



## Goods & Services Tax Law: A Game Changer

Feb 2019

CA Navya Malhotra  
[B.Com(H), M.Com, ACA, DISA  
Certified GST Member- The I.C.A.I.]



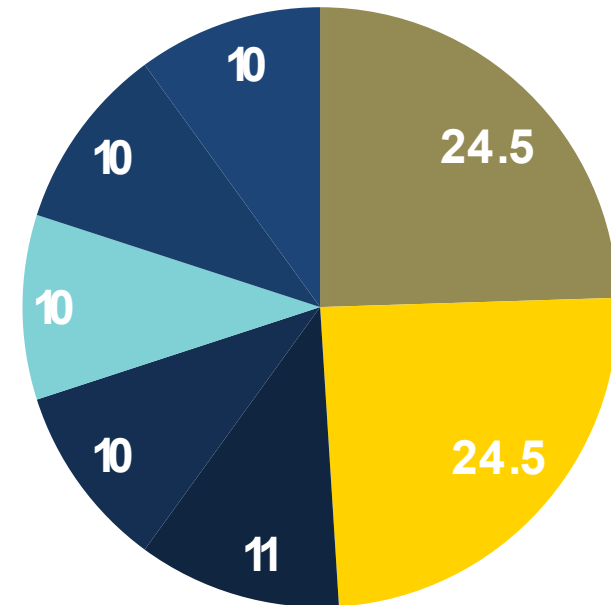
**CA NAVYA MALHOTRA**

**+91 84471 37367**

## GSTN- “Goods and Services Tax Network”

- ▶ The Government Portal for all Virtual interactions with taxpayers, banks, State governments, RBI- [www.gst.gov.in](http://www.gst.gov.in) was made live on 8<sup>th</sup> Nov 2016.
- ▶ GSTN is a not-for-profit, non-Government Company incorporated on March 28, 2013.
- ▶ **Objective :**
  - ▶ To provide shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders.
- ▶ **Electronic Interface :**
  - ▶ Online automated/auto populated filing of returns.
  - ▶ Online payment of Taxes;
  - ▶ All miss-matched returns would be auto-generated, and there would be no need for manual interventions.
  - ▶ Self assessed returns.

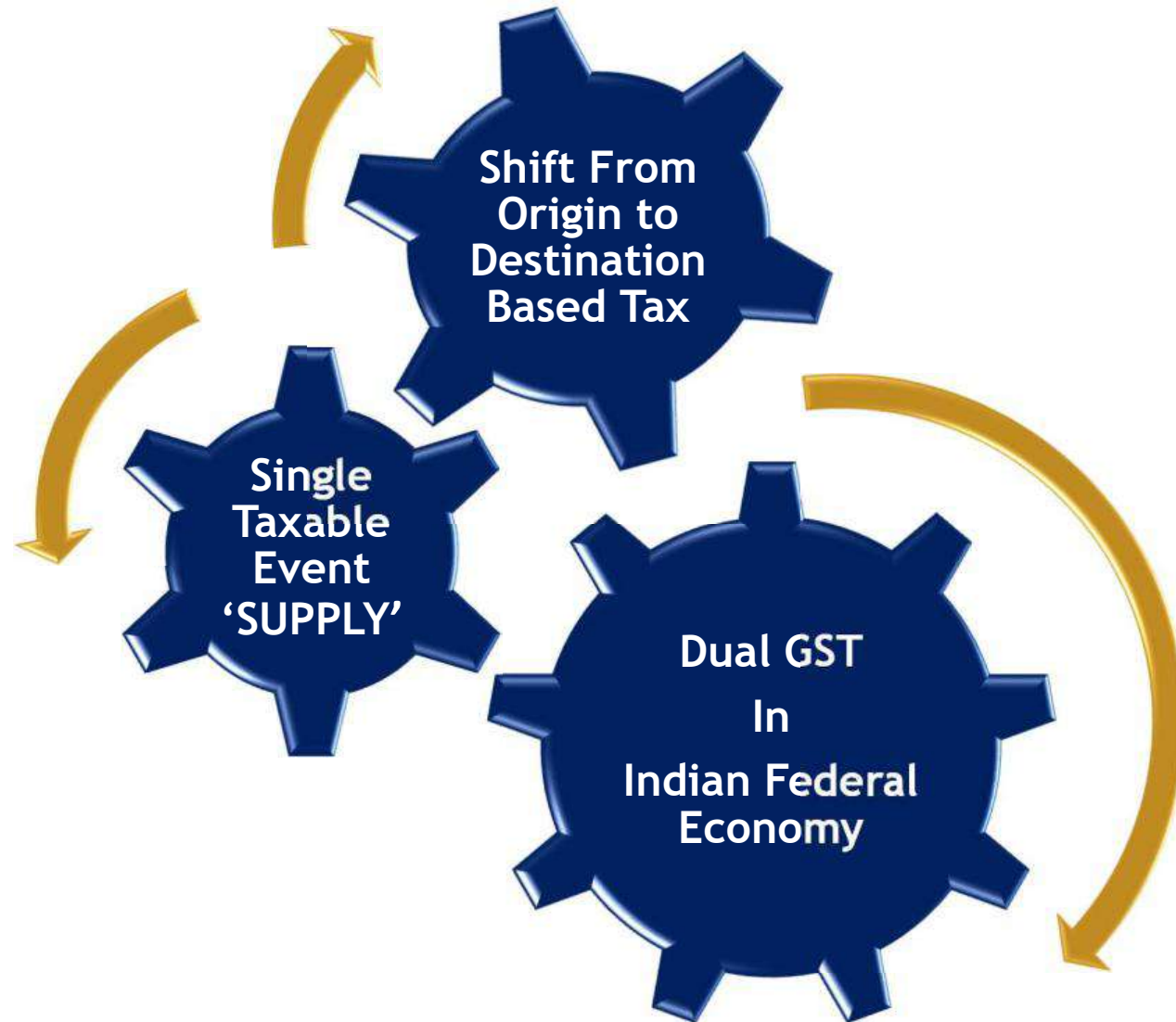
GSTN Shareholding



- Central Government
- States, UTs & EC
- LIC Housing Finance
- ICICI Bank
- HDFC Ltd
- HDFC Bank
- NSESICL

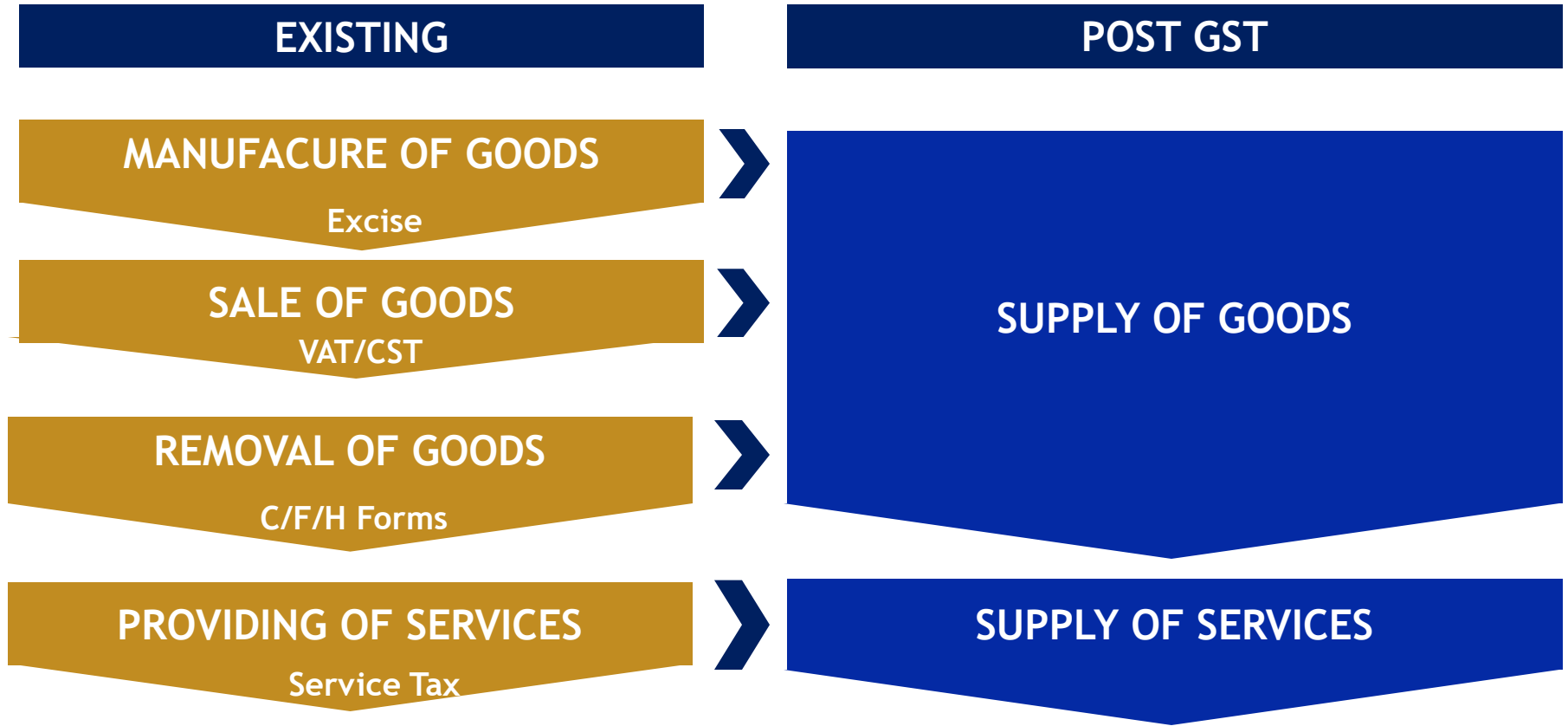
# GST Framework

---

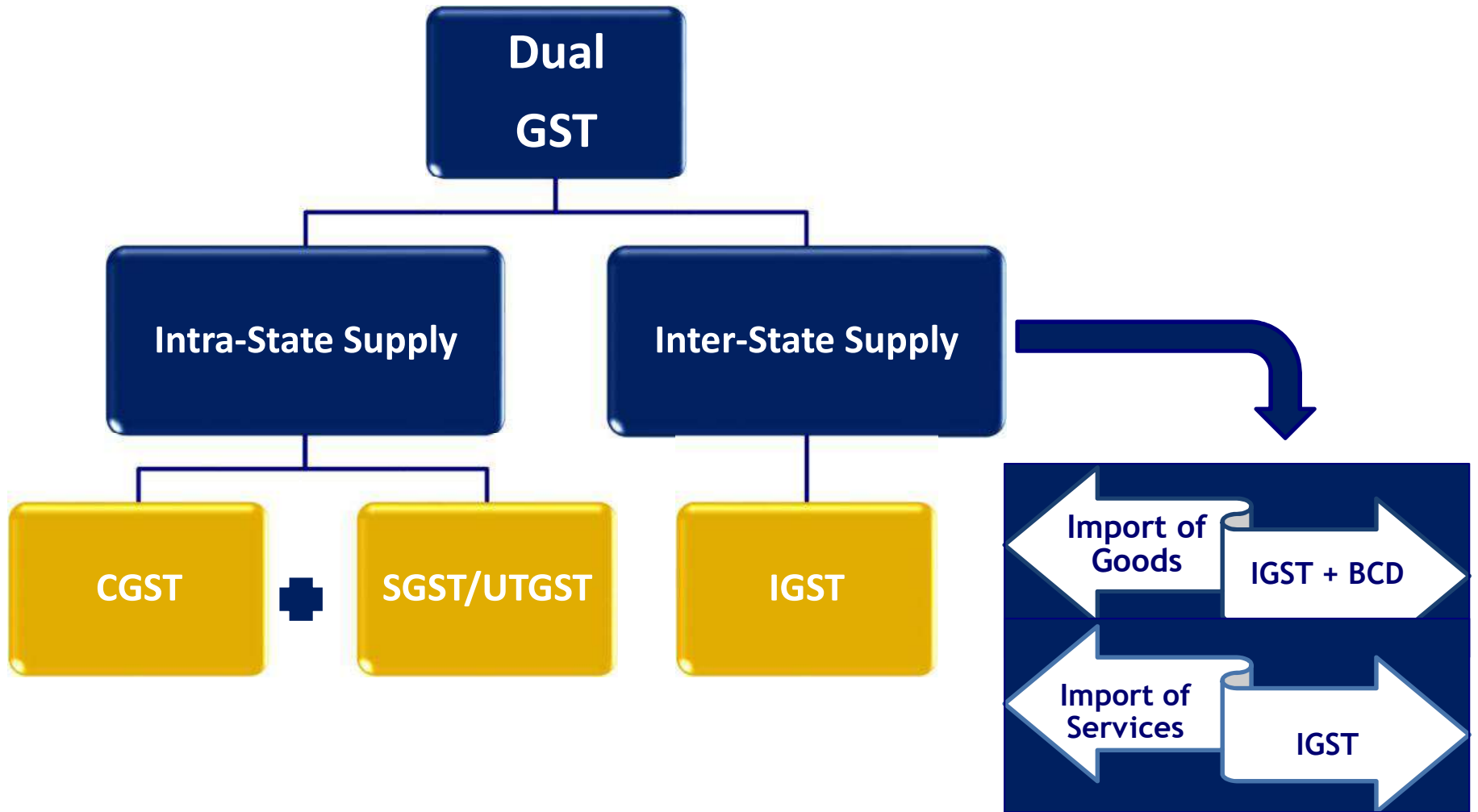


# SINGLE TAXABLE EVENT

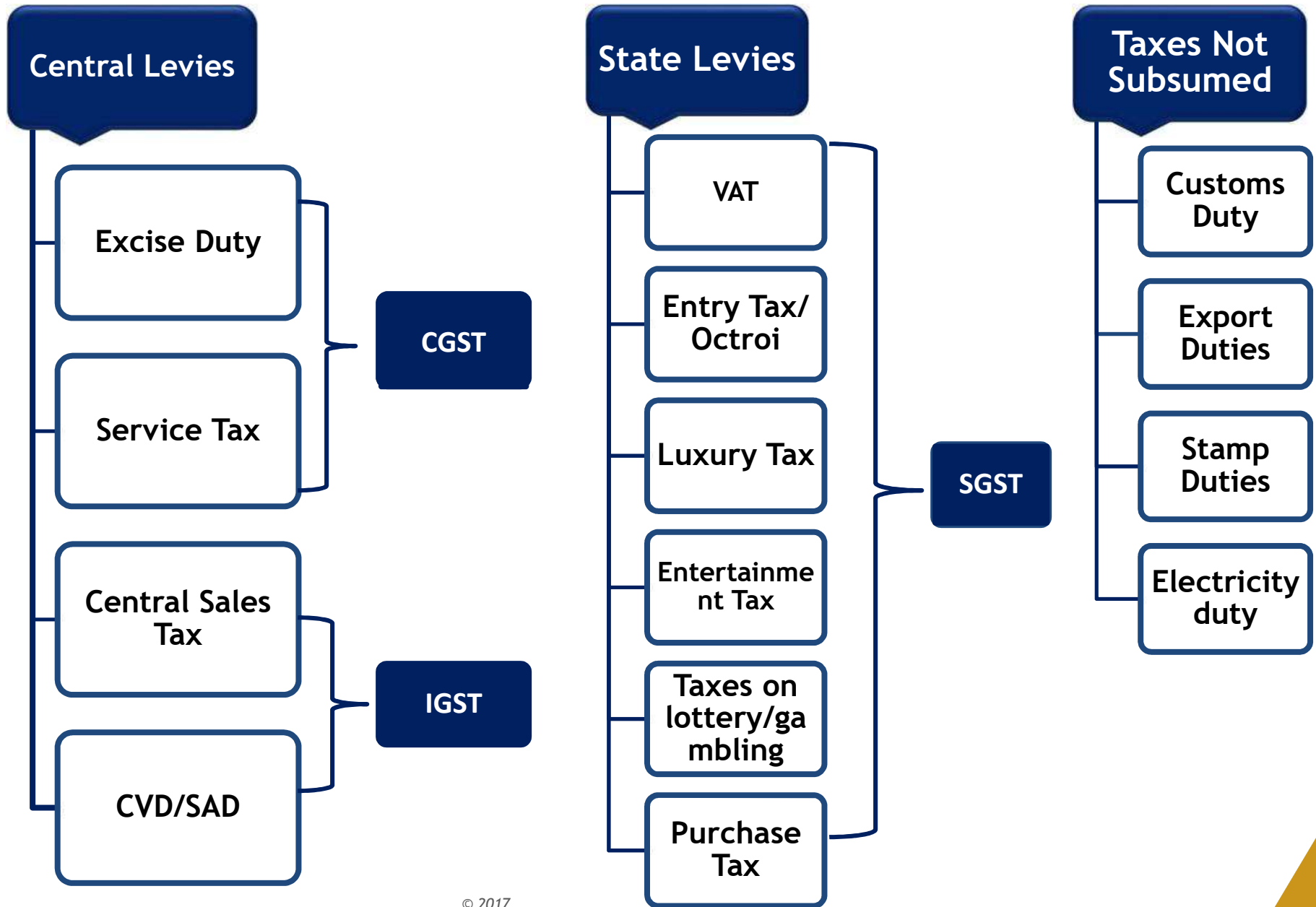
---



# GST Levy



# Migration to Post GST



## New concepts under GST Act

---

### GST on Reverse charge if Supplier is not registered

- If the **supplier is not registered** under GST and is supplying taxable goods or services to a **recipient who is registered**, the **GST** on the such taxable supplies shall be **borne by the recipient on reverse charge basis. Deferred**

### GST Law not applicable to J& K

- IGST law shall not applicable to the state of Jammu & Kashmir
- Now Applicable

### Free gifts by Employer to Employee

- Supply of goods or services or both between related persons
- when made in the course or furtherance of business
- Provided that gifts not exceeding Rs 50,000 in value in a financial year by an employer to an employee **shall not be treated as supply** of goods or services or both

## Key Changes -Existing vs Proposed

Particulars	Present regime	GST regime
Free of Cost Supply	<ul style="list-style-type: none"> <li>▶ Manufacture and clearance - Excise Duty</li> <li>▶ No VAT/ CST</li> </ul>	<ul style="list-style-type: none"> <li>▶ Free supply of goods to related party would attract GST</li> </ul>
MRP Valuation	<ul style="list-style-type: none"> <li>▶ Presently, specified goods subject to excise duty on MRP(Maximum retail Price)</li> </ul>	<ul style="list-style-type: none"> <li>▶ No concept of MRP</li> </ul>
Input Tax Credit	<ul style="list-style-type: none"> <li>▶ Credit in respect of input service is allowed on or after the day on which the invoice is received</li> </ul>	<ul style="list-style-type: none"> <li>▶ Credit on input services shall also be subject to receipt of services, payment of invoice, input tax &amp; furnishing of return (in addition to receipt of invoices)</li> </ul>
Advances Received	<ul style="list-style-type: none"> <li>▶ Excise duty ,VAT / CST is not applicable on collection of advance from distributors / payment of advance to vendors for material</li> </ul>	<ul style="list-style-type: none"> <li>▶ Advances on goods subject to GST</li> <li>▶ Provision Deffered</li> </ul>
Reverse Charge	<ul style="list-style-type: none"> <li>▶ Reverse charge concept applicable only in cases of certain notified services</li> <li>▶ No concept of reverse charge in case of supply goods</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reverse charge to be applicable on notified goods and services</li> </ul>



▶ **Transaction Value EXCLUDES discount:**

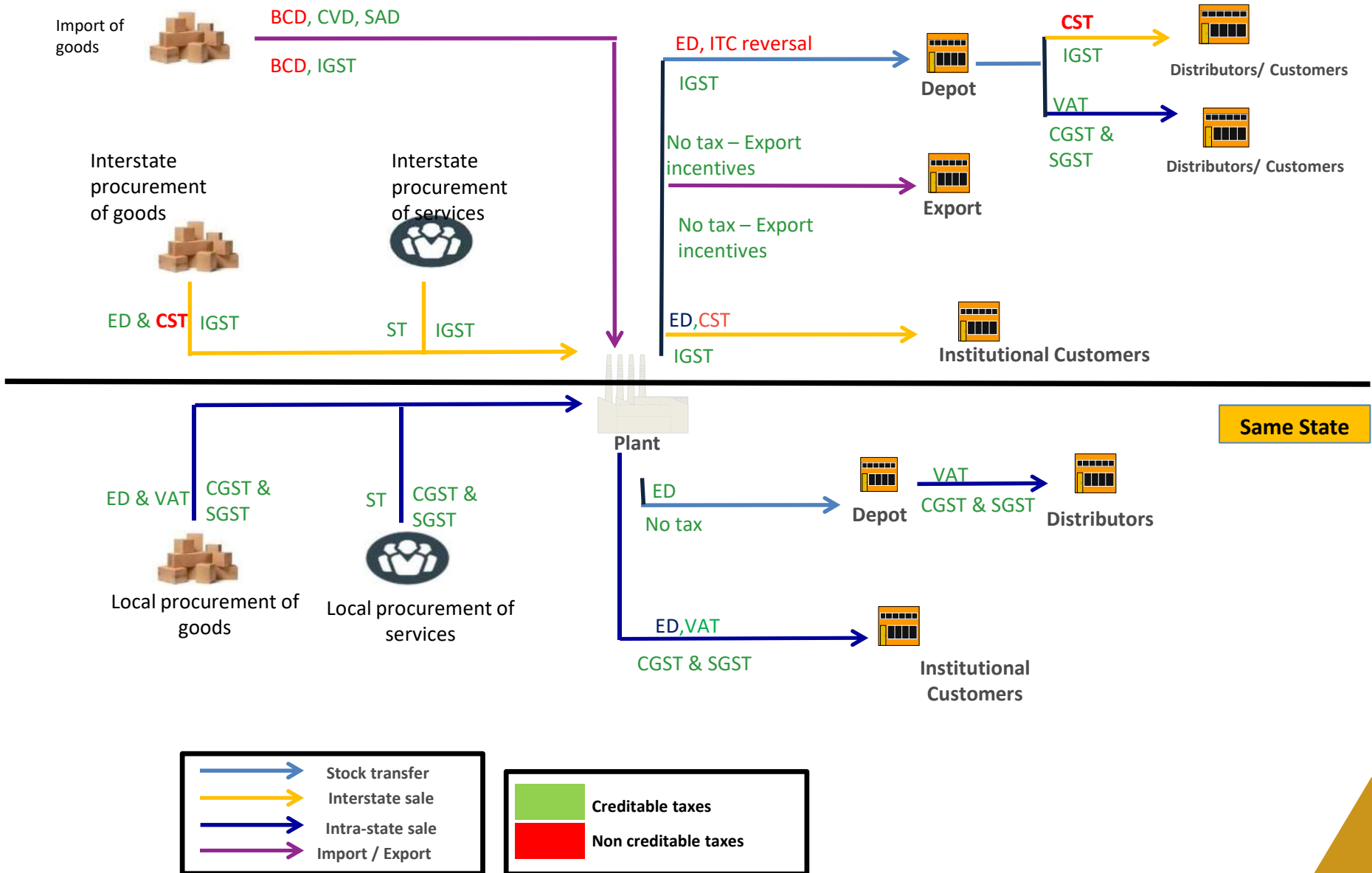
▪ **Before/ at the time of supply**

- **Single condition:** Such discount is duly recorded in the invoice

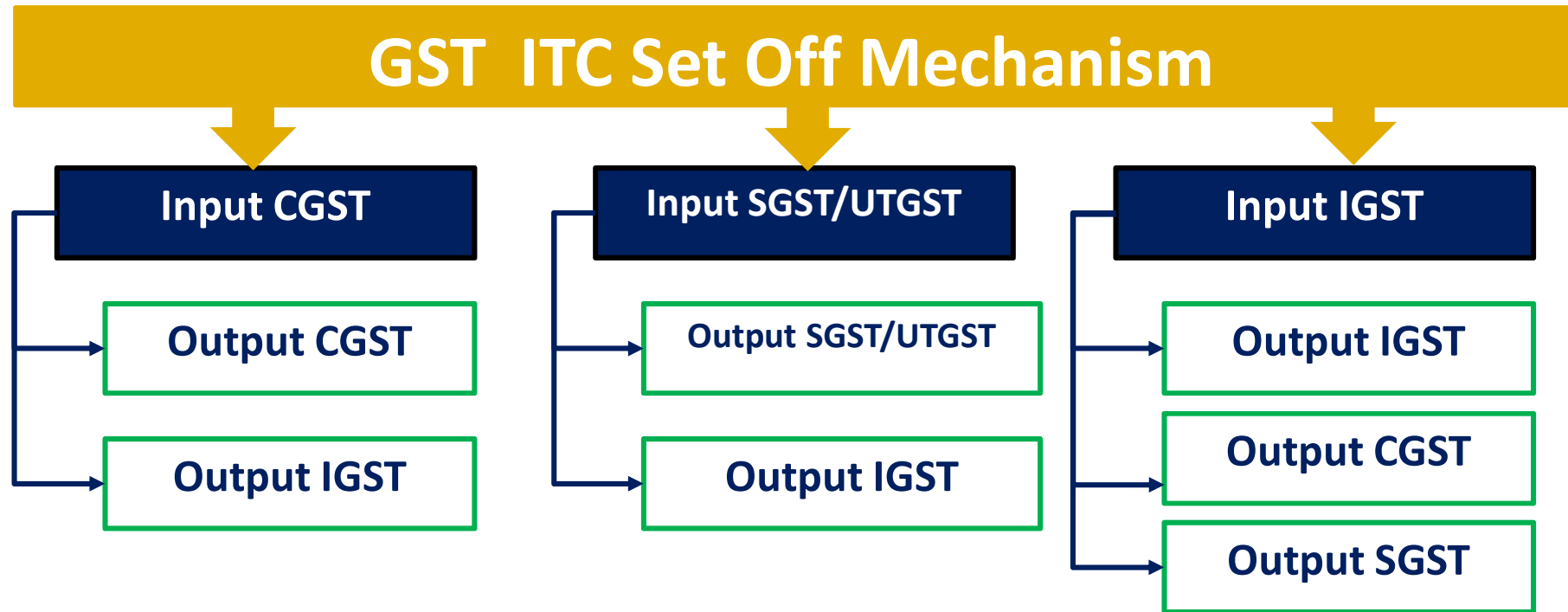
▪ **After the supply: Cumulative conditions:**

- Agreement establishing discount entered into before/ at the time of supply
- Discount specifically linked to relevant invoices
- ITC reversed by the recipient to the extent of discount

# Supply Chain Impact Understanding



## GST ITC Set Off Mechanism



**Cross utilization of ITC between CGST and SGST is not allowed.**

**Credit of SGST paid in one state cannot be utilized for payment of SGST in other state.**

**Taxes paid on inputs are available as credit against the output tax liability**

## REFUNDS under GST


---

### TIME LIMIT:


Upper Time Limit Of 2 Years From Relevant Date



### ELEGIBILITY:

1. In Case Of Exports (Including Deemed Exports) Or
  2. Where Rate Of Tax On Inputs Higher Than Output
- 

Provisional Refund Of 90%  
(within 7 days of applying)



Balance Refund After Verification



For Refunds Up To INR 2 Lakhs Self Declaration Shall Be Sufficient For Claiming The Refunds

## Why should you Start preparing?

---

### Compliance Rating Score

- Non compliance will not just lead to penalties but also black listing, which can effect the future creditability, reputation and can harm the business growth.
- The government will give you an online rating on your level, timeliness and efficiency of compliances in terms of stars (5 star rating). Each non compliance can reduce the number of stars.
- This Online rating is going to be available on the web portal and one can check and decide business associations on the basis of these rating/report card of your Business.

### Anti Profiteering Measure

- Price charged to the consumer shall need to be reduced to an extent of benefit accruing due to
- (i) admissibility of ITC in the hands of supplier and
- (ii) price reduction on account of reduction in tax rates on procurement.



thank you!

---

**Contact details are as below:**

CA Navya Malhotra  
Mobile: +91- 84471 37367

Email : navyamalhotra28@gmail.com

Facebook : CANAVYAMALHOTRA (gstwithcanavya)

**Address** : A-1/368, Rohini Sector-17, New Delhi-110085