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GST Important Questions For Interview

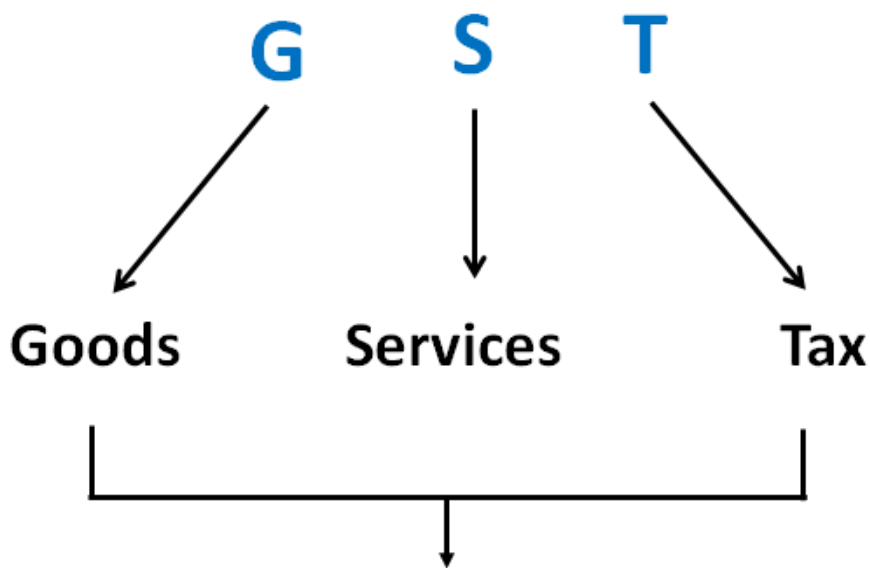
by **CA Maninder Singh**

What is GST?

GST means Goods and Service Tax

It is a tax which is to be soon introduced in India

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Common Tax for goods & services

Why is GST being Introduced?

In each state of India, taxes and rules are different

GST will lead to same rates of tax on different state

Tax which will be Replaced

Vat

CST

Service Tax

Excise

Luxury Tax

Entertainment Tax

Tax which will not be Replaced

Customs

Income Tax

TDS

Payroll (PF, ESI)

When will GST be Introduced?

It is likely to be introduced by 1 July 2017

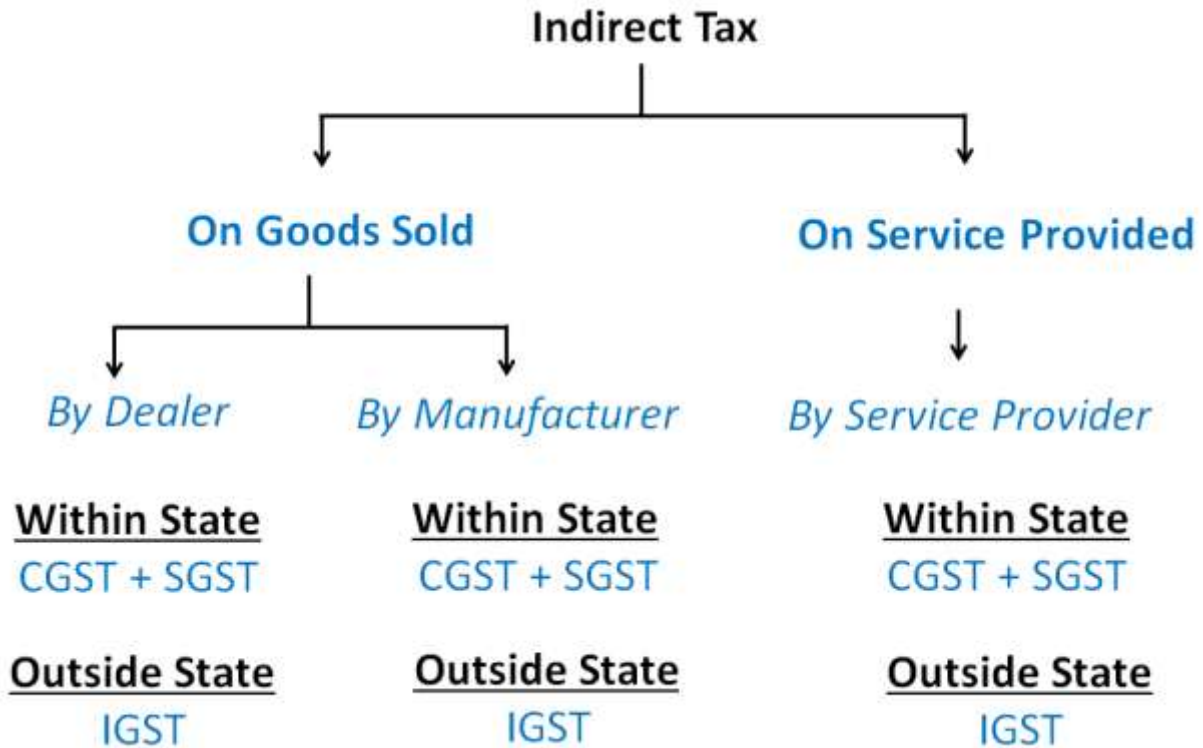
How many Different Types of GST?

There will be 3 Different GST'S

1. CGST (Central GST)
2. SGST (State GST)
3. IGST (Integrated GST)

What are the Difference between CGST SGST and IGST?

CGST	SGST	Integrated GST (Interstate GST)
Full form of CGST is Central Goods and Service Tax	Full form of SGST is State Goods and Service Tax	Full form of IGST is Interstate Goods and Service Tax
CGST will also be charged on Local Sales within State	SGST will also be charged on Local Sales within State	IGST will be charged on Central Sales (Sales Outside State)
It will be charged and collected by Central Government	It will be charged and collected by State Government	It will be charged and collected by Central Government on Interstate Supply of Goods and Services
It will replace taxes like Central Excise and Service tax	It will replace taxes like VAT, Luxury tax and Entertainment tax	It will replace taxes like CST(Central Sales Tax)

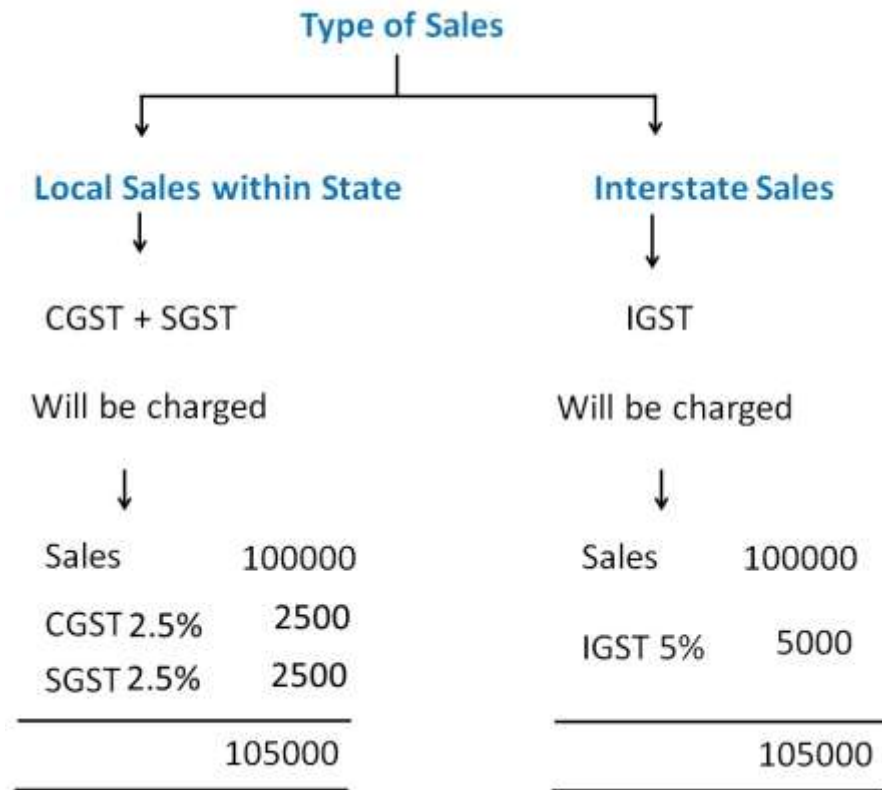


Which Type of GST on Local Sales

CGST + SGST

Which Type of GST on Central Sales

IGST



What are the important Benefits of GST?

1. No Tax on Tax in Case of GST

Previously, Excise was charged on Amount. VAT/CST was charged on Amount + Excise.

After GST, both Central and State GST will be on Amount

2. Input of Central Purchases will be Available

Previously on Central Purchases, CST is charged for which no input is available

After GST, Input will be available on Central Purchases called IGST Credit.

3. Uniform Tax Rates in Different States

Previously, Rates of Vat were different from state to state
Also in some states, surcharge is levied on this Vat

After GST, Rates will be same for all. Uniform Rates

4. Full input on Capital Goods

Previously on Capital Goods, 50% Cenvat was available in current year and 50% in next year

Also Input of Vat on Capital Goods is different from State to State
(In Delhi, it is available in 3 years while in Haryana, not available at all)

After GST, input will be available in first year

What are the important Disadvantages/Demerits/Problems in GST?

- **There are too many returns to be filed**

Previously, a Vat Dealer normally files Quarterly Return for Vat (Four in One Year)

A Service Provider Files Monthly Returns for Service Tax (Two in One Year)

In GST every person has to file 3 Returns Monthly

- One for Purchase Details
- One for Sales Details
- One for both Purchase and Sales

That is 36 Returns in One Year

Apart from this, there is Annual Return also, so total **37 Returns to be filed**

- **Returns have become Complicated**

Previously, Party wise Details were not to given for Purchase and Sales in Service Tax and Excise

After GST, giving Party wise details will be required to be given in case of GST also separately for Local, Central and Integrated GST

- **Difficult to compute**

Suppose a shopkeeper sells the goods in Delhi, he previously paid only Vat

After GST, he will be paying both State GST and Central GST on Same Transaction

- **IGST and not CGST on Interstate Sales**

Current Tax	After GST
Within State VAT	Within State SGST CGST
Outside State CST	Outside State IGST

- **Last Period Tax to be Paid first**

Previously, if you have not paid last year tax, you can very well pay current period tax and file return

In future,

Challan will not have period

If there is tax outstanding, it will be first adjusted against that and balance against current period

- **Concept of PLA to be Continued**

Previously in Excise, there was a concept of PLA (Personal Ledger Account or Account Current)

Whatever tax we pay by Challan was deposited in PLA and our excise duty liability was adjusted in it

This confusing concept was previously only in Excise and not in Vat and Service Tax

After GST, this PLA will be called Electronic Duty Credit Register and will be applicable only for all types of GST

What is Output GST?

GST on sales is called Output GST. It is also called GST Liability

What is Input GST?

GST on purchases is called Input GST.

What is GST Payable?

Output GST - Input GST = GST Payable

What is GST Credit?

If Input GST is more than Output GST it is called GST Credit.

We calculate it separately for different types of GST

What is the procedure of Adjustment of IGST with CGST SGST Credit?

Output IGST can be adjusted with Input GST in the following order

- Input IGST if any
- Input CGST if any
- Input SGST if any

Can CGST and SGST Adjusted Against Each Other?

CGST credit cannot be adjusted against SGST Payable.

Similarly, SGST Credit cannot be adjusted CGST Payable.

However, both can be adjusted against IGST Payable

Sequence of Adjustment

Output IGST can be adjusted with Input GST in the following order

1. Input IGST if any
2. Input CGST if any
3. Input SGST if any

What is the registration limit in GST?

20 Lacs

If Aggregate Turnover is greater than 20 lacs or likely to exceed 20 lacs, then Compulsory Registration

(Limit is 10 lacs for North Eastern States)

Aggregate turnover includes all types of Sales

like

1. Taxable Sales
2. Exempt Sales
3. Export Sales
4. Interstate Sales
5. Sales by Agent of Principal (Amount of taxes not to be included)

Hence, if a person is making only exempt sales and the amount of sales is more than 20 lacs, still compulsory registration in GST

Similarly if a person is making only export sales, then also Compulsory Registration in GST

NO LIMIT OF 20 LACS IN FOLLOWING CASES

However Compulsory Registration Required for MAKING

1. Interstate Sales
2. Supplying goods on behalf of Other Persons
3. Casual Taxable Person
4. Non-resident taxable persons
5. If liable to deduct TDS in GST
6. If liable to deduct TCS in GST
7. Input Service Distributor
8. Making Sale on Behalf of other person (Franchise/Agent)
9. Reverse Charge
10. E-Commerce Companies
11. Online Database Service Provider from Outside India into India
12. Others as may be Notified

What are the Different Returns Under GST and their Due Dates?

Form No.	Description	Due Date
GSTR 1	Details of outward supplies of taxable goods and/or services effected	10th of the next month
GSTR 2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	15th of the next month
GSTR 3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	20th of the next month
GSTR 4	Quarterly return for compounding taxable person.	18th of the month next to quarter
GSTR 5	Return for Non-Resident foreign taxable person	20th of the next month
GSTR 6	Return for Input Service Distributor (ISD)	13th of the next month
GSTR 7	Return for authorities deducting tax at source	10th of the next month
GSTR 8	Details of supplies effected through e-commerce operator and the amount of tax collected	10th of the next month
GSTR 9	Annual Return	By 31st December of next FY

GSTR 10	Final Return	Within three months of the date of cancellation or date of cancellation order, whichever is later.
GSTR 11	Details of inward supplies to be furnished by a person having UIN	28th of the month following the month for which statement is filed

What are the Different Invoices Under GST?

For All types of Taxable Sales (Local or Central), Normally A Tax Invoice is to be issued

- Same Series number of Invoice will start for Local and Central Sales
- Same Series to be Used for Sale to Registered and Sale to Unregistered person

However, a Bill of Supply is to be issued in Following Case

1. Sale of Exempted Goods
2. Sale by Composition Dealer

What is the Difference Between Tax Invoice and Bill of Supply in GST?

TAX INVOICE	BILL OF SUPPLY
It is used for all types of Taxable Sales (Local , Central)	It is used for all types of Exempt Sales Or Sales by Composition Dealer
CGST, SGST, IGST, UTGST to be shown Separately	No Taxes to be shown on Bill
In Case of Unregistered Buyer, Name, Address State, Place of Delivery is compulsorily required if Invoice Value before taxes is more than 50000	No Such provision
Can be Used for Both Local and Central Sales	Can be Used for Both Local Sales in Case of Composition Dealer (as Composition Dealer Cannot Make interstate Sales) However, Exempt Sales can be made to both Local and Central Sales

What are the Different GST PMT Forms List?

FORM No	DETAILS IN FORM
Form GST PMT - 1	Electronic Tax Liability Register of Taxpayer
Form GST PMT - 2	Electronic Credit Ledger of Taxpayer
Form GST PMT - 3	Order for re-credit of the amount to cash or credit ledger
Form GST PMT - 4	Electronic Cash Ledger of Taxpayer
Form GST PMT - 5	Challan For Deposit of Goods and Services Tax
Form GST PMT - 6	Payment Register of Temporary IDs / Un-registered Taxpayers
Form GST PMT - 7	Application For Credit of Missing Payment (CIN not generated)

How to get Practical Knowledge of GST?

To learn Basics of GST, you can visit our GST page - www.teachoo.com/gst

To learn GST with Return Filing and Challans, you can take our premium course - www.teachoo.com/premium

About the Author



CA Maninder Singh

CA Maninder Singh is a Chartered Accountant for the past 6 years. He provides courses for Practical Accounts, Taxation , GST and Efiling at *teachoo.com*.

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