

GST

(GOODS & SERVICE TAX)

GST ACT 2017 (APPLICABLE FROM 01
JULY 2017)



What is GST

GST is known as Goods and Service Tax.

It is a Tax levied on Goods and Services at Rate specified by the Government

GST is an Indirect Tax, therefore, the liability to collect and pay GST shifted on Another person (Seller/Supplier)

Seller
/ \

Goods
(वस्तु)

Service
(सेवा)

AST ?

Turnover limit
(~~Sale~~ Sale)

GST Registration. (<https://www.gst.gov.in/>)

The Threshold limit for taking registration is as follows:

(1 year) - Compulsory

In case of a supplier of services – Rs. 20,00,000 (Rs. 10,00,000 for states of Manipur, Mizoram, Nagaland, and Tripura)

In the case of **Supplier of Goods** – Rs. 40,00,000 (Rs. 20,00,000 in the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, and Uttarakhand) w.e.f. 01.04.2019

If the Supplier is involved in Inter-State supply of Services only (not goods) and his aggregate turnover in a financial year does not exceed the prescribed amount of threshold exemption limit i.e. Rs. 20,00,000 then not required to take registration under GST. (in case of Interstate Goods Supply- There is compulsory Registration)

Furniture → (goods) 10 Lakh
Turnover Limit

Website Design → (Service) 20 Lakh

CA → 20 Lakh (Exempt
Advocate)

Sale

yes/no

goods

Trading

42,00,000

yes

sem

18 Laku

Voluntary Registration ✓

Persons having turnover below 40 Lakh and 20 Lakh can also get themselves registered under GST, there is no restriction on registration when turnover is below 40, 00,000 and 20, 00,000 however if turnover is more than the specified limit then registration is compulsory.

Compulsory Registration ✓

GST Act provides compulsory registration of certain suppliers even if their aggregate turnover is below the threshold limit:

- Person making an inter-state taxable supply of goods
- **Casual taxable persons** making taxable supply
- Persons who are required to pay tax under reverse charge
- Person making **taxable supply** on behalf of another person whether as an agent or otherwise;

Turnover includes:)

The aggregate value of all taxable supplies + exempt supplies + export of goods or services or both + inter-state supplies

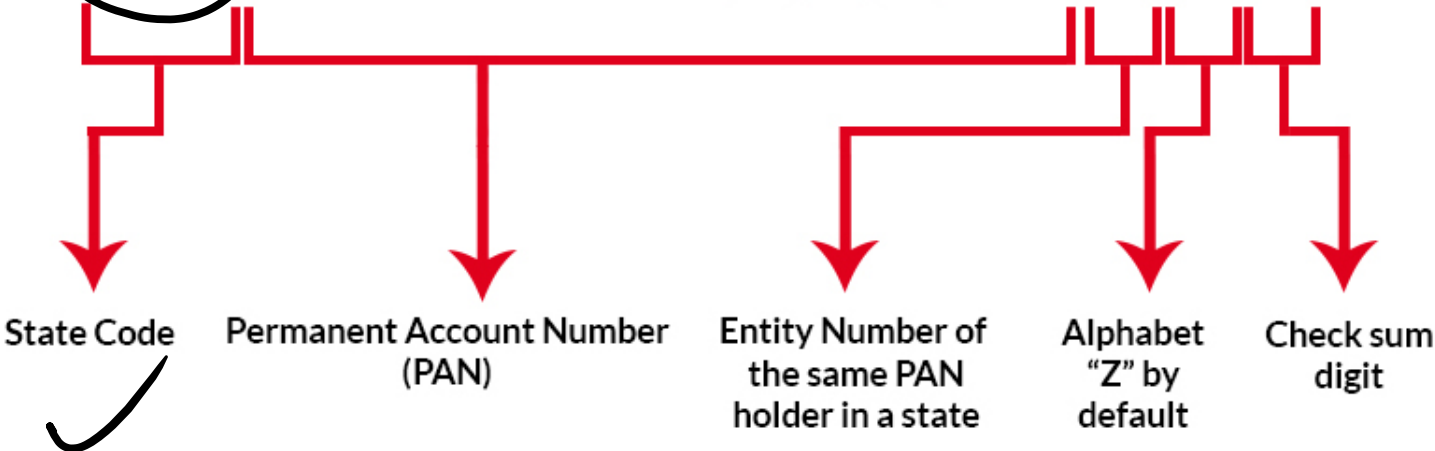
Aggregate Turnover to be computed by considering all the persons having the same PAN number based on all India.

Persons not liable for Registration

- Person engaged in the business of supplying only non-taxable goods or services under GST Acts.
- Agriculturist, to the extent of supply of produce out of cultivation of land and
- Persons only engaged in making taxable supplies of goods or services or both, the total tax on which is liable to be paid on a reverse charge basis by the recipient of such goods. (Eg. Transporters)

Format of GSTIN

22AAAAA0000A1Z5



Tax free good
Agm.c.

3 Types of GST Registration.

REGULAR- Normal Dealer Assesses who does not fall under any specific category like composition scheme or foreign taxpayer etc. is known as Normal Dealers. The taxpayer must file the GSTR-01 form.

COMPOSITE- A composition dealer is required to pay tax at a specific rate on total sales. Also, the dealer has to pay tax under reverse charge on specified purchases, purchase from unregistered dealer and import of services. This means that Total GST Payable = Tax on supplies (net of advance and goods returned)

CASUAL- Casual Taxable Person- means a person who occasionally undertakes transactions involving supply of goods/ Services in the course or furtherance of business whether as principal, agent or in any other capacity, in a taxable territory (whole India) where he has no fixed place of business.

| REGULAR | COMPOSITION | CASUAL |
|---|---|--------------------|
| MORE THAN 20LAC/10LAC[SUBJECT TO SEC24]or <ul style="list-style-type: none"> • 40LAC ONLY FOR GOODS • 20LACFOR THE GOODS AND SERVICE BOTH | MORE THAN 20LAC/10LAC BUT LEES THAN 1.5 CRORE | NO THRESHOLD LIMIT |
| ✓ 30DAYS | 30DAYS | PRIOR 5 DAYS |
| Valid | Valid | Valid |
| ✓ Till Cancelation | Till Cancelation | 90 |

ABC Ent (90,000)
5.1. GST 4500
Regulator

XYZ Ent
Composition

Sale (1,00,000)
 5.1. GST

| | | | |
|---|--------------------|---|-------------|
| | <u>gst</u> | | Amt |
| | Output GST | | 5000 |
| - | Input GST | - | <u>4500</u> |
| | <u>GST payable</u> | | 500 |

1,00,000 (Sale) (1.1.)

1.1.
 5.1.
 6.1.

- Trading

DIFFERENCE BETWEEN COMPOSITION GST & REGULAR GST SCHEMES?

| subject | Composition Scheme | Regular Scheme |
|------------------------------|--|---|
| Meaning | Payment of taxes on prescribed rate on the Turnover without adjustment of input tax credit. | Payment of taxes at prescribed rate on the turnover with the adjustment of input tax credit |
| Sale | They cannot make interstate sales. The sales are restricted to intra state (with in a registered state) | They can make Interstate sales as well as local sales. |
| Tax Rate | Lower rate of tax is applicable (like 0%, 1%, 2%, 5% and 6%) | Higher rate of tax is applicable (like 0%, 5%, 12%, 18% and 28%) |
| Restrictions on SEZ | No Restrictions for Exports or supply to SEZ, and SEZ developers. | Composition Scheme person cannot make any such supplies |
| Restrictions on Entry / Exit | Can opt-out from composition any time throughout the year. | Can opt into composition only at a prescribed time, generally Feb to End of Mar. |
| NO.OF RETURN | 17 | 1 |
| Filing of Return | <ol style="list-style-type: none"> 1. Quarterly payment of taxes and Returns using GSTR-4 2. Annual Return-GSTR-9A 3. COMP-08 QUARTER OF THE YEAR | <ol style="list-style-type: none"> 1. Return of outward supply GSTR-1 2. Returns of GSTR-3B & Inward Supply GTR-2A (Automatic) 3. Annual Return GSTR-9 |

GST RATES (ITEM WISE & HSN CODE)

There are Different GST Rates and HSN Code for Different Goods and Services

- 28% (Example-Motor Cars, Luxury Products)
- 18% (Example-Power banks, Tiles, Services)
- 12% (Example-, STATIONERY, UMBRELLA)
- 5% (Example READYMADE GARMENTS, CAPS,TIE, T-SHIRT)
- 3% (Example Gold)
- 0.25% (Example Diamonds)
- 0% (Example: Fruits, Vegetables)

Local Sale

PUNE 1,50,000

CST. (12%)

CST 6% → 9000

SST 6% → 9000

1,68,000

Mumbai

Bengaluru
(Karnataka)

(12%)

Interstate Sale

1,50,000

IGST 12% → 18000

1,68,000

Delhi (Registered) - seller
Mumbai - Buyer

Sale 5,00,000
GST 18%

5,00,000
18% 90,000

5,90,000

Seller - Delhi
(CS - Delhi)

Local Sale
CAST SAST

Sale of service = 2,10,000

(18%)

CAST 91% → 189000

SAST 9% → 18900

3,78,000

Sale

GST Amt

12,000

— output GST

Purchase

17,000

— Input GST

12,000 (

12,000

—————
GST → 0

Output GST = 12,000

- Input GST = 17,000

—————
GST payable

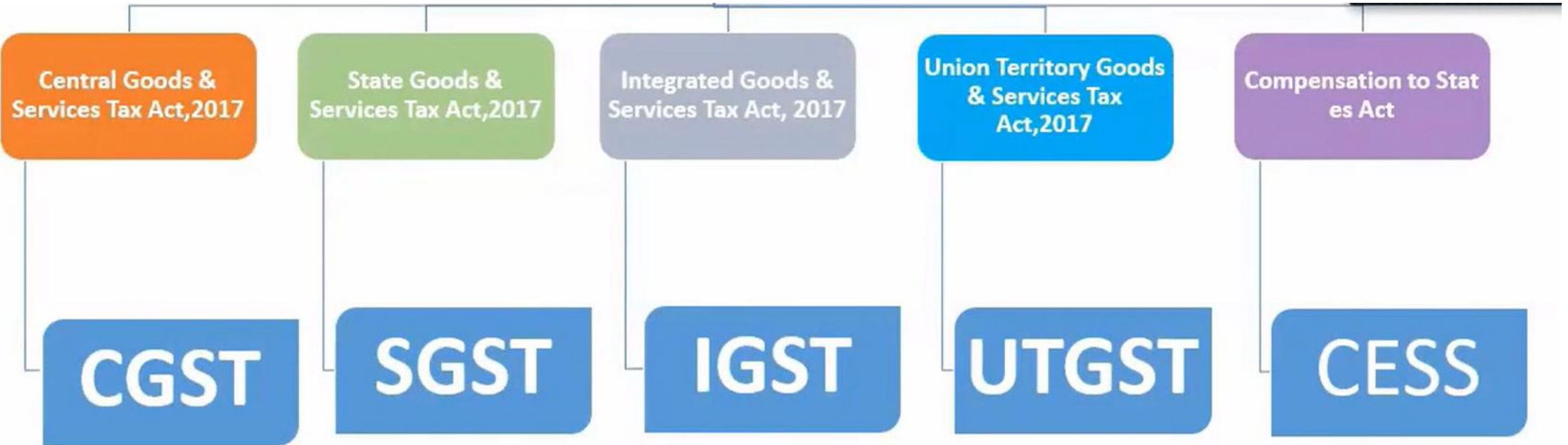
→ credit Balan

Place of supply of Goods

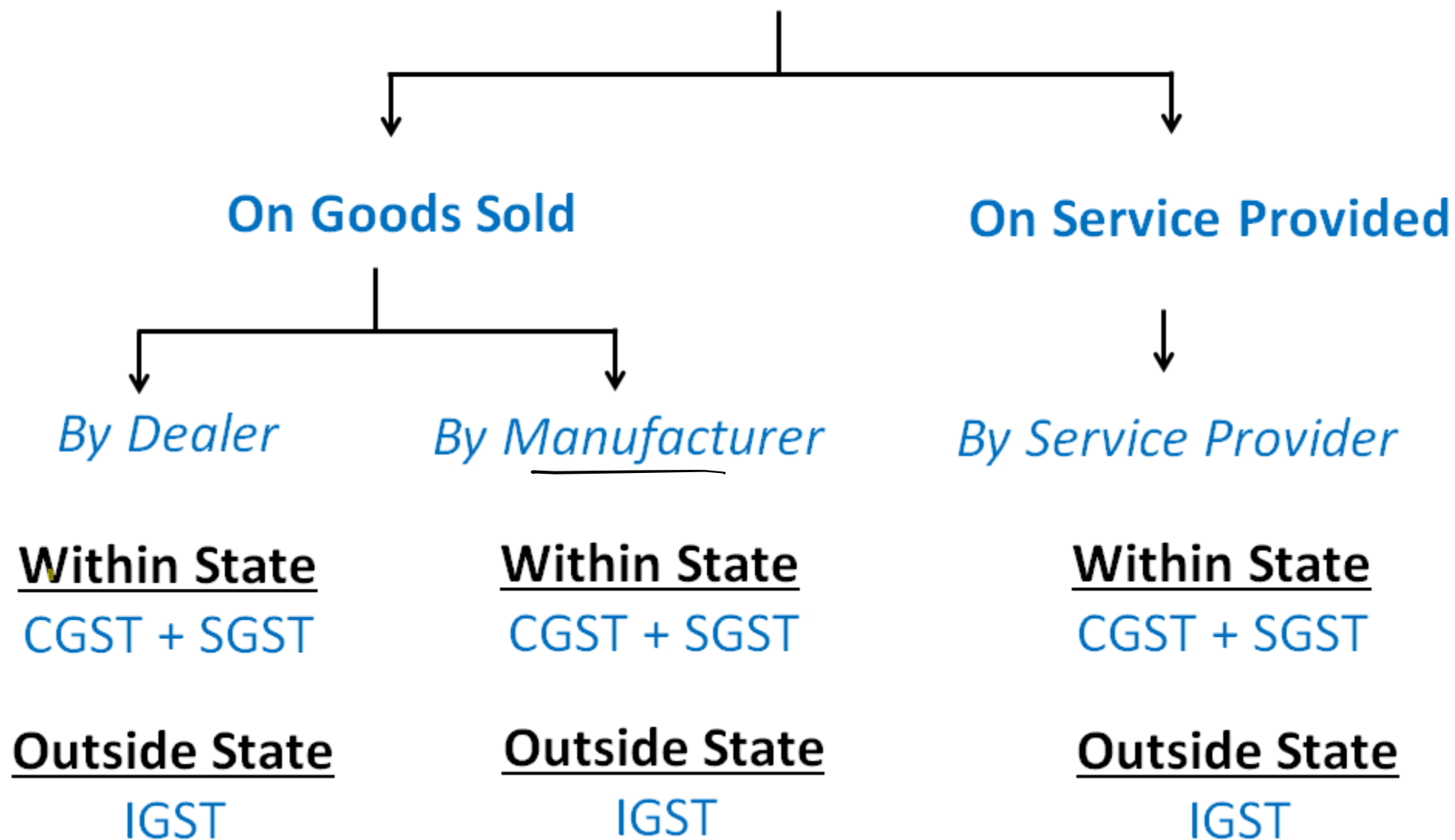
GST is a destination-based tax

Place of supply of goods under GST defines whether the transaction will be counted as intra-state or inter-state, And accordingly, levy of SGST, CGST & IGST will be determined. The place

Goods & Services Tax Act, 2017 (W.e.f. 01st-July-2017)



Indirect Tax



Type of Sales

Local Sales within State

CGST + SGST

Will be charged

| | |
|-----------|--------|
| Sales | 100000 |
| CGST 2.5% | 2500 |
| SGST 2.5% | 2500 |
| <hr/> | |
| | 105000 |
| <hr/> | |

Interstate Sales

IGST

Will be charged

| | |
|---------|--------|
| Sales | 100000 |
| IGST 5% | 5000 |
| <hr/> | |
| | 105000 |
| <hr/> | |

TIME OF SUPPLY

The time of supply of goods shall be the earlier of the following dates:

(a) The date of issuing of invoice (or the last day by which invoice should have been issued)

Or

b) The date of receipt of payment

Whichever is earlier?

Liability of Supplier after GST Registration.

Works Include in GST.
