

# **Goods and Services Tax (GST) for FPO's**



## **Activities of Farmer Producers Company**

- **Purchase and sale of fertilizers**
- **Purchase of Agricultural equipments**
- **Renting of Agricultural Equipment**
- **Purchase and sale of agricultural produce from farmers**
- **Interest earned on Deposit – Non GST transaction**

## **Registration**

- ▶ **Turnover of goods exceeding Rs. 40 Lacs**
- ▶ **Turnover of services exceeding Rs. 20 Lacs**
- ▶ **Login ID and Password**
- ▶ **Registration to be obtained within 30 days from the date, liable to be registered**

## **Rate of Tax**

- ▶ **Identify goods to be sold with HSN Code (Chapter/Heading/Sub Heading/Tarif)**
- ▶ **Identify services with SAC Code**
- ▶ **5%, 12%, 18% and 28 %, Nil Rated tax, Exempted Goods and Services**

## **Charge of GST**

- **IGST – Inter State Sale**
- **SGST – Intra State Sales**
- **CGST – Intra State Sales**

## **Different kind of supply**

- ▶ **Supply of goods**
- ▶ **Supply of Services**
- ▶ **Composite Supply**
- ▶ **Mixed Supply**
- ▶ **Continuous supply**

## **Value, time and place of supply**

- ▶ **Transaction value is the Value of Supply**
- ▶ **Cost of 10% in case value cannot be determined.**
- ▶ **Time of supply is the Time of Sale or Services rendered**
- ▶ **In case of continuous supply Achieving mile stone as per contract**
- ▶ **Location of delivery/ recipient is the place of supply**

## **Out put tax**

- **Tax on sale of goods or services**
- **Reverse charge method**
- **IGST – Inter State**
- **CGST – Intra State**
- **SGST - Intra State**



## **Input tax**

- **Generally input tax can be taken on all goods purchased and serviced received.**

- **Restriction on Input tax :**

**Motor Car purchased**

**Food and beverages**

**Tax paid under Composition**

**Works contract-Immovable property**

**Goods destroyed, free supply etc**

**Life insurance premium etc.**

## **Reverse Charge Mechanism (RCM)**

- ▶ **Tax on reverse charge**
- ▶ **Advocate Fee**
- ▶ **Freight charges/GTA**
- ▶ **Security charges**
- ▶ **Rent a Cab**
- ▶ **Import of Service**
- ▶ **Directors fee**
- ▶ **Purchase of Cashew nut, tobacco leaves, silk yarn, raw cotton**

## How to Calculate Tax Liability

- ▶ **Tax Liability = Out put tax – Input tax**
- ▶ **Out put tax = Tax of Sales/Services + RCM**
- ▶ **Input Tax = Tax on Purchase / Services**
- ▶ **Set off of Input tax Rule :**
  - IGST input - Set off against any out put tax**
  - CGST Input – Set off against CGST and IGST**
  - SGST Input - Set off against SGST and IGST**

## **Invoice and E-Way bill**

- ▶ **Amount exceeding Rs. 200 Invoice mandatory**
- ▶ **Amount exceeding Rs. 50,000 (Including Tax) E-Way bill mandatory**
- ▶ **Interstate Sales without monetary limit Invoice and E-Way bill mandatory**
- ▶ **Credit Note/ Debit note**
- ▶ **E-Invoice above 100 Crore Turnover during preceding year, from 1<sup>st</sup> January, 2021.**

## **Export / Supply to SEZ**

- **Export sales / Supply to SEZ – taxed at Zero rate**
- **Letter of undertaking (LUT) to be filed before effecting export / SEZ sale during the year**
- **Validity of LUT – till the end of Financial year**

## Returns

- **GSTR 3B Monthly filing – No revised return**
- **GSTR 1 – Monthly or Quarterly**
- **GSTR 9 – Annual Filing**
- **GSTR 9C – GST audit report ( 2 Crore)**
- **Composition - Limit 1.5 Crore 1% for Traders**  
**2% for Manufacturers and Quarterly return**
- **From 1<sup>st</sup> January, Quarterly return is optional but Payment on monthly.**
- **Any mistakes in GSTR-1 to be corrected through amendments in subsequent month return**

## **Refund**

- **Refund of Tax paid on Export / SEZ supply**
- **Refund of un utilised ITC on account of Export / SEZ Supply**
- **Refund of unutilized ITC on account of accumulation due to inverted tax structure**
- **Refund of excess payment of tax**