



Goods & Services Tax

A Significant Business Reform

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CHARTERED ACCOUNTANTS

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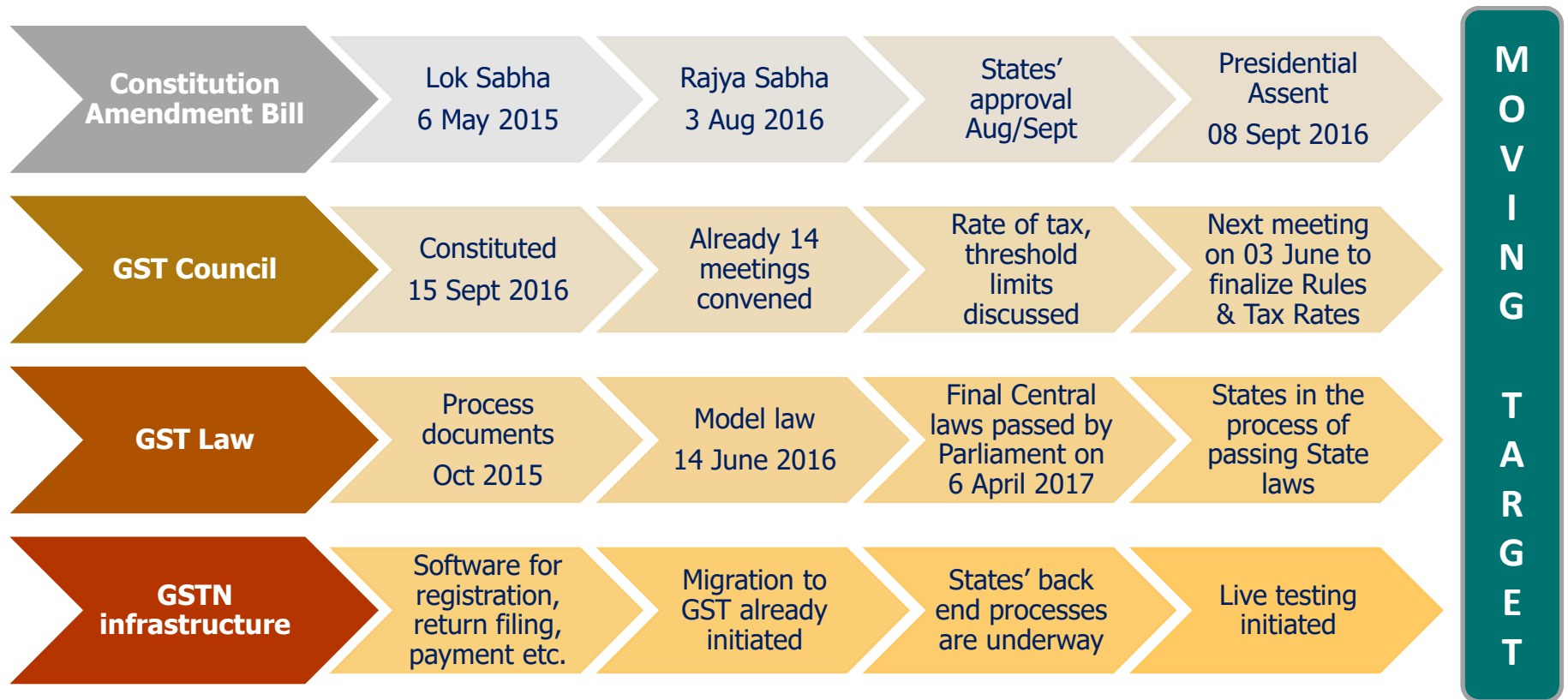


GST- A brief Insight

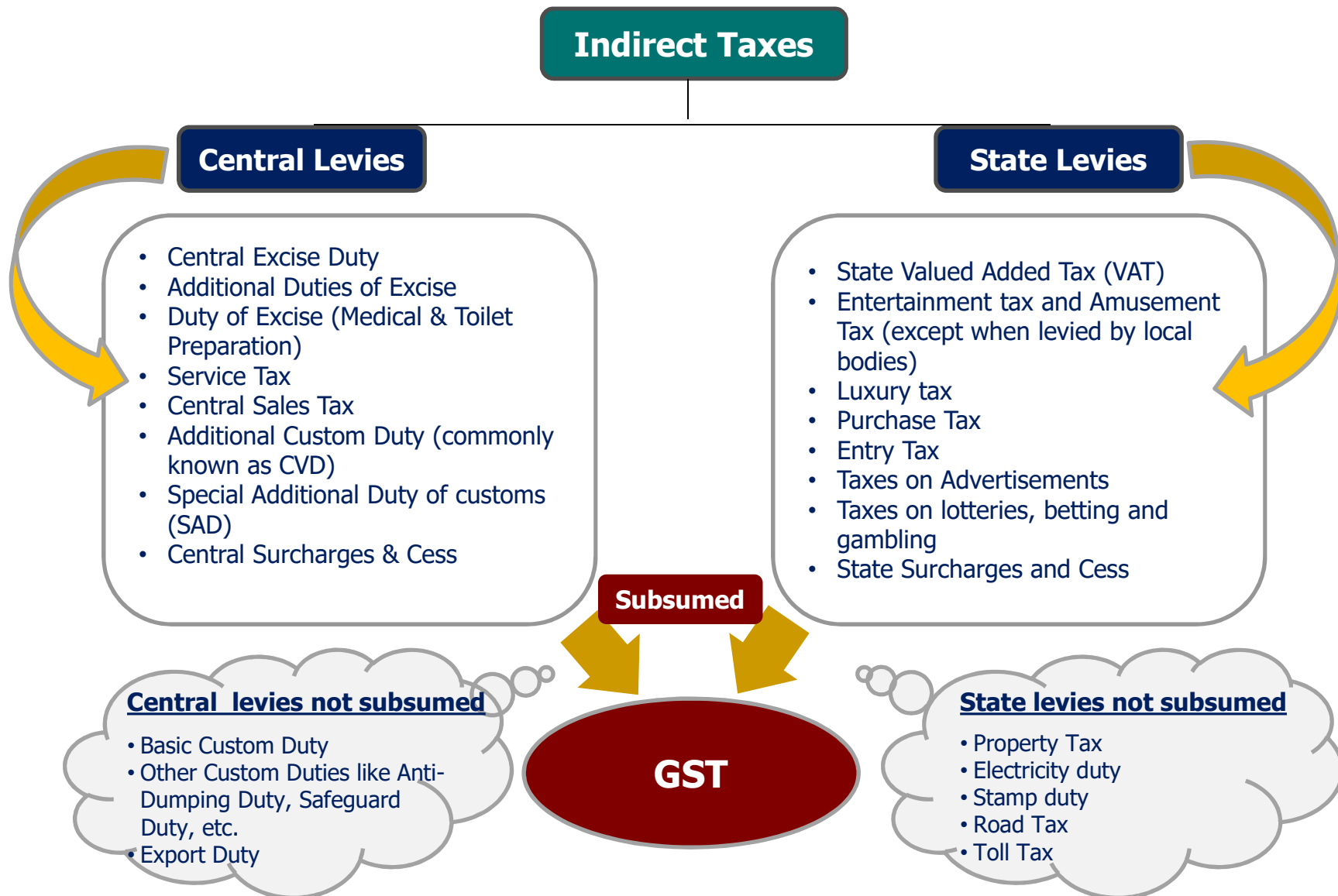
Roadmap to GST

Initiated almost a decade ago, India's wait for Goods & Services Tax (GST), which would create World's largest single market, seems to get over by July 1, 2017.

Below is the glimpse of recent developments towards GST implementation in India:



Indirect Tax Structure



GST Framework

Framework

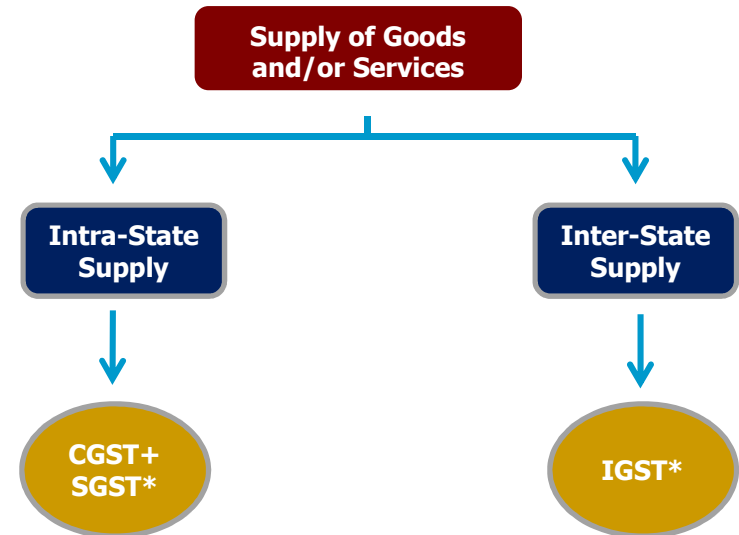
- **Dual GST** with both Centre and States having concurrent power to tax
- **IGST** on inter-state transactions and import transactions

Proposed Tax Rates

- GST to be based on minimal exemptions, hence only few goods & services to enjoy **NIL** rate of tax
- Rate of **5%** on essential commodities, currently on which Excise duty is Nil and VAT is charged at concessional rate
- Standard Rates of **12% and 18%**
- Higher rate of **28%** on luxury products & services
- **Compensation cess** on few luxury/sin products such as tobacco, cars etc.

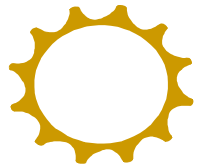
Note:

***CGST** - Central Goods & Services Tax, **SGST** - State Goods & Services Tax, **IGST** - Integrated Goods & Services Tax

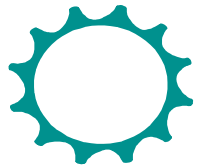


GST Tax rates to be uniform across all States in India unlike current VAT regime 

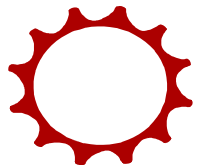
Certain Key Concepts



Concept of sale/ manufacture/ provision of services to be replaced by concept of **"Supply"**



Concept of **Composite Supply, Mixed Supply, Works Contract & Stock Transfers**



Shift from **Origin based taxation** to **Consumption Based Taxation**



Liberal Credit regime such as cross utilisation of credits between goods & services, no more cascading effect of CST, Entry tax, Octroi etc.

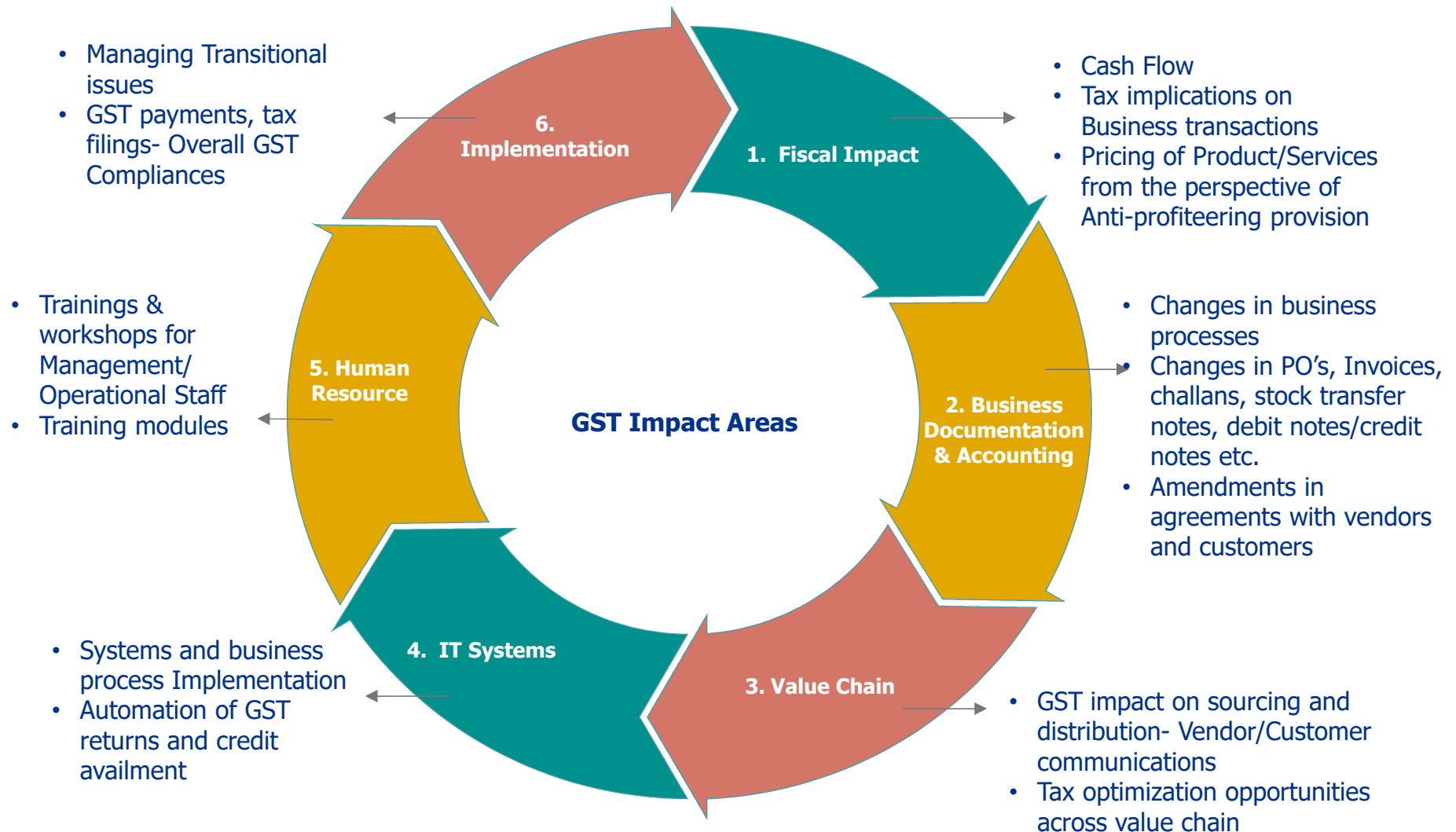


GST to be based on **Minimal Exemptions**- Transaction specific exemptions such as Form C, Form E1, Sale in the course of import may lose significance



Potential Impact of GST

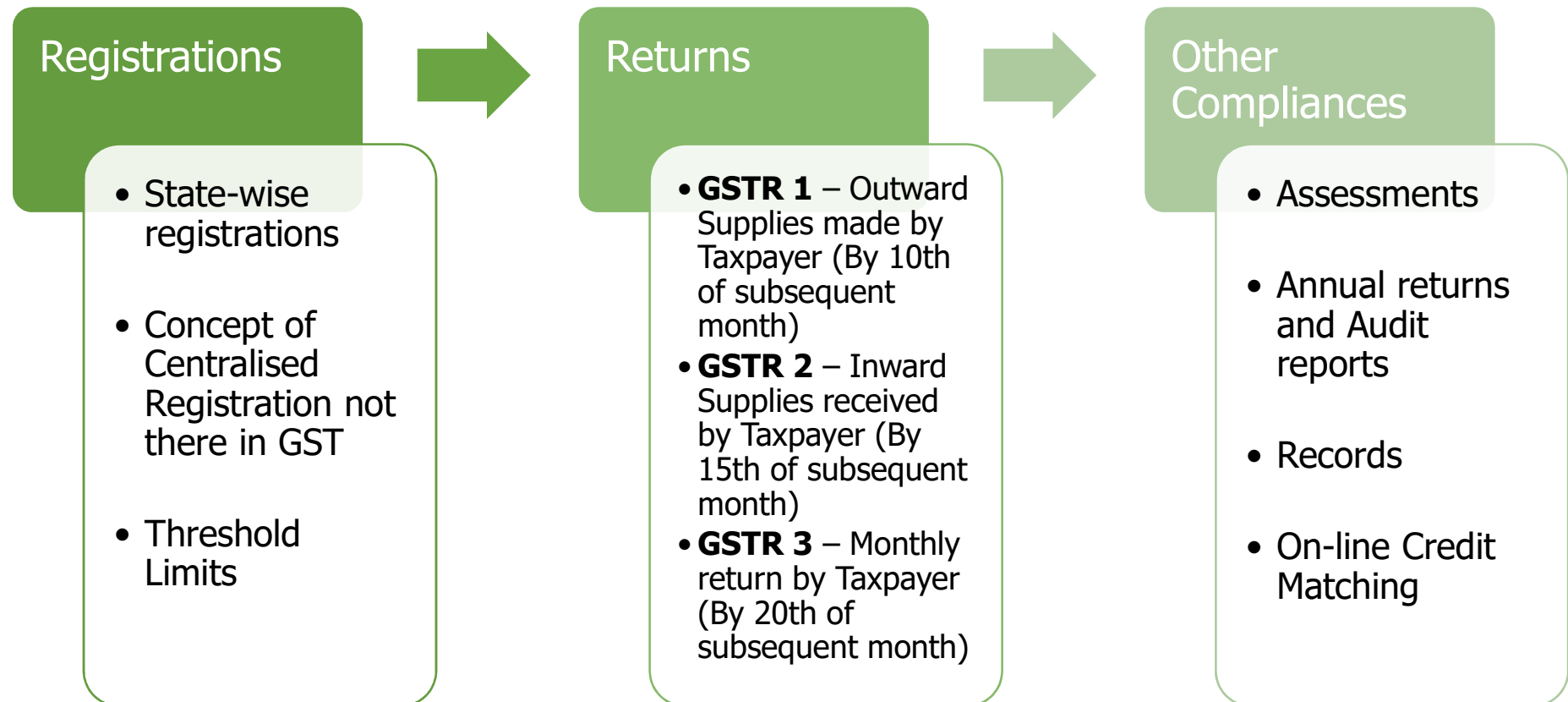
Business Impact of GST



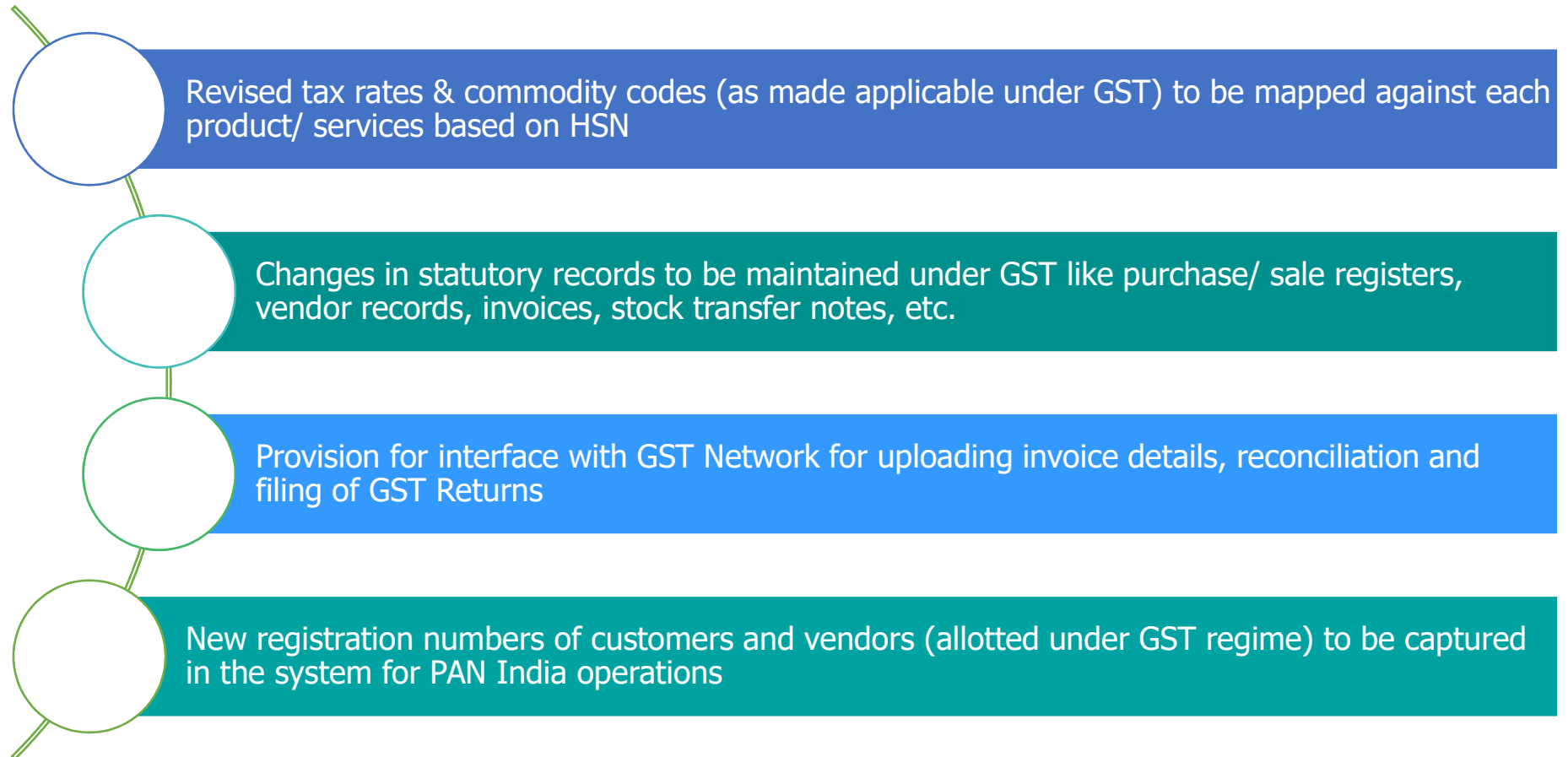
Tax Cost Savings

Particulars	VAT Cost / VAT reversals	Excise Duty	Central Sales Tax (CST)	Octroi/ Entry Tax	Service Tax
Inter-State Purchase of Goods			★	★	
Manufacture of Goods		★			
Stock Transfers	★			★	
Purchase of Office Consumables	★				
Procurement of Services					★
Rule 6(3A) Reversals under Service Tax					★

Key Compliances



Impact on IT system



Transitional Impact



Existing Indirect tax registrations to be migrated to GST regime

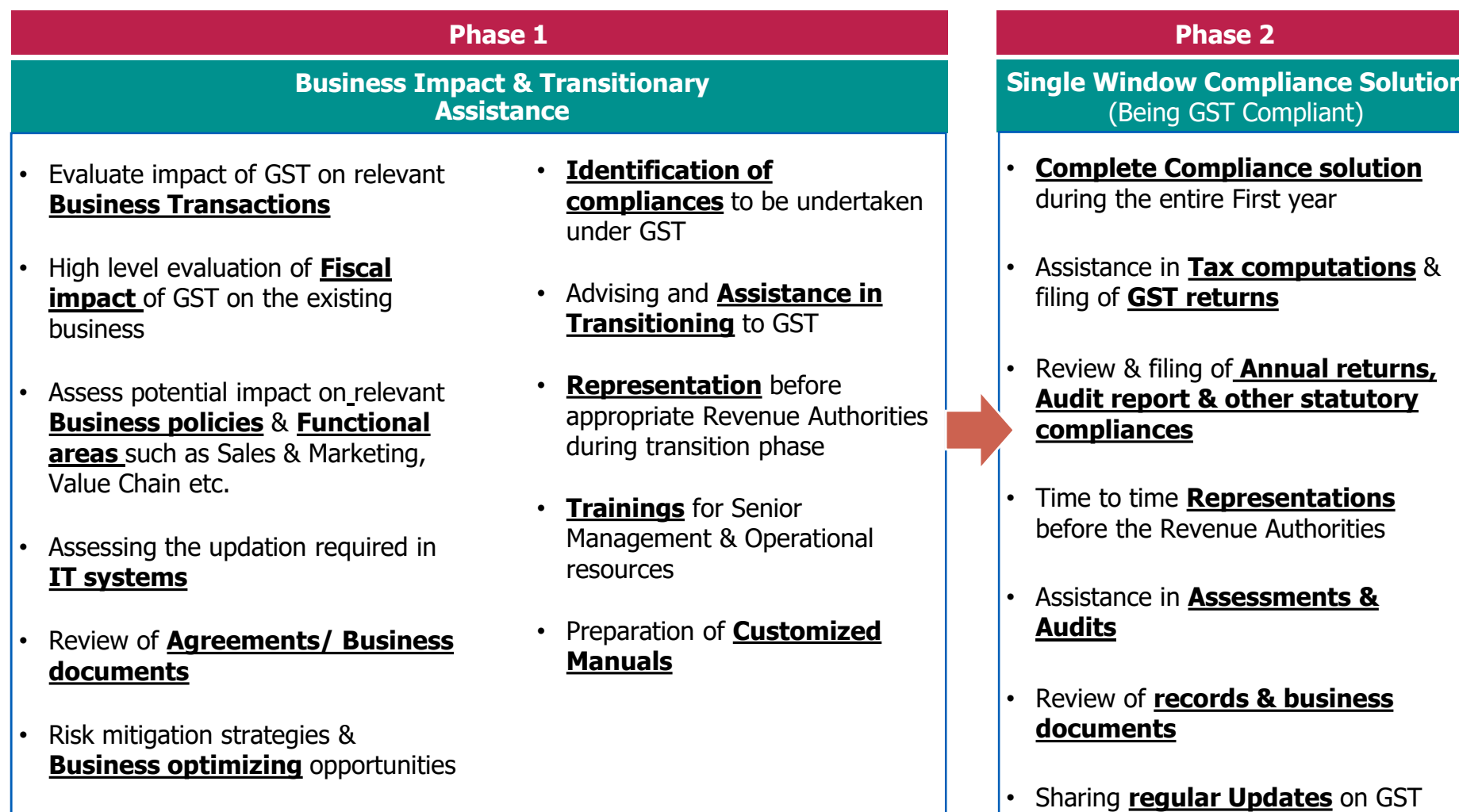
Transfer of Unutilized Credits

Assessing the impact of GST on the Long term contracts/Continuous/Periodic business transactions



Preparing for GST- Our Service Offerings

Our Service Offerings



Thank you

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