

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.2309

TO BE ANSWERED ON MONDAY THE 13TH DECEMBER, 2021
AGRAHAYANA 22, 1943 (SAKA)

GST ON RESERVE CHARGE BASIS

2309. SHRIMATI POONAMBEN MAADAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering any suggestion regarding payment of Goods and Services Tax(GST) on reverse charge basis on scrap purchase by registered dealer from unregistered person i.e. street pickers, garbage collectors, etc;
- (b) if so, the time by which it is expected to be 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 as input tax credit, provided eligible otherwise.
