

Together

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GST Issue

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THIS ISSUE

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“The GST council is India’s first federal institution where sovereignty of the centre & the states in relation to indirect taxes has been pulled in together in a federal institution. It is incumbent on all of us to make sure that this federal institution works. The delicate balance between what the centre & the states have unanimously agreed is almost a federal contract constitutional sanction.”

- *Mr Arun Jaitley, Union Finance Minister, highlighting on the principle of shared sovereignty of both the centre & state governments, under the new GST tax structure.*

GOODS & SERVICES TAX (GST)

India gearing up
for the biggest tax Reform

THE EDIT PAGE
Issues & Insights



India gets ready for its biggest ever indirect tax reform - **Goods and Services Tax (GST)**, proposed to be implemented from 01 July 2017. Let's consider why it's the biggest game changer in decades.

India's new tax regime in the making- Goods & Services Tax (GST) is an indirect taxation wherein most of the existing taxes will be merged into a single taxation system. The GST Bills recently passed, will allow the Centre & the states to levy indirect tax on manufacture, sale & consumption of goods & services across the country. This comprehensive tax would put all taxes levied by state & the Central government in one basket by merging them into a single-tax system, thus doing away with multiple taxation.

The Goods & Services Tax is governed by the GST Council, headed by the Finance Minister. The biggest challenge for a smooth GST rollout is coordination between states & the Centre to ensure uniform tax rates for goods & services. The GST Council has already approved a four-tier uniform tax slab of 5%, 12%, 18% and 28% on goods & services, plus an additional cess on demerit goods such as luxury cars, aerated drinks & tobacco products. Food items will not attract any tax & have been kept in the zero-per cent slab. Similarly, petroleum products, although included under the GST, will remain in zero tax slab as of now. However, the GST Council is yet to take a call on whether to keep alcohol under GST. With the Goods & Services Tax coming in, Centre-level taxes like Sales Tax, Excise Duty & state-level taxes like Value-added Tax (VAT), Entertainment Tax & Luxury Tax will be subsumed.

Following a seven-hour debate on the GST bills in the Parliament last month end, the Lok Sabha approved the four supplementary legislations- Central Goods and Services Tax (CGST) Bill, Integrated GST Bill, Compensation GST Bill and Union Territory GST Bill 2017. The CGST Bill will allow the Central government to levy & collect tax on intra-state supply of goods & services. The Integrated GST Bill 2017 provides for levy & collection of tax on inter-state supply. The Compensation GST Bill will provide compensation to states for the loss of revenue they may incur owing to implementation of GST. The Union Territory GST bill will enable levy & collection of tax on intra-state supply of goods and services or both by union territories. Clarifying on the clause, Finance Minister, Mr. Arun Jaitley told the House that no additional tax will be imposed to provide compensation to states & states to be paid compensation within the existing mechanism.

The Bills will now be sent to Rajya Sabha. Being money Bills, these Bills are unlikely to face any issues in the upper house. States will however need to pass the State GST Law. Detailed rules to be framed based on the laws. Successful implementation of GST greatly depends on smooth migration of exiting taxpayers to GST, proper training of centre & state officials in GST Laws & above all a well-tested IT infrastructure complying with GST requirements. Anyhow, passing of the 4 bills marks the culmination of a series of steps taken up by the government since August 2016. So at present the nation is optimistic as it now appears certain that India is headed for a GST rollout from July 2017.

A handwritten signature in blue ink, appearing to be 'Usha', written over a horizontal line.

usha@imis.ac.in

GST FUNDAMENTALS

Model/Components of GST

CGST (Central GST)

- Replace central Excise Duty & service Tax.
- Cover Sale transaction
- Administered by CG
- Further it is expected that the duty and tax paid on closing stock would be available as credit.
- Levied on all intra-state sale/supplies of goods or services.

SGST (State GST)

- Replace State Vat, Entry Tax, Entertainment Tax, & Luxury Tax.
- Cover taxing of Services
- Administered by SG
- Rate can be a bit higher than CGST rate .
- It is expected that the duty and tax paid on closing stock would be available as credit.
- Levied on all intra-state sale/supplies of goods or services.

IGST (Inter-State GST)

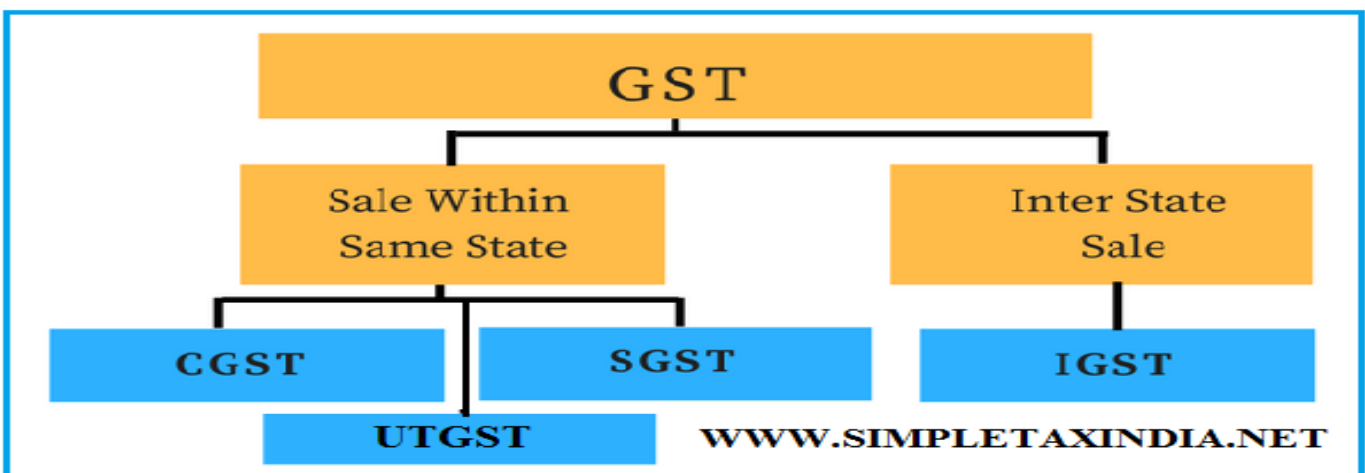
- Levied on all inter – state supplies of goods or services which are sold or transferred.
- Applicable to imports of goods or services.
- Expected to be equal to CGST as well as SGST.
- It is expected that the duty and tax paid on closing stock would be available as credit.

The Compensation Law

The compensation law would have the taxes subsumed and the revenue forgone by each state on account of GST implementation. It will give details on how the Centre plans to raise funds for compensating the revenue loss. The Centre will impose a cess on luxury items like high-end cars and demerit goods including tobacco, pan masala etc.

Union Territory GST

UTGST stands for Union Territory Goods and Service Tax. The purpose of UTGST bill is to apply a collection of tax on every Intra UT supply of goods and service in the union territories in absence of legislature and has similar properties as that of SGST. So all in all, the SGST cannot fulfill the needed provision here and for the same UTGST has taken its place. Currently, UTGST is applied to union territories.





1. Which bank has declared Kingfisher, its promoter Mallya and United Breweries Holdings as "wilful defaulters" last week?
2. Dr.Reddy's is indulged in a court battle, facing a temporary ban on the sale of the company's generic 'esomeprazole' drug in the US market. The charges have been filed against Dr. Reddy's, by which pharma company?
3. Name the manufacturer of solar devices which has recently introduced a lamp called Sun King Pico for Rs 499, calling it the end of kerosene lamps.
4. Government has declared to continue to pursue its Rs 640-crore class action suit filed in NCDRC against which company?
5. Which of the following pharma companies is launching an anti-diabetic drug, teneligliptin, at an aggressive price of Rs 7 per day, almost 1/6th the price of the established gliptins?
6. Black Friday marks the Christmas shopping season on which online marketplaces in India this year?
7. Which telecom major launched a facility allowing customers to choose the numeric combination of their choice in their mobile numbers?
8. BSE (Bombay Stock Exchange) Brokers Forum (BBF) has recently signed a memorandum of understanding (MoU) with which country's 'Federal Service Authority'?
9. Name the SoftBank-backed real estate portal which has recently fired about 200 employees as part of restructuring, looking to focus core business -home buying and selling.
10. Taiwan-based Pinnacle Technology Corporation, announced its foray into the Indian market in collaboration with which printing ink leader for marketing their products.

HAPPY QUIZZING

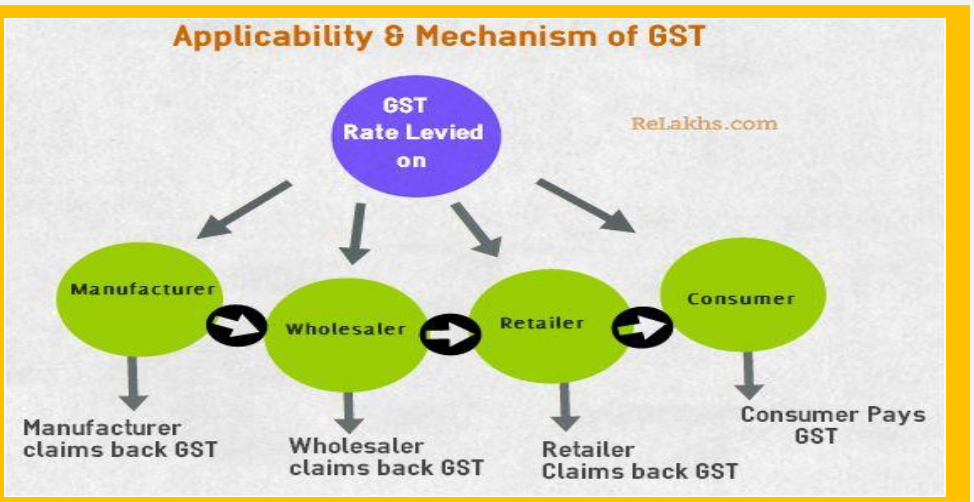
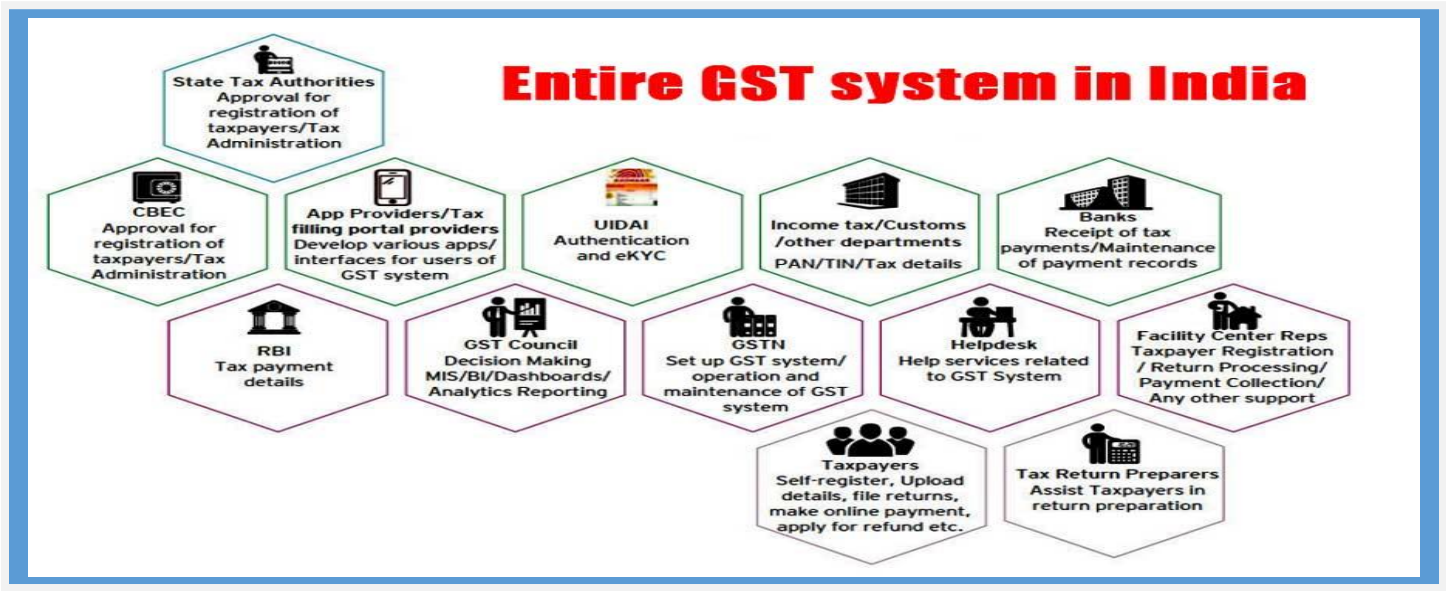
Students are encouraged to send answers to Management Quiz No.24 to the Email: usha@imis.ac.in, latest by 28th April. 2017, to win attractive prizes, for all correct answers..

Answers to Management Quiz No. 23

(Together, Jan-Feb 2017, Vol.6, No.84, p-4)

1. \$5.54 bn
2. Boom Technology
3. Noel Tata
4. Nitin Nohria
5. 6.9%
6. Standard Chartered
7. 9X media
8. Axiata
9. \$53 bn
10. Uttar Pradesh

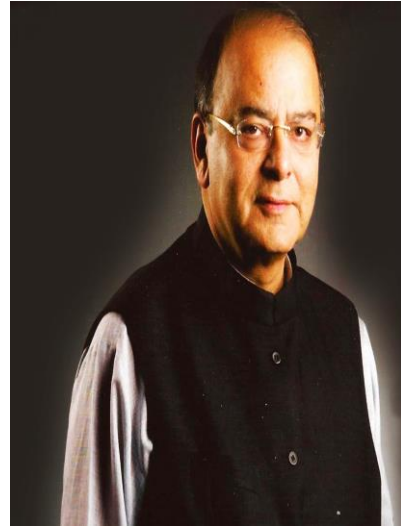
**QUICK TAKE-
HOW WILL GST
WORK?**



GST REACTIONS



The passage of the enabling legislation for GST has marked a major step towards "freeing India from tax terrorism" and in helping curb black money and corruption and in making "the consumer, the king."



it is a revolutionary bill, which will abolish the issue of cascading tax that has been persistent since the time of Independence.



If the tax rate is not mentioned in the GST law, it is like enacting Hamlet without the prince of Denmark.

P. Chidambaram
(Ex- Finance Minister)



Manufacturers can now concentrate on their main business of production without the complexity of multiple tax compliances. I'm also sure that given the dynamism of the government, it will certainly pay attention to the request of our IT sector for a differentiated approach under GST."

V.S. Parthasarathy, group CFO, Mahindra and Mahindra Ltd



It is likely to reduce transaction cost of doing business. I am confident that once implemented, it will not only bring relief to the consumers, but also help the retail sector in a big way."

Krish Iyer, president & CEO, Walmart India



The Indian cinema industry has been taxed as a vice by a host of regulatory bodies including local, state and central authorities at extremely high rates which have stunted the growth of the industry. We are hopeful that subsuming of all these taxes under GST will ease the pressure on the industry and allow it to grow to its full potential."

Alok Tandon, CEO, INOX Leisure Ltd

CURRENT TAX STRUCTURE Vs GST

Particulars	Current Scenario	GST Scenario
Structural Difference	<p>a) Central Taxes:- Central Excise/Custom Duty, Central Sales Tax on Goods and Service Tax charged on Services, Surcharge & Cess</p> <p>b) State Taxes- State Vat, Sales Tax Deducted at Source, WCT, Luxury Tax, Entertainment Tax, Tax on Lottery, Surcharge & Cess</p>	A dual layered tax system with both Central and State GST levied on same base on all the goods and services except Petroleum, High Speed Diesel, Motor spirit and Natural Gas to be brought at a later date, subject to recommendation of GST Council.
Basis of Levy	<p>Taxable at the place of</p> <p>a) Manufacture/Sale of goods,</p> <p>b) Rendering of services</p>	Taxable at the place of Consumption, a destination based tax
Central Sales Tax (CST)	Applicable at concessional rate of 2% on inter-state transfers against C-Forms, otherwise full rate i.e. 5% to 14.5%	To be subsumed in IGST (Integrated Goods and Service Tax)
State VAT	Except exempt items, all goods are taxed	Subsumed in SGST (State Goods and Service Tax)
Entry Tax	Currently being charged by selected states for interstate transfers, held as import in local area	No entry tax, Additional 1% of Tax to be levied on inter-state supply of selected goods, list yet to be finalised
Tax on Export of Goods and Services	Exempt/Zero rated	No Change



**Are you
ready
for
GST?**





Revenue from stamp duty collection in Maharashtra fell by Rs 1,000-crore.

Feb 16, 2017 | Financial Express

The state government's average daily earning through property registration charges and stamp duty has come down to Rs 42 crore from the previous figure of Rs 65 crore. "Post demonetisation, there has been some slowdown in the market in terms of sale and purchase of property. The effect is going to be there for some time," said N Ramswamy.

GST Council to finalise draft model GST law tomorrow

Feb 17, 2017 | Financial Express

The GST Council, which is meeting tomorrow, is likely to finalise the draft model GST law including final drafting of the anti-profiteering clause to ensure benefit of lower taxes gets shared with consumers.

Disinvestment revenue on mind, Narendra Modi govt lays out deadline for PSU listing

Feb 18, 2017 | Financial Express

Having planned a 60% jump in disinvestment revenue in 2017-18, the government has now set itself stiff time-bound targets for listing of central PSUs.

GST Council clears compensation Bill

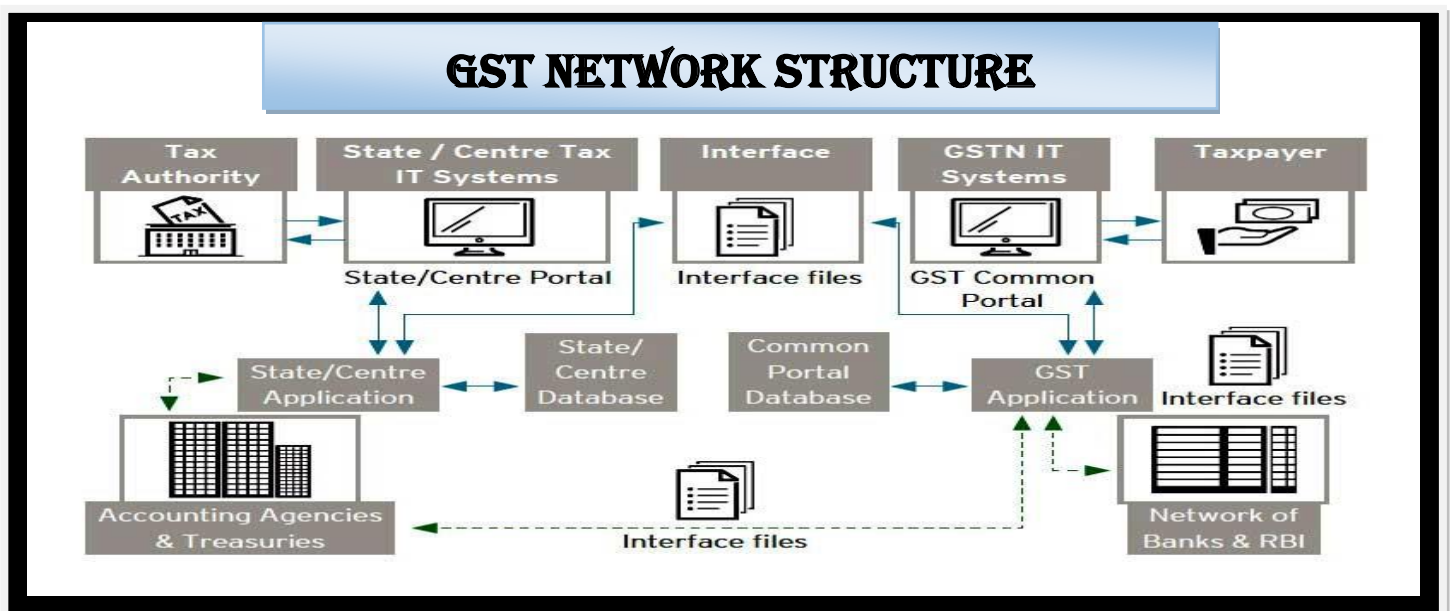
Feb 19, 2017 | Financial Express

The goods and services tax (GST) Council on Saturday formally approved a Bill for compensating the state governments for any revenue loss they might have to suffer in the first five years in the GST regime, as the constitutionally empowered body entered the last lap of its key legislative business.

From today one can withdraw up to Rs 50,000 in a week; curbs to go from March 13

Feb 20, 2017 | Financial Express

Few months after demonetization was announced, the Reserve Bank on Wednesday said the weekly limit on withdrawal of cash from savings bank accounts will be increased to Rs 50,000, from the current Rs 24,000, from today, and the limit will be removed completely from 13 March.



Agriculture sector growth to be around 7%: NITI Aayog's Ramesh Chand.

Feb 21, 2017 | Financial Express

While the Central Statistical Organisation has estimated “agriculture and allied services” to grow 4.1% in FY17, Niti Aayog member Ramesh Chand expects the growth rate to be a handsome 7%.

India's GDP projected to slow to 6.6% post-demonetization: IMF

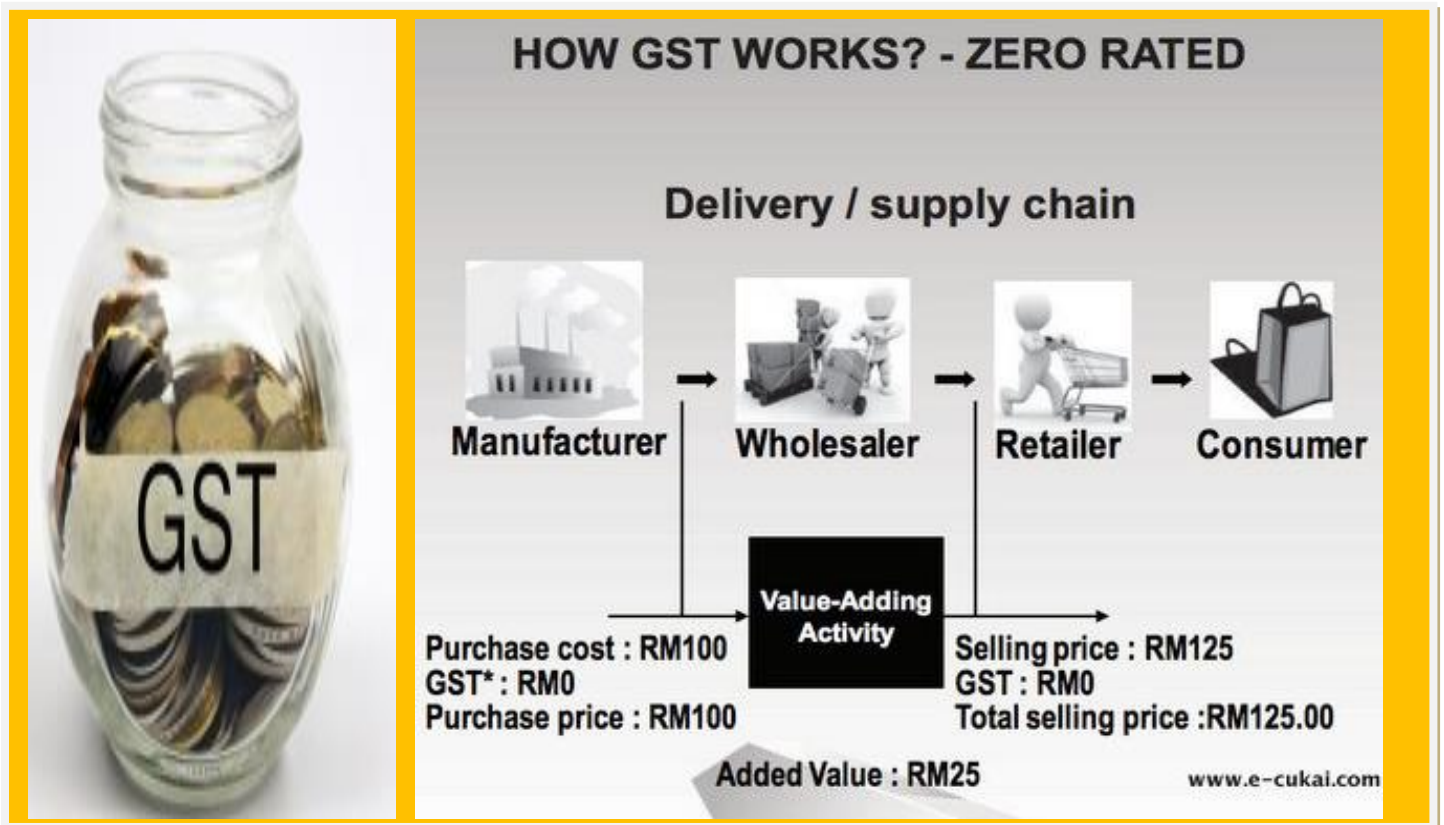
Feb 22, 2017 | Financial Express

India's growth is projected to slow to 6.6 per cent in 2016-17 fiscal due to the strains that have emerged in the economy as a result of “temporary disruptions” caused by demonetisation, the IMF said today. In its annual report, however, the International Monetary Fund (IMF) said demonetisation would have only short term impact on the economy and it would bounce back to its expected growth of more than eight per cent in the next few years.

Black money probe: HSBC discloses tax evasion probes in India, other countries

Feb 26, 2017 | Financial Express

Global banking giant HSBC has disclosed being probed by tax authorities in India and several other countries, including against its Swiss and Dubai units, for allegedly abetting tax evasion of four Indians and their families. Besides, the bank has been approached by the regulatory and law enforcement agencies of various countries for information on persons and entities named in the leaked ‘Panama Papers’ — which included hundreds of Indians who had indulged in alleged tax violations through offshore tax havens with the help of Panamanian law firm Mossack Fonseca.



The legacy of U.K. Sinha

Mar 01, 2017 | Livemint

SEBI under chairman U.K. Sinha was not shy of probing allegations against large business houses, some of them politically connected, when it came to corporate governance. U.K. Sinha's six-year term (with two extensions) as head of the Securities and Exchange Board of India (SEBI) ends on Wednesday. His three predecessors—C.B. Bhavé, M. Damodaran and G.N. Bajpai— had a three-year term each. In SEBI's 25-year history, only one chairman had a longer tenure than Sinha—D.R. Mehta, for seven years.

The political economy of India's bad bank

Mar 06, 2017 | Livemint

The idea of setting up a centralized public asset management company (PAMC) or "bad bank" to solve the problem of stressed loans is gathering steam. The Economic Survey 2016-17 proposed the setting up of a public sector asset rehabilitation agency (PARA), which is essentially a centralized bad bank. In a recent speech, Reserve Bank of India (RBI) deputy governor Viral Acharya said there is a "sense of urgency" to decisively resolve Indian banks' stressed assets. One of his proposed solutions is the creation of a PAMC for sectors in which assets are economically unviable in the short-to-medium term, like the power sector.

The new normal

Mar 09, 2017 | Indiatoday

On March 4, the GST council provisionally approved two of four pieces of legislation to enable the new tax regime—the central and integrated aspects of the GST (CGST and IGST). The remaining two (SGST and UTGST) will be cleared at the next council meeting on March 16, clearing the decks for the tabling of the bill in the budget session "Subject to Parliament approving the bills," said finance minister and GST council head Arun Jaitley, "July 1, 2017 optimistically looks like the possible date for GST implementation."



MORE OR LESS: GST VS CURRENT TAXES

	Current Tax Slabs	New GST Rates	Products & Services
1	Up to 9%	5%	Edible oil, spices, tea, coffee
2	9% - >15%	12%	Computers, processed food
3	15% - >21%	18%	Soaps, oil, shaving sticks
4	21%	28%	Most white goods such as LED TV sets

Combined central and state taxes
Source: Govt, PwC

- ▶ Half the consumer price index basket, including **foodgrains**, to be zero-rated, enabling them to be part of GST chain but without burdening consumers
- ▶ Cars may be in 28% bracket. While **small cars** may get a **rebate**, **cess** expected on **luxury vehicles**
- ▶ Product details to be worked out by officers
- ▶ Cess to face annual review, to be **phased out in 5 years**
- ▶ No decision yet on service tax rates and GST on gold

GST Council caps cess on demerit goods at 15%

Mar 16, 2017 | Economic Times

A maximum of 15 per cent cess on top of the peak GST rate of 28 per cent will be levied on luxury goods and aerated drinks after the GST Council approved a cap on cess along with supporting legislations. The actual cess on demerit goods, which will help create a corpus for compensating states for any loss of revenue from GST implementation in the first five years, may be lower than the cap as the Council has kept a "little" headroom for future exigencies, Finance Minister Arun Jaitley said.

Giving an example, he said if a luxury car at present commands a total tax of 40 per cent, under the new indirect tax regime, a GST of 28 per cent plus 12 per cent cess would be levied to keep the tax incidence at the same level.

Tax dept to calculate GST's impact on inflation

Mar 17, 2017 | Financial Express

"The fitment of rates would be done in a way to ensure items which have more weightage in CPI basket are not affected. We will do internal calculation to make sure that rates do not affect consumer price index (CPI) based inflation," an official said.

India pushes its case at WTO headquarters in Geneva

Mar 22, 2017 | Financial Express

A team of officials has recently visited WTO headquarters in Geneva for discussion on issues of India's interest, including the proposed trade facilitation pact in services. India has recently tabled a proposal at the WTO for an agreement on trade facilitation in services (TFS), The TFS proposal aims at liberalising rules for movement of professionals and other steps to reduce transaction costs to boost growth of the services sector.

Forex reserves up \$2.67 billion to \$366.78 billion

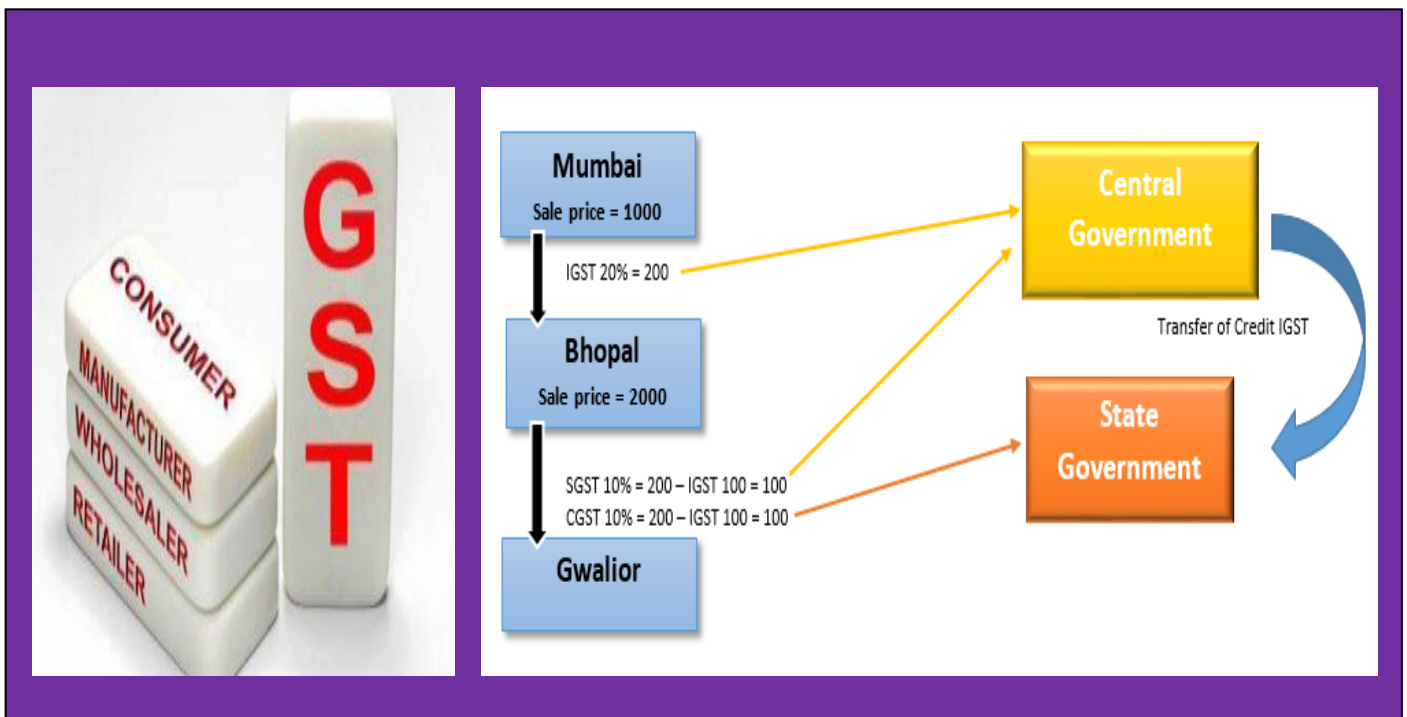
Mar 24, 2017 | Business Standard

India's foreign exchange reserves surged by whopping USD 2.671 billion to USD 366.781 billion for the week ended March 17 on account of increase in foreign currency assets- the Reserve Bank. In the previous week, the reserves had risen by USD 98.6 million to USD 364.109 billion.

Sebi imposes 1-yr ban on Reliance Industries, orders disgorgement of Rs 447 cr

Mar 24, 2017 | Financial Express

SEBI banned Reliance Industries and 12 others from equity derivatives trading for one year and directed the Mukesh Ambani-led firm to disgorge nearly Rs 1,000 crore for alleged fraudulent trading in a 10-year-old case. Reliance Industries has been asked to disgorge Rs 447 crore, along with an annual interest of 12 per cent since November 29, 2007, which itself would be more than Rs 500 crore, taking the total disgorgement amount to nearly Rs 1,000 crore.





Tata Motors, Microsoft ink technology collaboration deal

Feb 16, 2017 | Times Of India

Tata Motors Ltd and Microsoft India on Thursday announced a strategic collaboration on the technology front to make driving a more personalised experiences for the customers, the companies said in a joint statement. "Using IoT (internet of things), AI (artificial intelligence) and machine learning technologies, we will provide vehicle owners in India and across the world a safe, productive and fun driving experience," Anant Maheshwari, President at Microsoft India, said.

Ahead of merger with SBI, associate SBT to raise up to Rs 600cr

Feb 18, 2017 | Times Of India

Ahead of its proposed merger with parent SBI, State Bank of Travancore (SBT) will raise up to Rs 600 crore to shore up additional tier-I capital by issuing Basel compliant bonds on private placement. The bank got approval of its Executive Committee today to raise the money, which will be added as its additional tier-I capital.

VIVO Healthcare receives investment from ICCO of Netherlands

Feb 18, 2017 | Times Of India

Healthcare training and education company VIVO Healthcare has received strategic investment from ICCO Investment. The investment arm of Netherlands based ICCO Cooperation will support VIVO's plans to expand into various emerging markets which have a need for training large numbers of healthcare workers.

DLF to invest Rs 3,500 cr in 2017 to complete running projects

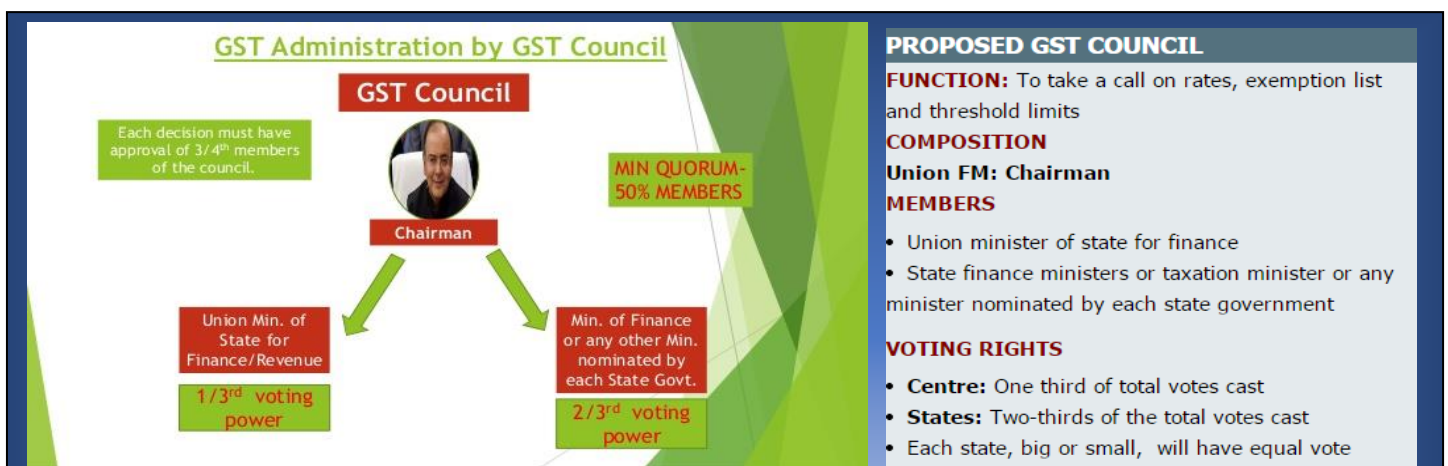
Feb 19, 2017 | Economic time

India's largest realty firm DLF Ltd. will invest about Rs 3,500 crore this year to complete construction of almost all of its existing housing projects, a senior company official said. DLF has 18.5 million square feet area under construction in various housing projects, and it is targeting to complete about 15-16 million sq.ft by end of this year and create finished stocks amid slow sales in the residential segment.

TCS Board approves Rs 16,000 crore share buyback, biggest in India

Feb 20, 2017 | Times Of India

Tata Consultancy Services Ltd (TCS) announced Rs 16,000 crore share buyback- biggest in the Indian capital market, as it looks to return surplus cash to shareholders. The decision comes at a time when India's largest software services provider is under pressure of losing revenue from its clients in the US, which accounts for 65 per cent of the \$155 billion industry, under President Donald Trump's protectionist measures.



Snapdeal to lay off 600 employees, founders take 100% salary cut

Feb 22, 2017 | Hindustan times

SoftBank-backed Snapdeal will lay off around 600 people across its e-commerce, logistics and payments operations over the next few days. Its co-founders Kunal Bahl and Rohit Bansal have taken a 100 per cent salary cut, while many others at the firm have “proactively” offered significant reduction in compensation.

Parle to launch Frooti Fizz, the first extension of the brand in 32 years

Mar 08 2017 | Livemint

Parle Agro Pvt. Ltd is launching a fizzy version of Frooti—the first brand extension for the popular mango drink launched 32 years ago. Frooti Fizz is an attempt to build on the success of the original fruit beverage, which is Parle Agro’s largest revenue earner, making up more than 60% of the company’s sales.

Government mobilises 6.4 tonne gold under monetisation scheme

Mar 10, 2017 | Economic times

The government has collected 6.4 tonnes of gold under the scheme for monetising the metal, Parliament was informed today. Launched in November 2015, the scheme intends to mobilise idle gold held by households and institutions so that the wealth can be put to productive use. The scheme also intends to reduce the current account deficit by lowering country's reliance on gold imports to meet the domestic demand.

Costs Rs 2.87-3.77 to print each new Rs 500/2000 note: Government

Mar 15, 2017 | Economic times

The government today said it costs between Rs 2.87 and Rs 3.77 to print each currency note of Rs 500 and Rs 2000, but did not indicate the total cost involved in replacing the junk notes. The approximate cost of printing each note of new Rs 500 is in the range of Rs 2.87 to Rs 3.09, and Rs 3.54 to Rs 3.77 for Rs 2000, Minister of State for Finance Arjun Ram Meghwal said in a written reply in Rajya Sabha.

Ramdev plans to poach the dragon with Patanjali exports to China

Mar 16, 2017 | Economic times

After pushing back several multinational FMCG giants by flooding the Indian market with a wide range of consumer products, yoga guru Baba Ramdev is now taking his fight to China. Patanjali Ayurved is planning to set up a production unit in Sahibganj, a district in Jharkhand, which the central government plans to turn into a multi-modal hub with direct connectivity through roads, waterways and air with the neighbouring East-Asian countries.

The infographic features a central circular diagram with 12 segments, each representing a benefit of GST. The segments are: Boosting Revenue through low evasion & input tax credit, Techno-friendly & Simple, Common Indian Market, Boost in GDP, Mitigating The Cascading Effect of Tax, Subsumes over a dozen Indirect Taxes, Uniform Process Across the Country, Ease of doing Business, Boosting Investment, Employment Generation, Low Compliance Cost, and Brings down Logistics and Inventory costs. The central text reads 'NATION GST'. To the right, the text 'GST Goods & Services Tax' is displayed in large green letters. The background shows a keyboard and a document with numbers. The Marg ERP 9+ logo is in the top right corner, with the tagline 'The Business Backbone'.

Myntra launches first offline store in Bengaluru

17 MAR 2017 | Economic times

Flipkart-owned online fashion retailer Myntra launched its first offline store in Bengaluru. Myntra had earlier announced its plan to open a brick and mortar store in 2016. The retail store is called Roadster which the company claims is their top selling private label brand.

The Centre has approved projects worth Rs 4,239 crore for improving urban infrastructure during next the three years in Uttar Pradesh under AMRUT scheme.

March 17, 2017 | Financial express

The Centre has approved projects worth Rs 4,239 crore for improving urban infrastructure during next the three years in Uttar Pradesh under AMRUT scheme. AMRUT aims to provide drinking water, sewerage and drainage networks and non-motorised transport, among others, in the selected 500 cities across the country.

Marico acquires 45% stake in Beardo men's grooming brand

Mar 17 2017 | Livemint

Marico Ltd on Friday said it has acquired a 45% stake in Beardo, a men's grooming brand that sells beard oils, beard waxes, soaps and other grooming products for men's facial hair. Marico took a 45% equity share Beardo's parent company in Zed Lifestyle Pvt. Ltd for an undisclosed amount.

Vodafone-Idea announce merger to create India's biggest telecom company

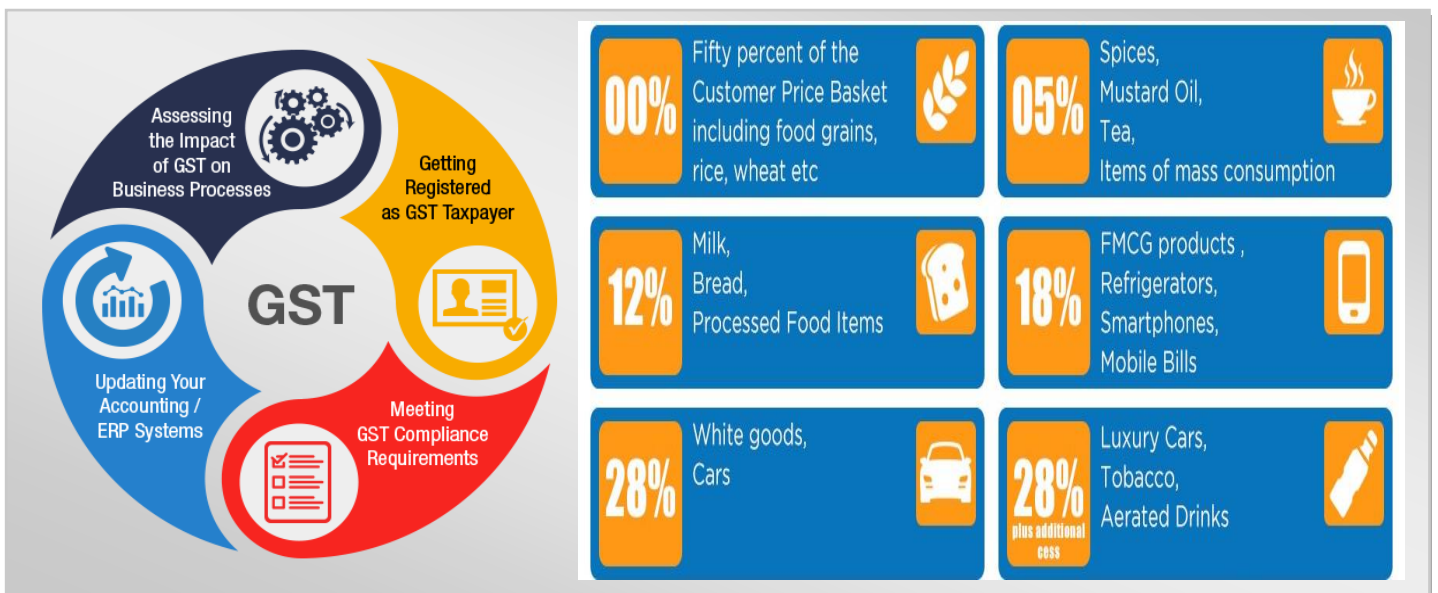
Mar 20, 2017 | Times of India

Vodafone and Idea Cellular will merge to create India's biggest telecom company, ahead of Bharti Airtel, and the joint venture comes at a time when Mukesh Ambani's Reliance Jio has unleashed a wave of fierce competition in the mobile market.. The new entity will have one of the country's widest mobile network and will boast of as many as 40 crore subscribers. Bharti Airtel is currently the largest Telco with 27 crore customers.

Snapdeal names Jason Kothari as new FreeCharge CEO

Mar 20, 2017 | Economic times

Snapdeal has named Jason Kothari as the new chief executive of its digital payments platform, FreeCharge, a little less than a month after former CEO Govind Rajan quit the company. According to an official statement from the company, Kothari, who joined Snapdeal in January earlier this year, from online real estate portal Housing.com, will, however, continue to be chief strategy and investment officer at Snapdeal. He will also join the FreeCharge Board.



Reliance Jio's new pricing will continue to bleed industry: COAI

April 2, 2017 | Financial Express

Cellular operators' body COAI has said Reliance Jio's latest pricing will continue to bleed the industry and there is risk of cascading impact on banks and others that have large exposure to the telecom sector. COAI said that while market's move towards lower pricing is good for consumers, the larger question of whether such pricing confirms to tariff regulations is a matter that needs to be settled by the courts and the telecom tribunal.

Bajaj Capital appoints Rahul Parikh as new CEO

April 3, 2017 | Financial Express

Bajaj Capital today said it has appointed Rahul Parikh as the new chief executive officer. Parikh has almost 17 years of experience in financial services companies like Aditya Birla Money MyUniverse, Birla Sunlife Asset Management Company and ICICI Prudential Mutual Fund.

MMVC, fixed mobile convergence to be launched in Hyderabad by BSNL

April 4, 2017 | Financial Express

State-run telecom operator Bharat Sanchar Nigam (BSNL) will launch multimedia video conference (MMVC) and fixed mobile convergence facilities in Hyderabad Telecom District this year. As part of the next generation network (NGN), multimedia video conference and fixed mobile convergence would be launched this year in Hyderabad- Telecom District (HTD), BSNL's HTD's Principal General Manager K Ramchand.

PayU India launches deferred payment facility

April 5, 2017 | Financial Express

Digital payments platform PayU India today launched 'LazyPay' that allows a deferred payment option to users who transact digitally for amounts ranging between Rs 500-2,500. The company, which aims to reach out to over five million consumers over the next one year, plans to invest USD 50 million on the product over the next few years.

THE ROAD AHEAD

- The bill will go back to the Lok Sabha for its assent on the new amendments brought in by the government.
- The bill will have to be ratified by 50% of the state assemblies and then receive the President's assent.
- The GST council, comprising state finance ministers and the Union finance minister, will be set up. It will decide on what the tax rate will be under GST, the revenue threshold below which traders will be exempted from the levy and also the administrative processes under GST.
- The model central GST law and the integrated GST law will be tabled in Parliament for its approval. All state legislatures will also need to get the state GST law passed.
- Subsequent to the passage of the bills, the rules will be notified for finalizing the processes under GST.
- Simultaneously, the information technology network will also have to be readied to ensure a seamless registration, tax payment, return filing and refund system across all states.

THE MAJOR CHALLENGES

- Arriving at a consensus on the tax rate under GST is going to be an uphill task, with states unlikely to agree to a standard rate of 18% recommended by a committee constituted by the central government.
- Lowering the exemption levels for traders with revenue of less than ₹10 lakh will increase administrative costs for the centre.
- No consensus on administration of traders below ₹15 crore. States are demanding exclusive control over traders with annual revenue of ₹15 crore, the Central Board of Excise and Customs strongly opposes this, fearing loss of control over a majority of the traders.
- The information technology infrastructure of states has to be readied to move to GST, the entire registration, tax payment, return filing and refund processes will have to be online.
- States have no expertise in collecting tax on services, an intangible item.
- Compliance obligations for the services industry will go up sharply. A services company will have to register in every state it operates as well as file multiple tax returns.
- Manufacturers will also have to realign their supply chain, as it will be important that every supplier files tax returns to ensure that input tax credit can be claimed.

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- ✓ Stage 1 : Preliminary Assessment
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