

Chapter 4: Goods and Services Tax Network (GSTN)

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4.0 Goods and Services Tax Network (GSTN)

Goods and Services Tax Network (GSTN) is a Section 8 of the Companies Act, 2013, (i.e. not for profit companies), non-Government, Private Limited Company.

GST Network will soon become a 100% govt-owned company:

Cabinet consider converting GSTN to government entity on September 26, 2018.

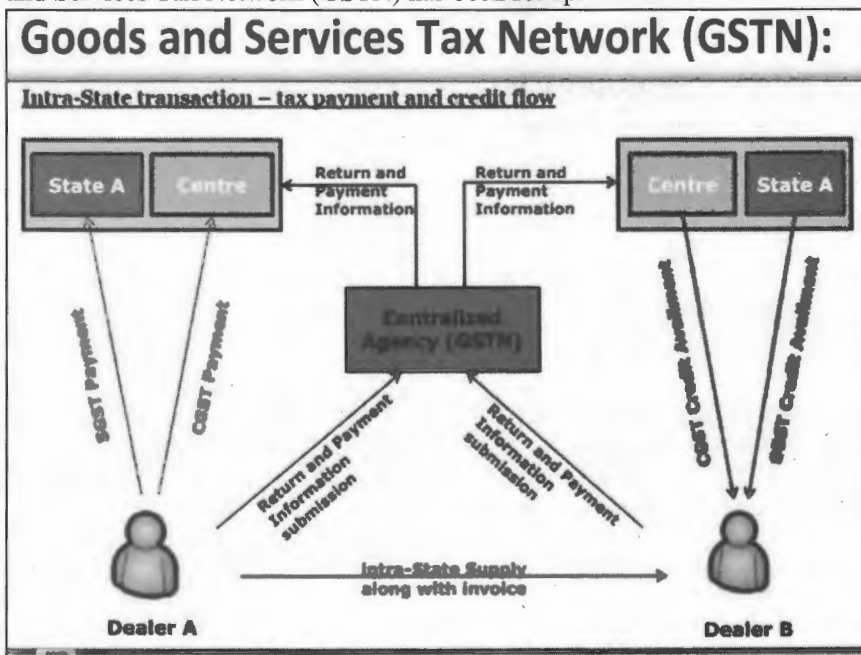
Currently, the Centre and State Governments hold 24.5 per cent stake each in GSTN; non-governmental institutions hold the other 51 per cent. These institutions include HDFC, HDFC Bank, ICICI Bank, NSE Strategic Investment Co and LIC Housing Finance Ltd.

Following the GSTN's metamorphosis, the Centre will hold 50 per cent, and the remaining stake will be held by States governments on a pro rata basis.

A Finance Ministry statement said the GST Council (27th GST council meeting) decided that the entire 51 per cent stake held by the non-governmental institutions in GSTN — amounting to ₹5.1 crore — will be acquired equally by the Centre and the States Governments.

Technology backbone for GST in India. GST being a destination-based tax, the inter-state trade of goods and services (IGST) would need a robust settlement mechanism amongst the States and the Centre. This is possible only when there is a strong IT Infrastructure and Service back bone which enables capture, processing and exchange of information amongst the stakeholders (including taxpayers, States and Central Governments, Accounting Offices, Banks and RBI).

As a result, Goods and Services Tax Network (GSTN) has been set up.



4.1 The functions of the GSTN (i.e. Role assigned to GSTN)

Creation of common and shared IT infrastructure for functions facing taxpayers has been assigned to GSTN and these are—

- filing of registration application,
- filing of return,
- creation of challan for tax payment,
- settlement of IGST payment (like a clearing house),
- generation of business intelligence and analytics etc.

All statutory functions to be performed by tax officials under GST like approval of registration, assessment, audit, appeal, enforcement etc. will remain with the respective tax departments.

