



## GST in Brief

Samson Edward D<sup>1</sup> and Govindarajan B<sup>2\*</sup>

<sup>1</sup>PG and Research Department of Zoology, V. O. Chidambaram College, Tuticorin, India

<sup>2</sup>Dr. BGR Re-search Services, Tuticorin, India

\*Corresponding Author e-mail iD: [drbgrrtuticorin@gmail.com](mailto:drbgrrtuticorin@gmail.com)

### General details

GST (in full form Goods and Services Tax) is an indirect tax imposed on a seller who supplies goods or services. It came into effect from 1<sup>st</sup> July 2017 for the purpose of replacing multiple indirect taxes like VAT, Service tax, excise duty etc. as introduced by Arun Jaitley, the first chairman of the GST Council. It is applicable for businesses that have an annual turnover of above Rs.20 lakhs for hilly and north eastern states and Rs.40 lakhs and above for other regions in India.

### GST Classifications

GST falls under two basic divisions, namely Interstate (sales outside the state or country) and Intrastate (sales within the state). On the basis of these simple divisions, it is classified into three types, as follows.

\*CGST (Central Goods and Services Tax)

\*SGST (State Goods and Services Tax)

\*IGST (Integrated or Interstate Goods and Services Tax)

General classification of GST rates implied on goods or services are 0% (Nil), 5%, 12%, 18% and 28%. There are some goods which come under the GST exemption like honey, rice, wheat, eggs, meat, fish, fruits, vegetables. Water, pharmaceuticals, currency notes, maps etc. Likewise, some exempted services are agricultural services, educational services, health care services, government services etc. All these exemptions come under three types, namely Absolute exemption, Conditional exemption and Partial exemption.

## GST Invoice details

Any business unit which has GST registration is required to issue a GST invoice for the supply of its goods or services. Some of the basic requirement in a GST invoice as per Rule 46(b) are GST invoice number must be with or within 16 digits only with alphabets and numbers according to the respective financial year. It must contain taxes like CGST, SGST or IGST with respect to the region. With regard to GST Invoice, it is also mandatory to know about the HSN Code and its role in preparing a bill or an invoice. HSN code stands for Harmonized System of Nomenclature, which had been introduced by the World Customs Organization (WCO) for the purpose of classifying goods and services all over the world. It is a six-digit code which classifies more than 5000 products in the world for GST purpose.

Apart from these details, a simple note for an invoice computation and tax filing to have a complete view on the GST. Basically, GST is calculated on the original cost of the product or services with its rates percentage ( $\text{GST} = \text{Original Cost} \times \text{GST Percentage}$ ). Therefore, an Invoice total is based on the original cost along with the GST amount ( $\text{Net Total} = \text{Original Cost} + \text{GST Amount}$ ). The Invoices prepared for a particular month are required to be filed by the 20th date of the next month for GST returns (For Example: If you are preparing invoices for the whole month of April 2022, you are required to file GST returns within 20th May 2022) for tax payment to the Government for which all these processes exists.

Hope you have a better understanding about the GST in brief. Thank you so much!