

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. No. 540
TO BE ANSWERED ON 04.02.2021

IMPACT OF GST ON MSMEs

540. SHRI VIJAY KUMAR:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Goods and Service Tax (GST) has had an adverse impact over MSMEs thereby affecting this sector a lot;
- (b) if so, the details thereof;
- (c) whether the Government has devised any robust policy to protect and free the micro, small and medium entrepreneurs from adverse impact of GST as well as to encourage them; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a) & (b): No such information have been received by this Ministry.

(c) & (d) : The Government has taken numerous measures with a view to encourage micro, small and medium entrepreneurs. These include the following:

- No GST registration is required for inter-state and intra-state supply of services upto Rs.20 lakhs in a year (Rs.10 lakhs for the States of Manipur, Mizoram, Nagaland and Tripura).
- No registration is required for intra-State supply of goods upto Rs. 40 lakh in a year (Rs. 20 lakh in the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura and Uttarakhand) w.e.f. 01.04.2019.
- Composition Scheme has been formulated for small businessmen being supplier of goods and supplier of restaurant services.
- Composition Scheme has also been formulated for supplier of services from F.Y. 2019-2020.
- Filing of Annual Return in FORM GSTR-9 or FORM GSTR-9A for F.Y. 2017-18, 2018-19 and 2019-20 has been made optional for taxpayers having aggregate annual turnover less than 2 crore rupees.
- QRMP (Quarterly Return, Monthly Payment) Scheme: QRMP scheme has been launched with effect from 01.01.2021 under which registered persons having aggregate turnover up to five (5) crore rupees would be allowed to furnish return on quarterly basis along with monthly payment of tax. This would considerably reduce compliance under GST for such taxpayers. Flexibility has also been provided for taxpayers to easily opt-in and opt-out of the scheme throughout the year.
- Extension of compliance deadlines and waiver of late fees to cope with COVID-19 pandemic: The due date for compliance which fell during the period from 20.03.2020 to 30.08.2020 was extended till 31.08.2020. Conditional waiver of late fees has been granted for delayed filing of FORM GSTR-3B for the period from July, 2017 to July, 2020. Late fee has also been waived for delayed filing of monthly FORM GSTR-1 (from March, 2020 till June, 2020) and quarterly FORM GSTR-1 (from January, 2020 to June, 2020).
