

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

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LOK SABHA

UNSTARRED QUESTION NO.3233

TO BE ANSWERED ON MONDAY THE 09<sup>TH</sup> AUGUST, 2021  
SRAVANA 18, 1943 (SAKA)

GST PAYMENT ON REVERSE CHARGE

3233. SHRIMATI POONAMBEN MAADAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering any suggestion about the payment of the Goods and Services Tax (GST) on reverse charge basis on scrap purchase by the registered dealer from unregistered person i.e. street pickers, garbage collectors, etc;
- (b) if so, the time by which it is expected to get implemented;
- (c) whether the Government has analysed cascading effect due to non-allowance of Input Tax Credit (ITC) of GST Payment made by reverse charge; and
- (d) if so, whether the Government is considering to cover more people into tax net by allowing ITC on payment made by reverse charge and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

**(a) and (b):** The supplies for which Goods and Services Tax (GST) is to be paid by the recipient on the reverse charge basis is notified by the Government on the recommendations of the GST Council. The GST Council has so far not made any recommendation for applying reverse charge on scrap purchase by the registered dealer from unregistered person.

**(c) and (d):** GST paid on reverse charge basis on supply of any goods or services is admissible, provided eligible otherwise.

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