

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

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**LOK SABHA
STARRED QUESTION No. 1
TO BE ANSWERED ON FRIDAY, THE 2ND FEBRUARY, 2018
MAGHA 13, 1939 (SAKA)**

QUESTION

GST EXEMPTION TO EXPORTERS

***1. SHRI GUTHA SUKENDER REDDY:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received any representation from the exporters seeking quicker refund of duties, exemption of Goods and Services Tax (GST) for merchant exporters and simpler tax compliance for small traders;
- (b) if so, the details thereof;
- (c) whether the Government has taken any decision in the matter and if so, the details thereof and if not, the reasons therefor; and
- (d) the stand of the Government in this regard?

**ANSWER
FINANCE MINISTER**

(SHRI ARUN JAITLEY)

(a) to (d) A Statement is laid on the table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PARA A TO C OF LOK SABHA STARRED QUESTION NO 1 FOR ANSWER ON 2ND FEBRUARY 2018/ MAGHA 13, 1939 (SAKA) REGARDING GST EXEMPTION TO EXPORTERS

(a) & (b) Yes Sir. Various representations have been received from trade and industry regarding speedy disposal of refund claims, exemption from payment of integrated tax to merchant exporters and reduction in compliance requirements for small traders. The representations were examined and placed before the GST Council for policy decisions in this regard.

(c) & (d) Yes sir. Some of the important decisions taken by the GST Council in this regard are as follows:

a. Quicker refund of duties:

- i. Detailed procedure for filing, processing and sanction of refund claims have been laid down in two Circulars issued by the Central Government. Further, a Circular has been issued on solutions to common errors in filing of refund of IGST paid on export of goods.
- ii. Provision made for manual processing of online refund claims of IGST paid on export of goods.

b. GST Exemption to merchant exporters:

- i. Merchant exporters have been entitled to procure goods at a minimal rate of tax of 0.05% Central tax and 0.05% State tax or 0.1% Integrated tax.

c. Simpler tax compliance for small traders:

- i. Increase in aggregate annual turnover threshold for eligibility under the composition scheme from Rs. 75 lakh to Rs. one crore for 27 States (including Jammu & Kashmir and Uttarakhand).
- ii. Increase in the aggregate annual turnover threshold for eligibility under the Composition scheme from Rs. 50 lakh to Rs. 75 lakh for Special Category States (as specified in sub-clause (g) of clause (4) of article 279A of the Constitution) other than Jammu & Kashmir and Uttarakhand.
- iii. Taxpayers having annual turnover of up to Rs.1.5 crore in the previous year provided with an option to file quarterly Returns.
- iv. Registered persons making supply of goods to make payment of tax on issuance of invoice and not at the time when advances are received.

- v. Suspension of the application of reverse charge mechanism under Section 9(4) of the CGST/SGST Acts, 2017 and Section 5(4) of the IGST Act, 2017 till 31 March, 2018 for all categories of registered persons.
- vi. Uniform rate of tax @1% under Composition scheme for manufacturers and traders. The turnover of taxable goods to be considered for eligibility for the Composition scheme for traders.
- vii. Supply of exempted services by Composition taxpayer will be allowed and the same will not be taken into account while computing the aggregate turnover.
- viii. Amount of late fee payable for delayed filing of return in Form GSTR-3B by a taxpayer whose tax liability for the month was 'Nil' reduced to Rs.20/- per day (Rs.10/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- ix. The amount of late fee payable for delayed filing of return in Form GSTR-3B by other taxpayers reduced to Rs. 50/- per day (Rs. 25/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- x. The filing of returns by the taxpayers has been simplified by continuing the GSTR-3B return up to March 2018. The filing of GSTR-2 and GSTR-3 returns has been kept in abeyance till further notice.
