

Goods & Service Tax

*Assessment of impact
on digital advertising
companies*



Present Scenario

- For services rendered by a digital advertising company, it charges a service tax @15%
- For input services availed by a company, it claims an input tax credit (“ITC”)
- However, a digital advertising company is not eligible to claim ITC on any products used in producing digital content or capital goods purchased by it
- The company file its service tax return on half yearly basis
- Two returns annually which can be revised within a period of 90 days from date of filing

Goods & Service Tax (“GST”)

Registration

Registration is mandatorily required as threshold exemption is not available to E-commerce operators*

Rate under GST

GST will be charged @18% on all invoices

Input Tax Credit

ITC can be availed on any supply of goods or services or both which are used or intended to be used in the course or furtherance of business

* **E-commerce Operator:** Any person who owns, operates or manages digital or electronic facility or platform for electronic commerce**

** **Electronic commerce:** Any supply of goods or services or both, including digital products over digital or electronic network

Goods & Service Tax (“GST”)

Returns

Three returns to be filed for every tax period (calendar month) i.e. 36 returns annually. Further an annual return shall also be filed

No provision for revision of returns. Errors or omissions can be rectified upon discovery, in the tax period in which noticed and interest shall be payable in case of short payment

One Nation, One Tax

Avoids cascading effect

Taxable event is “Supply”

Challenges

Place of Supply

Determination of place of supply is of prime importance as GST is destination based tax

Place of supply determines whether a transaction is inter-state or intra-state

Time of Supply

It is important to determine the time of supply as the liability to pay tax on supply of services shall be decided by it

Challenges

Returns

Timely filing of
monthly returns
(3 every month)

Filing of flawless
returns

Input Tax Credit

Apportionment
between credits
allowed and blocked
credits

Order of utilization of
Input tax credit
available in electronic
credit ledger

Challenges

Valuation

What all will be included in value of supply of services for charging GST

Treatment of post supply discounts or incentives

Carry forward of ITC

Filing of form i.e. GST TRAN-1 for carrying forward the Input tax credit, if any

Challenges

Reverse Charge Mechanism

Tax to be paid under reverse charge on inward supply from an unregistered dealer

No partial reverse charge

Other Challenges

Matching of claims of Input tax credit

Huge penalties even for small offences

Our Firm

AJSH & Co LLP is an independent firm of Business Advisors and Chartered Accountants with its corporate office situated at New Delhi.

AJSH has brought together a team of highly qualified and experienced consultants from diverse professional fields and expertise.

Our dedicated team of accomplished professionals and wide variety of services offered ensures that our client gets everything under one roof.

We cater to Indian and multinational corporates, high net worth individuals, financial institutions, start-ups and expatriates.

We are working with clients in India, USA, Africa, Australia, Europe, Hong Kong, Japan, China, Malaysia, Singapore and Thailand. Thus, we work across several different time zones based on our client needs.

Registrations: ICAI (India), PCAOB (US)

Certification: ISO 9001:2008

Size: 120 + (Chartered Accountants, Company Secretaries, Certified Public Accountants (CPA), Lawyers, MBAs)

Alliances: TIAG and UTN

Key Clientele's Location: India, USA, Africa, Australia and Europe, Hong Kong, China, Malaysia

Head Office: New Delhi, India

Partners: Ankit Jain, Siddhartha Havelia, Manvi Arora, Chandramani Goel, Gautam More

What we do

Accounting & Bookkeeping

Audit & Assurance

Tax & Regulatory

Transaction Advisory

Initial Business Setup

Shared Services

USGAAP/ IFRS Consulting

Business Consulting



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Ankit is a Bachelors in commerce from Delhi University and a fellow member of Institute of Chartered Accountants of India, New Delhi. He is also certified in IFRS and Forensic Accounting and Fraud Detection. He is the co-founder of the firm.

Prior to being associated with AJSH, Ankit worked with the Big 4 Accounting Firms (PwC India and Canada) and MNCs (American Express, India and Japan).

Specialization and Experience

Ankit carries extensive professional experience in various fields of financial advisory including tax and regulatory advisory, transactions advisory, valuations, inbound and outbound investment structuring, accountancy, audit and assurance. His extensive public accounting experience spans for more than 17 years. He has been a member of Technical Committee of ICAI for updating the existing Accounting Standards on the basis of corresponding Indian Accounting standard.

His professional experience includes:

- Providing transactions support services including investor/ target identification, feasibility analysis, due diligence, valuations, transactions structuring and other support services
- Investment advisory services including setting up joint ventures in India, fund raising, transactions structuring as well as entry and exit strategies
- Statutory audit of major corporates in industries such as telecom, real estate, finance, infrastructure and aviation
- Advising on Indian corporate tax, regulatory matters and international transactions
- Assistance in SPAC transactions
- Setting up business in India

In addition to above, Ankit is a USGAAP and IFRS expert and has also assisted clients in SEC and SEBI filings.

Siddhartha Havelia



Managing Partner

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Siddhartha is a Bachelors in commerce from Delhi University and a fellow member of Institute of Chartered Accountants of India, New Delhi. He is also certified in accounting software like QuickBooks, Xero, FreshBooks, Wave, Zoho Books . He is the co-founder of the firm.

Prior to being associated with AJSH, Siddhartha worked with Big 4 Accounting Firms (PwC India and GT, India) and MNCs (American Express, India).

Specialization and Experience

Siddhartha carries extensive professional experience in drawing business plans, outsourcing financial and accounting processes, viability studies, valuations and due-diligence. He leads the international accounting practice of the firm. He has more than 16 years of work experience. He is a Six Sigma Green Belt certified and has accredited various certificates from all his previous employers for his invaluable contribution to the business processes. He also mentors his teammates by conducting trainings for Accounting Standards, USGAAP and IFRS convergence, deferred taxation, impairment of assets and other technical matters.

His professional experience includes:

- Providing support services to foreign clients in drawing business plans and bookkeeping
- Foreign investment advisory services
- Working with major corporates in industries such as manufacturing, retail, information technology, telecom, real estate, finance and infrastructure
- Providing assistance in project financing, private equity
- Managing SOX audits, financial & legal due diligence, process reviews and system assurance
- Valuations of tangibles and intangibles

In addition to above, Siddhartha has also provided assistance to corporates in Merger and Acquisitions of companies from value consolidation perspective.



Manvi Arora

Manvi is a Masters in commerce from Delhi University and a qualified Chartered Accountant from Institute of Chartered Accountants of India. She is engaged in variety of assignments with various clients from telecom, manufacturing, trading and real estate industries from US, UK and Australia. With the total work experience of 4 years, Manvi leads the team of Taxation and Financial Accounting in the company.



Chandramani Goel

Chandramani is a qualified chartered accountant from Institute of Chartered Accountants of India and is also a Bachelors in commerce. He has been involved with several assignments relating to Internal Audit, Taxation and Management Support Services to clients from telecom and manufacturing industries from India, US and Australia.



Gautam More

Gautam is a qualified Chartered Accountant from Institute of Chartered Accountants of India. He has more than 13 years of work experience and was a part of Big 4 Accounting Firm. He has worked as the Financial Controller with 6+years of cross-functional expertise in Accounting, Budgeting, Management Reporting, Statutory Reporting, Regulatory Compliance, Working Capital Management, Taxation, Statutory and Tax Audit.



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Thank You!!

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