
GST
CA
INTER
FINISH
GST
IN 17 DAYS
CA AMIT
MAHAJAN

Basics of GST

1. What is GST?
2. Year of Enactment
3. Who was the PM and FM?
4. Is it applicable for J&K?
5. GST is applicable on?
6. Which is the first country to implement GST?

GST Revenue

Rank	State	Total GST Collection in 2024 (in Rs, Crore)	GST Collection in Apr-25 (in Rs, Crore)
1	Maharashtra	3,18,497	41,645
3	Karnataka	1,43,023	17,815
2	Gujarat	1,74,938	14,970
4	Tamil Nadu	1,12,456	13,831
5	Uttar Pradesh	1,05,789	13,600
6	Haryana	98,234	14,057
7	West Bengal	87,654	8,188
8	Rajasthan	76,543	6,228
9	Telangana	65,432	6,983
10	Andhra Pradesh	54,321	4,686

What was the earlier law?

- Goods
  - → Mnfg ✓ → Excise Duty ✓ → CG
  - → Sell ✓
    - Intra → VAT → SG
    - Inter → CST → CG
- Services → Service Tax ✓ → CG

BASIC DIFFERENCE BETWEEN

Direct Tax & Indirect Tax

Income-Tax

GST ✓

₹15L

BB Virtuals

cromā

Tax Invoice

value	2L
+GST	(20K)
	2.20L.

BASIC CONCEPT OF

Input Tax Credit

Govt

20K

30K - 20K
= 10K

Mnfg

Phone.

2L + 20K

Retailer

Phone

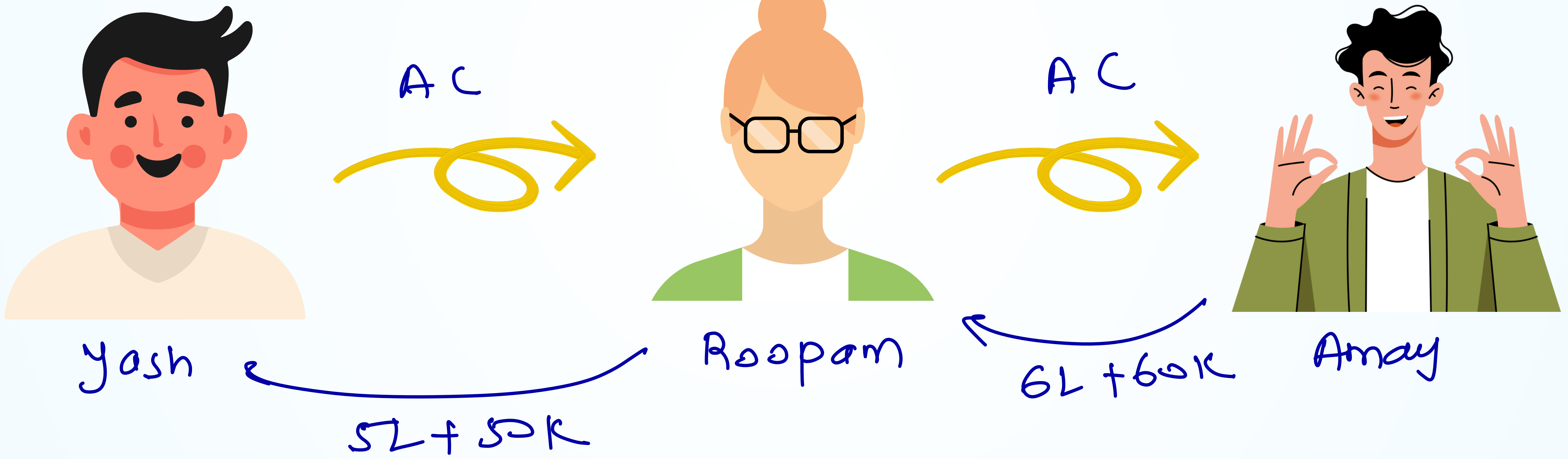
3L + 30K

consumer

o/p Tax	→	30K
(-) ITC	→	(20K)
GST Liab		10K

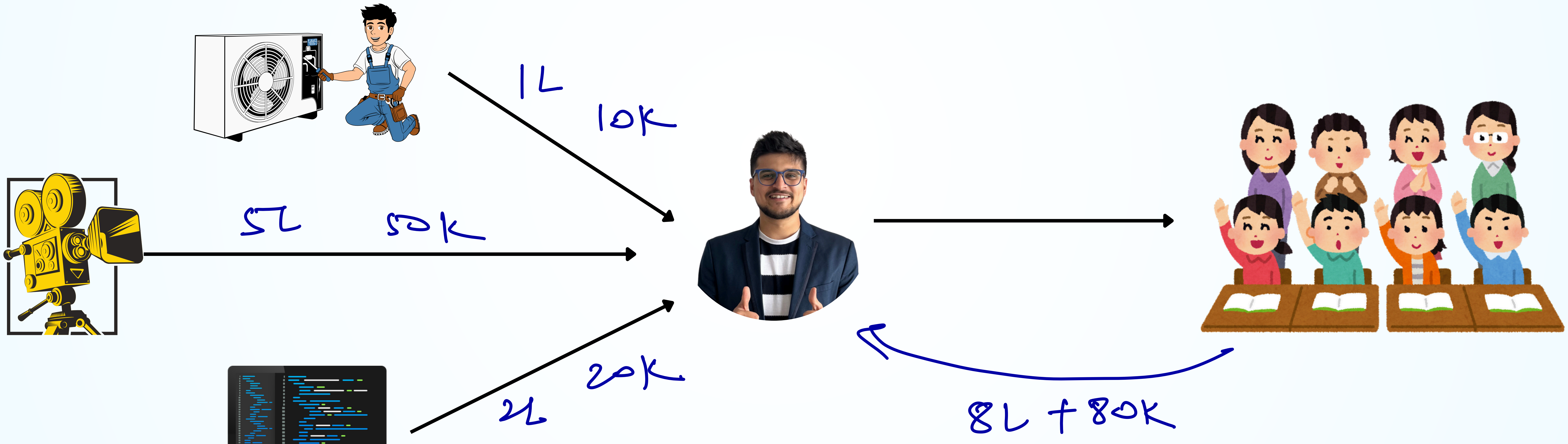
EXAMPLES OF

Input Tax Credit



EXAMPLES OF

Input Tax Credit



O/P tax → 80K

(-) ITC → (80K)

Nil

Need of introducing GST

~~Sales Tax~~

VAT

Mnfg

Phone

Retailer

Consumer.

Cost	1,00,000
+ Profit	10,000
SP	1,10,000
+ VAT (10%)	11,000
Price ✓	1,21,000

Cost	1,10,000 1,2~~1~~,000
+ Profit	11,000
SP	1,21,000
+ VAT (10%)	12,100
Price	1,33,100

Cost 1,33,100

Need of introducing GST

GST

Mnfg — Phone → Retailer → Consumer

Mnfg

Cost	1,00,000
+ Profit	10,000
SP	1,10,000
+ GST(10%)	11,000
Price	1,21,000

Retailer

cost	1,10,000
+ Profit	11,000
SP	1,21,000
+ GST	12,100
Price	1,33,100

Consumer

Cost	1,33,100

Need of introducing GST

VAT and ~~Sales~~ Tax

Service

Laptop Vendor

Suyash

MH

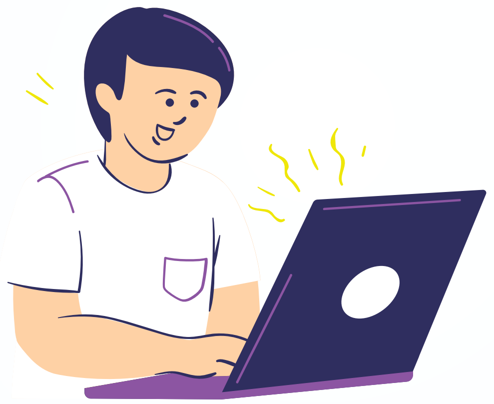
Laptop.

12 + 10K

VAT

MH

Amit M.



MH

Prof. service

5L + 50K

service Tax ✓

CG

Manthan

WB

o/p tax → 50K

(-) credit → (10K)

Need of introducing GST

VAT and ~~Sales~~ Tax

Service

Laptop Vendor

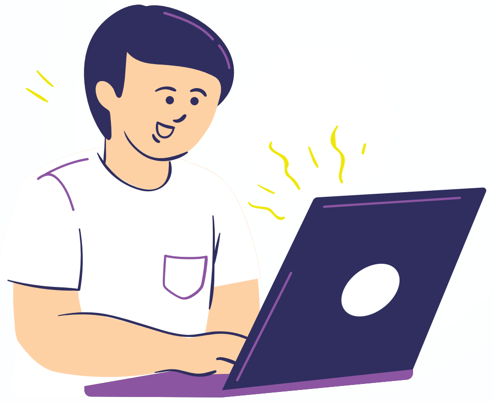
Suyash

MH

Cost	80,000
+ Profit	20,000
	1,00,000
+ VAT(10%)	10,000
	1,10,000

Laptop.

Amit M.



MH

Cost	1,10,000.
+ Profit	80,000
	1,90,000
+ ST(10%)	19,000
	2,09,000

Prof. service

Mantram

WB

Cost 2,09,000.

1,10,000
- VAT 10,000.
- cost 1,00,000

80,000.

Need of introducing GST

GST

Laptop Vendor

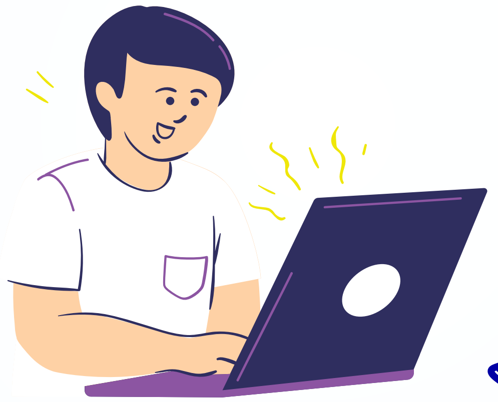
Suyash

MH

Laptop.

1L + 10k
GST

Amit M.



MH

Prof. service

5L + 50K
GST

Mantram

WB

o/p tax → 50K

(-) credit → (10k)

40K

Need of introducing GST

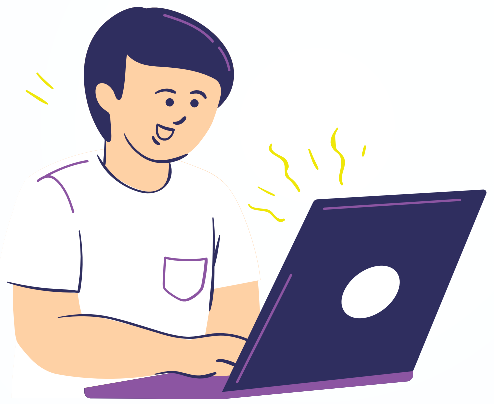
GST

Laptop Vendor

Suyash

Laptop.

Amit M.



Prof. service

Mantram

MH	MH	WB

MH

Cost	80,000
+ Profit	20,000
	1,00,000
+ GST (10%)	10,000
	1,10,000

MH

Cost	1,00,000.
+ Profit	80,000
	1,80,000
+ GST (10%)	18,000
	1,98,000

WB

Cost 1,98,000.

Kitna samjha dekhte hai!

1)	$\xrightarrow{\text{VAT}}$		$\xrightarrow{\text{ST}}$	Cr? ✗
2)	$\xrightarrow{\text{ST}}$		$\xrightarrow{\text{VAT}}$	✗
3)	$\xrightarrow{\text{VAT}}$		$\xrightarrow{\text{VAT}}$	✓
4)	$\xrightarrow{\text{ST}}$		$\xrightarrow{\text{ST}}$	✓

GST IS LEVIED BY

Central Govt

State Govt

Types of GSTs

CGST	Central GST
SGST	State GST
IGST	Integrated GST
UTGST	Union Territory GST

18% RATE

INTRA-STATE SUPPLY

CGST

9%

SGST / UTGST

9%

INTER-STATE SUPPLY

IGST

18%

HOW TO IDENTIFY WHETHER IT IS

INTER-STATE OR INTRA STATE

MH

Intra

MH

MH

Inter

DL

MH — Supplier — Mum ⟷ Agreement to sell the goods ↓ Delivery in KA ⟷ MH — Recipient — Pune

KA.

1] Location of Supplier

2] Location ~~of~~ Recipient.

Place of supply.

AM
MH

Arijit Singh.
PN

PN

PN

PN

₹5000

CGST
SGST

Mnfg.

MH

Retailer

MH

Consumer.

KA

Laptop ₹1L (10%) →

Laptop ₹1.50L (10%) →

1L + 5000

5000

1.50L + 15K

IGST

ITC

CGST 5000

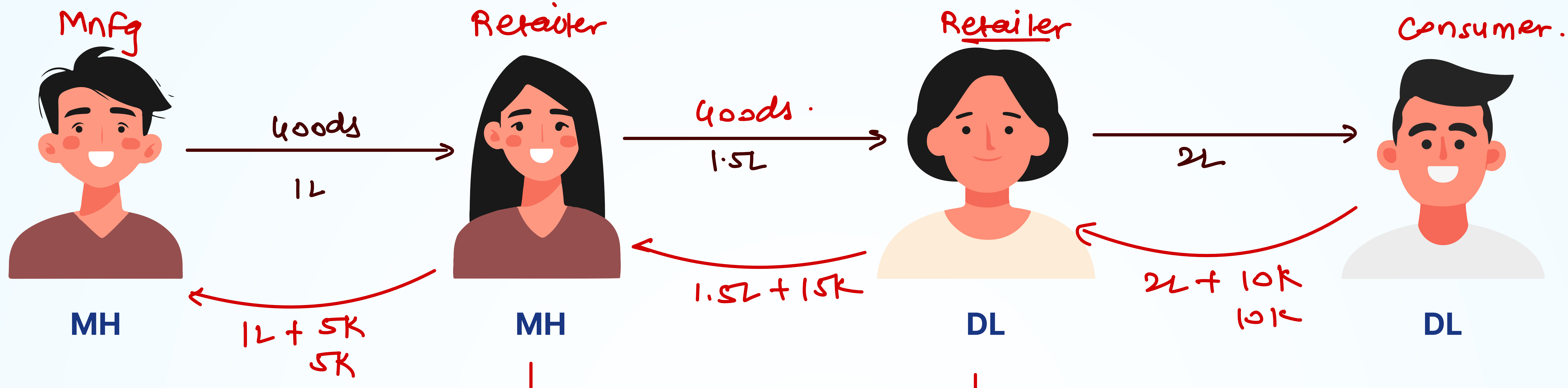
SGST 5000.

O/W Tax

IGST 15000.

IGST
↓
will be paid first to CG
&
then CG will distribute half to the SG
↓
Qs → which SG?
↓
$\boxed{\text{KA}}$

Destination Based Tax.



MH (Retailer)

CGST 5K	O/P Tax
SGST 5K	IGST 15K

$\boxed{\text{GST Liab}}$

O/P Tax → 15K

(-) ITC

- CGST (5K)
- SGST (5K)

IGST 5K

DL (Retailer)

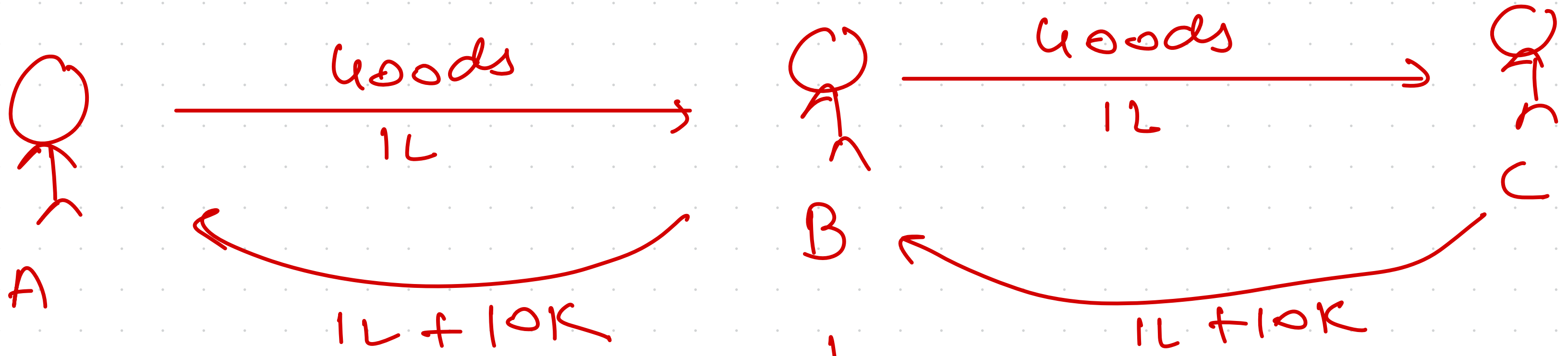
ITC	O/P tax
IGST → 15K	CGST 10K
	SGST 10K

$\boxed{\text{GST Liab}}$

O/P Tax

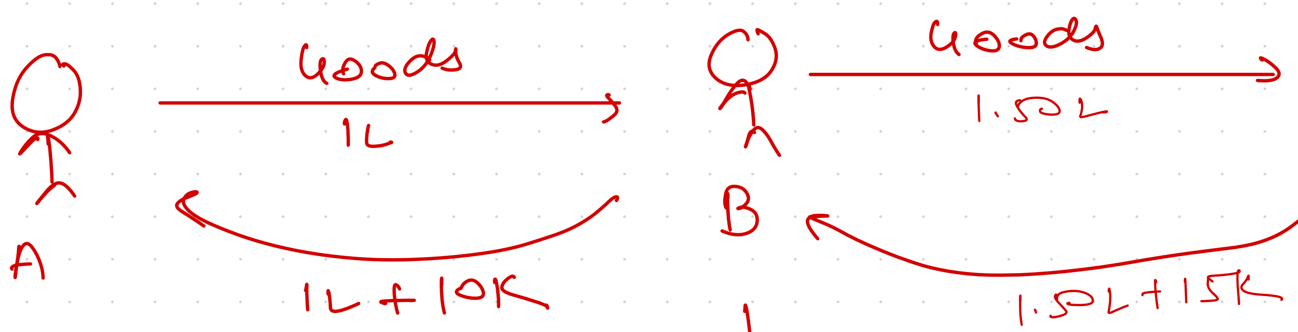
CGST	10K
(-) ITC	(10K)
	Nil
SGST	10K
(-) ITC	(5K)
	5K

GST → Value Added Tax → Value addition ✓



o/p Tax → 10K
(–) ITC → (10K)

Nil



o/p Tax → 15K
(–) ITC → (10K)

5K

50K

↓

5K

Taxes subsumed

Central Taxes

- Central Excise Duty & Additional Excise Duties
- Service Tax
- Excise Duty under Medicinal & Toilet Preparation Act
- CVD & Special CVD
- Central Sales Tax
- Central surcharges & Cesses in so far as they relate to supply of goods & services

State Taxes

- State surcharges and cesses in so far as they relate to supply of goods & services
- Entertainment Tax (except those levied by local bodies)
- Tax on lottery, betting and gambling
- Entry Tax (All Forms) & Purchase Tax
- VAT/ Sales tax
- Luxury Tax
- Taxes on advertisements

local Bodies vv

GST

Taxes not subsumed under GST

- Entertainment Tax levied by local bodies.
- Custom duty → Basic Customs Duty.
- Electricity Duty.
- Property Tax.
- Excise Duty
  - → HSD / Natural Gas / ATF / Petroleum crude / Motor spirit.
  - → Alcohol → State Excise.
  - → Tobacco & Tobacco products.
  - → Narcotic drugs, Indian hemp → State Excise.
- Stamp Duty.

Difference between Direct Tax & Indirect Tax.

Direct Tax	Indirect Tax.
1] Meaning It is a tax levied on income earned by the person during the P.Y. (Income-tax)	It is a tax levied on supply of goods/services
2] Incidence of Tax Falls on the person earning the income & the same is paid by the said person.	Falls on a different person, usually the taxes are collected by the seller from the buyer & deposited the same to the govt by the seller.
3] Nature Progressive	Regressive.
4] Shifting of burden Not possible	Possible ✓

GST Applicability

GST is levied on all goods and services, except alcoholic liquor for human consumption and petroleum crude, diesel, petrol, ATF and natural gas

Cost 50
+ Taxes 50 (100%)
Price 100

60% ??

Cost 50
+ Taxes 20 (40%)
70

Goods	Excise Duty	VAT / CST	GST
Alcoholic liquor for Human Consumption	YES	YES	NO
Petroleum crude, (HSD, Motor Spirit, Natural Gas, ATF	YES	YES	NO
Tobacco & Tobacco Products	YES	NO	YES
Other Goods	NO	NO	YES

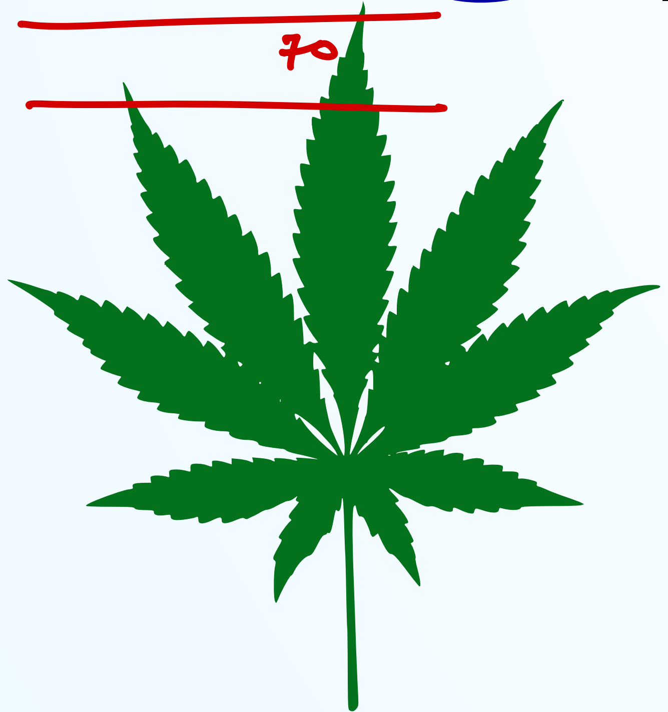
100%-200% 40%

10000 cr
5000 cr

GST

Opium, Indian hemp and other narcotic drugs and narcotics

GST STATE EXCISE



Constitutional Provisions

Article 265

No tax will be levied / collected except for the authority of law.

↓

But who can make the law

Article 245

- Parliament → whole / part of India.
- State Legislature → whole / part of State.

India follows dual GST model where it has a federal structure which means both CG & SG can make the laws.

Article 246

Distribution of power

↓

Seventh schedule.

Union List	State List.	Concurrent List.
• Defence.	• Police.	• Marriage.
• The Income-tax Act	• Agriculture.	• Education.
• Service Tax	• VAT	• Medical.
• Customs.	• State Excise.	
• CST	• Entertainment Tax.	
• Central excise.		

Excise Duty → CG ✓

VAT → SG ✓

ST → CG ✓

Need to amend the constitution

↳ 101st amendment.

Article 246A	Centre & State both can make the law & levy GST ✓
Article 269A	CG to collect taxes entirely of IGST. ↓ apportioned betⁿ centre & state.

GST Council

- Article 279A → empowers the president to constitute → GST Council
- It is constituted on 15 Sept 2016

Constitution

- Chairperson → Union Finance Minister.
- Members →
  - Union minister of state incharge of revenue / finance.
  - Minister in charge of finance & taxation

- **Decision**
  Majority → $3/4^{th}$ of weighted votes present & voting (75%)

  weightage?? → State → $2/3^{rd}$ → 66.67%
  Centre → $1/3^{rd}$ → 33.33%

- **Recommendations of GST Council**
  1] Tax Rates ✓
  2] Exemptions
  3] Threshhold limits ✓
  4] Dispute Resolution ✓
  5] Any special provision w.r.t special Cat. States.
  [Reduction of limit from 20L to 10L]

GST Common Portal.

- www.gst.gov.in
- It is also known as GST Electronic Portal.
- It is managed by GSTN → GST Network
- GSTN is setup by the government to establish a uniform interface for the taxpayer & a common & shared IT infrastructure betⁿ centre & states.
- Functions include → filing of regⁿ application application.
  → filing of returns
  → creation of challans for tax payment.

GSP & ASP

GSP → GST Suvidha Providers.

ASP → Application Service Providers.

- GSPs have access to GST system & have the capability to develop application to be used by the taxpayers for interacting with GSTN.
- GSP develops applications having features like return filing, reconciliation of purchase register data with auto-populated data for acceptance / rejection / modification, Dashboard for taxpayers for quick monitoring of GST compliance activities.
- GSP is an additional channel being made available for facilitating the taxpayers for performing some of the functions & use of their services is optional.

- GSPs may take help of Application service Providers (ASPs) who acts as a link betn taxpayer & GSP.

<u>Example: Cleartax</u>

Chapter 1

Tax & Cess

GST COMPENSATION CESS

GST Compensation Cess at specified rate has been imposed under the Goods and Services Tax (Compensation to States) Cess Act, 2017

Purpose - to provide for compensation to the States for the loss of revenue arising on account of implementation of the GST

Period - 5 years from the date on which the State brings its SGST Act into force

Applicability - Specified luxury items or demerit goods, like pan masala, tobacco, aerated waters, motor cars etc., computed on value of taxable supply

Extension - Till 31 March 2026