

## **FORE School of Management, New Delhi organizes round table discussion on 'GST: Perspective and Prospects'**

On 31 August 2017 the Finance Area of FORE School of Management, New Delhi organized a half-day roundtable discussion on the very relevant and contemporary topic of "GST: Perspective and Prospects". The inaugural address was delivered by Dr. Jitendra Das, Director, FORE School of Management. Speaking about the importance of this landmark reform in indirect tax regime in independent India, he stressed on its relevance for management students and practitioners as the new tax landscape can streamline the Indian economy going forward.

The roundtable discussion was moderated by Professor Vinay Dutta, FORE School of Management. The first speaker Mr. Chandan Goyal (Chartered Accountant and CEO, Blue Consulting Pvt. Ltd. Noida) highlighted the various components of GST: GST Council (comprising State and Central Governments, with the Union Minister Finance as Chairman); GSTN (GST network, non-profit, public-private partnership company which manages the front-end IT infrastructure and services of the GST portal); Statutes providing necessary backing (Central GST Act, State GST Act, and UT GST Act which are further supported by Rules); GST Siddha Provider or GSP; and Application Service Provider or ASP (support to taxpayers in the IT ecosystem for GST by providing application interface). Professor Kavitha Rao (National Institute of Public Finance and Policy) opined that GST would now help us move from a cascading regime of taxes – Customs, Excise, Service, VAT, etc. – to a more robust tax structure unifying the whole of India into one market, thereby promoting efficiency of scale and effective business decision making. She highlighted the fact that GST will replace the current system where a product is taxed multiple times and at different rates. She also emphasized that GST, being a multi-tier tax system, has kept certain items out of the tax net: electricity duty, petrol, ATF, diesel, crude oil, and alcoholic beverages. Dr. Amit Bagga (Practicing Chartered Accountant) discussed the reverse charge mechanism of GST where the recipient of the goods (who is registered under GST) and / or services is liable to pay tax instead of the supplier (who is not registered under GST). He emphasized the biggest beneficiary of GST reform will be the Government, which will net huge tax revenues. Besides the increase in tax collection under a simplified GST regime, there might be a positive spill over to direct tax collections. Mr. Kapil Sharma (Partner, Lakshmikumaran and Sridharan Attorneys) discussed the importance of input tax credits (reducing tax liability, if one has already paid on inputs) in this new tax regime which he termed as "Game-changer" for independent India. He emphasized that input credits being claimed shall be matched and validated and hence compliance will increase and leakages will get plugged – all this

subsequently widening the tax net. He shared India has become the 4th country after Canada, Brazil, Malaysia to adopt the dual structure of GST at the state and central levels, which reflects the basic tenets of cooperative federalism enshrined in our Constitution. He further emphasized that GST could lead to better supply chain management and vendor management. Lastly, Mr. Vipin Kumar Khatri (Registered GST Faculty with ICAI) opined that GST is a consumption-based tax and consists of 4 pillars: Input Tax Credits (flowing seamlessly through the supply chain), Integrated GST (mechanism to transfer between states in interstate trade), uniformity in tax system (“one nation - one tax” which would lead to increase in ease of doing business), and supply (includes sales, transfers, barter, and exchange).

The moderator summed up the key points presented by the panellists and the panel concurred that although GST is not a simple tax system, it is a tryst with destiny that independent India is making by simplifying and rationalizing the indirect tax regime and will, in all accounts, be hailed as a landmark in the economic history of India. With the floor now opened to the audience, students and faculty members got involved in the discussion and sought answers to a range of questions: from effect of GST on individual food bill, how GST differential rate of levy was calibrated, and rushing of GST implementation is a motive to boost short-term revenue or otherwise to anti-profiteering clause of GST and inflationary effects of GST. The panellists patiently responded to the queries much to the satisfaction of the audience. The event concluded with the Vote of Thanks proposed by Professor Vandana Gupta, Area Chair, Finance & Accounting, FORE School of Management. The panellists were felicitated with souvenirs and curtains came down to what had been an informative and enlightening session.