



VAJIRAO & REDDY INSTITUTE

India's Top Potential Training Institute for IAS

+918988885050



+918988886060

www.vajiraoinstitute.com



info@vajiraoinstitute.com

YOJANA MAGAZINE ANALYSIS

(January 2024)

(Part 2/3)

TOPICS TO BE COVERED

PART 1/3

- JAN VISHWAS ACT

PART 2/3

- GOVERNMENT E MARKETPLACE (GeM)
- GST & EASE OF DOING BUSINESS

PART 3/3

- INDO AFRICAN RELATIONSHIP AMID SOUTH SOUTH CO-OP

TOPICS (PART 2/3)

- GOVERNMENT E MARKETPLACE (GeM)
- GST & EASE OF DOING BUSINESS

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



VAJIRAO & REDDY INSTITUTE

India's Top Potential Training Institute for IAS

+918988885050



+918988886060

www.vajiraoinstitute.com



info@vajiraoinstitute.com

GOVERNMENT e MARKETPLACE

Government procurement in India comprises nearly 20-25% of GDP. In this context, the importance of **efficient public procurement** cannot be overstated.

With the vision of:

- inclusive development,
- corruption free governance &
- ease of doing business,



More than **Rs. 60000 crore** savings enabled since inception.

GeM was **conceptualised in 2016** as a **Special Purpose Vehicle (SPV)** under **section 8** of the **Companies Act** under Department of Commerce.

ABOUT GeM

It facilitates **end to end procurement of goods & services** by various **central & state government** departments, **organisations & allied PSUs**.

It provides **paperless, cashless & contactless ecosystem** for government buyers to directly purchase products & services from Pan India sellers & service providers through a unified online infra.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



Timely payment settlements is a remarkable feature of GeM which has resolved a major issue of delayed payments.

THE GROWTH TRAJECTORY OF GeM

- Gross Merchandise Value (GMV) recorded in the first year: **INR 420 Crore**
- Gross Merchandise Value (GMV) recorded in the FY 20-21: **INR 38000 Crore**
- Gross Merchandise Value (GMV) recorded in the FY 21-22: **INR 1 lakh Crore**
- Gross Merchandise Value (GMV) recorded in the FY 22-23: **INR 2 lakh Crore**
- Gross Merchandise Value (GMV) recorded in the FY 23-24: **INR 3 lakh Crore (expected)**

GeM PROMOTING EASE OF DOING BUSINESS

- GeM as a Facilitator.
- Transformation through cost reduction & efficiency.
- Inclusive empowerment of sellers.
- Seamless registration process.
- Dynamic goods & services platform.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



- Diverse buying modes (Direct purchase, bidding, reverse & forward auction, etc.)
- Contract Management.
- Cashless payments & timely transactions.
- Information visibility.
- Trust based rating system
- Demand forecasting
- Establishing price reasonability.
- Training
- Communication & Support
- Responsive contact center
- Dispute resolution features.
- GeM Sahay for providing loans to the sellers.
- Next Gen GeM Platform.

GeM has become one of the **foremost public procurement platforms** globally. It has surpassed South Korea's **KONEPS** & Singapore's **GeBIZ**

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



VAJIRAO & REDDY INSTITUTE

India's Top Potential Training Institute for IAS

+918988885050



+918988886060

www.vajiraoinstitute.com



info@vajiraoinstitute.com

GST & EASE OF DOING BUSINESS

The GST is one of the major tax reforms since independence in India. It promotes the notion of **'One Nation One Tax One Market'**

The GST has **subsumed numerous central & state taxes** like the Central Excise, Service Tax, Purchase Tax, Entry Tax, Central Sales Tax, Local Body Tax, Luxury Tax, Octroi etc.

It has **brought down economic barriers** & paved way for an integrated economy. It has also mitigated the cascading effect of taxes & improved business environment & competitiveness in the market with **ease of doing business**.

PERFORMANCE OF GST

- The **GST base** has almost doubled from **67.8 lakh to around 1.4 crore**.
- The **highest GST revenue collection** happened in **April 2023- Rs.1,87,035 crore**.
- The revenue collection for **November 2023** was **Rs. 1,67,929 crore** which shows the highest annual growth rate.

The success of GST can be attributed to **automation & standardisation**. All the **processes** (registration, return filing, appeal filing, etc) in GST are **completely online**.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



VAJIRAO & REDDY INSTITUTE

India's Top Potential Training Institute for IAS

+918988885050



+918988886060

www.vajiraoinstitute.com



info@vajiraoinstitute.com

REGISTRATION

GST registration is PAN based and state specific.

WHAT DOES STATE SPECIFIC MEAN?

Any business having an **annual turnover of Rs. 40 Lakh** in case of supply of **goods** (This limit is Rs. 20 Lakh for some states) & **Rs. 20 Lakh in case of services** (in some states it is Rs. 10 Lakh) need to take GST registration.

THE PROCEDURE:

Within 7 days of application, the GST certificate has to be issued. (subject to risk based conditions where more time can be taken.)

CAN THE REGISTRATION BE CANCELLED OR SUSPENDED?

Yes. In case of **non compliance with the provisions** of the law. In case of non filing of the taxes regularly, the GST certification can be suspended.

Can the suspension be revoked?

Yes, once all the remaining dues are filed by the party, automatically the suspension gets revoked.

This will save the time & efforts of the taxpayers.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



RETURN FILING

In GST multiple returns have to be filed by the taxpayer every month. These are:

- GSTR-1: For outward supply.
- GSTR-2A/2B: For inward supply.
- GSTR-3B: For tax payment.
- GSTR-9: For annual tax return.

These reports are interlinked and hence they are auto populated.

For example: in GSTR 3B some of the entries from GSTR-1 will be auto populated. Similarly in the GSTR-2A is auto populated from the GSTR-1 filed by respective suppliers.

E WAY BILL

It is a digitally originated document which entails the name of the consigner, consignee & the transporter. It also includes point of origin & destination for the products. The person causing the movement of goods uploads relevant information prior to the movement of goods and generates an e way bill on the GST portal.

Benefits:

- It facilitates faster movement of goods.
- It resulted in elimination of state boundary check posts.
- It has unified all Indian supply chain mechanisms.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



E INVOICING

E Invoicing is compulsory for those businesses which have an **aggregate annual turnover above Rs. 5 crore** in the preceding year. GST invoices are reported to the **'Invoice Registration Portal' (IRP)**. On reporting, IRP generates an **Invoice Reference Number (IRN)**.

Benefits:

- Auto reporting of invoices in the **GSTR-1**.
- Auto generation of **e way bill**.
- E invoice facilitates **interoperability & standardisation** leading to reduced conflicts, improving payment cycles, reducing processing costs & improving overall business efficiency.
- It reduces the cost of paper, thus **reducing carbon footprint**.

REFUND

Timely sanction of refund is essential for availability of working capital for expansion & modernisation of existing plants. The process of refund in GST has been standardised,

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)



simplified, time bound & technology driven with minimal human interaction between the taxpayer & tax authorities.

Exporters are facilitated by a grant of a provisional refund of 90% of their claims within 7 days of their application.

MEASURES TAKEN TO EASE COMPLIANCE IN GST

- Filing of nil returns via SMS.
- Introduction of **Quarterly Returns & Monthly Payment (QRMP)** Scheme for taxpayers with annual aggregate turnover less than Rs. 5 Crore. **(The no. of returns to be filed reduces from 24 to 8)**
- An **optional composition scheme** is also available for small businessmen supplying goods or services under a specified aggregate annual turnover with a reduced rate of tax.
- **Interest related measure:** Interest is required to be paid on the wrongly availed Input Tax Credit only when the same has been availed as well as utilised. It has been **reduced from 24% to 18%**.
- Multiple **grievance redressal forums** are available for taxpayers in every state & UT.

ADDRESS:

19/1A Shakti Nagar, Nagiya Park Near Delhi University, New Delhi - 110007 (India)