

PROFESSIONAL OPPORTUNITIES
FOR
COMPANY SECRETARIES
IN
GOODS & SERVICE TAX



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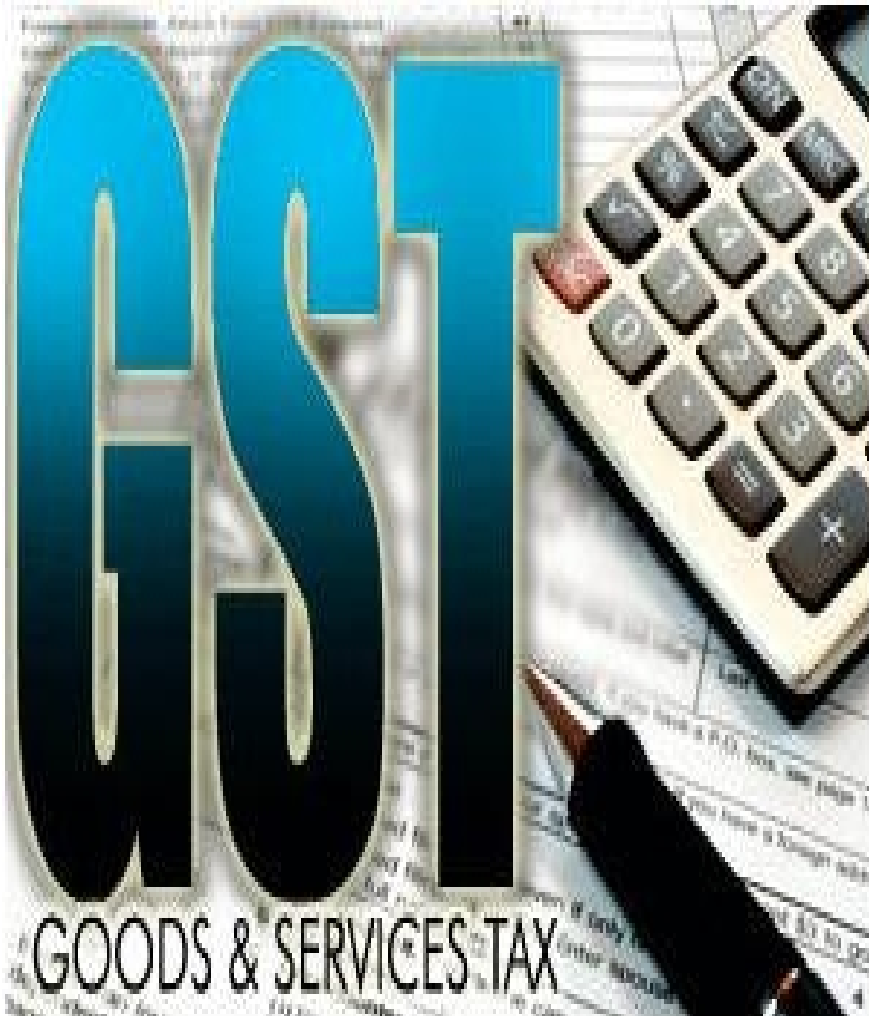
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GOODS AND SERVICE TAX



Article 366(12A) defines GST as “**Any tax on supply of goods and services or both EXCEPT taxes on supply of alcoholic liquor for human consumption**”



Supporting Govt. in
Policy formulation



Employment
opportunities across
Manufacturing /
Service Sector

Key
Opportunities
for CS in GST

CS Practice in “GST
Matters”

Supporting Govt. in
Policy
implementation





Tax Regime

Present

Multiple Taxes i.e Service tax/Excise/Sales tax/VAT, etc.....

Multiple Valuation Rules
(MRP / Transaction Value/Captive consumed goods)

Tax Levy on "Manufacture" of goods

Cascading Impact of Taxes

High Transaction/Compliance cost

High Cost of Product due to "Tax Breaks with Supply Chain"

Proposed

Uniform Tax structure in GST across Nation.

"ONE NATION ONE TAX"

Uniform Valuation Rules

Tax Levy on "Supply of Goods"

Common Base for Levy of Tax under CGST/SGST/IGST. *No Tax on Tax.*

IT Enabled Records this saving both Cost and Time.

No Tax Breaks. Uniform Taxation.



Meaning and scope of supply

(1) Supply includes—

- (a) all forms of supply of goods and/or services such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business,**
- (b) importation of services, for a consideration whether or not in the course or furtherance of business, and**
- (c) a supply specified in **Schedule I**, made or agreed to be made without a consideration.**

(2) **Schedule II, in respect of matters mentioned therein, shall apply for determining what is, or is to be treated as a supply of goods or a supply of services.**

(3) Notwithstanding anything contained in sub-section (1),

- (a) activities or transactions specified in **schedule III**; or**
- (b) activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities as specified in **Schedule IV**,**
shall be treated neither as a supply of goods nor a supply of services.

(4) Subject to sub-section (2) and sub-section (3), the Central or a State Government may, upon recommendation of the Council, specify, by notification, the transactions that are to be treated as—

- (a) a supply of goods and not as a supply of services; or**
- (b) a supply of services and not as a supply of goods; or**
- (c) neither a supply of goods nor a supply of services.**

(5) The tax liability on a composite or a mixed supply shall be determined in the following manner —

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply;**
- (b) a mixed supply comprising two or more supplies shall be treated as supply of that particular supply which attracts the highest rate of tax.**



Transitions to GST

Understanding GST laws

Knowledge sharing /Training & development



Value addition to stakeholders

Impact analysis (AS IS v/s GST)



Registration



Input Tax Credit

Valuation of goods



Restructuring of SCM(uniform tax structure)



Aligning business planning

IT Enablement



Review of Export/Import policies in GST



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Tax Reviews /Compliance audit



Advisory services



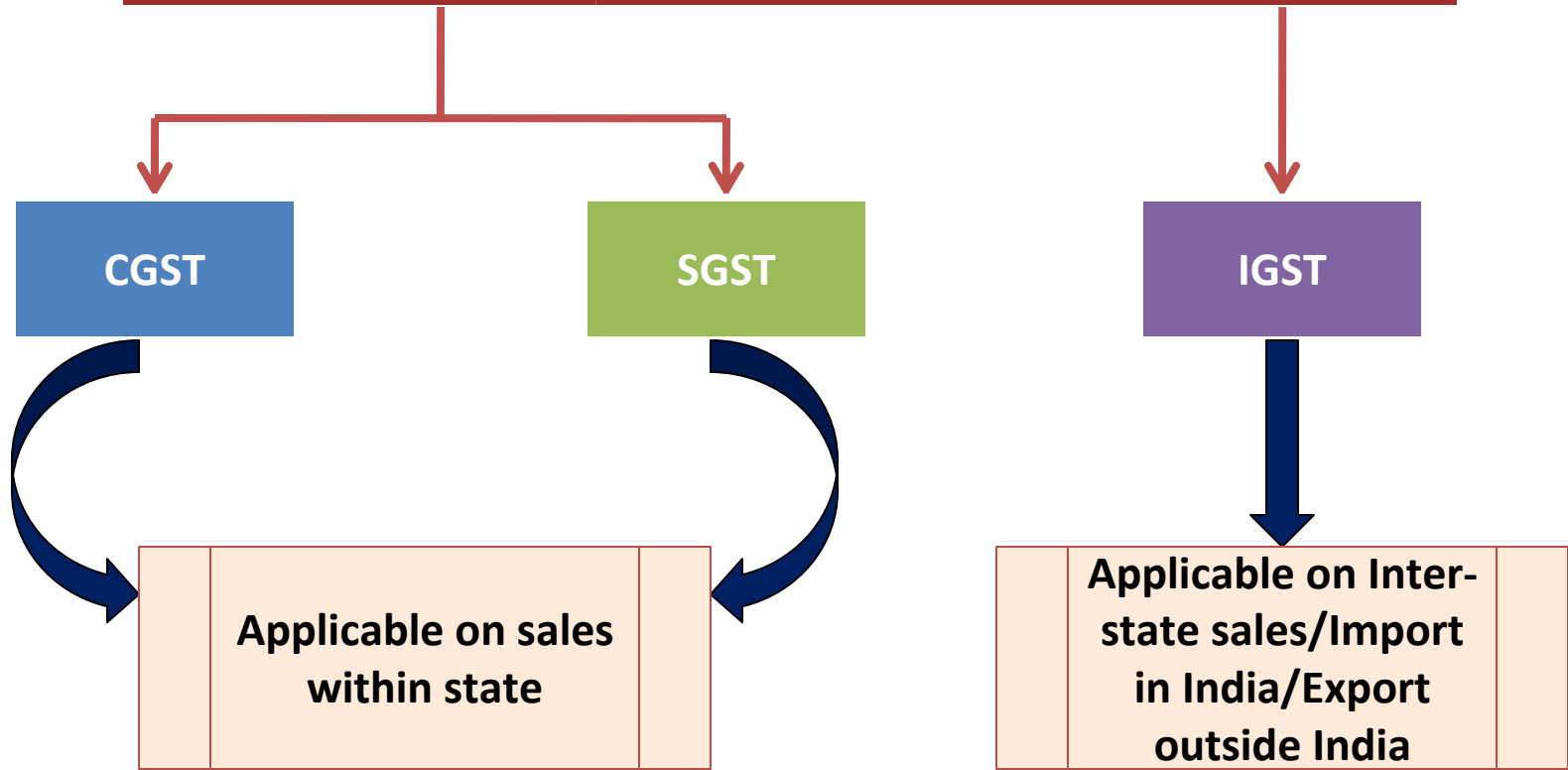
Appellate authorities



Opportunities for CS in GST

TY

GST- Single Tax Structure



G
GOODS

S
SERVICE

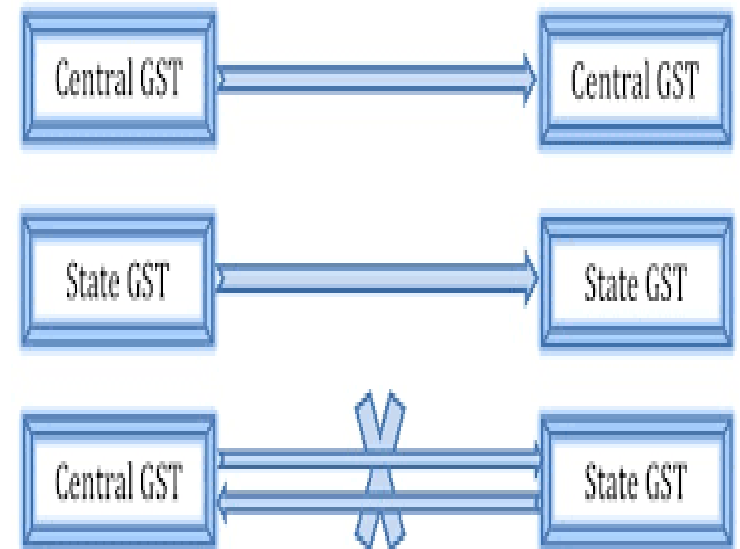
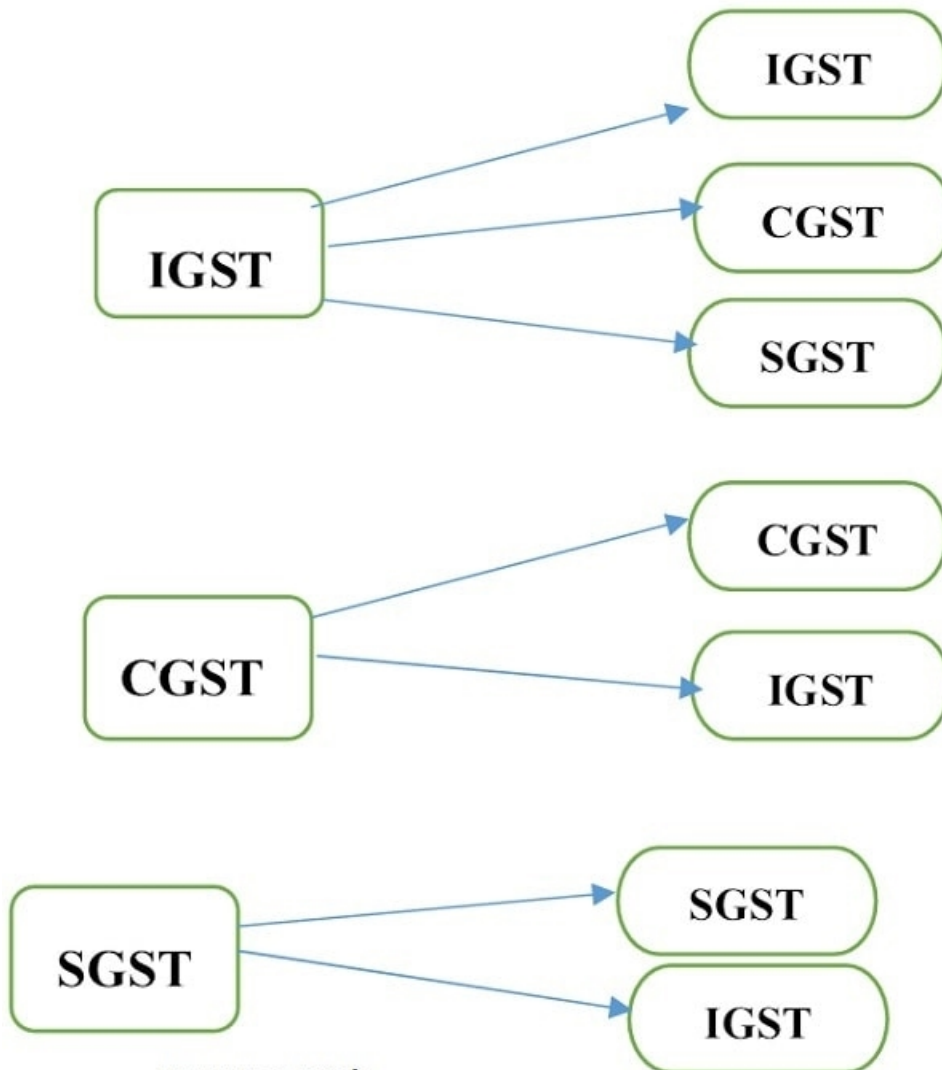
T
TAX

Summary on utilization of amount of ITC



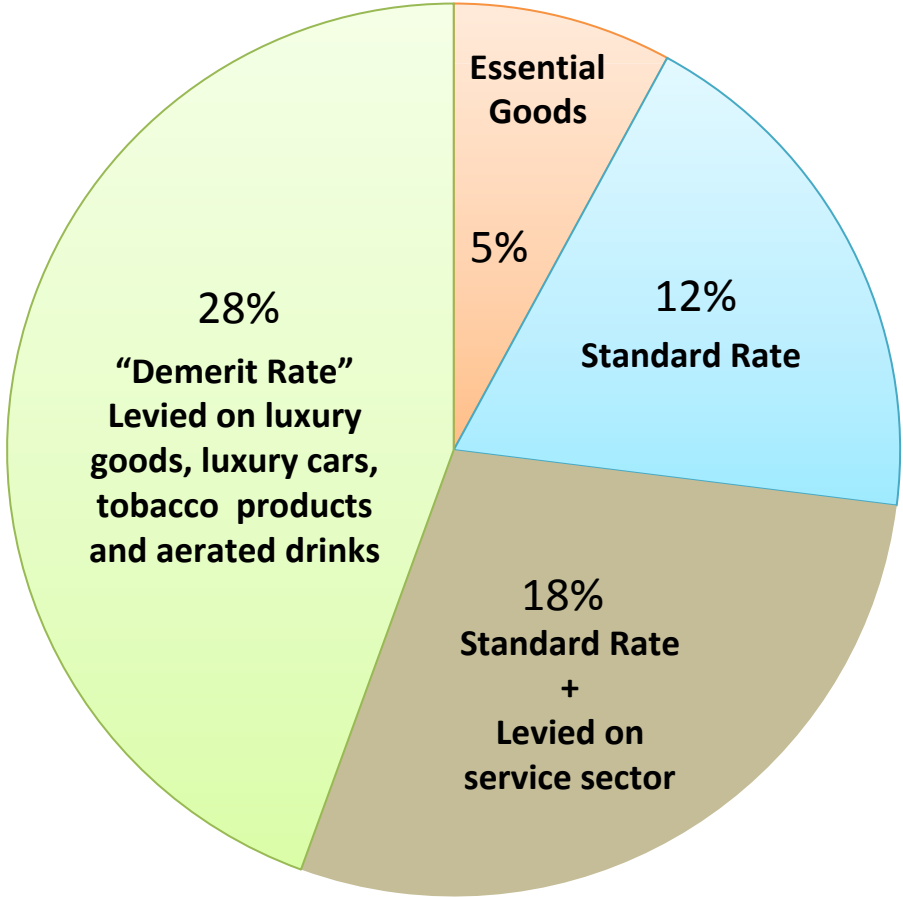
Input Tax credit of

Output Liability of



Four Tier GST Rate Structure

Essential items including food will be taxed at a **zero rate**

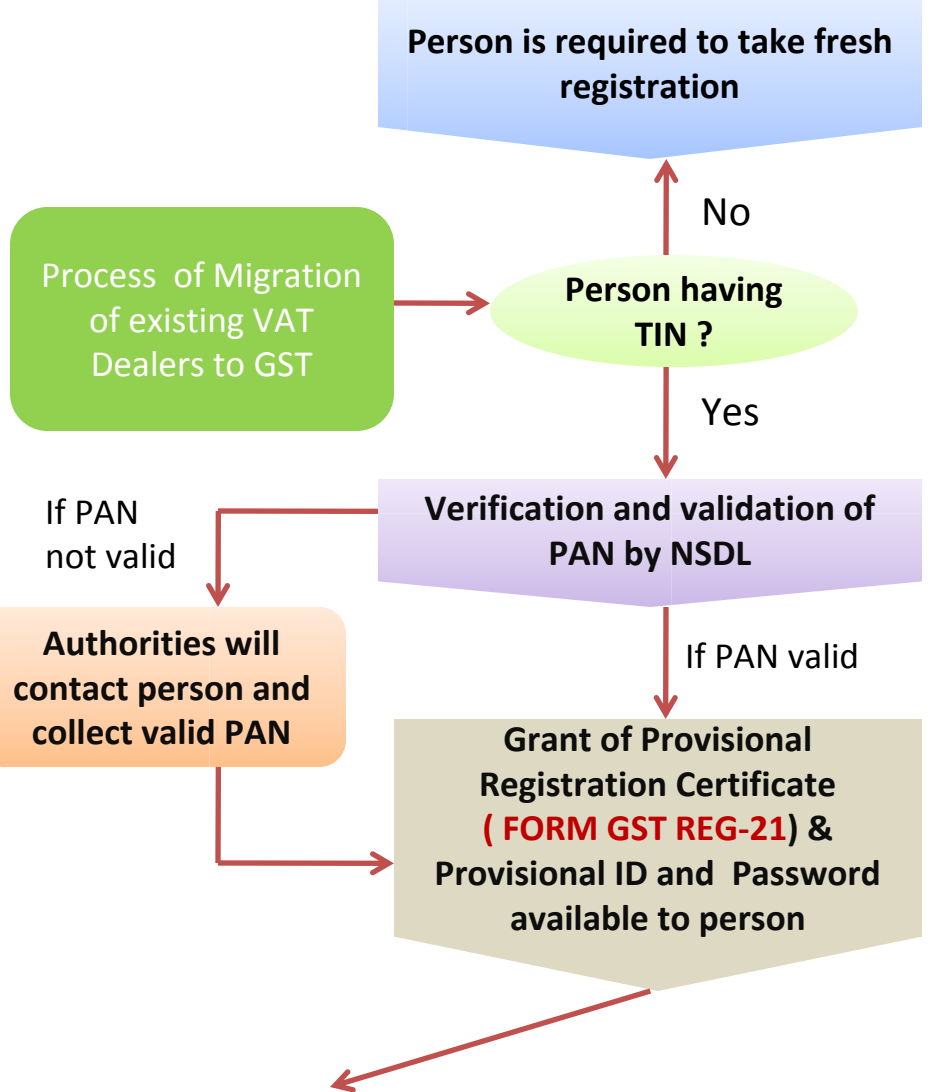


- 1st tier
- 2nd tier
- 3rd tier
- 4th tier



	PRESENT STRUCTURE			GST REGIME		
PURCHASES (Rs 100)	Within State (Rs 60)	Outside State (Rs 30)	Imports (Rs 10)	Within State (Rs 60)	Outside State (Rs 30)	Imports (Rs 10)
VAT @ 5%	3.00	-	-	-	-	-
CST @ 2%	-	0.60	-	-	-	-
EXCISE DUTY @12.5%	7.50	3.75	-	-	-	-
CVD & SAD @16.5%	-	-	1.65	-	-	-
SGST/CGST @ 18%	-	-	-	10.80	-	-
IGST @ 18%	-	-	-	-	5.40	1.80
TAX OUTFLOW	10.50	4.35	1.65	10.80	5.40	1.80
SALES (Rs 150)	Within State (Rs 60)	Outside State (Rs 70)	Exports (Rs 20)	Within State (Rs 60)	Outside State (Rs 70)	Exports (Rs 20)
VAT @ 5%	3.00	-	-	-	-	-
CST @ 2%	-	1.40	-	-	-	-
EXCISE DUTY @12.5%	7.50	8.75	-	-	-	-
SGST/CGST @ 18%	-	-	-	10.80	-	-
IGST @ 18%	-	-	-	-	12.60	-
TAX OUTFLOW	10.50	10.15	-	10.80	12.60	





- Following documents should be available before enrolling with GST System Portal :
- Provisional ID and Password received from State/Central Authorities.
 - Valid Email Address
 - Valid Mobile Number
 - Bank Account Number
 - Bank IFSC Documents
 - Proof of Constitution of Business
 - In Case of Partnership Firm :
 - Partnership Deed of Partnership Firm(PDF and JPEG format in maximum size of 1 MB)
 - In Case of Others
 - Registration Certificate of Business Entity(PDF and JPEG format in maximum size of 1 MB)
 - Photograph of Promoters/Partners/Karta of HUF (JPEG format in maximum size of 100 KB)
 - Proof of Appointment of Authorized Signatory (PDF and JPEG format in maximum size of 1 MB)
 - Photograph of Authorized signatory (JPEG format in maximum size of 100 KB)
 - Scanned Copy of Bank Pass Book first page containing Bank Account Number of <Account Number>,address of Branch, Address of Account holder and few transaction details.(PDF and JPEG format in maximum size of 1 MB)

Tax payer need to submit application on GST portal by logging in along with information & documents required .
(FORM GST REG-20)

State will verify the information

if correct

Final Registration Certificate made available to tax payer.
(FORM GST REG-06)

Special Provisions (SECTION 19A)



Casual Taxable Person

Non-Resident Taxable
Person

- Certificate of registration shall be valid for **90 days**. (May be extended for further 90 days)
- Shall make an advance deposit of tax equal to est. Tax Liability.



SR NO.	PARTICULARS (REGISTRATION FORM)	CONTENT	DATE OF FILLING
1.	GST REG.01	Application for Registration under Section 23 of Goods and Services Tax Act	Within 30 days
2.	GST REG.02	Acknowledgement	Within 3 days
3.	GST REG.03	Notice for Seeking Additional Information / Clarification / Documents relating to Application for Registration/Amendment/Cancellation	Within 3 days
4.	GST REG.04	Application for filing clarification/additional information/document for Registration/Amendment/Cancellation/Revocation of Cancellation	Within 7 days
5.	GST REG.05	Order of Rejection of Application for Registration / Amendment / Cancellation/ Revocation of Cancellation	
6.	GST REG.06	Registration Certificate issued under Section 19(8A) of the Goods and Services Tax Act	Within 3 days
7.	GST REG.07	Application for Registration as Tax Deductor or Tax Collector at Source under Section 19(1) of the Goods and Service Tax Act	Within 30 days
8.	GST REG.08	Order of Cancellation of Application for Registration as Tax Deductor or Tax Collector at Source under Section 21 of the Goods and Service Tax Act	
9.	GST REG.09	Application for Allotment of Unique ID to UN Bodies/ Embassies /any other person under Section 19(6) of the Goods and Service Tax Act	Within 3 days
10.	GST REG.10	Application for Registration for Non Resident Taxable Person.	Prior to 5 days from commencement
11.	GST REG.11	Application for Amendment in Particulars subsequent to Registration	Within 15 days
12.	GST REG.12	Order of Amendment of existing Registration	
13.	GST REG.13	Order of Allotment of Temporary Registration/ Suo Moto Registration	Within 30 days
14.	GST REG.14	Application for Cancellation of Registration under Goods and Services Tax Act	Within 1 year

SR NO.	PARTICULARS (REGISTRATION FORM)	CONTENT	DATE OF FILING
15.	GST REG.15	Show Cause Notice for Cancellation of Registration	Within 7 days
16.	GST REG.16	Order for Cancellation of Registration	Within 30 days
17.	GST REG.17	Application for Revocation of Cancelled Registration under Goods and Services Act	Within 30 days
18.	GST REG.18	Order for Approval of Application for Revocation of Cancelled Registration	Within 30 days
19.	GST REG.19	Notice for Seeking Clarification / Documents relating to Application for Revocation of Cancellation	Within 30 days
20.	GST REG.20	Application for Enrolment of Existing Taxpayer	
21.	GST REG.21	Provisional Registration Certificate to existing taxpayer	
22.	GST REG.22	Order of cancellation of provisional certificate	
23.	GST REG.23	Intimation of discrepancies in Application for Enrolment of existing taxpayer	
24.	GST REG.24	Application for Cancellation of Registration for the Migrated Taxpayers not liable for registration under Goods and Service Tax Act	
25.	GST REG.25	Application for extension of registration period by Casual / Non-Resident taxable person.	Before expiry of validity of registration
26.	GST REG.26	Form for Field Visit Report	



DEFINITIONS

"INPUT": means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business;

"CAPITAL GOODS": means goods, the value of which is capitalised in the books of accounts of the person claiming the credit and which are used or intended to be used in the course or furtherance of business;

"INPUT TAX": in relation to a taxable person, means the IGST, including that on import of goods, CGST and SGST charged on any supply of goods or services to him and includes the tax payable under sub-section (3) of section 8, but does not include the tax paid under section 9

"INPUT TAX CREDIT": means credit of 'input tax' as defined above



Present Regime

MRP of "X" : Rs 300/- Abatement: 30%
 CENVAT@12.5% : Rs 26.25
 Effective Duty Rate: 9.58%

S.P	150
Add:CENVAT	<u>26.25</u>
Total	176.25

S.P	200
Add:CENVAT	<u>26.25</u>
Total	226.25

S.P	273.75
Add:CENVAT	<u>26.25</u>
Total	300.00



GST Regime

• GST @ 18%

S.P	150
Add: GST 18%	<u>27</u>
Total	177

C.P	177
Less: ITC	<u>27</u>
	150
Add: Margin	<u>50</u>
S.P	200
Add: GST 18%	<u>36</u>
Total	236/-

C.P	236
Less: ITC	<u>36</u>
	200
Add: Margin	<u>54</u>
S.P	254
Add: GST 18%	<u>46</u>
Total	300/-

• GST @ 12.5%









S.P	150
Add: GST 12.5%	<u>18.75</u>
Total	168.75

C.P	168.75
Less: ITC	<u>18.75</u>
	150
Add: Margin	<u>50</u>
S.P	200
Add: GST 12.5%	<u>25</u>
Total	225/-

C.P	225
Less: ITC	<u>25</u>
	200
Add: Margin	<u>67</u>
S.P	267
Add: GST 12.5%	<u>33</u>
Total	300/-

<u>Total Taxes</u> <u>Duty</u>	<u>Effective</u> <u>Duty</u>
Rs 26.25	9.58%
Rs 46	18%
Rs 33	12.5%

EFFECTIVE DUTY ON MRP BASED LEVY

PRODUCTS		MRP (RS)	ABATEMENT	ASSESSABLE VALUE	EXCISE DUTY @ 18%	GST
AXE PERFUME (122ml)		250	30%	175	31.5	38
DOVE SHAMPOO (650ml)		430	30%	301	54.18	65
SUNSILK (80ml)		110	30%	77	13.86	17
BRU INSTANT (200g)		299	30%	209.3	37.67	47
LAKME CC CREAM (300ml)		250	30%	175	31.5	38
TAJ MAHAL (1 kg)		430	30%	301	54.18	65
CLINIC PLUS (175 ml)		100	30%	70	12.6	15
SURF EXCEL (500g)		115	30%	80.5	14.49	18

EFFECTIVE DUTY UNDER GST REGIME

PRODUCTS	SALE PRICE (MNF TO WHS)			SALE PRICE (WHL TO RTL)			SALE PRICE (RTL TO CUS.)			GST EFFECTIVE RATE
	S.P.	GST (18%)	TOTAL	S.P.	GST (18%)	TOTAL	S.P.	GST (18%)	TOTAL	
AXE PERFUME (122ml)	100	18	118	150	27	177	212	38	250	15.2%
DOVE SHAMPOO (650ml)	150	27	177	250	45	295	365	65	430	15.11%
SUNSIK (80ml)	20	4	24	60	11	71	93	17	110	15.45%
BRU INSTANT (200g)	100	18	118	150	27	177	253	47	300	15.33%
LAKME CC CREAM (300ml)	100	18	118	150	27	177	212	38	250	15.2%
TAJ MAHAL (1 kg)	150	27	177	250	45	295	365	65	430	15.11%
CLINIC PLUS (175 ml)	20	4	24	60	11	71	85	15	100	15%
SURF EXCEL (500g)	20	4	24	60	11	71	97	18	115	15.65%

NOTE: ITC shall be claimed by its supplier at each stage.



STATE : PUNJAB

GST FLOW - WITHIN STATE MOVEMENT

Cotton Price: Rs 100
 CGST 10% : Rs 10
 SGST 8% : Rs 8

INPUT TAX CREDIT
 CGST Rs 15
 SGST Rs 12
 Rs 27/-

INPUT TAX CREDIT
 CGST Rs 20
 SGST Rs 16
 Rs 36/-

INPUT TAX CREDIT
 CGST Rs 25
 SGST Rs 20
 Rs 45/-

**TOTAL COST-
 Rs 354/-**

**Yarn
 Manufacturer "A"**

Yarn sale

**Garment
 Manufacturer "B"**

Garment sale

**Wholesaler
 "C"**

Garment sale

**Retailer
 "D"**

**Consumer
 "E"**

Garment sale

Tax Invoice-"A"

Sale Price:	150/-
CGST 10%	15
SGST 8%	12
Total	177/-

Tax Invoice-"B"

Sale Price:	200/-
CGST 10%	20
SGST 8%	16
Total	236/-

Tax Invoice-"C"

Sale Price:	250/-
CGST 10%	25
SGST 8%	20
Total	295/-

Tax Invoice-"D"

Sale Price:	300/-
CGST 10%	30
SGST 8%	24
Total	354/-

Tax Payments

<u>Payable</u>	(in Rs)
CGST	15
SGST	<u>12</u>
	<u>27/-</u>
Less: <u>Receivable</u>	
CGST	10
SGST	<u>8</u>
	<u>18/-</u>
Net Payable	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
CGST	20
SGST	<u>16</u>
	<u>36/-</u>
Less: <u>Receivable</u>	
CGST	15
SGST	<u>12</u>
	<u>27/-</u>
Net Payable	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
CGST	25
SGST	<u>20</u>
	<u>45/-</u>
Less: <u>Receivable</u>	
CGST	20
SGST	<u>16</u>
	<u>36/-</u>
Net Payable	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
CGST	30
SGST	<u>24</u>
	<u>54/-</u>
Less: <u>Receivable</u>	
CGST	25
SGST	<u>20</u>
	<u>45/-</u>
Net Payable	Rs 9

STATE : PUNJAB

GST FLOW - INTER - STATE MOVEMENT

Cotton Price: Rs 100
 CGST 10% : Rs 10
 SGST 8% : Rs 8

INPUT TAX CREDIT
 IGST Rs 27

INPUT TAX CREDIT
 IGST Rs 36

INPUT TAX CREDIT
 IGST Rs 45

**Yarn
 Manufacturer "A"**

Yarn sale

**Garment
 Manufacturer "B"**

Garment sale

**Wholesaler
 "C"**

Garment sale

**Retailer
 "D"**

**Consumer
 "E"**

**TOTAL COST-
 Rs 354/-**

Tax Invoice-"A"

Sale Price:	150/-
IGST 18%	27
Total	177

Tax Invoice-"B"

Sale Price:	200/-
IGST 18%	36
Total	236

Tax Invoice-"C"

Sale Price:	250/-
IGST 18%	45
Total	295

Tax Invoice-"D"

Sale Price:	300/-
IGST 18%	54
Total	354

Tax Payments

<u>Payable</u>	(in Rs)
IGST	27
Less: <u>Receivable</u>	
CGST	10
SGST	8
	<u>18/-</u>
<u>Net Payable</u>	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
IGST	36
Less: <u>Receivable</u>	
IGST	27
<u>Net Payable</u>	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
IGST	45
Less: <u>Receivable</u>	
IGST	36
<u>Net Payable</u>	Rs 9

Tax Payments

<u>Payable</u>	(in Rs)
IGST	54
Less: <u>Receivable</u>	
IGST	45
<u>Net Payable</u>	Rs 9

GST FLOW - INTER - STATE MOVEMENT

PURCHASING STATE : HARYANA

Cotton Price: Rs 100
IGST 18% : Rs 18

INPUT TAX CREDIT
IGST Rs 27

INPUT TAX CREDIT
IGST Rs 36

INPUT TAX CREDIT
IGST Rs 45

Yarn Manufacturer "A"

Yarn sale

Tax Invoice-"A"	
Sale Price:	150/-
IGST 18%	27
Total	177

Garment Manufacturer "B"

Garment sale

Tax Invoice-"B"	
Sale Price:	200/-
IGST 18%	36
Total	236

Wholesaler "C"

Garment sale

Tax Invoice-"C"	
Sale Price:	250/-
IGST 18%	45
Total	295

Retailer "D"

Garment sale

Tax Invoice-"D"	
Sale Price:	300/-
IGST 18%	54
Total	354

**TOTAL COST-
Rs 354/-**

Consumer "E"

Tax Payments	
<u>Payable</u>	(in Rs)
IGST	27
Less: <u>Receivable</u>	
IGST	18
<u>Net Payable</u>	Rs 9

Tax Payments	
<u>Payable</u>	(in Rs)
IGST	36
Less: <u>Receivable</u>	
IGST	27
<u>Net Payable</u>	Rs 9

Tax Payments	
<u>Payable</u>	(in Rs)
IGST	45
Less: <u>Receivable</u>	
IGST	36
<u>Net Payable</u>	Rs 9

Tax Payments	
<u>Payable</u>	(in Rs)
IGST	54
Less: <u>Receivable</u>	
IGST	45
<u>Net Payable</u>	Rs 9

IMPORT DUTY STRUCTURE(PRESENT V/S GST)

Particulars	Duty Rate	Present Tax Regime	Particulars	Duty Rate	GST Regime
					If IGST rate is 18%
CIF value of Item A		10000.00	CIF value of Item A		10000.00
Add: Landing charges	1%	100.00	Add: Landing charges	1%	100.00
TOTAL		10100.00	TOTAL		10100.00
Add: B.C.D	7.5%	757.5	Add: B.C.D	7.5%	757.5
TOTAL		10857.5	TOTAL		10857.5
Add: C.V.D	12.5%	1357.18	Add: IGST	18%	1954.35
Add: E.Cess (B.C.D+C.V.D)	2%	42.29	Add: E.Cess (B.C.D+IGST)	-	-
TOTAL		12256.97	TOTAL		12866.08
Add: S.A.D	4%	490.27	Add: S.A.D	-	-
Total Price inc. all taxes		12747.24	Total Price inc. all taxes		12866.08
Total Duties		2647.24	Total Duties		2711.85
%age of Duties		26.47%	%age of Duties		27.11%



RETURNS

SR NO.	PARTICULARS	TIME FRAME
1.	Furnishing details of outward supplies	On or before 10th day of month succeeding the said tax period
2.	Furnishing details of inward supplies	On or before 15th day of month succeeding the said tax period
3.	Returns for every calendar month or part thereof	Within 20 days after end of such month
4.	Person required to deduct tax at source shall furnish return	Within 10 days after end of month in which such deduction is made
5.	Person shall furnish first return	From the date on which he become liable to registration till end of month in which registration has been granted
6.	Annual return	On or before 31st day of December following end of FY
7.	Final return	Within 3 months of date of cancellation or date of order (w.e is later)

Any rectification of error /omission regarding details which have remained unmatched shall not be allowed **after filing of return for month of September following end of FY or filing of annual return.(w.e earlier)**

LIST OF FORMS

Sr No.	Form No.	CONTENT
1	GST PMT-1	Electronic Tax Liability Register of Taxpayer (Part–I: Return related liabilities) Electronic Tax Liability Register of Taxpayer (Part–II: Other than return related liabilities)
2	GST PMT-2	Electronic Credit Ledger
3	GST PMT-2A	Order for re-credit of the amount to cash or credit ledger
4	GST PMT-3	Electronic Cash Ledger
5	GST PMT-4	Challan For Deposit of Goods and Services Tax
6	GST PMT-5	Payment Register of Temporary IDs / Un-registered Taxpayers
7	GST PMT-6	Application For Credit of Missing Payment (CIN not generated)





IMPORTS

GST IMPACT ON FOREIGN TRADE POLICY



EXPORTS



SUPPLIES TO :

- EOU
- SEZ
- DTA



ADVANCE LICENCE

EPCG LICENSES



REGISTRATION



REFUNDS

No Tax Free Supplies under GST

Supplies to :

- ✓ EOUs
- ✓ SEZs
- ✓ Projects under International Competitive biddings (ICB)
- ✓ Mega Power Plants
- ✓ World Bank Funded Projects

No issuance of CT-1 and CT-3 Certificates in GST Regime

PRESENT REGIME
Authority- DGFT

UNDER GST
Authority- Ministry of Finance

▪ **Tax free supplies** in case of EOUs & SEZs

- Taxable supplies in case of ICB, Mega power plants & WBFP and
- Refund of terminal Excise Duty/Drawback
- No refund of VAT/CST

▪ **Taxable supplies** & chargeable to IGST except to SEZ.

▪ Refund available to supplier if he has not collected amount from recipient.

▪ Recipient can also claim refund if IGST has been paid on goods/services.

▪ SGST/CGST utilization towards IGST means that state taxes can be claimed back as refund.

Points for consideration for DGFT /GST Council

- ❑ Re-alignment in FTP required to capture impact of GST.

- ❑ Clauses in FTP for supplies to EOU, STP, SEZ, DTA, ICB, Mega power plants etc to be revisited & reworded.

- ❑ Supplies to EOUs, SEZs, STP, ICB, Mega power plants are not **ZERO RATED**.(Tax Free)

- ❑ Change in GST rates & substitution of CVD and SAD with IGST will impact the amount of duty saved & export obligation

- ❑ Transitional provisions for Chapter 4 & 5 of FTP in case of migration to GST.

Impact of GST
on
Duty Credit
Scripts
(MEIS,SEIS)

Impact of GST on MEIS/SEIS Scrips

Present

- MEIS/SEIS Scrips are utilised for payment of Central taxes i.e Central Excise Duty , Customs Duty, Service tax & Composition fees.

MEIS / SEIS Scrips Utilisation

- Payment of Custom Duties for Import of Inputs or Goods (except Appendix 3A)
- Payment of Excise Duties on Domestic / Imported Inputs or goods including capital goods.
- Payment of Service Tax on procurement of services.
- Payment of Composition Fee as per Para 3.18 of FTP 2015-20

Proposed (Under GST)

- Payment Process under model GST Law does not provide for utilisation of Duty Credit Scrips(MEIS/SEIS) .

Points for Consideration (Chapter 3)

- Basic Custom Duty/IGST is leviable on Imports as they are treated as Inter-State Transactions in GST.

- Ministry of Finance to consider utilisation of Duty Credit Scrips for payment of Central taxes i.e Custom Duty/ IGST on Imports & MOC to amend the FTP provisions accordingly. **ALTERNATIVELY**

- MEIS/SEIS Scrips to be utilised for payment of Custom Duty/Composition fees and IGST to be paid in cash.

- Non utilisation of Duty Credit Scrips would result in - firstly the blockage of working capital funds with the exporter & secondly- the import duties except basic custom duty to be paid in cash would result in increase cash outflows.

- Presently Import duties except basic custom duty is utilised for payment of Central taxes where as under GST regime Import duties i.e IGST will be available for setoff against both CENTRAL/STATE TAXES

- Matching concept principle for Imports to avail Input Tax Credit.

- Transitional provisions for CENVAT Credit in respect of Duty debited from duty credit scrips in GST Regime.

- No provision in GSTN for Duty payment and no provision in GST Law.

- Neither utilisation of duty credit scrips nor priority for utilisation against CGST,IGST or SGST is specified in GST Law.

Area Of Concern

- No provision in GST for utilisation of Duty Credit scrips in case of domestic procurement
- If duty credit scrips setoff is allowed then concern would be distribution of taxes among Central /State.



Advance License
of
Import - Export

IMPORT SCHEMES



- Advance Authorisation Scheme
- Refund Duty Drawback
- Terminal Excise Duty Refund

Impact of GST on Advance Authorisation

Present

- Import duties i.e basic custom duty, CVD, SAD are exempted against import of raw material under advance authorisation.
- CENVAT credit of CVD and SAD is available in case of duty payment made if E.O. default is there.
- ARO/Invalidation letter issued in case of inter- mediatory supplies against Advance Licence & terminal Excise Duty/Duty Drawback is refunded by DGFT.(TED/Duty drawback is refunded for excise duty component only)

Proposed

- FTP to consider / provide for Exemption for IGST in case of Imports. (IGST is a summation of CGST+ SGST)
- Transitional provisions in FTP should be incorporated to provide Input Tax Credit of IGST paid in case of E.O. default . (Matching concept principle to be ensured in GSTN E-Platform)
- All supplies under GST are Taxable & No Tax Exemption exist against any concessional duty certificates i.e. CT-1/CT-3
- TED/Duty Drawback provisions needs to be reviewed as CGST/SGST is levied in case of Intra-State sales and IGST is leviable in case of Inter-state sales. [GSTN to be considered]

Points for Consideration (Chapter 4)

- Advance Authorisation shall be exempted from Basic Custom Duty & IGST **OR** Is exempted from payment of Basic Custom Duty ?
- Supplies to EOU, STPI shall be on payment of GST under GST Regime and NOT UNDER CT-3, CT-1 (Duty Exemption Certificates). Refund of GST can be claimed by either supplier of goods (if the amount is not collected from receiver of goods) or the refund may be claimed by receiver of goods if he has not claimed the ITC.
- Transitional provisions in case of Imported imports supplies against advance licence issued prior to GST Regime.
- Cash outflow for EOU units in respect of inputs purchased will increased drastically due to the levy of GST & it might become unviable for unit to avail benefits/continue to operate as EOU/STPI.

Area Of Concern

- (MOF/MOC) Central Govt. is empowered to issue notifications in relation to FTP matters, whereas in GST State Govt. role should be looked into.

Impact of GST

on

EPCG

EPCG SCHEME



Objective of EPCG Scheme is to promote the Import of Capital Goods at Zero Custom Duty for the manufacture of goods to be Exported afterwards as per the Export Obligation fixed under FTP within defined time frame. (Pre-Production / Production / Post Production) .

Impact of GST on EPCG

Present	Proposed
<ul style="list-style-type: none">➤ Import duties i.e basic custom duty, CVD, SAD are exempted against import of raw material under EPCG Authorisation.➤ CENVAT credit of CVD and SAD is available for duty payment made in case of E.O. default.➤ Invalidation letter is issued in case of inter- mediatory supplies against Advance Licence & terminal Excise Duty/Duty Drawback is refunded by DGFT.(TED/Duty drawback is refunded for excise duty component only)	<ul style="list-style-type: none">➤ FTP to provide exemption for IGST.(IGST is a summation of CGST+ SGST)➤ Transitional provisions in FTP should be incorporated to provide Input Tax Credit of IGST paid in case of E.O. default .(Matching concept principle to be ensured in GSTN E-Platform)➤ All supplies under GST are taxable & no tax exemption exist against any concessional duty certificates.➤ TED/Duty Drawback provisions needs to be reviewed as CGST/SGST is levied in case of Intra-State sales and IGST is leviable in case of Inter-state sales.

Points for Consideration (Chapter 5)

- Present Peak rate of CVD is 12.5% and SAD is 4.5% whereas IGST is expected to be more than the prevailing rates of import duty.
- EPCG Authorisation shall be exempted from Basic Custom Duty & IGST **OR** Is exempted from payment of Basic Custom Duty ?
- Supplies to EOU, STPI shall be on payment of GST under GST Regime and NOT UNDER CT-3, CT-1 (Duty Exemption Certificates). Refund of GST can be claimed by either supplier of goods (if the amount is not collected from receiver of goods) or the refund may be claimed by receiver of goods if he has not claimed the ITC.
- Transitional provisions in case Imported/Domestic Capital goods partially received against the EPCG Authorisation during pre and post GST Regime.
- Change in IGST rates in case of imports would impact change in E.O. also for EPCG scrips issued prior to GST Regime.
- Cash outflow for EOU units in respect of inputs purchased will increased drastically due to the levy of GST & it might become unviable for unit to avail benefits/continue to operate as EOU/STPI.
- In present Import Duty Structure, CVD= Excise Duty Rate(excluding SAD) whereas in GST, IGST on Imports= CGST+ SGST.

Area Of Concern

- (MOF/MOC) Central Govt. is empowered to issue notifications in relation to FTP matters, whereas in GST, State Govt. role should be looked into.
- Excise exemptions withdrawal under GST would make the exporters switch over from EPCG Scheme to payment of duty ,thus impacting FOREX earnings.(For e.g textile sector)



Transitions in GST

Migration of existing taxpayers to GST.(Sec-166)

Amount of CENVAT credit carried forward in a return to be allowed as ITC.(Sec-167)

Unavailed Cenvat credit on capital goods, not carried forward in a return, to be allowed in certain situations. (Sec-168)

Credit of eligible duties & taxes in respect of inputs held in stock to be allowed.(Sec-169)

Credit of eligible duties & taxes in respect of inputs held In stock and inputs or input services during transit.(Sec-170 & 171)

Credit of eligible duties & taxes on inputs held in stock to be allowed to a taxable person switching over from composition scheme. (Sec-172)

Exempted goods returned to the place of business on or after the appointed day.(Sec-173)

Duty paid goods returned to the place of business on or after the appointed day.(Sec-174)

Inputs removed for job work & returned on or after the appointed day.(Sec-175)

Semi –finished goods removed for job work & returned on or after the appointed day.(Sec -176)

Finished goods removed for carrying out certain processes & returned on or after the appointed day.(Sec-177)

Issue of supplementary invoices, debit or credit notes where price is revised in pursuance of a contract.(Sec-178)

Pending refund claims to be disposed of under earlier law.(Sec-179)

Refund claims filed after the appointed day for goods cleared or services provided before the appointed day & exported before or after the appointed day to be disposed under earlier law.(Sec-180)

Refund claims filed after the appointed day for payments received & tax deposited before the appointed day in respect of services not provided.(Sec-181)

Claim of Cenvat credit to be disposed of under the earlier law.(Sec-182)

Finalization of proceedings relating to output duty liability.(Sec-183)

Treatment of amount recovered or refunded in pursuance of assessment or adjudication proceedings.(Sec-184)

**Treatment of amount recovered or refunded in pursuant to revision of returns.
(Sec-185)**

Treatment of long term construction/works contracts.(Sec-186)

Progressive or periodic supply of goods or services.(Sec-187)

Taxability of supply of services in certain cases.(Sec-188)

Taxability of supply of goods in certain cases.(Sec-189)

**Credit distribution of service tax by ISD.
(Sec-190)**

Provision of transfer of unutilized Cenvat credit by taxable person having Centralized Registration under earlier law(Sec-191)

Tax paid on capital goods lying with agents to be allowed as credit.(Sec-192)

Tax paid on capital goods lying with agents to be allowed as credit (Sec-193)

Treatment of branch transfers.(Sec-194)

**Goods sent on approval basis returned on or after appointed day
(Sec-195)**

Deduction at tax source (Sec-196)

**Transitional provisions for availing Cenvat credit in certain cases
(Sec-197)**



MIGRATION OF EXISTING TAXPAYERS TO GSTN DATABASE



- Existing Registrants either with states or with centre to be migrated to GSTIN.
(Provisional Registration – Validity – 6 Months)



- Validation of existing registration information by GSTN



- Verification/Updation of migrated data by existing registrants within specified period

- Issuance of GSTIN by GSTN



- Verification by authorities





AMOUNT OF CENVAT CREDIT CARRIED FORWARD IN A RETURN TO BE ALLOWED AS INPUT TAX CREDIT (Section-167)



A Registered Taxable Person, other than a person opting to pay tax under composition levy



Shall take credit of amount of CENVAT/VAT/Entry Tax carried forward in return under earlier law within 90 days after the said day.



Registered Taxable Person shall not be allowed to take credit unless the amount is admissible as ITC under this Act.



UNAVAILED CENVAT CREDIT ON CAPITAL GOODS, NOT CARRIED FORWARD IN A RETURN TO BE ALLOWED IN CERTAIN SITUATIONS (Sec-168)



Credit of unavailed CENVAT Credit under head CGST & ITC under head SGST in respect of Capital Goods in E-Credit Ledger, not carried forward in return shall be allowed to taxable person.



Capital Goods – Refer Rule 2(a) of CENVAT Credit Rules 2004



Credit of eligible duties & Taxes in respect of inputs held in stock to be allowed (Sec-169)



Any person who is **into sales of Exempted goods/services** is exempted from registration under present law.

But which are liable to Tax under GST Act

Shall be entitled to take, in his E- credit Ledger

Credit of ITC/VAT/Entry Tax in respect of Inputs held in stock & inputs contained in semi finished/finished Goods held in stock on appointed day under CGST/SGST .



Conditions for availing Credit (Sec-169)



**Inputs/goods are used for making taxable supplies under this Act .
Benefit of reduced taxes to be passed on to recipient of goods.**

Taxable person is eligible for ITC under this Act.

**Taxable person is in possession of invoice and/or other
prescribed documents.**

**Invoices or other documents were issued not earlier than 12
months immediately preceding appointed day**

Supplier of Services is not eligible for any abatement.





Credit of eligible duties & taxes

In respect of

Inputs held in stock to be allowed in certain situations (Sec-170)

Inputs or input services during transit (Sec-171)

Taxable person

Engage in

Manufacture of non-taxable as well as taxable goods/services under Central Excise Act and Finance Act

Shall take

- a) Amount of Cenvat Credit carried forward in his E-ledger.
- b) Amount of Cenvat Credit of eligible duties

Taxable person

Shall take

- a) Credit of eligible duties/taxes under CGST
- b) Credit of VAT under SGST

Condition:

The invoice recorded in books of accounts within a period of 30 days or extended period of further 30 days.





Tax Credit available on Switching over from Composition scheme (Sec-172)



Registered taxable person

Paying tax under composition scheme under earlier law

Eligible to take ITC/VAT in respect of inputs held in stock & inputs contained in semi-finished/ finished Goods held in stock on appointed date. (Conditions same as in Sec-169)





EXEMPTED GOODS RETURNED TO THE PLACE OF BUSINESS ON OR AFTER APPOINTED DAY (Sec-173)



Goods on which duty had been Exempt under earlier law at Time of Removal or at Time of Sale thereof, not being earlier than **6 Months prior to appointed day** are returned to any place of business



No Tax shall be payable if such Goods are returned within a period of 6 Months from appointed day & such Goods are identifiable to satisfaction of proper officer. No Tax if goods returned by Non-Taxable person.





DUTY PAID GOODS RETURNED TO THE PLACE OF BUSINESS ON OR AFTER APPOINTED DAY- (Sec-174)



TAX PAID

Duty Paid Goods are at time of removal or at time of sale not being earlier than 6 months, returned to any place of business or to supplier.



Refund of Tax
(CGST/SGST) shall be available thereon if such goods are returned within period of 6 Months from appointed day & such Goods are identifiable to satisfaction of proper officer

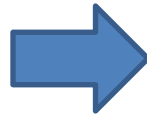




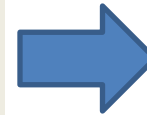
INPUTS REMOVED FOR JOB WORK AND RETURNED ON OR AFTER APPOINTED DAY (Sec-175)



**WHERE ANY
INPUTS
RECEIVED**



In a Factory or
at a place Of
business,
removed or
dispatched as
such or after
processing



- After completion are returned to said place, **No Tax** shall be payable if inputs are returned **within 6 months or extended period of 2 months)**
- Stock under processing to be declared by Job-worker on behalf of manufacturer on the appointed day.



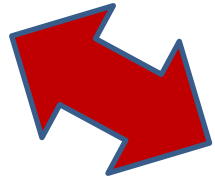


Semi-Finished Goods removed for Job work & returned on or after Appointed day (Sec-176)

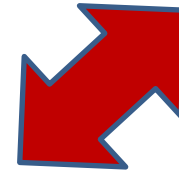


Where any Semi-Finished Goods

No Tax shall be payable if Goods after process returned to said place **within 6 Months or extended period of 2 months** from Appointed day,



Had been removed or dispatched to any other premises for Manufacturing process



Semifinished Goods

EXPLORE ALL PRODUCTS





Finished Goods removed for carrying out certain processes & returned on or after appointed day (Sec-177)



Finished Goods manufactured in factory, removed or despatched for carrying out certain processes without payment of duty, to any premises.



No Tax shall be payable if said goods are returned within 6 Months from the Appointed day



Manufacturer has **option available** under earlier law :

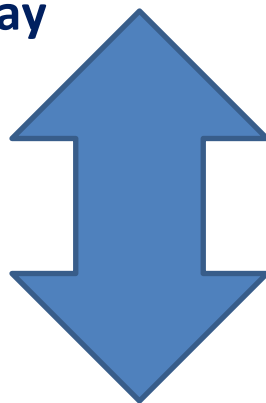
- Remove goods from job worker premises on payment of duty in domestic market.
- Without payment of duty in case of exports.



ISSUE OF SUPPLEMENTARY INVOICES, DEBIT/CREDIT NOTES WHERE PRICE IS REVISED IN PURSUANCE OF CONTRACT (Sec-178)



- In pursuance of contract, if price of any Goods/Services is revised upwards or downwards on or after appointed day



- The taxable person who removed such goods may issue supplementary invoice or debit note (In case of upwards) or credit note (In case of downwards), within 30 days of such Price Revision





PENDING REFUND CLAIMS TO BE DISPOSED OF UNDER EARLIER LAW (SEC-179)



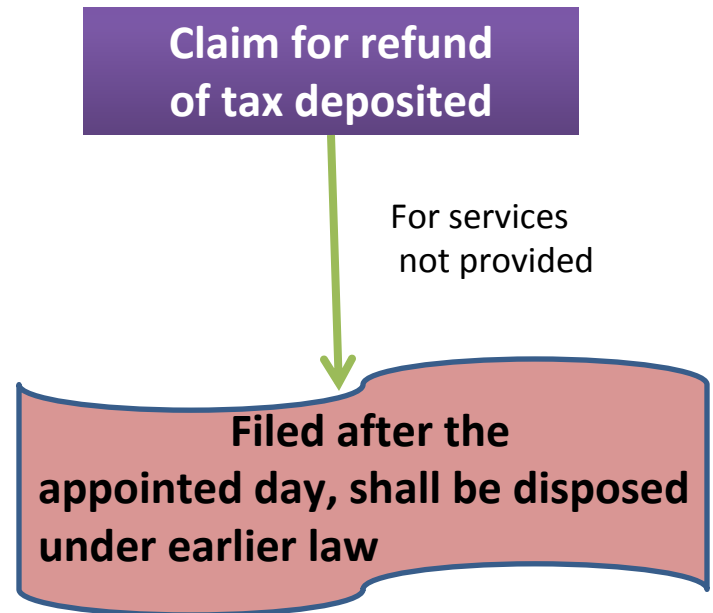
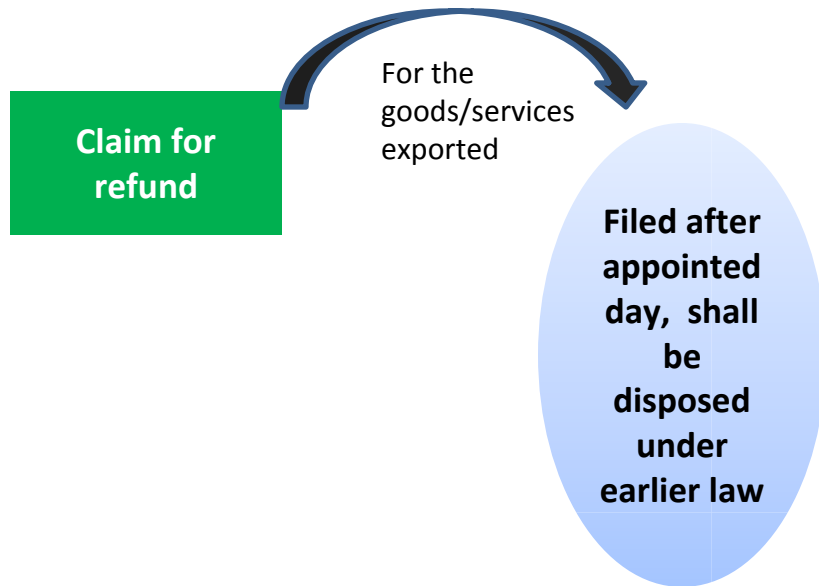
Every claim of refund of Tax/Duty/Interest or any other amount shall be refunded as per the then provisions of Tax Laws & any amount eventually accruing shall be paid in cash.





Refund claims filed after the appointed day for goods cleared or services provided before the appointed day & exported before or after the appointed day to be disposed under earlier law.
(Sec-180)

Refund claims filed after the appointed day for payments received & tax deposited before the appointed day in respect of services not provided.
(Sec-181)



No refund allowed of Cenvat if balance of the said amount has been carried forward

Amount accruing paid in cash





Claim of CENVAT Credit under earlier law (Sec-182)



**Claim for
CENVAT Credit
under earlier
Law**

Shall disposed of in accordance with provisions of earlier Law and any amount shall be refunded in cash & shall not be admissible as ITC.

**Recovery of
CENVAT Credit
under earlier
Law**

Shall disposed of in accordance with provisions of earlier Law and any amount shall be recovered as an arrear of Tax and shall not be admissible as ITC.





Finalization of proceedings relating to output duty or tax liability (Sec-183)



❑ Every proceeding of Appeal, Revision, Review or reference relating to any output duty liability initiated before appointed day shall be disposed of in accordance with provisions of earlier Law



❑ If any amount becomes recoverable shall be recovered as an Arrear of tax or if admissible shall be refunded in cash





Treatment of Amount Recovered or Refunded pursuant to Assessment or Adjudication proceedings(sec-184)

PENALTY!



- In pursuance of an assessment or adjudication proceedings instituted, any amount of tax, interest, fine or penalty becomes recoverable, same shall be recovered as an Arrear of Tax & amount shall not be admissible as ITC
- If Refundable, same shall be Refundable in Cash under earlier Law





Treatment of Amount Recovered or Refunded pursuant to Revision of Returns (sec-185)



Any return revised

if amount is found to be **Recoverable**

if amount is found to be **Refundable**

Shall be recovered as an arrear of tax & that amount shall not be admissible as ITC

Shall be refunded in cash in accordance with the provisions



Treatment of long term construction/works contracts (Sec-186)

Goods/Services supplied on or after appointed day

Entered prior to
→
the appointed day

Shall be **liable to pay tax as per GST**

Progressive or periodic supply of goods or services (Sec-187)

No TAX shall be payable on supply of goods/service **made on or after the appointed day**

- If consideration has been received prior to the appointed day
- The duty or tax payable has already been paid





Taxability of supply of services/goods in certain cases (Sec-188 & 189)



Tax shall be payable as per the earlier provisions of the Point of Taxation if the said POT arose prior to the GST Act comes into force.





Credit Distribution of Service Tax by ISD (Sec-190)

Shall be eligible if the invoices relating to



Transfer of unutilized Cenvat credit by taxable person having Centralized Registration under earlier law (Sec-191)

Tax paid on goods lying with agents to be allowed as credit under SGST Law (Sec-192)

Tax paid on capital goods lying with agents to be allowed as credit under SGST Law (Sec-193)

Treatment of Branch Transfers (Sec-194)

Goods sent on approval basis returned on or after appointed day (Sec-195)

Deduction at tax source (Sec-196)

Transitional provisions for availing Cenvat credit in certain cases (Sec-197)





Transfer of unutilized Cenvat credit by taxable person having Centralized Registration under earlier law (Sec-191)

Tax paid on goods lying with agents to be allowed as credit (Sec-192)

Tax paid on capital goods lying with agents to be allowed as credit (Sec-193)

The agent shall be entitled to take credit subject to following conditions :

- Agent is a registered taxable person.
- Both principle & agent declare the details of stock of goods/capital goods on the date immediately preceding the appointed day.
- The invoices for such goods/capital goods had been issued **not earlier than 12 months**.
- The principle has either reversed or not availed ITC in respect of such goods/capital goods.

Person having centralized Registration

Allowed to take

Cenvat Credit carried forward in return on the appointed date in E-Ledger.

Such credit transferred to any taxable person having same PAN for which Centralized registration has been taken.





Goods sent on approval basis returned on or after appointed day (Sec-195)



Any goods sent on approval basis, not earlier than 6 months before the appointed day, are rejected and returned to seller, **no tax shall be payable if such goods are returned within 6 months from appointed day.(extension for 2 months)**

Deduction at tax source (Sec-196)



Where supplier has made any sale of goods on which tax was required to be deducted at source & has issued an invoice for same, no deduction at source u/s 46 shall be made.

Transitional provisions for availing Cenvat credit in certain cases (Sec-197)



Where any Cenvat credit has been **reversed due to non-payment to the supplier** within 3 months, then the **credit can be reclaimed** but taxable person has to pay the amount within 3 months.



Thank You

