

2.1 WHAT IS GST ?

GST is a consumption based tax levied on sale, manufacture and consumption on goods & services at a national level. This tax will be substitute for all indirect tax levied by state and central government. Exports and direct tax like income tax, corporate tax and capital gain tax will not be affected by GST. GST would apply to all goods other than crude petroleum, motor spirit, diesel, aviation turbine fuel and natural gas. GST is dual system of taxation which is concurrently levied by central and state government. This will comprise of:

- ▶ Central GST (CGST) which will be levied by Centre
- ▶ State GST (SGST) Which will be levied by State
- ▶ Integrated GST (IGST) – which will be levied by Central Government on inter-State supply of goods and services.
- ▶ Only Value addition will be taxed and burden is to be borne by the final consumer.

REQUIREMENT OF REGISTRATION UNDER GST

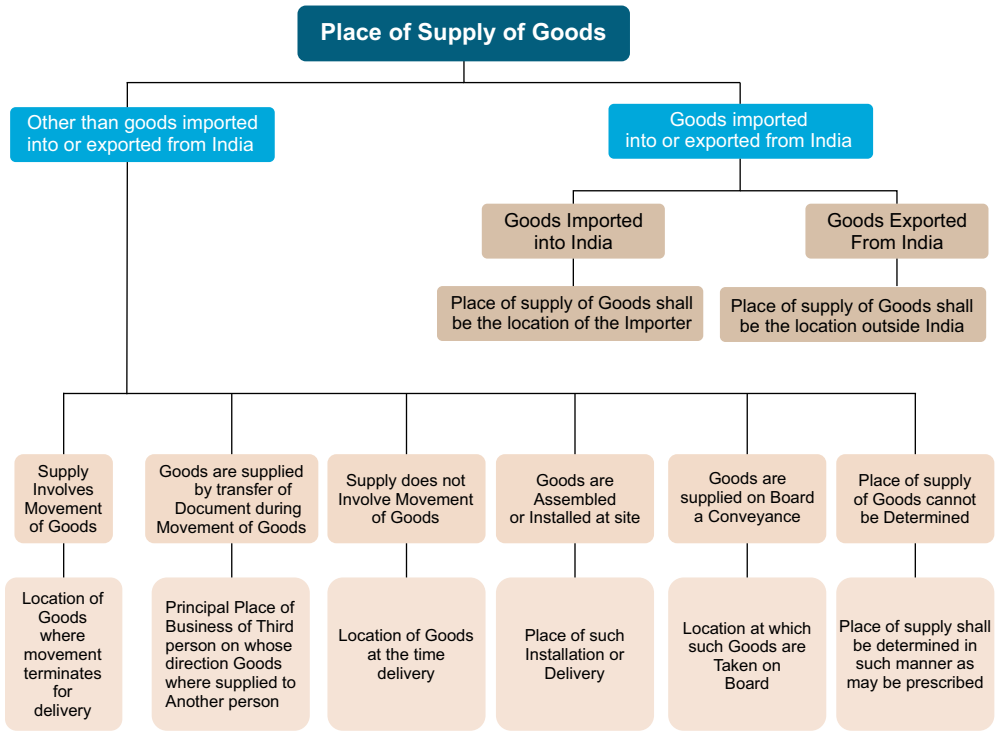
Sr. no.	Particulars	Limits/ criteria / specific category person	
		ForGoods	For Service Sector
1	Turnover	When turnover is more than 40 lakhs (As per Notification.no 10/2019)	When turnover is more than 20 lakhs and for special category states when turnover is more than 10 lakhs
2	Type of Transaction	ForGoods Compulsory to obtain registration when taxable person is engaged in interstate supplies even if turnover does not exceed the above limits.	For Service Sector For Services providers they can provide interstate services and need not required to obtain GST registration upto limit of 20 lakhs or 10 lakhs whichever applicable.
3	Mandatory Registration For Certain Categories irrespective of turnover	<ul style="list-style-type: none"> ▶ Casual Taxable person (No fixed place where GST is applicable) ▶ Non-resident Taxable person (No fixed place in India) ▶ Persons who are required to pay tax under Reverse Charge ▶ Persons who are required to deduct tax at source ▶ Agents of a supplier ▶ Input Service Distributor ▶ Persons who supply goods or services through E-commerce Operator ▶ Every E-commerce Operator (e.g. Flipkart, Amazon) ▶ An aggregator who supplies services under his brand name ▶ Any Specialized Agency of the UN or any Multilateral Financial Institution ▶ Person making Interstate supply. 	

Benefits of GST implementation

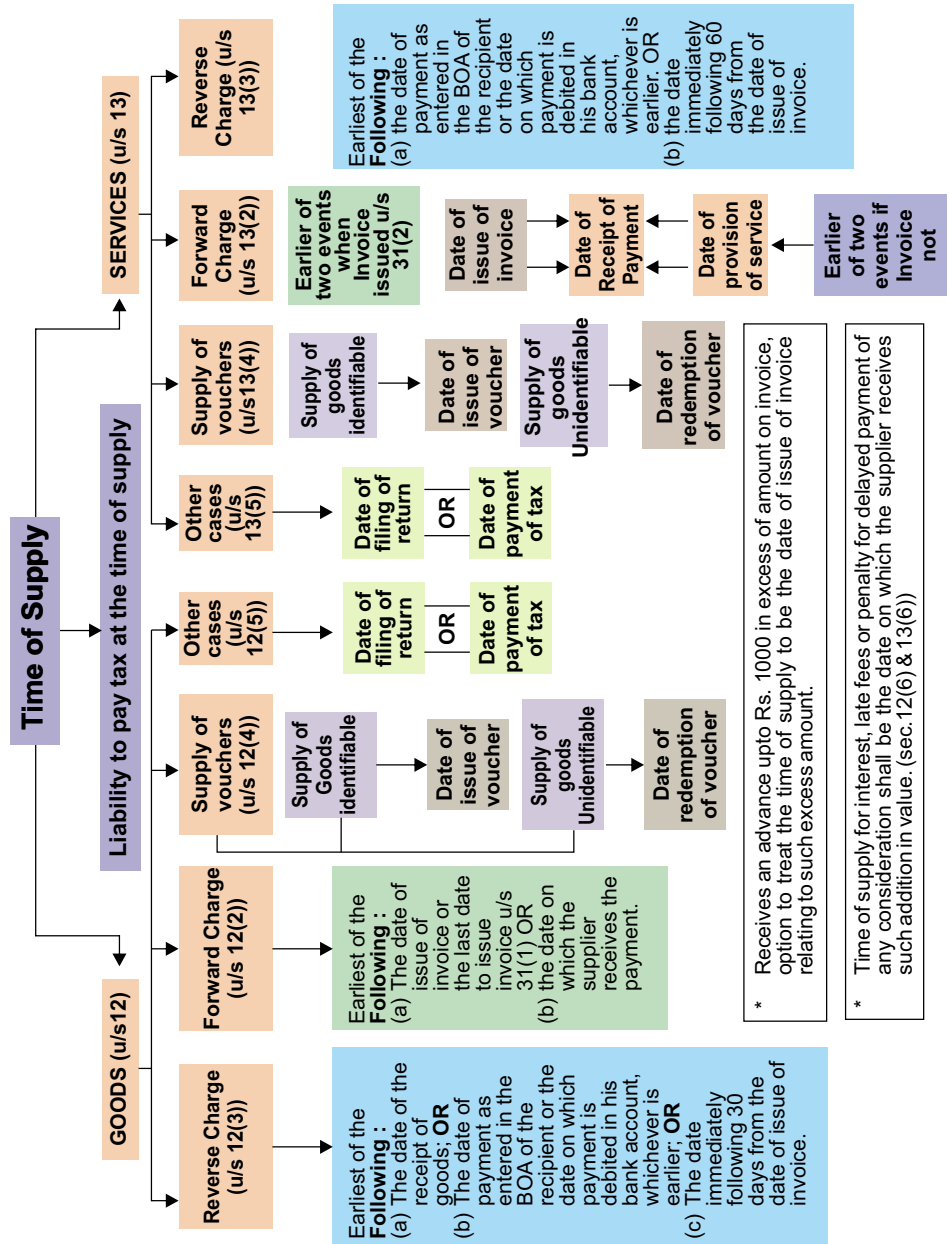
- ▶ Eliminates cascading effect
- ▶ Higher amount of threshold for registration
- ▶ Simple and easy filing procedure
- ▶ Unorganized sector is regulated
- ▶ GST is backed by the GSTN, which is a fully integrated tax platform to deal with all aspects of GST



2.2 PLACE OF SUPPLY OF GOODS



2.3 TIME OF SUPPLY



2.4 ITC (Input Tax Credit)

CONDITIONS TO AVAIL GST INPUT TAX CREDIT

Sr.no.	Transactions
1.	Must possess a Tax Invoice / Debit or Credit Note / Supplementary Invoice issued by the supplier
2.	Must have received the goods / services
3.	Must have filed returns (GSTR 3)
4.	Must ensure that the tax charged has been paid to the government by the supplier
5.	Must have completed invoice matching and would have arrived at the final ITC post reversals

REVERSAL OF ITC:

Transactions
For inputs & input services when used for non-business purpose or effecting Exempt, Nil rated or non GST supplies
For capital goods when used for non-business purpose or effecting Exempt, Nil rated or non GST supplies.

Ineligible ITC/ Reversal of ITC 2.4A Ineligible ITC u/s 17(5):

Sr.no.	Transactions
1	Motor vehicles and conveyances other than used for : [A] For making taxable supply of: (a) Further supply of such motor vehicles and conveyances (Reselling) (b) Transport of passengers (c) Used for imparting training on driving, flying, navigating such vehicle or conveyances [B] For transportation of goods
2	Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery except used for providing same category of output services.
3	Membership in a club, health, fitness center.
4	Rent-a-cab, health insurance and life insurance except where it is obligatory for employers to provide the same to employees or used for providing same category of output services.
5	Travel benefits extended to employees on vacation such as leave or home travel concession.
6	Works contract service for construction of an immovable property except plant & machinery or for providing further supply of works contract service. (to the extent capitalized)
7	Construction of an immovable property except plant & machinery on own account.
8	Goods or services or both on which Tax has been paid under composition scheme. (to the extent capitalized)
9	Goods or services or both used for personal purpose.
10	Goods or services or both received by a non-resident taxable person except for any of the goods imported by him.
11	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.
12	ITC will not be available in the case of any tax paid due to non-payment or short tax payment, excessive refund or ITC utilized or availed by the reason of fraud or willful misstatements or suppression of facts or confiscation and seizure of goods.

2.5 WHAT IS GSTR-9?



- ▶ GSTR 9 form is an annual return to be filed once in a year by the registered taxpayers under GST.
- ▶ It consists of details regarding the supplies made and received during the year under different tax heads
- ▶ i.e. CGST, SGST and IGST. It consolidates the information furnished in the monthly or quarterly returns during the year.

All the registered taxable persons under GST must file GSTR 9 form. However, the following

Forms covered under GSTR-9

Sr.no.	Persons are not required to file GSTR 9	Forms	Description
1.	Casual Taxable Person	GSTR -9	Taxable assessee who are filing GSTR-1, GSTR-2 and GSTR-3
2.	Input service distributors	GSTR -9 A	By composition registered dealers
3.	Non-resident taxable persons	GSTR -9 A	E-commerce operators who have filed GSTR-8 during the financial year
4.	Persons paying TDS under section 51 of GST Act.	GSTR -9 A	Taxpayers whose annual turnover exceeds INR 2 crores during the financial year.

Forms covered under GSTR-9

- ▶ GSTR-9 due date is on or before 31st December of the subsequent financial year.
- ▶ For FY 2017-18, the due date for filing GSTR 9 is 30th June 2019 as per the 31st GST council meeting held on 22nd December 2018 *.

Penalty for Non filing of GSTR 9

- ▶ Late fees for GSTR 9 after the due date is Rs 100 under CGST & 100 under SGST, the total penalty is Rs 200 per day of default up to a maximum of an amount calculated at a 0.25% of the taxpayer turnover in the state or union territory. There is no late fee on IGST.
- ▶ Interest will be paid @ of 18% per annum. It will be calculated by the taxpayer on amount of outstanding tax to be paid.



Important Point

Return once filed can not be revised.

2.6 SAHAJ & SUGAM



Sr. no.	Points	SAHAJ	SUGAM
1	BASIC OVERVIEW	GST SAHAJ is a simplified one-page GST summary return that is to be introduced in April 2019. Taxpayers with a turnover of up to Rs.5 crores in the last financial year and who are in the B2C supplies (supplies to consumers and un-registered persons) may opt to file this return.	GST Sugam is a proposed simplified returns form which is to be introduced by the GST Council in April 2019. A taxpayer with a turnover of up to Rs. 5 crores in the financial year will get an option to file this return. This form will be made available to only those small taxpayers engaged in both B2B (Business to Business – supplies to GST registered persons), and B2C (Business to Consumer – supplies to consumers and unregistered persons under GST) supplies in India
2	WHO CAN FILE?	Applicable to small taxpayers making only B2C supplies in the domestic market	Applicable to small taxpayers making supplies only to consumers and other businesses (B2C and B2B) in the domestic market
3	INPUT TAX CREDIT	The recipients from these small taxpayers can avail input tax credit based on the invoice uploaded by the supplier	SAME AS SAHAJ
4	WHEN TO FILE?	GSTR Sugam shall be filed quarterly. But the taxpayer has to pay tax monthly.	SAME AS SAHAJ

2.7 PRESUMPTIVE SCHEME

[1] What is PRESUMPTIVE SCHEME under GST?

- ▶ It is a new scheme in which a tax payer has been allowed to pay GST on a presumptive basis at the rate of 6% (3% CGST and 3% SGST/UTGST).
- ▶ This new scheme has been introduced by the CBIC (Central Board of Indirect Taxes and Customs)
- ▶ Consequently, it has been inferred that this 'Presumptive Scheme' is similar to the existing composition scheme but is not a composition scheme.
- ▶ This scheme can be taken by eligible registered persons on or after April 1, 2019
- ▶ Only in respect of Intra-State supplies of goods or services or both the benefit under this scheme can be taken

[1] Following are the conditions to be followed to claim benefits under presumptive scheme.

The turnover in preceding financial year does not exceed Rs. 50 lakhs. Thus, the supplier who wish to opt for this scheme in the Financial Year 2019-20 should not have the turnover of more than Rs. 50 lakhs during the Financial Year 2018-19. **Turnover limit of Rs. 50 lakhs shall be calculated on PAN basis.**

- 1) He is not eligible to pay tax under composition scheme governed by Section 10 of the CGST Act
- 2) He is not engaged in the business of making any supplies on which GST is not leviable under this Act (i.e., petro products or alcoholic liquor).
- 3) He is not engaged in the business of supply of ice cream and other edible ice (HSN 21050000) or pan masala (21069020) or tobacco and manufactured tobacco substitutes (HSN Chapter 24)
- 4) He is not making any Inter-State outward supplies.

- 5) He is neither a casual taxable person nor a non-resident taxable person.
- 6) He is not making any supply through e-commerce operator (ECO) on which TCS applies

Rate of tax composition scheme vs presumptive Scheme

Types Of Supplies	Composition Scheme	Presumptive Scheme
Goods	1%	-
Restaurant or Catering Services (other than from serving liquor)	5%	-
Goods & Services (deemed as composite Supply)	1% Provided turnover of services does not exceed 10% of total turnover in preceding year or Rs. 5lakhs, whichever is higher	-
Goods or Services or both (deemed as mixed supplies)	-	6%

2.8 PENALTY PROVISIONS

No.	Type of Default	Default Charges	
(1) Late Fees on Delayed Filing of Returns			
Sr.no.	Type of return	CGST	SGST
1	Nil Return	Rs.10/-	Rs.10/-
	Others	Rs.25/-	Rs.25/-
(2) Interest on Delayed Payment of Tax			
1	Tax paid after due dates	18% p.a.	
2	Excess ITC Claimed or Undisclosed Output Tax	24% p.a.	
(3) Penalty for certain cases			
1	Supply of Goods or Services or both without issue of invoice or false invoice	Rs. 10,000 or an amount equivalent to the tax evaded	
2	Amount collected but not paid within 3 months of due date of its payment to government.		
3	Failure to collect tax or less collection of tax		
4	Takes or utilizes ITC without actual receipt of goods or services or both either fully or partially.		
5	Obtains Refund of tax fraudulently		
6	Liable to register under this tax but fails to obtain registration or gives false information while applying for registration		
7	Transports taxable goods without documentation		
8	Fails to furnish any information or documents called by the Officer or gives false information		
9	Issues invoices or documents by using GSTIN of other registered person		
10	Issues an invoice without supply of goods and/or services		
11	Fails to maintain proper books of account		

2.9 GST RETURN FILING DUE DATE

Form No.	Particulars	Due Date
(1) Regular Returns		
GSTR-1	Outward Supplies (Sales) Turnover up to ₹1.5 Cr Quarterly filing	Last day of the month succeeding quarter*
	Turnover above ₹1.5 Cr Monthly filing	11th of next month**
GSTR-2	Inward Supplies(Purchases) (Auto Populated)	15th of next month
GSTR-3	Auto-Generated Return	20th of next month
GSTR-3B	Summary return for Payment of Tax	20th of next month
GSTR-9	Annual Return (Yearly)	31st December of next financial year
(2) Composition Scheme Returns		
GSTR-4	Composition Tax Payer (Quarterly)	18th of the month succeeding quarter
GSTR-9A	Annual Return for Composition Tax Payer	31st December of next financial year
(3) Special Returns		
GSTR-5	Return for Non resident foreign taxable person	20th of next month
GSTR-6	Return for Input Service distributor	13th of next month
GSTR-7	Return for authorities deducting tax at source	10th of next month
GSTR-8	E-commerce operators who are required to deduct TCS (Tax Collected at Source)	10th of next month
GSTR-10	Final Return (At the time of Cancellation)	Within 3 months of later of cancellation or order of cancellation
GSTR-11	Details of inward supplies to be furnished by a person having UIN and claiming refund	28th of the month following the month for which statement is filed