

Summary of GST Council's meeting on 4th March, 2017

During the meeting on 4th March, 2017, Central GST (CGST) and Integrated GST (IGST) Laws are approved by GST Council which would be now tabled in Parliament during the Budget Session which would start on 9th March, 2017. State GST (SGST) and Union Territory GST (UTGST) Laws which would be similar to CGST laws would be taken up for approval during GST Council's meeting on 16th March, 2017.

Following are the important take aways from their meeting on 4th March, 2017:

- ⊙ An assessee with a turnover of upto Rs. 50 Lakhs may choose to opt for composition scheme. Such scheme allows payment of tax at much lower rate with lesser compliance requirements. Such composition scheme would be available for all the traders, selected manufacturing sectors and for restaurants in service sector.

GSC Comments: *Restaurants would now be allowed to opt for Composition Scheme. Though there are few drawbacks of the scheme as proposed under Model GST Law released in Late November, 2016, one should evaluate if the business operations of an entity may entitle the assessee to opt for composition scheme under GST regime.*

- ⊙ Exporters are given option to claim refund under GST regime. To make the process business friendly, concept of 'provisional refund' is introduced. Consequently, 90% of the refund claim would be provisionally paid to the exporters and only balance 10% of the refund claim would be refunded post verification of documents/information. Now, it is provided that such provisional refund would be paid within 7 days from the date of filing application for refund

GSC Comments: *Considering the objective of ease of doing business in India, this appears to be a positive step. The exporters should evaluate impact of GST on their*

businesses to ascertain how to actualise refunds in minimal time frame to reduce capital blockage.

- ☉ To provide single administrative interface to taxpayers, tax administrative officers of Central and State Governments would be granted power of all Acts i.e. CGST, SGST, UTGST and IGST.

GSC Comments: *Though the intention is to provide a taxpayer friendly environment, powers of all Acts given to one officer may distort the intent if not followed appropriately. It is of utmost importance that all GST taxpayers should be familiar with the powers given to tax administrative officers under GST regime.*

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A-36, First Floor, Ring Road,
Rajouri Garden, New Delhi – 110 027.

East Region

406A - 406B, 4th Floor,
Todi Chamber, 2, Lal Bazar Street,
Kolkata - 700 001.

South Region

64, Thirumalai Pillai Road,
T. Nagar, Chennai – 600 017.



www.gscintime.com



+91 22 2683 6519
+91 98210 12151



jayeshgogri@gscintime.com
info@gscintime.com