

TSMT UPDATE

| Goods & Services tax | One Nation One Tax |

Current Tax Structure

- * Multiple level of tax system
- * Restriction on utilization of credit of tax paid under various taxes
- * Cumbersome refund process
- * Segregate the market due to different tax regulations

GST

- * Single Integrated tax system
- * Seamless flow of credit
- * Creates a common Market
- * Smoother refund process
- * Transparent tax administration



Foreword

The challenges faced due to complicated tax system on business transaction is one of the major factor responsible for current ranking of India in the ease of doing business. The Government plans to bridge this gap by bringing major reforms in tax structure.

The Goods and Services Tax (GST) is one of the most significant tax reform post independence. It is expected to replace our current complex Central and State indirect taxes to create a common Indian market place and reducing the cascading effect of tax on the cost of goods and services. It will impact the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilization and reporting, leading to a complete overhaul of the current indirect tax system.



GST Timeline

August-2016:

- ➔ Constitution amendment bill passed by Rajya Sabha
- ➔ Passage of the constitution amendment bill by Lok Sabha
- ➔ Bill ratified by more than 16 states

September - 2016:

- ➔ Assent of President of India

October- January 2017:

- ➔ Setting up of council for providing its recommendation

March-2017

- ➔ GST Council clears all the 5 bills

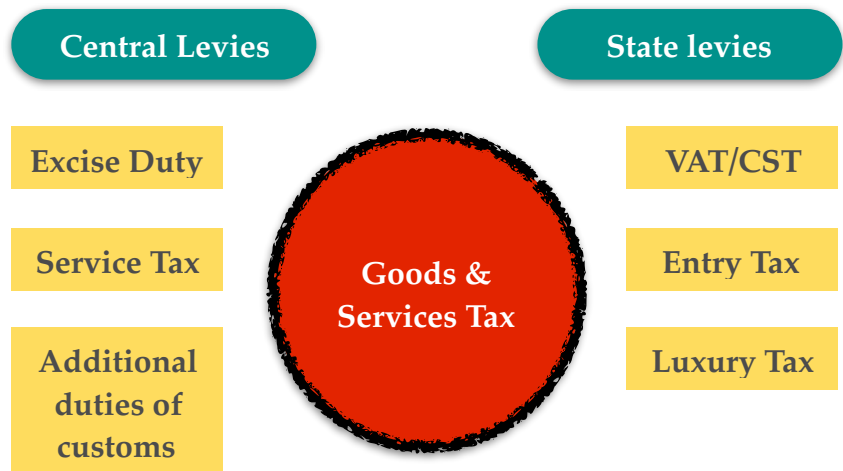
Road Ahead

- ➔ Parliament to pass CGST and IGST law
- ➔ State assembly to pass SGST law
- ➔ Roll out Rules and regulations

July - 2017:

National wide implementation of GST

Taxes Subsumed under GST



Taxes outside the purview of GST

- ▶ Alcohol for human consumption
- ▶ Petroleum Products viz. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel
- ▶ Tax on Electricity
- ▶ Basic Custom Duty
- ▶ Stamp Duty

Fundamentals of GST

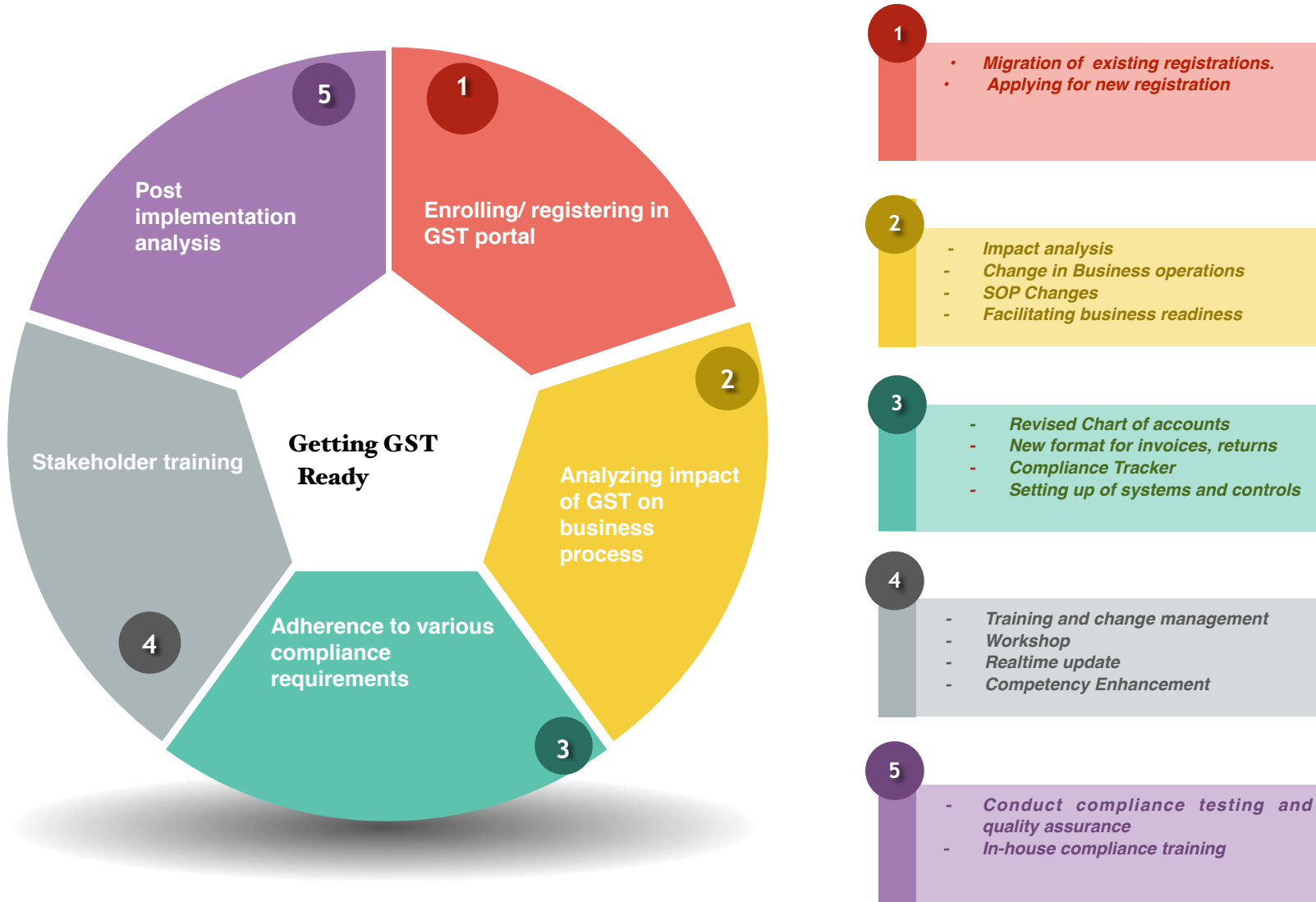
GST law will be implemented as a dual tax system, concurrently levied and administered by Central and State Government.

This will comprise of:

- Central GST (CGST)* - Levied by the Central Government
- State GST (SGST)* - Levied by the State Government
- Integrated GST (IGST)* - Levied by the Center on the interstate Supply of Goods and Services

Are you GST ready?

GST will have an impact on almost all the aspects of the business operations. It may be business model, Financial reporting, supply chain management, IT infrastructure or Compliance Management. The transition to GST will have to be managed in a phased manner and will require proactive and timely planning. Companies will have to start by understanding key areas of impact to their business and prepare different scenarios for the design and application of GST. The key aspects to be looked into under GST regime are outlined below:



Offices:

Bangalore (Head Office)

#4/02, 15th Cross, South End,
Jayanagar 2nd Block,
Bangalore - 560 011

Hyderabad

Regus Business Center,
Room No. 149, Level 1, Mid Town Plaza,
Road No. 1, Banjara Hills,
Hyderabad - 500 034

Chennai:

Level 6, 10/11,
Doctor Radha Krishnan Salai, Mylapore,
Chennai - 600 004

About Us

T. Sriram, Mehta & Tadimalla is a Firm of Chartered Accountants established in Bangalore with branches in Hyderabad and Chennai. The firm was founded in 1972 and has since been well established in the fields of Assurance, Taxation and Advisory services.

Contact us

Phone: 080-42088991 / 42088992
E - Mail: partners@tsmt.in, gst@tsmt.in