

SUMMER INTERNSHIP PROJECT

“A Study on GST Return at Rakesh Pathrabe & Co. ”

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

Affiliated to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:

Ms. Mayuri Gumgaonkar

Company Guide:

Mr. Rakesh Pathrabe

Faculty Guide:

Prof. Shubhangi Jepulkar

Department of Management Science and Research,

G.S. College of Commerce and Economics, Nagpur

NAAC Accredited “A” Grade Institution



Academic Year 2022-23



CERTIFICATE

This is to certify that the investigation described in this report titled

“**A study on GST return**” has been carried out by **Ms. Mayuri Gumgaonkar** during the summer internship project. The study was done in the organization, **Rakesh Pathrabe & Company**, in partial fulfillment of the requirement for the degree of Master of Business Administration of G.S. College of commerce and economics (An Autonomous college) affiliated to **R. T. M. Nagpur University, Nagpur.**

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree.

The assistance and resources used for this work are duly acknowledged.

Prof. Shubhangi Jepulkar
(Faculty Guide)

Dr. Sonali Gadekar
(MBA Co-ordinator)

Rakesh V. Pathrabe

Advocate

B.Com. LLB.

OFFICE : 1st FLOOR HANUMAN MANDIR, B/H BHARATI BROTHERS, TINNAL CHOWK, NAGPUR- 440002

☎ : 09850336954 Ph. : 0712-2763115 Email : rakeshpathrabe1@gmail.com

RESIDENCE: F/402, DATTA LAXMI NIWAS, NR. NAGMUDRANALAYA, MAHAL NAGPUR – 440 002

Date: 31/10/2022

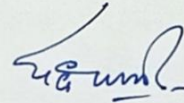
CERTIFICATE OF INTERNSHIP

This is to certify that Miss. Mayuri Gumgaokar student of 2th Semester, MBA 2 Years degree course of G. S . College of Commerce & Economics Nagpur, has Successfully Completed her Summer Internship Program from 15/09/2022 to 31/10/2022 under our guidance. During the period of her internship she was found punctual, hardworking and inquisitive.

We wish her every success in life.

Thanking You,

Place : Nagpur



(Rakesh V. Pathrabe)
Advocate

ACKNOWLEDGMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**Rakesh Pathrabe & Co.**” and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to “**Mr. Rakesh Pathrabe** for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly Co-ordinator “**Dr. Sonali Gadekar**” and my mentor “**Prof. Shubhangi Jepulkar**” for helping me during the project.

I am Thankful to the Principal of G.S college of Commerce and Economics Nagpur, **Dr. S. S. Kathaley** and to the Dean of the DMSR **Mr. Anand Kale**.

Finally, I am grateful to my family and friends for their unending support.

Mayuri Gumgaonkar

INDEX

Sr.No.	Particulars	Page No.
1	Introduction	6
2	Company Profile	7
3	Terminologies	8
4	Objectives of SIP	9
5	Scope of SIP	9
6	Needs of SIP	9
7	Contribution during SIP	10
8	Types of GST and GST return	12
9	Limitations	31
10	Research Methodology	32
11	Interpretation of Data and Facts	33
12	Findings	37
13	Suggestions	38
14	Conclusion	39
15	Bibliography	40

INTRODUCTION

The title of the project study “**A study of GST return**” gives us broad knowledge about GST and analysis of GST return. The study also helps to know how auditing of various GST return done in practical world of finance.

The Goods and Services Tax, or GST, is an indirect tax law applicable across India. It has replaced multiple indirect taxes such as excise duty, service tax, value-added tax, octroi, entry tax, and luxury tax. Laws pertaining to the same were put into effect on July 01, 2017, in India. This indirect taxation system has gone through multiple amendments since to arrive at the current juncture. However, it must be noted that GST does not replace customs duty, which is still mandatory on imported goods and services. Every kind of product and service attracts a different tax rate under GST. For example, luxury or sin goods are classified to attract a higher interest rate, whereas necessities have been included in lower and nil rate slab rates.

GST is a comprehensive indirect tax levy on manufacture, sales and consumptions of goods as well as service at the national level. GST is an indirect tax for whole of India to make it one unified common market.

COMPANY PROFILE

- Name of firm** :- Pathrabe & co.
- Type of firm** :- Limited Liability proprietorship
- Work profile of firm** :- Legal and Auditing
- Proprietor of firm** :- Advocate Rakesh Pathrabe

TERMINOLOGY

- GST - The goods and Service Tax, or GST is an indirect tax applicable across India . It has replaced multiple indirect taxes such as excise duty . Service tax , value-added tax , octroi , entry and luxury tax .

 - Auditing is a part of the accounting world . It is an examination of accounting and financial records that is undertaken independently
- CGST
 - SGST
 - IGST
 - UGST

OBJECTIVES OF SIP

- To know in-depth knowledge of GST and how to file GST return.
- To compare GST return invoice for auditing .
- Understanding various aspects of GST with respect to auditin

SCOPE OF SIP

- Acquiring knowledge of GST and return .
- Knowing importance of various tax slab in GST .
- Understanding comparison of GST return.
- Evaluating results with help of graphs .
- Understanding recursion of not filing return.

NEEDS OF SIP

- Need of SIP is to gain inside knowledge of auditing
- To know working environment of office
- To tackle invoice and solve queries of clients
- To handle roles and responsibilities in the company

CONTRIBUTION DURING SIP

1st Week

- Internship began with the introduction with Supervisor and his team.
- Introduction about the firm was given by the Supervisor.
- SIP flow of activities and leanings were discussed and suitably planned.
- I was given to read about the GST and GST return and was explained about it in detail .
- Next day I was given the work of data entry with the tax rate .

2nd Week

- They explained me about the different types of GST rates and GST return .
- Understood about the needs and significances of GST .
- Understood the Goods and Service Tax .
- Learned about the direct and indirect tax .

3rd Week

- Study about the tax rates , rules , and regulations are governed by the GST council.
- Analyzed the benefits of Goods and Services Tax .
- Got knowledge about the impact of Goods and Service Tax on economy of India .
- Worked on the different tax rates for the firm .

4th Week

- Studied on the different Taxation scheme and worked on it .
- Learnt about the Goods and Services Tax Network (GSTN) .
- Visited to the GST office to know the working and to work practically on it .
- CGST , SGST , IGST , UTGST .

5th Week

- Impacts of GST on in different sectors .
- Learned about the advantages and challenges of GST in India .
- Studied various different cases as additional .
- Identified the different documents required for cases of GST .

6TH Week

- Assisted the officer in suggesting about the different GST rates that can be applied at various services .
- Review of various GST invoices .
- Download GST return file from government website .
- Comparing GST return with invoice .

TYPES OF GST CHARGED IN INDIA

1. State Goods and Services Tax (SGST)

The State Goods and Services Tax is one of the GST types which the government of a particular state imposes. The state government taxes goods and services within the state (intrastate, for example Mysore), and the state government is the sole beneficiary of the collected revenue.

- The SGST replaces various state-level taxes such as lottery tax, luxury tax, vat, purchase tax and sales tax.
- However, if the transaction of the goods is interstate (out side the state), then both SGST and CGST are applied . But , if the goods and services are transactions within the state , only SGST is imposed.
- The rate of GST is equally divided among the two types of GSTs . For instance , when the traders sell their commodities within their state , they must pay SGST and CGST . The revenue earned from SGST to the state government and revenue from CGST to the central government.

2. Central Goods and Services Tax (CGST)

The Central goods and Services tax applies to the intrastate (within the state) supply of goods and services. The central government taxes it. The CGST Act governs this type of GST. Here, the revenue generated from the CGST is collected along with the SGST and is divided between the central and state government.

For instance, when a trader makes a transaction within the state, the goods are taxed with SGST and CGST. The GST rate is divided equally between SGST and CGST, while the revenue collected under the CGST belongs to the central government .

SGST and CGST Rates

Commodities	SGST
Common Groceries such as Tea, salt, spices, sugar, Etc.	2.5%
Processed foods Electronic goods	6%
Capital Goods , toiletries, etc.	9%
Premium luxury commodities	14%

3. Integrated Goods and Services Tax (IGST)

The Integrated Goods and Services tax is a type of GST, where the tax applies on the interstate supply of goods and services. This GST type is also imposed on the goods and services that are imported as well as exported. The IGST Act governs it, and the central government is responsible for the collection of IGST.

The collected IGST is equally divided into central and state government portions. The State portion of the IGST is provided to the state where the goods and services are received. The remaining IGST received goes to the central government .

For instance, when the trader makes a supply between two states, the type of tax in this case would be IGST .

IGST Rates

Commodities	IGST
Common groceries such as tea , salt , spices, sugar , Etc.	5%
Processed foods Electronic goods	12%
Capital goods , toiletries , etc	18%
Premium luxury commodities	28%

4. Union Territory Goods and Services Tax (UGST)

The Union Territory Goods and Services Tax is a type of GST imposed on the goods and services in the union territories. This is similar to the SGST but applies only to the union territories.

The UGST is applicable in Dadra, Nagar Haveli, Chandigarh, Andaman and Nicobar along with Pondicherry and Delhi. Here the revenue collected by the government belongs to the Union territory government. As the UGST is a replacement for the SGST, they are collected along with the CGST.

OBJECTIVES OF GST

➤ The elimination of other taxes –

The introduction of the GST Act led to the replacement of other indirect taxes. The major taxes are grouped into the GST.

➤ Increases compatibility –

The tax compliance is easier for MSME or small scale businesses. In addition, the presence of a single tax makes the process of filing a return easier.

➤ Increases transparency –

The GST reduces the chances of corruption and increases transparency. For example, in businesses there are reduced chances of a false input tax credit .

➤ Reduction of prices –

The GST bill imposes taxes exclusively on the net value-added part, eliminating the previous tax-on-tax system and reducing the cost of commodities.

List of Goods and Services Tax Rates and Slabs

5% Tax Slab

The tax slab of 5% is where the GST tax actually begins. The products which attract a 5% GST Rate are skimmed milk powder, coffee, fish fillets, coal, fertilizers, ayurvedic medicines, insulin, cashew nuts, agarbatti, Ethanol - Solid biofuels among a few others. The GST rate in India for services in the 5% tax slab includes smaller restaurants affiliated with transport services like railways and air travel, standalone AC restaurants, non-AC restaurants, and restaurants that serve alcohol.

12% GST Slab

The 12% slab includes items such as frozen meat products, butter, sausage, ghee, pickles, fruit juices, namkeen, tooth powder, instant food mix, umbrella, medicine, cell phones, man-made yarn, wooden frames for painting, photographs, Brass Kerosene Pressure Stove, Art ware of iron, mirrors, etc.

18% GST Slab

The GST rate in India is structured in such a way, that the bulk of the items fall under this category. Some of the main items included are flavored refined sugar, cornflakes, pasta, pastries and cakes, detergents, washing and cleaning preparations, mirror, glassware, safety glass, sheets, pumps, light fitting, compressors, fans, chocolate, tractors, preserved vegetables, ice cream, televisions (up to 68 cm). Some others include marble & granite, paints, scent sprays, hair shavers, lithium-ion batteries, artificial fruits, hair curlers, hairdryers, stones used in flooring, vacuum cleaners, sanitaryware, leather clothing, wristwatches, cookers, stoves, cutlery, telescope, goggles, binoculars, oil powder, cocoa butter, fat, detergent as well as artificial flower.

28% GST Slab

The 28% GST slab is the highest GST rate in India. It is mainly reserved for sin goods as well as luxury items. The goods which are part of this slab are, pan masala, dishwasher, weighing machine, paint, cement, sunscreen.

Automobiles and motorcycles along with hair clippers are also part of this slab which is also a bone of contention as the auto industry is going through a downturn currently.

GST Tax Slab Rate

00%	Fifty percent of the Customer Price Basket including food grains, rice, wheat etc		05%	Spices, Mustard Oil, Tea, Items of mass consumption	
12%	Milk, Bread, Processed Food Items		18%	FMCG products , Refrigerators, Smartphones, Mobile Bills	
28%	White goods, Cars		28% plus additional cess	Luxury Cars, Tobacco, Aerated Drinks	



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). All business owners and dealers who have registered under the GST system must file GST returns according to the nature of their business or transactions.

- Regular Businesses.
- Businesses registered under the Composition Scheme.
- Other types of business owners and dealers.
- Amendments.
- Auto-drafted Returns.
- Tax Notices.

Different types of GST Returns

GSTR -1	Returns of outward supplies undertaken by a typical registered taxpayer under GST.
GSTR-2	Returns of inward supply of goods and services as agreed by the recipient of the goods and services.
GSTR-3	A monthly GST return filing of inward and outward supplies of goods and services.
GSTR-3B	Returns of outward supplies along with input tax credit is declared and payment of tax is affected by the taxpayer.
GSTR-4	GST filing for taxpayers registered under the composition scheme under section 10 of the CGST Act (Supplier of goods) and CGST (Rate)
GSTR-5	Return for a nonresident foreign taxable person.
GSTR-6	Returns that an Input Service Distributor files every calendar month. It has all the information of the invoices on which credit has been received and are issued by an ISD.

GSTR-7	A monthly return that has to be filed by the deductors who are required to deduct TDS under GST.
GSTR-8	Returns for the electronic commerce operator who is required to deduct Tax Collected at Source under GST.
GSTR-9	Annual return for a normal taxpayer.
GSTR-9A	Annual return to be filed by the registered taxpayer under the composition levy anytime during the year.
GSTR-9C	Certified reconciliation statement
GSTR-10	A final return that needs to be filed to make sure the taxpayer pays off any liability outstanding.

Importance for GSTR-3B vs GSTR-2A

- GST authorities have issued notices to a large number of taxpayers asking them to reconcile the ITC claimed in a self declared summary return Form GSTR – 3B with the autogenerated Form GSTR-2B and Form GSTR – 2A. Such notices are issued in Form GST ASMT – 10. The taxpayer would be required to reply to such notices or pay the differential amount.

- Tax evaders claiming ITC on the basis of fake invoices have also been penalised in the past.

- Reconciliation ensures that credit is being claimed for the tax which has been actually paid to the supplier.

- In case the supplier has not recorded the outward supplies in Form GSTR – 1, communication can be sent out to the supplier to ensure that the discrepancies are corrected.

Reasons for non- reconciliation of GSTR-2A vs 3B

The details disclosed in Form GSTR- 2A and Form GSTR- 3B may not reconcile on account of the following reasons :

- The credit of IGST claimed on the import of goods
- IGST Credit on the import of services
- The credit of GST paid on reverse charge mechanism, etc.
- Transitional credit claimed in TRAN – I and TRAN – II.
- ITC for goods and services received in FY 2020-21 but availed in FY 2021-22.

Importance for GSTR- 3B vs GSTR -1

- Time and again, GST authorities have issued show cause notices to a large number of taxpayers asking them to reconcile the total of sales disclosed in the GSTR-3B summary return and the detailed GSTR-1 return.
- Reconciliation ensures that no invoice is omitted or recorded more than once in either of the returns.
- This ensures a taxpayer to arrive at an accurate amount of output tax payable on the sales made in a period.
- Any late declaration of GST liability can also attract interest.
- Reconciliation would also help the Government to allocate the right share of tax revenue to the concerned states. This reconciliation specifically useful to identify any errors that have been made when entering the details of integrated taxes while filing GSTR-3B.

Reasons for mismatches in GSTR -3B vs GSTR -1

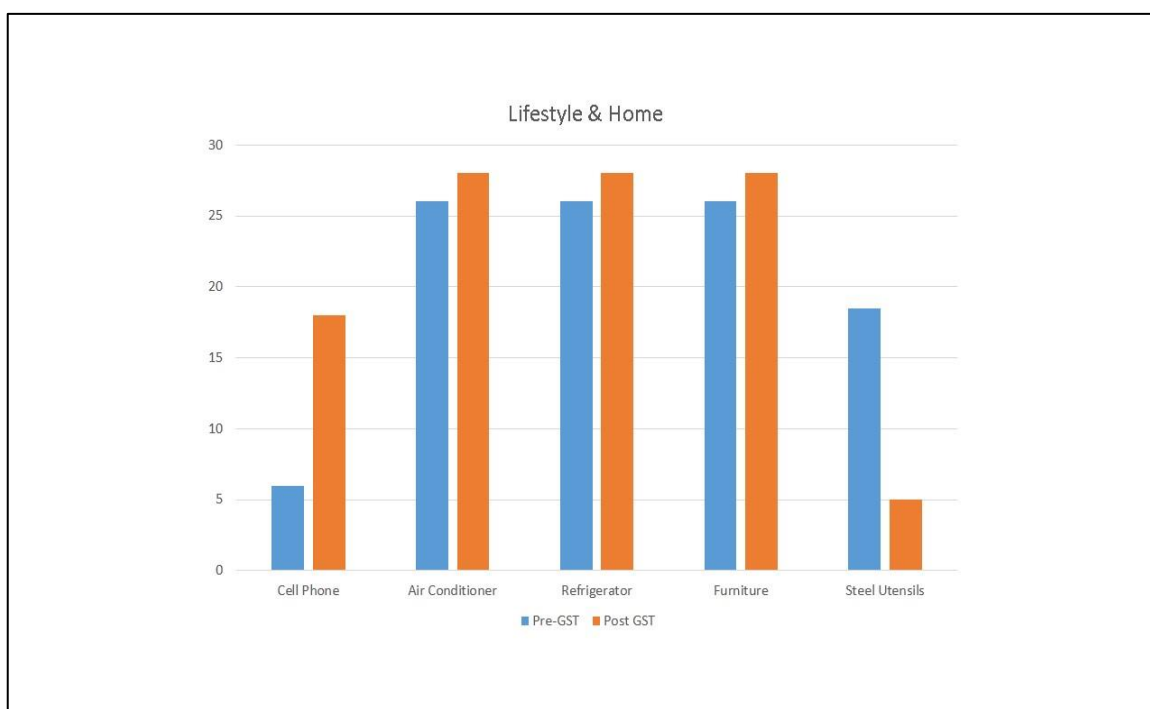
Most commonly, the details disclosed in Form GSTR – 3B and GSTR – 1 may not reconcile on account of the following reasons:

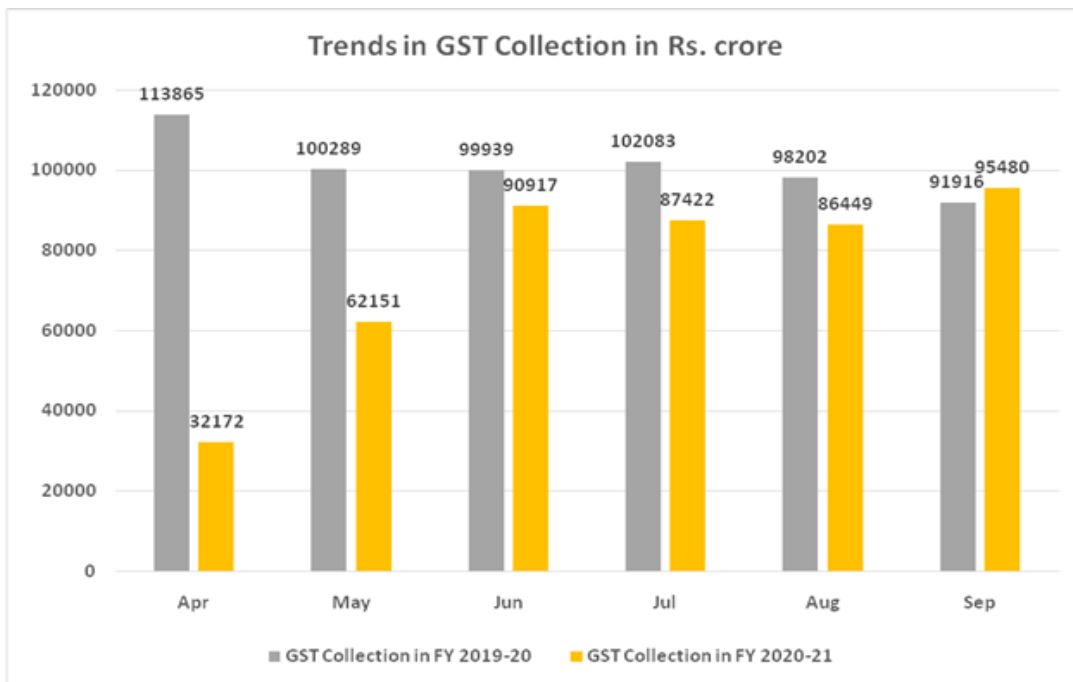
- Reporting of supplies under the wrong table in GSTR-3B, but correctly reporting the same when declaring it invoice-wise in GSTR-1. For example: Reporting zero-rated sales correctly in Table 6A of GSTR-1, but incorrectly reporting it under Table 3.1(a) in GSTR-3B.
- Issue of an invoice in a particular month, and issue of a debit or credit note at a later date could lead to mismatches.
- Value of supplies correctly shown but tax paid under the wrong head. For example, IGST instead of CGST & SGST or viceversa.
- Supplies that may have been amended after GSTR-1 has been filed. In other words, any change of tax liability between the time of filing GSTR-1 and GSTR-3B.

Reconciliation at the time of filing of Annual return

- At the time of filing an Annual return in Form GSTR – 9, a reconciliation of outward supplies is a must to ensure that the details disclosed match the details disclosed in GSTR-1 and GSTR-3B, across all months. Details of tax paid during the year need to be mentioned as well and this must tally with the total taxes disclosed and paid in GSTR-3B.
- Therefore, it is important that GSTR-1 and GSTR-3B match as the return- filing system is integrated and a mismatch between the same could result in improper disclosure in the annual return. GST Return and Analysis.

Graphic Representation





LIMITATIONS

- GST is new launched tax system so some complications are faced by the people
- The sample size is very small compared to the total population of the region
- The study was conducted with the basic assumptions that the information given by the respondent is faculty and represent their true feelings and behaviour
- It is very difficult to check the accuracy of the information provided
- The sample size was small and cannot be applied to the entire population

RESEARCH METHODOLOGY

A methodology encompasses the way in which you intend to carry out your research. This includes how you plan to tackle things like collection - methods, statistical research analysis, participant observations.

Research methodology is mainly of two types :-

- Primary Data
- Secondary Data

During internship we have use primary data from seller such as purchase and sale invoice to reconcile with the GST report filled by the seller .

INTERPRETATION OF DATA AND FACTS

Impact of GST on Manufacturers , Distributor , and Retailers

GST is a boost competitiveness and performance in India's manufacturing sector. Declining exports and high infrastructure spending are just some of the concerns of this sector. Multiple indirect taxes had also increased the administrative costs for manufacturers and distributors and with GST in place, the compliance burden has eased and this sector will grow more strongly.

Impact of GST on Service Providers

As of March 2014, there were 12, 76,861 service tax assesseees in the country out of which only the top 50 paid more than 50% of the tax collected nationwide. Most of the tax burden is borne by domains such as IT services, telecommunication services, the Insurance industry, business support services, Banking and Financial services, etc. These pan-India businesses already work in a unified market and will see compliance burden becoming lesser. But they will have to separately register every place of business in each state.

Sector-wise Impact Analysis

Logistics

In a vast country like India, the [logistics](#) sector forms the backbone of the economy. We can fairly assume that a well organized and mature logistics industry has the potential to leapfrog the “Make In India” initiative of the Government of India to its desired position.

E-commerce

The [e-commerce](#) sector in India has been growing by leaps and bounds. In many ways, GST will help the e-com sector’s continued growth but the long-term effects will be particularly interesting because the GST law specifically proposes a [Tax Collection at Source \(TCS\)](#) mechanism, which e-com companies are not too happy with. The current rate of TCS is at 1%.

Pharma

On the whole, GST is benefiting the [pharma and healthcare industries](#). It will create a level playing field for generic drug makers, boost medical tourism and simplify the tax structure. If there is any concern whatsoever, then it relates to the pricing structure (as per latest news). The pharma sector is hoping for a tax respite as it will make affordable healthcare easier to access by all.

Telecommunications

In the telecom sector, prices will come down after GST. Manufacturers will save on costs through efficient management of inventory and by consolidating their warehouses. Handset manufacturers will find it easier to sell their equipment as GST has negated the need to set up state-specific entities, and transfer stocks. They will also save up on logistics costs.

Textile

The Indian [textile industry](#) provides employment to a large number of skilled and unskilled workers in the country. It contributes about 10% of the total annual export, and this value is likely to increase under GST. GST would affect the cotton value chain of the textile industry which is chosen by most small medium enterprises as it previously attracted zero central excise duty (under optional route).

Real Estate

The [real estate sector](#) is one of the most pivotal sectors of the Indian economy, playing an important role in employment generation in India. The impact of GST on the real estate sector cannot be fully assessed as it largely depends on the tax rates. However, the sector will see substantial benefits from GST implementation, as it has brought to the industry much-required transparency and accountability.

Agriculture

The [agricultural sector](#) is the largest contributing sector the overall Indian GDP. It covers around 16% of Indian GDP. One of the major issues faced by the agricultural sector is the transportation of agri-products across state lines all over India. GST will resolve the issue of transportation.

Automobiles

The [automobile industry](#) in India is a vast business producing a large number of cars annually, fueled mostly by the huge population of the country. Under the previous tax system, there were several taxes applicable to this sector like excise, VAT, sales tax, road tax, motor vehicle tax, registration duty which will be subsumed by GST.

Startups

With increased limits for registration, a DIY compliance model, tax credit on purchases, and a free flow of goods and services, the GST regime truly augurs well for the Indian [startup](#) scene. Previously, many Indian states had different VAT laws which were confusing for companies that have a pan-India presence, especially the e-com sector. All of this has changed under GST.

FINDING

- Found out various financial techniques which helped in accounting.
- GST return comparison process .
- Learned about various financial terminologies used in business.
- Learning about use of tax slabs in GST.
- Graphical analysis of current with previous data.

SUGGESTIONS

- **Processes must be reduced** so that business can operate efficiently in the best interest of the people and for economic growth.
- **Rates should be rationalized and reduced** to make India competitive and in interest of compliance and economic growth.
- **Technological glitches of the GST network** should be sorted out on a war footing basis.
- In case **IGST is paid instead of CGST and SGST**, and vice-versa, the recourse available is only refund. Assesseees should be allowed to self-adjust in such cases.
- **Valuation Rules** lack clarity and are debatable. This is likely to lead to litigation and [transfer pricing](#) issues / litigation. These rules need to be rationalized, simplified and be fair to one and all.

CONCLUSION

- Summer internship was very helpful for in learning about financial and management aspect in the organization.
- During SIP I have gained knowledge of GST and how actual auditing is done to find out frauds done by seller to save tax.
- In this process I came to know that working in an organization and studying about working in organization is very difficult.

BIBLIOGRAPHY

➤ Information from company boucher and from various invoices of clients.

➤ Reference Book :-

Goods and Service Tax , Dr. H.C. Mehrota & Prof. V.P.

Agarawal

The Simplified GST law , CA Prakhar Jain

➤ Weblinks :-

<https://gstcouncil.gov.in/>

<https://ijcrt.org/>

<https://www.incometax.gov.in/iec/foportal>

<https://igateplus.com/home/>