

# Diwali comes early for SMEs, exporters

GST Council eases compliance burden; tax refunds to exporters from Oct 10

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**T**he Goods and Services Tax (GST) Council on Friday took major decisions to unplug the capital of exporters and reduce the compliance burden on small and medium enterprises, while reducing rates on 27 items of daily use, including Khakhra, which may help the ruling party, the BJP, in poll-bound Gujarat.

It deferred implementing the controversial e-way Bill and the reverse charge mechanism.

The Council also postponed imposing tax deducted or collected at source, which will particularly benefit e-commerce companies.

It also decided to set up a committee to frame principles to reduce rates, depending on revenue patterns of the GST so that no ad hoc decision was taken, said Finance Minister Arun Jaitley, who chaired the Council meeting.

Exporters will start getting credit for the integrated GST (IGST) paid for July from October 10 and for August from October 18. Other refunds of the IGST paid on supplies to special economic zones (SEZs) and of input taxes on exports under bonds or the letter of undertaking would also be processed from October 18.

Both Central and state officials will be empowered to do so. The decision, an interim one, was based on the recommendations of a committee headed by Revenue Secretary Hasmukh Adhia.

Besides, there would be long-term solutions for exporters — a facility of e-wallet will be set up, preferably by April



Union Finance Minister Arun Jaitley (right) and Revenue Secretary Hasmukh Adhia at the Goods and Services Tax Council meeting, in New Delhi on Friday

PHOTO: PTI

## MAKING GOOD AND SIMPLE

### For SMEs

- Threshold for the composition scheme raised from an annual turnover of ₹75 lakh to ₹1 crore
- Businesses with a turnover of up to ₹1.5 crore allowed to file quarterly returns
- Reverse charge mechanism deferred till March 31, 2018

1 next year.

There will be a notional amount in the e-wallet to give advance credit to exporters. This credit will be used to pay

### For exporters

- Tax refunds to exporters will start from October 10
- E-wallet facility to be available from April 1, 2018
- Exemption under

advance authorisation, export promotion capital goods, and EOU to continue till March 31

- 0.1% IGST on merchant exports till March 31

**E-way Bill to be fully functional from April 1, 2018**

**Rates of 27 items reduced,** including khakhra, stationery items, man made yarn, unbranded ayurvedic medicines

the IGST or GST for his products. Refunds that exporters get will be used to offset this advance credit. A technology firm will develop the e-wallet. Turn to Page 6 ▶

