



TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

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**E Serve No. 113 of 2017
2017**

October 07,

Circular No.EPS/42/2017-18

To: Members of the Council

**Sub: Recommendations & Changes made in GST Rates for Goods and
IGST Rates on Imports of Goods by the GST Council in its 22nd
Meeting held on
6th Oct 2017 at New Delhi**

Dear Member,

The GST Council held its 22nd Meeting which on 6th Oct 2017 at New Delhi under Chairmanship of the Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley.

Some of the reliefs sought by TEXPROCIL for exporters that have been granted include the following:

- a. Exemption from GST for Export Promotion Schemes like EPCG, Advance Authorisation Scheme, EOUs.
- b. Merchant Exporters to pay 0.1% as GST instead of full IGST while clearing goods from manufacturers for export.
- c. Expediting GST refunds for July by 10th October and August by 18th October to ease liquidity/cash flow of SMEs.

Other salient facilitative changes include setting up of E-wallet for exporters by

April 2018 and other measures to ease the burden of compliance on small and medium businesses are mentioned below:

1. Composition Scheme: The composition scheme shall be made available to taxpayers having annual aggregate turnover of up to Rs. 1 crore as compared to the current turnover threshold of Rs. 75 lacs.

2. Relief for Small and Medium Enterprises

a. Small service providers whose annual aggregate turnover is less than Rs. 20 lacs (Rs. 10 lacs in special category states except J&K) have been exempted from obtaining registration even if they are making inter-State taxable supplies of services to significantly reduce their compliance cost.

b. To facilitate the ease of payment and return filing, SME businesses with annual aggregate turnover up to Rs. 1.5 crores shall be required to file quarterly returns and pay taxes only on a quarterly basis, starting from the 3rd Quarter of this Financial Year i.e. October-December, 2017.

c. 'Reverse charge mechanism' under sub-section (4) of section 9 of the CGST Act, 2017 and under sub-section (4) of section 5 of the IGST Act, 2017 shall be suspended till 31.03.2018 to benefit small businesses and substantially reduce compliance costs.

d. Small dealers and Manufacturers having annual aggregate turnover up to Rs. 1.5 crores shall pay GST only when the supply of goods is made and not at the time of receipt of advances on account of supply of goods to reduce their burden of paying GST on advances received.

e. The services provided by Goods Transport Agencies (GTAs) to an unregistered person shall be exempted from GST, in order to remove the hardship being faced by small unregistered businesses on this account.

3. Other Facilitation Measures

a. Registration and operationalization of TDS/TCS provisions shall be postponed till 31.03.2018.

b. In order to give trade and industry more time to acclimatize itself with the GST regime, the e-way bill system shall be introduced in a staggered manner with effect from 01.01.2018 and shall be rolled out nationwide with effect from 01.04.2018.

c. Under composition scheme, the last date for filing the return in FORM GSTR-4 for the quarter July-September, 2017 shall be extended to 15.11.2017 and filing the return in FORM GSTR-6 for the months of July, August and September, 2017 shall be extended to 15.11.2017.

d. Invoice Rules are being modified to provide relief to certain classes of registered persons.

e. GST rates for the following Goods have been reduced -

- i. Rate on Duty Credit Scrips (HS4907) reduced from 5% to Nil.
- ii. Rate in MMF yarn reduced from 18% to 12%.

Extracts of the Press Releases issued by Ministry of Finance are being attached separately ([click here to download](#)) for the benefit of the Members. Official Notifications once issued by the department, will be circulated separately to the members. This is for your information please.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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