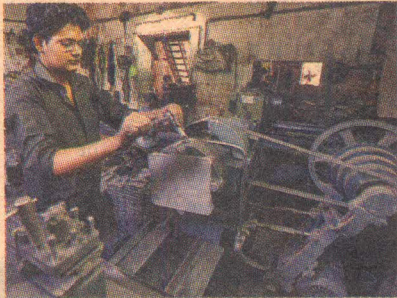


GST COUNCIL MEET TODAY

Relief for exporters, small businesses on the cards



DILASHA SETH & INDIVIAL DHASMANA
New Delhi, 5 October

The Goods and Services Tax (GST) Council, in its upcoming meeting on Friday, is likely to give a major relief to exporters as well as small and medium enterprises (SMEs).

These segments have been affected the most by the new indirect tax regime, which has depressed the economic growth numbers in the first quarter of the current financial year because of destocking on account of uncertainties before the GST was introduced on July 1.

The meeting comes after three most powerful persons in the current political dispensation — Prime Minister Narendra Modi, Bharatiya Janata Party (BJP) President Amit Shah, and Finance Minister Arun Jaitley — huddled together to discuss economic and political issues. Shah cut short his visit to Kerala to attend the meeting.

Growth declined to 5.7 per cent, the lowest in any quarter since the BJP came to power three years ago.

The Council is likely to make filing returns for SMEs easier. Those with an annual turnover

of up to ₹1.5 crore will be allowed to file quarterly returns.

Also, the composition scheme, which allows a flat rate and easy compliance, may be relaxed to rope in those with an annual turnover of up to ₹1 crore against the current ₹75 lakh. About 540,000 taxpayers opted for the scheme under the new window of about a fortnight till September 30, compared to one million as of August 16 (the earlier deadline). The number of taxpayers under the composition scheme, at 1.5 million, is about a sixth of the 8.9 million assesseees under the GST.

Under the scheme, a trader pays the GST at one per cent, a manufacturer at two per cent and a restaurant owner at 5 per cent, but

they are not allowed input tax credit. They are permitted to file quarterly returns. The meeting is likely to discuss a report of a committee, headed by Revenue Secretary Hasmukh Adhia, to address the problems of exporters. Based on that the Council is likely to recommend some relaxation for them so that their working capital, locked up in refunds, was released, officials said.

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- ELIGIBILITY IN TERMS OF ANNUAL TURNOVER FOR COMPOSITION SCHEME MAY BE RAISED TO **₹1 CR FROM ₹75 LAKH**
- THOSE UP TO ANNUAL TURNOVER OF **₹1.5 CRORE** MAY BE ALLOWED TO FILE QUARTERLY RETURNS



- EXPORTERS TO GET IGST REFUNDS FROM OCTOBER 10
- CESS TO THE TUNE OF **₹8,500 CRORE** TO BE GIVEN TO LOSS-MAKING STATES

