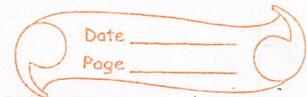


18/07/19

## Syllabus



Unit I CGST/ SGST - Important terms & definitions under CGST/ SGST, basics of GST, meaning & scope of supply, levy & collection of tax.

Unit II CGST/ SGST - Time & value of supply of goods & services, input tax credit, transitional provisions, registration under CGST/ SGST act, filing of return & assessment, payment of tax including reverse charge basis refund under the act.

Unit III CGST / SGST maintenance of accounts & records, composition scheme, job work & procedure, various exemptions under GST, demand & recovery under GST, miscellaneous provisions under GST.

Unit IV IGST - Scope of IGST, Important terms & definitions under IGST, Levy & collection of IGST, principle for determining, place of supply of goods & services, zero rated supply.

Unit V Customs - Role of custom in International Trade, Imp. terms & definitions under custom act, accessible value, baggage bill of entry, dutiable goods, duty exporter, foreign going vessel, air-craft goods, import manifest, letter of credit, kinds of duties - basic, auxiliary, additional or counter veiling, basics of levy - ad valorem specific duties, prohibition of export & import of goods & provisions regarding modifying & specifying goods, import of goods - free import & restricted import, types of import - import of cargo, import of personal baggage, import of stores.

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## Unit I

Date \_\_\_\_\_  
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# GST

→ GST is an Indirect Tax. It was introduced from 1<sup>st</sup> July 2017.

### \* Types Of Taxes -

1) Direct Tax

2) Indirect Tax

1) Direct Tax - If actual burden of tax is drawn by person on whom it is imposed such tax is c/d Direct Tax.

2) Indirect Tax - If actual burden of tax is not drawn by person to whom it is imposed but its burden is shifted by the tax payer to someone else & its actual burden is drawn by ultimate consumer such tax is Indirect Tax.

### \* Taxes Levied by Central Govt. -

1) Direct Tax - (a) Tax is on income other than agriculture.

(b) Corporation Tax

(c) Wealth Tax on capital + value of goods.

2) Indirect Tax - Duties of custom including exporties, Tax on services, duties of excise on tobacco & other goods, manufactured in India, but

does not include alcoholic liquor for consumer use, opium & other drugs.

### \* Taxes so levied by P. State Govt.

- 1) Land Revenue
- 2) Taxes on agriculture income
- 3) Taxes on land & building
- 4) Taxes on profession, trade, employment

### \* Need for GST

- 1) Tax on Tax -> tax on tax
- 2) Due to several taxes more burden of tax on consumers.
- 3) Conflict b/w revenue interest of diff. state govt.
- 4) Lack of coordination in providing input tax credit
- 5) Administrative expenses to be high
- 6) No reduction in tax evasion & black money.
- 7) Problems in facing competition in national & international market.

### \* Meaning Of GST

It is a destination based consumption tax which is not levied on the goods & services at each stage & burden of these tax is drawn by ultimate consumer.

## \* Features Of GST -

- 1) It is an Indirect tax.
- 2) It is levied on the supply of goods & services.
- 3) It is levied only on value addition.
- 4) It is a destination based tax on consumption.
- 5) Dual GST model has been implemented in our country.
- 6) Single tax in place of several Indirect Taxes.
- 7) Import to be treated as inter-state supply.
- 8) Export to be treated as zero rated supply.

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## \* Benefits of GST -

- 1) Mitigation of ill-effects of cascading.
- 2) Elimination of multiple taxes & double taxation.
- 3) Creation of unified & common national market.
- 4) More competitive products.
- 5) Reduction in overall tax burden of consumers.
- 6) Smooth administration of taxes.
- 7) ↑ in govt. revenue.

## \* Disadvantages -

- 1) Lack of computer knowledge.
- 2) Problem due to complicated working.
- 3) Danger of leak out of secret & private matters.
- 4) Tax burden high due to high rate of tax.
- 5) Problem due to mandatory furnishing of several returns.
- 6) Adverse effect on the manufacturing of economic effect.

## 2) Lack of security.

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### \* Framework Of GST & Administration of Tax Collection -

1) Extent of GST - GST is applicable to whole of India including the state of J&K, the act came into force on 1<sup>st</sup> July 2017.

2) Adoption of dual GST Model - India has adopted dual model of GST where in tax is imposed collectively by central & state govt. Currently the share of central & state govt. is 50-50.

3) Different laws related to GST - CGST, SGST, UTGST, IGST, GST & compensation cess.

4) Scope & administration of various taxes -

i) CGST - If both supplier & recipient of goods & services are in same state or within the same Union Territory, this tax is imposed by central govt.

ii) SGST - This tax is levied by state govt if both the supplier & recipient of goods & services are in same state.

iii) UTGST - If both the supplier & recipient of goods & services are in same UT.

iv) IGST - If supplier & recipient of goods & services are in different states or out of the two one is in the state & the other one is in UT.

v) Import to be treated as Inter-state Supply -

IGST shall be payable on it.

vi) Zero rate of tax on export -

vii) Provision relating to utilization of Input Tax Credit

| Input Credit  | IGST | CGST | SGST | Bess |
|---------------|------|------|------|------|
| Input on IGST | ①    | ②    | ③    | -    |
| Input on CGST | ②    | ①    | -    | -    |
| Input on SGST | ②    | -    | ①    | -    |
| Input on Bess | -    | -    | -    | ①    |

6) Classification of goods & services under GST -

i) Classification of goods - Harmonised nomenclature has been adopted for classification of goods. Every goods shall be given a code number. & every person liable to pay tax shall specify the number on the invoice. This code is of 8 digits. If the supply is in India only 4 digits are used, in export &

import trade 8 digit code is used. Taxable person not required to used this code if his gross turnover does not exceed 1.5 crore. If turnover is more than 1.5 but less than 5 crore 2 digits are used. If turnover is more than 5 crore 4 digits are used.

ii) Classification of Service - Service under GST has been classified. According to Service Accounting Code (SAC). These are also 8 digits codes in which first two digits are 00.

7) Disclosing the share of tax of central state / UT in the invoice

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Q. A of Ajmer has supplied goods worth ₹ 20,000 to B of Bikaner, tax rate is 18%. A would charge dual GST ie CGST & SGST @ 9% each. B supplied the goods to C of Bhure after value addition of 20% in purchase cost for his expenses & profit. The rate of tax being same. Calculate (i) Total price charged by A from B (ii) amt. of GST payable by A to diff. govt. (iii) Total price charged by B from C (iv) Amt. of GST payable by B to diff. govt. (v) Total revenue earned by central & state govt.

Sol (i) Computation of Total Price Charged by A from B

| Particular          | Amt.   |
|---------------------|--------|
| Value of goods      | 20,000 |
| Add: CGST 9% = 1800 |        |
| SGST 9% = 1800      | 36,000 |
| Total price charged | 23,600 |

(ii) Amt. of GST paid by A to diff. govt.

CGST - 1800

SGST - 1800

(iii) Total price charged by B from C

| Particular                               | Amt.   |
|--|--------|
| Value of goods ( $20,000 \times 120\%$ ) | 24,000 |
| Add: - CGST 9% = 2160                    |        |
| SGST 9% = 2160                           | 4320   |
| Total Price Charged.                     | 28320  |

(iv) Com. of CGST & SGST Payable by govt.

| Particular                   | amt  |
|------------------------------|------|
| Output CGST payable          | 2160 |
| Less:- credit of input CGST  | 1800 |
| Net CGST Payable             | 360  |
| Output SGST payable          | 2160 |
| Less :- credit of input SGST | 1800 |
| Net SGST Payable             | 360  |

(v) Statement of Total Revenue earned by Central & State Govt.

| Particular                   | Central Govt - | State Govt  |
|------------------------------|----------------|-------------|
| On Supply of goods by A to B | 1800           | 1800        |
| On supply of goods by B to C | 360            | 360         |
|                              | <u>2160</u>    | <u>2160</u> |

Q. P of Ganganagar has supplied goods worth ₹ 50,000 to Q of Suratgarh, tax rate is 12%. P would charge dual GST i.e. CGST, SGST 6% each. Q supply goods to R of Hanumangarh after value addition of 20% in purchase cost for his expenses & profit. The rate of tax being same. Calculate (i) total price charged by P from Q. (ii) amt. of GST payable by P to diff. govt. (iii) Total price charged by Q from R. (iv) amt. of GST payable by Q to diff. govt. (v) Total revenue earned by central & state govt.

Sol<sup>n</sup> (i) Computation of Total Price charged by P from Q

| Particular           | Amt.          |
|----------------------|---------------|
| Value of goods       | 50,000        |
| Add : CGST 6% = 3000 |               |
| SGST 6% = 3000       | <u>6,000</u>  |
| Total Price Charged  | <u>56,000</u> |

(ii) Amt. of GST paid by P to diff. govt.

CGST - 3000

SGST - 3000

(iii) Total price charged by Q from R.

| Particular                               | Amt.         |
|--|--------------|
| Value of goods ( $50,000 \times 120\%$ ) | 60,000       |
| Add: - CGST 6% 3600                      |              |
| SGST 6% 3600                             | 7200         |
| Total price charged                      | <u>67200</u> |

(iv) Comp. of CGST & SGST Payable by Q. to govt.

| Particular                   | Amt.        |
|------------------------------|-------------|
| Output CGST Payable          | 3600        |
| Less: - Credit of input CGST | <u>3000</u> |
| Net CGST Payable             | 600         |
| Output SGST Payable          | 3600        |
| Less: Credit of input SGST   | <u>3000</u> |
| Net SGST Payable             | 600         |

(v) Statement of Total Revenue earned by central & state govt.

| Particular                   | CG.           | SG.         |
|------------------------------|---------------|-------------|
| On supply of goods by P to Q | = 3000        | 3000        |
| On supply of goods by Q to R | <u>= 1600</u> | 600         |
|                              | <u>3600</u>   | <u>3600</u> |

~~Q. 1. Ill = Pg 30~~

A of Jaisalmer supplied goods worth ₹ 60,000 to B of Nagor. Tax rate 28%. B would charge dual GST i.e., CGST & SGST 14% each. B supplied the goods to C of Sikar after value add<sup>n</sup> of 25%. in his purchase cost for his expenses & profit. Tax rate same. C supplied the goods to D of Jaunpur after value add<sup>n</sup> of 20%. in purchase cost for his expenses & profit. Tax rate is same. Calculate

- (i) Total price charged by A from B
- (ii) Amt. of GST payable by A to diff. govt.
- (iii) Total price charged by B from C
- (iv) Amt. of GST payable by B to diff. govt.
- (v) Total price charged by C from D
- (vi) Amt. of GST payable by C to diff. govt.
- (vii) Total revenue earned by central & state govt.

Sol (i) Computation of total charge by B A from B

| Particulars           | Amt    |
|-----------------------|--------|
| Value of goods        | 60,000 |
| Add : CGST 14% = 8400 |        |
| SGST 14% = 8400       | 16800  |
| Total Price Charged   | 76800  |

(ii) Amt. of ~~other~~ GST payable by A to diff. govt.

$$\text{CGST} = 8400$$

$$\text{SGST} = 8400$$

(iii) Total price charged by B from C

| Particular                               | Amt    |
|--|--------|
| Value of goods ( $60,000 \times 125\%$ ) | 75,000 |
| Add : CGST 12% = 10500                   |        |
| SGST 12% = 10500                         | 21000  |
| Total Price Charged                      | 96000  |

(iv) Com. of CGST & SGST Payable by B to diff. govt.

| Particular                  | Amt   |
|-----------------------------|-------|
| Output CGST Payable         | 10500 |
| Less: Credit of Input CGST  | 8400  |
| Net CGST Payable            | 2100  |
| Output SGST payable         | 10500 |
| Less: Credit of output SGST | 8400  |
| Net SGST Payable            | 2100  |

(v) Total Price charged by C to D

| Particular                              | Amt    |
|---|--------|
| Value of goods ( $75000 \times 120\%$ ) | 90000  |
| Add : CGST 14% = 12600                  |        |
| SGST 14% = 12600                        | 25200  |
| Total Price charged                     | 115200 |

(vi) Comp. of CGST & SGST Payable by c to diff. govt.

| Particular                 | Amnt.        |
|----------------------------|--------------|
| Output CGST Payable        | 12600        |
| Less :- Input CGST Payable | 10500        |
| Net CGST Payable           | <u>2100</u>  |
| Output SGST Payable        | 12600        |
| Less :- Input SGST Payable | <u>10500</u> |
| Net SGST Payable           | <u>2100</u>  |

vii) Tax revenue earned by central & state govt

| Particular                     | Amnt         |
|--------------------------------|--------------|
| On supply of goods from A to B | 8400         |
| On supply of goods from B to C | 2100         |
| On supply of goods from C to D | <u>2100</u>  |
|                                | <u>12600</u> |

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Q: X of Patna (Bihar) supply goods worth of ₹ 40,000 to A of Patna, tax rate 18%, X would charge dual GST ie, CGST & SGST 9% each.

A of Patna (Bihar) supply the goods to B of Jaipur (Raj.) after value addition of 20%. The rate of IGST is 18%, B of Jaipur (Raj.) supplied goods to K of Kota (Raj.) after value addition of 20%, rate of tax 18%, B would charge dual GST ie CGST, SGST 9% each. Calculate (i) Total price charged by X from A (ii) Total price charged by

A from B (iii) Net IGST payable to central govt. by A.

(iv) Total price charged by B from K

(v) Net amt. of CGST & SGST payable by B.

(vi) Total revenue earned by central & state govt

Soln (i) Total price charged by X from A

| Particular             | Amt    |
|------------------------|--------|
| Value of goods         | 40,000 |
| Add : - CGST 9% = 3600 |        |
| SGST 9% = 3600         | 7200   |
| Total price            | 47200  |

(ii) Total price charged by A from B

| Particular                               | Amt.  |
|--|-------|
| Value of goods ( $40,000 \times 120\%$ ) | 48000 |
| Add : - IGST (18%)                       | 8640  |
| Total Price Charged                      | 56640 |

(iii) Comp. of IGST Pay to Central Govt. by A

| Particular                  | Amt  |
|-----------------------------|------|
| IGST                        | 8640 |
| Less:- Credit of Input CGST | 3600 |
| Credit of Input SGST        | 3600 |
|                             | 1440 |

(v) Total Price charged by B from K

| Particular                              | Amount        |
|---|---------------|
| Value of goods ( $48000 \times 120\%$ ) | 57600         |
| Add:- CGST 9% = 5184                    |               |
| SGST 9% = 5184                          | <u>10,368</u> |
| Total price charged                     | <u>67968</u>  |

(vi) Comp. of CGST & SGST payable by B to diff. govt

| Particular                           | Amount      |
|--------------------------------------|-------------|
| Output CGST                          | 5184        |
| Less :- Input IGST                   | <u>5184</u> |
|                                      | <u>NIL</u>  |
| Output CGST                          | 5184        |
| Less :- Input IGST ( $8640 - 5184$ ) | <u>3456</u> |
|                                      | <u>1728</u> |

(vii)

| Particular                   | Central | State<br>(Bihar) | State<br>(Raj.) |
|------------------------------|---------|------------------|-----------------|
| Supply by X to A             | 3600    | 3600             | -               |
| Supply by A to B             | 1440    | -                | -               |
| Transfer by Bihar St. to CG  | +3600   | -3600            | -               |
| Supply by B to K             | -       | -                | 1728            |
| Transfer by CG to Raj. Govt. | -3456   |                  | +3456           |
|                              | 5184    | NIL              | 5184            |

Q. P of Hisar (Haryana) has supply goods worth Rs 60,000 to Q of Sirsa (Haryana), tax rate 5%. P would charge dual GST ie CGST & SGST 2.5% each. Q of Sirsa (Haryana) supply the goods to R of Badner (Raj.) after value add<sup>n</sup> of 25% in his purchase cost. The rate of IGST is 5%. R of Badner (Raj.) supply of the goods to S of Nagor (Raj.) after value add<sup>n</sup> of 20%, tax rate 5%, R would charge dual GST ie CGST, SGST 2.5% each. Calculate (i) total price charged by P from Q. (ii) Total price charged by Q from R. (iii) Net IGST Payable to CG by Q. (iv) Total Price charged by R from S. (v) Net amt. of CGST & SGST payable by R. (vi) Total revenue earned by Central & State govt

Sol<sup>n</sup>

(i) Total Price charged by P from Q.

Particular Amt

Value of goods 60,000

Add :- CGST 2.5% 1500

SGST 2.5% 1500 3000Total price charged 63000

(ii) Total Price charged by Q from R

Particular Amt

Value of goods ( $60,000 \times 125\%$ ) 75000Add :- IGST 5% 3750Total price charged 78750

(iii) Net IGST Payable to Central govt. by Q. -  
Particular Amt

|                              |      |
|------------------------------|------|
| Output IGST Pay              | 3750 |
| Less:- Input Tax credit CGST | 1500 |
| Input Tax credit SGST        | 1500 |

(iv) Total price charged by R froms  
Particular Amt

|   |        |
|---|--------|
| Value of goods ( $75000 \times 120\%$ ) | 90,000 |
| Add:- CGST 2.5% 2250                    |        |
| SGST 2.5% 2250                          | 4500   |
| Total Price Charged                     | 94500  |

(v) CGST & SGST Payable by R to Central & State govt  
Particular Amt

|                              |      |
|------------------------------|------|
| Output CGST                  | 2250 |
| Less :- Input credit of IGST | 2250 |
| Net CGST Payable             | NIL  |

|                             |      |
|-----------------------------|------|
| Output SGST                 | 2250 |
| Less:- Input credit of IGST | 1500 |
| Net SGST Payable            | 750  |

(vi) Total revenue earned by Central & State govt  
Particular Central State  
(State)  
Govt  
Reg

|                                       |       |       |      |
|---------------------------------------|-------|-------|------|
| Supply by P to Q                      | 1500  | 1500  | -    |
| Supply by Q to R                      | 750   | -     | -    |
| Transfer by HR govt. to Central Govt. | +1500 | -1500 | -    |
| Supply by R to S                      | -     | -     | 750  |
| Transfer by CG to Raj. Govt.          | -1500 | +1500 | -    |
|                                       | 2250  | NIL   | 2250 |

Q. Z of Varan Varodara (GJ) has supply goods worth ₹ 40,000 to L of Surat (GJ). Tax rate 28%. L of Surat supply goods to M of Jaisalmer (Raj.) after value add<sup>n</sup> of 25%. M of Jaisalmer supplied goods to N of Sirohi (Raj.) after value add<sup>n</sup> of 20%, tax rate 28%. M would charge dual GST ie CGST, SGST 14% each. Calculate (i) Total price charged by Z from L  
(ii) Total price charged by L from M.  
(iii) Net IGST payable to central govt. by L.  
(iv) Total price charged by M from N.  
(v) Net amt of CGST, SGST payable by M  
(vi) Total revenue earned by central & state govt

Sol<sup>n</sup> (i) Total price charged by Z from L

| Particular          | Amnt         |
|---------------------|--------------|
| Value of goods      | 40,000       |
| Add : CGST 14% 5600 |              |
| SGST 14% 5600       | <u>11200</u> |
| Total Price Charged | <u>51200</u> |

(ii) Total price charged by L from M

| Particular                               | Amnt.         |
|--|---------------|
| Value of goods ( $40,000 \times 125\%$ ) | 50,000        |
| Add : IGST 28%                           | <u>14,000</u> |
| Total Price Charged                      | 64,000        |

(iii) Net IGST payable to central govt. by L

| Particular                   | Amnt.       |
|------------------------------|-------------|
| Output IGST Pay              | 14,000      |
| Less:- Input Tax Credit CGST | 5600        |
| Input Tax Credit SGST        | <u>5600</u> |
|                              | 2800        |

(iv) Total Price charged by M from N

Particular Amt

|                                |        |
|--------------------------------|--------|
| Value of goods (50,000x 120/-) | 60,000 |
| Add :- CGST 14% 8400           |        |
| SGST 14% 8400                  | 16800  |
| Total Price charged            | 76800  |

(v) Net amt. of CGST & SGST Payable by M to Central & State Govt

Particular Amt.

|                             |      |
|-----------------------------|------|
| Net Output CGST             | 8400 |
| Less:- Input credit of IGST | 8400 |
| Net CGST Payable            | NIL  |
| Output SGST                 | 8400 |
| Less:- Input credit of IGST | 5600 |
| Net SGST Payable            | 2800 |

(vi) Total Revenue earned by Central & State Govt.

| Particular                            | Central | State GJ | State Raj |
|---------------------------------------|---------|----------|-----------|
| Supply by Z to L                      | 5600    | 5600     | -         |
| Supply by L to M                      | 2800    | 2800     | -         |
| Transfer by GJ Govt. to Central Govt. | +5600   | -5600    | -         |
| Supply by M to N                      | -       | -        | 2800      |
| Transfer by CG to Raj. State Govt.    | -5600   | -        | +5600     |
|                                       | 8400    | NIL      | 8400      |