

RJA

RAJPUT JAIN & ASSOCIATES **CHARTERED ACCOUNTANTS**



AFFECT OF GST ON DIFFERENT SECTORS





About us

Rajput Jain & Associates is a Chartered Accountants firm, with its headquarter situated at New Delhi (the capital of India). The firm has been set up by a group of young, enthusiastic, highly skilled and motivated professionals who have taken experience from top consulting firms and are extensively experienced in their chosen fields has providing a wide array of Accounting, Auditing, Taxation, Assurance and Business advisory services to various clients and their stakeholders. Focus at providing tailor made solutions to challenging problems of our clients, and perform with high quality and timely service. Rajput Jain & Associates, a professional firm, offers its clients a full range of services, to serve better and to bring bucket of services under one roof, the firm has merged with it various Chartered Accountancy firms pioneer in diversified fields Our main office is located at Delhi. Incidentally, Delhi is the Capital of India. Our other offices are in Mankapur & Moradabad (U.P.). We have associates all over India in big cities. All our offices are well equipped with latest technological support with updated reference materials. We have a large team of professionals other than our Core Team members to meet the requirements of our prospective clients including the existing ones. However, considering our commitment towards high quality services to our clients, our team keeps on growing with more and more associates having strong professional background with good exposure in the related areas of responsibility. Further to meet the growing demands of the fiercely competitive market we are constantly looking forward for team of associates comprising of highly skilled professionals to cater the needs ever increasing clientele.

AGRICULTURAL SECTOR

When GST will be levied, combined rate would be 8% on food items. This clearly brings out that these items will be dearer by nearly 4%. There is no point in exempting food items totally as it will have adverse impact on Revenue Neutral Rate (RNR).



MANUFACTURING & RETAIL SECTOR

- **Increased fungibility of credit on goods and services.**
- **Full credit of tax on interstate sale will reduce cost of procurement/ production.**
- **No retention/ disallowance on stock transfer of goods will also reduce cost procurement.**

A photograph of a white Mercedes-Benz ML350 SUV on an assembly line. The car is positioned on a yellow lift. In the background, several workers wearing hard hats and work clothes are visible, engaged in their tasks. The factory environment is filled with various mechanical parts, tools, and overhead lighting.

- Credit of import duties will make imports cheaper for retailers . Thus, all will benefit.

- With introduction of GST , the entry tax and its additional compliances will be eliminated.

- Job work transactions and stock transfers, currently no taxed, are likely to be taxed and will effect production outlay

ENTERTAINMENT AND HOSPITALITY SECTOR

- Eliminates multiplicity of taxes.
- By allowing credit between goods and services, GST will prevent cascading of taxes, resulting in increased profits for companies in this sector.
- Simplifies levy and valuation on composite transactions. Thus, will reduce litigation challenges and related costs faced by companies in this sector.

INFORMATION TECHNOLOGY SECTOR

A close-up photograph of a computer keyboard, focusing on the 'cmd', 'alt', and '||' keys. The keys are dark with white text. The background is slightly blurred, showing other keys and the keyboard's structure.

- End to classification disputes on software, SIM cards, franchise fees, AMCs, etc.
- Simplifies levy and valuation on composite transactions by eliminating multiplicity of Taxes- VAT, service tax, entry tax.

INFRASTRUCTURE & REAL ESTATE SECTOR

- **Simplifies levy and valuation on composite transactions by eliminating multiplicity of taxes- VAT, service tax, Entry Tax.**
- **Increase in total tax incidence on certain products under the GST regime such as cement and steel.**
- **SEZ benefits to continue – supplies to SEZ to be zero rated.**
- **Stamp duty may continue to apply.**



PETROLEUM, LIQUOR & TOBACCO PRODUCTS

- **These will be kept outside GST and therefore Government revenue will fall greatly.**
- **Manufacturers will also suffer cascading effect of taxes since they will not be entitled to claim input tax credit.**

INTERNATIONAL TRADE SECTOR

- **GST will affect Importers in the sense that exemption which is available to them for High-seas sales under the CST Act will be withdrawn.**
- **Exports will continue to be zero rates and refund of input tax credit will be available to them. No major impact on Exporters.**



WORKS CONTRACTS

- **Under GST, goods and services both are treated at par and taxed at a uniform rate.**
- **GST will subsume sale of goods, provision of services and manufacture.**
- **Goods fabricated at site presently attract VAT or Service Tax. No CENVAT is levied. So, the contractors are required to pay maximum 12.5% which will be greatly affected in GST and might go upto 16-20%. Thus, additional burden for nearly 4- 8% will be created.**



CONTACT US

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