of securities as it is still governed by the STT also known as Securities Transaction Tax.

Challenges of GST

After the introduction of Goods and Services Tax, India faced major challenges as the implementation of GST is being considered as one of the greatest tax reforms in the country. However, it is to be noted that GST is not only a change in the form of tax but also it will help the economy of the country in a faster rate. The following are some of the current challenges that the country is facing due to the implementation of GST.

GST was implemented by replacing all the previous indirect taxes which includes central excise, service tax, VAT, entry tax, etc. During the time of presentation of proposal of GST in Lok Sabha in May 2015, the current government received a lot of backlash from the opposition. Despite that the GST Constitutional Amendment Bill was passed.

After that the GST Constitutional Amendment Bill was passed in various state legislatures of the country in assemblies of states. The government in this regard also requires providing the GST bill the domains of public for adequate time and information to the stake holders.

One of the major reasons for success of GST was the threshold limit and Revenue Neutral Rate for GST. In simple words, Revenue Neutral Rate means that the government will not face the loss of revenue after the implementation of GST. However, it is needless to analyze the impact of Revenue Neutral Rate in India and its adversity, if it was made as higher than the current structure of tax. Basing on the study conducted by the National Institute of Public Finance and Policy (NIPFP), the Revenue Neutral Rate was decided for 27%. However, as per the recommendation of the Economic Advisor Panel the Revenue Neutral Rate was 15% to 15.5% which suggests that the standard rate of tax was 175 to 195 and the low tax rate was 12%.

Apart from that under GST the threshold limit of turnover that has be set for the dealers is another problem for the contention between the Empowered Committee and government which aims to broaden the base tax rate under GST.

The other factor which will also impact GST is the robust IT backbone which connects that the governments of states, trade, banks, industry and stakeholders on the basis of real time. In this regard, the government has already incorporated the network of Goods and Service Tax (GSTN) which is meant for the development of GST Portal. It will ensure to support the technology for filling of return, payment of tax, settlement of IGST, dashboard, MIS etc.

Benefits and Advantages of GST

The following are some of the Benefits of GST;

- This is considered as a transparent tax as it reduced the burden of a number of previous indirect taxes.
- GST cannot be considered as a cost for the retailer who are registered under GST as there will not be any hidden taxes and ultimately the cost of conducting business will be less.
- GST will benefit people as the prices of the products and service will be reduced and this will ultimately led the increase in the consumption desire. This will also benefit the companies engaged in supplying of goods and services.
- In the GST system, tax burden will be low as the all the previous indirect taxes are now integrated so that it will be possible to split equality between the services and manufacturing.
- GST is imposed on the final consumption of goods basing on the principle of VAT and not under different points i.e. from the manufacturing to retail outlets. This will act as a means to remove the economic distortions and will provide a development in the markets of the country.
- GST will help to build corruption free tax administration in the country.
- GST is also backed by the GSTN which is considered as an completely integrated system for the smooth dealing of all sides and queries in relation to GST.

Demerits and Disadvantages of GST

The following are some of the demerits or disadvantages of GST;

- Is it Expensive and not cost effective as a result of buying of software in GST Registration: According to the analysis, it was found that to avail the facilities of GST, businesses has to update the accounting software which they are currently using or have to purchase the ERP software which carry the features of GST. This software acts as a means to keep the business on going. Both the abovementioned software functions are expensive and also not cost effective. Apart from that even if a business purchase the software, the business has to provide training to its employees for the effective use of the software which leads in additional cost.
- GST compliant for Small and Medium Enterprises: The businesses which are small and medium sized may try to avoid the payment of GST as most of them are not yet registered for GST to access the Goods and Service tax regime. These small and medium size businesses will ultimately use the invoices with GST complaint for record keeping digitally as well as to file the returns according to the time frame. This suggests that the GST compliant bills or invoices will be issued as compulsory details including HSN codes, supply place and GSTIN.
- GST acts as a means for the rise in the operating costs: With the changes in the tax regimes in India, it can be rightly said that GST has been implemented considering the changing times and the ways of payment of taxes in India by businesses whether it may be small, medium or large in size. After the implementation of GST the businesses these days have to appoint professionally qualified employees who can be GST compliant. This leads to increase in the operating cost of the small as well as medium sized businesses as these low budget businesses has to avail the services of the professional experts by incurring additional costs. Apart from that the businesses also required to provide training to the employees for the compliances of GST which also incur additional cost and ultimately lead to increase in the overhead costs.

- GST came to force in mid financial year: The GST (Goods and Service Tax) came into force in India on 1 July 2017 which stopped the applicability of other indirect taxes in India such as VAT, service tax, excise duty etc. After the implementation of GST, businesses in India were already following the previous old tax structure for three months which are April, May, and June. Due to which the businesses took more time to get adjusted with the new regime of tax. Apart from that in the beginning and till now also there are many confusion regarding the compliances of GST in the minds of the business owners.
- GST is a complete online tax: With the current advancement and development of digitalization in India, there is a rapid increase in the online payment of transactions. Accordingly the businesses are also participating in digital India campaign by switching their books of accounts from pen and paper to adoption of digital records. The businesses are today filling their returns and also making the payment online. However, this system of online payment and registration may be a benefit for a large business but there are many small businesses that may not be able to adopt this system of tax payment.
- In India, most of the businesses owners who reside in small villages do not have that much of facility for access of internet even if there is a facility of internet they do not have that much of knowledge of payment and filling of GST returns online. The business owners from small villages generally don't have processional competence to use the digital software.
- The small and medium Enterprises will have high tax burden: Analysis of the current scenario in India with regard to implementation of GST registration suggests that small business may go through difficulties under the GST regime. This difficulty is mostly applicable for the small and medium sized businesses which are engaged in manufacturing. As per the previous tax regime in India, a business having an annual turnover more than Rs 1.5 cores is liable for the payment of excise duty. However, under the GST regime, a business having an annual turnover more than Rs 20 lakh is liable for the payment of GST.
- However, the small and medium enterprises having an annual turnover up to Rs 75 lakh can get the benefit of composition scheme under GST, according to which, the business is liable to pay 1% tax on the amount of turnover in place of GST which ultimately lessens the tax compliances. However, the selection of composition scheme or payment of high tax is a difficult and tough decision for most of the small and medium sized enterprises.
- GST does not define Petroleum Products: The GST (Goods and Service Tax) came into force in India on 1 July 2017 but it does not define the petroleum products. This directly suggests that the states of India will collect the taxes on petroleum products. Apart from that it can also be clearly seen that, there will be no feature of input credit to petroleum products.
- Inevitable Inflation: According to the analysis, GST registration will majorly will become the reason of inflation in many sectors. However, there are many measures which are being taken to ensure that this may not happen and if it does how to overcome the same. There are various measures which are in the process of initiation out of which is anti-profiteering at retail level.

Under the GST regime, every business across India has to get itself registered in more than one state in which it has been operating continuously. This more than one registration scheme suggests that there are more burdens with regard to the compliances of GST.

- According to the statements of some of the economists the impact of GST will be negative in India especially on the real estate sector. According to them the GST will increase up to 8% ne house costs and this will ultimately reduce the demand of new houses by 12%.
- According to the opinions of some taxation experts the invention of the terms CGST (Central Goods and Service Tax), SGST (State Goods and Service Tax) are not new terms as they have been used as an replacement of previous indirect taxes such as VAT, CST, Central Excise/Service Tax. Thus, the implementation of GST cannot be considered as a reduction the layers of tax numbers.
- Previously, some of the retails products had 4% tax on them but now after the implementation of GST, it is quite high and expensive.
- The aviation industry is being affected under GST as the previous service tax rate on air fares was 6% which increases to 9% under GST regime. As per the analysis the current 9% GST on airfare will exceed 15% in the near future which will lead to double increase in the rate of tax.
- Under the previous tax regime the service tax was 15% which was replaced by 18% after the implementation of GST. After many businesses made the GST registration, many services became expensive which includes airline, telecom as banking industry.
- The GST registration provides the control of all types of business to the state as well as central government with different laws. This led to increase in the complexity in various small and large sized businesses across the country.
- After the implementation of GST registration compulsory for all businesses, there were few instances where it was noticed that the applications have high tax burden and the system of input tax credit are not being provided to several businesses due to mismatch of the data or information provided.
- The implementation of GST is called as a tax of disability by the opposition party as there are many things which related to the people with disability included in GST taxation system which were termed as tax free under the previous indirect tax regime. Before the implementation of GST Registration, typewriter, wheelchair, hearing aid were tax free but now the aforesaid items are subject to tax.
- The GST regimes also have an effect on the reward and discount program and schemes. Under GST registration, the products are being taxed on the pre discounted rates. On the other hand under the previous tax regime the products were taxed at post discounted rates.
- According to GST registration, the supplier is required to register in all states and under GST there no system of centralized GST registration.

Why GST Registration?

The Registration under the regime of Goods and Service Tax (GST) will have the following advantages to a business;

- It provides the recognition legally to a supplier of goods and services.
- It helps to maintain proper accounting for the payment of taxes and also due to its scheme of input tax credit the goods and services can also be used for the GST payment as the supply of the goods and services or both of the same by the business.
- It is provides a legal authority to collect the tax from the buyer of the goods and services and accordingly pass on the same to the credit of the tax paid on the services and goods supplied to the recipient or buyer.

Different types of GST Models

The following are some of the models of GST;

Central Goods and Service Tax (CGST):

In this option, the two levels of governments which are state and central government. In this system of GST, both the governments will combine the levies of the taxes under the single national GST will be good for the appropriation of revenue arrangements for both of the governments. However, under CGST, the government will collect almost all of the total revenue of tax of the country.

State Goods and Service Tax (SGST):

The second option is for state GST as the name suggests. In this model, the state will impose the GST and the central government will withdraw its field of GST completely. It is also known as a mechanism of redistribution. The loss that the central government will face due to the withdrawal of the field can be compensated with the reduction in the fiscal transfers to different states governments. This will ultimately enhance the capacity of revenue of the states and also led to reduction of dependency on central government.

Dual GST Model:

Dual GST Model is gain divided into two types which are as follows;

Non-Concurrent Dual GST:

Under this model of GST, state government can impose GST on goods and Center can impose on services. The states have already acquired the power to impose tax on supply of goods including immovable property whereas the Center has the power for imposition of tax on services. No specific efforts will be required to levy a unified Center tax on the services of interstate. This model of dual GST will not be adopted or accepted by the States and Center both. Thus, the government of the country has decided to adopt and implement the Concurrent Dual GST.

Concurrent Dual GST:

Under this model of GST, Central and State GST both will be imposed on the same base rate. The GST will be levied under both governments on concurrent basis. The Central Government and State Government will administer Central GST and State GST respectively. In this model, the goods and services will be subject to the concurrent taxation as prescribed by the Centers and States. According to this model all goods and services will act as per the structure of GST. However, there are a few exceptions.
This can be better understandable with the help of an example. For Example, if the cost of a product is Rs. 10,000 and CGST rate and SGST rate are 9%. In that case the CGST and SGST will be charged on the cost of the product i.e. Rs. 10,000. Hence, the CGST and SGST will be Rs 900 each in this case.

Types of GST

The following are the three types of GST;

Central Goods and Service Tax (CGST)

In this type of GST, both the governments which are state and central government will combine the levies of the taxes under the single national GST will be good for the appropriation of revenue arrangements for both of the governments. However, under CGST, the government will collect almost all of the total revenue of tax of the country. However, as provided on Section 8 of the GST Act the taxes will be imposed on the Intra-State supplies of goods and services and the tax rate should not exceed 14%.

State Goods and Service Tax (SGST)

Under this type of GST, the tax will be levied on both goods and services on intra state supply by the state government as the same will be administered by SGST Act. However, as explained earlier, CGST can be imposed on the same intra state supply and the same will be administered by central government.

Integrated Goods and Service Tax (IGST)

Under this type of GST, it is imposed on all supplies of interstate goods and services and the same will be administered by IGST Act. IGST is applicable in case of any supply of services and goods in imports as well as exports of India. However, it is to be noted that IGST will be zero rate for exports and it will be shared between the Central and State Government.

Calculation of GST

There are various rate of GST basing on the goods and services. The current applicable GST rates 5%, 12%, 18% or 28%.
The calculation of GST can be better understandable with the help of an example.
For example, the selling price of a product is Rs.500 and the GST rate is 18%.
In that case, Gross amount of the product would be = 500 + [500 x (18/100)] = Rs.590
The Formula for calculation of GST:
Add GST:
GST Amount = (Original Cost x GST %) /100
Net Price = Original Cost + GST Amount
Remove GST:
GST Amount = Original Cost - [Original Cost x {100/(100+GST%)}]
Net Price = Original Cost - GST Amount

Types of GST Forms

There are a wide range of forms for GST which starts from GSTR-1 to GSTR-11. The following are some of the types of GST forms;

GSTR-1A:

The aforesaid form can be used by the buyer, in case the buyer wants to make any changes or alterations in the form GSTR-1, If any changes made this will automatically shown in GSTR form 1A. Further, these changes are sent for verification of the supplier and after the acceptance of GSTR-1A, the other form GSTR-1 can be filed accordingly.

GSTR-2:

This form is used when the supplier wants to raise GSTR-1 form. This form is validated by the other form GSTR-2. After the receiving GSTR-2 as GSTR-2A and confirming the same it becomes the GSTR-2 that can be filed by the buyer.

GSTR-3:

This form can be termed as a consolidated version of other forms GSTR-1 and GSTR-2. This form plays an important role as it shows the total tax liability of a business.

GSTR 4:

This is a return form which must be filled by the Composition Dealer. Unlike the regular taxpayer who is required to file 3 months return, a tax payer under this scheme is required to furnish 1 month return.

GSTR 5:

This form is a monthly return which has to be filled by every non-resident taxable person in GST Portal.

GSTR 6:

This form is also a monthly return which has to be filed by an Input Service Distributor. This form contains the details of Input Tax Credit Received by a ITC dealer and it has a total section of 11.

GSTR 7:

This form is also a monthly return which has to be filed by the persons who are engaged in deducting TDS (Tax deducted at source) under GST. Its contains the details of TDS liability, TDS deducted whether it may be payable or paid and TDS refund claimed if any.

GSTR 8:

This form is also a monthly return which has to be filed by the e-commerce operators who are engaged in deducting TCS (Tax collected at source) under GST. It contains the details of supplies impacted through e-commerce platform and TCS amount collected on such supplies.

GSTR 9:

This form is a comprehensive form which shows all returns that the person has done during a particular financial year. The information in this form includes information in relation to sale and purchase including different components of SGST, IGST and CGST.

GSTR-10:

This form can be used if the return of GST has been cancelled or nullified due to some reason. The maximum time limit to file this form is 3 months.

Chapter 2: Basics and Concepts of GST

Taxable Event of GST

Taxable event under GST can be considered as one of the important aspects of GST. It is a completely changed event after witnessing the impact of indirect taxes in India. Generally, the taxable event of GST will be applicable in case of goods and services. According to the provision of Article 366(1A) of Constitution of India, the meaning of Goods and Service Tax is that it is a tax which will be imposed on the supply of goods and/or services. However, there is exception that was in relation to supply of alcoholic liquor for the consumption of human. It is to be that here the meaning of the word supply will not be considered as sale. Thus, there will be no requirement of consideration for supply.

Rates of GST

The GST council has covered more than 1300 goods and more than 500 services to determine the rates of GST. For this, the GST Council has set four slabs for the aforesaid various goods and services which are 5%, 12%, 18% and 28% under GST. However, apart from that the GST rate of 3% and 0.25% are charged on gold and rough precious and semi-precious stones respectively under GST regime. Apart from that there are also some goods and services which are exempted from tax. A list of some products and services which comes under the respective GST rate slabs are explained below:

Exempted GST Rate Slab (No Tax)

Analysis of the goods and services shows that 7% products or items come under this exemption slab of GST which is otherwise known as no tax slab. Generally, the general human consumption goods are included under this slab including natural honey, flour, besan, bread, all kinds of salt, jaggery, fresh meat, fish, chicken, eggs, milk, butter milk, curd, fresh fruits and vegetables, hulled cereal grains, bindi, sindoor, kajal, bangles, judicial papers, printed books, newspapers, jute and handloom.

5% GST Rate Slab

Analysis of the goods and services shows that 14% products or items come under this category. Some of the products which are included in this category are packaged food items, cream, coffee, tea, spices, pizza bread, cashew nut in shell, raisin, ice, fish fillet, skimmed milk powder, branded paneer, frozen vegetables, cashew nut, postage or revenue stamps, fertilizers, rail and economy class air tickets, small restaurants, kerosene, coal, medicine, incense sticks (agarbatti), clothing less than 1000 rupees and so on.

12% GST Rate Slab

Some of the products which fall under this category are namkeen, ketchup & sauces, ayurvedic medicines, dry fruits in packaged form, animal fat, cellphones, spoons, forks, tooth powder, sewing machine, spectacles, butter, cheese, ghee,

, sausages, fruit juices, diagnostic kits and reagents, umbrella, indoor games like chess board, carom board, ludo, playing cards, state-run lottery, non-AC restaurants, business class air ticket and so on.

18% GST Rate Slab

Analysis of the goods and services shows that 43% products or items come under this category. Some of the products which are included in this category are camera, speakers, monitors, printers, electrical transformer, optical fiber, tissues, sanitary napkins, notebooks, preserved vegetables, jams, soups, ice cream, pasta, biscuits, cornflakes, pastries and cakes, steel products, headgear and its parts, aluminum foil, mayonnaise, mixed condiments and seasonings, AC restaurants that serve liquor, telecom services, IT services, branded garments, bamboo furniture, restaurants in five-star and luxury hotels, financial services, mineral water and so on.

28% GST Rate Slab

The GST council has covered more than 1300 goods and more than 500 services to determine the rates of GST. For this, the GST Council has set four slabs for the aforesaid various goods and services which are 5%, 12%, 18% and 28% under GST. However, apart from that the GST rate of 3% and 0.25% are charged on gold and rough precious and semi-precious stones respectively under GST regime. Apart from that there are also some goods and services which are exempted from tax. A list of some products and services which comes under the respective GST rate slabs are explained below:

Threshold Limits

Under the current provision of GST, the businesses who have an annual turnover up to Rs 20 lakh are exempted from registration under GST. However, the threshold limit for north-east states in Rs 10 lakh. As per sources the in case of loss in the annual revenue to double the exemption limit can be extended to Rs 40 lakh if all the states implement the same that will come up to Rs 5,200 crore.

Aggregate Turnover of GST

According to law the term "aggregate turnover" refers to the aggregate value of all taxable supplies excluding the inward supplies value on which tax has to be paid by a person on the basis of reverse charge, exports of goods and services, exempted supplies, inter-state supplies of businesses which hold a PAN. However, it will be calculated all India basis but excluding Union territory tax, integrated tax, central tax, state tax and cess.

Exempt Supply of GST

Under the provision of GST, there are some supplies which are exempted from tax. These supplies are exempted through the notification of the government of India. However, Input Tax Credit can be availed in respect of input services for exemption of supplies. In simple words, the input service is liable to tax but the output is exempted from tax.

Zero Rated Supply

The term Zero rating refers to the whole supply chain of zero rate, otherwise known as tax free. In simple words, no tax will be imposed on the input as well as output side of the supply. This will include exports of goods and/or services, goods and/or services supplied in the places located in special economic zones (SEZ) or SEZ developers and Input Tax Credit which is also available on supplies of zero rate.

Electronic Ledger of GSTN

Electronic Ledger also known as E-Ledger is a type of passbook in electronic form for GST. This Electronic Ledger are generally available on the GST portal for all the registrants of GST. The Electronic Ledger includes the following details;

- The amount of GST that has been deposited in to the account of government through the Electronic Cash Ledger
- The available balance of Input Tax Credit in the Electronic Credit Ledger
- GST or Balance liability if any to be set off in Electronic Liability Ledger

Composition Scheme for GST

Composition Scheme is one of the easy and simple schemes of the tax payer under GST regime. According to this scheme the small taxpayer gets the advantage of payment of a fixed rate GST at a fixed rate of turnover without any GST formalities. Generally, this scheme is adopted by the tax payers whose turnover does not exceed Rs. 1.0 Crore. However, CBIC has increased the threshold limit from Rs 1.0 Crore to Rs. 1.5 Crore. A tax payer who has a turnover below 1.5 crore can apply for the composition scheme. However, for North-Eastern states and Himachal Pradesh, the threshold limit is Rs 75 lakh.

Mechanism of Reverse Charge in GST

Generally, on supply of goods or services the supplier pays the taxes. However, in case of reverse charge the receiver of goods will be liable to pay tax. In simple words, the payer of tax will be reversed. If a supplier is not registered under GS and supplies goods or services to a GST registered person, in that reverse charge will be applicable. This suggests that the GST will be paid by the receiver of the goods or service instead of supplier

Input Service Distributor

An Input service distributor refers to a business which receives the bills/invoices of its branch offices. Accordingly, its distributes the paid taxes to its branches in a proportionate manner by using a Input Service Distributor Invoice also known as ISD invoice. In this case, the branch offices of the business may have different GSTINs but should have same Permanent Account Number or PAN as that of the Input Service Distributor.

Supply of GST (Principal, Composite and Mixed)

What is a Mixed Supply under GST?

The mixed supply of GST is also called as bundled supply. As the name suggests, the term mixed supply means when the goods and services are combined. In simple words, when goods and services are supplied in combination. The concept of mixed supply has mainly based according to the principle of service tax in the previous tax regime where goods and services are provided simultaneously in a single value. Some of the main features of mixed supply are as follows;

When the goods and services are combined whether it may be one goods or services or more than that but the price of the services along with goods is single.

When then each and every service and good has to supplied separately and they are independent in nature.

Under the regime of GST, the rate of tax of the goods or services as per the concept of mixed supply will be high. This can be better understandable with the help of an example. For example, a gift box offered in Diwali contains various items such as chocolates, cakes, aerated drinks, cookies, fruit juices etc. is supplied in a single price. In that case the gift box will be considered as mixed supply as the price of the aforesaid products can be supplied separately. The highest rate of GST of 28% will be applicable for aerated drinks and the same will be applicable for the whole materials of gift box.

What is Composite Supply under GST?

As the name suggests, the supply is termed to be Composite if there is a composition of two or more goods involved in a supply. One of the features of composite supply is that these supplies must be naturally combined and supplied on a day to day basis. Out of the composite supply the principal supply will suggest if it is a combined good or service. In case of composite supply, the goods and services have to be supplied combinedly and that it cannot be separated.

A supply to be called as a composite supply, has to comply with the below mentioned terms and conditions;

- Two or more goods or services are combined together in a supply.
- The supply is bundled naturally. In simple words, the goods and services are being provided in a day to day running of business in general.
- It is impossible to separate goods and/or services.

This can be better understandable will the help of an example. For example, in case of goods supplied under insurance contracts, the goods is combined with the cost of transport, insurance, material used in packaging etc. in that case, the supply will be considered as composite supply. In the aforesaid case, cost of transport, insurance, material used in packaging etc cannot be separated. Thus, in this the supply of goods and services is that of principal supply and the GST will be charged in principal supply.

Chapter 3: GST Registration

What is the need and requirement of GST Registration?

Under GST regime, all businesses engaged in buying and selling of goods or offering any type of services are required to get themselves registered under GST. Under GST law, the businesses which have not registered under GST are not supposed to collect tax from the customer and also cannot claim for the input tax credit of paid GST or can get penalized. Apart from that according to new GST law, it is compulsory to register a business, if the aforesaid business exceeds the minimum threshold limit of the turnover as prescribed.

According to the GST Council, a business which is of a special category when exceeds the annual turnover of Rs.10 lakhs or more than that is needed to get itself registered under GST. However, the other businesses in India are required to register under GST if its annual turnover exceeds Rs.20 lakhs. Apart the aforesaid criteria's, there are also many other criteria's that can be applicable to make a business liable to get the GST registration irrespective of the annual turnover. The businesses are supposed to get itself registered under GST according to the provisions of GST within a time period of 30 days from the date from which the business is supposed to get registered under GST.

What is GSTIN?

GSTIN is generally a 15 digit number that has been implemented in the place of Tax Identification Number (TIN) under the previous tax regime.

Forms for GST Registration

Sr. No	Form Number	Description
1	REG-01	Application of Registration under section19(1) GST Act, 20
2	REG-02	Receipt of Acknowledgement
3	REG-03	Information with regard to cancellation, amendments and registrations
4	REG-04	Clarification with regard to cancellation, amendments, registrations, and revocation cancellation
5	REG-05	Application for cancellation, amendments, rejection of registrations, and revocation cancellation
6	REG-06	Issuance of certificate of registration under section 19(8A) of the GST Act, 20
7	REG-07	Registration application as TCS or TDS under section 19(1) of the GST Act, 20
8	REG-08	Cancellation of order in respect application of registration as TCS or TDS under section 21 of the GST Act
9	REG-09	Non-Resident Taxable Person registration application
10	REG-10	Person engaged in supply of information online and with the retrieval of database access from services from place not located in India to a person residing in India, other than a person who is not a registered person under GST.
11	REG-11	Amendments or changes in the particulars in the application of registration
12	REG-12	In respect of Temporary Registration or Suo Moto Registration Order of Grant
13	REG-13	Granting of Unique Identity Number (UIN) to United Nations bodies such as Embassies
14	REG-14	Cancellation of Application for Registration under GST 20
15	REG-15	Order of Amendment
16	REG-16	Registration Application Cancellation
17	REG-17	Registration Show Cause Notice Cancellation
18	REG-18	Cancellation Reply in case of Show Cause Notice issued
19	REG-19	Registration Order Cancellation
20	REG-20	cancellation of registration order in case of dropping the proceedings
21	REG-21	Revocation of Cancelled Application of Registration
22	REG-22	Revocation Order for Cancelled Registration
23	REG-23	Show Cause Notice in respect of rejection of application for revocation of cancelled registration
24	REG-24	Reply in respect of rejection of application for revocation of cancelled registration
25	REG-25	Certificate of Provisional Registration
26	REG-26	Application Enrolment for Existing Taxpayer
27	REG-27	Provisional registration cancellation by show cause notice
28	REG-28	Order Cancellation in respect of Provisional registration
29	REG-29	Application cancellation for Provisional registration
30	REG-30	Report Form in respect of Field Visit

Who are liable for GST Registration?

According to section 22 of the Central Goods and Service Tax (CGST) Act, 2017, the below mentioned persons are liable to obtain GST registration:

1. When a supplier is engaged in supply of taxable goods and/or services, the supplier must obtain a registration certificate under GST in its respective state or union territory where the supply is being made and the annual turnover supplier is more than Rs. 20 Lakhs in a particular financial year.
2. With regard to the states that come under special category, supplier is engaged in supply of taxable goods and/or services, the supplier must obtain a registration certificate under GST in case the annual turnover supplier is more than Rs. 10 Lakhs in a particular financial year.
3. The persons who were registered under the previous law have to be register under GST immediately preceding the date of appointment.
4. The registered person under GST when transfers his business to any other person on the basis of ongoing concern, whether it may be on the account of succession or any other case. In that case the successor or transferee will be liable to get itself registered under GST.
5. In case of amalgamation or demerger of the company as per the order of the court or tribunal, the GST registration is required by the amalgamated or demerging company.

What is Compulsory GST Registration?

The guideline of registration which is compulsory or mandatory has been prescribed under section 24 of the Central Goods and Service Tax (CGST) Act, 2017. The following are the categories of the persons who have to obtain the compulsory or mandatory registration of GST for goods and/or services;

1. The person who is engaged in the taxable supply of goods and/or services within and/or outside the state
2. A casual taxable person
3. The person who has to pay tax under the mechanism of reverse charge
4. A non-resident taxable person
5. The persons falling under section 9 (5) of the GST Act;
6. The persons who are deducting TDS
7. E commerce Operator
8. Input Service Distributor
9. A person who supplies goods and/or services with the help of e commerce operators who is collecting TCS
10. A person who supplies online information and data retrieval services from a foreign country to a person who is not registered under GST

What is Casual Registration GST Registration?

As explained earlier, a person whose annual turnover exceeds Rs. 20 lakh in a financial year is liable to obtain registration under GST. However, there are some special supplies categories which are required to obtain a compulsory registration under GST irrespective of their annual turnover. In that case the threshold limit of Rs. 20 lakh will not be applicable to them. One of the examples of such exception is Casual Taxable Person (CTP). It is to be noted that a Casual Taxable person cannot obtain a composition scheme.

A Casual Taxable person must have a temporary registration under GST which can be valid for a period of 90 days within the state maximum. The state here means in which place he has been supplying as a casual taxable person. As per the GST law, a casual taxable person has to make an advance deposit basing on the tax liability estimates.

Deemed Registration

According to Section 26 of Central Goods and Service Tax (CGST) Act,2017, The granting of registration which is otherwise known as Unique Identity Number under SGST and UTGST Act will be deemed to be as Unique Identity Number subject to the conditions of the application of the registrant.

Voluntary GST Registration

Some businesses are required to obtain compulsory registration under GST which are

- Earning an annual turnover more than Rs. 20 lakh in a financial year
- Engaged in inter-state sale of goods and/or services
- Engaged in online sale of goods and/or services

However, some businesses who have an annual turnover less than Rs. 20 lakh in a financial year can obtain a voluntary registration under GST. However, the businesses that have an annual turnover between Rs 20 lakhs to Rs 1 crore are also eligible for composition levy.

Non-Resident Person

Non-resident taxable person can be defined as a business or person who undertakes transaction in relation to supply of goods and services occasionally under GST, whether it may be a principal or agent or any other capable person who does not have permanent residence in India. Thus, the foreign companies or businesses engaged in supply of goods and/or services in India will be considered as Non-Resident Person under the compliance scheme of GST in India.

According to GST law, all non-resident taxable persons must obtain GST registration for supply of goods and/or services in India considering the criteria of annual turnover. As per the regulation of GST law a non-resident taxable person must obtain registration under GST within 5 days before the starting of business in India. Thus, it is really very essential for businesses operating outside India who are engaged in supply of goods and/or services in India to obtain GST registration as soon as possible.

Cancellation and Revocation of GSTIN

Every person whether it may be businesses or individuals has to compulsorily register under GST who have already registered under the previous indirect tax law of India. However, there many other persons who are not authorized to get themselves registered under GST;

This can be better understandable with the help of an example. For example, the threshold limit under the previous tax regime for Value Added Tax (VAT) was 5 lakh for most of the states and under GST the threshold limit is 20 lakh. However, in case of inter-state supply the registration is still compulsory except the services provided by the service providers. A service provider can submit an application in FORM GST REG-29 electronically at GST portal. The relevant officer will make necessary inquiry and will accordingly cancel the GST registration

Revocation of Cancellation of Registration

A person who is registered under GST and whose registration is cancelled by the respective officer can submit revocation of cancellation of registration application in FORM GST REG-21 to such relevant officer of GST within a time limit of 30 days from the date of order of cancellation of service at the common portal of GST. This process can be done directly through visiting the GST portal or by a Facilitation Center as notified by GST Commissioner.

However, the GST law provides that in case of no revocation of application will be filed if the GST registration has been cancelled due to the failure of furnishing returns to the GST department until and unless other details such as amount of tax has been furnished along with the interest, penalty, late fee if any payable with that return.

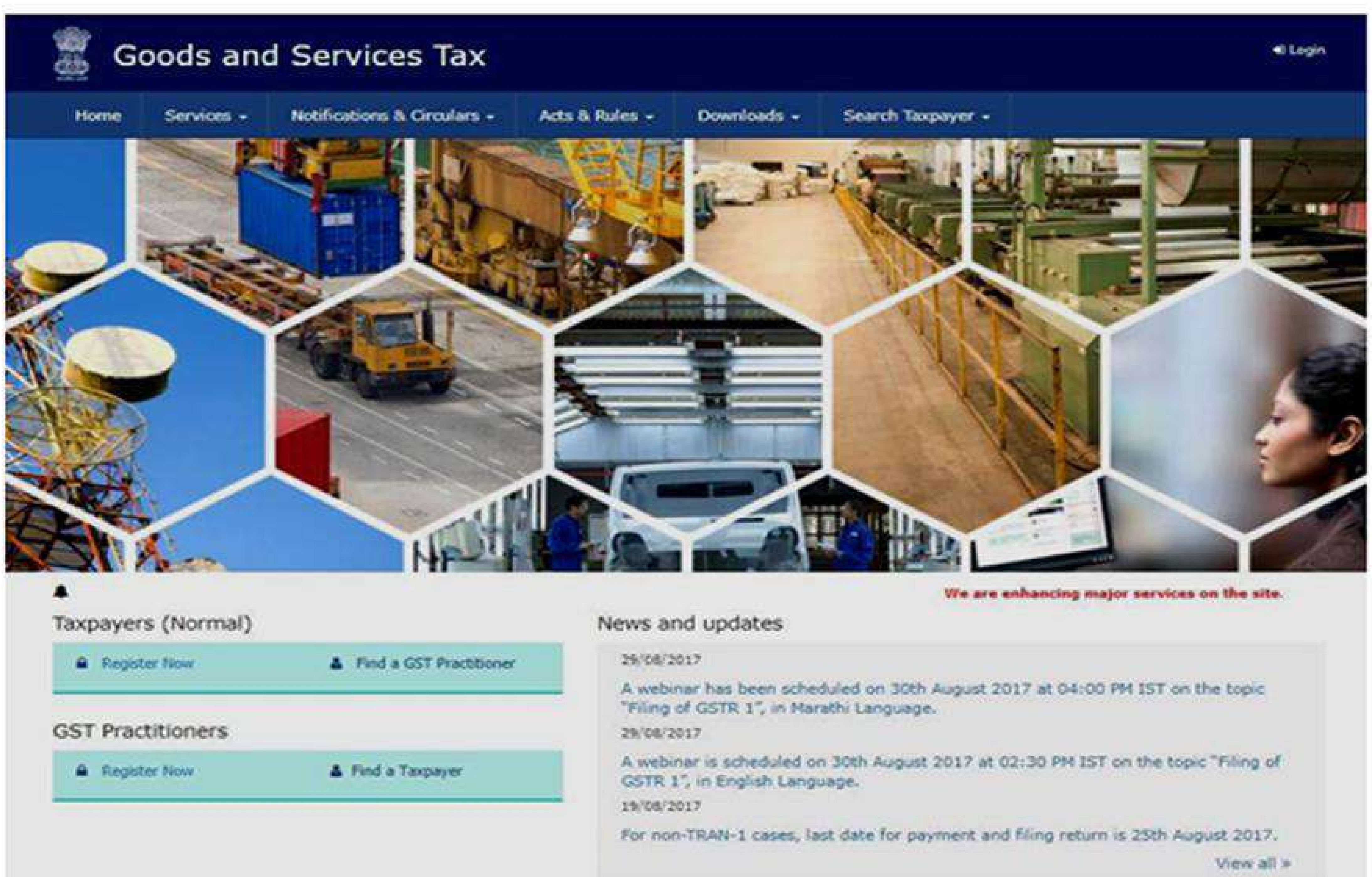
After submitting the application form, the proper officer will verify the application and if he is satisfied, the reason of the same will be recorded in writing and he will came to know the ground of cancellation of such registration. After that the proper officer will revoke the cancellation with an order in form FORM GST REG-22 within a time limit of 30 days from the receipt of the application for the revocation of cancellation of GST.

The proper officer can also record in writing the reasons under the scenarios other than that specified clause by order in FORM GST REG-05 and can reject the revocation of cancellation application to the same applicant.

New Registration of GSTIN

The following are some of the steps to complete the process of registration of GST online through GST portal;

Step 1 – Login to the GST Portal and click on the Register button. A screen print of the homepage of the GST Portal is annexed below;

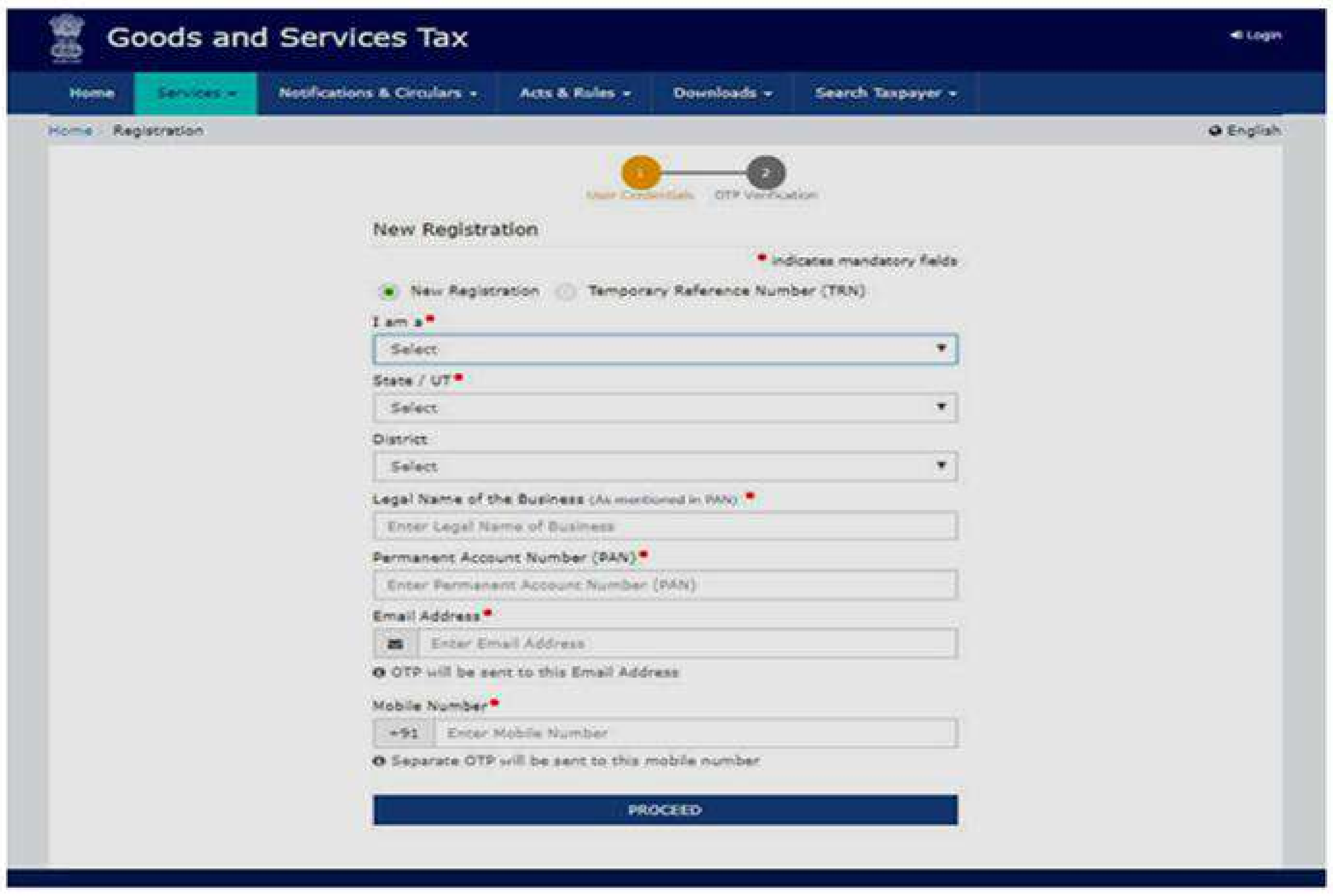


Step 2 – After selecting the register button, a new page will be displayed. Enter the below mentioned details in Part A of the registration;

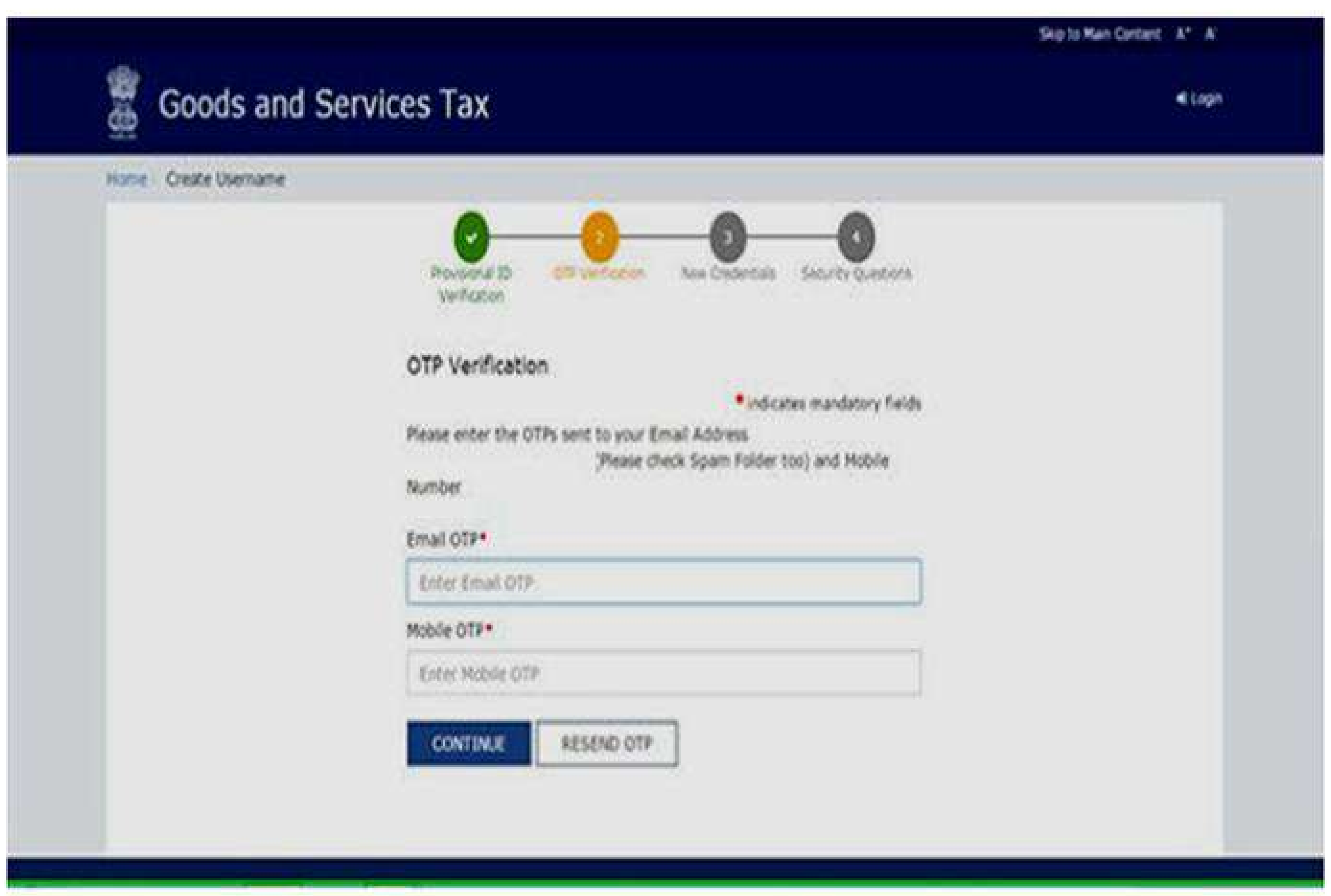
- Select New Registration
- Select I am a – select Taxpayer under In the drop-down under
- Then Select State and District
- Enter Business Name

- Enter Business PAN
- Enter Mobile Number and Email Address
- OTPs will be received on the mentioned mobile number and email address
- Then Click on the Proceed button

A screen print of the relevant page is annexed below:

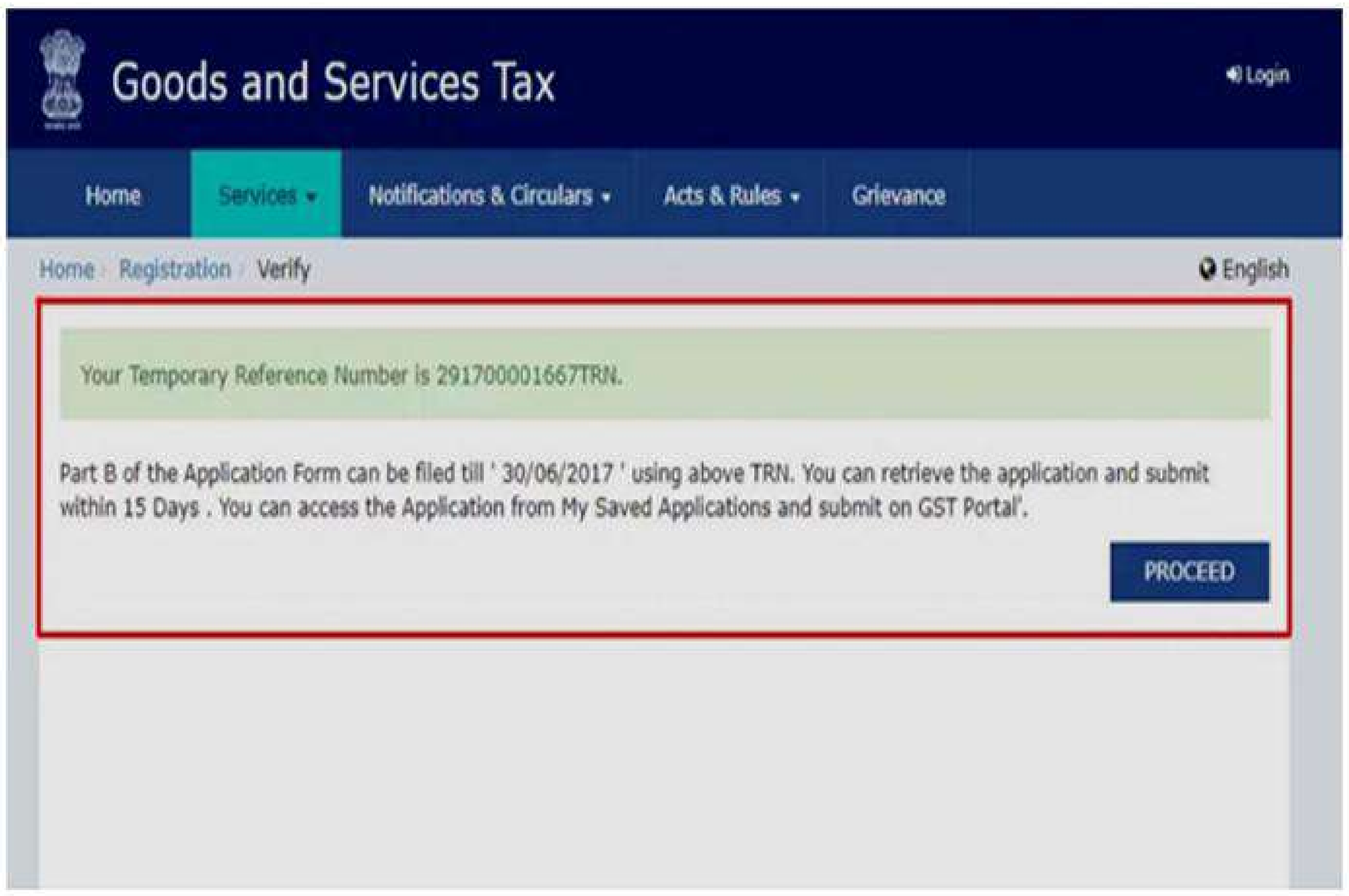


Step 3 – After receiving the OTPs in both email and mobile number, enter the same on the relevant slot and click on Continue button. In case, the OTP has not been sent, then click on the Resend OTP button. A screen print depicting the same is annexed below:

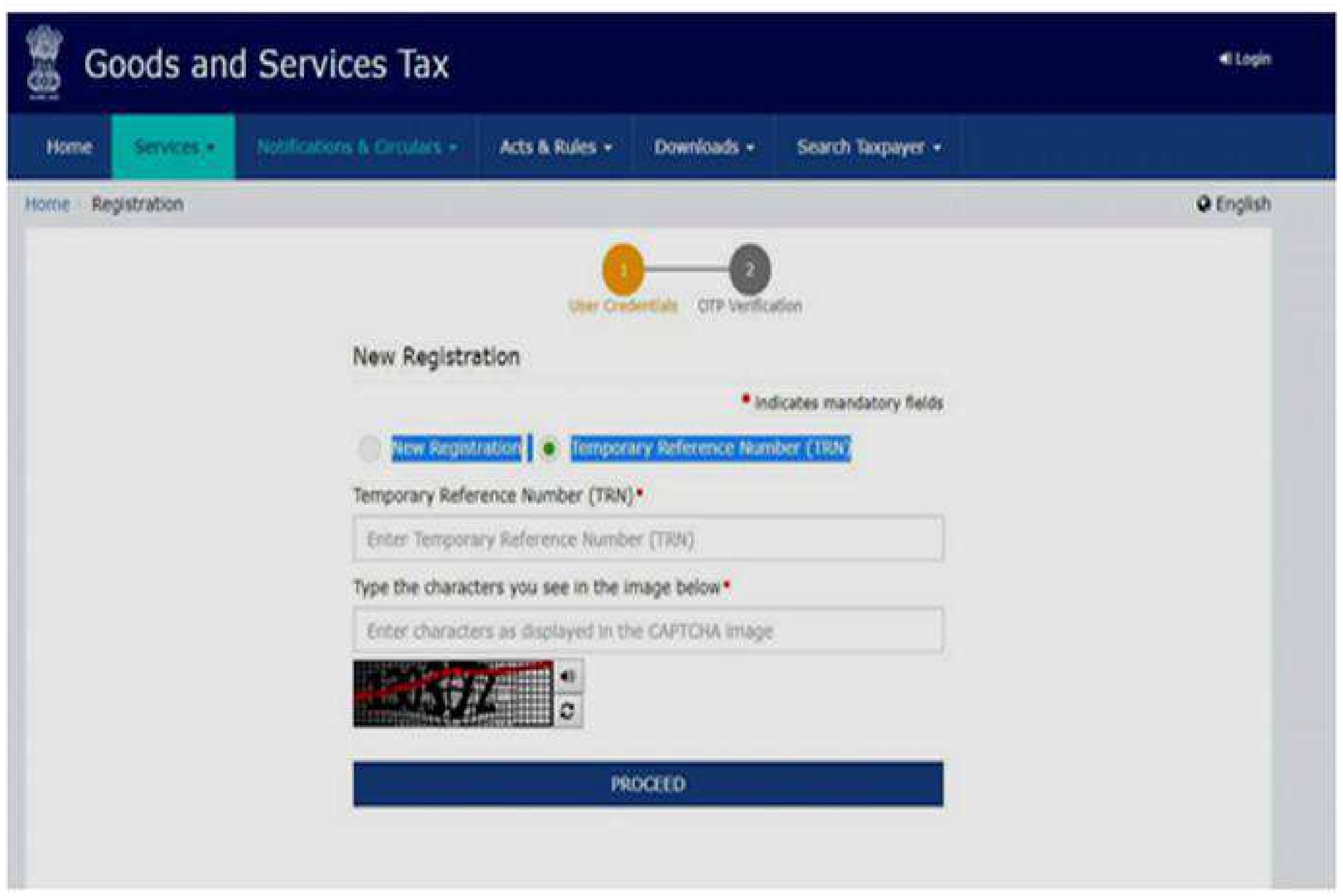


Step 4 – After entering the relevant OTPs. A Temporary Reference Number (TRN) will be generated and will be sent to the registered email id and mobile number. A relevant screen print is annexed below;

Step 5 – After completion of step 4 once again login of the GST portal and click on Register Now button.



Step 6 – After that a new page will appear. On that page Select Temporary Reference Number (TRN). Enter the same on the relevant field along with the captcha code and then click on proceed button. A screen print depicting the same is annexed below:



Step 7 – After completion of step 6, an OTP will be sent on the registered mobile number and email id. After that enter the OTP on the relevant field and click on Proceed button. A screen print showing the same is annexed below:

Chapter 4: Invoicing for GST

What is an Invoice

The term invoice can be termed as a commercial document which is issued by the seller or supplier of a good or service to the buyer. Generally, an invoice contains the details of transaction of sale which includes product name, quantity, price etc. The terms of payment are basically mentioned on the invoice. Invoice is also known as a bill.

Types of GST Invoice

The following are some of the types of the GST Invoice

Tax Invoice

This is a compulsory invoice for every individual who obtains a registration under GST. It is issued for all the supplies made by the seller to buyer of the goods and services. Generally a tax invoice is issued in respect of taxable good or service supplied to clients of B2B and B2C. Apart from that it is also used for transfer of stocks in case of interstate supply.

Bill of Supply

A bill of supply is meant for issuance of goods and services which are exempted from tax at the time supplying of the same.

Receipt Voucher

A receipt voucher is meant for issuance in case advance payment of goods and services which are yet to be supplied.

Refund Voucher

Refund Voucher is meant for issuance when a receipt voucher has been issued in advance and there is no need of supply in relation to that receipt voucher.

Payment Voucher

When the recipient is liable for reverse charge, in that case there is requirement for the issuance of payment voucher at time of making the payment.

Debit and Credit Notes

The debit note is meant for issuance when the value of the goods and services are found to be less than the taxable value as that of the price mentioned on the tax invoice issued earlier. Similarly, in case of credit note, it is issued when the value of the goods and services are found to be more than the taxable value as that of the price mentioned on the tax invoice issued earlier

ISD Invoice

Generally, an ISD invoice is issued in case of distribution of input tax credit among the branches holding a single PAN.

Delivery Challan

It is issued in case of transportation of goods before the preparation of the tax invoice.

Tax Invoice in GST

A tax invoice is a compulsory invoice for every individual who obtains a registration under GST. It is issued for all the supplies made by the seller to buyer of the goods and services. Generally a tax invoice is issued in respect of taxable good or service supplied to clients of B2B and B2C. Apart from that it is also used for transfer of stocks in case of interstate supply.

Bill of Supply in GST

A bill of supply is meant for issuance of goods and services which are exempted from tax at the time supplying of the same. It is required to be issued by the seller when the GST rates are not applicable on a transaction made. According the GST law, the following are the contents of a bill of supply;

a) Name and address of the Supplier
b) GSTIN of the supplier
c) Number of Bill of supply
d) Date of issue
e) Name of the recipient
f) Address of the recipient
g) GSTIN of the recipient
h) HSN Code if required (Please note HSN code is not required if the turnover is less than 1.5 crores, 2 and 4 digit HSN code is required in case turnover is between 105 to 5 crores and more than 5 crore respectively)
i) Description
j) Value after Adjustments
k) Signature of the supplier

Supplementary and Revised Invoices in GST

All the dealers who are subject to tax should apply for the provisional registration under GST to carry out all necessary formalities for the permanent registration and to obtain a permanent registration certificate. As per the law of GST, all the invoices must be issued within specified period which includes;

Implementation date of GST

Date of issue of the Registration Certificate

The supplier who wants to issue a revised invoice against the previous issued invoice within the aforesaid specified period. The amended invoice has to be issued within a time of period of 30 days from the date of issue of the registration certificate.

On the other hand, a supplementary tax invoice can be issued to taxable person in case of deficiency or error is found in the tax invoice which is already issued. A supplementary tax invoice can be considered as a debit note or credit note.

Invoice Format in GST

A tax invoice under GST provides the details of goods and services along with the price which is due for the payment. The following are the particulars or contents of the tax invoice;

a) Name and address of the supplier
b) GSTIN of the supplier

c) Serial number
d) Date of issue
e) Name and address of recipient
f) State and its code of the recipient, in case the taxable supply is more than 50,000/-
g) HSN Code
h) Description
i) Quantity/Unique Quantity Code
j) Total Value
k) Taxable Value
l) Rate of Tax
m) Tax Charged Amount
n) Place of supply in case of inter-state supply
o) Delivery Address
p) Reverse Charge if any
q) Signature of the Supplier

In case of exports of goods, the tax invoice will mention an endorsement which states Supply Meant For Export on Payment Of IGST" Or "Supply Meant For Export Under Bond Or Letter Of Undertaking Without Payment Of IGST". This tax invoice will contain the following details;

a) Name and Address of the Recipient
b) Delivery Address
c) Destination Country Name
d) Date of Application for Export
e) Number of Application For Export

Invoicing Time limits in GST

A table containing the details of invoicing time limits for GST has been provided below;

For the registered individuals for supply of goods and services	Within 30 days from the date of supply
In case of services provided by banks, NBFCs, financial institutions, companies etc.	Within 45 days from the date of supply
In case of services provided between distinct persons namely by NBFCs, Telecom Operators, banking companies, Insurance companies etc.	Prior to the time the supplier records the details of supply in his books of accounts Or Prior to the expiration of the quarter in which the supply was made.

Invoice Changing in GST

There can be some scenarios when there will be a case when the invoice has been issued wrongly, in that case certain changes are required to be made in the invoice which is already issued. Such changes are known as rectification of invoice. Generally, rectification of invoices is reported as per the monthly returns of the invoices.

Invoice Signing in GST

According to Section 31 of CGST Act, 2017 a tax invoice can be issued as per the Rule1 of Invoice Rules 2017 which states that an invoice must be signed by the supplier or any authorized persons as specified by the supplier whether the signature may be digital or manual. In simple words, it suggests that the tax invoice must be signed by supplier of goods or services or his authorized representative.

Goods Transport Agency

According to the provision of Notification No. 11/2017-Central Tax (Rate) 2017, A Goods Transport Agency can be defined as a person who is engaged in providing services in respect of transport of goods by road and accordingly issues a consignment note for the same. In simple words, it means that if in case the supplier hires some other transportation means for supply of goods and issues a consignment note will also be considered as Goods Transport Agency.

Knocked Down Goods

In some of cases, it can be impossible to carry the goods in a single transport vehicle. In that case, logistics are considered convenient to move the goods from the one place to another in parts rather than in a single transport. This is called as Semi Knocked Down or Completely Knocked down Goods. This can be better understandable with the help of an example. For example, if a crane is being supplied from Delhi to Jharkhand under a single invoice but for the logistical context, the vehicle is partially knocked down, it will be supplied in four different vehicles.

Receipt Voucher

A receipt voucher is meant for issuance in case advance payment of goods and services which are yet to be supplied. The details of the format of receipt voucher as provided by the CGST Rules, 2017 are annexed below;

a) Name and address of the supplier
b) GSTIN of the supplier
c) Serial number
d) Date of issue
e) Name and address of recipient
f) State and its code of the recipient, in case the taxable supply is more than 50,000/-
g) Advance Amount taken
h) HSN Code
i) Description
j) Quantity/Unique Quantity Code
k) Total Value
l) Taxable Value
m) Rate of Tax
n) Tax Charged Amount
o) Place of supply in case of inter-state supply

p) Delivery Address
q) Reverse Charge if any
r) Signature of the Supplier

The following are some of the exceptions for the issuance of the receipt voucher;
In case, the time for receiving the advance tax is not predicted or calculated then the tax rate will be 18%
In case of advance receipt, the nature of supply cannot be determined then the supply will be considered as inter-state supply.

E-way Bill

E-Way Bill can be defined as the Electronic Bill which is generated on the E-Way Bill Portal for the movement of goods. It is to be noted that an E-Way can be issued to a registered person under GST. The official website for the same is www.ewaybillgst.gov.in. It can also be generated through an Android App, SMS or API. A unique E-way Bill Number is generated and allocated to the concerned parties.

Chapter 5: Returns for GST

What is a Return?

The term return is also considered as financial return under the context of GST. In simple words, the money that has been made or lost in an investment is called as return. The term return can be expressed in nominal value over the period of investment. Apart from that it can be expressed in terms of percentage from the ration of investment profit.

Return on GST

Every registered person under GST is required to file the return in the format as prescribed by the statute within the specified time. According GST has made a regulation for providing of information by the taxable person with the help of the filling of returns. As per the law of GST, GST returns can be self assessed by the registered suppliers. A registered supplier files the return containing the information of income to the tax authorities so that it can be used to calculate the tax liability of the supplier. A taxable supplier can file for GST return with the help of a GST practitioner or GST Suvidha Providers (GSP).
According to GST regulation, to file a GST return a registered supplier has to furnish the following information;

- Sales
- Purchases
- Output GST (On sales)
- Input tax credit (GST paid on purchases)

Return on GST

The following are some of the types of GST Returns:

- GSTR-1: it is required by the supplier or taxpayer to provide the details of the sale or outward supplies.

- GSTR-2: it is required by the supplier or taxpayer to provide the details of the purchases or inward supplies.
- GSTR-3: It is required to furnish for monthly returns.
- GSTR -4: It is required by Composition Tax Payers for filling.
- GSTR-5: It is required to be filed by Foreign Non-Resident Taxpayers.
- GSTR-6: It is required to be filed by an Input Service Distributor.
- GSTR-7: It is required to be filed by a Tax Deductor.
- GSTR-8: It is known as the Statement for Tax Collection at Source.
- GSTR-9: It is for GST Annual Return.
- GSTR-10: It is for GST Final Return
- GSTR-11: It is known as Statement of Inward Supplies registered suppliers who have a Unique Identification Number (UIN).
- GST-3B: It is a summary of Return for the months of July and August.

How to File GST Returns?

All suppliers, manufacturers and consumers are liable to file the tax returns with the department of GST in every financial year. Filling the return of tax is automatic under the regime of GST. The GST returns can be filed via app or software as prescribed by the Goods and Service Tax Network (GSTN) which will automatically update the GSTR form details. The following are the steps for filling the GST return online;

- Login to the GST portal i.e. www.gst.gov.in
- A GST identification number of 15 digits will be issued basing on the state code and PAN of the supplier or dealer
- Upload the invoices on the portal after which a reference number for the invoice will be generated in respect of each invoice.
- Once the invoices are uploaded, the other return aspects including cumulative monthly returns, outward return, inward return etc, will also have to be filed accordingly. In case of any error or mistake, the portal will provide the option to correct the file and to proceed with the refilling of returns.
- GSTR-1 form will be issued in case of outward supply returns by login into the information section of the GST portal before or on the 10th of the next month.
- GSTR-2A form will be filed in case of outward supplies as furnished by the supplier and the same will be available for the recipient as well
- The recipient can validate, modify and verify the details furnished in the context of outward supplies and after that can file the same details for debit or credit notes accordingly.
- GSTR-2 form will be used by recipient to furnish the details of inward supplies of the goods and services eligible for tax.
- A supplier can accept or reject the verification and modification of details for inward supplies made by the recipient in form GSTR-1A

The Goods and Service Tax Network has the information of all the registered dealers and suppliers under GST which can be combined for maintaining of registers for references in future. The companies in that case are required to file 3 months and a single annual return in a particular financial year. In simple words, the total number of returns will be 37 returns. For this, GSTN has introduced excel based template for filling of GST returns easily which can be downloaded from the GST portal free of cost. The suppliers and dealers who are subject to tax can use the aforesaid excel workbook on a regular basis. On the GST portal, the information in relation to inward and outward supplies can be uploaded before the provided due date. The preparation of data can be done without the use of internet. However, in case of uploading the files in GST portal the internet is required.

Outward Supplies Return (GSTR-1)

GSTR-1 is a form which is used for monthly or quarterly GST return filling by the registered supplier or dealer under GST. Generally, this form contains the information related to outward supplies. It has a total of 13 sections and is based on the turnover of the business.

The following are some of the criteria for filling of GSTR-1;

When the turnover of the business is upto Rs. 1.5 crore, the GST return will be filed on quarterly basis

When the turnover of the business is more than Rs. 1.5 crore, the GST return will be filed on monthly basis

However some of the registered suppliers or dealers are exempted from filing the return under GSTR-1 they are input service distributors and composition dealers.

Inward Supplies Return (GSTR-2)

GSTR-2 is a form which is used to furnish all the details of transaction of purchases by registered supplier or dealer under GST on a monthly basis. In this form purchases of that particular month as well reverse charge applicable are specified. The GSTR-2 filed by a registered supplier or dealer can be used by the government for checking GSTR-1 reconciliation of buyer and seller. As per the GST Act, the due date for filing GSTR-2 form is 15th of upcoming month. However, there will be a gap 5 days to resolve any discrepancies in relation to GSTR-1 and GSTR-2

There are some exemptions for filling of GSTR-2 by some registered dealer or supplier under GST which includes input service distributors, composition dealers, persons deducting TDS, persons collecting TDS, NRI taxable person

Monthly Return (GST–3)

GSTR-3 can be defined as a monthly return statement which contains the details of sales and purchases of a particular month along with the GST liability. This return is an auto generated details by combing the details of GSTR-1 and GSTR-2. This will help to show the tax liability of the registered dealer or supplier every month and they have to pay the tax and can file the return accordingly. As per the GST Act, the due date for Filing GSTR-3 is 20th of the upcoming month. However, there will be a gap 5 days to resolve any discrepancies in relation to GSTR-2 and GSTR-3.

There are some exemptions for filling of GSTR-2 by some registered dealer or supplier under GST which includes input service distributors, composition dealers, persons deducting TDS, persons collecting TDS, NRI taxable person.

Annual Return (GSTR-9)

GSTR 9 form can be defined as a form which is used to file the annual return of the registered supplier or dealer under GST. Generally, it contains the details in respect of the supplies received and made during the particular financial year under various heading of taxes such as CGST, SGST and IGST. Apart from that it helps to consolidate the details provided during the monthly and quarterly returns of the particular year. As per the GST Act, the due for filling of GSTR-9 is on or before 31st December of the subsequent financial year.

GSTR-10 Return

This form is used by the suppliers or dealers whose registration under GST has been surrendered or cancelled due to some reason. In that case, the taxpayer can file the return in form GSTR-10. It is also known as final return. This form must be filled within 3 months from the date of cancellation of registration or cancellation orders whichever is later.

E-Commerce Company GST Returns

For filling of GST return of E-Commerce Company, GSTR-8 form is used. An e-commerce operator is required to fill the GSTR-8 form for filling of return as he is deducting TCS i.e. tax collected at source under GST. Some of the examples of e-commerce operators are Amazon, Flipkart, Shopclues, Snapdeal etc. As per the GST Act, the due date for filling GSTR-8 is 10th of the following month.

Simple Returns (Sahaj and Sugam Forms)

A meeting held on 28th GST council in the year 2018 introduced the simple return filling of GST for the tax payers namely Sahaj and Sugam. This scheme is majorly for the small tax payer who comes under the domestic market. These small taxpayers of outward supplies or B2C have been named as "Sahaj". On the other hand, the small taxpayers of outward supplies including B2B and B2C are named as "Sugam".

Chapter 6: Input Tax Credit under GST

Conditions for Input Tax Credit Entitlement

Input Tax in respect of a person who is subject to tax means the Goods and Services Tax that can be charged on the supply of the services and goods to a person for the purpose and intention of use during its business activity. Under GST, the application of Input Tax Credit can be considered as critical activity as it is mainly related to settlement of tax liability of a business.

Input Tax Credit can be termed as the backbone of the GST and it has utmost important or the registered supplier and dealer under GST. Under GST regime, the eligibility and conditions for the Input Tax Credit has been prescribed. The rules and regulation for claiming Input Tax Credit under GST has been a particular and straight approach.

The following are some of the conditions which must be fulfilled by a registered supplier or dealer to claim for Input Tax Credit under GST regime;

- There must be an evidence of payment of tax which includes tax invoice, debit note or any other payment receipt
- The goods and services must have been received by the recipient
- There must be document for transfer of title of goods when the goods are delivered by the supplier to any other person
- The returns must be furnished
- In case of goods are received partially or installment, Input Tax Credit can only be availed after receiving the last installment of goods.
- If depreciation has been allowed in case of capital goods for tax component, In such case Input Tax Credit will not be allowed
- If the supplier fails to supply the goods and service within the time limit of 180 days from the date of issue of invoice, Input Tax Credit can only be claimed by adding the output tax liability and interest. After the supplier receives the payment, Input Tax Credit can be claimed.
- The Input Tax Credit can be claimed against a debit note o invoice within the following time limits;

a) The due date of the GST Return filling for the month of September of upcoming financial year

OR

b) The due date for Annual return filling for that particular financial year

GST Input Tax Credit Utilization

As discussed in previous chapters, there are three types of taxes under GST which are as follows;

- Central Goods and Service Tax (CGST)

CGST are charged for the intra-state supply of goods/services.

- State Goods and Service Tax/ Union Territory Goods and Services Tax (SGST/UTGST)

SGST/UTGST are charged for the intra-state supply of goods/services

- Inter-State Goods and Service Tax (IGST)

IGST is charged for the inter-state supply of goods/ services,.

At the time of making the payment for the aforesaid taxes, the Input Tax Credit will be allowed as per the below provided manner in a table;

Credit	1st to be utilized for payment	Balance if any
CGST	CGST	IGST
IGST	IGST CGST	SGST/UTGST
SGST/UTGST	SGST/UTGST	IGST

VAT Credit and CENVAT

The term VAT means Value Added Tax. Similarly, the term CENVAT means Central Value Added Tax. Under the previous tax regime i.e. before the implementation of GST, VAT and CENVAT were used to be collected from the respective taxable person. VAT was applicable in such sales in which a seller has raised an invoice to the buyer within the state. On the other hand, CENVAT is obtained with regard to the central excise on input bought for the production of goods or any such duty paid in respect of production of final product.

Time Limit for Input Tax Credit

Input Tax Credit can be claimed by a taxable registered person under GST as per the specified time period. However, there are different scenarios in which inputs can be availed on the basis of semi finished stock or goods or completely finished stocks/goods.

The following are some of the time limit to claim Input Tax Credit under GST:

In case of a person has filed an application for registration or is liable to get himself registered or has been granted registration, the time limit will be the day when he is subject to pay the taxes

In case of a voluntary registration, the time limit for Input Tax Credit will be the Date of Registration

As per section 7 of the GST Act, when a taxable registered person has stopped the payment of tax under the composition levy scheme, in that case he requires to pay the taxes normally.

If the time limit does exceed 365 days from the date of issue of invoice for specific goods and services which under GST regime is known as supply, in that case Input Tax Credit can be availed.

Rules for Input Tax Credit

The following are some of the rules for availing the Input Tax Credit;

- The business or individual must be registered under GST as a taxable person.
- The goods and services must have been used for business purpose, only them Input Tax Credit can be claimed.
- Input Tax Credit can be availed on zero-rated supplies and taxable goods and services.
- Input Tax Credit has to be paid electronically through electronic credit ledger and accordingly the Input Tax Credit can be claimed.
- It is compulsory to file GST returns for availing Input Tax Credit
- In case of goods are received partially or installment, Input Tax Credit can only be availed after receiving the last installment of goods.

An Input Tax Credit cannot be claimed in case of following conditions;

- If tax on goods and services has been collected under composition scheme of GST
- Input Tax Credit cannot be claimed in case the goods and services have been used for personal purposes.
- In case of employer, the goods and services have been used for the personal purposes of employees.
- If depreciation has been allowed in case of capital goods for tax component, In such case Input Tax Credit will not be allowed
- If the goods and services have been acquired as a result of the contract which is in relation to construction of immovable property except machinery and plant

Chapter 7: GST Valuation

Valuation

As per the current GST law, GST will be charged in the value of the transaction. The value of transaction refers to the price which is originally paid for the supply of goods or service. In simple words the price paid for sole consideration of goods or services.

Under GST regime, the value of supply includes the following:

- Any cess, fees, taxes, duties, charges etc are imposed under any act other than GST. In case, it is charged separately by the supplier, the GST compensation cess shall not be added.
- Any amount which the supplier is supposed to pay that has been incurred by the recipient will not be added in the price of goods or services.
- The incidental expenses incurred relating to sale including commission; packaging etc. will be included in the price of goods and services.
- The subsidies in relation to the supply will be added except the subsidies which are paid by Government.
- Other things such as late fee, penalty, and interest charged for delay in payment will also be added in the price of goods and services.

What is Value of Supply?

The term Value of Supply refers to the amount paid by the buyer of the goods or services to the supplier in consideration for the supply made. This can be better understandable with the help of an example. For example, X goes to a shop which belongs to Y and purchases something then X will pay the amount or price of that good for service purchased from Y in consideration.

What is the value of supply of goods or services or both in GST?

Under GST regime, the rules of valuation will be applied for the determination of value of goods or services that has to be charged for the supply of goods or services. The rules of valuation have been prescribed under GST with an objective to determine the fair market value of the goods and services being supplied.

How Valuation of Supply would be made as per section 15(4), read with Valuation Rules?

The valuation for the supply of goods and service are generally made under section 15(4) of the GST Act. According to the provisions of the aforesaid section the valuation rules for supply are mentioned below;

Rule 27: Where the consideration is not always money. In simple words the consideration may be wholly or partly for monetary value for supply of goods or services

Rule 28: The value of supply for goods as well as services between the related persons for through as agent.

Rule 29: When the value supply of goods and services are supplied and received with the help of an agent.

Rule 30: When the value of supply of goods as well as services is based on only cost.

Rule 31: According to this rule, the residual method will be applicable for the determination of value of supply of goods and services.

What is the relevance for ascertaining value of supply?

Value of supply is determined on the basis of whether tax is collected or levied. It also helps to determine which elements is part of value and which are not. Accordingly, the value of supply is determined for imposition of tax. Considering the history of taxation structure in India, there have been various disputes for ascertainment of value on which generally tax is imposed and collected accordingly. One of the recent disputes regarding service tax that if it is a part of sale price or will be imposed as sales tax is one of the recent examples between the assessee and tax authorities. Apart from that the main issue arises in this is that why the valuation guidelines needs to be clear and precise regarding the element of inclusion what is to be added and what will not be added.

Rules of Valuation

Valuation Rules of GST were introduced recently and are available for public comment and recommendation. Currently, the rules of valuation of GST are being hosted on the CBEC's portal which can be assessed very easily. The valuation rules of GST will considerably impact all businesses in each and every sector. The following are some of the rules of valuation of GST;

All potential scenarios in which valuation is needed are categorized under seven different heads which are as follows;

1. Where the consideration is not always money. In simple words the consideration may be wholly or partly for monetary value for supply of goods or services. This can be better understandable with the help of an example. For example, barter system when the buyer gives the supplier another good as consideration for goods purchased.
2. The value of supply for goods as well as services between the related persons other than an agent. For example, when goods or services are received by related persons or entities from the supplier and the related person or entities are separate but have common control.
3. When the value supply of goods and services are supplied and received with the help of an agent. In some cases, when the goods are supplied between the principal and agent, there can be a addition of value which will ultimately fall under the category and definition of supply.
4. When the value of supply of goods as well as services is based on only cost. This is a type of method for valuation which helps for valuation basing on the manufacturing cost or acquisition cost.
5. According to this rule, the residual method will be applicable for the determination of value of supply of goods and services.
6. The determination of values with regard to certain supplies. This can be better understandable with the help of an example. For example, Life Insurance Business, Foreign Currency Convertor etc. are included under the aforesaid head.
7. In case of pure agent value of supply of supply. In that case, the rule of valuation will be applicable exclusively on principal and agent related cases.

Chapter 8: GST Legal Provisions

Anti-Profiteering

On 18 June 2016, the anti-profiteering rules meant for GST was announced by The GST Council. These rules can be termed as lessons which are inspired from other countries showing the increased price and inflation after the implementation of GST. This can be better understandable with the help of an example. For example, after introduction of GST in the year 1994, the country Singapore witnessed an increase in inflation.

After implementation of GST, it is important for the administrators of India to keep a close look on the prices. India is following the same path which was followed by other countries after implementation of GST in their home country. This includes the initiative of anti-profiteering rules to protect the consumers at retail level from price swindling. According to GST Act, Clause 171, it is compulsory to forward the advantage as a result of reduction in the tax rate or in respect of input tax credit to the tax payer with reduction in prices of goods.

The anti-profiteering rules very simple. In simple words, if a business has a lower rate of tax in previous tax regime, or if the business is eligible for the reduction of tax due to the application of input tax credit, the supplier in that case has to pass the advantage to the customers. The anti-profiteering rules states that the there should be a commensurate reduction in prices. For this reason, the tax payer has to respond in the same way in case the product or service is transferred to the low slab rate under GST.

Provisional Assessment of GST

According to the regulation of GST law, an assessee can file a request to the provisional assessment officer, in case he/she is not able to calculate or determine the rate or value. The difficulty or inability of determination can be faced in the following aspects;

- In calculation of transaction value
- The basic understanding of whether some of the receipts will be added or not
- Classification of goods and services
- Identification of the notification if these are applicable or not
- Regulation of Provisional Assessment
- Requests for provisional assessments will be given in writing
- The provisional officer has the authority to allow the provisional rate of tax on a value as prescribed by him
- The order can be passed within a time limit of 90 days from the request date.
- The taxpayer must issue a bond with the security that he will pay the differences between the provisional assessed tax and final assesses tax.
- Provisional assessments must follow final assessment. Before the final assessment the officer can ask for the additional information.
- The time limit or the final assessment must be done in 6 months from the issue of provisional statement which can be extended for another six months with the approval of Additional Commissioner. However, the Additional Commissioner has the authority to extend this to next 4 years in case he thinks it is required.
- The taxable person must pay the interest of the payable tax under the regulations of provisional assessment which are in case are unpaid within the due date. The period of interest can be calculated on the goods and services from the

Recovery

As per the GST law, The Goods and Service Tax is payable on the basis of self assessment. If the tax paid correctly by the assessee on the basis of self assessment, there will be no problem on that. However, in case of wrong or short payment or misuse of input tax credit, the GST authorities will demand for the recovery against the assessee under the recovery provision of GST.

The following are some of the cases of recovery demand under GST;

- In case there are no chances of fraud under section 73 of GST law. However the aforesaid section will not be applicable in case of nonpayment or short payment of taxes or on the wrong refund of taxes.
- Wrong utilization of Input Tax Credit
- Apart from fraud, if there are other reason, for the evasion of tax

The relevant officer under GST authorities will provide a show cause notice to the taxable person and basing on that the tax payer has to pay the taxable amount due including the penalty and interest.

Time Limit

The proper officer under GST authorities has to issue the show cause notice within 3 months prior to the time limit. The time limit can go up to 3 years from the date of filling of the annual return for that particular financial year for which the taxable amount relates to.

Appeals

Under GST Appeals are filed by the taxable person within 3 months from the issuance of communication order by the GST authorities. In case of appeals, the reason and purpose of the appeal and the verification form must be signed by the taxable person. The signed document's hard copy containing the details of appeal along with the certified copy of the decision must be filed before the GST Appellate Authority in triplicate within seven days from the date of filling the electronic appeal. At the time of filing an appeal, the taxable person needs to the GST tax, fine, penalty, interest as required and also have to deposit a minimum of 10% of the balance of the taxable amount in a disputed tax. After filing of the appeal, an acknowledgement receipt will be issued containing the appeal number which will be provided in Form GST APL 02.

After filing of the appeal, the Commissioner of GST can file an application before the Appellate Authority within 6 months from the issuance of the communication decision in respect of form APL GST 03 which is communicated electronically. There be a maximum of three adjournment which will be granted/provided to the opposite part for providing the reasonable cause in written format. On the conclusion of the appeal, the Appellate Authority will issue the order containing the details of FORM GST APL-04 which will show the final confirmed amount according to the demand.

Inspection, Search and Seizure

Inspection

The aforesaid terms Inspection, Search and Seizure is done in case there is doubt and suspicion of tax evasion. The Joint Commissioner of GST can have reasons to conclude and believe that for the evasion of tax, any tax payer can do the following things;

In case of suppressed supply of any goods and services
In case of suppressed stock in hand
In case of violation of provisions under GST
In case of excess claim of input tax credit
In case, the goods by the owner or operator or transporter has been kept in the warehouse to avoid taxes or has been kept in such a way or play to escape from taxes. In that case, the Joint Commissioner of GST has the authority inspect by himself or through his authorized officer the business place of;
Owner's house
Taxable Person
The Transporter of Goods
Search
Search is conducted based on the result for the inspection. The Joint Commissioner of GST or an authorized officer can order for conducting a search if he has the following reasons to believe;
If the goods are liable for a confiscation
If any documents or books of accounts has been hidden somewhere else which are useful and important for the proceedings
The authorized officer can conduct the search and seizure work by himself or through his officers.
Seizure
The term 'seizure' under GST has not been defined. In legal sense, the term seizure refers to the act of acquiring something or person forcibly by following legal process. The example of seizure is the evidence found at the place of crime. In simple words, it is a legally forcible action without the permission of the owner. Under GST, the relevant officer will give the seizure order in FORM GST INS-02.
The officer authorized to search will have the power to seal the door of the premises. He can also break open the door of any premises if access is denied. He can also break open any cupboard or box in which goods, books, documents etc. are suspected to be concealed.

Mechanism of Advance Ruling

Any advance tax ruling under GST can be defined as the written interpretation of the law of taxes. This is generally issued by the taxation authorities to companies and individuals who are requesting clarification for some tax related issues. Generally, advance ruling is requested in case the taxpayer is not able be understand or uncertain about the provisions under GST. The advance tax ruling can be applied prior to any proposed activity.
According to the GST law, the advance tax ruling is a written order given by the tax authorities to a person who has applied with some doubts in relation to the supply of certain goods and services. One of the main objectives of advance ruling is that it provides certainty and clarification in relation to tax liability of a person in advance for a future activity.

Chapter 9: Other Provisions/ Miscellaneous

Central Goods and Service Tax (CGST)

The complete form of CGST is Central Goods and Services Tax. This tax is levied on transactions of goods and services which are being made within a state by Central Government of India. It can be considered as one of the two taxes which are being charged on the transactions made within the states and the transactions made between other states which is also subject to SGST or UTSGT. This tax replaced all the previous indirect taxes such as Service Tax, CST, Customs Duty, SAD Central Excise Duty, etc. Generally, CGST rate is equal to SGST rate. CGST tax is charged on the basis of the price of the product.

Inter- State Goods and Service Tax (IGST)

The complete form of IGST is Integrated Goods and Services Tax. This tax is applicable on the inter states transaction made for the goods and services which also includes imports of goods,, This tax is generally collected by the Central Government and then distributed among the concerned states. It is charged only when a product or service is transferred from one states to another state. IGST ensures that the state has only look after the Union Government and every other states has to settle the inter-state amount of tax separately.

This can be better understandable with the help of an example. Suresh is a manufacturer in West Bengal who is engaged in selling of garments and sold the same to Mahesh who is also located in West Bengal. This will be called as a inter-state transaction and in this case IGST will be applicable. Here, if the rate of GST is 18% then the amount of IGST will be 1800/- and the GST included price of the good will be 11,800/-.

From the above example it is concluded that GST is a tax in relation to consumption which suggests that the state in which the actual consumption of goods or services occurred will obtain the benefits of tax irrespective of state of manufacturing.

Union Territory Goods and Services Tax (UTGST)

UTGST full form is Union Territory Goods and Services Tax. This is also a form of GST. UTGST can be applied on the goods and services where the supply take place in the five Union Territories of India such as Dadra and Nagar Haveli, Chandigarh, Lakshadweep, Andaman and Nicobar Islands, and Daman and Diu. This tax will be levied in addition to the CGST tax as well. As per the law of GST, in case of supply of goods and services within a Union Territory, both CGST and UTGST will be applicable.

The main reason for the separate implementation of GST for Union Territories is that the GST implemented for states cannot be applicable for Union Territory without any specific legislation. Accordingly the Union Territories Delhi and Puducherry have their own legislation for the implementation of GST. That is reason that SGST can be applicable for supply in these two Union Territories.

Different Industries or Sectors in GST

The following are some of the Industries or Sectors in GST which have been discussed below:

Manufacturers, Distributor, and Retailers

Today, GST can be considered as a boost for the level of performance and competitiveness in the manufacturing sector in India. The decrease in export and advanced infrastructure are the main concerns of the manufacturing sector these days. In the past, there were different types of indirect taxes which led to increase in the operating and administrative cost in the process of manufacturing as well as distribution. After the implementation of GST, the burden of compliance in relation to the multiple taxes eliminated and the sector of manufacturing, distribution and retail has grown significantly. However, under GST regime, the businesses which are under the tax bracket in the previous regime of tax are now have to compulsorily register themselves under GST which ultimately leads to lesser evasion of tax.

According to a survey conducted in March 2014, it was reported that there were about 12, 76,861 service tax payers in India of which it came to light that top 50 were paying 50% of the collected taxes across the country. As per the analysis the main burden was borne by different domains which include telecommunications, information technology services, business support services, insurance, finance and banking services etc.

Logistics

In wide and populated country like India, the logistics industry can be considered as the one of the important contributing factors in the Indian economy. This can be fairly assumed that a well structured and organized logistics industry has the potential to keep pace with the changing economic requirement of the country which includes Make in India Program a initiative by the Indian Government.

E-commerce

Today, with the rapid growth in the technology, the e-commerce industry in India has emerged as a game changer in the economy of the country. The implementation of GST will help this sector in many ways for the long term growth and success as the GST law suggests a Tax Collection at Source mechanism which will be beneficial for e-commerce companies. Currently, the TCS rate is 1%.

Pharma

Analysis of impacts of GST on Phrama industry revealed that it has overall benefited the healthcare and phrama industry. GST helps to create a level for boosting the generic drug maker as well medical tourism. This ultimately helps to simplify the structure of tax. Currently, the pharma sector has a hope for the respite of tax as this will make a way for easier, cheaper and affordable healthcare services which can be accessible by income group in the country.

Telecommunications

The price of telecom sector will come down after the implementation of GST; this theory was predicted by the scholars and experts before the implementation of GST. In this sector, the manufacturer will have an opportunity to save the additional cost with the help of effective and efficient management of stock by consolidation of the warehouses. The manufacturers of handsets will be able to sell their goods easily as GST has made it mandatory for registration of business which are engaged in supply or transfer of goods. Apart from that they will also find a way to save the costs in relation to logistics.

Textile

The textile industry in India has been providing employment to large number of people including the skilled and unskilled workers in India. The contribution of textile industry in the total annual exports of India is 10% and this value has been increasing after the implementation of GST. Under GST, the cotton value in textile industry will be affected and this will ultimately impact the small and medium enterprises as it was attracted 0% under central excise duty previously.

Real Estate

The real estate sector is one of the most important and prominent sector in India for generation of employment. The real estate sector majorly depends on the rate of taxes and the impacts of GST. However, after the implementation of GST, this sector has been benefitted in many ways as GST has brought the required accountability and transparency in the real estate business.

Agriculture

The agricultural sector can be termed as one of the largest contributors of overall Gross Domestic Product (GDP) of India. Agriculture covers about 16% of the Gross Domestic Product (GDP) of India. One of the important problems that is being faced by the agricultural sector is that the cost of transportation all across the country. GST played a significant role in resolving the problem of transport for agricultural sector.

FMCG

The FMCG sector has been experiencing significant changes in their industry as the FMCG companies are saving distribution and logistics cost after the implementation of GST. GST has eliminated the requirement of more than one sale depots.

Freelancers

Today, Freelancing in India has been growing in a faster rate. However, the rules and regulations of the freelancing industry still depend on the GST. With the implementation of GST, it can be easier for the freelancer to file the tax returns easily and that they can do that online sitting at home. Freelancers are taxes under the category of service providers. Under GST tax regime, the tax structure of the country has been transparent and accountable to the freelancing industry.

Automobiles

The automobile industry is a wide business in India which is engaged in large number of vehicles annually and ultimately used by large population of India. Under the previous regime of India, there were several indirect taxes

taxes which were applicable to this sector which includes VAT, sales tax, road tax, motor vehicle tax, registration duty, service tax etc. which are now replaced by GST.

Textile

The textile industry in India has been providing employment to large number of people including the skilled and unskilled workers in India. The contribution of textile industry in the total annual exports of India is 10% and this value has been increasing after the implementation of GST. Under GST, the cotton value in textile industry will be affected and this will ultimately impact the small and medium enterprises as it was attracted 0% under central excise duty previously.

Updates in GST

On 10 January 2019, 32nd GST Council meeting was held at New Delhi with regard to the announcements of reliefs for small and medium size enterprises and traders. Some of the main highlights of the 32nd GST Council meeting are mentioned below;

- There will be an increase in the registration limit of GST for suppliers of goods i.e. from 20 to 40 Lakhs.
- Some changes will be made in existing composition scheme with the increase in the turnover limit and to join the scheme up to 1.5 crores. The payment of tax and filing of annual return will be made quarterly and annually respectively from 1 April 2019.
- A new composition scheme will be launched for the supplier of goods and service providers with a fixed tax rate of 6% and turnover limit will be 50 lakhs.
- There will be no reduction of rates. GoMs were made for the study of taxation under lotteries and construction property.
- The calamity cess will be levied for the supplies made within Kerala which will be up to 1% for 2 years.

Thank You!