

MIMP

ch:-

Supply Under GST

Basic Provision OF ITC

- TOPICS to be covered under chap-2:
- 1 Taxation Principles under GST
 - 2 What is GSTN and its role in GST along with the functions of GSTN?
 - 3 Method of collection of Taxes.
 - 4 GST is a Value Added Tax, Explain it?
 - 5 Manner of Utilisation OF ITC and Order of Utilisation OF ITC.
 - 6 Roadmap OF GST / Flow OF GST.
 - 7 Detailed discussion on Supply Provision.

Concept :- 1.

* Taxation Principles

- There are two Principles of Taxation:-
- 1) Destination Principle - Revenue to desti. stat
 - 2) Origin Principle - Revenue to origin state

→ GST is a Destination / Consumption based Tax

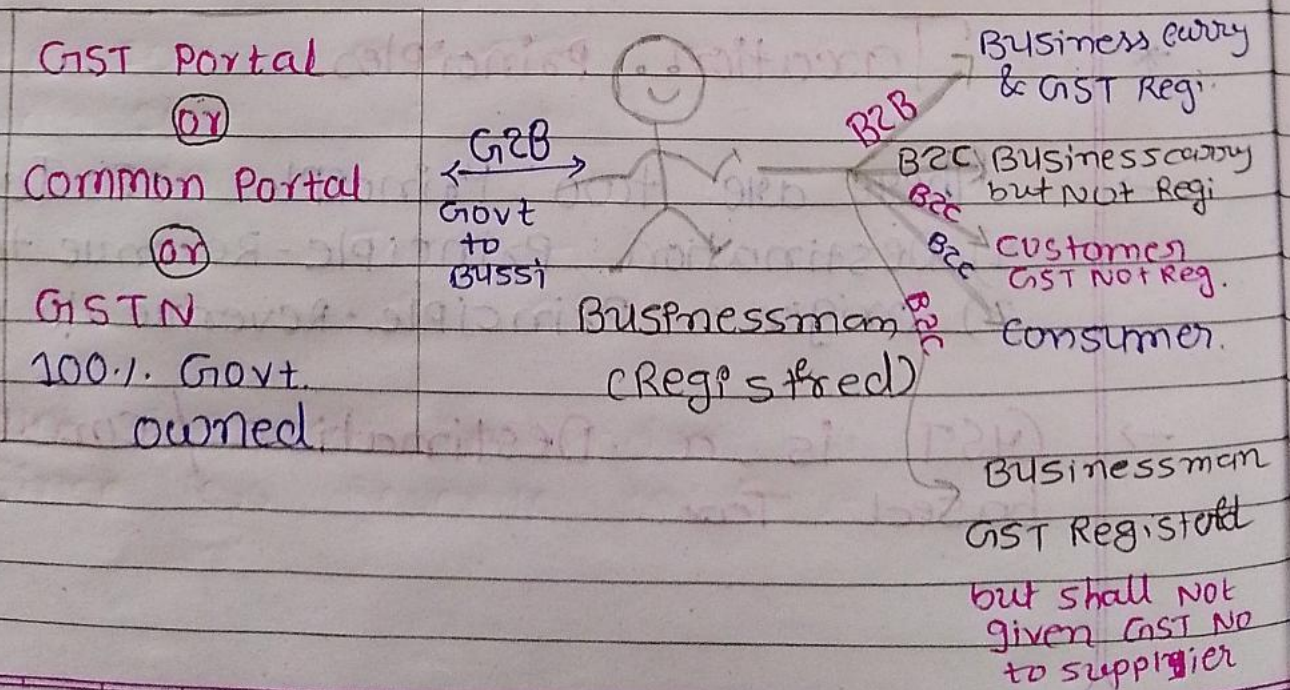
Concept :- 2

* What is GSTN & its role in GST along with the functions of GSTN?

GSTN stands for Goods and Services Tax Network.

- GSTN is a NOT for profit limited by Shares, 100% Govt. Company.
- wholly owned by C.G. & S.G.
- GSTN has been set up for providing shared IT infrastructure and service to C.G., S.G., Taxpayers & other stakeholders.
- GST Portal is referred as "Common Portal." The portal is the Taxpayer Interface with Govt. (i.e. G2B Portal)

* Important Point :-



→ Rule :-

Supply between

(i) → Registered Person to Registered Person = B2B
 GSTIN Given

(ii) → Registered Person to Registered Person = B2C
 GSTIN NOT Given

(iii) → Registered Person To U.R.P. = B2C.

⇒ Some Important functions performed by GSTIN ?

- 1 Facilitation of Registration.
- 2 Payment of GST
- 3 Return filing under GST
- 4 maintenance of ledgers of Tax payers.
- 5 Matching of ITC.
- 6 Distribution / Apportionment of IGST.
- 7 sharing information in Taxpayer to Return with CG/SG.

5 Computation and settlement of IGST.

9 Providing time to time Return to CG/SG.

Concept :- 3

* System of Tax collection [worldwide]

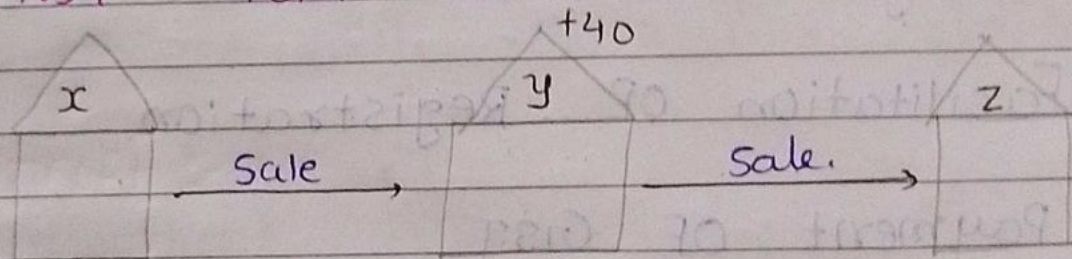
1 First Point Collection.

2 Last Point Collection.

3 MultiPoint collection.

* 4. MultiPoint collection with ITC method.

1 First Point collection :-

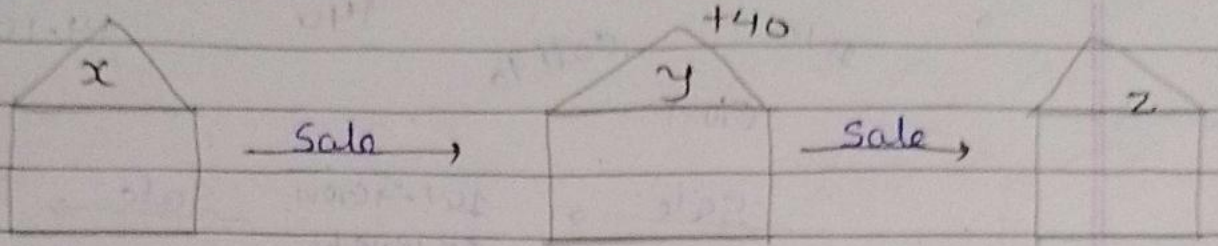


value = 100	cost = 110	cost = 150/-
Tax = $\frac{10}{110}$	VA = $\frac{40}{150}$	
	Tax = $\frac{-}{150}$	

Not followed in india.

Since less Revenue to Govt.

2. Last Point collection :-



$$\text{Value} = 100$$

$$\text{Tax} = -$$

$$\underline{100}$$

$$\text{Cost} = 100$$

$$\text{VA} = 40$$

$$\underline{140}$$

$$\text{Tax} = 14$$

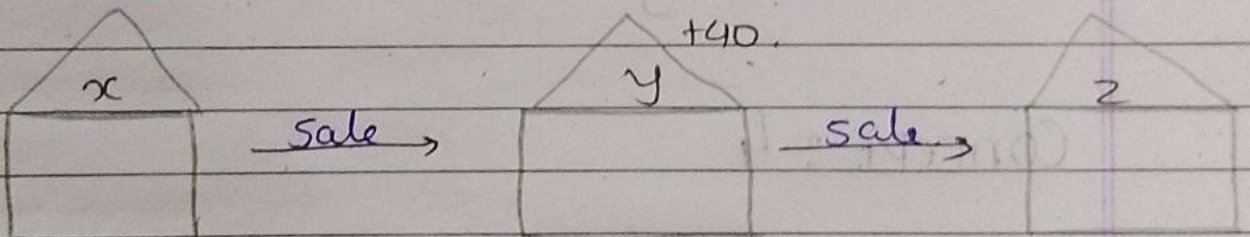
$$\underline{154}$$

$$\text{Cost} = 154$$

Not followed in India

[due to the tax evasion problem.]

3. Multipoint collection: without ITC Method



$$\text{Value} = 100$$

$$\text{Tax} = \frac{10}{110}$$

$$\text{Cost} = 110$$

$$\text{VA} = 40$$

$$\underline{150} [100 + 10 + 40]$$

$$\text{Tax} = 15 \rightarrow \begin{matrix} \downarrow & \downarrow & \downarrow \\ 10 & 1 & 4 \end{matrix}$$

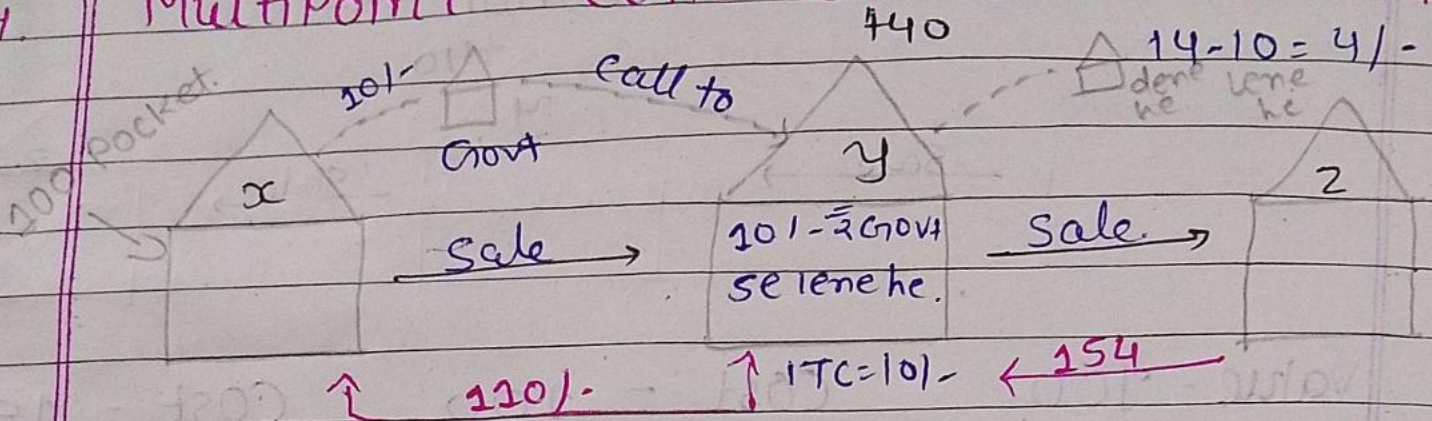
$$\underline{165}$$

$$\text{Cost} = 165$$

Not followed in India.

Since high customer cost & cascading effect.

4. Multipoint collection with ITC Method



Value = 100

Tax = 10

110

Cost = 100

VA = 40

140

Tax = 14

154

Cost = 154/-

Follow in india (i.e. best Method) since
No cascading effect.

Concept :- 4

Q:- 1.

Discuss the Leviability OF GST Or other taxes on the Following:-

- A) Alcoholic Liquour for H.C.
- B) Petroleum Crude, Petrol etc.
- C) Tobacco
- D) Opium, Indian hemp and narcotics.

Q:- 2.

Discuss Article 246 A which grant the power to make law with respect to GST ?

Q:- 3

Which are the commodities which have been kept outside the purview of GST ?