
THE GOODS AND SERVICES TAX ACT IN INDIA: A COMPREHENSIVE ANALYSIS OF ITS EVOLUTION, FEATURES, AND IMPACT

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ABSTRACT

The Goods and Services Tax (GST) Act, implemented in India on July 1, 2017, marked a significant overhaul of the nation's indirect tax regime. This paper provides a comprehensive analysis of the GST Act, exploring its historical context, key features such as the dual structure and input tax credit mechanism, the role of the GST Council, compliance procedures, and its broad economic impact. The paper also addresses the challenges encountered during implementation and highlights recent amendments and legal interpretations shaping the GST landscape in India. By examining these critical aspects, this research aims to offer a thorough understanding of this transformative tax reform and its ongoing implications for the Indian economy.

Keywords: Goods and Services Tax (GST), Indirect Tax Reform, Indian Taxation System, GST Council, Input Tax Credit (ITC), Dual GST Structure, GST Compliance, Economic Impact of GST, GST Implementation Challenges, GST Amendments, Fiscal Policy India, Tax Administration Reform, GST Legal Interpretations

1. Introduction: Setting the Context of the Goods and Services Tax (GST) Act in India

The Goods and Services Tax (GST) Act, implemented in India on July 1, 2017, represents a watershed moment in the nation's fiscal history. This landmark legislation was conceived with the primary objective of overhauling the existing indirect tax regime, which was characterized by a multiplicity of levies imposed by both the central and state governments. The overarching vision behind the GST was to create a unified national market by establishing a single, comprehensive tax on the supply of goods and services across the country, encapsulated by the principle of "One Nation, One Tax, One Market". This research paper aims to provide a comprehensive analysis of the GST Act, delving into its historical evolution, key features, operational mechanisms, economic impact on various sectors, challenges encountered during its implementation, and significant recent amendments and legal interpretations. By examining these facets, this paper seeks to offer a thorough understanding of this transformative tax reform and its ongoing implications for the Indian economy.

2. The Pre-GST Era: A Historical Overview of Indirect Taxation in India

Prior to the advent of GST, India's indirect tax landscape was a complex tapestry of numerous taxes levied by different authorities. At the central level, key taxes included service tax, levied on the provision of various services; central excise duties, imposed on the manufacture of goods; additional duties of excise, levied on specific goods; additional duty of customs, charged on the import of goods; and various cesses and surcharges earmarked for specific purposes. Simultaneously, state governments levied their own set of indirect taxes, such as entry tax on the entry of goods into a state; luxury tax on luxurious goods and services; central sales tax (CST) on inter-state sales; purchase tax on the purchase of certain goods; state Value Added Tax (VAT) on intra-state sales; entertainment tax; state-specific cesses and surcharges; taxes on advertisements; and taxes on gambling and lottery.

This multiplicity of taxes led to a significant economic distortion known as the cascading effect of taxes, or "tax on tax". Under the previous regime, businesses often could not set off the tax credits of one tax against another. For instance, the excise duties paid during the manufacturing process could not be offset against the VAT payable during the sale. This resulted in the burden of multiple layers of taxation being included in the final cost of goods and services, ultimately borne by the consumer. Furthermore, there was no unified and centralized tax that applied to both goods and services, creating ambiguities and compliance challenges for businesses,

particularly those involved in both manufacturing and service provision. The existence of numerous independent central and state taxes created a complex web of regulations and compliance burdens for businesses operating across state lines. Different tax rates, rules, and procedures in each state made interstate trade cumbersome and costly due to the need for multiple registrations and filings.

3. Defining and Understanding GST: Objectives and Overall Significance

The Goods and Services Tax (GST) is a comprehensive, multi-stage, destination-based tax levied on the supply of goods and services across India. As a multi-stage tax, GST is imposed at every step in the production process, but it is designed to be refunded to all parties in the various stages of production other than the final consumer through the mechanism of input tax credit. Being a destination-based tax, GST is collected from the point of consumption rather than the point of origin, unlike many of the previous taxes.

The primary objectives behind the implementation of the GST Act were manifold. Firstly, it aimed to bring the entire country under a single tax regime, thereby creating a common market with uniform taxation. This unification sought to eliminate the complex web of state and central taxes that varied across different states. Secondly, a key objective was to eliminate the cascading effect of taxes. GST addresses this by implementing a comprehensive input tax credit system, allowing businesses to claim credits for taxes paid on input services, ensuring that tax is levied only on the value addition at each stage of the supply chain. Thirdly, GST aimed to simplify the taxation system by collectively bringing multiple indirect taxes into a single tax, reducing the administrative burden on businesses and the government. Fourthly, the GST Act sought to curb tax evasion through more stringent laws compared to the previous regime and a centralized nationwide surveillance system. Fifthly, GST aimed to increase the taxpayer base by consolidating taxes on both goods and services, thereby bringing more businesses, including those in previously unorganized sectors, under the tax net. Lastly, the Act aimed to enhance the ease of doing business in India by making procedures almost entirely online, from registration to return filing, refunds, and e-way bill generation. The shift to a destination-based tax system has significant implications for states with high consumption compared to those with high manufacturing output. Consuming states are expected to benefit more in terms of revenue collection under GST compared to the origin-based tax system.

The overall significance of the GST Act cannot be overstated. It represents the biggest tax

reform in India's history, fundamentally reshaping the country's economic landscape and converting India into a unified market of 1.4 billion citizens.

4. Core Components of the GST Act

4.1. The Four Pillars: Structure of GST

The GST framework in India operates on a dual model, encompassing four key components: Central Goods and Services Tax (CGST), State Goods and Services Tax (SGST), Integrated Goods and Services Tax (IGST), and Union Territory Goods and Services Tax (UTGST).

Central Goods and Services Tax (CGST) is levied by the Central Government on the intra-state supply of goods and services, meaning transactions where both the supplier and the place of supply are within the same state. The revenue generated from CGST is collected by the central government.

State Goods and Services Tax (SGST) is levied by the respective State Governments on the intra-state supply of goods and services. The revenue from SGST is collected by the government of the state where the transaction occurs. The parallel levy of CGST and SGST on intrastate transactions signifies a concurrent taxation power of the central and state governments, reflecting India's federal structure. This dual control necessitates coordination and agreement on tax rates and policies.

Integrated Goods and Services Tax (IGST) is levied by the Central Government on the inter-state supply of goods and services, as well as on imports and exports. The revenue collected from IGST is shared between the Central Government and the state where the goods or services are ultimately consumed, following the destination-based principle. IGST's role in interstate transactions aims to simplify the movement of goods and services across state borders by having a single point of tax levy and collection. This replaces the complexities of CST and state-level entry taxes.

Union Territory Goods and Services Tax (UTGST) is levied in India's Union Territories (UTs) on the intra-UT supply of goods and services. It functions similarly to SGST, with the revenue being collected by the government of the respective Union Territory. UTGST is applicable in Union Territories that do not have their own legislative assemblies, such as Chandigarh, Lakshadweep, and the Andaman and Nicobar Islands. Notably, Delhi and

Puducherry, despite being Union Territories, levy SGST instead of UTGST due to having their own legislatures.

4.2. The Mechanism of Input Tax Credit (ITC)

One of the most pivotal features of the GST Act is the mechanism of Input Tax Credit (ITC). ITC allows businesses to claim credit for the GST they have paid on their purchases of goods and services (inputs) that are used in the course or furtherance of their business. This credit can then be utilized to offset their GST liability on the sale of goods and services (outputs), effectively reducing their overall tax burden. ITC is a crucial mechanism for preventing the cascading effect of taxes by allowing businesses to offset taxes paid on inputs against their output tax liability. This ensures tax is levied only on the value addition at each stage.

The effective utilization of ITC offers several benefits to businesses, including improved cash flow as the amount of GST ultimately paid to the government is reduced, and lower operational costs, which can enhance profit margins and competitiveness. The eligibility to claim ITC is subject to certain conditions. These conditions include the possession of a valid tax invoice or other specified tax-paying documents, the actual receipt of the goods or services, the payment of the tax amount by the supplier to the government, and the filing of the required GST returns by the recipient. Additionally, the recipient must have made the payment for the goods or services, along with the tax, to the supplier within 180 days from the date of the invoice. The conditions for claiming ITC are designed to ensure the legitimacy of credit claims and prevent fraud.

However, ITC is not allowed on certain goods and services, which are termed as blocked credits. These typically include goods or services used for personal consumption, goods or services used for making exempt supplies, and certain specific items listed under Section 17(5) of the CGST Act, such as motor vehicles (except under specific circumstances), food and beverages, and membership of clubs or health and fitness centers. There is also a time limit for claiming ITC, which is the earlier of 30th November of the year following the financial year in which the document was issued, or the date of filing the annual returns for that financial year. The rules for adjusting ITC against different GST components dictate the order in which the input tax credit of IGST, CGST, and SGST can be utilized to offset output tax liabilities.

4.3. The Spectrum of Tax Rates: Different Tax Slabs

Under the GST regime, goods and services are categorized into multiple tax slabs to determine the applicable rate of tax. The most common GST tax slabs currently are 0%, 5%, 12%, 18%, and 28%. Additionally, there are special rates of 0.25% applicable to rough precious and semi-precious stones and 3% applicable to gold. Certain luxury goods and sin goods, such as aerated drinks, luxury cars, and tobacco products, also attract a compensation cess on top of the 28% GST rate. The multi-slab structure reflects an attempt to balance revenue generation with the affordability of essential goods and services, with higher rates for luxury and sin goods.

Essential goods and services, such as fresh milk, eggs, unpackaged food grains, fresh fruits and vegetables, healthcare, and educational services, fall under the 0% or nil-rated slab. Basic necessities and items of mass consumption, like sugar, tea, coffee, edible oils, domestic LPG, and life-saving drugs, are taxed at the 5% rate. A wide range of goods, including computers, mobile phones, processed foods, butter, ghee, and packaged coconut water, attract a 12% GST rate. Most consumer goods, such as hair oil, toothpaste, soaps, industrial intermediaries, and toiletries, are taxed at 18%. The highest tax rate of 28% is applied to luxury goods, high-end vehicles, consumer durables like air conditioners and refrigerators, and sin goods like cigarettes and aerated drinks. The GST Council continuously reviews and revises these tax slabs and the classification of goods and services under them, reflecting an ongoing process of refinement and adaptation to economic conditions and stakeholder feedback.

5. The Governing Body: The GST Council

The Goods and Services Tax Council is the apex decision-making body for all matters related to GST in India. It was established under Article 279A of the Constitution of India, as amended by the 101st Constitutional Amendment Act, 2016. The GST Council embodies the principle of cooperative federalism, bringing together the central and state governments for collective decision-making on GST matters.

The GST Council is composed of 33 members, including the Union Finance Minister, who serves as the Chairperson; the Union Minister of State in charge of Revenue or Finance; and the Ministers in charge of Finance or Taxation or any other nominated Minister from each state government and Union Territory. The Chairperson of the Central Board of Indirect Taxes and Customs (CBIC) is a permanent invitee to all proceedings of the Council, although without

voting rights.

The GST Council is vested with significant powers and functions. Its primary role is to make recommendations to the Union and the States on various aspects of GST, including the taxes, cesses, and surcharges that may be subsumed under GST; the goods and services that may be subjected to or exempted from GST; model GST laws, principles of levy, and apportionment of IGST; the principles that govern the place of supply; the threshold limit of turnover below which goods and services may be exempted from GST; the rates of GST, including floor rates with bands; special rates to raise additional resources during natural calamities or disasters; special provisions with respect to certain states; and any other matter relating to GST as the Council may decide.

Decisions within the GST Council are made during its meetings, which require a quorum of one-half of the total number of members. Every decision of the Council must be supported by a majority of not less than three-fourths of the weighted votes of the members present and voting. The voting system is based on the principle that the vote of the Central Government has a weightage of one-third of the total votes cast, and the votes of all the State Governments taken together have a weightage of two-thirds of the total votes cast. While the GST Council plays a crucial role in shaping India's tax policies, its recommendations are not legally binding on the Union and the States, as affirmed by the Supreme Court.

6. Navigating GST Compliance

6.1. Registration Under GST

Under the GST regime, businesses whose aggregate turnover exceeds a specified threshold limit are required to register. The registration process is primarily online and can be initiated through the official GST portal (gst.gov.in). The procedure involves filling out an application in Form GST REG-01, which requires providing details about the business, its promoters or directors, and the place of business. Several documents need to be submitted during the registration process, including the PAN card of the applicant, Aadhaar card, proof of business registration or incorporation, identity and address proof of promoters or directors with photographs, address proof of the place of business, bank account details, and a digital signature. Upon successful verification, a GSTIN (Goods and Service Tax Identification Number), a 15-digit alphanumeric number, is issued to the registered taxpayer. Businesses

operating from more than one state are required to obtain separate GST registrations for each state. Furthermore, a business can also apply for multiple GST registrations within the same state if it has distinct business verticals. Small taxpayers with an annual turnover up to a certain limit can opt for the composition scheme, which offers a simplified compliance regime with lower tax rates. The online nature of GST registration aims to simplify the process and improve ease of doing business. Digitization reduces paperwork and processing time. Different turnover thresholds for registration accommodate the varying scales of businesses across the country. Lower thresholds for special category states and mandatory registration for certain businesses ensure broader tax coverage.

6.2. The Process of Filing GST Returns

Every GST-registered taxpayer is required to file GST returns periodically, which provide details of their outward supplies (sales) and inward supplies (purchases), along with the amount of tax collected and paid. There are various types of GST returns, each applicable to specific categories of taxpayers and transactions. GSTR-1 is a monthly or quarterly return for reporting outward supplies. GSTR-3B is a monthly summary return of outward supplies and input tax credit claimed. Taxpayers who have opted for the composition scheme are required to file GSTR-4 annually and CMP-08 quarterly. Other returns include GSTR-5 for non-resident taxpayers, GSTR-6 for Input Service Distributors, GSTR-7 for those deducting tax at source (TDS), GSTR-8 for e-commerce operators collecting tax at source (TCS), GSTR-9 as the annual return for regular taxpayers, and GSTR-10 as the final return upon cancellation of registration. The frequency of filing these returns can be monthly, quarterly, or annually, with specific due dates prescribed for each. The entire process of filing GST returns is conducted online through the GST portal. Taxpayers with a turnover up to ₹5 crore can opt for the Quarterly Return Monthly Payment (QRMP) scheme and may also use the Invoice Furnishing Facility (IFF) to upload details of their business-to-business (B2B) invoices for the first two months of a quarter. The requirement for regular return filing is crucial for ensuring tax compliance and providing the government with timely data on economic activity. The introduction of simplified returns like Sahaj and Sugam indicates an effort to ease the compliance burden for smaller taxpayers.

6.3. Making GST Payments

GST payments can be made through various online and offline methods. Online payment

options include net banking, debit card/credit card, Immediate Payment Services (IMPS), and Unified Payment Interface (UPI). Offline payment methods comprise over-the-counter (OTC) payment through authorized banks (via cash, cheque, or demand draft) and payment through National Electronic Funds Transfer (NEFT) or Real-Time Gross Settlement (RTGS). To make a GST payment, taxpayers are required to generate a GST challan, typically in Form PMT-06, either before or after logging into the GST portal, or while filing the GST return. Taxpayers can utilize the Input Tax Credit (ITC) available in their electronic credit ledger to offset their tax liability. Any remaining tax liability or for the payment of interest and penalties, taxpayers must use the electronic cash ledger, for which funds can be deposited through the aforementioned payment methods. The process for making GST payments may vary slightly depending on the category of the taxpayer, such as regular taxpayers, those under the QRMP scheme, and composition taxpayers. The availability of multiple online and offline payment methods provides flexibility and convenience for taxpayers. The concept of electronic ledgers ensures transparency and facilitates the tracking of tax liabilities, credits, and cash payments.

7. Economic Ramifications of the GST Act

The implementation of the GST Act has had a wide-ranging impact on various sectors of the Indian economy, affecting businesses, consumers, and government revenue. For businesses, GST has generally been viewed as a positive reform, leading to a simplified tax structure and a reduction in the overall compliance burden, especially with the elimination of multiple indirect taxes. The easier interstate movement of goods and the removal of interstate checkpoints have resulted in reduced logistics costs and improved supply chain efficiency. This has enhanced the competitiveness of businesses and provided access to wider markets across the country. Furthermore, GST has encouraged the formalization of the economy by bringing more businesses under the tax net and increasing transparency in transactions. GST is largely viewed as a positive reform for businesses, particularly in manufacturing and logistics, due to the streamlining of processes and reduction in logistics costs. Removal of interstate barriers and the input tax credit mechanism are key drivers.

The impact of GST on consumers has been somewhat mixed. The elimination of the cascading effect of taxes has led to potentially lower prices for many goods, and GST has brought about a uniformity in prices across different states. However, the tax rates on certain services and some goods that were previously taxed at lower rates have increased under GST, leading to a

potential rise in their prices. On the positive side, GST has increased transparency, allowing consumers to have a clearer understanding of the tax component in the prices they pay. While GST aimed to lower prices for consumers by eliminating the cascading effect, the actual impact has been varied, with some goods becoming cheaper and others potentially more expensive. Tax rate changes and the inclusion of previously untaxed services play a role.

For the government, GST has been a significant contributor to revenue enhancement. The broader tax base, encompassing more businesses and transactions, has led to increased tax collections. Improved tax compliance and reduced tax evasion, facilitated by the online system and stricter regulations, have also contributed to higher government revenue. Overall, GST has generally led to an increase in government revenue through a wider tax base and improved compliance, although initial periods saw fluctuations. Bringing more businesses into the tax net and reducing evasion are contributing factors.

8. Challenges and Areas for Improvement

Despite its numerous benefits, the implementation and operation of the GST Act have encountered several challenges since its inception. One of the most significant challenges has been the high compliance burden, particularly for Small and Medium Enterprises (SMEs). These businesses often lack dedicated resources and expertise to navigate the complexities of GST compliance, including the need for multiple return filings, invoice matching, and reconciliation. The complexity of the tax structure itself, with its multiple tax rates and slabs, has also posed a challenge, leading to confusion among taxpayers and issues related to the correct classification of goods and services. High compliance costs, particularly for small businesses, remain a significant challenge in the GST regime. The digital nature of compliance and the need for expertise can be burdensome for SMEs. The existence of multiple tax rates and frequent changes contribute to the complexity of the GST system, leading to confusion and potential misclassification. This undermines the initial objective of simplification.

Technical glitches and instability in the GST Network (GSTN) portal have also been a recurring issue, affecting taxpayers' ability to file returns, generate e-way bills, and perform other essential online processes smoothly. Issues related to Input Tax Credit (ITC), such as delays in receiving refunds, cumbersome documentation requirements, and mismatches between the ITC claimed by the buyer and the output tax declared by the supplier, have also presented operational challenges for businesses. The need for businesses to adapt to frequent

changes in GST rules and regulations has added to the complexity. Furthermore, some sectors have faced challenges due to the inverted duty structure, where the GST rate on inputs is higher than that on outputs, leading to an accumulation of unutilized ITC. The anti-profiteering clause, intended to ensure that the benefits of reduced tax rates are passed on to consumers, has also faced ambiguity and implementation challenges. There is a continued need for better training and awareness programs to educate taxpayers, especially small businesses, about the intricacies of the GST system. Issues with the GSTN portal, including technical glitches and delays, have posed operational challenges for taxpayers. A robust and reliable IT infrastructure is crucial for the success of a digital tax system.

9. Evolution of GST: Recent Amendments and Legal Interpretations

The GST Act has been subject to continuous evolution through various amendments and has also witnessed significant legal interpretations since its implementation. Recent amendments, effective from April 2025, include the mandatory implementation of Multi-Factor Authentication (MFA) for all taxpayers accessing the GST portal to enhance security. Furthermore, Input Service Distributor (ISD) registration has been made mandatory for businesses with multiple GSTINs under the same PAN to streamline the distribution of input tax credit on common services. The formats of GSTR-7 (for TDS) and GSTR-8 (for TCS by e-commerce operators) have been amended to capture more detailed transaction-level information. Restrictions have also been imposed on the generation and extension of e-Way Bills, limiting generation to invoices issued within the preceding 180 days and capping extensions at 360 days. The 30-day time limit for reporting e-invoices on the Invoice Registration Portal (IRP) has been extended to businesses with an Annual Aggregate Turnover (AATO) exceeding ₹10 crore.

The GST rates have also been subject to adjustments. For instance, the GST rate on fortified rice kernels supplied through the Public Distribution System (PDS) has been reduced to 5%, while gene therapy has been exempted from GST. The GST rate on the sale of old and used electric vehicles has been increased to 18%, aligning it with other vehicles. There have been clarifications and rate changes for items like popcorn and Autoclaved Aerated Concrete (ACC) blocks. A significant development has been the introduction of a Track and Trace Mechanism for specified evasion-prone commodities, requiring unique identification markings to monitor their movement throughout the supply chain. The Goods and Services Tax Appellate Tribunal

(GSTAT) procedure rules for 2025 have been notified, outlining the process for resolving tax-related disputes. Additionally, a GST waiver scheme has been introduced for businesses that have cleared all tax dues up to a certain date. Recent amendments indicate a focus on strengthening compliance, streamlining processes, and addressing specific sectoral concerns.

Several significant legal interpretations have also shaped the understanding and application of the GST Act. A landmark ruling by the Supreme Court affirmed that the recommendations of the GST Council are not binding on the Union and the States, holding only persuasive value. The Delhi High Court struck down the additional levy of IGST on re-imported aircraft parts and engines sent abroad for maintenance, upholding the principle against double taxation. There have been ongoing legal debates regarding the retrospective application of certain GST amendments and scrutiny of notifications extending GST deadlines. The definition of "Local Authority" under GST has also been clarified through legal interpretations, and the interpretation of "plant and machinery" in the context of input tax credit has been subject to judicial review. Legal interpretations, particularly the Supreme Court's view on the non-binding nature of GST Council recommendations and High Court rulings on specific tax matters, highlight the evolving understanding and application of the GST law.

10. Conclusion: Summarizing the Impact and Future Trajectory

The Goods and Services Tax Act in India has brought about a paradigm shift in the nation's indirect tax system, aiming to create a unified and efficient market. The analysis indicates that GST has largely achieved its objectives of simplifying the tax structure, eliminating the cascading effect of taxes, and improving tax compliance. Businesses, particularly in the manufacturing and logistics sectors, have benefited from streamlined processes and reduced operational costs. Consumers have experienced a more transparent pricing system, although the overall impact on prices has been varied. The government has witnessed an expansion of the tax base and an increase in revenue collection.

However, the implementation and operation of GST have not been without challenges. High compliance costs for small businesses, the complexity of the multi-tiered tax structure, and technical issues with the GSTN portal remain areas of concern. The effectiveness of the input tax credit mechanism is also contingent on supplier compliance. Recent amendments and legal interpretations reflect the ongoing efforts to refine the GST system, strengthen compliance, address sectoral concerns, and clarify legal ambiguities. The future trajectory of the GST Act

will likely involve further simplification of tax rates and procedures, continued technological advancements to improve the GSTN infrastructure, and evolving legal interpretations that will shape its application. GST stands as a significant and continuous process of economic reform in India, with the potential to further enhance economic efficiency and contribute to the nation's growth.

Table 1: Pre-GST and Post-GST Tax Structure

Pre-GST Taxes (Examples)	Post-GST Structure
Service Tax	CGST
Central Excise Duty	SGST
VAT	IGST
Central Sales Tax (CST)	UTGST
Entry Tax	
Entertainment Tax	
Luxury Tax	
Additional Duties of Excise	
Additional Duty of Customs	

Duties of Excise	
Cess and Surcharge (Central & State)	
Taxes on Advertisements	
Taxes on Gambling and Lottery	

Table 2: GST Tax Slabs and Examples

GST Rate	Examples of Goods/Services
0%	Fresh milk, eggs, unpackaged food grains, fresh fruits and vegetables, healthcare, educational services, books, newspapers, homespun cotton cloth, hotel services (under ₹1,000)
5%	Sugar, tea, coffee, edible oils, domestic LPG, life-saving drugs, economy-class flight and railway tickets, household necessities, spices
12%	Butter, ghee, computers, processed food, mobile phones, fruit juices, packaged coconut water, business class flight tickets, hotel accommodations (₹1,000 - ₹7,500), condensed milk
18%	Hair oil, capital goods, toothpaste, industrial intermediaries, soap, ice-cream, pasta, toiletries, cornflakes, computer monitors, mineral water, life insurance, health insurance, telecom services, IT services, restaurants

28%	Luxury cars, high-end vehicles, consumer durables (ACs, fridges), sin goods (cigarettes, aerated drinks), casinos, gambling, certain entertainment services
0.25%	Cut and semi-polished stones, non-industrial diamonds, unworked precious/semi-precious stones, synthetic or reconstructed precious or semi-precious stones
3%	Gold, silver, other precious metals, imitation jewellery, articles of precious metal

Table 3: Key GST Return Forms and Due Dates

Return Form	Description	Frequency	Due Date
GSTR-1	Details of outward supplies	Monthly	11th of the next month
GSTR-3B	Summary return of outward supplies and input tax credit claimed	Monthly	20th of the next month
GSTR-4	Annual return for composition scheme taxpayers	Annually	30th of April of the next financial year
CMP-08	Quarterly payment for composition scheme taxpayers	Quarterly	18th of the month succeeding the quarter

GSTR-9	Annual return for regular taxpayers	Annually	31st December of the next financial year
GSTR-10	Final return upon cancellation of GST registration	Once	Within three months from the date of cancellation or date of cancellation order, whichever is later
GSTR-6	Return for Input Service Distributor (ISD)	Monthly	13th of the next month
GSTR-7	Return for taxpayers deducting TDS	Monthly	10th of the next month
GSTR-8	Return for e-commerce operators collecting TCS	Monthly	10th of the next month
GSTR-5	Return for non-resident taxable person	Monthly	20th of the next month
GSTR-11	Details of inward supplies to be furnished by a person having UIN	Monthly	28th of the month following the month for which statement is filed
ITC-04	Statement of goods sent to/received from a job-worker	Annually/Half-yearly	25th April (Annual, for AATO up to ₹5 crore), 25th October & 25th April (Half-yearly, for AATO > ₹5 crore)

Table 4: Penalties for Non-Compliance (Illustrative)

Offense	Penalty
Late filing of GSTR-3B	₹50 per day (₹25 each under CGST & SGST), subject to a maximum
Non-filing of GST returns	10% of the tax due or ₹10,000, whichever is higher
Committing fraud with the intention of tax evasion	100% of the tax evaded or ₹10,000, whichever is higher, and potential imprisonment
Helping a person to commit fraud	Up to ₹25,000
Not issuing an invoice	100% of the tax due or ₹10,000, whichever is higher
Incorrect invoicing	₹25,000
Non-registration despite exceeding threshold	₹10,000 or 100% of the tax due, whichever is higher
Delay in payment of tax	Interest at 18% per annum
Non-compliance with Track & Trace rules (from April 2025)	₹1 lakh or 10% of the tax payable (whichever is higher)

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