

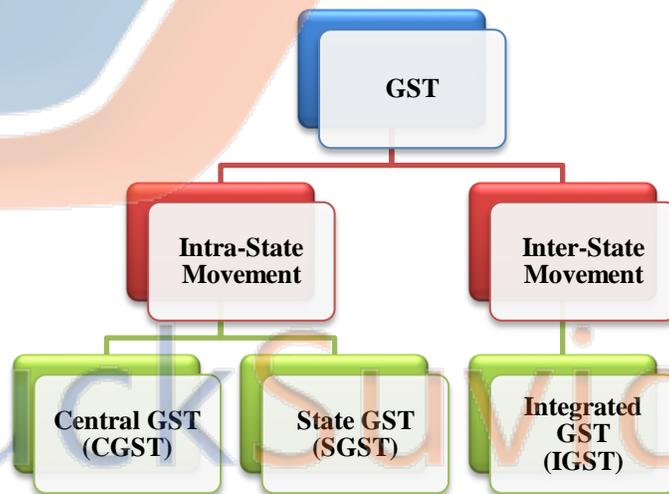
## Concept of GST

GST is a **consumption based** tax i.e. the tax should be received by the state in which the goods or services are consumed and not by the state in which such goods are manufactured. **IGST** will ensure seamless flow of **input tax credit** between **inter-state** movements of goods. One state has to deal only with the Centre government to settle the tax amounts and not with every other state, thus making the process easier.

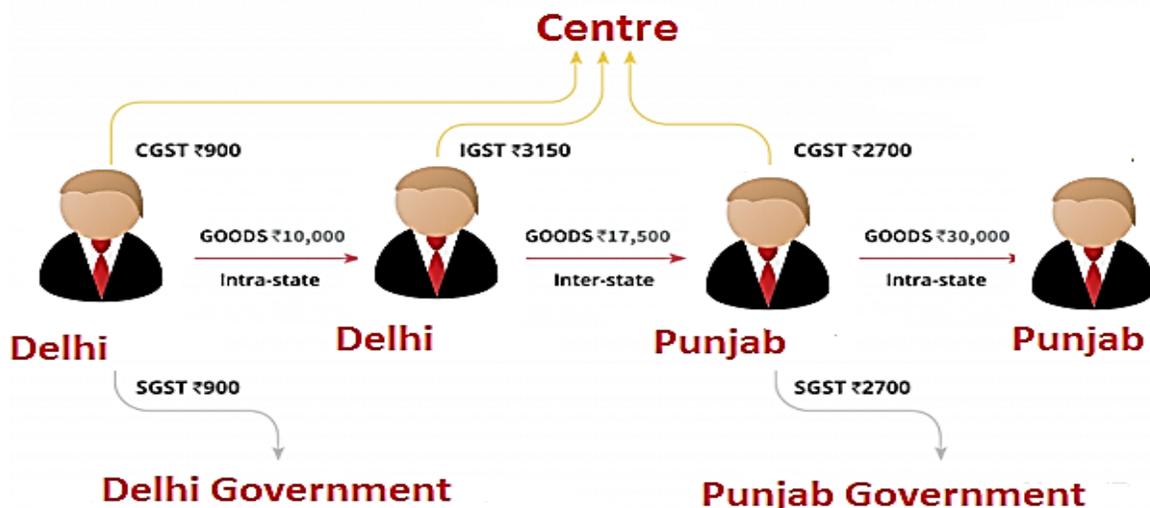
**For example:** A dealer in Punjab sold goods to the consumer in Punjab worth Rs. 10,000. The GST rate is 12% comprising of **CGST** rate of 6% and **SGST** rate of 6%, in such case the dealer collects Rs. 1200 and Rs. 600 will go to the central government and Rs. 600 will go to the Punjab government.

Now, if the dealer in Punjab had sold goods to a dealer in Delhi worth Rs. 1, 00,000. The GST rate is 12% comprising of **CGST** rate of 6% and **SGST** rate of 6%. In such case the dealer has to charge Rs. 12,000 as **IGST**. This IGST will go to the Centre.

### Taxes Under GST



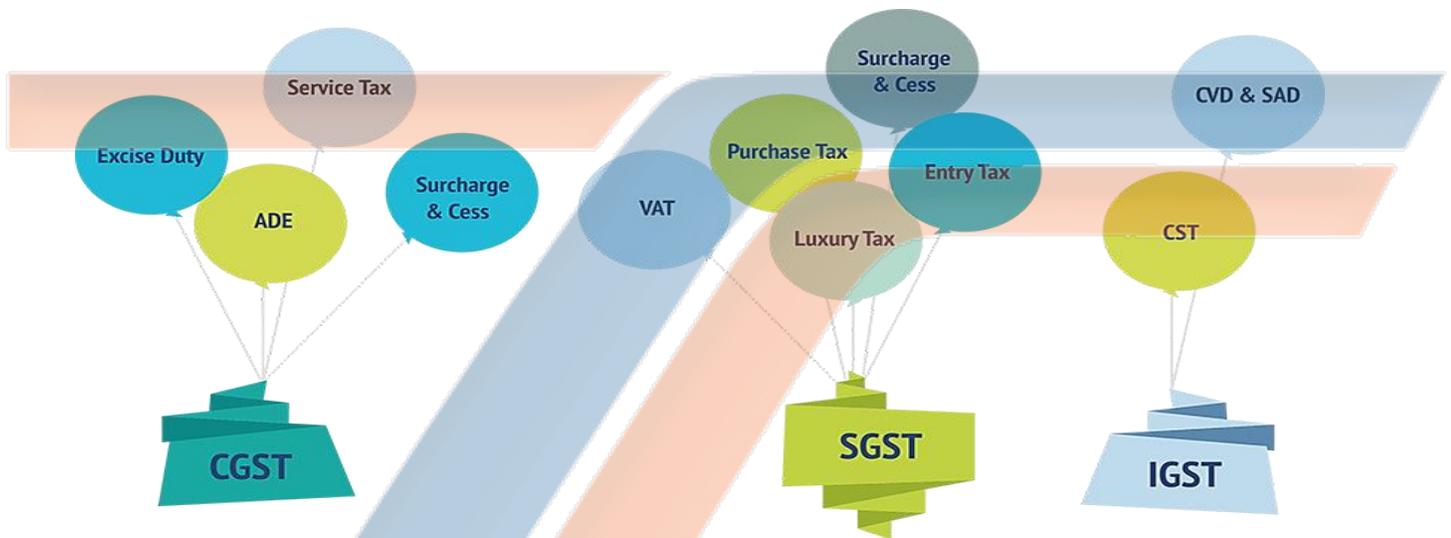
How will input tax credits be adjusted between States and Centre?



## Difference between CGST SGST and IGST

	CGST	SGST	IGST
<b>Meaning</b>	CGST means Central goods and service tax to replace the existing tax like service tax, excise, etc. and It is levied by Central Government	SGST means State goods and service tax, replace the existing tax like sales tax, luxury tax, entry tax, etc. and it is levied by the State Government	IGST refers to the integrated goods and services tax and it is a combined form of CGST and SGST and it is levied by Central Government
<b>Collection of tax</b>	Central Government	State Government	Central Government
<b>Applicability</b>	Intra-State supply	Intra-State supply	Inter-state supply
<b>Registration</b>	No registration till the turnover crosses <b>20 lakhs</b> (10 lakh for north eastern states)	No registration till the turnover crosses <b>20 lakhs</b> (10 lakh for north eastern states)	Registration is mandatory
<b>Composition</b>	The dealer can use the benefit up to <b>75 lakhs</b> under the composition scheme	The dealer can use the benefit up to <b>75 lakhs</b> under the composition scheme	The composition scheme is not applicable in inter-state supply

## Taxes subsumed under CGST SGST and IGST



### Impact of GST on Transport Industries:

Fundamentally every industry is likely to get benefit from GST as it will make the overall process of taxation simpler, less bureaucratic and efficient, out of which one industry shall be Transport & Logistics. Since long back, this industry had been attracting various types of levies due to inter-state logistic structure based on the state taxation system which made it inefficient and clumsy. The Indian transport and logistics sector is primarily categorized into various segments consisting of transportation, warehousing, freight forwarding, pool distribution, packaging solutions, inventory management, management consulting, logistics optimization, etc...

Tour and Travel: Cheap for the common people, expensive for the business class			
Service	Old	GST	Diff
Non AC Rail Ticket	0	0	0
AC Rail Ticket	4.5	5	+0.5
Transporting goods by train	4.5	5	+0.5
Transporting goods by truck	4.5	5	+0.5
Tour operator	9	5	-4
Cab service	6	5	-1
Air Economy	6	5	-1
Air Business	9	12	+3

## No GST on Transportation of Certain Goods

Service tax is not applicable on the transport of the following goods:

- (a) Relief material for disaster struck areas (food for flood victims etc.)
- (b) Defense or military equipment
- (c) Newspaper or magazines registered with the Registrar of Newspapers
- (d) Railway equipment or materials
- (e) Agricultural produce
- (f) Milk, salt and food grain including flours, pulses and rice
- (g) Organic manure

## GST on Road Ways Transport:

As proposed under GST, movement of goods worth more than Rs 50,000 within or outside a state will require applying for an E-Bill through online registration of the consignment. Tax officials are empowered to verify the validity and accuracy of the E-Bill to avoid tax evasion. Though the intent seems to be good, but due to process of multi-layered declaration it may prove to be cumbersome.

## What is E-Way Bill under Goods and Service Tax (GST)?

E-Way bill is an electronic documents created for movement of goods which can be generated on the GSTN (common portal). A 'movement' of goods of more than Rs 50,000 in value cannot be made by a registered person without an E-Way bill.

E-Way bill will also be allowed to be generated or cancelled through SMS.

## From when E-Way Bill will be Applicable?

Date is yet to be notified for applicability of E-Way Bill.

## When E-Ways Bill is Applicable under GST?

Every registered person who causes movement of goods of consignment value (consignment value > Rs. 50000/-) Exceeding fifty thousand rupees —

1. In relation to a supply; or
2. For reasons other than supply; or
3. Due to inward supply from an unregistered person,

Before commencement of such movement, furnish information relating to the said goods in **Part A of FORM GST EWB-01**, electronically, on the common portal.

## Who will generate E-Way Bill?

Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or by railways or by air or by vessel, the said person or the recipient may generate the E-Way bill in FORM GST EWB-01 electronically on the common portal after furnishing information in Part B of FORM GST EWB-01.

Where the E-Way bill is not generated under sub-rule (2) and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the E-Way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01.

## Is there any Unique E-WAY Bill No?

Upon generation of the E-Way bill on the common portal, a unique E-Way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

#### **Do we need to fill EWAY Bill details in GSTR-1?**

Yes, the information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in FORM GSTR-1.

Provided that when the information has been furnished by an unregistered supplier in FORM GST EWB-01, he shall be informed electronically, if the mobile number or the email is available.

#### **GST effect on Commercial Vehicles**

The commercial vehicle category tax structure before the implementation of GST officially includes 12.5 percent Excise Duty, one percent NCCD, 12.5 percent VAT and two percent CST bringing it to a total of 30.2 percent for the commercial vehicle category. The new tax structure would mean that commercial vehicles would see a small dip of 2.2 percent from 30.2 percent to 28 percent.

<b>GST effect</b>	<b>Before GST</b>	<b>After GST</b>
<b>Commercial Vehicles</b>	<b>30.2%</b>	<b>28%</b>

# TruckSuvidha<sup>TM</sup>