

# Overview of Goods and Services Tax

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# Overview of GST

## ➤ **Issues in indirect taxes at present:**

- Cascading effect of tax / Tax on more than 100% value
- No credit of Taxes paid – CST, Octroi, etc
- Various forms to be submitted
- Compliance under multiple laws
- Check posts, transport documentations, delay in transportation
- Less use of technology in tax administration
- Complex Tax Structure
- High scope of litigation
- Ways to parallel economy / corruption

# Road map of GST

## Final GST bills

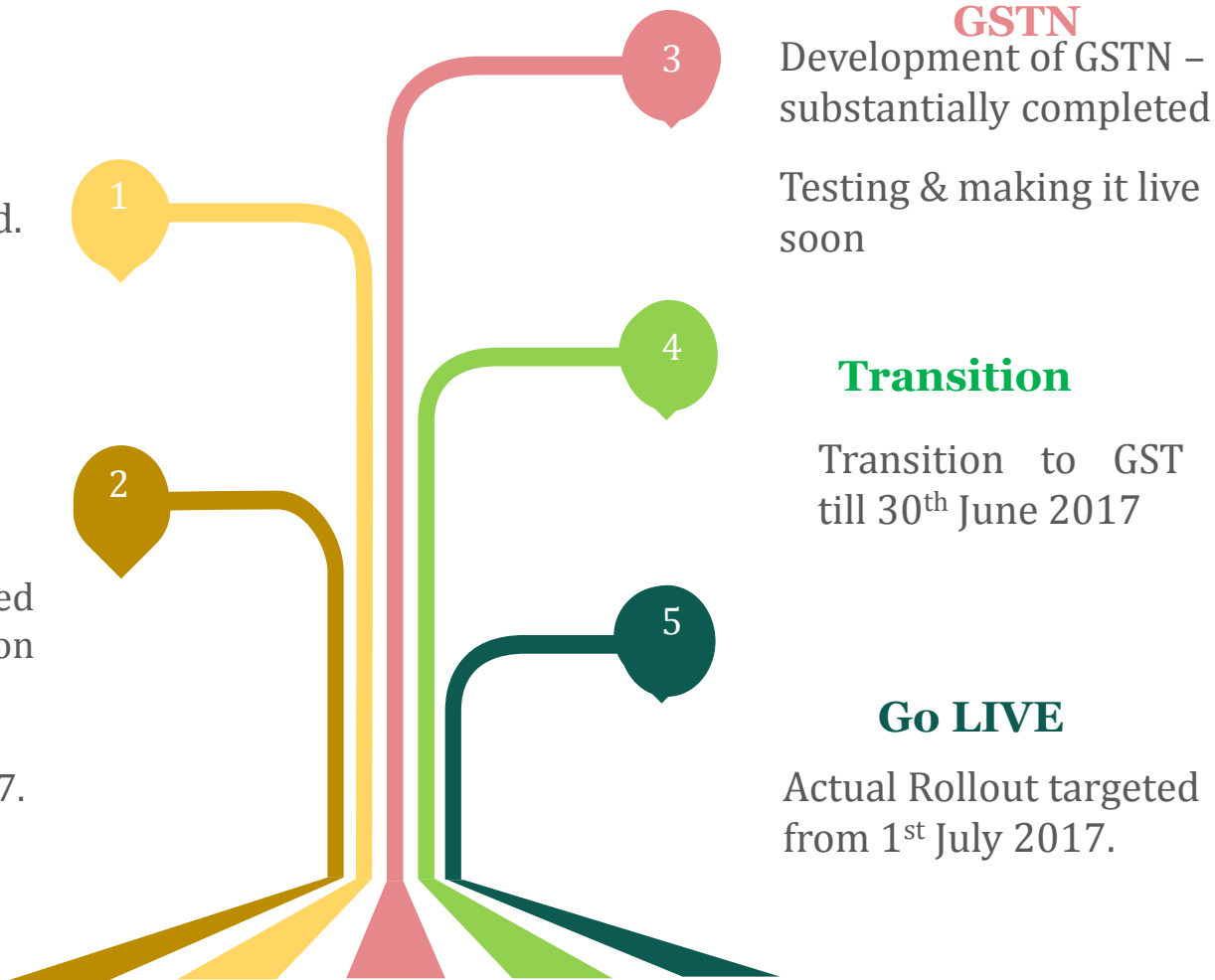
Enacted by the Parliament

7 Rules & formats are finalized.  
Draft Rules (7) issued. FAQs provided as a guide.

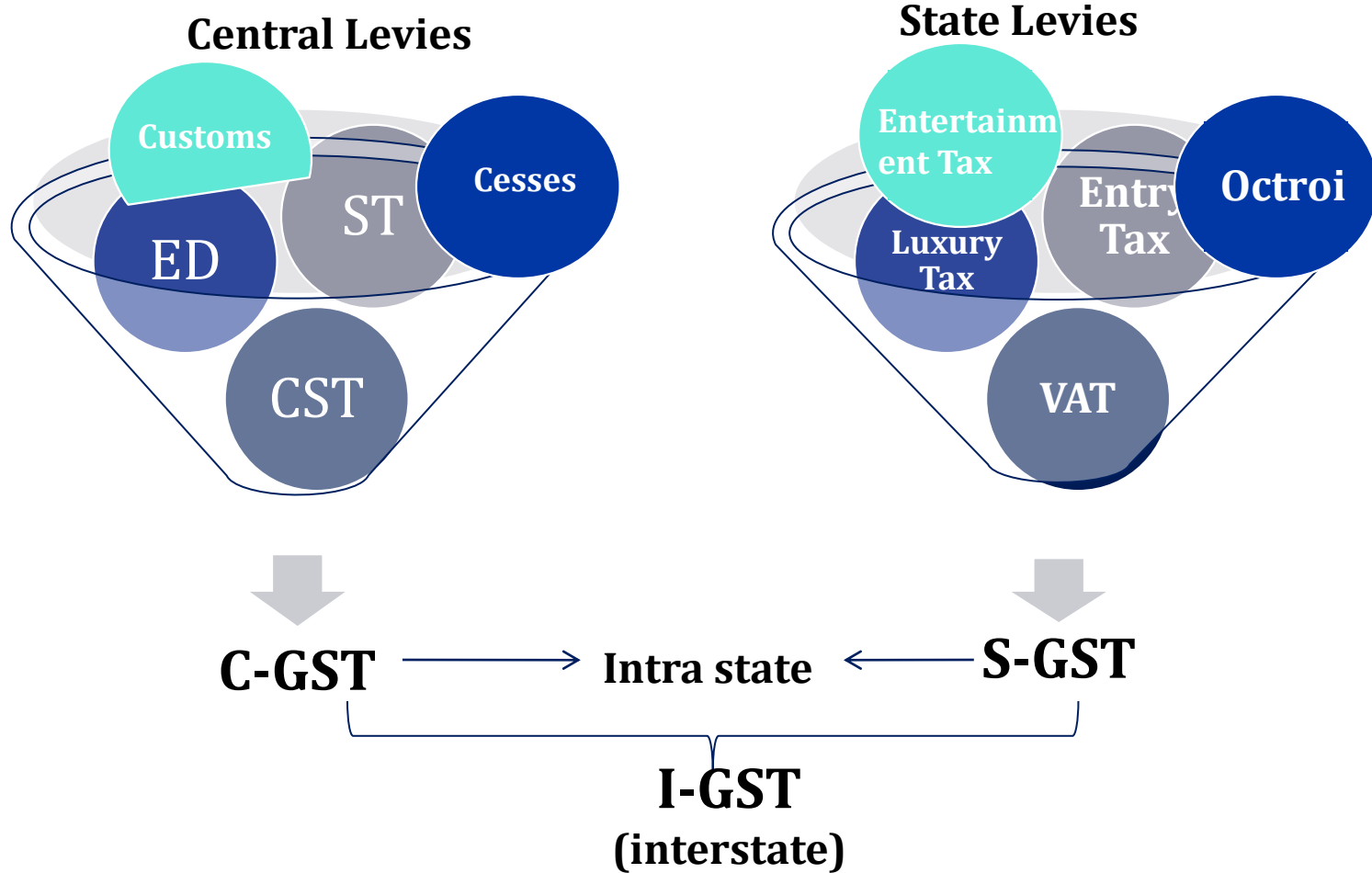
## Notification & Rates

Draft rates, RCM list & Exempted service list has been provided on 18.05.2017

Likely to be issued by June 2017.



# Taxes to be subsumed



# What is excluded???

- Petroleum crude;
- High speed diesel;
- Motor spirit (commonly known as petrol);
- Natural gas;
- Aviation turbine fuel; and
- Alcohol for Human Consumption;
- Electricity Duty;
- Stamp Duty

# GST in INDIA

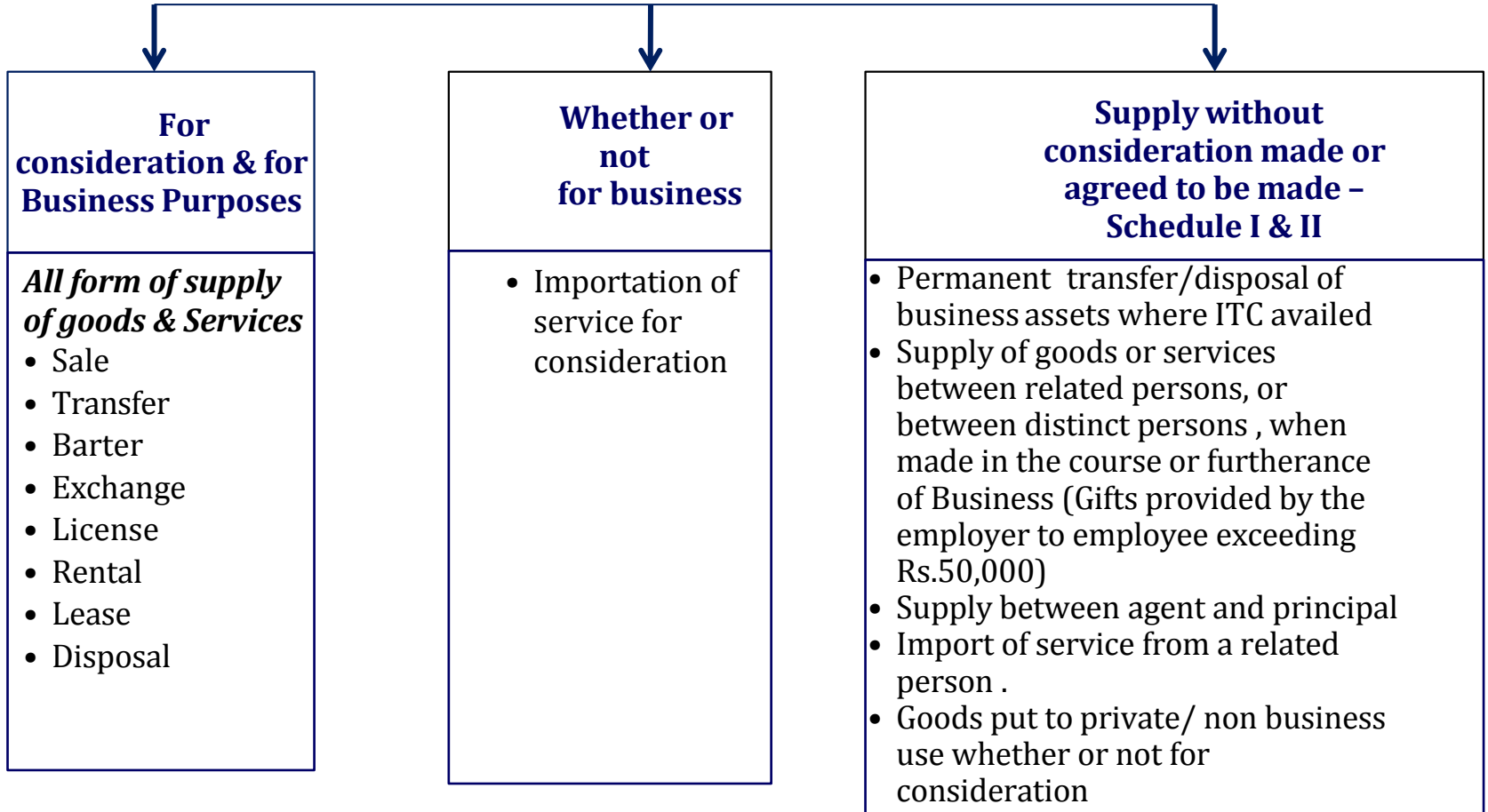
- Origin based to destination based
- Multi-stage value added tax
- Recommendation by GST Council +Law making authority Govt.
- Records maintained Electronically.. GSTN
- State wise / business vertical wise registration
- Exemptions .. very few, may be by way of refunds
- Levy is on 'Supply'
- Extends to whole of India except the state of Jammu & Kashmir.
- Clarity awaited on area based exemption

# Basic Concepts

- Inter-State supply/ Imports – IGST
- Intra-State supply (Local Supply)– CGST + SGST/UTGST
- Zero rate supply (including SEZ) – No tax
- Stock Transfers (between different registration) - to be liable for GST
- Rate Tax structure – 0%, 5%, 12%, 18%, 28% & 40%
- GST under Reverse charge, URD Purchases, E-commerce operators;
- Anti-Profiteering Measure
- Compliance Rating - Un-organised business to have negative impact;
- Multiple returns and state-wise registrations – ITC Matching concept

# Supply

## Supply Includes





# Supply

## **Schedule III : Specifies certain activities as neither supply of goods nor supply of service**

- Services by:
  - Employee to the employer
  - Any Court & Tribunal
  - Funeral, burial services
- Actionable claims other than lottery, betting and gambling
- Sale of land & Building after OC;
- Functions performed by the MP's, MLA's, Members of Panchayats, Members of Municipalities and Members of Local Bodies and Person who hold post in pursuance of provisions of Constitution etc.,

# Composition Levy

- Govt may permit a regd. Taxable person whose aggregate TO in the preceding FY did not exceed Rs. 50 lakhs to pay composition tax.

Category of persons	CGST	SGST
Manufacturers	1%	1%
Supply of food other than alcoholic liquor for human consumption	2.5%	2.5%
Any other supplier	0.5%	0.5%

Option to pay tax under composition scheme is not available to the following persons

- Any person supplying services other than supply of food.
- Making supplies not leviable to tax.
- Engage in making inter – state outward supply of goods.
- Supplying goods through an electronic commerce operator who is required to collect tax.
- Not a manufacturer of notified goods.

# Time of Supply

Goods - Earliest of the date on which:



- GST Payable on advances received;
- Advance can be collected inclusive of Taxes;
- All adjustments through Debit Notes/ Credit Notes

# Place of supply in General

## of Services

### To a registered person

- Location of service receiver

### To a non registered person

- Location of the service receiver available on the records of provider or
- Location of the supplier of service.

## of Goods

### Movement of goods

- Location at which movement of goods terminates for delivery

### No Movement of goods

- Location of goods at the time of delivery to the receiver

# Valuation

## Transaction value (price actually paid or payable)

Recipient and supplier are not related

Price is the sole consideration

### INCLUDES

### EXCLUDES

Discount given b'4 or at the time of supply & shown in invoice

Discount given after supply but established in agreement and linked to invoices

ITC has been reversed by recipient

Taxes, duties, cess, fees, charges not under this Act

Supplier liable to pay but incurred by recipient

Incidental expenses charged by supplier to recipient – packing/commn

Interest, late fee, penalty for delayed pmt of consideration of supply

subsidies directly linked to the price excluding subsidies provided by the Central and State governments

# THANK YOU



*For any clarification*

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