

NEW GST RELIEF ANNOUNCED BY CENTRAL GOVERNMENT

As per 22nd GST Council meeting of 6th October 2017 the Government of India has made major announcements to the relief of business in India. As per [Press Release](#) of the Central Board for Customs and Excise dated 6th October 2017, the following reliefs have been finalised under the GST framework. The summary of the new reliefs is as follows:

Lesser burden of compliance for small businesses

- The government has recognized hardship faced by small businesses with turnover of within Rs 1.5cr, by delaying their return filing compliance to once a quarter from once a month. Taxes will be paid quarterly.
- Small businesses will also have to file monthly returns for three months – July, August, and September – and the switchover to quarterly filing will happen from the cycle starting October 1.

Relief for Service Providers

- Exemption from Registration for a service provider if the aggregate turnover is less than Rs. 20Lacs (10 Lacs in special category state except for J&K) even if they are making inter-state supplies of services.
- Services provided by a GTA to an Unregistered person shall be exempted from GST.
- TDS/TCS provisions shall be postponed till 31.03.2018.
- Small businesses will also have to file monthly returns for three months – July, August, and September – and the switchover to quarterly filing will happen from the cycle starting October 1.

Relief for Exporters

- Refund cheques for July exports will be processed by Oct 10 and refund cheques for August exports will be processed by Oct 18.
- Every exporter will now get an e-wallet. In the e-wallet, there would be a notional amount for credit. The refund they will eventually get will be offset from that amount. The e-wallet will be introduced from April next year.
- Merchant exporters will pay a nominal 0.1% GST applicable on exports to enable their suppliers to claim ITC.

Composition Scheme changes

- Person otherwise eligible for availing the composition scheme and are providing any exempt services shall now be eligible for the composition scheme.
- Eligibility of composition scheme raised to Rs 1 crore.
- Traders will pay 1%, manufacturers 2% and restaurants 5% under the composition scheme.
- Due date of FORM GSTR-4 for the quarter July-September, 2017 is extended to 15th November 2017

RCM postponed

Reverse Charge Mechanism applicable for the purchases from the unregistered dealer shall be suspended till 31.03.2018.

No GST on advance receipts for businesses with turnover under Rs 1.5cr

Taxpayers having annual turnover upto 1.5 Crore shall not be required to pay GST at the time of receipt of advances on account of supply of goods.

Significant rate changes

- GST on unbranded Ayurvedic medicines has been reduced from 12% to 5%.
- Tax rate for man-made yarn has been reduced to 12% from 18%. The decision will have an effect on textiles.
- GST rate on many job work items reduced from 12% to 5%. GST rate on some stationery items, diesel engine parts also reduced to 18% from the earlier 28%.
- GST on khakra and unbranded namkeen has been reduced from 12% to 5%. Tax on zari work has been reduced from 12% to 5%.
- 35% abatement on old leasing contract of vehicle
- Printing Job work rate revised from 12% to 5%