

Benefits of GST

Hailed as one of the biggest tax reforms of the Country, the Goods and Services Tax (GST) subsumes many indirect taxes which were imposed by Centre and State such as excise, VAT, and Service tax. It is levied on both goods and services sold in the Country.

Any reform is bound to have advantages and disadvantages.

Advantage of GST

- GST eliminates the cascading effect of tax
- Higher threshold for registration
- Composition Scheme for small businessmen
- ~~Comp~~ Simple and easy online procedure

Disadvantages of GST

- Increased costs due to software purchase
- Being GST-complaint
- GST will mean an increase in operational costs
- GST is an online taxation system.

Ans 3- Supply includes sale, transfer, exchange, barter, license, rental, lease and disposal. If a person undertakes either of these transactions during the course or furtherance of business for consideration, it will be considered under the meaning of Supply under GST.

- Supply has two important elements.

- Supply is done for consideration
- Supply is done in course of furtherance of business.

If the aforementioned elements are not met with, it is not considered as a sale.

Composite Supply and Mixed Supply

There are a few supplies which are made together with two or more items. Such supplies are further classified into

Composite Supply and mixed Supply

This is a new concept introduced in GST which will cover supplies made together whether the supplies are related or not. Supplies of two or more goods and services can be either 'Composite Supply' or 'mixed Supply'. The concept of Composite Supply in GST regime is similar to the concept of naturally bundled services under Service Tax law. However, the concept of mixed supply is entirely new.