

**QUESTION DETAILS**

MINISTRY OF : COMMERCE AND INDUSTRY

DEPARTMENT OF : INDUSTRIAL POLICY & PROMOTION

**RAJYA SABHA**

STARRED QUESTION NO 239

TO BE ANSWERED ON 08.08.2018

Impact of GST on ease of doing business

239. Shri G.C. Chandrashekhar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

(a) whether the implementation of GST has had an adverse impact on the ease of doing business in India, if so, the details thereof; and

(b) whether the Ministry has held consultations with stakeholders on simplifying GST to enable ease of doing business, if so, the details thereof?

**Answer**

THE MINISTER OF COMMERCE & INDUSTRY  
(SHRI SURESH PRABHU)

(a) & (b): A statement is laid on the Table of the House.

\*\*\*\*\*

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. 239 FOR ANSWER ON 08.08.2018.

(a): No, Sir. On the contrary, GST has reduced compliance burden for the taxpayers and has created an investment – friendly environment in the country. Simpler tax regime with fewer exemptions along with reduction in multiplicity of taxes has led to uniformity in the indirect tax regime. Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services has provided greater certainty to the taxation system.

(b): Yes, Sir. The Department of Industrial Policy & Promotion (DIPP) has interacted with various stakeholders on GST issues and has shared their feedback with the Department of Revenue. Suggestions were received on procedural issues such as, number of returns and reporting, acknowledgement for return filed, format availability for distribution of credit, etc., regulatory issues such as provision of e-way bill, classification & Harmonized System of Nomenclature (HSN) code, tax rates, registration of interstate supply of goods, multiple CGST pools, anti-profiteering clauses, etc.

II Additionally, various representations have been received in the Ministry of Finance from different trade and industry bodies, chambers of commerce and other stakeholders for simplification of GST to enable ease of doing business.

Based on the suggestions received, the following decisions have been taken by the GST Council:

Based on the suggestions received, the following decisions have been taken by the GST Council.

- i. Service providers making inter-State supplies whose aggregate annual turnover does not exceed Rs. 20 lakh have been exempted from the requirement of registration under GST vide notification No. 10/2017 – Integrated Tax dated 13.10.2017.
- ii. Domestic supplies to holders of Advance Authorization (AA) / Export Promotion Capital Goods (EPCG) and Export Oriented Units (EOUs) are treated as deemed exports under section 147 of CGST Act, 2017 and refund of tax paid on such supplies is given to either the supplier or the recipient.
- iii. The supply of taxable goods by a registered supplier to a merchant exporter for exports shall attract a total GST rate of 0.1%. This provision has been made effective vide notification No. 40/2017-Central Tax (Rate) dated 23.10.2017. This will reduce capital blockage for exporters.
- iv. Registered persons making supply of goods are now required to make payment of tax at the time of the issuance of invoice and not at the time when advances are received. This has been implemented vide issuance of notification No. 66/2017 – Central Tax dated 15th November, 2017.
- v. Taxpayers may opt for multiple registrations within a State or Union Territory in respect of multiple places of business located within the same State/Union Territory.
- vi. The provisions of reverse charge mechanism under sub-section (4) of section 9 of the Central Goods and Services Tax Act, 2017 and sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 have been suspended till 30.09.2019.
- vii. Composition dealers shall be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakh, whichever is higher.
- viii. Taxpayers who have a turnover upto Rs. 5 crore in the previous financial year shall be considered small and they shall have facility to file quarterly return with monthly payment of taxes on self-declaration basis. For such taxpayers, simplified returns have been designed called Sahaj and Sugam. Taxpayers who have no purchases, no output tax liability and no input tax credit to avail in any quarter of the financial year shall file one NIL return for the entire quarter.
- ix. The e-way bill system has been introduced nation-wide for inter-State movement of goods with effect from 1st April, 2018 with the States given the option to choose any date till 3rd June, 2018 for the introduction of the e-way bill system for intra-State supplies. Consequently, all the States have notified the e-way bill system for intra-State supplies with effect from 16th June, 2018. The e-way bill system has made it possible to transport goods across State borders without the hassle of documentation and long waiting time at State border check posts. There is no need to visit any tax officers or check posts for generation of e-way bill as it can be easily generated round the clock on the common portal.

III Further, the following efforts have been made by the Government to make GST simple and trade friendly:-

- i. Increase in aggregate annual turnover threshold for eligibility under the composition scheme from Rs. 75 lakh to Rs. 1 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. 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.
- v. Supply of exempted services by Composition taxpayer will be allowed and the same will not be taken into account while computing the aggregate turnover.
- vi. 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.
- vii. 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
- viii. 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.

IV The Government has taken many proactive measures to ensure better implementation of GST as well as to address day-to-day concern expressed by various stakeholders. Some of the measures taken are as below:

- (i) Seva Kendras are set up in each GST office to guide tax payers.
- (ii) The officers in the rank of Joint secretaries were appointed as nodal officers for every district to monitor the implementation of the GST and get feed-back from taxpayers.
- (iii) A National Anti-Profiteering Authority has been constituted to monitor cases of not passing of benefits of reduction in GST rates to customers.

V The Government is regularly issuing advertisements in the media (Print/Voice/Visual) to educate the taxpayers about GST laws and procedures. Further, the Government has conducted various workshops and town hall meetings to educate the taxpayers in this regard. In addition, social media (Twitter) has also been extensively used for disseminating information regarding GST laws, rules and tax rates. FAQs on various topics have been issued and printed in all the major daily newspapers by the Government to spread awareness about the GST laws, procedures and tax rates.

\*\*\*\*\*

[ENGLISH VERSION](#)      [HINDI VERSION](#)