

**GOODS & SERVICE TAX  
(GST)**



**SHARNAM LEGAL**

ADVOCATES & SOLICITORS

*"Building longterm relations through our work"*

# GST A GAME CHANGER-A GROWTH CATALYST

GST is certainly a Game Changer because it creates a unified market for goods and services  
*One Tax One Nation*



Simplifies the tax code and allows for the substantial utilization of input tax credits across the supply chain.

# GOODS & SERVICE TAX

One Tax  
For

Manufacturing

Trading

Services

Subsumed  
Indirect  
Taxes

Single  
taxation  
system all  
over the  
nation

Indirect tax  
for services  
as well as  
goods

• **Central taxes**

- Excise duty.
- Customs duty
- CST.
- Additional Excise Duty.
- Service tax.
- CVD (Countervailing Duty).
- SAD (Special Additional Duty).
- Central Cesses & Surcharges.

• **State taxes**

- VAT.
- Entertainment Tax.
- Luxury tax.
- Tax on Lottery, betting, gambling.
- Entry tax.
- Purchase tax
- State Surcharges & Cesses.

One Tax One  
Nation ....???

# Purpose for implementation of GST

1. Removing cascading Effect of Tax
2. Removing multiple registrations for every indirect tax regime like VAT, Excise, Service Tax etc.
3. Removing lack of uniformity
4. Removing tax evasion and corruption

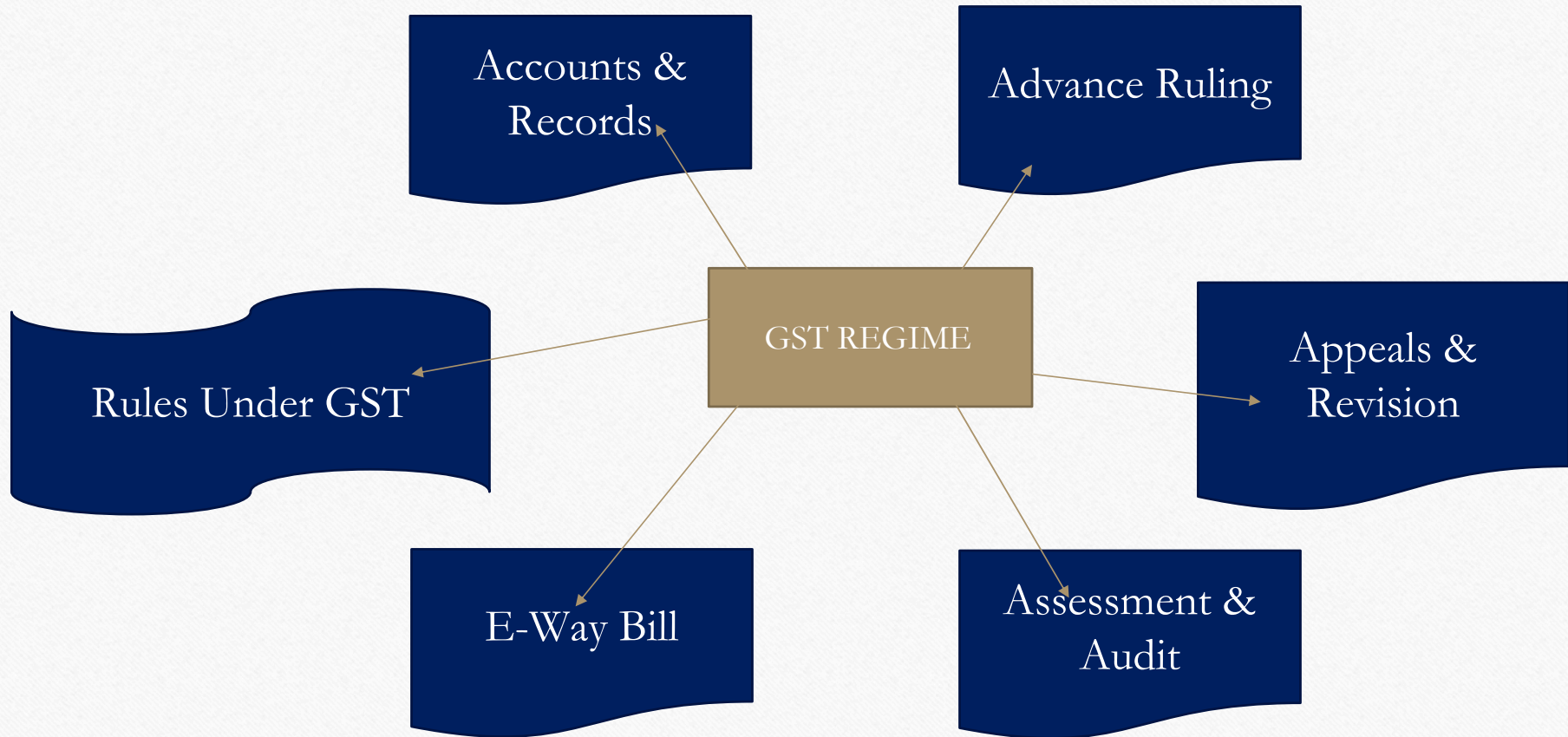


### Features of GST.

1. One Nation & One Tax & One Market
2. Events are based on Concept of Supply.
3. Streamlining & Cross Utilization of Input Tax Credits.
4. Revolutionary Invoice Matching Concept.

### GST Council

GST Governing Body with power to take decision on rates, exemption, threshold exemptions, etc with 33.33% voting power of Union Government & 66.66% power lies with the State Government.



## Key Features :

1. The GST would be applicable **on the supply** of goods or services.
2. It would be GST on any Supply out of which 50% goes to Central Govt and 50% goes to State Govt. / Union Territory . (Central tax (**CGST**) and State tax (**SGST**) / Union territory tax (**UTGST**) / Integrated Tax (IGST)).
3. The GST would apply on **all goods or services or both** other than alcoholic liquor for human consumption and five petroleum products.
4. **HSN code** shall be used for classifying the goods under the GST regime. For Services, Service Accounting Codes (SAC) shall be used
5. Every service provider needs to have compulsory registration in GST if the turnover is 20 lakhs or above. Similarly compulsory registration for good provider if turnover is 40 lakh and above.

6. GST regime has a feature of Input tax credit: the tax paid on purchases is credited and set off with the GST liability to be made on outward supplies.
7. Centre to levy and collect IGST on supplies in the course of inter-State supplies & on imports
8. Compensation for loss of revenue to States for five years
9. All transactions and processes only through electronic mode – Non-intrusive administration, least manual intervention, managed by GSTN portal.
10. PAN Based Registration
11. **AAR- Advance Authority Ruling** is set up to clear the doubts of the assessee. “Advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or subsection (1) of section 100 of the CGST Act, 2017, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

GST Acts

CGST Act

Apply to  
whole of  
India

IGST Act

Apply to  
whole of  
India

SGST Acts

Apply to  
the  
respective  
State

UTGST Act

- Andaman & Nicobar Islands
- Lakshadweep
- ▪ Dadra & Nagar Haveli
- ▪ Daman and Diu
- ▪ Chandigarh
- & Other Territory

GST  
(Compensati  
on to the  
States) Act

Apply to  
whole of  
India

## Registrations

### WHO TO REGISTER

Registration not required upto turnover upto 40 Lacs & 20 Lacs.

No threshold Exemption applicable to following Items,

- Inter-State Taxable Supply
- Casual Taxable Person
- Liability to Pay Under RCM.
- NRIs
- GST TDS Deductors.
- ISD
- Online Information & Data Retrieval Services.
- Others, as maybe notified.

### PERSONS NOT LIABLE TO REGISTER

- Persons supplying goods or services not liable to tax or are wholly exempt
- Agriculturist

### WHEN TO REGISTER –

- Within 30 days from the date from the date of liable to registration
- In case of casual taxable person or non-resident taxable person, at least 5 days prior to commencement of business

### OTHER FEATURES

- Single Registration for IGST/SGST/CGST/UGST per state.
- Registration required in each state from where supplies made – No Centralized Registration.
- Multiple Business Verticals in a State – May opt for separate registration for each Business Vertical.

# Rate of tax

There are nil rated and zero rated supplies where in the tax rate is nil and zero ( No tax liability).

<b>Tax Rates</b>	<b>Products ( Generally)</b>
5%	Household necessities such as edible oil, sugar, spices, tea, and coffee (except instant) are included. Coal , Mishti/Mithai (Indian Sweets) and Life-saving drugs are also covered under this GST slab. Composition Scheme also covers goods under this tax rate.
12%	This includes computers and processed food
18%	Hair oil, toothpaste and soaps, capital goods and industrial intermediaries are covered in this slab
28%	Luxury items such as small cars , consumer durables like AC and Refrigerators, premium cars, cigarettes and aerated drinks , High-end motorcycles are included here.

# Composition Scheme

A scheme under which there is an option to pay tax at lower rate than the normal rate. Many startups and Small and Medium Enterprises (SMEs) may struggle to comply with these provisions of this act therefore under this provision, compliance burden is reduced.

Who can opt for Composition Scheme? Person having eligible turnover of upto 1.5 Crore Turnover to be seen for previous financial year.

When can option be availed?

1. He is not making any interstate supply
2. He is not engaged in services other than specified hereunder
3. He is not an ecommerce operator

The taxable person under composition scheme is required to furnish only one return i.e. GSTR-4 on a quarterly basis and an annual return in FORM GSTR-9A.

# Job Work

- **“Job work”** means any treatment or process undertaken by a person on goods belonging to another registered person.
- The concept of Job work applies in the manufacturing sector since the application of work is on the good.
- Value of goods after completion of job work is not includible in the job worker’s turnover but includible in the Principal’s turnover .
- Job worker is deemed as supplier of “service”.

# TDS (TAX DEDUCTED AT SOURCE)

Tax Deducted at Source (TDS) is one of the ways to collect tax based on certain percentages on the amount payable by the receiver on goods/services. The collected tax is a revenue for the government.

## **Rate of TDS and who shall collect it**

TDS is to be deducted at the rate of 1% under SGST / UTGST and 1% under Central GST from the payments made to the supplier of taxable goods and/or services, where the total value of such supply, exceeds two lakh fifty thousand rupees under a contract.

## **The following persons need to deduct TDS**

1. A department or establishment of the Central or State Government, or
2. Local authority, or
3. Governmental agencies, or
4. Persons or category of persons as may be notified, by the Central or a State Government on the recommendations of the Council

## **Value of supply on which TDS shall be deducted**

For the purpose of deduction of TDS, the value of purchases or contract is to be taken as the amount excluding the tax indicated in the invoice. This means TDS shall not be deducted on the CGST, SGST or IGST component of invoice

## **To whom would you pay TDS**

TDS shall be paid within 10 days from the end of the month in which tax is deducted. The payment shall be made to the appropriate government, which means:

- |                    |   |                        |
|--------------------|---|------------------------|
| CENTRAL GOVERNMENT | - | In case of IGST & CGST |
| STATE GOVERNMENT   | - | In case of SGST        |

## **How can the Deductee claim the benefit of TDS?**

The supplier (deductee) shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return GSTR-7 filed by the deductor. Any amount deducted as TDS and reported in GSTR – 7 will automatically reflect in electronic cash ledger.

# TCS (TAX COLLECTED AT SOURCE)

Tax Collection at Source (TCS) has similarities with TDS, as well as has distinctive features also. TDS refers to tax which is deducted when recipient of goods or services makes some payments under a contract etc. while TCS refers to tax which is collected by the ELECTRONIC COMMERCE OPERATOR when a supplier supplies some goods or services through its portal and the payment for that supply is collected by the electronic commerce operator.

**Credit of tax collected:** The tax collected by the operator shall be credited to the cash ledger of the supplier who has supplied the goods/services through the Operator. The supplier can claim credit of tax collected and reflected in the return by the Operator in his [supplier's] electronic cash ledger.

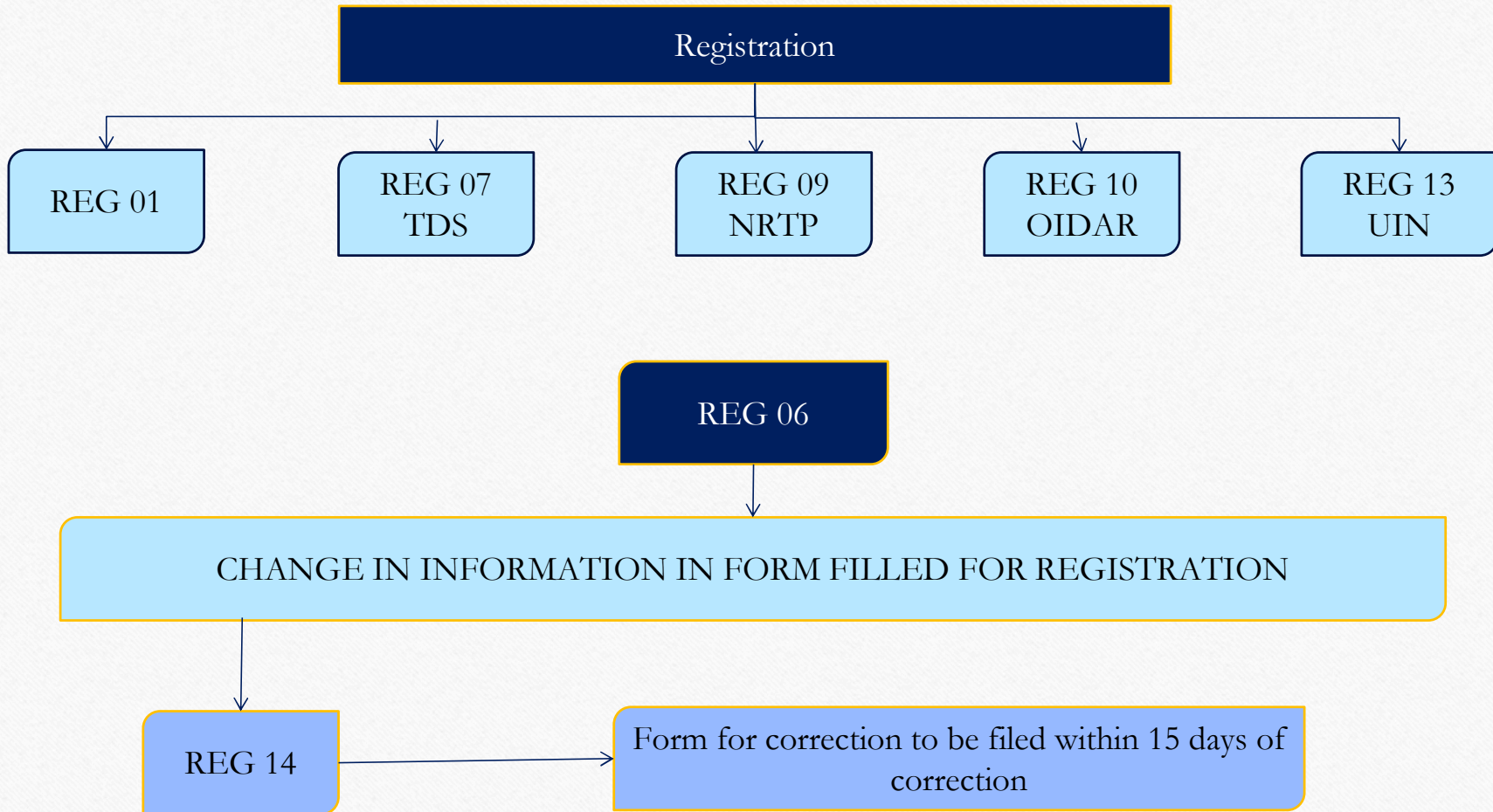
## List of Forms Related to Registration

S.No.	Form Number	Description
1	REG 01	Application for Registration U/s 19 (1) GST Act,2017
2	REG 02	Acknowledgement
3	REG 03	Notice for seeking additional information relating to Registration / Amendments / Cancellation
4	REG 04	Application for filing clarification Registration / Amendment / Cancellation / Revocation of Cancellation
5	REG 05	Order for filing clarification Registration / Amendment / Cancellation / Revocation of Cancellation
6	REG 06	Registration Certificate issued U/s 19 (8A) of the GST Act,2017
7	REG 07	Application for Registration as TDS U/s 52 or TCS U/s 52 and of the GST Act, 2017

S.No.	Form Number	Description
8	REG 08	Order of Cancellation of Application for Registration as TDS / TCS U/s 21 of the GST Act, 2017
9	REG 09	Application for registration for non resident taxable person
10	REG 10	Application for Registration to a person supplying online information and data base access or retrieval services from a place outside India to a non – taxable online recipient
11	REG 11	Application for extension in period of operation by casual taxable person and non resident taxable person.
12	REG 12	Order of grant of Suo moto registration
13	REG 13	Application for allotment of Unique ID to UN Bodies / Embassies / any other person u/s 19(6) of the GST Act
14	REG 14	Application of amendment of registration
15	REG 15	Order of amendment of existing registration
16	REG 16	Application for Cancellation of Registration

S.No.	Form Number	Description
17	REG 17	Show cause notice for cancellation of registration
18	REG 18	Reply to show cause notice Issued for cancellation of registration
18	REG 19	Order for cancellation of registration.
19	REG 20	Order for dropping the proceedings for Cancellation of Registration
20	REG 21	Application for revocation of Cancellation of Registration
21	REG 22	Order for revocation of Cancellation of Registration
22	REG 23	Show cause notice for Rejection of application for revocation of Cancellation of Registration
23	REG 24	Reply to the Notice for the Rejection of Application for revocation of Cancellation of Registration
24	REG 25	Certificate of provisional registration.

S.No.	Form Number	Description
25	REG 26	Application for enrollment of existing Taxpayer
27	REG 27	Show cause notice for cancellation of Provisional Registration
28	REG 28	Order for cancellation of Provisional registration
29	REG 29	Application for Cancellation of Registration of Migrated Taxpayers
30	REG 30	Form for field visit report



# Forms for Payment of Taxes

Form Details	
GST PMT-01	Electronic tax liability register will be maintained in Form GST PMT-01
GST PMT-02	Electronic credit ledger will be maintained in Form GST PMT-02
GST PMT-03	Order of re-credit of the amount to cash or Credit ledger on rejection of Refund claimed
GST PMT-04	If a person notices any discrepancy in his Electronic credit ledger, he can communicate the same using Form GST PMT-04
GST PMT-05	Electronic cash ledger will be maintained in Form GST PMT-05
GST PMT-06	Challan for payment of tax, interest, penalty, fees or any other amount
GST PMT-07	Application for intimating discrepancy relating to payment

# Forms Related to Input Tax Credit

Input Tax Credit (ITC) Form	Details	Due Date
GST TRAN-1	Application for credit of input tax, to be filed by registered persons migrated from the current tax regime to GST	Within 60 days after date of GST implementation ( Extended date is a big issue at all the high courts, lot of verification being done)
GST ITC-01	Declaration of claim of input tax credit by a person who has taken a new registration	Within 30 days after becoming eligible to avail ITC
GST ITC-02	Application for transfer of unutilized ITC in the event of sale, merger, de-merger, amalgamation, lease or transfer or change in ownership of business	
GST ITC -03	Declaration for reversal of ITC claimed earlier in prescribed cases	

# Forms for refund

There are certain events where refund arises. For example where there is excessive payment of taxes, Input tax credit accumulated in case of Exports, accumulation of credit otherwise and such other situations.

Form No.	Detail	Due Date
GST RFD-01 / RFD 01A	Application for refund	As and when due
GSTR-3/GSTR4/ GSTR-7	Application for refund of balance in electronic cash ledger can be made in Form GSTR-3 by regular dealer, Form GSTR-4 by composition dealer and Form GSTR-7 by a tax deductor	Within 15 days of receipt of application
GST RFD-02	Acknowledgment of claim for refund of balance in electronic cash ledger GST	
RFD-03	Communication of deficiencies in application for refund, sent by Officer	

GST RFD-04	Order sanctioning amount of refund on provisional basis	Within 7 days of sending GST RFD-02
GST RFD-05	Payment advice for amount of refund sanctioned on provisional basis	
GST RFD-06	Order sanctioning final amount of refund	
GST RFD-07	Order giving details of adjustment of amount of refund against any outstanding demand, if any	
GST RFD-08	Notice of refund not admissible to the applicant	
GST RFD-09	Reply to notice of refund not admissible, filed by registered person	Within 15 days of receipt of notice
Form GST PMT03	Order of rejection of claim for refund of balance in Electronic credit ledger/Electronic cash ledger, issued by a Proper officer	
GST RFD-10	Application for refund of tax paid on inward supplies by notified organisations such as Consulates or embassies	

## Summary of GST Returns

Monthly  
Returns

Quarterly  
Returns

Annual  
Returns

Miscellaneous  
Returns/  
Reconcil  
iation

# SUMMARY OF RETURNS UNDER GST

<u><b>GSTR 1</b></u>	Outward supplies made by taxpayer (other than compounding taxpayer and ISD, Non Resident, Person deducting TDS or paying TCS)	10 <sup>th</sup> of the next month
<u><b>GSTR 2</b></u> <i>GSTR 2A (Autopopulated)</i>	Inward supplies received by a taxpayer (other than compounding taxpayer and ISD, Non Resident, Person deducting TDS or paying TCS)	15 <sup>th</sup> of the next month
<u><b>GSTR 3</b></u> <i>GSTR 3B</i>	Monthly return (other than compounding taxpayer and ISD, Non Resident, Person deducting TDS or paying TCS) <i>( Summary Return with payment of Tax)</i>	20 <sup>th</sup> of the next month
<u><b>GSTR 4</b></u>	Quarterly return for compounding Taxpayer	18 <sup>th</sup> of the month next to quarter
<u><b>GSTR 5</b></u>	Periodic return by Non-Resident Foreign Taxpayer	20 <sup>th</sup> day after the end of the last day of validity period of registration. calendar month or 07 <sup>th</sup> day after

## SUMMARY OF RETURNS UNDER GST

<a href="#"><u>GSTR 6</u></a>	Return for Input Services Distributor (ISD)	13 <sup>th</sup> of the next month
<a href="#"><u>GSTR 7</u></a>	Return for Tax Deducted at Source (TDS)	10 <sup>th</sup> of the next month
<a href="#"><u>GSTR 8</u></a>	E-commerce Operator (TCS)	10 <sup>th</sup> of the next month
<a href="#"><u>GSTR 9</u></a>	Annual return (except person paying tax u/s 46 or 56, Casual taxable person, ISD, Non resident).	On or before 31 <sup>st</sup> December following the end of financial year
<a href="#"><u>GSTR 10</u></a>	Final return	Three months from cancellation of registration or date of cancellation whichever is later

## GST Returns as per Nature of Assessee

Sl. No.	Nature of Assessee	GST Return
1.	Normal Assessee & Casual Taxpayer	GSTR-1, GSTR-2, GSTR-3 ( GSTR- 2, 3 are deferred thus, GSTR-3B is filed), GSTR-9
2.	Composition Dealer	GSTR-4, GSTR-4A, GSTR-9A
3.	Non-resident Taxpayer	GSTR-5
4.	Input Service Distributor	GSTR-6, GSTR-6A
5.	TDS Deductor	GSTR-7, GSTR-7A
6.	E-Commerce Operator	GSTR-8
7.	UIN Holder	GSTR-11

## DETAILS TO BE FURNISHED SEPARATELY

1. Supply on which tax to be paid under reverse charge
2. IGST on imports
3. Debit and Credits Notes

1. Correction of error or omission discovered on account of :
  2. Matching of ITC
3. Matching of reduction in output tax liability:

# THANK YOU

## Our Contact

**Our Main Chamber** – ‘SHARNAM’  
R-13/24, Opp. ALT Centre, Raj  
Nagar, Ghaziabad, Uttar Pradesh,  
India –201002

**Phone:** +91-120-2821407 / 2820380  
/ 4118856

**Our Offices:** Delhi, Noida, Ghaziabad, Dubai

**Email:** [sharnamlegal@gmail.com](mailto:sharnamlegal@gmail.com)

**Our Associate Offices:** Mumbai, Gurugram, Prayagraj,  
Lucknow, Nainital, Calcutta, Hyderabad, Guwahati,  
Patna, Chandigarh, Bilaspur, Ahmedabad, Shimla,  
Srinagar/Jammu, Ranchi, Bengaluru, Kochi, Jabalpur,  
Imphal, Shillong, Cuttack, Chennai, Jodhpur, Jaipur,  
Gangtok & Agartala.

**Website:** [www.sharnamlegal.com](http://www.sharnamlegal.com)