



# **Goods and Services Tax – An Overview**



**CA J Raja Keerthy,  
Madurai**

Presented on 6<sup>th</sup> June, 2017

# Session Topics

---

- ▶ Present status of GST act
- ▶ Need for GST
- ▶ Definition of 'Supply' in GST
- ▶ Tax Regime under GST
- ▶ Illustration
- ▶ GST Registration
- ▶ Composition scheme
- ▶ Obligations due to GST
- ▶ Invoice format
- ▶ GST forms

# Present status

---

- ▶ 101<sup>st</sup> Constitution Amendment Act, 2017 - 16/09/2016
- ▶ GST council – Article 279A
- ▶ Total acts under GST regime – 29 SGST Acts, 2UTGST Act, CGST Act, IGST Act, GST compensation Act
- ▶ IGST Act, CGST Act – 12 /04/2017
- ▶ 24 SGST Acts as on 05/06/2017
- ▶ Appointed day – 01/07/2017 ???
- ▶ 16/09/2017 ???

# Need for GST - Present tax regime

Duty / Tax	Nature
Excise duty	Duty on manufacture of goods
Service tax	Tax on services
Basic customs duty	Duty on imports
Countervailing duty & Special additional duty	Duty on Imports
VAT/CST	Tax on sales
Luxury tax	Taxes on Hotel accommodations etc
Entry tax	Tax paid while bringing goods into state
Central and state cess	Cesses such as Swach Bharat cess, Krishi kalyan cess
Entertainment tax	Taxes on entertainment like cinema

# Need For GST

---

- ▶ One India – One Tax
- ▶ Uniformity of taxes and regulations
- ▶ To avoid cascading effect
- ▶ Applicability of VAT and Service tax for the same transaction
- ▶ Interpretation Issues

# Supply

---

- (a) all forms of supply of goods or services or both such as **sale, transfer, barter, exchange, licence, rental, lease or disposal** made or agreed to be made for a consideration by a person in the course or furtherance of business;
  
- (b) **import of services** for a consideration **whether or not** in the course or furtherance of business;
  
- (c) *the activities specified in Schedule I, made or agreed to be made **without a consideration**; and*
  
- (d) *the activities to be treated as supply of goods or supply of services as referred to in Schedule II.*

# Supply Schedule

<b>Schedule</b>	<b>Details of the Schedule</b>
I	Activities to be treated as Supply even if made without consideration
II	Supplies to be treated as goods or services
III	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services
IV	Activities or transactions undertaken by the Central government, a State government or any local authority which shall be treated neither as a supply of goods nor a supply of services
V	Persons liable to be registered

# Goods Vs Services

---

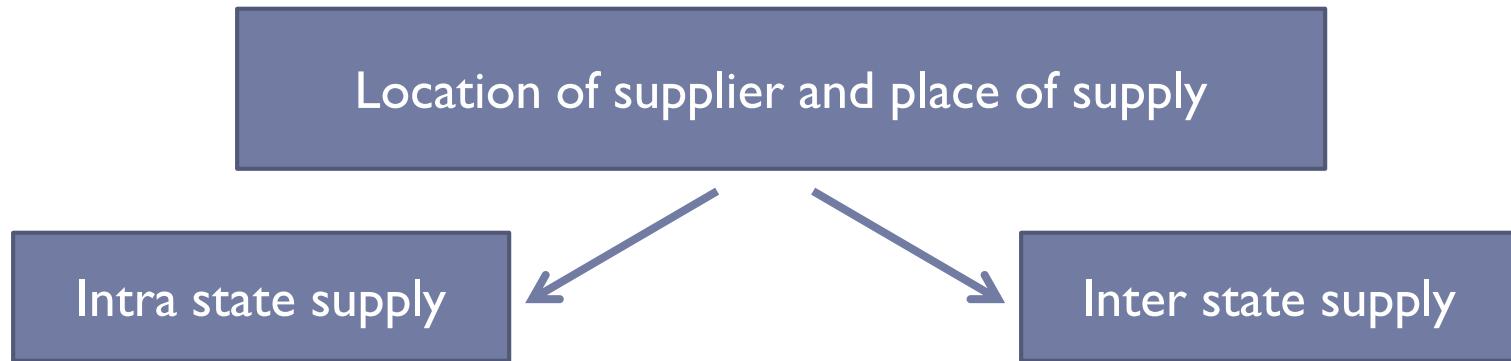
- ▶ “Goods” means **every kind of movable property** other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;
- ▶ “Services” means **anything other than goods**, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

# GST – Some exclusions

---

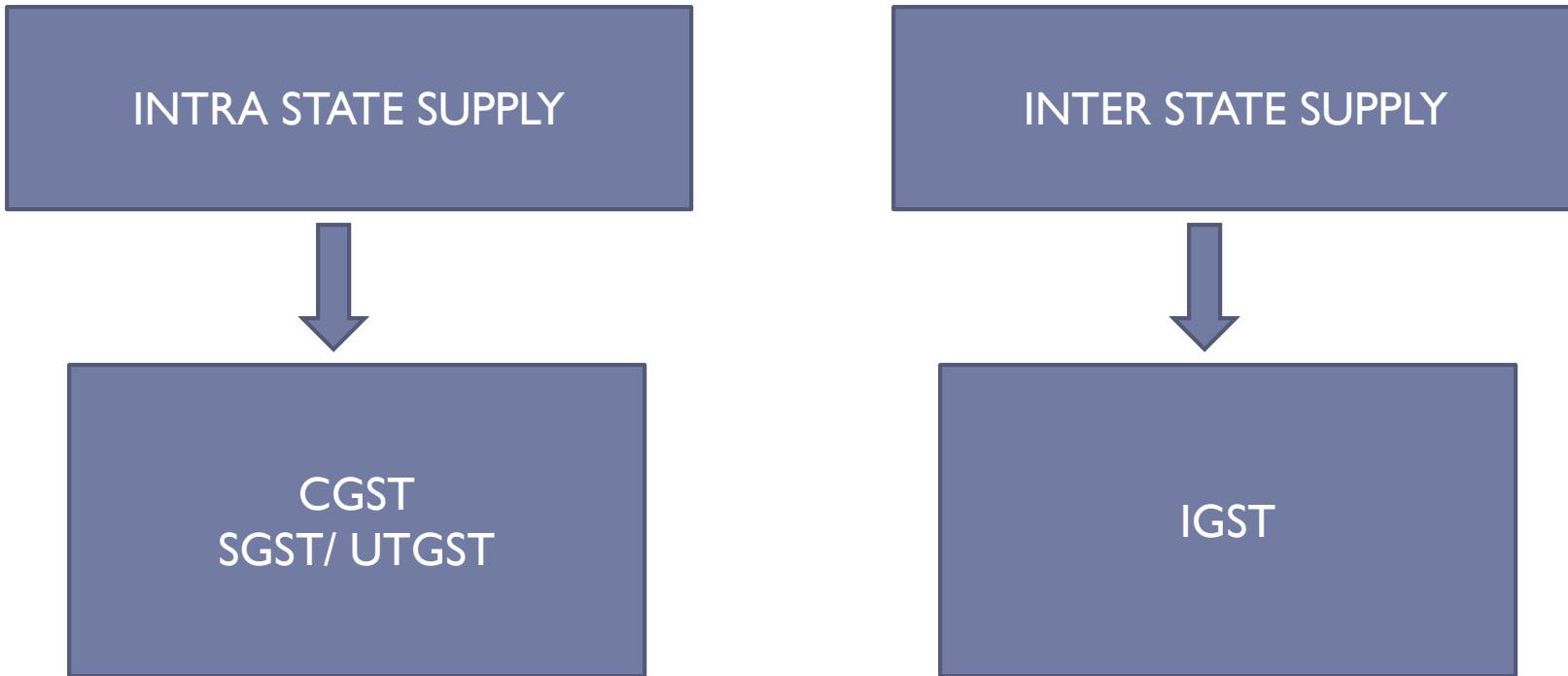
- ▶ Supply of alcoholic liquor for human consumption
- ▶ Supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel – Will be notified at a later point

# Tax regime – Under GST

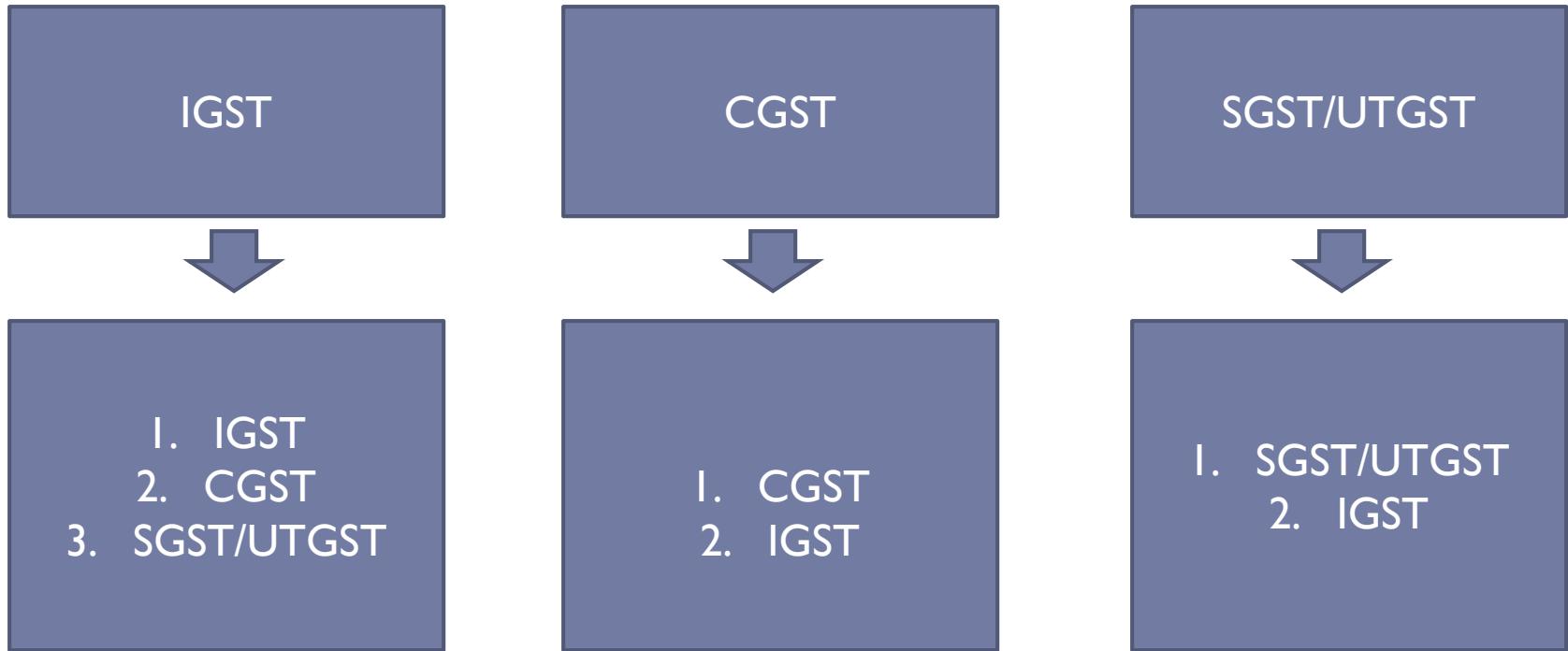


- ▶ Within the state
- ▶ Different state
- ▶ In the course of import
- ▶ In the course of export
- ▶ To/ by SEZ developer/ SEZ unit
- ▶ Other than intra state

# Tax regime – Under GST

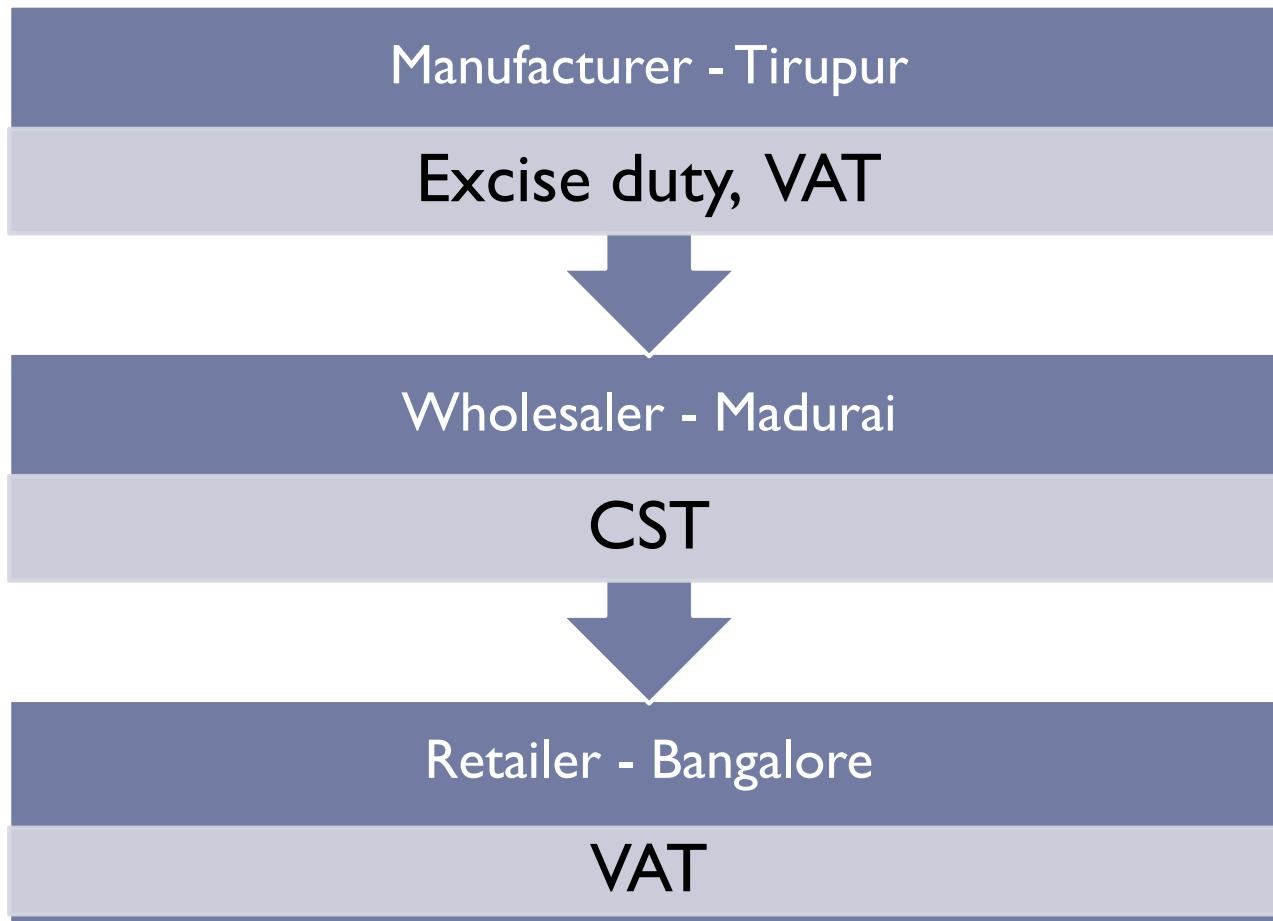


# Input tax credit



- ▶ No adjustment of SGST/UTGST with CGST

# Illustration



# Illustration – Present tax regime

Manufacturer - Tirupur	Amount in INR
Raw materials + Labour + Overheads	1,00,000
Add: Profit Margin of 20%	20,000
Total	1,20,000
Add: Excise duty @12.5%	15,000
Sub – Total	135,000
Add:VAT @ 5%	6,750
<b>Total invoice value</b>	<b>141,750</b>

Total tax remittances

Centre - Rs. 15,000/-

State - Rs. 6,750/-

# Illustration – Present tax regime contd...

<b>Wholesaler – Madurai</b>	<b>Amount in INR</b>
Purchase price (excluding VAT)	1,35,000
Add: Profit Margin of 10%	13,500
Total	148,500
CST @ 2%	3,000
<b>Total Invoice value of sales</b>	<b>151,500</b>

Eligible for credit on  
Input VAT

Ineligible for cenvat  
credit – Excise duty paid

# Illustration – Present tax regime contd...

<b>Retailer - Bangalore</b>	<b>Amount in INR</b>
Purchase price	151,500
Add: Profit Margin – 20%	30,300
Total	181,800
Add:VAT @ 5%	9,100
<b>Total Invoice value</b>	<b>190,900</b>

Ineligible for CST paid  
– Rs.3,000/-

Total tax remittances –  
Rs.9,100/-

# Illustration – GST Regime

Particulars	Manufacturer - Tirupur	Wholesaler - Madurai	Retailer – Bangalore
Cost incurred	₹1,00,000	₹1,20,000	₹132,000
Profit margin	₹20,000	₹12,000	₹26,400
Total	₹1,20,000	₹132,000	₹158,400
CGST (9%)*	₹10,800	Nil	₹14,256
SGST(9%)*	₹10,800	Nil	₹14,256
IGST (18%)	Nil	₹23,760	Nil
Total Invoice value	₹141,600	₹155,760	₹186,912

\* Note: SGST and CGST rates are assumed to be in the ratio of 1:1

# Illustration – GST Regime contd...

Particulars	Manufacturer - Tirupur	Wholesaler - Madurai	Retailer – Bangalore
CGST payable	10,800	Nil	14,256
SGST payable	10,800	Nil	14,256
IGST payable	Nil	23,760	Nil
Credit details			
CGST	Nil	10,800	Nil
SGST	Nil	10,800	Nil
IGST	Nil	Nil	23,760
Total tax payable	21,600	2,160	4,752

# GST Registration

---

- ▶ If aggregate turnover exceeds Rs.20 Lakhs in a financial year
- ▶ In case of special category states, if aggregate turnover exceeds Rs. 10 Lakhs

## **Mandatory Registration**

- ▶ Interstate supply
- ▶ Casual taxable persons
- ▶ Liable for reverse charge
- ▶ E-commerce operators
- ▶ Non Resident taxable persons
- ▶ Agents
- ▶ Input service distributors
- ▶ Person supplying OIDARS

# Composition Scheme

---

- ▶ If the aggregate turnover does not exceed Rs. 50 Lakhs
- ▶ Liable for reverse charge u/s 9(3) and 9(4) of the CGST Act, 2017
- ▶ Not eligible for Input tax credit
- ▶ Should not make interstate supply
- ▶ Should not supply through E-commerce operator
- ▶ Should not manufacture notified goods
- ▶ Should not engage in provision of services except supply being food or any other article for human consumption or any drink

# Composition Scheme – Rates under CGST Act

---

<b>Category of registered persons</b>	<b>Rate of Tax</b>
Manufacturers other than notified manufacturers	1%
Hotels and restaurants	2.5%
Others	0.5%

# Obligations pre GST

---

- ▶ Provisional registration
- ▶ Final registration
- ▶ Closing stock valuation
- ▶ Invoice formats
- ▶ Review of purchase and sales policy

# Major obligations after registration

---

- ▶ GST levy – Right taxes
- ▶ Reverse charge u/s 9(3) and 9(4) of the CGST Act,2017
- ▶ TDS and TCS for the applicable transactions
- ▶ Return filing – 37 returns per year (minimum)
- ▶ Payment to be made within 180 days

# Invoice

---

- ▶ A consecutive serial number
- ▶ Issue date
- ▶ Seller details:
  - ▶ Name, Address and GSTIN of the supplier
- ▶ Recipient details:
  - ▶ If registered - name, address and GSTIN or UIN
  - ▶ If unregistered (value > Rs.50,000) - Name and address of the recipient and the address of delivery, along with the name of State
- ▶ Goods / Service details:
  - ▶ Quantity of goods
  - ▶ Total value of goods/ Services
  - ▶ Rate and amount tax
- ▶ If Reverse charge basis – details of the same
- ▶ Signature

# GST Return Forms

Form No	Details	Last date
<b>GSTR 01</b>	Seller shall disclose all of his outward supplies for the month → GSTR 02A	10 <sup>th</sup> of following month
GSTR 01 A	Inward supplies that are added, corrected or deleted by your buyer is made available in this form	17 <sup>th</sup> of following month
<b>GSTR 02</b>	Buyer shall disclose all of his inward supplies for the month. This reaches seller in GSTR 01 A.	15 <sup>th</sup> of following month
GSTR 02 A	Inward supplies detail made available to the buyer on basis of FORM GSTR01 submitted by seller	Used in verifying entries of GSTR 02
<b>GSTR 03</b>	Return of inward & outward supplies is auto populated from GSTR 01, GSTR 02, and Electronic Cash / Credit / Tax liability ledgers. Payment of Tax, Interest and other dues	20 <sup>th</sup> of following month

# GST Return Forms

Form No	Details
GSTR 04	Quarterly return for compounding Taxable persons
GSTR 04 A	Inward supplies detail made available to the recipient registered under composition scheme, based on GSTR 01 filed by the supplier
GSTR 05	Return for Non resident foreign Taxable person
GSTR 06	ISD return
GSTR 07	Return for Authorities deducting Tax at Source
GSTR 07 A	TDS certificate
GSTR 08	Supplies effected through e-commerce operator
GSTR 09	Annual Return
GSTR 09 A	Simplified annual return by compounding Taxable persons
GSTR 09 B	Reconciliation statement
GSTR 10	Final Return
GSTR 11	Inward supplies detail to be furnished by person having UIN

---

# Thank You

**CA J Raja Keerthy**  
**E [contact@rajakeerthy.in](mailto:contact@rajakeerthy.in)**  
**M 9843935239**