

ABOUT SEMINAR ON GST

The fate of Goods and Service Tax (GST) is a serious issue being debated among social political and academic circles in our country. The GST bill which was conceived in the year 2000 is yet to see the light. In spite of serious efforts by central government still there is issues to be sorted out before enacting GST bill. The GST is a value added tax that will replace all indirect taxes levied on goods and services by the government, both central and states, once it is implemented. The GST is all set to consolidate all state economies. This will be one of the biggest taxation reforms that will take place in India once the bill gets enacted. The basic idea is to create a single, cooperative and undivided Indian Market to make the economy stronger and powerful.

The GST will see a significant breakthrough towards an all-inclusive indirect tax reforms in the country. In 2011, the previous UPA Government also introduced a Constitution Amendment Bill to facilitate the introduction of the GST in Lok Sabha but it was rejected by many states. In the present system, taxes are levied separately on goods and services. The GST is a consolidated tax based on a uniform rate of tax fixed for both goods and Services and it is payable at the final point of consumption. At each stage of sale or purchase in the supply chain, this tax is collected on Value-Added goods and services through tax credit mechanism. A dual GST system is planned to be implemented in India as proposed by Empowered Committee under which GST will be divided into two parts: (i) State Goods and Services Tax (SGST) (ii) Central Goods and Services Tax (CGST).

Both SGST and CGST will be levied on the taxable value of transaction. All goods and services, leaving aside a few, will be brought into GST and there will be no difference between Goods and Services. The GST system will combine central excise duty, additional excise duty, services tax, state VAT, entertainment tax etc., under one banner. The GST rate is expected to be around 14-16 %. After the combined GST rate is fixed, the State and Central Govt. will decide on SGST and CGST rates. At present, 10 % is levied on services and the indirect taxes on most goods is around 20%

The GST is expected to benefit the centre and states in the following ways:

According to experts, by implementing the GST, India will gain \$15 billion a year. This is because, it will promote more exports, create more employment opportunities and boost growth. It will divide the burden of tax between manufacturing services. The individuals and companies will benefit out of GST. In the GST system, taxes for both centre and state will be collected at the point of sale. Both will be charged on the manufacturing cost. Individuals will be benefited by this as prices are likely to come down and lower prices mean more consumption and more consumption means more production, thereby helping in the growth of the companies.

In spite of several advantages claimed to be present in GST, there are critical observations:

Though the Government wants the GST Bill to be implemented by April 2016, there are certain bottlenecks which need to be taken care of before that:

- ◆ What preparations are needed at the level of central and state governments for implementing GST?
- ◆ Whether the government machinery is efficient enough for such an enormous change?
- ◆ Whether the tax-payers are ready for such a change?
- ◆ What will be the impact on government's revenue?
- ◆ How will the manufacturers, traders and ultimate consumers be affected?
- ◆ Will GST help the small entrepreneurs and small traders?
- ◆ Will GST impact the financial federation of India?
- ◆ What will be the impact of GST on lesser developed & tiny UT's like Pondicherry?

Meanwhile a set of economists, experts and policy makers feel that giving constitutional rights to GST council would impact the autonomy of states in fiscal matters. The GST Bill in current form has been rejected by few states like Tamil Nadu due to the fear that the state would lose revenue on implementation of GST. There is no consensus on various aspects of GST such as central tax rates, tax bonds, revenue sharing etc. Leading manufacturing states like Tamil Nadu seek consensus in critical issues before enactment of the GST Bill. States are also seeking for 100% compensation of permanent losses that accrue for a period of 5 years.

Further in the case of Puducherry UT, which is a tiny UT in India, the implication on GST could be severe because of the absence of significant manufacturing or services sector in the UT. Apparently, the entire UT administration is clueless on the probable revenue that could be generated after the implementation of GST. This is a serious concern for Puducherry which is currently suffering from financial crisis.

Hence, it is obvious that the GST may bring a lot of disturbances in centre state relationship. India is a federal nation and financial federalism is a core element of its federal set up. Success of federalism lies in proper division of power among central and state governments. In fact the centre has to ensure availability of adequate and deserving financial resources with state governments to perform their exclusive functions. Absence of fiscal federalism will eventually result in deterioration of central state relationship. Therefore this seminar has taken a timely step forward to discuss and deliberate the probable impact of GST on the nation, centre-state relations and on the UT of Pondicherry in particular. We solicit Academicians, Economists, Industrialists and Traders to make their intellectual contribution by way of participating in the deliberations and offer suitable suggestions to the policy makers.

**For participation, Kindly write to velmuruganps@yahoo.com
(Mobile)09944115566. Registration fees ₹250/- per participant. Spot registration will commence by 9:00a.m. on 10.09.2015**

SCHEDULE

TIME	PROGRAMME	
10:30 - 10:40	Welcome Address	Dr. P. NATARAJAN Head, Dept of Commerce
10:40 - 10:50	Presidential Address	Dr.R.PRABHAKARA RAYA Dean, School of Mgt.
10:50 - 11:15	Inaugural Address	Prof.Dr. Mrs. Anisa B.Khan Vice Chancellor(i/c), Pondicherry University
11:15 - 11:35	Special Address	M.S. VIJAYARAGHAVAN Former President ,CII Pondicherry
11:35 - 12:00	Keynote Address	Dr.R.RAMAKRISHNAN Joint Director Directorate of Eco. & Statistics
12:00 - 12:15	Felicitation	Prof. E.M. RAJAN Former Principal, Tagore Arts College Mrs.P. SUJATHA Sr. Finance Controller Parsan Polymers Pvt.Ltd.,
12:15 - 12:30	TEA BREAK	
12:30 - 01:00	<u>HISTORY OF GST</u>	N.SRINIVASAN D.C.T.O, Commercial Tax Dept.
01:00 - 01:45	<u>"GST CONSTITUTIONAL AMENDMENT BILL & ITS IMPLICATIONS ON INDIAN ECONOMY"</u> :	Dr. PRASANT KUMAR PANDA Asst. Professor & Head (in charge) Dept. of Economics, CUTN
01:45 - 02:30	LUNCH	
02:30 - 03:30	PANEL DISCUSSION- I <u>"GST&Centre -State Relations"</u>	Dr. V. ADIMOULAME General Manager, PIPDIC Dr.VELMURUGAN.PS Dept.of Commerce, Pondicherry University
03:30 - 04:30	PANEL DISCUSSION- II <u>"GST : Implications on Pondicherry Economy"</u>	Shri. P. THANIKASALAM Secretary, Chamber of Commerce Shri.T.N. THANARAMAN Commercial Tax Officer (Retd.)
04:30 - 04:45	Valedictory Session	



Department of Commerce
School of Management, Pondicherry University

Cordially invites you to the ONE DAY SEMINAR ON
"GOODS & SERVICES TAX : THE ROAD AHEAD "



ON 10th SEPTEMBER 2015

VENUE: SOM AUDITORIUM

Department of Commerce (School of Management)
Pondicherry University, Puducherry

All Are Cordially Invited