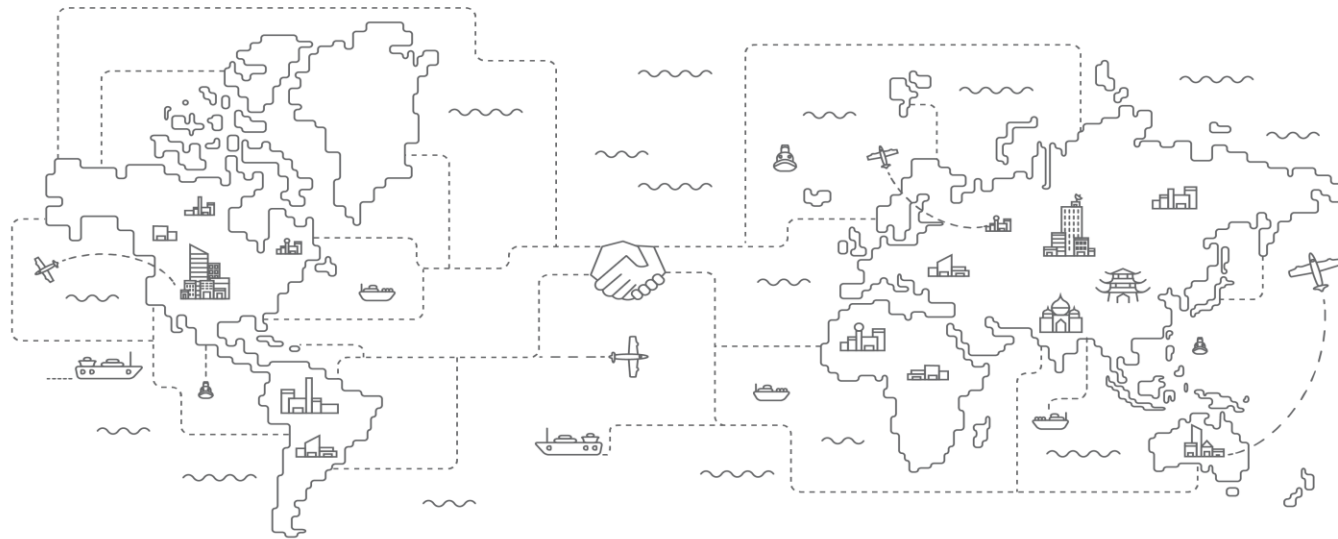


AGARWAL ADVISORS

Proposal for GST Advisory and Compliances related services



GST Transition Status

- GST transition which is proposed to be implemented effective from 1 July 2017.
- GST will subsume most of present Indirect Taxes (IDT) laws like State VAT, CST, Service Tax, Excise Duty, Octroi Duty, Entry Tax etc.
- The Central & State Governments are moving speedily towards meeting target date of 1 April 2017.
- GST Council meetings are in advanced stage and recently concurred & finalized the GST rate structure viz. 0%, 5%, 12%, 18% and 28% for goods and services.
- Further, different rate for bullion i.e. Gold & Silver and a higher rate on certain luxury & demerit goods is expected to be finalized.
- The Online registration for GST is under progress.

Process of Transition of GST

PHASE - 1

Approach

- To the extent required by AA, the Client will provide inputs for the current business model, the description of goods and services supplied, movement of supplies of goods and location from where the supplies of services take place, the description of goods and services used, current classification for the purpose of excise duty/VAT/service tax/customs of the goods and services used, movement of the Input goods and location from where input services received, copies of indirect tax returns submitted for FY 2016-17 and other relevant information requested by AA
- AA will discuss with the Client each of the above aspects and analyze the applicability of the GST regulations in the context of the Client.
- AA will prepare a draft **GST Transition Preliminary Report**, based upon updated law in public domain, for discussion with the Client

Approach

- The Client will review and revalidate the same and revert back with their feedback
- AA will freeze the draft GST Transition Preliminary Report after incorporating and addressing the Client's comments.
- It must be pointed out that this note is likely to be based on the draft regulations available in public domain at the relevant time and the recommendations of the GST Council and as such is only to be treated as a guide for understanding and deliberations rather than compliance and action

Deliverables

AA shall provide a Draft GST Transition Preliminary Report comprising of following aspects based on inputs received from the Client:

- a) Taxability under GST on supplies of goods / services made by the Client
- b) Place of taxation of taxable supply of goods /services made by the Client. (i.e. to determine as to whether CGST/SGST or IGST will be applicable)
- c) GST rate/rates applicable on taxable supply of goods / services made by the Client
- d) Point of Taxation of taxable supply of goods / services made by the Client
- e) GST applicability under Reverse Charge on supplies and TDS/TCS related provisions under GST Law
- f) GST rate/rates applicable on Inputs, Input Service and Capital Goods received by the Client and Input Tax Credit ('ITC') of the same against GST liabilities.

Deliverables

- g) Conditions for availing ITC by the Client under GST Law
- h) Transition provisions relating to carry forward of ITC by the Client during transition from existing IDT regime
- i) Input Service Distribution (ISD) mechanism applicable to the Client for distributing ITC
- j) Registration requirements and timelines for the same
- k) Compliances to be carried out under GST Law
- l) Compliances Tracker Sheet
- m) Documents and format in which registers are required to be maintained and changes required in current system of maintenance of registers

Process of Transition of GST

PHASE - 2

Revalidation & GST Transition Report

- Based upon the final GST law and regulations as well as deliberations with the Client, AA will revalidate the draft Preliminary GST Transition Report and issue the GST Transition Report.
- The final report will be issued within 3-4 weeks of the finalization of the GST law and regulations (as approved by the central and state governments) and receipt of the inputs from the Client.
- GST Transition Report revalidating all the aspects outlined above for the draft Preliminary GST Transition Report

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