

A close-up photograph of a hand holding a golden key. The hand is positioned on the left side of the frame, with the thumb and index finger gripping the key's handle. The key is held horizontally, pointing towards the right. The background is a solid dark blue color.

GST Implications

All India Distillers' Association
Hotel Crowne Plaza
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Discussion by:

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Author

- GST – Law & Practise
- Service Tax – Law & Practise



Agenda



- GST – exclusion of Alcohol
- Proposed indirect tax regime in GST
- Some important procedural aspects of proposed GST regime
- Transition – important aspects
- Certain Important impacts



Exclusion from GST

GST - Alcohol for human consumption

Article 366(12A)

- Goods and services tax means any tax on supply of goods, or services or both except taxes on supply of alcoholic liquor for human consumption”

Taxes to continue on Alcohol -

- State Excise
- VAT / CST

Distillers - GST Levy

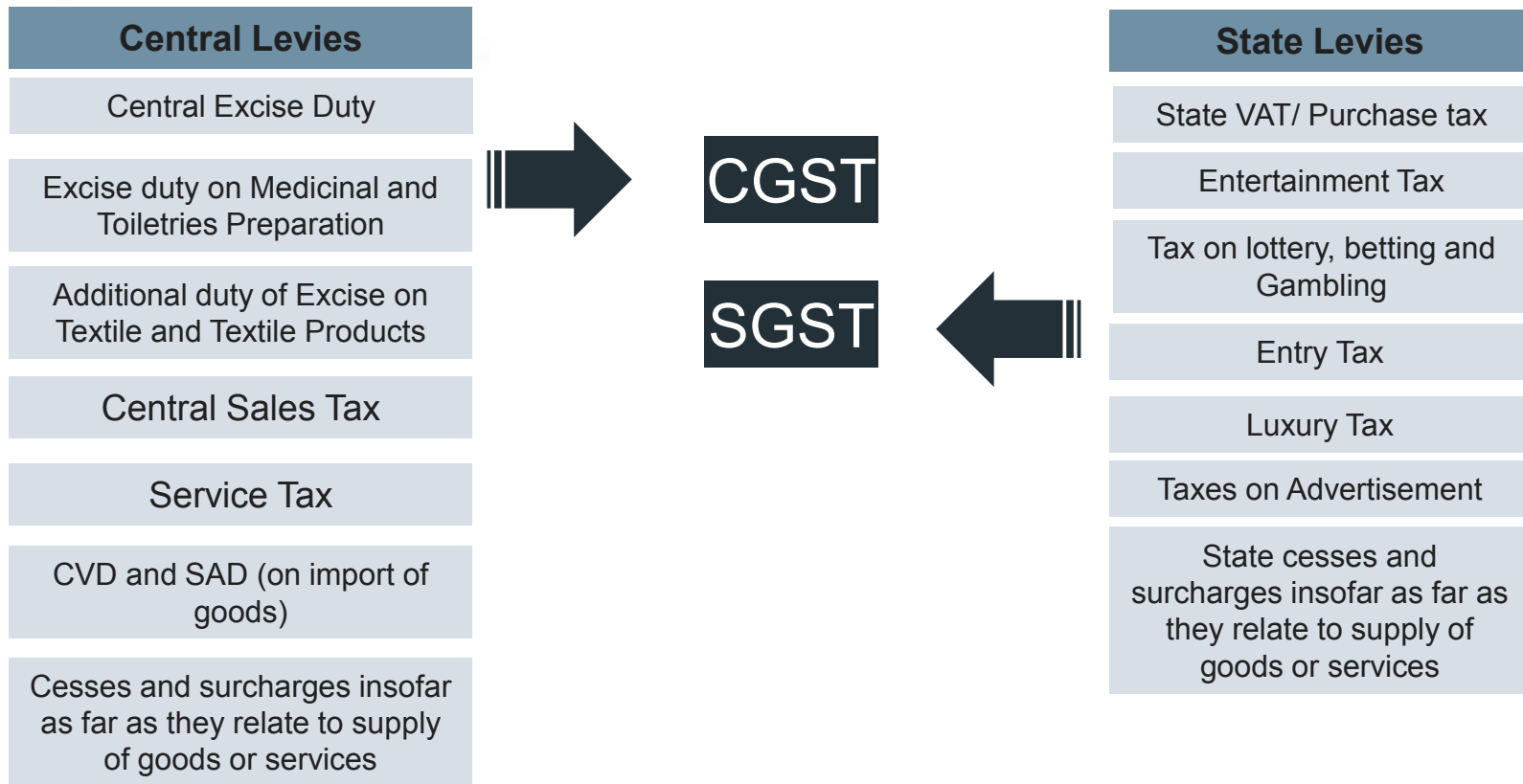
- Activity of Distilleries may be subjected to GST and may not be exempted in the coming regime

Proposed Indirect tax regime





GST - The Framework





Proposed Indirect Tax Regime in India

Supply of Goods/ Services

Intra state Supply



Inter state Supply



Exports



Import of Goods/ Services

Goods

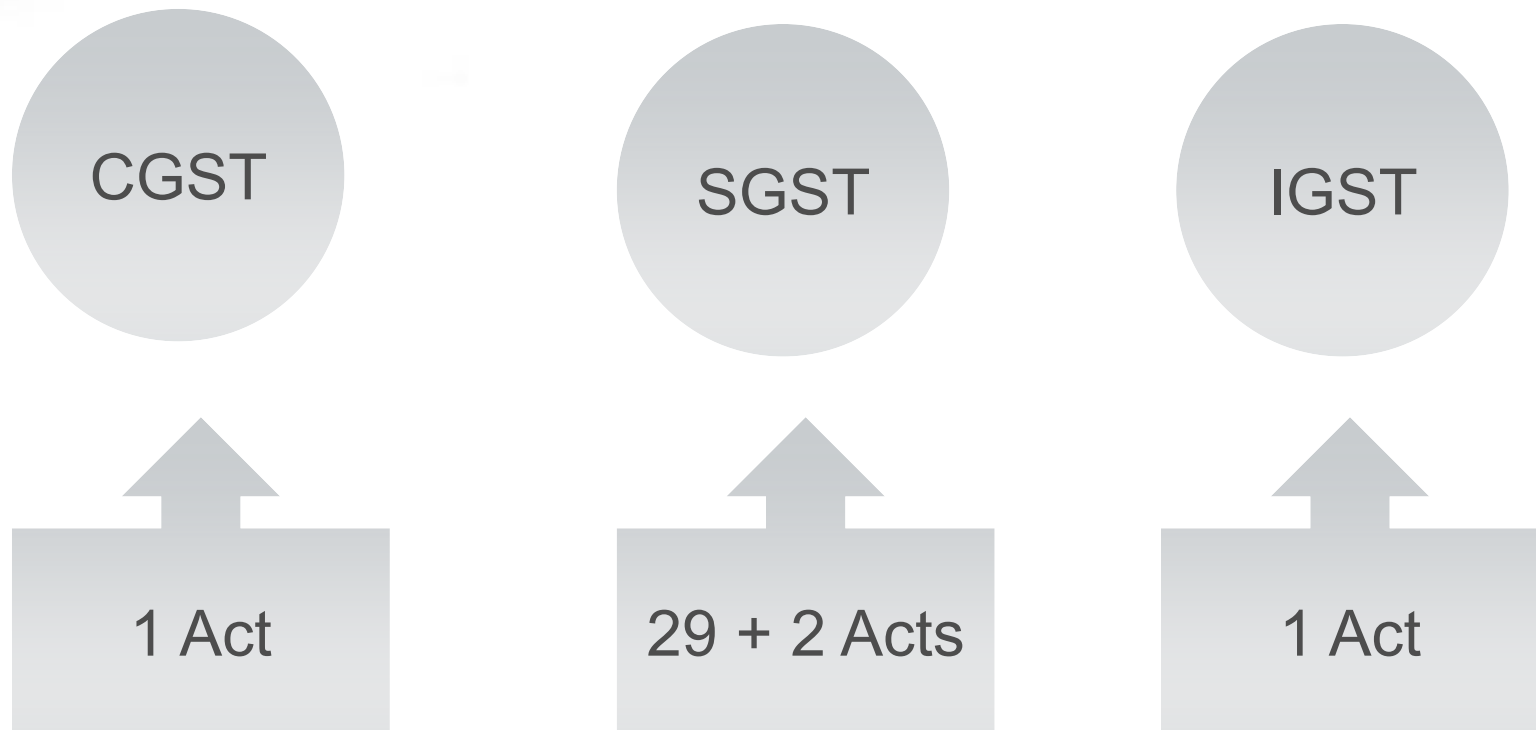


Services





GST - The Framework





GST - What to do?

Taxable Event

Classification

Valuation

Taxable Person

Place of Supply

Payment of GST

Transition



Supply

Goods v Services

Consideration / Deemed
Consideration

Registration – Organisation
structure

Inter state / Intra state

Cash / Input tax Credit

Existing registration / Stock /



Supply

Supply:

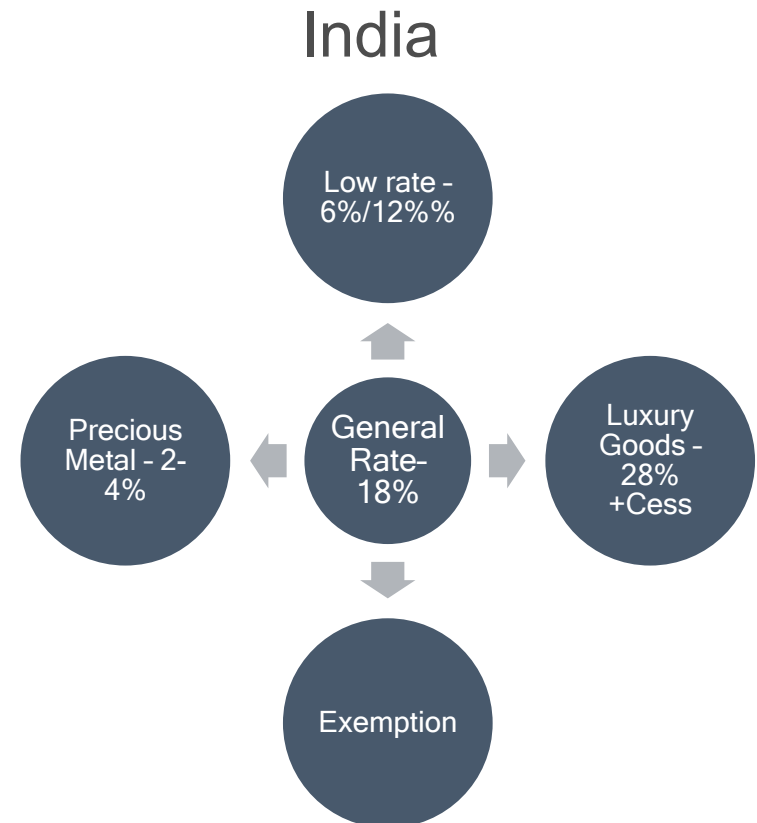
- For consideration for business
- Importation of services
- Deemed Supply
 - Permanent transfer/disposal of business assets where input tax credit has been availed on such assets.
 - Supply of goods or services between related persons, or between distinct persons as specified in section 10, when made in the course or furtherance of business.
 - Supply of goods— (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal, or (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
 - Importation of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business



GST Rates

Rate of VAT / GST around the world at present, some of which are enumerated as under:

Country	Rate of VAT/GST
Australia	10%
Canada	5% Goods and Services Tax, plus Provincial Sales Tax
China	17%
France	19.60%
Germany	19%
Hong Kong	0%
Russia	18%
Singapore	7% GST
United Kingdom	15%
United States	No national VAT / GST. State tax vary from 5 – 10.25%

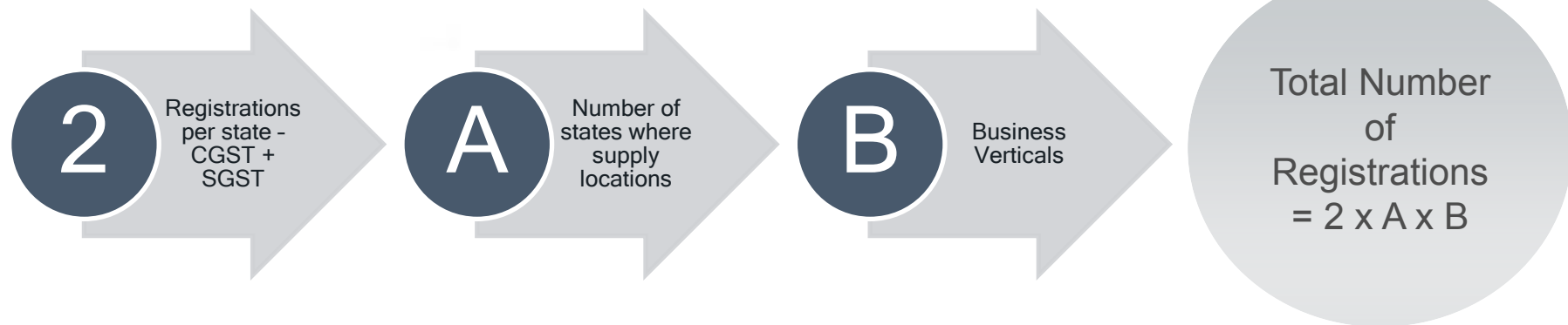


Certain important aspects of GST Regime

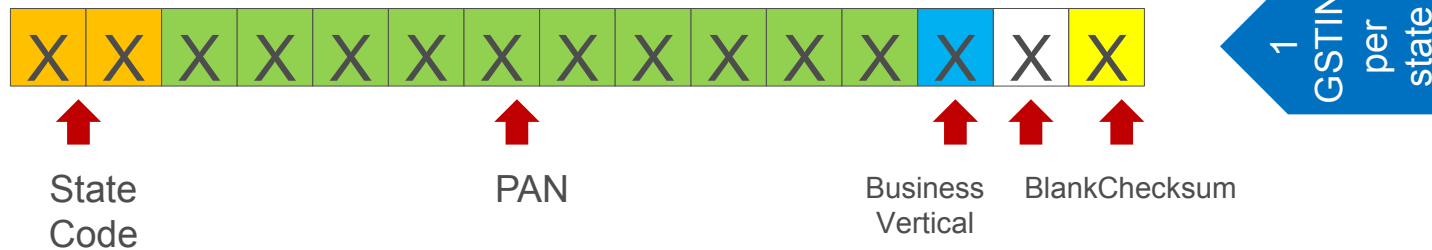




Registration



GSTIN - Features





Payment of Tax

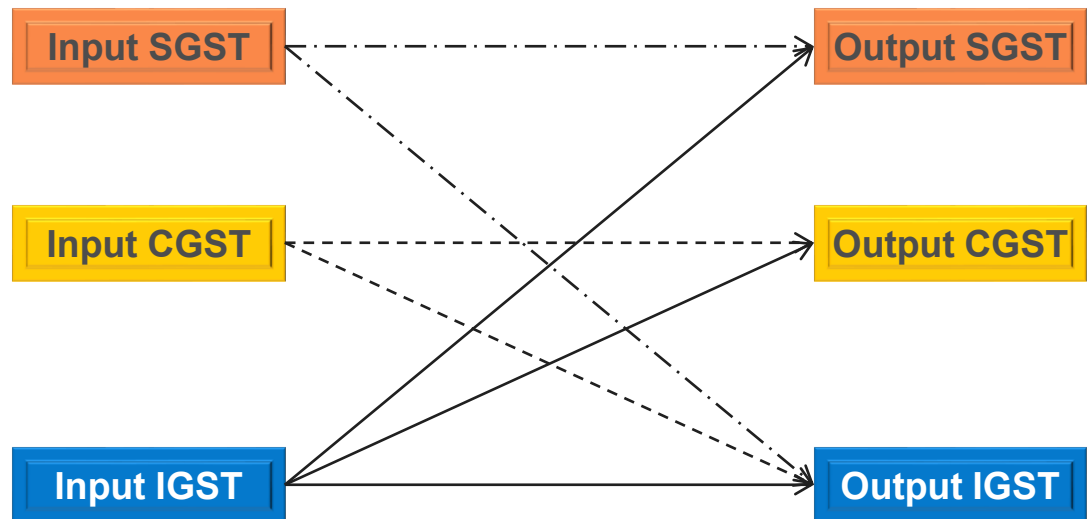
Payment by Cash

Internet
Banking

OTC (upto Rs.
10,000/- per
challan)

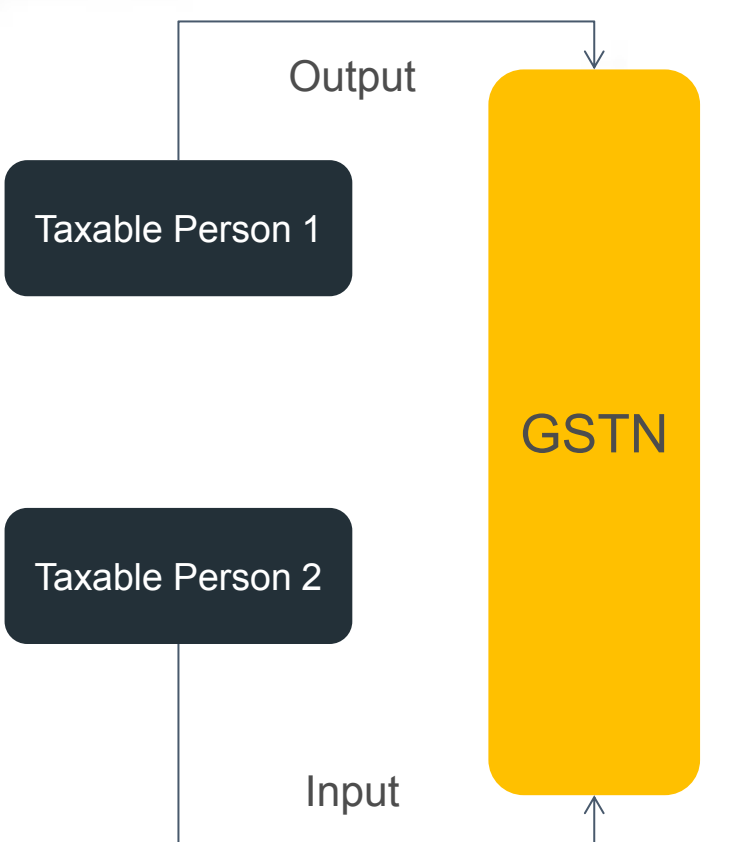
NEFT/RTGS

Payment by Credit





GST Returns



Returns to be filed

GSTR - 1



Outward Supplies – 10th of Succeeding Month

GSTR - 2



Inward Supplies / Credit - 15th of Succeeding Month

GSTR - 3



Monthly return - 20th of Succeeding Month

GSTR - 6



Monthly return for ISD - 13th of Succeeding Month

GSTR - 7



Monthly return for TDS - 10th of Succeeding Month

GSTR - 9



Annual return – by 31st December of Succeeding year

Transition - Important Aspects





Transition - Important Aspects



Migration of Existing Assesseees



Carry Forward of unutilised Credits



Goods return / Rate Change



Refunds



Pending proceedings





Transition - Important Aspects

Migration of Existing assessee	Provisional registration to all existing registered persons
	6 Months time to convert provisional into regular registration
Carry forward of Cenvat Credit	No option of earlier credit availment under new return
	Credit as reflected in last return final for carry forward
Goods Return / rate change	No requirement of payment of tax on goods returned upto 6 months from the appointed date
	GST Impact on rate increase / decrease of supplies made prior to appointed date
Refunds / Demand	Any earlier refunds to be credited in cash
	Any demand under earlier law to be recovered from such supplier
Ongoing Contracts	No GST on goods and or services supplied prior to appointed date
	No GST when the payment and invoice for such supply has been raised prior to appointed date
Closing Stock	Tax to be paid on supply of stock lying on appointed date when supplied post such date
	Specific treatment for stock in transit and stock lying in clearance at customs

GST - Impact on Service Providers





Levy

- All Services from where they are supplied – Location of supply – Office or physical supply?
- Composite Supply - two or more services
- Deemed Supply of Services
 - Works contract
 - Renting of Immovable Property including lease, license etc
 - Supply of any article for human consumption
 - Temporary transfer / enjoyment of any intellectual property right
 - Transfer of right to use any goods without transfer of title
 - Construction of a complex, building, civil structure etc for sale
 - Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act
- No Composition available



Input Tax Credit

- Inputs, Capital Goods and Input Services
- Centralised procurement system – Credit to which location?
- Restrictions:
 - Motor vehicles
 - Personal supplies – food, beauty treatment, health services
 - Membership of clubs etc
 - rent-a-cab, life insurance, health insurance
 - works contract services when supplied for construction of immovable property
 - Composition purchases
- No reversal for free supply of services



Time and Value of Supply

Time of Supply

- Output - Invoice or payment whichever is earlier
- Reverse Charge – date of payment or sixty days from date of invoice
- Voucher – date of redemption v date of issue
- Change of rate – Section 14
- Advance for future vs Refundable security

Value of Supply

- Other duties to be added – Property tax – Tax on tax?
- Payment by recipient – petrol in rent a cab, facility to auditor etc?



Thank you

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