

Educational and Financial Support for Artisans at Design Institutes

1. **National Institute of Fashion Technology (NIFT):** Artisans and children of artisans are eligible to secure admission Bachelor of Design (BDes.) courses in Accessory Design, Fashion Communication, Fashion Design, Knitwear Design, Leather Design and Textile Design at NIFT campuses if any one of their parents works at Development Commissioner (Handicraft) or Development Commissioner (Handlooms), Ministry of Textiles or state governments. Apart from this, candidates should have cleared Class 12 from any recognised central/state board of secondary examination, such as Central Board of Secondary Education (CBSE)/State Boards and Council for Indian School Certificate Examination, New Delhi. The candidate needs to be a maximum of 23 years of age. Artisans applying under this category do not have to take a written test. Selection is based on studio test, interview, scrutiny of forms and verification of eligibility documents. At each of the 17 NIFT campuses, 2 seats remain vacant for those applying under this category. In addition, provisions have been made for a subsidised fee for artisans.

Link to the Prospectus 2020-21:

<https://www.nift.ac.in/sites/default/files/inline-files/Artisan%20prospectus.pdf>

2. **ARCH College of Design and Business:** The institute makes provisions for financial assistance in the form of scholarships for wards of craftspeople and artisans, on 'first-come-first-served' basis, which are valid for a certain period.

Link to scholarship details: <https://www.archedu.org/scholarships.html>

3. **Somaiya Kala Vidya:** The institute prides itself in promoting design education amongst artisans. Courses range from those on design education to business and management, with the intent to provide effective, practical and relevant education. It also offers workshops to the world and courses in textile traditions taught by artisan designers. Artisan-to-Artisan programs demonstrate the importance of education for artisans and generate awareness and motivation to build a movement of Design Craft.

Link, for more details on the institute: <http://somaiya-kalavidya.org/index.php>

4. **The Handloom School:** The school offers a holistic, progressive and formalized curriculum that supports, nurtures and incubates a young generation of weaver-entrepreneurs. The curriculum is tailored to suit the needs of the target group, through a focus on advanced weaving techniques and design, presentation techniques and English as a second language, business management and the use of technology for business.

Link, for more details on the institute: <http://www.thehandloomschool.org/page/program-structure>

Goods and Services Tax for the Crafts Sector

The Goods and Services Tax (GST) legislation has been in place since 1 July 2017 and has undergone several changes and modifications ever since. It has been one of the biggest tax-related reforms in recent years and has eliminated many cascading taxes that were levied earlier. The GST Council is responsible for revisions in the GST rates now and then, often based on recommendations from the various states or some of the industries. GST is classified into three types:

1. Central GST or CGST
2. State GST or SGST
3. Integrated GST or IGST

The first two are applied to intrastate transactions, while the third one is applied to inter-state transactions. The GST legislation has a four-tier tax structure.

In addition, a distinction is made between the following, with a four-tier tax structure in each category:

1. GST rates on goods: The proposed tax slabs include 5%, 12%, 18% and 28%
2. GST rates on services: The proposed tax slabs include 5%, 12%, 18% and 28%

It must be noted that the government has exempted healthcare and educational services from attracting GST.

The government intended to keep revised GST rates close to the original ones. Yet, major economic changes and changes in consumer preferences have put pressure on goods under certain tax categories. In some instances, it has led to the reclassification of certain goods and services.

Under the GST regime, every business providing goods and services with a turnover exceeding INR 20 lakh is required to register as a normal taxpayer. This registration is important because only a registered business can avail benefits like the seamless flow of Input Tax Credit (ITC) on their raw material purchases. Under the Goods and Services Tax (GST) regime, all taxation is consolidated into a single platform and taxpayers are registered under a single authority. All the taxpayers who migrate and register under GST receive a GSTIN– Goods and Service Tax Identification Number.

How to get a GSTIN?

1. Log on to that GST online portal www.gst.gov.in
2. Go to 'Register Now' and fill in Part A of the application with your name, e-mail ID and mobile number
3. The portal will verify your details by sending an OTP to your mobile and email
4. Once the verification process is completed, you will receive the Application Reference Number (ARN) via mobile or email
5. Now you can fill Part B of the application using the ARN. The documents you will require in this step include:
 - a) In the case of a Partnership Firm – Deed of Partnership
 - b) For Others- Registration Certificate of the business entity
 - i. Proof of primary place of business
 - ii. Photo of the promoter, director, partner, *Karta* of Hindu undivided family (HUF) (whichever is applicable)
 - iii. Proof of appointment of authorised signatory

- iv. Photo of authorised signatory
 - v. Front/first page of bank passbook/statement containing bank account number, branch address, address of account holder and latest transaction details
 - vi. Authorisation form
6. Fill in all the information and upload all the documents that are required in the application and submit the application using DSC (digital signature certificate) or Aadhaar OTP
 7. The GST officer will verify your application within 3 working days. The officer will either approve your application, in which case you will receive your Certificate of Registration (Form GST REG 06), or the officer will ask for more information using the Form GST-REG-03
 8. The additional details need to be provided within 7 working days. Once the details are provided, the officer can reject the application providing reasons for the same in the Form GST-REG-05. If the GST officer is satisfied with the details provided, then the application will be processed and you will receive a Certificate of Registration

It must be noted that PAN (Permanent Account Number) is a mandatory document for registration under GST.

An offender not paying tax or making short payments has to pay a penalty amounting to 10 per cent of the tax amount due subject to a minimum of Rs 10,000. The penalty will be high at 100 per cent of the tax amount due if the offender has evaded tax — where there is a deliberate fraud.

Temporary GST/Casual GST Registration

If a person undertakes any business activity which is taxable under GST and such business activity is temporary or occasional and will last for a short period in a state where the person does not have his usual place of business, then he is required to take registration in such other state as a casual taxable person to undertake transactions.

An example of casual registration is participation in an exhibition in another state. When a taxable person participates in an exhibition outside the state where his/her usual place of registration is, then he/she should register as a casual taxable person, to undertake sale and purchase of goods in that other state. A casual registration is a temporary registration, which is applicable for a maximum of 90 days.

The procedure for applying as a casual taxable person is the same as for a normal/regular taxpayer. While applying for registration normally on the GST portal, the system asks whether you are applying for registration as a casual taxable person. One needs to click 'yes' in this tab, to apply as a casual taxable person. A casual taxable person shall electronically submit an application at least 5 days before the commencement of business. A person can start making supplies as a casual taxable person only after the issuance of the certificate of registration.

In the case of casual registration, the tax needs to be paid in advance. The applicant needs to estimate his/her value of supplies and his/her tax liability in advance and needs to pay the whole of the estimated tax before applying for casual registration. The estimated value of supplies and the estimated tax needs to be given in the application form at the time of applying for registration. The excess tax paid in

advance can be refunded at the time of filing for the surrender of registration after all the returns have been filed.

In case the tax paid in advance is less than the tax liability on the supplies made after registration, one would need to deposit the extra tax payable on the supplies. There will be no interest on the extra tax liability if deposited within the due date specified under section 39(7) of the CGST Act 2017. A casual registration shall be valid for the period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier.

One can extend your registration as a casual taxable person once, for an additional period of 90 days, if the extension of registration is applied for before the expiry of the initial period for which registration was granted. If the business is still not concluded, then the dealer needs to apply for permanent GST registration in the state, as extension cannot be applied for a second time.

The documents/information required for casual GST registration is the same as a normal registration, except that there may be different documents regarding the place of business where the business is to be carried on, since the place of business may be temporary in this case. For example, in case of casual registration for exhibition purposes, copy of documents relating to the exhibition are required, such as—documents relating to payment for booth allocation, communication/consent letter allocating space for the exhibition on the letterhead of the owner, etc.

Following documents are required for casual GST registration:

1. Business/trade name, copy of PAN of the applicant
2. Mobile number and email address for communication and OTP purposes
3. Existing registration of the applicant if any (example: GSTIN, incorporation document or registration with any other authority)
4. Copy of incorporation document evidencing the existence of the applicant (example: a copy of partnership deed, company incorporation certificate etc.)
5. Details of promoters/partners/directors etc., of the applicant, along with a copy of their address proofs and ID proofs such as Aadhar card, PAN, photo, email ID, mobile number
6. Bank details: documents such as cancelled cheque of a firm or copy of passbook or bank statement with the name of the applicant
7. Details of the principal place of business, along with documents evidencing ownership of the premises, such as electricity bill or property tax receipt or legal ownership document of the place where a business is to be carried on
8. If any additional place of business, the same documents as above are required
9. Nature of business carried out by applicants. Specifications about top 5 products or services provided by the applicant
10. Authorization letter provided on the applicant's letterhead to authorize one or more persons for signing all documents related to GST. Authorization letter to be signed by the persons other than the authorized signatories. An authorisation letter is not required in case of proprietorship
11. State-specific registration if applicable
12. Payment of tax (challan) on the estimated supplies made during the period of casual registration

A casual taxable person has to furnish the same returns as a normal taxpayer. A casual taxable person has to furnish the returns in form GSTR-1 and GSTR-3B for the time being. However, a casual taxable person does not have to file an annual return.

Types of Invoices under GST

1. **B2B Invoices:** B2B invoice is generated when a transaction occurs from a business to another business. In B2B transactions, the customer is also a registered person and is eligible to take ITC (input tax credit). For B2B supplies, invoice wise details of both intra-state and inter-state supplies should be uploaded in GSTR-1 return.
2. **B2C Small Invoices:** B2C invoice is generated when a transaction occurs from a business to a consumer. In B2C small transactions, the consumer is an unregistered person and is not eligible to take ITC. For B2C small transactions, consolidated details of intra-state sales for each tax rate, and inter-state sales with invoice value up to INR 2,50,000/- for each rate of tax needs to be uploaded in GSTR-1 return.
3. **B2C Large Invoices:** B2C large invoice is generated when a transaction occurred from a business to a consumer who is making inter-state sales with invoice value exceeding INR 2,50,000/-. For B2C large transactions, invoice wise details of inter-state supplies with invoice value exceeding INR 2,50,000 needs to be uploaded into GSTR-1 return.

For all inter-state B2C supplies (including to non-registered government entities, consumer/person dealing in exempted/NIL rated/non-GST goods or services), the suppliers will upload invoice details for every invoice whose value is more than INR 2,50,000/-. For invoices below this value, a state-wise summary of supply statements is filed, covering those invoices where there is an address on record. The address of the buyer has to be mandatorily reflected in every invoice having a value of INR 50,000/- or more. (Model GST law may provide for such a provision). Invoices for a value less than INR 50,000/- that do not have an address on record will be treated as intra-state supply. In other words, the state-wise summary of inter-state supply would be filed covering:

- a) those invoices value of which is less than INR 50000/- and where an address is on record and,
- b) those invoices whose value is between INR 50000/- to INR 250000/-.

B2B and B2C Transactions: Differences

The overall transaction volume of B2B is much higher than that of B2C transactions. The primary reason for this is that in a typical supply chain, there will be many B2B transactions involving subcomponents or raw materials, and only one B2C transaction, specifically sale of the finished product to the end customer.

There are several B2B transitions in one supply chain of a product until it reaches the end consumer where a B2C transaction occurs. The credit of GSTs (CGST/SGST/IGST) paid in B2B moves through the entire supply chain, where the supply receiver is paying GST and supplier gets a credit of input tax paid at the time of acquisition. In B2C transactions, the supply receiver is the ultimate consumer who shall ultimately bear all GST paid on the final supply and is not entitled to get any credit of GST paid by him.

Place of taxation is generally the place of destination of supply, in B2C the place of destination is generally the place of delivery, but in B2B, the place of taxation may be different or maybe more than one, it may be registered office of the company or maybe the place where goods delivered or the services rendered.

In B2C, generally, the invoice (or simplified invoice) is constructed as an agreement and the sale and purchase are governed by the terms and conditions mentioned in the invoice itself. In B2B, generally, a detailed commercial agreement is entered into and thereafter, a purchase order is issued and payment may be made prior, after or at the time of supply. The place, time, taxable value of supply will be determined based on the documents like general correspondence, purchase orders, invoices, payment instruments and receipts. Therefore, these documents must be referred to as determining the GST liabilities in a B2B transaction. In B2C, the payments for consideration are paid at the time of purchase and supply. However, in B2B the payments are made in instalments over a period, after delivery of supply.

Filing of GST Returns

All registered businesses have to file monthly, quarterly, and/or annual GST returns, here is the step-by-step guide for users to file GST returns online.

Under the GST returns, the taxpayers running their firms and business across India, whether it is interstate or intrastate, they are liable to file for GST return as prescribed by the GST council and indirect tax department.

The list of GST returns is as under:

1. **GSTR-1** - The registered taxable supplier should file details of outward supplies of taxable goods and services as affected
2. **GSTR-2** - The registered taxable recipient should file details of inward supplies of taxable goods and services claiming the input tax credit (currently filing facility of GSTR-2 is not available on the portal)
3. **GSTR-3B** - The registered taxable person should file the monthly return based on finalization of Summarized details of outward supplies and inward supplies plus the payment of an amount of tax
4. **GSTR-4 (CMP 08)** - Composition supplier should file the quarterly return for depositing the payment
5. **GSTR-5** - Return for the non-resident taxable foreign taxpayer
6. **GSTR-5A** - Return for the OIDAR
7. **GSTR-6** - Return for input service distributor
8. **GSTR-7** - Return for authorities carrying out tax deduction at source
9. **GSTR-8** - E-commerce operator or tax collector should file details of supplies effected and the amount of tax collected
10. **GSTR-9** - The registered regular taxpayer should file an annual return
11. **GSTR-9A** - The composition traders should file an annual return
12. **GSTR-9C** - Turnover Above 2 crores (Regular Taxpayers) in a Particular FY
13. **GSTR-10** - The taxable person whose registration has been cancelled or surrendered should file the final return

14. **GSTR-11** - The person having UIN claiming the refund should file details of inward supplies

To file GST returns online, the following steps have to be followed:

1. Visit the GST portal (www.gst.gov.in)
2. A 15-digit GST identification number will be issued based on your state code and PAN number
3. Upload invoices on the GST portal or the software. An invoice reference number will be issued against each invoice
4. After uploading invoices, outward return, inward return, and cumulative monthly return have to be filed online
5. File the outward supply returns in GSTR-1 form through the information section at the GST Common Portal (GSTN) on or before the 10th of the following month
6. If there are any errors, you have the option to correct it and refile the returns