



**RAJMATA JIJAU SHIKSHAN PRASARAK MANDAL'S
INSTITUTE OF COMPUTER & MANAGEMENT RESEARCH**

Gat No. 101-102, Moshi Alandi Road, Dudulgaon, Pune- 412 105

Phone: (020) 66998966

email: directoricmr@rediffmail.com

Hon. Mr. Vilasrao V. Lande (Ex. MLA)
President

Mr. Suddhir V. Mungase
Secretary

Mr. Ajit Gavhane
Treasurer

1.3.2

Percentage of students undertaking project work/field work/internships (Data for the latest completed academic year)




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Treasurer

1.3.2 Percentage of students undertaking project work/field work/internships (Data for the latest completed academic year)

Sr. No	Contents	Details
1	Specimen Copy of Industrial Training Letter	2021-22
2	List of Students Completed Project Work For Latest Completed Academic Year	2021-22
3	Certificates of The Project Work	2021-22
4	Sample Project of Student	2021-22
5	Industrial Visit Report (One Sample Report Only)	2021-22




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Treasurer

1. Specimen Copy of Industrial Training Letter




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Treasurer

RJSPM/ICMR/MBA/2021-22/
To,

_____2022

Subject: Summer Project Work for MBA Students

Respected Sir,

We have great pleasure in introducing ourselves as premier Institute of Management located in the very vicinity of pious footsteps of our great ancient Indian Saint Dnyaneshwar i.e. Alandi Devachi. We are imparting Two Years Full Time Post Graduate Program in Business Administration i.e. MBA affiliated to Savitribai Phule Pune University, approved by AICTE, New Delhi and DTE, Government of Maharashtra.

As per the requirement of MBA course, the students have to undergo 60 days Summer Internship Project for partial fulfilment of degree and to get practical experience. The Summer Internship Project study is generally from the students intended area of specialization and is mutually decided by the company/organization/ Bank and the student.

We would appreciate if a summer placement could be offered to the applicant: -----
----- who has/have evinced keen interest in their training with your esteemed organization. The resume of the concern Student(s) is enclosed here with.

Thanking you and awaiting your favorable reply.

Yours truly,




DIRECTOR
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2. List of Students Completed Project Work for Latest Completed Academic Year




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MBA

2020-22 BATCH

(Latest Completed Academic Year)




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Secretary

Mr. Ajit Gavhane
Treasurer

Sl. No.	Candidate Name	Specialization	SIP Title	Company Name
1	Aarti Bhagwan Telkar	HR	National Apprenticeship promotion scheme on recruitment process at Arms India Pvt Ltd Bhosari	Arms India Pvt Ltd Bhosari
2	Bhujbal Yogesh Sandip	HR	Study of employees satisfaction towards safety and welfare measures at Mutual Industries PVT. LTD chakan Pune	Mutual Industries PVT. LTD chakan Pune
3	Chaudhari Tejas Pramod	Finance	Financial statement Analysis at ICICI Bank Bhosari	ICICI Bank Bhosari
4	Chavan Sourabh Vinod	HR	A study of motivation and retention of employees in at Honda motors	Honda motors
5	Dashvant Rohini Ramchandrar	Finance	Study of Input tax credit under GST at C A Rohan Gunjal and Associates Pune	C A Rohan Gunjal and Associates Pune
6	Dinesh Sudam Balghare	Finance	Study of input tax credit under GST at M/S K B B and Associates Pune	M/S K B B and Associates Pune
7	Dumbre Praphull Chandrakant	Marketing	A study of Marketing Onions for Krushi Jivan Agro Farmers Procedures Company	Krushi Jivan Agro Farmers Procedures Company
8	Gauri Prashant Pophale	Finance	The study of e-filling process of GST R-1 At M/S TAX Corporate Kudalwadi, Pune	M/S TAX Corporate Kudalwadi, Pune
9	Gavade Ram Sadashiv	HR	A study of employee competency mapping at TATA Motots Pune	TATA Motots Pune
10	Gavade Soneshwar Valappa	OSCM	Study of supply chain management carried out at Zynova Hospitals Pvt Ltd	Zynova Hospitals Pvt Ltd
11	Gawade Abhishek Ramsheth	Marketing	To study the impact of brand on sales of Ramesh Foods At Ramesh foods sangvi Pune	Ramesh foods sangvi Pune




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12	Heena Salauddin Sayyad	Finance	A study on working capital management at Jayashree tubetech component Pvt. Ltd.	Jayashree Tubetech Component Pvt. Ltd.
13	Jadhav Sonika Sunil	Finance	A study of Income tax planning for business class people at Paysquare consultancy LTD Pune	Paysquare Consultancy LTD Pune
14	Jyoti Dattatray Makhar	Finance	Study of financial Services at Shree Kulswami Co-opp. Credit Soc. Ltd.	Shree Kulswami Co-opp. Credit Soc. Ltd.
15	Kad Vaibhav Dnyaneshwar	Finance	Study of agriculture loan at Bank of India Ltd. Chakan Pune	Bank of India Ltd. Chakan Pune
16	Kaple Ashwini Sanjay	HR	Study of Absenteesm of Employee at Shree Balaji Sales Pune	Shree Balaji Sales Pune
17	Karad Rushikesh Rajendra	Finance	Determining customer satisfaction for DMAT account using rather model with special references to sherkhan DMAT account services	Sherkhan DMAT account services
18	Khairnar Harshal Sanjay	HR	To study of e-recruitement process in organization at Bond.AL everyspend India Pvt Ltd	Bond.AL everyspend India Pvt Ltd
19	Kokane Pratiksha Mahadu	Finance	Ration Analysis at M/S Global Tools Pune	M/S Global Tools Pune
20	Konnakkattil Nisa Kunhalan	HR	Analysis of employee welfare facilities at Flat India Automobile Pvt. Ltd Pune	Flat India Automobile Pvt. Ltd Pune
21	Lande Niraj Raju	BA	Study on IT project management at EUPSIDE (IT services and web solutions) Bhosari	EUPSIDE (IT services and web solutions) Bhosari
22	Lokhande Omkar Anil	OSCM	To study of production planning and control in organization at Proto D engineering PVT LTD	Proto D engineering PVT LTD
23	Lokhande Tejasvini Vijay	OSCM	Study of inventory management technique at Command hospital, ECHS polyclinic pune	Command hospital, ECHS polyclinic pune
24	Londhari Rajesh Prabhakar	Finance	Examination not given	Examination not given
25	Mahendra Pandharinath Kawashte	Marketing	Market potential for Oxyrich Packaged drinking water in shirur at Dhariwal Industries Ltd Pune	Dhariwal Industries Ltd, Pune




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26	Mandlik Rushikesh Subhash	OSCM	Examination not given	Examination not given
27	Mane Bandu Narayan	OSCM	Improvement in overall equipment efficiency (OEE) of 400 tonnage press machine at Duroshox PVT LTD DIV- Durotechnologies PVT LTD Sanaswadi Pune	Durotechnologies Pvt Ltd, Sanaswadi, Pune
28	Misal Preeti Vitthal	OSCM	Inventory Management in supply chain at Chemi-Equip	Chemi Equipment Pvt, Pune
29	More Tanvi Bhalchandra	HR	A study of sourcing and IT self effectiveness in the hiring process at TATA Autocamp system technical centre	TAT Autocomp System Technical Centre, Pune
30	Mungase Suddhir Vitthal	HR	A study to understand dealers perceptions and satisfaction on biometric and automation products for M-tech innovations Ltd. In Pune City At M-Tech innovations Ltd. Pune	M-Tech Innovation Ltd, Pune
31	Narayankar Rajwant Shivdas	OSCM	To study of parallel sequencing of paint shop, powder coating and oven considering dispatch at Rochi engineers Pvt. Ltd. Pune	Rochi Engineers Pvt Ltd, Pune
32	Nivangune Kunal Navanath	Finance	A study of barriers in filling GST returns at P.M. Lokhande and company Pune	PM Lokhande and Company Pune
33	Pandhare Nilesh Narayan	Marketing	“Inventory Management Technique”	“Pidilite Industries limited.”
34	Parkhe Tanmay Ashok	HR	Study on employee motivation in an organization At Kiga Foods Pvt Ltd	Kiga Foods Pvt Ltd, Pune
35	Patil Aarti Chandrakant	Finance	Study of ration analysis at Ayush Industries	Ayush Industries, Pune
36	Patil Sanju Vittal	OSCM	To study of plant layout at Pro Chassis Engineers of Proto D engineering Pvt Ltd	Proto D engineering PVT LTD, Pune
37	Patil Sharvari Madhukar	Finance	A study on financial statement analysis at SNB tooling Pune	SNB Tooling, Pune




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38	Pawar Mandira Madhav	BA	A study on assessment of awareness of awareness on generic drugs among the general public in kolhapur district maharashtra, India at Synapse Labs PVT LTD	Synapse Labs Pvt Ltd, Pune
39	Poonia Amit Dharampal	Finance	Indirect TAXES-GST at Kirloskar Brothers LTD Pune	Kirloskars Brothers Ltd, Pune
40	Pundlik Govindrao Bhingole	OSCM	Examination not given	Examination not given
41	Rawate Satyashri Vilas	Finance	A study on tax planning measures adopted by the salaried class at PAYSQUARE	Paysquare consultancy LTD Pune
42	Runwal Naineel Jitendra	Marketing	A study on cutomer satisfaction level at venkatshwara traders Pune	Vebjateswaraq Traders, Pune
43	Rutuja Suresh Mungase	Finance	To study and analysis of mutual fund with the reference of HDFC mutual Fund	HDFC Mutual Funds, Pune
44	Sachin Mohan Sonar	Finance	Study of financial functions at SIEMENS Pune	SIEMENS, Pune
45	Sandhya Navnath Sanap	Marketing	To study of Marketing strategies of an Integrated faculty services at Spark Motors Pvt. Ltd.	Spart Motors Pct Ltd, Pune
46	Seema Prakash Deshmukh	OSCM	Study of standard operating procedure in tissue culture At Mauli Hitech Nursery Solu, Pune	Mauli Hitech Nursery, Solu, Pune
47	Shekade Jayesh Shivraj	OSCM	A study the working capiyal management at Century Enka Ltd	Century Enka Ltd, Pune
48	Shetkar Shraddha Umakant	HR	A study on performance appraisal at Yashada Realty Group	Yashada Realty Group, Pune
49	Shirke Hemant Vilas	Finance	To study of mutual Fund at HDFC Bank Ltd	HDFC Bank Ltd, Pune
50	Shriprasad Devidas Dorle	Marketing	Study of marketing initiatives AT M.E Energy for IT's business	ME Energy Pvt :Ltd, Pune




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Treasurer

51	Sonali Narayan Pandhare	Marketing	A study of mutual funds and their performance at Dana Anand India Pvt Ltd under CSR activity	Dana Anand India Pvt Ltd, Pune
52	Soumen Roy	BA	Study of online services provided by educational institutions during pandemic	educational institutions
53	Sushant Sanatan Londhe	HR	Study of training and development of employee at kalyani techno ltd chakan pune	Kalyani Techno Ltd, Chakan, Pune
54	Trupti Ravindra Futane	HR	To study employee engagement in organization at Reliable technical services	Reliable technical services
55	Ugwekar Diksha Haribhau	HR	To study performance appraisal at Weather controlling solutions India Pvt. Ltd. Pune	Weather Controlling Solutions India, Pvt Ltd, Pune
56	Vidya Sunil Shelar	HR	A study of employee engagement and strategies at Thermax ltd. Shivajinagar Pune	Thermax Ltd, Pune
57	Yelapale Nitin Bharat	BA	To study of Surprise online cake delivery at Midnight cakes	Midnight Cakes, Pune




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3. Certificates of the Students




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January 19, 2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. Tejas Pramod Chaudhari, Student of MBA-II of from RJSPM'S Institute of Computer and Management Research of Savitribai Phule Pune University, has completed an internship program about the topic of A Study of " Financial Statement Analysis" in our Bank from 1st November 2021 to 31st January 2022.**

During this tenure, we found him dedicated, hardworking and keen learner. We wish him good luck in his further career.

Regards,



Praful Mirje

Branch Manager,

Bhosari Branch.

ICICI BANK LIMITED

Trans Trade Centre,
Near Floral Deck Plaza,
Seepz, Midc, Andheri -East
Mumbai, 400093

Tel : 3985 7152
Fax : 3985 8016
website: www.icicibank.com

Regd Office: "Landmark", Race Course Circle,
Vadodra - 390007. India.

Corp Office: ICICI Bank Tower, Bandra-Kurla
Complex, Mumbai 400 051, India.

Date: 24th March 2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that, **MISS. DIKSHA HARIBHAU UGWEKAR**, student of MBA (2021-22) final year of **RJSPM'S INSTITUTE OF COMPUTER AND MANAGEMENT RESEARCH, Pune** has completed Summer Internship project Report titled "**PERFORMANCE APPRIASAL**" Under the guidance of **MR. VIKAS MORE**, for a period of 20th DECEMBER 2021 TO 18TH MARCH 2022 at **WEATHER CONTROLLING SOLUTIONS INDIA PVT. LTD, Pune.**

During this period, her performance was excellent, and we found her to be dedicated, hardworking and sincere.

We wish her success in future endeavors.

Thanking You,

Weather Controlling Solutions India Pvt. Ltd.



Mr. Vikas More

(Human Resource – Manager)

Ref No. Project/03/2021-22

Date - 01st Feb 2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr **DINESH SUDAM BALGHARE**, student of MBA III – Semester (Specialization in Financial Management), Savitribai Phule Pune University (Maharashtra) has undergone training in our organization at our Pirangut head office for the period Date 01.10.2021 to 15.01.2022 in the field of “Study of Input Tax Credit under GST” with the Finance Department as a part of his field study.

During his tenure with the company, we found him sincere, hardworking and devoted towards his study. His performance during training period has been found good.

We wish his all the success.

For Indpro Engineering Systems Pvt Ltd

Chief Financial Officer



11th April 2022

MEEPL/HR/21-22/0137

DECLARATION

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. Shriprasad D. Dorle student of RJSPM Institute of Computer and Management Research, Pune has successfully completed Internship Programme at our company.

During the period of his Internship Programme with us, we found him punctual, hardworking and inquisitive.

We wish him every success in life.

Yours faithfully,

For M.E ENERGY PVT LTD

Ahotha



Authorized Signatory



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Mo.8380098131/9011051618 Email : sales1mauli@gmail.com Website : www.maulihitech.com

Ref.No.

Date : 24/2022

Certificate

To Whom IT May Concern

This is to Certify that Miss Seema Deshmukh Student Of RAJMATA JIAU SHIKSHAN PRASARAK MANDAL DUDULGAON PUNE, Undergone Summer internship Programme on the topic of "ANALYTICAL STUDY OF STANDARD OPERATING PROCESS IN TISSUE CULTURE", For the Date Of 1 st Dec 2021 to 28 th Feb 2022 In Our Firm.

We Found her Sincere and hard Working.

We Wish her all the Success in His Career.-



Date: 24th March 2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that, **MISS. DIKSHA HARIBHAU UGWEKAR**, student of MBA (2021-22) final year of **RJSPM'S INSTITUTE OF COMPUTER AND MANAGEMENT RESEARCH, Pune** has completed Summer Internship project Report titled "**PERFORMANCE APPRIASAL**" Under the guidance of **MR. VIKAS MORE**, for a period of 20th DECEMBER 2021 TO 18TH MARCH 2022 at **WEATHER CONTROLLING SOLUTIONS INDIA PVT. LTD, Pune.**

During this period, her performance was excellent, and we found her to be dedicated, hardworking and sincere.

We wish her success in future endeavors.

Thanking You,

Weather Controlling Solutions India Pvt. Ltd.



Mr. Vikas More

(Human Resource – Manager)



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Treasurer

4. Sample Project of Student




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A

PROJECT REPORT ON

“STUDY OF INPUT TAX CREDIT UNDER GST”

AT

M/S K B B & ASSOCIATES
(CHARTERED ACCOUNTANTS)

PUNE

SUBMITTED TO

SAVITRIBAI PHULE PUNE UNIVERSITY

IN PARTIAL FULLFILLMENT OF

MASTER OF BUSINESS ADMINISTRATION

SUBMITTED BY

DINESH SUDAM BALGHARE

UNDER THE GUIDANCE OF PROF. GANESH BORCHATE

THROUGH



RAJMATA JIJAU SHIKSHAN PRASARAK MANDAL'S

INSTITUTE OF COMPUTER AND MANAGEMENT RESEARCH (ICMR)

PUNE – 412 105

(A.Y. - 2020-22)



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DECLARATION

This is to declare that the project report entitled project on “**STUDY OF INPUT TAX CREDIT UNDER GST**” of **M/S K B B & ASSOCIATES CHARTERED ACCOUNTANTS** and company record of genuine work done by me under the supervision of Prof. Ganesh Borchate sir in impartial fulfilment of the requirement of Master of Business Administration of the Savitribai Phule Pune University.

The work presented here is not duplicate from any other source and also not submitted earlier for any other degree/diploma to any other university.

I declare that this project is fair project and submitted to the university.

DINESH SUDAM BALGHARE (Researcher)

Date: 31st January 2022

Place: Pune

ACKNOWLEDGMENT



This project report is the part of study of ‘Master degree in business administration’.

I would like to thank my project guide Prof. Ganesh Borchate sir under whose guidance’s, I have been able to complete this project report.

Then I would like to thank Prof. Yashwant Lembhe sir to give this opportunity to do the project report.

My sincere thanks to CA. Pradip Bhor (Chartered Accountants at M/S K B B & Associates) & Mr. Ravindra Kulkarni (Director of M/s Indpro Engineering Systems Pvt Ltd) giving me an opportunity to work under his guidance.

I take this opportunity to convey my thanks to for giving me an opportunity to do this project from the company and for providing me all the necessary support. Company there for valuable guidance and co-operation to the preparation of this project report. I would like to thank to all who have given me all necessary information during my study.

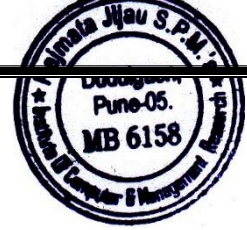
DINESH SUDAM BALGHARE (Researcher)

Date: 31st January 2022

Place: Pune

A decorative scroll graphic with a 3D effect, containing the chapter title. The scroll is white with a black outline and is positioned horizontally in the center of the page.

CHAPTER 1 INTRODUCTION



1. INTRODUCTION

TAXES

Tax is an amount of money that you have to pay to the government so that it can pay for public services & Taxes are required payments from citizens to governments. The payments fund projects and expenditures that serve the public interest. The tax structure in India is divided into direct and indirect taxes. The taxation system in India is such that the taxes are levied by the Central Government and the State Governments.

TYPES OF TAXES

The two types of taxes in India defined under our tax system are direct tax and indirect tax.

A) DIRECT TAXES: -

It is the tax which is directly paid by the taxpayer to the government. To estimate the amount to be paid through direct taxes, you will have to check your wealth or income. The CBDT (Central Board of Direct Taxes) overlooks India's direct taxes. A direct tax is not transferred to any other entity or individual other than the taxpayer on whom it is levied. Types of direct taxes are:

- INCOME TAX:

This tax entails taxing an individual's income generated through different sources like salary, investments, property, business, etc. The income tax act describes a tax benefit that you can get through insurance premium or fixed deposits. They also help in deciding savings from income through investments and tax slab.

- CORPORATE TAX:

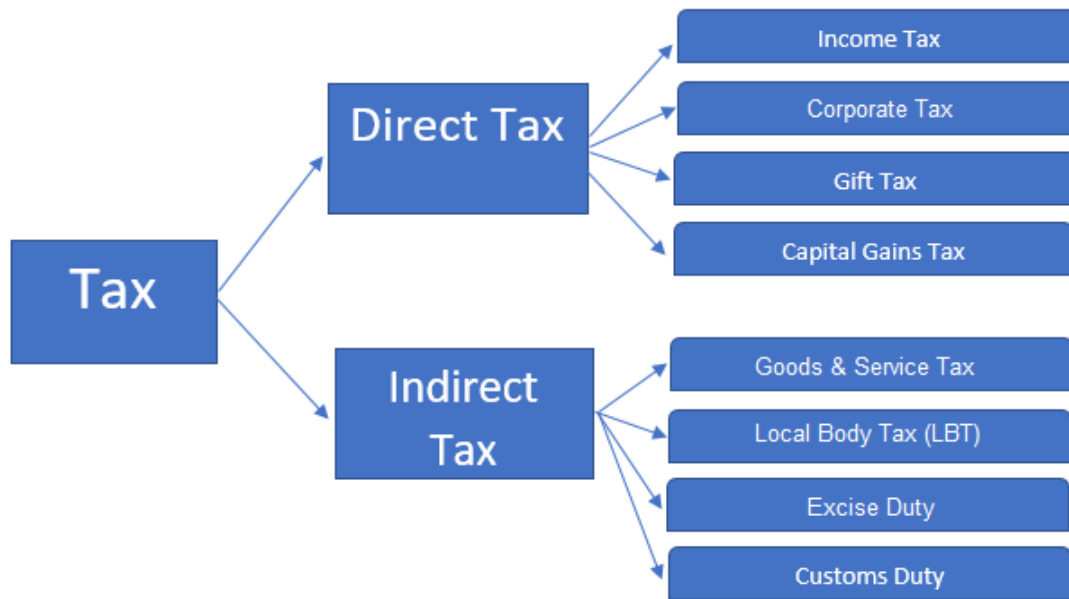
Income tax a company pays from its revenue earned by it is called a corporate tax. Corporate tax has its own slab for deciding the amount to be paid.

- CAPITAL GAIN TAX:

This tax is payable when you get a significant lump sum of money. They include two types of capital gains, long-term capital gains and short-term capital gains. The tax applicable for both is different as short-term gains tax is computed depending on the income bracket.

B) INDIRECT TAXES:

Indirect tax is defined as the tax imposed by the government on a taxpayer for goods and services rendered. In the case of indirect tax, the burden of tax can be shifted by the taxpayer to someone else. Indirect tax has the effect to raising the price of the products on which they are imposed. Customs duty, central excise, Goods & service tax are examples of indirect tax



TYPES OF TAXES

DIFFERENT TYPES OF INDIRECT TAX

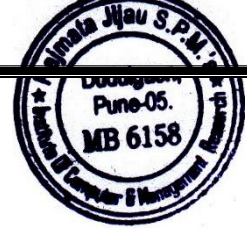
There are different types of indirect tax in India. However, after the implementation of GST, all these indirect taxes were bundled into one singular tax for the citizens of India. We will have a look at the different types of indirect tax in India:

- **SERVICE TAX:**

This tax is levied by an entity in return for the service provided by them. The service tax is collected by the Government of India and deposited with them.

- **EXCISE DUTY:**

When any product or good is manufactured by a company in India, then the tax levied on those goods is called the Excise Duty. The manufacturing company pays the tax on the goods and in turn recover the amount from their customers.



- **VALUE ADDED TAX:**

Also known as VAT, this type of tax is levied on any product sold directly to customer and are movable. VAT consists of Central Sales Tax which is paid to the Government of India State Central Sales Tax which is paid to the respective State Government.

- **CUSTOM DUTY:**

This a tax levied on the goods imported to India. Sometimes, Custome Duty is also levied on products which are exported out of India.

- **STAMP DUTY:**

This is a tax levied on the transfer of any immovable property in a state of India. The state government in whose state the property is located charges this type of tax. Stamp tax is also applicable on all legal documents too.

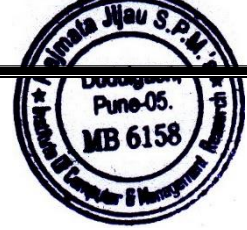
- **ENTERTAINMENT TAX:**

This tax is charged by the state government and is applicable on any products or transactions related to entertainment. Purchasing of any video games, movie shows, sports activities, arcades, amusement parks, etc. are some of the products on which Entertainment Tax is charged.

- **SECURITIES TRANSACTION TAX:**

This tax is levied during the trading of securities through Indian Stock Exchange.

But the ONE NATION ONE TAX is applicable in India so all taxes are cancelled and GST is applied. Goods & Service Tax has replaced multiple indirect taxes, which were existing under the previous tax regime. The advantage of having one single tax means every state follows the same rate for a particular product or service.



GOODS AND SERVICES TAX (GST)

GST (Goods and Services Tax) is the biggest indirect tax reform of India. GST is a single tax on the supply of goods and services. It is a destination-based tax. GST has subsumed taxes like Central Excise Law, Service Tax Law, VAT, Entry Tax, Octroi, etc. GST is one of the biggest indirect tax reforms in the country. GST is expected to bring together state economies and improve overall economic growth of the nation.

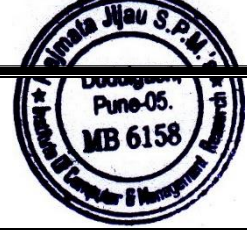
GST is known as the Goods and Services Tax. It is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, services tax, etc. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1st July 2017.

In other words, Goods and Service Tax (GST) is levied on the supply of goods and services. Goods and Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST is a single domestic indirect tax law for the entire country.

GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central. Businesses are required to obtain a GST Identification Number in every state they are registered. There are around 160 countries in the world that have GST in place. GST is a destination based taxed where the tax is collected by the State where goods are consumed.

- SGST – State GST, collected by the State Government.
- CGST – Central GST, collected by the Central Government.
- IGST – Integrated GST, collected by the Central Government.
- UTGST – Union territory GST, collected by union territory Government

Transaction	New Regime	Old Regime	Revenue Distribution
Sale within the State	CGST + SGST	VAT + Central Excise/Service tax	Revenue will be shared equally between the Centre and the State



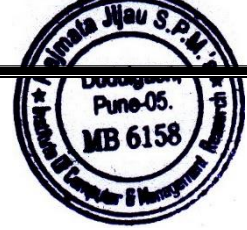
Sale to another State	IGST	Central Sales Tax + Excise/Service Tax	There will only be one type of tax (central) in case of inter-state sales. The Centre will then share the IGST revenue based on the destination.

Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.

Goods and services are divided into five different tax slabs for collection of tax: 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcoholic drinks, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax system. [citation needed] There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold.[1] In addition a cess of 22% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. Pre-GST, the statutory tax rate for most goods was about 26.5%, Post-GST, most goods are expected to be in the 18% tax range.

The tax came into effect from 1 July 2017 through the implementation of the One Hundred and First Amendment of the Constitution of India by the Indian government. The GST replaced existing multiple taxes levied by the central and state governments.

The tax rates, rules and regulations are governed by the GST Council which consists of the finance ministers of the central government and all the states. The GST is meant to replace a slew of indirect taxes with a federated tax and is therefore expected to reshape the country's \$2.4 trillion economy, but its implementation has received criticism. Positive outcomes of the GST includes the travel time in interstate movement, which dropped by 20%, because of disbanding of interstate check posts.



OBJECTIVES OF GST

1) To achieve the ideology of ‘One Nation, One Tax’

GST has replaced multiple indirect taxes, which were existing under the previous tax regime. The advantage of having one single tax means every state follows the same rate for a particular product or service. Tax administration is easier with the Central Government deciding the rates and policies. Common laws can be introduced, such as e-way bills for goods transport and e-invoicing for transaction reporting. Tax compliance is also better as taxpayers are not bogged down with multiple return forms and deadlines. Overall, it's a unified system of indirect tax compliance.

2) To subsume a majority of the indirect taxes in India

India had several erstwhile indirect taxes such as service tax, Value Added Tax (VAT), Central Excise, etc., which used to be levied at multiple supply chain stages. Some taxes were governed by the states and some by the Centre. There was no unified and centralised tax on both goods and services. Hence, GST was introduced. Under GST, all the major indirect taxes were subsumed into one. It has greatly reduced the compliance burden on taxpayers and eased tax administration for the government.

3) To eliminate the cascading effect of taxes

One of the primary objectives of GST was to remove the cascading effect of taxes. Previously, due to different indirect tax laws, taxpayers could not set off the tax credits of one tax against the other. For example, the excise duties paid during manufacture could not be set off against the VAT payable during the sale. This led to a cascading effect of taxes. Under GST, the tax levy is only on the net value added at each stage of the supply chain. This has helped eliminate the cascading effect of taxes and contributed to the seamless flow of input tax credits across both goods and services.

4) To curb tax evasion

GST laws in India are far more stringent compared to any of the erstwhile indirect tax laws. Under GST, taxpayers can claim an input tax credit only on invoices uploaded by their respective suppliers. This way, the chances of claiming input tax credits on fake invoices are minimal. The introduction of e-invoicing has further reinforced this objective. Also, due to GST being a nationwide tax and having a centralised surveillance system, the clampdown on defaulters is quicker and far more efficient. Hence, GST has curbed tax evasion and minimised tax fraud from taking place to a large extent.

5) To increase the taxpayer base

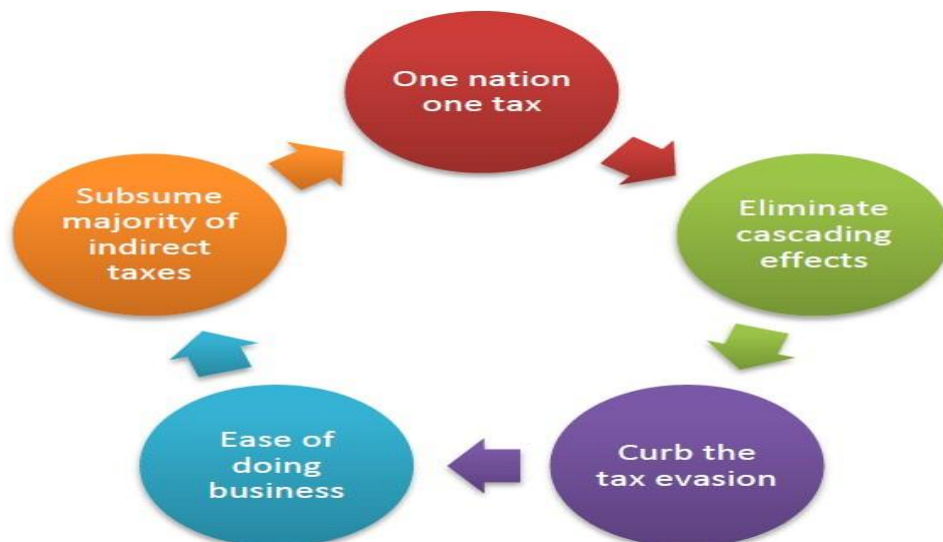
GST has helped in widening the tax base in India. Previously, each of the tax laws had a different threshold limit for registration based on turnover. As GST is a consolidated tax levied on both goods and services both, it has increased tax-registered businesses. Besides, the stricter laws surrounding input tax credits have helped bring certain unorganised sectors under the tax net. For example, the construction industry in India.

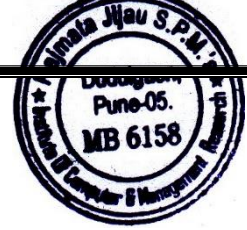
6) Online procedures for ease of doing business

Previously, taxpayers faced a lot of hardships dealing with different tax authorities under each tax law. Besides, while return filing was online, most of the assessment and refund procedures took place offline. Now, GST procedures are carried out almost entirely online. Everything is done with a click of a button, from registration to return filing to refunds to e-way bill generation. It has contributed to the overall ease of doing business in India and simplified taxpayer compliance to a massive extent. The government also plans to introduce a centralised portal soon for all indirect tax compliance such as e-invoicing, e-way bills and GST return filing.

7) An improved logistics and distribution system

A single indirect tax system reduces the need for multiple documentation for the supply of goods. GST minimises transportation cycle times, improves supply chain and turnaround time, and leads to warehouse consolidation, among other benefits. With the e-way bill system under GST, the removal of interstate checkpoints is most beneficial to the sector in improving transit and destination efficiency. Ultimately, it helps in cutting down the high logistics and warehousing costs.





COMPONENTS OF GST

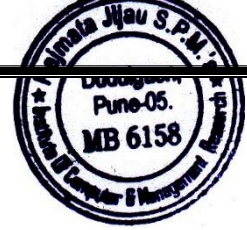
There are three taxes applicable under this system: CGST, SGST &

IGST.

- 1) Central GST (CGST): It is the tax collected by the Central Government on an intra-state sale (e.g., a transaction happening within Maharashtra)
- 2) State GST (SGST)/Union Territory GST (UTGST): It is the tax collected by the state government on an intra-state sale (e.g., a transaction happening within Maharashtra)
- 3) Integrated GST (IGST): It is a tax collected by the Central Government for an inter-state sale (e.g., Maharashtra to Tamil Nadu) GST levied by central government on inter-state supply of goods and services to ensure that the credit chain is not disrupted. Apart from the applicable custom duties, import of goods and services would be treated as inter-state supplies and would therefore be subject to IGST

▶ Tax Components of GST





TAX LAWS BEFORE GST

In the earlier indirect tax regime, there were many indirect taxes levied by both the state and the centre. States mainly collected taxes in the form of Value Added Tax (VAT). Every state had a different set of rules and regulations.

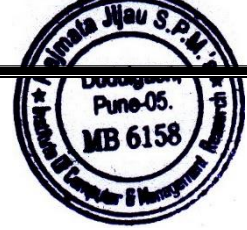
Inter-state sale of goods was taxed by the centre. CST (Central State Tax) was applicable in case of inter-state sale of goods. The indirect taxes such as the entertainment tax, octroi and local tax were levied together by state and centre. These led to a lot of overlapping of taxes levied by both the state and the centre.

For example, when goods were manufactured and sold, excise duty was charged by the centre. Over and above the excise duty, VAT was also charged by the state. It led to a tax-on-tax effect, also known as the cascading effect of taxes.

The following is the list of indirect taxes in the pre-GST regime:

- Central Excise Duty
- Duties of Excise
- Additional Duties of Excise
- Additional Duties of Customs
- Special Additional Duty of Customs
- Cess
- State VAT
- Central Sales Tax
- Purchase Tax
- Luxury Tax
- Entertainment Tax
- Entry Tax
- Taxes on advertisements
- Taxes on lotteries, betting, and gambling

CGST, SGST, and IGST have replaced all the above taxes.



NEW COMPLIANCE UNDER GST

Apart from online filing of the GST returns, the GST regime has introduced several new systems along with it.

GST Return

GST return is a document that will contain all the details of your sales, purchases, tax collected on sales (output tax), and tax paid on purchases (input tax). Once you file GST returns, you will need to pay the resulting tax liability (money that you owe the government). GST return is a form that a taxpayer registered under the Goods and Services Tax (GST) law must file for every GSTIN that he is registered.

1) GSTR-1

GSTR-1 is the return to be furnished for reporting details of all outward supplies of goods and services made. In other words, it contains the invoices and debit-credit notes raised on the sales transactions for a tax period. GSTR-1 is to be filed by all normal taxpayers who are registered under GST, including casual taxable persons.

Any amendments to sales invoices made, even pertaining to previous tax periods, should be reported in the GSTR-1 return by all the suppliers or sellers.

2) GSTR-2A

GSTR-2A is a view-only dynamic GST return relevant for the recipient or buyer of goods and services. It contains the details of all inward supplies of goods and services i.e., purchases made from GST registered suppliers during a tax period.

The data is auto-populated based on data filed by the corresponding suppliers in their GSTR-1 returns. Further, data filed in the Invoice Furnishing Facility (IFF) by the QRMP taxpayer, also get auto-filled.

3) GSTR-3B

GSTR-3B is a monthly self-declaration to be filed, for furnishing summarised details of all outward supplies made, input tax credit claimed, tax liability ascertained and taxes paid.

GSTR-3B is to be filed by all normal taxpayers registered under GST. The sales and input tax credit details must be reconciled with GSTR-1 and GSTR-2B every tax period before filing GSTR-3B. GST reconciliation is crucial to identify mismatches in data, that may lead to GST notices in future or suspension of GST registration as well.

E-WAY BILLS

GST introduced a centralised system of waybills by the introduction of “E-way bills”. This system was launched on 1st April 2018 for inter-state movement of goods and on 15th April 2018 for intra-state movement of goods in a staggered manner.

Under the e-way bill system, manufacturers, traders and transporters can generate e-way bills for the goods transported from the place of its origin to its destination on a common portal with ease. Tax authorities are also benefited as this system has reduced time at check -posts and helps reduce tax evasion.

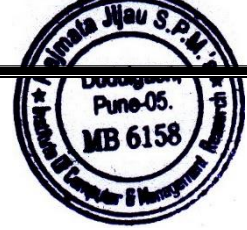
E-INVOICING

The e-invoicing system was made applicable from 1st October 2020 for businesses with an annual aggregate turnover of more than Rs.500 crore in any preceding financial years (from 2017-18). Further, from 1st January 2021, this system was extended to those with an annual aggregate turnover of more than Rs.100 crore.

These businesses must obtain a unique invoice reference number for every business-to-business invoice by uploading on the GSTN’s invoice registration portal. The portal verifies the correctness and genuineness of the invoice. Thereafter, it authorises using the digital signature along with a QR code.

e-Invoicing allows interoperability of invoices and helps reduce data entry errors. It is designed to pass the invoice information directly from the IRP to the GST portal and the e-way bill portal. It will, therefore, eliminate the requirement for manual data entry while filing GSTR-1 and helps in the generation of e-way bills too.





COMPOSITION SCHEME IN GST

Businesses which opt to file taxes under GST composition scheme need to file separate set of returns. This scheme makes compliance easier for small businesses. Businesses with turnover less than Rs 75 Lakh can opt to file under this scheme

Tax experts at early GST by H&R Block can help you get your Business get GST ready. We help you from GST registration, to filing and reconciliation.

WHO CANNOT OPT FOR COMPOSITION SCHEME

The following people cannot opt for the scheme-

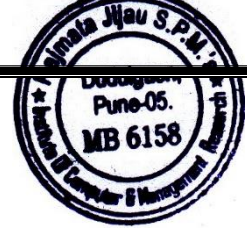
- Manufacturer of ice cream, pan masala, or tobacco
- A person making inter-state supplies
- A casual taxable person or a non-resident taxable person
- Businesses which supply goods through an e-commerce operator

WHAT ARE THE CONDITIONS FOR AVAILING COMPOSITION SCHEME?

The following conditions must be satisfied in order to opt for composition scheme:

- No Input Tax Credit can be claimed by a dealer opting for composition scheme
- The dealer cannot supply goods not taxable under GST such as alcohol.
- The taxpayer has to pay tax at normal rates for transactions under the Reverse Charge Mechanism
- If a taxable person has different segments of businesses (such as textile, electronic accessories, groceries, etc.) under the same PAN, they must register all such businesses under the scheme collectively or opt out of the scheme.
- The taxpayer has to mention the words 'composition taxable person' on every bill of supply issued by him.

Composition Scheme – Applicable GST Rate			
Type of Business	CGST	SGST	Total
Manufacturer and Traders (Goods)	0.5%	0.5%	1.0%
Restaurants not serving alcohol	2.5%	2.5%	5%
Service Providers are not eligible for Composition Scheme			



ADVANTAGES & DISADVANTAGES OF GST

GST has mainly removed the cascading effect on the sale of goods and services. Removal of the cascading effect has impacted the cost of goods. Since the GST regime eliminates the tax on tax, the cost of goods decreases.

Also, GST is mainly technologically driven. All the activities like registration, return filing, application for refund and response to notice needs to be done online on the GST portal, which accelerates the processes.

ADVANTAGES OF GST

1) REMOVING THE CASCADING EFFECT OF TAX

GST is a comprehensive indirect tax that was designed to bring indirect taxation under one umbrella. More importantly, it is going to eliminate the cascading effect of tax that was evident earlier.

Cascading tax effect can be best described as 'Tax on Tax'. Let us take this example to understand what is Tax on Tax:

Before GST regime

A consultant offering services for say, Rs 50,000 and charged a service tax of 15% (Rs 50,000 * 15% = Rs 7,500).

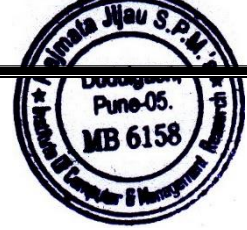
Then say, he would buy office supplies for Rs. 20,000 paying 5% as VAT (Rs 20,000 * 5% = Rs 1,000).

He had to pay Rs 7,500 output service tax without getting any deduction of Rs 1,000 VAT already paid on stationery.

His total outflow is Rs 8,500.

UNDER GST

GST on service of Rs 50,000 @18%	9,000
Less: GST on office supplies (Rs 20,000*5%)	1,000
Net GST to pay	8,000



2) HIGHER THRESHOLD FORM GST REGISTRATION

Earlier, in the VAT structure, any business with a turnover of more than Rs 5 lakh (in most states) was liable to pay VAT. Please note that this limit differed state-wise. Also, service tax was exempted for service providers with a turnover of less than Rs 10 lakh.

Under GST regime, however, this threshold has been increased to Rs 20 lakh, which exempts many small traders and service providers.

Tax	Threshold Limits
Excise	1.5 crores
VAT	5 lakhs in most states
Service Tax	10 lakhs
GST	20 lakhs

3) COMPOSITION SCHEME FOR SMALL BUSINESSES

Under GST, small businesses (with a turnover of Rs 20 to 75 lakh) can benefit as it gives an option to lower taxes by utilizing the Composition scheme. This move has brought down the tax and compliance burden on many small businesses.

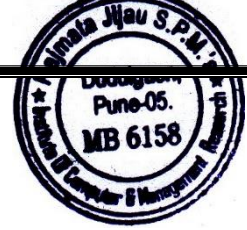
4) SIMPLER ONLINE FACILITIES FOR GST COMPLIANCE

The entire process of GST (from registration to filing returns) is made online, and it is super simple. This has been beneficial for start-ups especially, as they do not have to run from pillar to post to get different registrations such as VAT, excise, and service tax.

The number of compliances is lesser

Earlier, there was VAT and service tax, each of which had its own returns and compliances. Below table shows the same:

Tax	Return Filing
Excise	Monthly
Service Tax	Proprietorship / Partnership – Quarterly Company / LLP – Monthly
VAT	* Different for different states * Some states require monthly returns over a threshold limit. Some states like Karnataka require a Monthly return



5) **DEFINED TREATMENT FOR E-COMMERCE ACTIVITIES**

Earlier to the GST regime, supplying goods through the e-commerce sector was not defined. It had variable VAT laws. Let us look at this example:

Online websites (like Flipkart and Amazon) delivering to Uttar Pradesh had to file a VAT declaration and mention the registration number of the delivery truck. Tax authorities could sometimes seize goods if the documents were not produced.

Again, these e-commerce brands were treated as facilitators or mediators by states like Kerala, Rajasthan, and West Bengal which did not require them to register for VAT.

6) **INCREASED EFFICIENCY IN LOGISTICS**

Earlier, the logistics industry in India had to maintain multiple warehouses across states to avoid the current CST and state entry taxes on inter-state movement. These warehouses were forced to operate below their capacity, giving room for increased operating costs.

Under GST, however, these restrictions on inter-state movement of goods have been lessened.

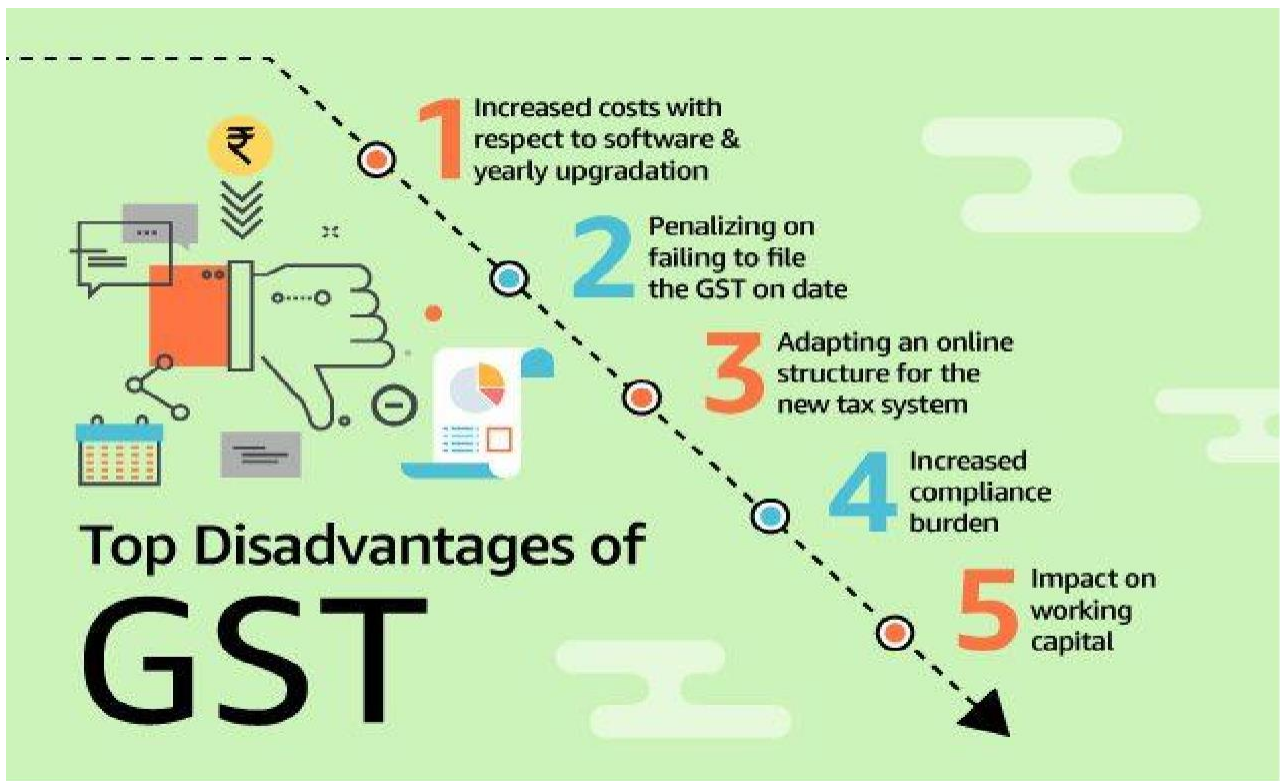
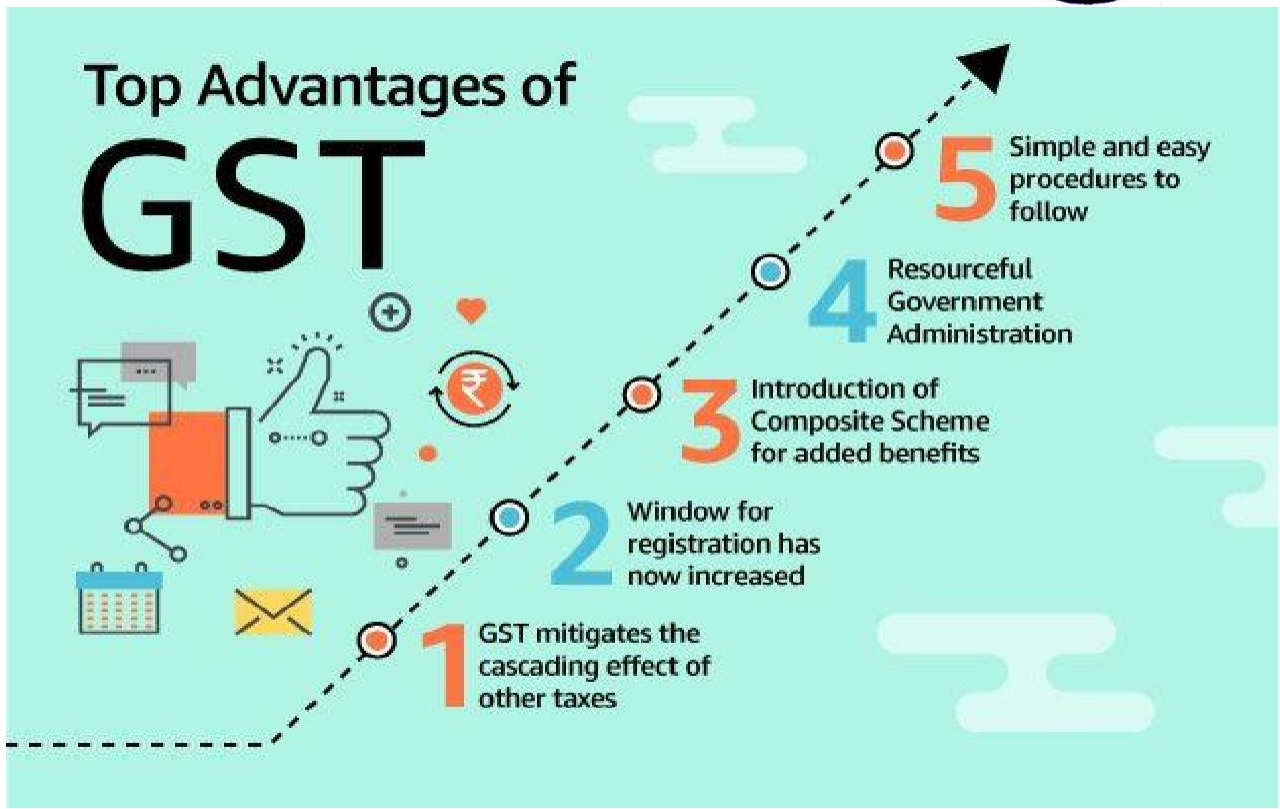
As an outcome of GST, warehouse operators and e-commerce aggregators players have shown interest in setting up their warehouses at strategic locations such as Nagpur (which is the zero-mile city of India), instead of every other city on their delivery route.

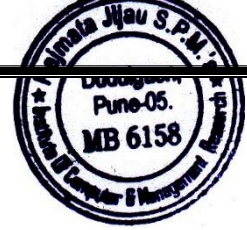
Reduction in unnecessary logistics costs is already increasing profits for businesses involved in the supply of goods through transportation.

7) **REGULATING THE UNORGANISED SECTORS**

In the pre-GST era, it was often seen that certain industries in India like construction and textile were largely unregulated and unorganized.

Under GST, however, there are provisions for online compliances and payments, and for availing of input credit only when the supplier has accepted the amount. This has brought in accountability and regulation to these industries.





DISADVANTAGES OF GST

Let us now look at the disadvantages of GST. Please note that businesses need to overcome these disadvantages to run the business smoothly.

1) INCREASED COSTS DUE TO SOFTWARE PURCHASE

Businesses have to either update their existing accounting or ERP software to GST-compliant one or buy GST software so that they can keep their business going. But both the options lead to the increased cost of software purchase and training of employees for efficient utilization of the new billing software.

2) NOT BEING GST-COMPLIANT CAN ATTRACT PENALTIES

Small and medium-sized enterprises (SME) may still not be able to grasp the nuances of the GST tax regime. They will have to issue GST-complaint invoices, be compliant with digital record-keeping, and of course, file timely returns. This means that the GST-complaint invoice issued must have mandatory details such as GSTIN, place of supply, HSN codes, and others.

3) GST WILL MEAN AN INCREASE IN OPERATIONAL COSTS

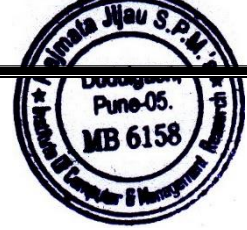
As we have already established that GST is changing the way how tax is paid, businesses will now have to employ tax professionals to be GST-complaint. This will gradually increase costs for small businesses as they will have to bear the additional cost of hiring experts.

Also, businesses will need to train their employees in GST compliance, further increasing their overhead expenses.

4) GST CAME INTO EFFECT IN THE MIDDLE OF THE FINANCIAL YEAR

As GST was implemented on the 1st of July 2017, businesses followed the old tax structure for the first 3 months (April, May, and June), and GST for the rest of the financial year.

Businesses may find it hard to get adjusted to the new tax regime, and some of them are running these tax systems parallelly, resulting in confusion and compliance issues.



5) **ADAPTING TO A COMPLETE ONLINE TAXATION SYSTEM**

Unlike earlier, businesses are now switching from pen and paper invoicing and filing to online return filing and making payments. This might be tough for some smaller businesses to adapt to.

6) **SME'S WILL HAVE A HIGHER TAX BURDEN**

Smaller businesses, especially in the manufacturing sector will face difficulties under GST. Earlier, only businesses whose turnover exceeded Rs 1.5 crore had to pay excise duty. But now any business whose turnover exceeds Rs 20 lakh will have to pay GST.

However, SMEs with a turnover upto Rs 75 lakh can opt for the composition scheme and pay only 1% tax on turnover in lieu of GST and enjoy lesser compliances. The catch though is these businesses will then not be able to claim any input tax credit. The decision to choose between higher taxes or the composition scheme (and thereby no ITC) will be a tough one for many SMEs.

CONCLUSION

Change is definitely never easy. The government is trying to smoothen the road to GST. It is important to take a leaf from global economies that have implemented GST before us, and who overcame the teething troubles to experience the advantages of having a unified tax system and easy input credits.

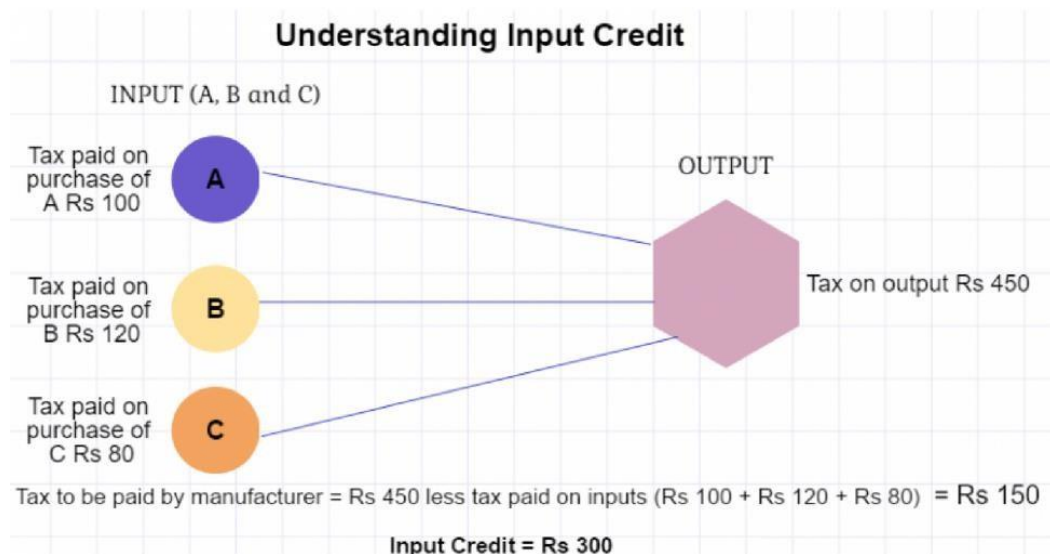
INPUT TAX CREDIT UNDER GST

INPUT TAX CREDIT – ITC

Input Credit Mechanism is available to you when you are covered under the GST Act. Which means if you are a manufacturer, supplier, agent, e-commerce operator, aggregator or any of the persons mentioned here, registered under GST, You are eligible to claim INPUT CREDIT for tax paid by you on your PURCHASES

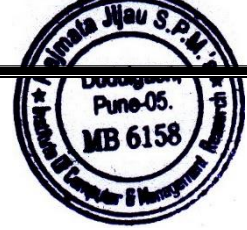
GST INPUT CREDIT MEANS

Input credit means at the time of paying tax on output, you can reduce the tax you have already paid on inputs. Say, you are a manufacturer – tax payable on output (FINAL PRODUCT) is Rs 450 tax paid on input (PURCHASES) is Rs 300 You can claim INPUT CREDIT of Rs 300 and you only need to deposit Rs 150 in taxes. See here:



INPUT CREDIT IN GST

Input Credit Mechanism is available to you when you are covered under the GST Act. Which means if you are a manufacturer, supplier, agent, e-commerce operator, aggregator or any of the persons mentioned here, registered under GST, You are eligible to claim INPUT CREDIT for tax paid by you on your PURCHASES.



HOW TO CLAIM INPUT CREDIT UNDER GST?

To claim input credit under GST –

- You must have a **tax invoice (of purchase) or debit note** issued by registered dealer
- You should have **received the goods/services**

Note: Where goods are received in lots/instalments, credit will be available against the tax invoice upon receipt of last lot or instalment. Note: Where recipient does not pay the value of service or tax thereon within 3 months of issue of invoice and he has already availed input credit based on the invoice, the said credit will be added to his output tax liability along with interest.

- The **tax charged on your purchases** has been **deposited/paid** to the government by the supplier in cash or via claiming input credit.
- **Supplier has filed GST returns**
- **Supplier has uploaded the invoice in their GSTR-1 and it appears in GSTR-2B of the recipient or buyer.**

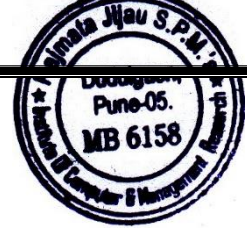
Possibly the most path-breaking reform of GST is that input credit is ONLY allowed if your supplier has deposited the tax he collected from you. So every input credit you are claiming shall be matched and validated before you can claim it. **Therefore, to allow you to claim input credit on Purchases all your suppliers must be GST compliant as well.**

There's more you should know about input credit –

- It is possible to have unclaimed input credit. Due to tax on purchases being higher than tax on sale. In such a case, you are allowed to carry forward or claim a refund.

If tax on inputs > tax on output → carry forward input tax or claim refund
If tax on output > tax on inputs → pay balance
No interest is paid on input tax balance by the government

- Input tax credit cannot be taken on purchase invoices which are more than one year old only in cases of special circumstances under Section 18(1). The period is calculated from the date of the tax invoice.



- Since GST is charged on both goods and services, input credit can be availed on both goods and services (except those which are on the exempted/negative list).
- Input tax credit is allowed on capital goods.
- Input tax is not allowed for goods and services for personal use.
- No input tax credit shall be allowed after GST return has been filed for September following the end of the financial year to which such invoice pertains or filing of relevant annual return, whichever is earlier.

HOW DOES IT WORK?

At each stage of the supply chain, the buyer gets credit for the input tax paid, and they can use it to offset the GST that needs to be paid to the Centre and State governments. To understand this concept better, let's take the example of a company called MK Kitchen Knives which sells custom-made kitchen knives.

- They purchase steel and plastic worth Rs.2000 from a vendor at a GST rate of 12.5%. Thus, the input tax they pay is Rs.250.
- The company now sells the manufactured knives for Rs.4000, plus an output tax of 12.5%, making the total selling price Rs.4500 (Rs.4000 + Rs.500).

Thus, the tax that MK Kitchen Knives owes to the Government = Output tax - Input tax credit = Rs.500 - Rs.250 = Rs.250

DOCUMENTS REQUIRED FOR AVAILING ITC

The documents required to avail ITC are:

- Invoice issued by the supplier
- Invoice issued similar to Bill of Supply, in cases where the total amount is less than Rs. 200 or reverse charge mechanism is applicable
- Debit note issued by the supplier (if any)
- Bill of Entry or similar documents issued by the Customs Department
- Bill of Supply issued by the supplier
- Document issued by ISD, could be an invoice or credit note

TYPE OF TAXES UNDER GST

All existing taxes such as VAT, CST, Excise Duty, Service Tax, Entertainment Tax shall go away and GST will replace them.

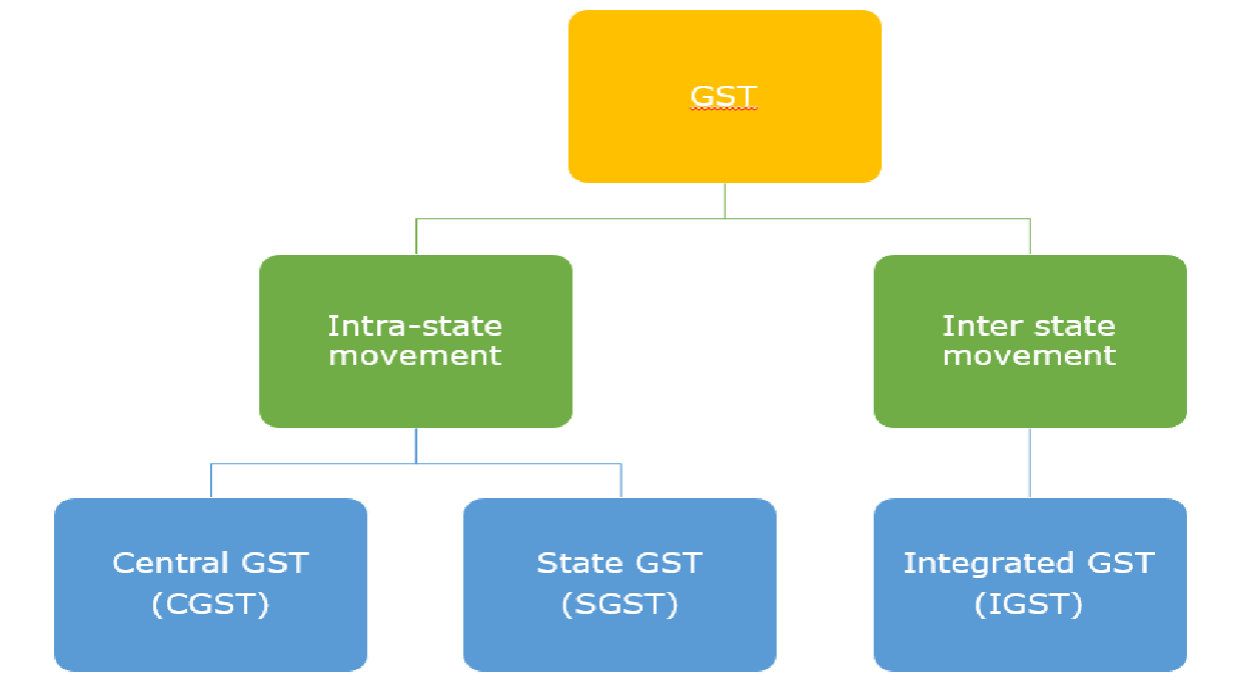
There are 3 types of taxes under GST

State GST (SGST)/Union Territory GST (UTGST)

Centre GST – CGST

Integrated GST – IGST

Taxes under GST



CLAIMING AND RECONCILING ITC UNDER GST WITH EXAMPLE

The GST comprises of 3 types of taxes: CGST, SGST and IGST.

CGST (Central GST) - Collected by the Central Government for transactions within one state.

SGST (State GST) - Collected by the State Governments for transactions within one state.

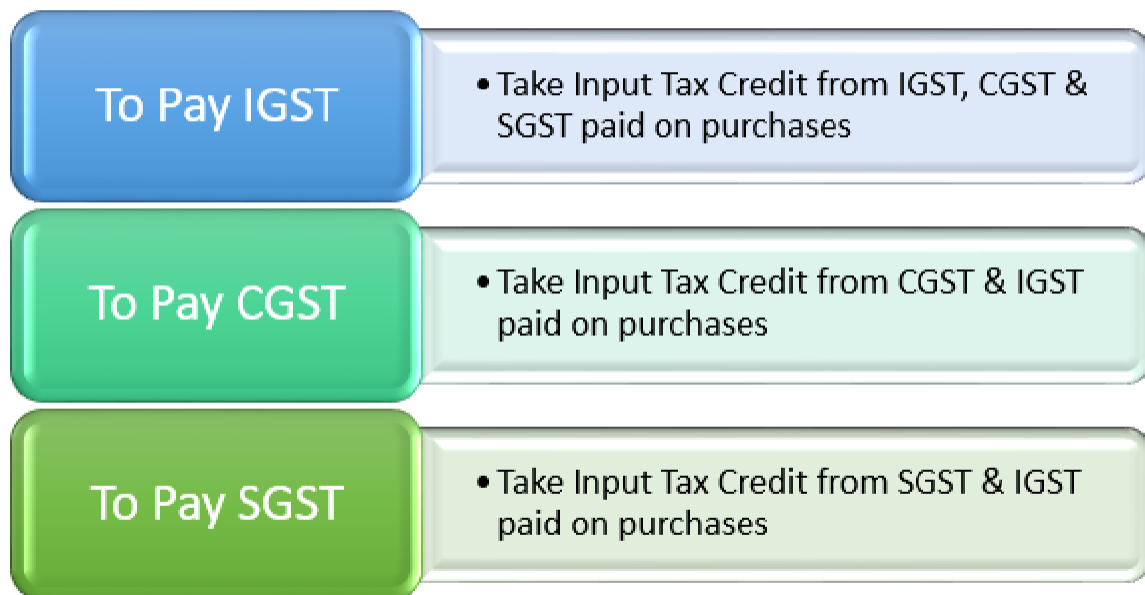
IGST (Integrated GST) - Single levy collected by the Central Government for transactions between states.

THE THREE TAX CREDITS CAN BE USED TO OFFSET ONE ANOTHER.

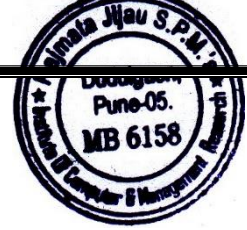
- CGST credit can be used to offset CGST liability; if there is credit left over, it can be applied toward IGST liability next.
- SGST credit can be used to offset SGST liability; if there is credit left over, it can be applied toward IGST liability next.
- IGST credit can be used to offset IGST liability; if there is credit left over, it can be applied toward CGST liability first and then toward SGST liability.

NOW LET'S UNDERSTAND HOW INPUT CREDIT WORKS UNDER GST

How to Avail INPUT CREDIT



Reconciliation of these credits is done by matching your transactions with those of your customers or vendors. This will help the Tax Department verify the transactions from both ends. The GST Identification Number (GSTIN) is used to match transactions together.



LET US NOW USE AN EXAMPLE TO UNDERSTAND HOW THIS RECONCILIATION PROCESS WORKS:

EXAMPLE - 1

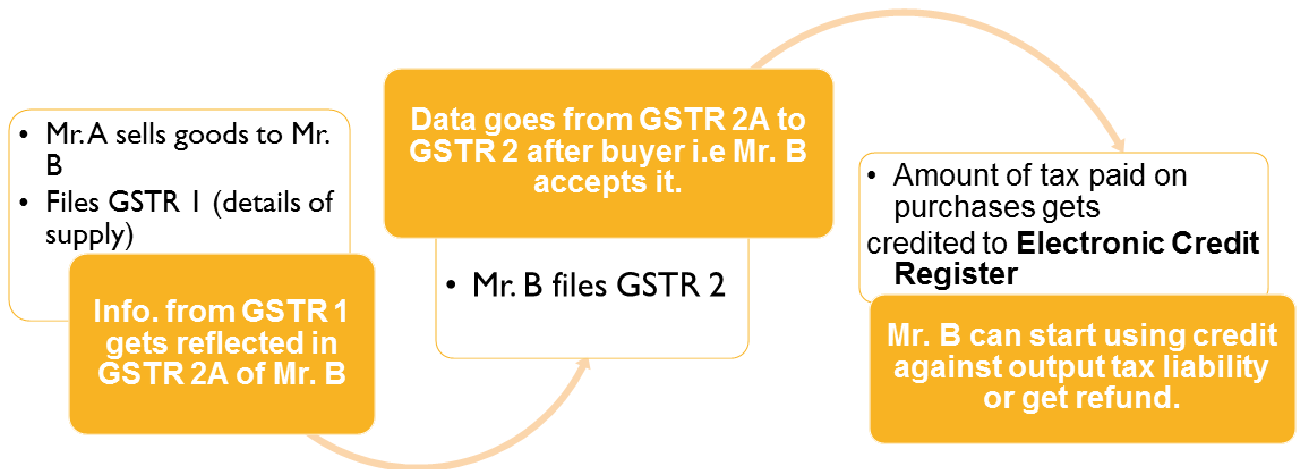
Suppose MK Kitchen Knives (recipient) purchased 10 tons of steel from GH Steelware Inc. (supplier) which is also registered for GST. The two companies will reconcile their transactions, and the recipient will claim the input tax credit, as follows:

- GH Steelware Inc. will file the GSTR-1 report (Details of outward supply).
- The details furnished in the GSTR-1 will be automatically fetched in the GSTR-2A (Details of inward supply) for MK Kitchen Knives, where they will be able to see the transaction details.
- MK Kitchen Knives will then check the records and make any necessary modifications/additions. Once the changes are made, this information will be automatically pulled when they will file the GSTR-2. The correct input credits will then be credited to their electronic credit ledger.
- GH Steelware Inc can then use the GSTR-1A form to view and accept the changes that MK Kitchen Knives made in the GSTR-2.
- Finally, once GH Steelware Inc. has filed the monthly returns (GSTR-3), MK Kitchen Knives will be able to avail the input tax credit and apply it to future output tax liabilities.

In cases where the tax on purchases is higher than the tax on sales, the extra input credit can be carried forward or claim a refund. Existing CENVAT) credits can be converted to GST input tax credits as well.

EXAMPLE – 2

Suppose there is a seller Mr A and he sells his goods to Mr B. Here Mr B i.e the buyer will be eligible to claim the credit on purchases based on the invoices. Let's understand how:



Step 1: Mr A will upload the details of all tax invoices issued in GSTR 1.

Step 2. The details with respect to sales to Mr B will auto-populate/ get reflected in GSTR 2A or GSTR-2B, the same data will be pulled when Mr B will file GSTR 2 (i.e details of inward supply).

Step 3: Mr B will then accept the details that the purchase has been made and reported by the seller correctly and subsequently the tax on purchases will be credited to 'Electronic Credit Ledger' of Mr B and he can adjust it against future output tax liability and get the refund.


REMEMBER:

- **CGST: CGST ITC availed against CGST but cannot be used to pay SGST liability**
- **SGST: SGST ITC availed against SGST but cannot be used to pay CGST liability**
- **CGST & SGST ITC CANNOT BE USED TO PAY EACH OTHER**

ADJUSTING ITC FOR INTER-STATE AND INTRA-STATE TRANSACTIONS

Let's now look at how Input Tax Credit can be used to offset output tax liabilities for both inter-state and intra-state transactions.

Let's say MK Kitchen Knives is based in Tamil Nadu. The details of their last four intra-state transactions are tabulated below, including the tax liability.




DESTINATION STATE	TYPE OF TRANSACTION	INPUT TAX CREDIT		OUTPUT TAX LIABILITY	
		CGST	SGST	CGST	SGST
Tami Nadu	Purchase	₹50,000	₹50,000		
Tamil Nadu	Purchase	₹30,000	₹30,000		
Tamil Nadu	Sale			₹47,000	₹47,000
Tamil Nadu	Sale			₹40,000	₹40,000

- In the above example, MK Kitchen Knives has a total input tax credit of Rs.80,000 (Rs.50,000 + Rs.30,000) from both CGST and SGST.
- Based on the tax offsetting rules under GST, they use the CGST input tax credit worth Rs.80,000 to offset the CGST liability of Rs.87,000 (Rs.47,000 + Rs.40,000). Once this adjustment is completed, the remaining CGST liability is Rs.7,000 (Rs.87,000 - Rs.80,000).
- Similarly, they use the SGST input tax credit worth Rs.80,000 to offset the SGST liability of Rs.87,000 (Rs.47,000 + Rs.40,000). Upon completion, the SGST liability amounts to Rs.7,000 (Rs.87,000 - Rs.80,000).
- The total tax liability is thus Rs. 14,000 (Rs.7,000 + Rs.7,000).

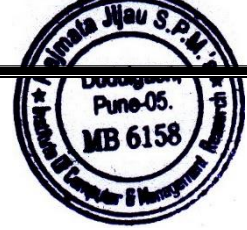
If there is any CGST credit left over after setting off the CGST tax liability, it cannot be used to offset SGST. Thus, the balance of the CGST credit will be carried over to the next tax period. This same applies to unused SGST credit; it can only be carried forward, not applied to CGST liability.

Consider another set of transactions for MK Kitchen Knives. This time, it's a mix of inter-state and intra-state transactions.



DESTINATION STATE	TYPE OF TRANSACTION	INPUT TAX CREDIT			OUTPUT TAX LIABILITY		
		CGST	SGST	IGST	CGST	SGST	IGST
Kerala	Purchase			₹10,000			
Kerala	Purchase			₹10,000			
Kerala	Purchase			₹20,000			
Madhya Pradesh	Sale						₹20,000
Tamil Nadu	Sale				₹10,000	₹15,000	

- As illustrated above, MK Kitchen Knives has an IGST credit of Rs.40,000 (Rs.10,000 + Rs.10,000 + Rs. 20,000), and tax liabilities of IGST 20,000, CGST 10,000 & SGST 15,000.
- According to the tax offsetting rules under GST, IGST credit needs to be used first to offset IGST tax liability. Whatever IGST credit is left can be used against CGST liability, then against SGST liability (in that order).
- MK Kitchen Knives first uses their IGST credit to offset their IGST liability of Rs.20,000.
- The remaining credit of Rs.20,000 (Rs. 40,000 - Rs.20,000) is used to offset the CGST liability of Rs.10,000
- After this adjustment, the remaining IGST credit of Rs.10,000 can be used to offset part of the SGST liability worth Rs.15,000
- Once the entire IGST credit has been utilized, we're left with a SGST liability of Rs.5,000 (Rs.15,000 - Rs.10,000).



AVAILING ITC

Here are a few specific cases in which ITC can be availed:

- When goods/services are used partly for business purposes and partly for other purposes, then ITC can be availed only on the inputs used for business purposes.
- When goods/services are used partly for furtherance of taxable supplies and partly for exempt supplies, ITC can be availed only on the inputs used for making taxable, and zero rated supplies.
- A taxpayer switching from composition scheme to the normal scheme, can avail ITC on the following:
 - 1) Purchases held as stocks (this could include semi-finished/finished goods)
 - 2) Capital goods held till their last day as a composition dealer
- When an exempt supply of goods and/or services become taxable, the supplier can claim ITC for the goods held as stock (this could include semi-finished/finished goods) relating to exempt supplies. The supplier will also be liable to claim credit on capital goods used exclusively for the exempt supply.
- When vehicles that have a seating capacity of more than thirteen (including the driver), used to transport people.
- When vehicles are used to transport vessels and aircrafts.
- When vehicles are used to transport money for a financial institution.
- When certain services such as, insurance, repair or maintenance of vehicles, vessels and aircrafts for which credit is applicable.
- For goods or services that an employer must provide their employees, under any law.

ITC UTILIZATION

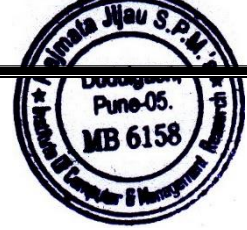
As per Rule 88A from a notification released by the CBIC (Central Board of Indirect Taxes and Customs), taxpayers must first use the ITC available from integrated tax to pay off all of their applicable integrated tax. Any ITC remaining after this, can then be used towards paying CGST, SGST, and UGST. This rule is only applicable if the ITC availed from integrated tax is used completely, before the ITC availed from CGST, SGST, and UGST are used.

Here is how ITC was utilized before Rule 88A was implemented.



Here is how ITC is utilized after the implementation of Rule 88A.





Form GSTR-3B

[See rule 61(5)]

Year	2021-22
Period	December

1. GSTIN	27AABCI3075K1ZF
2(a). Legal name of the registered person	INDPRO ENGINEERING SYSTEMS PRIVATE LIMITED
2(b). Trade name, if any	INDPRO ENGINEERING SYSTEMS PVT LTD
2(c). ARN	AC2712210448572
2(d). Date of ARN	20/01/2022

3.1 Details of Outward supplies and inward supplies liable to reverse charge

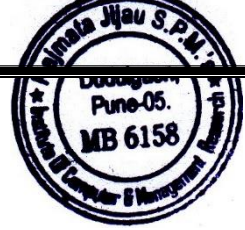
Nature of Supplies	Total Taxable Value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	33152573.00	4220856.00	873303.57	873303.57	0.00
(b) Outward taxable supplies (zero rated)	0.00	0.00	-	-	0.00
(c) Other outward supplies (nil rated, exempted)	0.00	-	-	-	-
(d) Inward supplies (liable to reverse charge)	187280.00	1010.00	7492.00	7492.00	0.00
(e) Non-GST outward supplies	0.00	-	-	-	-

3.2 Out of supplies made in 3.1 (a) above, details of inter-state supplies made

Nature of Supplies	Total Taxable Value (₹)	Integrated Tax (₹)
Supplies made to Unregistered Persons	0.00	0.00
Supplies made to Composition Taxable Persons	0.00	0.00
Supplies made to UIN holders	0.00	0.00

4. Eligible ITC

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
A. ITC Available (whether in full or part)				
(1) Import of goods	1468039.00	0.00	0.00	0.00
(2) Import of services	0.00	0.00	0.00	0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	1010.00	7492.00	7492.00	0.00
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	200528.00	1034399.00	1034399.00	0.00
B. ITC Reversed				
(1) As per rules 42 & 43 of CGST Rules	0.00	0.00	0.00	0.00
(2) Others	0.00	0.00	0.00	0.00
C. Net ITC available (A-B)	1669577.00	1041891.00	1041891.00	0.00
D. Ineligible ITC				
(1) As per section 17(5)	0.00	0.00	0.00	0.00
(2) Others	0.00	0.00	0.00	0.00





GSTIN - 27AABCI3075K1ZF	Legal Name - INDPRO ENGINEERING SYSTEMS PRIVATE LIMITED	Trade Name - INDPRO ENGINEERING SYSTEMS PVT LTD
FY - 2021-22	Report last updated on - 29/01/2022 03:23 AM	

Amounts in (₹)

Tax liability and ITC summary

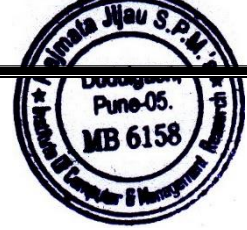
Tax Period	Tax liability as per GSTR-1/IFF and as per GSTR-3B [As per report no. 1 & 3] [GSTR-3B - GSTR-1/IFF]					ITC claimed in GSTR-3B and accrued as per G number 4 & 5] [GSTR-3B - GST		
	As per GSTR-1/IFF	As per GSTR-3B	Shortfall (-)/ Excess (+) in liability	Cumulative Shortfall (-)/ Excess (+) in liability	Cumulative Shortfall (-)/ Excess (+) in liability as percentage (%)	As per GSTR-3B	As per GSTR-2B	Shortfall (-)/ Excess (+) in ITC
1	2	3	4	5	6	7	8	9
Apr-21	22,75,615.26	22,75,615.26	0.00	0.00	0.00	90,29,880.00	96,82,631.58	-6,52,751.58
May-21	3,79,890.54	3,79,890.54	0.00	0.00	0.00	5,99,118.00	7,65,317.21	-1,66,199.21
Jun-21	6,40,634.40	6,40,634.40	0.00	0.00	0.00	7,55,253.00	7,08,073.63	47,179.37
Jul-21	16,71,931.80	16,71,931.80	0.00	0.00	0.00	26,58,958.00	25,12,879.25	1,46,078.75
Aug-21	20,48,534.28	20,48,534.28	0.00	0.00	0.00	23,58,847.00	23,55,270.53	3,576.47
Sep-21	18,00,217.14	18,04,717.56	4,500.42	4,500.42	0.05	28,92,745.00	22,43,648.18	6,49,096.82
Oct-21	37,99,795.28	37,95,295.40	-4,499.88	0.54	0.00	20,61,704.76	25,51,116.78	-4,89,412.02
Nov-21	29,09,926.76	29,09,926.76	0.00	0.54	0.00	18,70,136.00	19,01,996.52	-31,860.52
Dec-21	59,67,463.14	59,67,463.14	0.00	0.54	0.00	37,37,365.00	24,21,420.30	13,15,944.70

Form GSTR-1
[See rule 59(1)]

Details of outward supplies of goods or services

Year	2021-22
Print	Print (1)



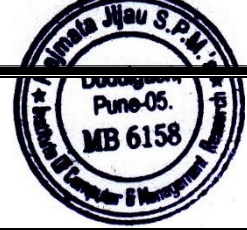


ALLOWANCE/ DISALLOWANCE OF INPUT TAX CREDIT

Under the GST Regime, ITC can be claimed by every registered taxable person on all inputs used or intended to be used (whether goods or services) in the course of or for the furtherance of business. (except in certain specified cases)

The specified cases where the input tax credit would not be allowed are mentioned below:-

Sr. No.	Input Tax Credit not allowed for GST paid on	Exception (i.e. GST Input Tax Credit allowed for these goods/ services only in case of the following
1	Motor Vehicles & other Conveyance	Allowed only when they are supplied in the normal course of business or are used for providing the following taxable services: - a. Transportation of Passengers, or b. Transportation of Goods, or c. Imparting Training on Motor Driving Skills
2	Food & Beverages, Outdoor Catering, Beauty Treatment, Health Services, Cosmetic & Plastic Surgery	Allowed only if the goods and/or services are taken to deliver the same category of services or as a part of composite supply, the credit would be available. Example: Mr. A purchases cosmetic creams to supply to her customer. In case a case, ITC paid on purchases would be allowed.
3	Membership of Club or Fitness Centre or Health Centre	-
4	Rent-a-Cab service, Health Insurance and Life Insurance	a. The Govt makes it obligatory for the employers to provide it to their employees, or b. In cases where the goods and/or services are taken to deliver the same category of services or as a part of composite supply.
5	Travel Benefits to Employees.	-
6	Works Contract Services, when supplied for the Construction of Immovable Property	Allowed only if a. Works Contract Services supplied for Construction of Plant & Machinery b. One Works Contract Service is input for another works contract service.



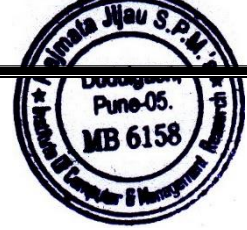
7	Goods and/or Services for Construction of Immovable Property, whether to be used for Personal or Business use.	-
8	Goods/ Services on which GST has been paid under the Composition Scheme	-
9	Goods/ Services received by a Non-Resident Taxable person	Allowed for Goods/Services imported by a Non-Resident taxable person
10	Goods/ Services used for Personal Consumption	-
11	Goods which are lost/ stolen/ destroyed/ written off/ disposed of by gift/ free sample	-

The Input Tax Credit of GST paid on all other goods and services which are used for the furtherance of business would be allowed.

CONDITIONS FOR CLAIMING INPUT TAX CREDIT UNDER GST

Only a Registered Person would be able to claim the benefit of Input Tax Credit of GST. Moreover, a registered person would be eligible to claim input tax credit on fulfilment of the following conditions: -

- He is in possession of Tax Invoice or any other specified tax paid document.
- He has received the goods or services. “Bill to ship” scenarios also included.
- Tax is actually paid by the supplier.
- He has furnished the GST Return.
- If the inputs are received in lots or installments, he would be eligible to avail the ITC only when the last lot or installment is received.
- The payment should be made within 180 days from the date of issue of invoice. In case the payment is not made within 180 days, failing which the amount of credit availed by the recipient would be added to his output tax liability along with interest. However, once the amount is paid, the recipient would be entitled to avail the credit again. In case part payment has been made, proportionate credit would be allowed.



**ITC ALLOWED ONLY FOR GOODS AND/OR SERVICES USED
BUSINESS**

FOR

- Input Tax Credit is not allowed for Goods and Services used for Personal Use.
- When Goods and/or Services are received partly for Business and partly for personal use, one can avail ITC but only for the portion which is used for Business.
- When goods and/or services are used partly for taxable supplies and partly for exempt supplies, one can avail ITC only on the portion used for making taxable supplies and zero rated supplies.
- ITC is not allowed on the portion used for making exempt supplies.

INPUT TAX CREDIT IN CASE OF IMPORTS

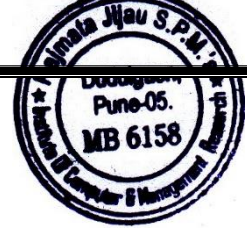
Under the GST Regime, the input tax credit of IGST and GST Compensation Cess is available to the importer. However, the input tax credit of Basic Customs Duty (BCD) would not be available.

In order to avail ITC of IGST and GST Compensation Cess, an importer has to mandatorily declare GST Registration number (GSTIN) in the Bill of Entry.

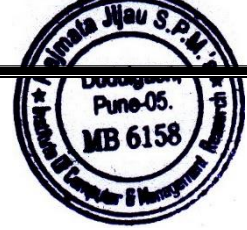
The Customs EDI system would be inter-connected with the GST portal for the validation of ITC. Bill of entry in the non-edi locations would be digitized and used for validation of input tax credit provided by the GST portal.

OTHER RELEVANT POINTS REGARDING GST INPUT TAX CREDIT

1. Input Tax Credit can be availed by a registered person only if all the applicable particulars as prescribed in the Invoice Rules are mentioned in the Invoice.
2. If the tax paid on inputs is more than the tax paid on output, the ITC can either be carried forward or claimed as refund.
3. The balance tax after claiming the input tax credit shall be deposited with the govt by the 20th of the next month in GSTR 3.

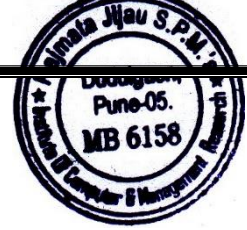


4. Claiming of ITC would not be allowed beyond September of the following Financial Year to which the invoice pertains or the date of filing of Annual Return whichever is earlier.
5. A person who has applied for GST Registration within 30 days of becoming liable for Registration is entitled to claim ITC in respect of goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax.
6. A person switching over to the normal scheme from the composition scheme under Section 10 is entitled to ITC in respect of goods held in stock and capital goods on the day immediately preceding the day from which he becomes liable to pay tax as a normal taxpayer.
7. Where an exempt supply of goods or services or both becomes taxable, the person making such supplies shall be entitled to take ITC in respect of goods held in stock relating to exempt supplies. He shall also be entitled to take credit on capital goods used exclusively for such exempt supply.
8. In case of change of constitution of a registered person on account of sale, merger, demerger etc. the unutilised ITC shall be allowed to be transferred to the transferee.
9. The GST paid under the Reverse Charge Mechanism can also be claimed as Input Tax Credit.
10. The Input Tax Credit is also allowed on GST paid on Capital Goods.
11. No ITC would be allowed if Depreciation has been claimed on the Tax component of the Capital Goods.
12. The details of GST paid on inputs would be auto-populated in the GSTR 2. However, the details of GST paid on Inputs on Reverse Charge basis would not be auto-populated. The details of GST paid on Reverse Charge Basis would be manually required to be furnished in the GSTR 2.



CHAPTER 2

COMPANY PROFILE



2) COMPANY PROFILE - M/S K B B & ASSOCIATES, CHARTERED ACCOUNTANTS

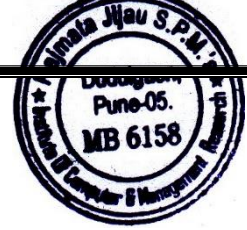
M/s K B B & Associates, Chartered Accountants is proud to be one of the reputed chartered accountant firms in Pune. The concerns established an excellent reputation since its inception in December 2012, 55 skilled staff along with 3 CA's having expertise in handling Accounting, GST, Direct Tax and Statutory Audits.

Company registered office at Ramchandra Complex, Office No.1 & 2, S Block, MIDC, Bhosari, Pune, Maharashtra 411026. The concerns established has been successfully managed by CA Pradip Bhor, CA Shivkumar Kalshetty & CA Amol Bharne.

The firm is established in December 2012 and is headed by Founder & Managing Partner CA Pradip Bhor with other partners. KBB is team of chartered accountants and other professionals in India, with relevant knowledge and professional experience, serving its clients in the fields of Accounting, Auditing, Direct Taxation, Goods & Services Tax (GST), International Tax Consultancy, Transfer Pricing, Foreign Investments Strategies, Company Law Consultancy, NRI Taxation, Startup Services and Book Keeping & Outsourcing Services. The organization is a congregation of professionally qualified and experienced persons who are committed to add value continuously and optimize the benefits accruing to clients.

Get Some More Details About CA Firm –

- Started in December 2012 by the founding partner CA Pradip Bhor, firm has growth in multiple areas as Audits, Taxation, Due Diligence, International Tax and Transfer Pricing.
- Firm is focused on the corporate clients in Pune, Mumbai and other cities in India and abroad.
- Current firm serves companies from various cities such as Mumbai, Rest of Maharashtra, Bangalore, Delhi, Chennai, Hyderabad, Gurgaon, etc.
- Firm also caters to foreign clients having their subsidiaries / branches in Pune. Firm has foreign clients from countries like UK, USA, Belgium, Germany, Italy, Ireland.
- Firm has handled large size audit and tax advisory services, management advisory assignments to Corporate, Semi-Corporate, Government Sector, Banks and Semi-Government Bodies.



SERVICES OFFERED AT M/S K B B & ASSOCIATES, PUNE

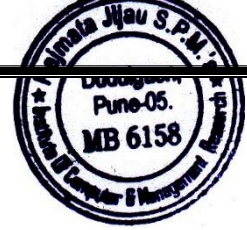
M/s K B B & Associates, Pune have emerged as full services accounting, tax & audit firm providing a wide range of services to clients in India and abroad, that meet the requirements of every single need of our clients.

Their spectrum of services cover:

- Book Keeping & Outsourcing
- Statutory Audit under Companies Act 2013
- Tax Audit under Income Tax
- Income Tax Advisory
- GST & Compliances, GST Audits
- Internal Audits, Management Audits, Stock Audits & Trust Audits
- Fraud Investigation and Forensic Audits
- Special Purpose Audits & Certifications
- Foreign Exchange Remittance Certifications such as Form 15CB / 15CA.
- Foreign Company Set-ups In India (India Entry Services)
- Company Law Services & Compliance
- Transfer Pricing

ADDITIONAL INFORMATION ABOUT KBB?

- Large pool of resources.
- all qualified and trained staff.
- dedicated accounts manager for each major client.
- Fully computerized environment (100% paperless).
- Clients having turnover of Rs 10 Lacs to Rs 12000 Cr.
- Advising Clients in almost every major state of India and almost all major developed countries.



VISION

To enable our client to realize and reach their potential by optimal leverage of resource and constantly strive to better them.

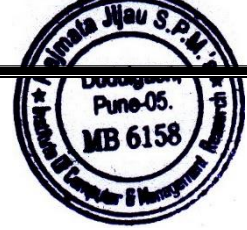
MISSION

- To establish Trust, Comfort and Convenience as a one stop business solutions provider.
- To provide simple, effective and progressive solutions for business.
- To be a partner that enables and ensure business growth.

M/S K B B & ASSOCIATES, PUNE

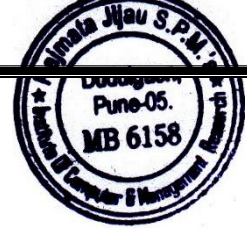
(CHARTERED ACCOUNTANTS)

You can contact them by sending an email to capradipbhor@gmail.com or visit the at their address Ramchandra Complex, Office No.1& 2, S Block, MIDC, Bhosari, Pune, Maharashtra 411026
CA Pradip Bhor Contact No. 091-99222 20822



CHAPTER 3

LITERATURE REVIEW



3. LITERATURE REVIEW

ABSTRACT

GST has started in India by passing a long way. Most of the countries now in the world are under this system. Again, there was a need for a new one-country tax system to free India from many taxes and rate system. GST will greatly help overcome economic confusion caused by the complex tax structure and help in the development of general national markets. It is expected that all sectors of economy such as industry, business, government departments and services sectors have to bear its positive impact.

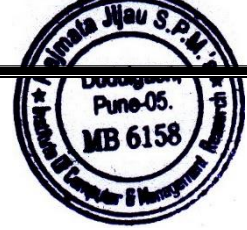
INTRODUCTION

The Taxation was born and shaped with civilization. The structure and complexity of the tax system have been developed along with the development of civil society. The sovereign authority of the Government to extract tax is the life of taxation, Governments' need for resources is its bargaining power and human instinct of reluctance to sacrifice money is the reason for its mandatory imposition.

Kautilya`s in Arthashastra state that the taxes are often perceived to be a measure for raising resources for the government. In the primitive barter economies of the medieval period in Europe and even in ancient India, the primary objective of taxation was to raise resource for the economy.

Goods and Services Tax is basically destination based consumption tax levied on goods and services. Simply, GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. In the nutshell, it's a tax would be levied only on the value addition with transfer of input tax credit on the subsequent stages of value addition which means that the final burden of tax shall be borne by the final consumer of the goods or services.

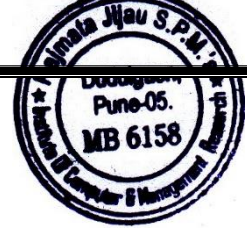
The Goods and Services Tax is a combination of two words "Goods" & "Services". Where Goods means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply {Sec. 2(52)} and Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged



LITERATURE SURVEY

G. Garg, (2014) analysed the impact of GST on Indian tax scenario. He tried to highlight the objectives of the proposed GST plan along with the possible challenges and opportunity that GST brings. He concluded that GST is the most logical steps towards the comprehensive indirect tax reform in our country since independence. GST is leviable on all supply of goods and provision of services as well combination thereof. All sectors of economy i.e the industry, business including Govt. departments and service sector shall have to bear impact of GST. All sections of economy viz., big, medium, small-scale units, intermediaries, importers, exporters, traders, professionals and consumers shall be directly affected by GST. One of the biggest taxation reforms in India – the Goods and Service Tax (GST) is all set to integrate State economies and boost overall growth. GST will create a single, unified Indian market to make the economy stronger. Experts say that GST is likely to improve tax collections and Boost India's economic development by breaking tax barriers between States and integrating India through a uniform tax rate. Under GST, the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions.

Pinki et al., (2014) the authors in the paper have explored the concept of GST, the need to introduce it in India, the hurdles in introducing it in India and suggestions to overcome the same. The paper also discusses the benefits of introducing GST at the earliest. The authors have discussed the options to introduce the dual GST in India which could be Concurrent Dual GST, National GST or State GST. Under the concurrent dual GST the better option was the one where GST is applied on both goods and services. The other option explored was whether the Central GST would be on goods and services but state GST would be only on goods since state to collect GST in services is difficult to determine. This option also recommended one single return with both CGST and SGST details and PAN based registration. The authors have also discussed the constitutional amendments required if GST is ever to be introduced since without the amendment taxing both goods and services using one tax is not possible. The paper also highlights the issues in the credit mechanism in the CGST/SGST model since it is difficult to practically implement in terms of determination of place where service is taxable. The other challenges to introduction of GST in India highlighted are the availability of strong IT network, infrastructure and programmes, agreement on other provisions like basic threshold, exemption to goods/services, rates to be applied, etc.



Rashid et al., (2014) in this paper the authors study impact of GST in Malaysia since it is proposed to introduce GST in Malaysia in 2015. The GST is being introduced mainly so as to increase the revenue collections of the government and reduce the deficit. The authors have studied the impact of the introduction of this GST and its relation to certain indicators like the consumer price index and the structural balance. For this the relation between these factors and the GST are studied for Singapore, Thailand and Indonesia so that whilst implementing GST in Malaysia the administration can adopt the best practice. The paper recommends transparency in implementing GST and review of the rates/base of GST after 5 years and rectification based on the 5 year experience.

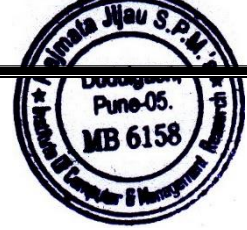
N. Kumar, (2014) concluded that GST will help in eradicating economic distortion by current Indian tax system and is expected to encourage unbiased tax structures which will be indifferent to geo locations.

Jaiprakash (2014) in his research study mentioned that the GST at the Central and the State level are expected to give more relief to industry, trade, agriculture and consumers through a more comprehensive and wider coverage of input tax set-off and service tax setoff, subsuming of several taxes in the GST and phasing out of CS.

Saravanan Venkadasalam, (2014) has analysed the post effect of the goods and service tax (GST) on the national growth on ASEAN States using Least Squares Dummy Variable Model (LSDVM) in his research paper. He stated that seven of the ten ASEAN nations are already implementing the GST. He also suggested that the household final consumption expenditure and general government consumption expenditure are positively significantly related to the gross domestic product as required and support the economic theories. But the effect of the post GST differs in countries

Shaik et al , (2015) studied the concept and impact of GST on Indian economy. The study also focused on some aspects of GST models. This study also covered the advantages and working of GST. The study concluded that GST in Indian framework will lead to commercial benefits which were untouched by VAT system and would essentially leads to economic development.

Sehrawat & Dhanda, (2015) conducted a study focused on advantages and challenges of GST faced by India in execution. They concluded that a simplified and transparent tax system was the need of Indian economy. Pointing out the various advantages they said that GST will provide India a world



class tax structure and a seamless tax system but it will depend upon effectiveness of its implementation.

Khurana & Sharma, (2016) conducted a study with a view to explore various benefits and opportunities of GST by throwing a light on its' background, objectives of proposed GST plan and its impact on Indian tax scenario. They concluded that GST implementation will definitely benefit producers and consumers although its implementation requires concentrated efforts of all stake holders especially central and state government.

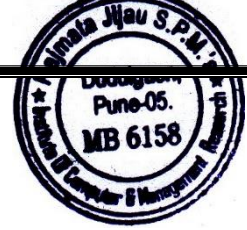
Munde & chavan , (2016) conducted a study to discuss the pros and cons of GST and accordingly make suggestions to minimise loopholes and make it more effective. They concluded that if the probable loopholes are dealt effectively, tax payers will accept the change brought upon and if procedures in GST proves to be simple and assures the involvement of interest of all stakeholders then definitely it will lead to economic development and rationalization of prices.

Kumar, R., 15 (2016), in his paper 'Comparison between Goods and Services Tax and Current Taxation System – A Brief Study' differentiate the GST framework and previous taxation system and highlighted the impact of GST on Indian economy.

Khurana, A. And Sharma, A., (2016), in their paper 'Goods and Services Tax in India – A Positive Reform for Indirect Tax' highlighted the objectives of GST and reforms in indirect taxation system in India. And conclude after implementation of GST, manufacturer, wholesaler and retailer can be easily recovered input taxes in form of tax credit.

Shefalidani, (2016) stated impact of GST on Indian economy in the study in which some benefits of GST such as one nation one tax, free from cascading effect, increase consumption due to cascading effect, transparency and GDP growth are studied. Petroleum products, real estate, and liquor are free from GST.

Dani, S., (2016) in her research study revealed that GST being a system replacing all indirect taxes might hamper the progress of the country as the attempt to implement it is not being made whole heartedly.



Lourdunathan F and Xavier P., (2016) studied inexplicit opinion of manufacturers, traders and society. It also included challenges and prospectus of GST in future in India. Centre and state level taxes also discussed in this paper. Various states are shown in which GST is followed for growth of economy. Some issues such as demonetisation issue, inappropriate time, political issues, rate for manufacturers and traders, impact on working and cash flow and implementation in unorganised sectors became some main issues in path of GST.

Lourdunathan & Xavier, (2017) conducted a study based on exploratory research technique on the basis of past literature to study the opinions of manufacturers, traders, society etc. about the GST and the challenges and prospects of introducing GST in India. They concluded that no doubt GST stands with one tax one nation slogan and will provide relief to producers as well as consumers. Its efficient implementation will lead to resource and revenue gains. They also said that seamless credit and return processing without human intervention requires educating, training, and conducting workshops on GST on the part of government.

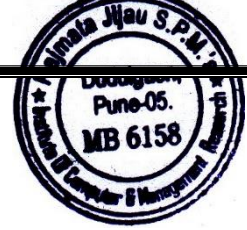
Mujalde, S. and Vani, A., (2017), in their research paper on 'Goods and Services Tax (GST) and its outcomes in India' focused on the features of GST, impact of GST on Indian economy and discussed possible advantages and challenges of GST.

Nath, B., (2017), in his paper on 'Goods and Services Tax: A Mile Stone in Indian Economy' discussed benefit and impact of GST on Indian economy and also conclude that GST has a positive impact on various sectors and industries.

Nishitha Gupta, (2017) in her study stated that implementation of GST in the Indian framework will lead to commercial benefits which were untouched by the VAT system and would essentially lead to economic development.

Kawle, S. P. and Aher, L. Y., (2017) in their research paper highlighted the working of GST in India along with its impact on the Indian economy.

Nayyar, A. and Singh, I., (2017) in their study cited that introduction of GST is a major breakthrough in the Indian economy. It will help in redefining the Indian Tax Structure by being more transparent and corruption free.



Abda, S., (2017) in his research paper concentrated on the objectives, purpose and benefits of GST to our economy and how it will help in strengthening it.

B, MitraPriya, (2017) stated GST as a Game changer in Indian Economy. The paper showed that GST reduced complexity of various taxes and also removed cascading effect. Tax structure shown in paper in which various tax rates included. Impact on Tax incidence included various sectors such as Telecom, E- Commerce, Automobile, real estate, banking and consumer goods. Impact on input tax credit showed that there would be availability of cross credit utilization in CGST and SGST.

Kapoor Kapil, (2017) critically examined GST implementation, models, mechanism, issues and challenges. Development stages GST in India studied in this paper. Exclusions from GST which is petrol alcohol, tobacco, Diesel and some benefits such as simplicity, transparency, cascading effect, reduction in burden of tax tax revenue collection, economic growth and no tax for exporters are included in this paper. Challenges also studied in the paper. So the paper concluded that proper implementation of GST will lead to economic growth.

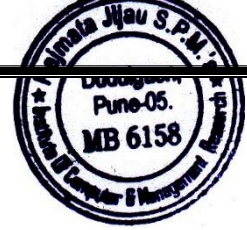
Yadav, S. S. and Shankar, R., (2018) in their research paper analysed the history and evolution of GST in the country and how it has replaced various indirect taxes. Rupa, R. (2017) in her research paper explained the concept of GST. Also she highlighted the advantages and disadvantages of GST in our economy.

CONCLUDING REMARKS

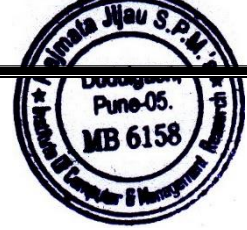
After a thorough analysis of the above literature, it can be concluded that GST will provide relief to producers and consumers by subsuming the several indirect taxes in India.

The Study of literature indicates that the implementation of Goods and Services Tax helps in better utilization of resources and makes the taxation system environment friendly. The taxes for both Centre and States will be collected at the point of sale. Both will be charged on the manufacturing cost. Individuals will be benefited by this as prices are likely to go down.

The lower price of goods increases consumption and more consumption leads to higher production thereby leading to economic growth and development of the country.

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CHAPTER 4 OBJECTIVES OF STUDY



4. OBJECTIVES OF THE STUDY

OBJECTIVES

The Objective of the study is to find implications of Input GST credit on industry of India

The other sub-objectives are as follows: -

- 1) To study of Input tax credit under GST of M/S K B B & ASSOCIATES & M/s Indpro Engineering Systems Pvt Ltd
- 2) To study the concept of Input credit under Goods and Services Tax (GST)
- 3) To know the awareness of the process of filing of returns under GST
- 4) To identify the issues, problems, grievances faced by the Traders/Taxpayers registered under GST
- 5) To identify the reasons for not filing returns
- 6) To know the reasons for not filing returns on time by GST registrants
- 7) To know the implications if supplier not file GST return before due date.

NEED/IMPORTANCE OF THE STUDY

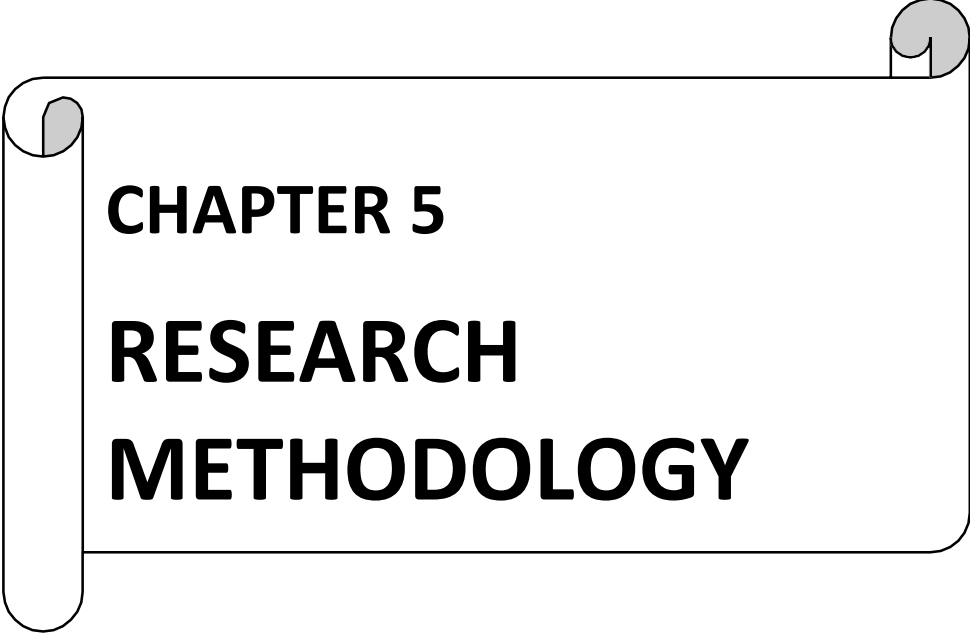
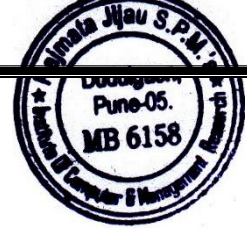
GST Will Increase the efficiency of taxation in respect of inward & Outward Supply of goods & services as well as it will improves the economic growth and it will bring whole nation to one national market, Input credit part also important

SCOPE OF STUDY

The Study focus on Computation monthly GST, Outward & Inward supply

DATA COLLECTION

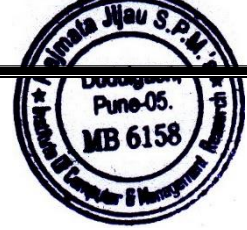
Secondary data has been collected through internet by publication of central, state, local government, technical and trade journals.

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CHAPTER 5

RESEARCH

METHODOLOGY



5. RESEARCH METHODOLOGY

Goods & Service tax (GST), the mile stone tax reform since independence of India is on its way to implementation journey and proposed GST bill is under discussion everywhere. This is very crucial stage to understand the various methodologies proposed in the GST bill. As we all aware that GST is the value added tax, we can take input tax credits as like present VAT credits in various taxes/levies by the Central & State Governments. Proposed GST given the provision of manner of taking input credit and utilization thereof.

The present scenario of adjusting tax payable under state VAT can be adjusted with state tax input & Central VAT payable with central VAT input (CENVAT), the same scenario will be followed in GST also addition to that the dealer can take the input on the interstate transactions also.

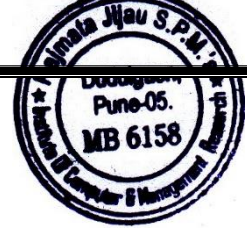
GST refers the Goods & Service tax and it going to comprise the various VAT acts presently in force at state and central levels. Hence the proposed GST has the different kind of taxes which as follows:

- 1) CGST – Central Goods & Service tax which levied by Centre
- 2) SGST – State Goods & Service tax which levied by State
- 3) IGST – Integrated Goods & Service tax. This is tax which will be attracting on inter-state supply of goods & services. This will be levied and collected by the Central Government.
This would be CGST plus SGST

INPUTS TAX CREDIT METHODOLOGY:

Input credit on CGST can be adjusted against would be available for payment of CGST and the input credit on SGST would be available for the payment of SGST, the cross utilization between CGST & SGST can be adjusted only for the inter-state transactions only.

The IGST which levied on the interstate supply of goods & service, the interstate seller will pay IGST after availing of the credit of IGST, SGST & CGST on their purchases.



The input credit allowed full only in the case of goods/services used for the purpose of business, if the use is for partly business and partly for other purpose, then the credit will be restricted to the extent of business purpose.

In case the goods or services used for the purpose of effecting taxable supplies and partly effecting non-taxable (exempted supplies) and zero rated supplies then the amount of credit will be restricted only to the extent of taxable supplies & zero rated supplies

Example: Input tax available on purchases Rs. 100 and out tax goods supplies going to affect Rs.50 taxable goods, Rs,30 Exempted goods and Rs.20 zero rated supplies then the credit will be available for the out-tax goods Rs. 80 (50+30)

In simple words, this is existing provision such as input not available when manufacturing, supply exempted goods.

MANNER OF UTILIZATION:

IGST- The input tax available in IGST will be utilized first to make the payment of IGST and if anything remains shall be utilized next to CGST, and finally still remaining balance can be utilized to SGST.

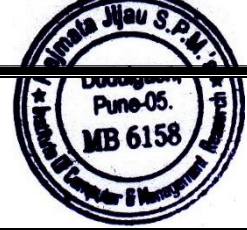
CGST- The input tax available in CGST will be utilized first to make the payment of CGST and if anything remains shall be utilized next to IGST. CGST input cannot be utilized against SGST

SGST- The input tax available in SGST will be utilized first to make the payment of SGST and if anything remains shall be utilized next to IGST. SGST input cannot be utilized against CGST

Where the input tax exceeds for the same period in any of IGST, CGST, SGST may be carried forward to subsequent period and adjusted with output tax as the same manner and order as above.

TABLE :- GST INPUT UTILIZATION MECHANISM

S No	GST Input	1st utilisation against	2nd utilisation against	3rd utilisation against	Further balance
1	IGST	IGST Output	CGST	SGST	Carry over to next period and against adjust the same manner



2	CGST	CGST	IGST	NA	Same as above
3	SGST	SGST	IGST	NA	Same as above

Any unutilized credit available at the end of tax period at any category of input may be refunded as per act.

GST restrict the input tax credit and not available for the following

A. motor vehicles, except when they are supplied in the usual course of business or are used for providing the following taxable services—

- (i) Transportation of passengers,
- (ii) Transportation of goods,
- (iii) Imparting training on motor driving skills;

B. High speed diesel oil, motor spirit, aviation turbine fuel, petroleum crude oil, aviation gasoline,

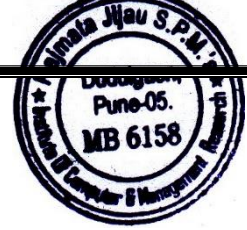
C. goods or services provided in relation to outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness centre, life insurance, health insurance and travel benefits extended to employees on vacation such as leave or home travel concession, when such goods and/or services are used primarily for personal use or consumption of any employee.

D. Goods and/or services acquired by the principal in the execution of works contract when such contract results in construction of immovable property, other than plant and machinery;

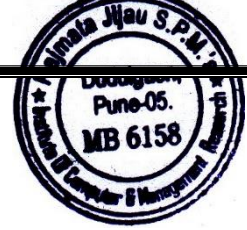
E. Goods acquired by a principal, the property in which is not transferred (whether as goods or in some other form) to any other person, which are used in the construction of immovable property, other than plant and machinery;

F. Goods and/or services on which tax has been paid under section 8 of the Act (Compound levy)

G. Goods and/or services used for private or personal consumption, to the extent they are so consumed.

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CHAPTER 6 OBSERVATIONS AND FINDINGS



6. OBSERVATIONS AND FINDINGS

OBSERVATIONS ARE AS FOLLOWS: -

1. INTEREST FOR NOT MAKING PAYMENT TO SUPPLIER

The recipient of supplies, needs to make payment for supply along with GST before 180 days from the date of Invoice, other-wise, the GST (of which he had availed credit) shall be added in the output tax liability of the recipient. Not only the output tax liability, but Interest is required to be paid for violation of above 180 days limit. The harsh of interest is unjustified, since the supplier is anyways required to deposit the tax in government treasury and ITC is further matched.

2. NO REVISION/EDIT OPTION FOR GST-3B, GSTR-1:

There is an absence of revision or editing option once the returns are filed successfully. If there are any mistakes done by the filers, which will not be recognised by the servers, such as wrong amount, wrong invoice number, last month's invoices etc., there is no revision option in such cases which is creating losses to Traders in some cases.

There is no provision in the portal to rectify or revise errors that occur during the course of filing returns. Deletion or modifying any record is very cumbersome process on the portal.

3. PROBLEMS IN PRODUCING E-WAY BILL TO UNREGISTERED DEALER:

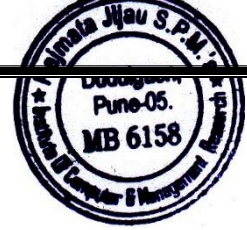
There is a provision in E-way bill system that these bills can be raised even for unregistered dealers, in addition to registered taxpayers, for which the sever is not responding

4. REVERSAL OF ITC – METHOD

Reversal on account of Exempt and Non business use is only permissible by following proportionate method.

5. INVOICE LEVEL IDENTIFICATION OF INPUTS

Input tax credit needs to be identified Invoice wise with respect to Inputs/ inputs services used (1) Exclusively Non business use (2) Exclusively Exempt Supplies (3) Negative List items and (4) Exclusive for making Taxable Supply. This will eventually prompt One Invoice One Item policy.



6. FIFO METHOD OF ITC UTILIZATION

While Section 17 (1) and (2) of GST Act uses the words “restricts” for credit towards non-taxable supplies and exempt supplies, the rules use the words “allowance and then add to the output tax liability” The addition to the output tax liability is used at many places in the GST Law. This methodology fulfils the uncanny motive of the government by enacting the FIFO method of credit utilization.

7. PETROLEUM PRODUCTS EX EXCISE DUTY AND SALES TAX

Petroleum products are liable for Excise duty and Sales Tax, and will be out of the GST purview. The turnover of these goods shall be on Ex – Excise Duty and Ex – Sales Tax for counting the exempt and aggregate turnover for the purpose of ITC reversal.

8. CREDIT REVERSAL OUA CAPITAL GOODS

Credit reversal qua Capital Goods is very complicated. A sum called “Tm” needs to be computed separate for every month and has to be carried and spread between exempt and non-taxable proportions for 60 months from the computation.

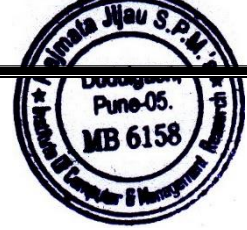
9. INTEREST ON ITC REVERSAL ON CAPITAL GOODS

Another deceiving provision under Rule is “applicable interest”, against reversal of ITC towards Capital Goods used for exempt/ non-taxable purpose. This applicable interest is incomputable, delusionary and shambolic provision.

10. JOB WORK CHALLAN – TIME BAR OF SECTION 16 (4)

Job work challan (issued at the time of removal of goods for job work), shall be deemed to the Invoice just in case goods are not returned back to principal supplier within the specified period of 1/ 3 year(s).

This provision in isolation could make Input tax credit a potential cost for the principal supplier by virtue of time bar of taking credit, mercifully however Rule 2 (4) has been introduced to provide that, such time bar of taking credit will not be applicable for re-availing of credits. However 2 (4) contains an ambiguity of “re-availing of credit”, while in the first place the methodology of credit denial is that of “addition to output tax liability”



FINDINGS ARE AS FOLLOWS: -

1. NO OPTION FOR CHANGING PROFILES:

The most important issue with the Traders, as well as department, is that there is no option provided in the GST portal to edit the taxpayers' profile details such as change in address of the business etc.,

2. POOR CAPACITY OF SERVER:

The major and common problem noticed in every non-filer of returns under GST is server hanging and poorly-maintained server. The server is not maintained as per the online traffic to the site. There are no detailed guidelines given to circumvent various technical errors faced while filing the returns, further slowing down the process.

3. TIME DIFFERENCE BETWEEN GST-PAID AND GST-COLLECTED:

The main problem with GST returns non-filer's is insufficiency of funds to pay tax liability which is reflecting on not filing of returns, this is because of the difference or lapse of time for GST amount collected whereas, the Traders usually will pay the amount earlier while making purchases or inward supplies. There is huge challenge in setting off liability. If there is any mismatch in the amount of set-off or even punctuation errors, the system shows an error. This delays the process of input credit set-offs.

4. CREDIT TRANSACTIONS AFFECTING BADLY ON NOT FILING OF RETURNS:

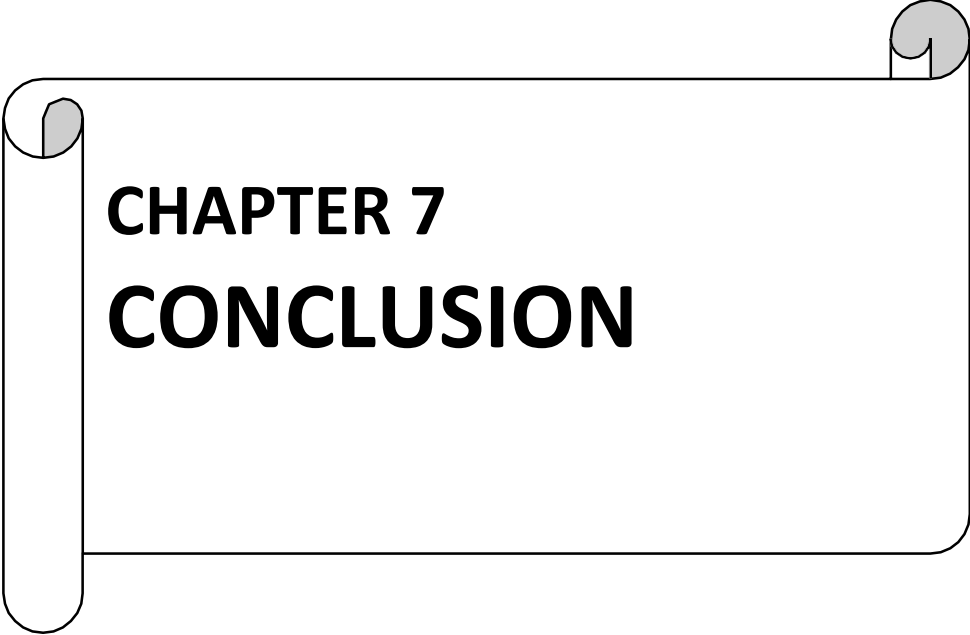
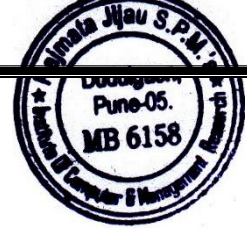
The main problem with Traders leading to non-filing of returns in time is due to inadequacy of funds to pay tax liability which is adversely affected by the credit sales.

5. HEAVY FILES UPLOADING:

It is difficult to upload heavy files on the GSTN portal. For instance, the system is not accepting JSON file with more than 5 MB; and an aggregate turnover involving more than 11 digits.

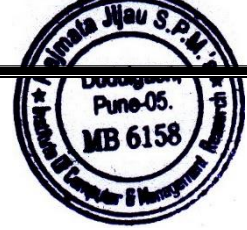
6. SOFTWARE COST AND OTHERS:

The survey respondents have highlighted that cost of compliance under GST has increased in terms of increase in number of registrations, number and types of returns, and maintenance of state-wise books. They also emphasised that in comparison with the previous tax 54regime, additional compliance costs have been incurred under GST regime for software upgradation and engaging professionals from the fields of accounting, tax and software.

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CHAPTER 7

CONCLUSION



7.

CONCLUSION

CONCLUSION

GST returns are filed by taking into consideration the Sales of Goods made by the Company. The Tax rate depends upon on The HSN Code. The GST liability can be reduce by availing Input Tax Credit. To avail ITC, The returns must be filed by the vendor in proper order then only we can get the benefit of ITC. Thus, the GST portal has ensured that there is a match of Data provided by the various parties to a transaction, thereby reducing frauds.

LEARNING OUTCOME

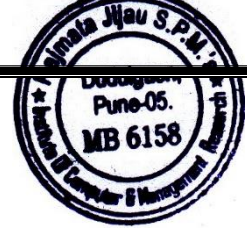
During the two-month internship period at M/S K B B & Associates / CA Pradip Bhor, I learnt the following

- The basic concept of GST was understood.
- How to do the registration on GST portal.
- How to file GST Return.

CONTRIBUTION TO HOST ORGANIZATION

- During the two months internship period at M/S K B B & Associates / CA Pradip Bhor, I learnt application claiming for current Goods & Service Tax (GST) understood.
- During this project for two months, I helped M/S K B B & Associates / CA Pradip Bhor & his employees in filing
GSTR-1 for 15 clients, GSTR- 2A & 2B for 20 clients, GSTR- 3B for 15 clients.

The filing of documents for various clients was also handled by me.



CONCLUSION: -

Indian businesses have to comply with multiple taxations systems at the intra-state, inter-state and central level like excise, sales tax, service tax, entertainment tax, VAT etc. These clusters of taxes have significant cascading effect and are complex to decipher for both. From a businessman's perspective he/she is not confident to commit deliveries and prices because of uncertainties. From a consumer perspective, it is difficult to fathom the impact of the same and always suspect dubious manipulations. Introduction of GST aims to alleviate, though not all, many of the problems leading to efficiency in operations for individuals leading to economic growth of the country. It also enables businesses to improve their international competitiveness.

GST Act came into existence, leading to the realisation of "One country, one tax". It is a centralised tax-paying network which simplifies payment of tax by the citizens as well as revenue collection by the government. It widens the tax base.

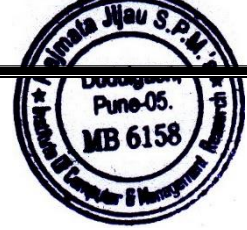
However, the success of the GST system mainly depends on its effective implementation by the Traders and Taxpayers who register under GST and file returns. Ground realities are different and during implementation lot of glitches are observed during the survey.

This survey observed that a majority of the taxpayers was not able to migrate from their manual system of filing returns to E-filing system. Important factors attributable are their educational knowledge, lack of computer skills, and inadequate support at the grass roots levels in the government. These have been raised and discussed in this report earlier.

It was also observed, during my personal interaction with Traders/taxpayers, during the survey, that they are very much influenced by

- Past perceptions (treatment by tax officers)
- Illusions of complexity
- Wrong belief of threats

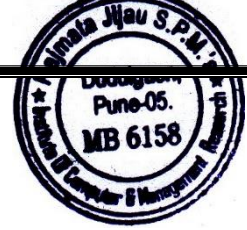
However, they are not observed in the new tax system.



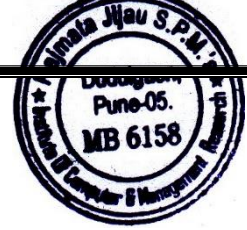
By this I would like to conclude that it's time for the tax department to change their focus from 'Spreading awareness on GST' to 'Gaining trust of Traders/taxpayers' by empowering and educating them by showing "How simple GST is?". GST implementation can be made successful only by citizen's trust. The trust has to be gained by action.

The flip side of the survey revelations. (Initial costs of equipment and consultancy fee.)

In the process of conducting the survey and collecting data, it has been observed that the main reason for the lag in implementation is the cost/expenses that were incurred by them additionally, such as computer, equipment, consultancy fees, etc. On an average, the minimum amount charged by a consultant for filing GST returns to the traders is Rs 4,000, which is substantial for many. The Auditors, Consultants, Third parties were exploiting the opportunity by confusing the traders and charging them huge amount. However, it can be seen that the government has designed GST filing system in such a way that a person with minimum computer knowledge can file the returns without any problem. This fact has to be promoted and the traders educated on filing returns so that the middle men between government and taxpayers are eliminated and the tax returns filing process is transparent and easy.

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CHAPTER 8 SUGGETIONS AND RECOMMENDATIONS



8.

SUGGETIONS AND RECOMMENDATIONS

SUGGESTIONS AND RECOMMENDATIONS: -

1. EMPOWERING TRADERS:

The main and foremost problem with traders is their perception of GST as a costly affair. This is because of charges collected by the service providers, such as, consultancies, auditors and third parties, who are filing returns on behalf of registered Traders. This can be solved by empowering Traders with the skills of filing returns by conducting training sessions to them or to any of his family members who is educated or having basic knowledge.

2. BOOSTING DIGITAL TRANSACTIONS:

Boosting digital transaction will reduce the problems of time gap between tax paid and collected, for this, eradication of charges levied on POS machines and online transfer is to be made. This will not only help the Traders but also digitalisation through increased digital transactions.

3. GST APPLICATION SOFTWARE:

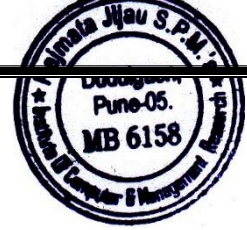
Introducing GST application software, where the GST registrants can file their returns through mobile, will help the Traders to self-assess and self-file their returns, which indirectly reduces their cost and increases faith on GST system.

4. INCREASING THE CLOUD AND SERVER MAINTENANCE:

As the GST is applicable to almost all type of business transactions, including government and non-government, the inflow to the website will be very high and there should be an equivalent cloud capacity and server maintenance.

5. INCREASING THE PENALTY CHARGES:

As the penalty charges levied are lesser amounts, which is influencing the delay in returns filing, the law has to be made strict and the penalty and counter charges should be increased to greater extent.

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CHAPTER 9

BIBLIOGRAPHY



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1. Industrial visit report




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INDUSTRY VISIT REPORT :

Name of the organization : Manitowoc Cranes
Address : Gat no. 257 Talegaon- rd, Khalumbre, Pune- 410501,
Date : Wednesday, 02nd March, 2022
Time : 10.30 am to 3:00 pm
Present : Asst Professor – Dr. D. Bagul, Prof. yashwant Lembhe,
Prof. Akash Gawade, Prof. Vaidya Amruta, Prof. Ganesh
Borchate with 20 students of MBA I & MBA II year
Student Volunteers : Mr. Rushikesh Gaikwad & Ms. Kranti Gavhane
Conducted by Manitowoc cranes : Mr. Prashant Suryawanshi, General Manager .
Mr Santosh Bhosale, Operartion Manager
Mr.Kiran Bafana, HR Manager
Mr Chetan Choudhary, Purchasing Manager
Mr.Shrehjad Deshmukh, Financial Manager

Mr Santosh Bhosale from MANITOWOC CRANES had co-ordinated the visit for our RJSPM,S ICMR students. The interaction of the students was conducted in Manitowoc cranes Training Hall No 2, 2nd Floor, **Gat no. 257 Talegaon- rd, Khalumbre, Pune- 410501.** Mr Santosh Bhosale had given us the brief introduction of MANITOWOC CRANES and of main speaker. Mr.Kiran Bafana, HR Manager MANITOWOC CRANES had given presentation on the structure of MANITOWOC CRANES , Employment criteria, functions of MANITOWOC CRANES and presentation of company . The role and overall




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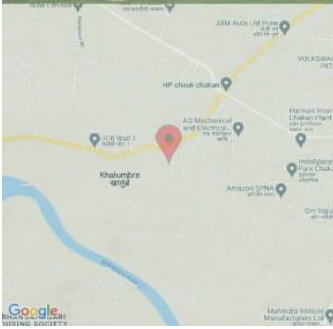
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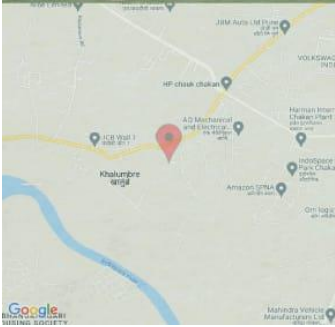
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