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

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

<table>
<thead>
<tr>
<th>Tax which will be Replaced</th>
<th>Tax which will not be Replaced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vat</td>
<td>Customs</td>
</tr>
<tr>
<td>CST</td>
<td>Income Tax</td>
</tr>
<tr>
<td>Service Tax</td>
<td>TDS</td>
</tr>
<tr>
<td>Excise</td>
<td>Payroll (PF, ESI)</td>
</tr>
<tr>
<td>Luxury Tax</td>
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<tr>
<td>Entertainment Tax</td>
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</table>

### 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?

<table>
<thead>
<tr>
<th></th>
<th>CGST</th>
<th>SGST</th>
<th>Integrated GST (Interstate GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full form of CGST is</td>
<td>Central Goods and Service Tax</td>
<td>Full form of SGST is State Goods and Service Tax</td>
<td>Full form of IGST is Interstate Goods and Service Tax</td>
</tr>
<tr>
<td>CGST will also be</td>
<td>charged on Local Sales within State</td>
<td>SGST will also be charged on Local Sales within State</td>
<td>IGST will be charged on Central Sales (Sales Outside State)</td>
</tr>
<tr>
<td>It will be charged</td>
<td>and collected by Central Government</td>
<td>It will be charged and collected by State Government</td>
<td>It will be charged and collected by Central Government on Interstate Supply of Goods and Services</td>
</tr>
<tr>
<td>It will replace taxes</td>
<td>and Service tax</td>
<td>It will replace taxes like VAT, Luxury tax and Entertainment tax</td>
<td>It will replace taxes like CST(Central Sales Tax)</td>
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</table>
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**

<table>
<thead>
<tr>
<th>Current Tax</th>
<th>After GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within State</td>
<td>Within State</td>
</tr>
<tr>
<td>VAT</td>
<td>SGST</td>
</tr>
<tr>
<td></td>
<td>CGST</td>
</tr>
<tr>
<td>Outside State</td>
<td>Outside State</td>
</tr>
<tr>
<td>CST</td>
<td>IGST</td>
</tr>
</tbody>
</table>
• **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?

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

<table>
<thead>
<tr>
<th>TAX INVOICE</th>
<th>BILL OF SUPPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is used for all types of Taxable Sales (Local, Central)</td>
<td>It is used for all types of Exempt Sales Or Sales by Composition Dealer</td>
</tr>
<tr>
<td>CGST, SGST, IGST, UTGST to be shown Separately</td>
<td>No Taxes to be shown on Bill</td>
</tr>
<tr>
<td>In Case of Unregistered Buyer, Name, Address State, Place of Delivery is compulsorily required if Invoice Value before taxes is more than 50000</td>
<td>No Such provision</td>
</tr>
<tr>
<td>Can be Used for Both Local and Central Sales</td>
<td>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</td>
</tr>
</tbody>
</table>
What are the Different GST PMT Forms List?

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

How to get Practical Knowledge of GST?

To learn Basics of GST, you can visit our GST page - [www.teachoo.com/gst](http://www.teachoo.com/gst)

To learn GST with Return Filing and Challans, you can take our premium course - [www.teachoo.com/premium](http://www.teachoo.com/premium)
About the Author

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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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