

This one definition could significantly reduce your GST tax liability.

Hello everybody, I am Shashwat Tulsian from R.Tulsian and Co.

I am here to tell you today that irrespective of whether GST rates for your industry has increased or decreased, there is a way whereby you can significantly reduce your overall GST liability.

And it's in the definition of "[input](#)" and "[input service](#)". Let's talk more about it.

These definitions are narrow in scope under existing regime.

For example, "inputs" under CENVAT means, among other things, all goods used in the factory by the manufacturer of the final product and excludes any goods which have no relationship whatsoever with the manufacture of a final product.

So goods that are not directly associated with Manufacturing, say office stationary for example, are excluded from tax credit.

Under the GST regime, the definition of inputs reads as-

"input" means any goods used or intended to be used in the course or furtherance of business.

Therefore, as long as there is [some connection](#) of input goods with business, you can take tax credit for it and reduce your GST liability.

The same goes for "input services".

A special focus should be made on [procurement strategy of businesses](#).

This one definition substantially widens the input tax base and can be a significant GST tax reducer for many businesses.

About us

R.Tulsian and Co. LLP is a full services multinational chartered accountancy and legal services firm having its head quarters in India. We have a multinational presence with clients in USA, Europe and Australia. We also have a strong PAN India presence in important strategic locations including Kolkata, New Delhi, Bangalore, Mumbai and Gujarat, North East India, among other places.

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