



# The Exponent Group of Journals For MBA

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# Editorial

**- Ambarish Chatterjee**

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Dear Friends,

Indian Spirituality is a big source of Knowledge and Treasure house of learning new things which is so applicable in today's world . Lord Krishna and his Actions are some of the best management and life lessons of work ...which if applied and studied can help us in our daily life . Divergent thinking is very much required if we are to think out of the box and do multitasking . In all we do in today's fast pace life do we press the "Pause" button . I guess no . Mostly life is on fast forward mode or delete mode . Its imp to pause and introspect what went right and what went wrong and what can we learn from our experiences ...and lastly as we grow one more year older age wise Financial planning is becoming more imperative for the rainy day ahead ..all these topics have been covered in these edition .

I'm sure you will love reading them and share them like always with others ...Best wishes and happy reading ...

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# Lessons for Life from the Life of Krishna

- **Siddharth Dhoot**

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Krishna is the eight incarnation of Vishnu in Hindi mythology. Here are some examples of how Krishna's life leaves a mark on ours with valuable lessons.

1. Birth is nothing but an accident. Krishna was born in jail to parents imprisoned for no fault of theirs. His life began with jail break and he was raised by foster parents. Though royalty, he lived his early childhood as a mere cowherd. He was deprived of his parents love and enjoyed no privileges as a prince.
2. The scars of your childhood troubling you? Krishna survived attempts on his life, tamed venomous snakes and challenged norms that were considered sacrosanct. Moreover, he had no formal education till he reached his teens. Indra, the king of gods challenged Krishna's ways, lost and apologised. Krishna granted him a boon – promising to protect his son Arjun.
3. First love lost? That happened with Krishna too. Krishna's first love with Radha, only became a legend and never resulted in wedlock. After he left the home of his foster parents, he got engrossed with the world in a way he never looked back. Krishna's first marriage to Rukmini was more of a rescue than a formal royal wedding.
4. Get your own house in order first. To set his own parents free, to ensure his people are prosperous and his country enjoys peace, Krishna had to kill his only uncle Kansa. As the one to kill Kansa, Krishna had the right to the throne of Mathura. Instead he reinstated his grandfather as the King. Before venturing into helping others, Krishna ensured everything back home was good.
5. With absolute power comes great responsibility. Krishna had the most powerful weapon of the time at his disposal. He could have ended battles in minutes and reigned the era himself. But, that's not what he did for he was to be the kingmaker and not the king. He used his divine discus very sparingly and stated that not every enemy is worthy of a death caused by divine weapons. Krishna preached the same to Arjun.
6. Right decisions are unpopular, unwelcome and make you infamous. Krishna made the bold proposal of leaving Mathura and shifting the kingdom to a safer Dwarka. His clan objected, his brother hated the proposal and his parents were shocked. But he did the convincing needed for he was confident about the choice he made. The Yadav's eventually moved and were happier than ever before. Krishna was hailed as the catalyst of prosperity but also ended up being tagged as a coward.
7. A promise is a promise. Krishna promised Indra he would stand by Arjun. Most of what we know of Krishna after he set his own house in order revolves around Arjun. He was the friend, philosopher and guide Arjun needed. Krishna felt indebted to Draupadi for she tore her robe to bandage his wound. Krishna put his mystic powers to use when needed most and ensured Draupadi's honour was saved.
8. Always prepare for the worst. Krishna did not encourage war and always encouraged the Pandav's to solve issues with their cousins amicably. However, knowing the worst could happen, he guided Arjun into a quest for divine weapons. Krishna instilled the thought of "better safe than sorry" in Arjun and insisted the divine armoury be treated as a deterrent.
9. Peace should always be the first choice. When all attempts failed, Krishna himself assumed the role of a peacemaker. He spent months negotiating the peace process. Arguing, debating and trying to convince all stakeholders that peace was not a luxury but a necessity for a prosperous society. When everything failed and peace was no longer an option, Krishna wore the hat of the strategist in the war.

10. First come, need not be first served. When Duryodhan reached Krishna for help first, he quick-wittedly turned him down. Krishna stated that he saw Arjun first even if Arjun reached later than Duryodhan. On being given the first choice, Arjun chose Krishna instead of a powerful army. Krishna happily agreed to be the charioteer to Arjun in the biggest battle of his life.
11. Ends justify means. In the battle of Mahabharat Krishna used tricks and half-truths. He bent and even flouted rules. Had it not been for Krishna's ways of getting things done, the Pandav's would have never overcome the likes of Bhishma, Drona, Jayadrath, Karn and Duryodhan on merit alone. Convinced he was on the right side, Krishna did not shy away from using the wrong methods.
12. Prepared to be cursed. Krishna sought peace for one and all. When left with no choice he went into battle as a charioteer and not a warrior. He got his side to victory and saved the lineage of the Hastinapur clan. But in the end, he was cursed by Duryodhan's mother. The curse came to life when Krishna saw his own clan perish killing one another.



# The Art of Prioritization: Need of the Hour

- **Samir Dhond**

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All of us are required to work on multiple things at the same time. In today's day and age, this has become a way of life. One must be able to distinguish between urgent and important tasks one is expected to do. It is important to draw priorities for actions we undertake in life.

I often meet people who constantly tell me that they have several things to do and only 24 hours in a day to accomplish those tasks. I usually ask them how they manage to do so much. They immediately respond by saying that they don't but instead get terribly stressed out. I also meet people who sit and sulk about innumerable tasks that they need to execute and thereby, let go off many other things in the process. I ask them a question as well. I ask them if it is alright for them to have other aspects of their lives being affected. They sheepishly either nod their head almost saying it's alright or even if they disagree, they say that they cannot help change their situation.

[image]Bottom line is that many people are not able to multi-task today. They are not equipped to do multi-tasking and to top it all, they do not have their sense of priorities set right as well. I am sure, if you step back and think about it, you would realize that these situations that I have described above are not unique by any standard. We do come across several such people, don't we?

I know someone who has been perpetually running from pillar to post trying to salvage a situation or trying to achieve something. Each time, if I ask this individual to do something, s/he apologizes and requests that s/he would do it as soon as his/her immediate situation eases out. However, as they say "tomorrow never comes." Such people put many things in their lives at stake, especially their relationships and important milestones. They seldom realize that once things slip from their hands, they will never come back to their original shape. In this case, self-

improvement, his/her relationships in life, relaxation and many other aspects of this person's existence has been at stake. I also feel that people realize their mistakes a tad bit late and then even if one desires, things do not come back to normal. One pays a heavy price for such mistakes. Moreover, a little bit of balance in life can prove to be very fruitful but in vain.

I also feel that it is certainly not possible for us to hold a day back but it is definitely possible for us not to waste a day. Now, in order not to waste the day, one has to plan things a bit better. One has to prioritize one's life better. Should one plan and prioritize things better, life can be slightly more orchestrated that's the school of thought I come from. Planning and organizing endeavors, actions, tasks are not difficult propositions. One can practice simple, easy to use techniques to master the art of planning, organizing and thereby, smart prioritization.

In order to prioritize tasks, one of the most important things to remember is to learn the art of differentiation between tasks that are urgent and those that are important. On several occasions, what may seem trivial in nature may suddenly become urgent. The meaning of word Urgent as per Oxford dictionary is "something that requires immediate action or attention." Whereas the dictionary meaning of the word Important is "something of great significance or value." By the sheer definition, one would know that tasks that are urgent need to be taken up immediately for execution. For example, a simple task of calling a friend or a family member can become urgent if not done for a significant period of time. While if you are in regular touch, this action can prove to be almost non important in one's scheme of things as well.

Let us look at a frame work now. We might have tasks that are urgent and thereby, there would be tasks that are not so urgent. Similarly, we would have to do tasks that are Important and there could be tasks

that are not so important. If one looks at a combination of these two vectors, one would realize that tasks that are urgent as well as important need one's attention right away. That means those tasks not only need immediate action or attention but those are also 'high value' or 'high significance' tasks. That would naturally be our FIRST priority.

There could be tasks at hand that are urgent because they need immediate attention but they may not be high value or high significance tasks. However, because they need immediate attention, they have to be done on a priority. That would naturally be our SECOND priority.

We could also have tasks at hand that are not urgent. That means they need not be given attention right away but they are important to us. Thereby, they have to be done in a timely fashion. That could be our THIRD Priority in our list of to do things.

There could be tasks that are neither urgent meaning they neither need our attention right away nor are they high value tasks meaning that important. Those tasks would naturally be FOURTH on our list of things to do.

Every single individual would require assessing the urgency and the importance quotient for his/her list of tasks. If one has committed to delivering something by a particular date in near future, it would require immediate attention. However, there could be things that are critical in nature, for example, one would like to do an analysis of the latest venture one has undertaken for better understanding post, say, a project completion. While this could add immense value to an individual, one can wait for a while before this analysis is performed.

As I said earlier, something that is "not urgent" but "important" or for that matter even "not important" can become "urgent" if one does not do that task for a significant period of time. Non-urgent and non-important tasks would move towards urgent and important quadrant if not paid attention to. I recommend that those intending to master the art of prioritization should begin honing their skills by practicing to bucket their "to do tasks" in these four quadrants. I suggest that one should begin with weekly tasks. Once it becomes a second nature, one can graduate to doing this exercise on a monthly basis and soon, one would become an expert at prioritization.

There are some facets of human beings that distract them from learning the art of prioritization. I think it would be prudent to take a look at these at this stage.

### **Ignorance (Lack of Knowledge)**

Many practicing professionals and students are not at all aware of ways in which they can learn to prioritize. One is often ignorant about the art of prioritization let alone practicing it. There are many people around us who, for years together, are used to doing things the way they think these need to be done. They neither have a coach, a mentor nor do they have an inclination to read literature that is available around us to learn skills and techniques. Many young professionals are not at all aware that learning newer skills to manage life and work is a good way to begin self-development.

They are content and happy with the way their lives move along. It is a common thought among today's youth to think that nothing would come in the way of their progress if they know their core job. While that might be true for a limited period of time, as life progresses, it is bound to get complicated and complex. With growing responsibilities and duties, one would need to juggle between multiple tasks at the same time and that requires prioritization. While single minded focus is a great trait to have, one has to have the other eye focused on the way progress is being made. Many are oblivious to this aspect of life.

It is also important to acknowledge that the ecosystem in which we live has expectations from us. These expectations could be at a professional level, social level, and/or at familial level. If these are not fulfilled, they are bound to create chaos in one's life space. Prioritization can help an individual know tasks that need one's attention regardless of the level at which it might be needed.

### **Confusion (Temporary False Sense of Value)**

Many people around us do prioritize their tasks but it is difficult for them to assess the urgency and the importance of several tasks. In the bargain, they land up assigning tasks that may not be actually urgent, an urgent status. This confusion further adds to the stress experienced by an individual. It is a wise idea to bounce off one's categorization with a person who

might be good at this. Each one of us understands what is urgent and what is important differently. Therefore, I recommend that those who intend to practice this to perfection should begin this process by consulting someone who is better at prioritization.

### **Momentary Temptations**

Many of us are impulsive in nature. When we see or do things, something else catches our fancy and if one is impulsive, one is tempted to do that right away. When we fall prey to temptations, we essentially refuse ourselves an opportunity to evaluate and prioritize. Many of us just jump in there and do things. For example, many of us go and impulsively buy things off the rack. When we come back home and think about it, we realize that whatever we had bought was actually something we could do away with. However, our prioritization goes for a toss while we get tempted.

### **Ego and Anger (I know It All)**

Many of us refuse to take help from someone in this regard. We consider ourselves an expert at this and the ego comes in the way of honing such skills. Similarly, if things go wrong or if things do not go the

way we intend them to go, we tend to experience anger and with much gusto, we challenge ourselves to achieve the same task without any other help from any fellow human being. While it is great to have pride and while I totally agree that one would want to achieve everything on one's own steam, there is nothing wrong in seeking inputs. Listening to an experienced person would never go waste. The choice of action would always remain with the person who is supposed to take action but listening to an experienced person would only add newer dimension to one's thought process.

In conclusion, I feel that Prioritization is an important aspect of conducting one's life. The tasks and the actions, therein, are an integral part of our everyday life. One has to hone one's skills of prioritization because one is always expected to do the right thing at the right time. It is also true that the art of honing prioritization skills is not rocket science. All it requires is some patience and much more practice. So, what are you waiting for? Let's get started.

# Divergent Thinking Abilities

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As we go about conducting our daily routine, we are called upon to think in different directions. We are expected to showcase our abilities to think on multiple levels and therefore, we are expected to possess divergent thinking abilities. These abilities would help us come up with the best solution for our situations as well as issues.

Today, the complexities of life have increased many folds. People are expected to think not only on multiple levels but in multiple different directions. Many a times, the demands are heavy and those require an individual to adopt a divergent thinking pattern. It's a challenge faced by many. Every single person may not be able to think in two divergent ways on a topic. However, time has proven that thinking about an issue or a situation from two or many divergent thought processes can add immense value to the way one can approach solving complex problems at hand.

If one were to go back to the dictionary to find out the meaning of the word "Ability," one would know that it means "the power or capacity to do something." In today's global village, every single person is expected to be able to think in multiple directions. Many a times, the abilities that one needs are conflicting, differing in nature and this skill of developing divergent thinking abilities can throw open newer thoughts and dimensions for people.

Let me articulate some of the divergent thinking abilities. Let us also dwell upon ways in which we can hone them as we go along. I will try to articulate it briefly so that it would be easier to understand each of them.

## Fluency

The word Fluency has originated from a Latin word which means "to flow." Therefore, when we talk

about fluency, we refer to certain smoothness, eloquence in the way one thinks or articulates. In order to develop Fluency in the way we think and act, we need to practice listing options while making even the simplest or the most trivial decisions of life. One can practice brainstorming. Brainstorming is nothing but deferring one's evaluation while collecting or listing alternatives through associative thinking. Talking to family members, friends would also aid in developing fluency in generating ideas, solutions, alternatives, methods. At work, brainstorming with an individual or a team might be highly beneficial.

## Flexibility

Flexibility means the quality of being able to change or be changed to respond to different circumstances. It also has a connotation of openness, adjustability, versatility, and being pliant. It further refers to a quality where an individual is amenable, and willing to compromise, cooperate and tolerate. In order to develop Flexibility, we need to deliberately look for different facets of ordinary situations. We also need to consider different implications of choices that we make. One needs to look at different criteria one can use to assess a set of alternatives. Should one wish to deal with people related issues, one can look at cultural, political, psychological and economic aspects of issues at hand. It would be prudent to look at alternative methods of accomplishing some of the most mundane tasks.

## Originality

Originality means to have an ability to think independently or creatively. It is to develop the quality of being new and inventive in things that one attempts to do. One needs to hone the skills of generating unique or off-beat yet appropriate ideas, solutions or alternatives. One can take a positive step towards this direction by strengthening one's fluency in a subject

as well. One can practice by associating a situation or a problem with something similar. Should one want to develop originality, one should defer jumping to obvious conclusions and solutions. It is better to look at it at a deeper level by understanding the core of the issue or the situation. Look at the problem or the situation from the perspective of its surrounding conditions, facts, requirements, and context. It also means understanding alternative meaning of the same situation, issue. It is advisable to look at analogies for understanding the issue at hand. It is advisable to understand the underlying principles of this situation or issue. It is also recommended that one identifies anomalies and paradoxes if any in a given situation.

### **Sensitivity**

Sensitivity means a quality or a condition of being affected by slight changes and influences. It also means appreciating feelings of other people. In the context of divergent thinking abilities, it also means to develop an ability to sense problems, anomalies, issues, feelings in situations in which these things are not apparent. It is advisable to practice naïve perception. It means think about what you would think about the situation if you were a child. Is there anything that one would like to know about ordinary or known situations, or events? It is important to cultivate curiosity by exposing oneself to a broad spectrum of thoughts and ideas.

### **Guessing Ability**

Guessing Ability means to develop an ability to guess in spite of having limited information, limited knowledge of the causes of a situation or for that matter having limited knowledge of the consequences of a situation. It is important for one to restate the facts of a situation. I like the backward working approach—beginning with facts and moving toward causes. I would recommend identifying the key forces operating in a given situation. It is also advisable to practice guessing the possible causes and consequences of a common place situations.

### **Elaboration**

To elaborate means to develop fully the potential of an idea or an insight. It would also involve honing an

ability to develop and plan a certain situation or an event. It is prudent to practice identifying an idea's ramifications on execution. Look for logical linkages in the idea. One of the potent ways to practice learning elaboration is to take up common place ideas such as parenthood, citizenship or studies and build associated themes and networks of ideas. Think about what else can be done around the basic premise.

Developing these abilities further is certainly possible. Although one may never reach the originality of an Einstein, one can certainly significantly increase each of these abilities over what its current strength is especially those abilities that one would rate low if one were to assess self.

Cultivation of curiosity, and of associative thinking ability, is perhaps the two easiest general strategies for raising these abilities. There is no reason why the so called ordinary person, if he wishes to be extraordinary, cannot substantially increase his curiosity and his associative thinking ability. There are a host of other resources such as interesting books, hobbies, occupations available for one to practice and hone the skill of divergent thinking ability. Creativity is as much an attitude as a cluster of abilities. If one welcomes the fresh and the novel, the chances are that one may become fresh and original.

Lastly, it is worth emphasizing the importance of convergent thinking ability as well. Significant creation is not possible without an adequate level of this ability. Convergent thinking ability is vitally useful in problem solving. Although as originally understood, convergent thinking amounted to creation of conventional solutions. It may be regarded as the set of abilities that facilitates convergence to a solution. The ability to make logical inferences, to compare and evaluate alternatives to pick the best alternative or deduce the right answers in a problem is nothing but convergent thinking ability. It also means one has to develop an ability to break down the problem into smaller parts to bring together a set of solutions that will converge into one solution.

It is not difficult to practice Divergent and Convergent thinking abilities. However, as they say, nothing can be mastered unless it is practiced on a regular basis.

# Introspection: Avoid Haunting Actions from the Past

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There are several simple and easy to implement techniques that are available for helping oneself grow. Today's youth need to focus on some of them so that their future is bright. Looking within is used in ancient meditation practices as well. It's a sure way to avoid haunting actions from the past.

Several years ago while facilitating a workshop, I once asked the participants if they ever took a pause and looked at themselves. I asked them if they ever looked within themselves. There was a heavy silence in the room. I further asked them if they ever stepped back and thought about their behavior in the immediate past. Yet, there existed a heavy silence.

Finally, I simply asked them if they ever introspected. One of the students asked me what that meant. I do remember giving that person an explanation of what I meant but demanded an answer from the rest of the class. Much later two hands were raised. Aghast with the response, I decided to spend some solid time with the participants on a topic that is extremely crucial for anyone who might even remotely be remotely interested in helping self develop.

If you looked up the Dictionary, the word Introspection would be defined as "the examination of one's own thoughts and feelings." Having understood the meaning, I am sure many of us would wonder why that would be necessary. Let me explain. All of us continue to behave and operate based on our painted pictures of the world. Mostly, our behavior is influenced by the way we think and act. Our immediate mood also affects our behavior. Intermittently, we also look outside our immediate circle of influence for some advice. However, self-assessment is a powerful tool. One has to look within to recognize the power of what one can do if one thinks through issues, problems and situations.

My friend, Dr. Aniruddha Joshi (Bapu) has said in one of his books that all of us need to learn the art of "Simhavalokan." The word Simhavalokan means intermittently looking back at the course of one's journey through life. If you recollect a Lion walking in a forest, you would know that he walks up few steps, then looks back, pauses and then walks further. A powerful beast like a Lion does that as a matter of practice. Bapu says that it is something one can learn from the majestic Lion. If a ferocious beast like a Lion can do it, why can't humans do it?

I am sure you would wonder what that would entail for us human beings. It means all of us need to do a timely assessment of the situation we are faced with. Look within and think about ways in which we might have behaved in the past. Ponder over our behavior, actions, and thoughts. Make an assessment of how they appear to self. After a certain passage of time, do they look different than they looked when one encountered those things? If yes, can we course correct those in any way? It is important to think about the implications, ramifications and effects of our actions, thoughts and feelings on ourselves as well as on others.

I always tell young professionals and students that it is a good habit to sit back at the beginning of a week or a month and take stock of the week or the month gone by. It is prudent to look at aspects of one's life such as one's learning, thoughts, actions, relationships, growth, and unlearning that might have taken place. It is best to make an assessment of incidents that take place around us and check if we are learning from all of that. Understanding one's own actions, thoughts and feelings can make one more aware of how one might be thinking. It would expose to self one's own thinking patterns. One can draw conclusions and make course corrections in the process.

One of the other questions that is frequently asked to me is about benefits of Introspection. I have personally found Introspection to be a very powerful self-help tool. I have learnt a lot about myself because when one steps back and looks at our behavior from the immediate past, one is exposed to underlying behavioral traits. These may not be apparent to an individual when one is in the thick of activities. Let us now examine some of the benefits of Introspection.

### **Courage and Fearlessness**

If one is habituated to introspection, on a regular basis one would have tried, and tested several options or alternatives. Needless to say, if one is able to look at the situation from a 360 degree perspective, one would obviously be better prepared. He would not only be able to handle the situation at hand but also several other situations in future. Any form of preparation is bound to make an individual prepared thereby, reducing all the possible anxieties. One would be prepared to face the situation. Therefore, Introspection builds fearlessness and also makes an individual courageous.

### **Maturity**

Introspection by the sheer nature of the activity involves mulling over facts, data, situations, and incidents. It facilitates a well-rounded perspective on things. It helps an individual look at various aspects critically. It pushes an individual to empathize, at times criticize and at other times, just look at the whole point in question dispassionately. When one practices introspection, a certain level of maturity naturally comes in. The person learns to look at self much critically and that maturity also gets reflected in the way a person thinks through problem statements.

### **Avoiding Side Effects**

If one were to make decisions impulsively or if one were not to introspect, one would be faced with many disadvantages. A hurried decision, an emo-

tional decision is bound to go wrong somewhere. It is necessary to remember that Introspection tends to delay our impulsive reactions. Should you learn the art of introspection, you would refrain from jumping to conclusions. One would refrain from taking impulsive or emotional decisions and when one's decisions are well thought out, they naturally evade the side effects that one would face otherwise.

### **Saving Energy**

When one practices introspection for taking actions and making decisions, as I said earlier, the decisions tend to be well thought out. All the side effects of impulsive and spontaneous decisions can land us up in soup. It is highly likely that we would spend enormous energy trying to salvage the situation or trying to reverse the decisions. However, a well thought out decision may not require us to waste our energy that way. Introspection, especially, in testing times would land up saving huge amount of energy for each one involved in that decision.

There is no fixed periodicity to introspection. One can introspect on a regular basis. I know of people who do it daily at the end of each day and there also are people who do it on a weekly, monthly basis. While I reiterate that the periodicity of introspection really does not matter, what matters the most is the fact that one is engaged in introspection. It is important for us to look within and evaluate our own behavior, actions, and responses to environment, situations that surround us.

Regular introspection would bring the much needed and liked emotional and intellectual security to a person. If all our decisions are well thought out, there would be no reason for us to fear the consequences of such decisions. One would be naturally prepared to take these decisions and experience the impact of these decisions. Introspection is a sure way of ensuring that your past actions, behavior, and responses do not come back to haunt you.

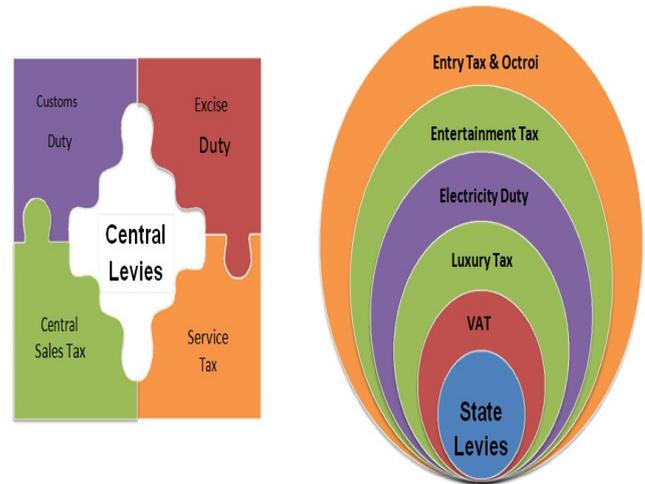
# Goods & Services Tax (GST)

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GST stands for “Goods and Services Tax”, and is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by the Indian Central and State governments.

- WHY GST : PERCEIVED BENEFITS
- EXISTING INDIRECT TAX STRUCTURE
- FEATURES OF CONSTITUTION AMENDMENT ACT
- GST COUNCIL
- FEATURES OF PROPOSED GST MODEL
- FEATURES OF DRAFT GST LAW
- GSTN
- ROLE OF CBEC
- WAY FORWARD



## FEATURES OF PROPOSED GST MODEL

### GST – FEATURES

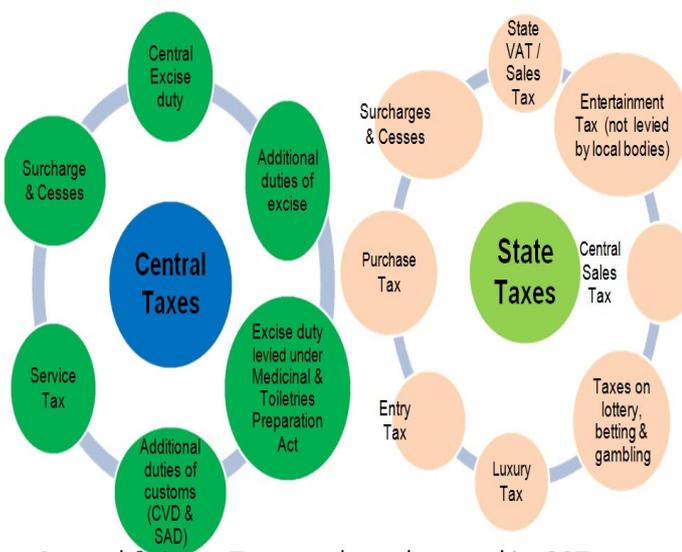
1. Destination-based Consumption Taxation : Applies to all supplies of goods / services (as against manufacture, sale or provision of service) made for a consideration except –
  - Exempted goods / services – common list for CGST & SGST
  - Goods / services outside the purview of GST Transactions below threshold limits
2. Dual GST having two concurrent components
  - Central GST (CGST) levied & collected by Centre
  - State GST (SGST) levied & collected by States
3. CGST & SGST on intra-State supplies of goods / services in India
4. IGST levied & collected by the Centre applicable to
  - Inter-State supplies of goods / services in India
  - Inter-State stock transfers of goods Import of goods / services
  - Export of goods / services (if made on payment of GST under claim of rebate)

## WHY GST? : PERCEIVED BENEFITS

- To Trade
  - Reduction in multiplicity of taxes
  - Mitigation of cascading/double taxation
  - More efficient neutralization of taxes especially for exports
  - Development of common national market
  - Simpler tax regime
- Fewer rates and exemptions  
-Distinction between Goods & Services no longer required
- To Consumers
  - Simpler Tax system
  - Reduction in prices of goods & services due to elimination of cascading
  - Uniform prices throughout the country
  - Transparency in taxation system
  - Increase in employment opportunities

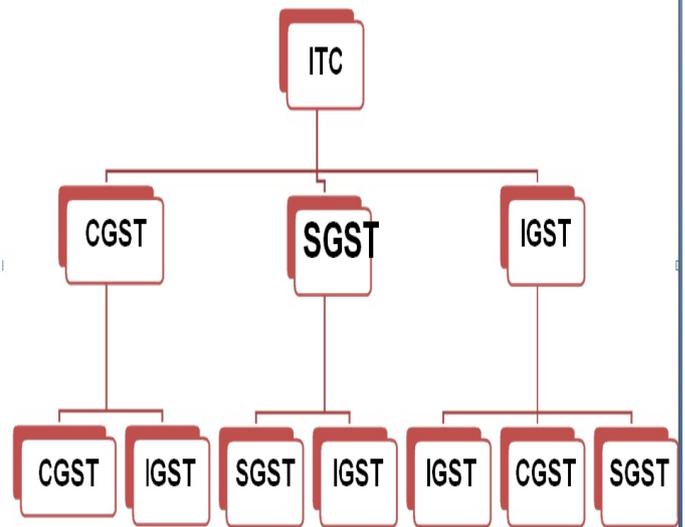
## EXISTING INDIRECT TAX STRUCTURE

5. Export of goods / services – Zero rated
6. All goods or services likely to be covered under GST except:
  - Alcohol for human consumption - State Excise + VAT
  - Electricity - Electricity Duty
  - Sale / purchase of Real Estate - Stamp Duty + Property Taxes
7. Five specified petroleum Products – to be brought under GST from a later date on recommendation of GSTC
8. Tobacco Products – under GST + Central Excise



Central & State Taxes to be subsumed in GST

9. Floor rate with a small band of rates for standard rated goods / services for CGST & SGST
10. Optional Threshold exemption in both components of GST
11. Optional Compounding scheme for taxpayers having taxable turnover up to a certain threshold above the exemption



## UElizaEon of Input Tax Credit (ITC)

### WAY FORWARD....

- Recommendation of Model GST laws by GST Council
- Cabinet Approval for the CGST and IGST laws by Centre and for SGST laws by all states
- Passage of CGST and IGST laws by Parliament and passage of SGST laws by all State legislatures
- Recommendation of Model GST Rules by GST Council
- Notification of GST Rules
- Recommendation of GST Tax rates by GST Council
- Establishment and upgradation of IT framework
- Meeting implementation challenges
- Effective coordination between Centre & State tax administrations
- Reorganization of field formations
- Training of Officials and Trade & Industry Augmentation of human resources
- Spreading Accounting Literacy Developing IT skills
- Reorganisation of Audit procedures
- Harmonization of processes & procedures between CGST / IGST & SGST Law