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Goods and Service Tax
- A Game Changer
Current Patchwork of Indirect Taxes

**State VAT**
- Primary Producers
- Manufacturers
- Distributors Resellers
- Service Providers
- Real Estate

**CENVAT/Service Tax**
- Primary Producers
- Manufacturers
- Distributors Resellers
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Proposed GST Framework

GST

Primary Producers

Manufacturers (less exclusions)

Distributors Resellers

Service Providers

Service Resellers

Real Estate/Petroleum

Manufacturers

Distributors Resellers

Primary Producers

Service Providers

Manufacturers (less exclusions)

Service Resellers

Real Estate/Petroleum
Proposed GST Framework

- **Dual-GST**
  - Centre and States to levy GST on common base (CGST & SGST)

- **Minimum exemptions**
  - Potentially aligned to current VAT exemptions

- **Inter-state supplies and imports**
  - Integrated-GST (IGST) on inter-state supplies/import of goods and services

- **1% origin tax**
  - On inter-state supplies of goods

Salient features
Economic Impact of GST

- GST reforms
  - Improved resource allocation
  - Higher total productivity
  - Improved competitiveness
  - Lower price of capital goods
  - Larger capital stock
  - Higher potential output
GST will lead to a business transformation
Thank You