

## GST impact: Industry to contribute \$280 b by 2026, says study

It 'would also cause short-term hiccups'

### OUR BUREAU

New Delhi, July 9

Industry is estimated to contribute \$280 billion to India's gross domestic product by 2026 as a positive fall-out of the Goods and Services Tax, says a report titled 'Emerging Mantras for Bankers-Borrowers'.

A joint report, prepared by industry chamber Assocham-Ashvin Parekh Advisory Services cites that GST will benefit micro, small and medium enterprises (MSMEs) by bringing in many positives, such as easy process of availing input credit, elimination of cascading tax system and less logistical overheads.

According to the chamber,

GST would boost economic growth but the extent of such an impact will depend on a favourable consensus on tax rates for all business segments and integrated implementation of the same. However, the report said GST would also cause short-term hiccups, such as increase in

## GST WATCH

MSMEs.

Industries in MSME sector such as online retail, logistics, manufacturing and textiles would have a larger impact, the report said.

### Competition

Eventually, GST will turn Indian MSMEs more competitive with foreign competition coming from cheap cost centres such as China, the Philippines and Bangladesh,

Industries in the MSME sector such as online retail, logistics, manufacturing and textiles, would have a larger impact, the report said.

the report added. The Insolvency and Bankruptcy Code would be a boon to MSMEs who have limited power to endure the distress in addition to ensuring transparency through court administered process, the report noted.

This new code will also enable more lenders with softer terms to enter the market and so MSMEs will get a better flow of funding to their business, the report added.

## 'MSMEs to Gain Competitiveness'

**NEW DELHI:** GST is set to



impart better competitiveness to micro, small and medium enterprises and

provide them a level-playing field with large firms owing to factors like an easier process of availing input credit and simpler tax regime, according to a report. The joint study by Assocham and Ashvin Parekh Advisory Services said the tax will lead to improved market expansion and lower logistical overheads, a boon for MSMEs.

# Small, medium firms will be more competitive with GST, says Assocham

● AGENCIES/New Delhi

The Goods and Services Tax (GST) will boost the competitiveness of micro, small and medium enterprises (MSMEs), the Associated Chambers of Commerce and Industry of India (Assocham) said on Sunday, citing its report on the unified pan-India indirect tax regime.

"From an MSME perspective, GST will bring many positives compared to the current systems such as easy process of availing input credit, single point tax, elimination of cascading tax system, and simpler taxation," according to the Assocham and Ashvin Parekh Advisory Services (APAS) joint study titled Emerging Mantras for Bankers-Borrowers.

With the GST designed to increase the taxpayer base and bring more MSMEs into its scope, it would put some burden of compliance and associ-

ated costs to them, Assocham said. "But eventually, it will turn these MSMEs more competitive with a level playing field between large enterprises and them," it added.

The study listed the negative implications of the GST for MSMEs as being the lower threshold, no tax differentiation for luxury items and services, increase in product cost, selective tax levying, and higher tax rate for service provider.

Among other negatives it listed excess working capital requirement, realignment of purchase and supply chain, dual control, high compliance burden and tax on advances, tax under reverse charge for un-registered purchases, tax on stock transfers and deemed supplies, time limit for return of goods sent on sale or return basis, condition of payment and filing of return for availing input tax credit, and power of arrest and prosecution.

## **GST to boost competitiveness of MSMEs**

**New Delhi (PTI):** The GST is set to impart better competitiveness to micro, small and medium enterprises and provide them a level-playing field with large firms owing to factors like an easier process of availing input credit and simpler tax regime, according to a report carried out jointly by ASSOCHAM and Ashvin Parekh Advisory Services.

The Goods and Services Tax (GST) will lead to improved market expansion and lower logistical overheads, a boon for MSMEs dealing in sales and services and purchase of capital goods, said the report.

According to the report, the GST will exert compliance burden and associated costs on MSMEs since it aims to increase the taxpayer base.

The GST regime will usher in lower taxes, seamless input tax credit and logistics savings.

**जीएसटी के साथ ज्यादा प्रतिस्पर्धी होंगे छोटे व मध्यम उद्यम**

जीएसटी व्यवस्था सूक्ष्म, लघु और मध्यम उद्यमों (एमएसएमई) की प्रतिस्पर्धा क्षमता में बढ़ोतरी करेगी। नई अप्रत्यक्ष कर व्यवस्था पर अपनी एक रिपोर्ट का हवाला देते हुए उद्योग चैंबर एसोचैम ने रविवार को यह बात कही। एसोचैम और अश्विन पारेख एडवाइजरी सर्विसेज (एपीएस) के संयुक्त अध्ययन के अनुसार, एमएसएमई के परिप्रेक्ष्य से जीएसटी प्रणाली मौजूदा सिस्टम की तुलना में कई सकारात्मक चीजें लाएगी। जैसे कि इनपुट क्रेडिट प्राप्त करने की आसान प्रक्रिया, सिंगल पॉइंट टैक्स, कई तरह के करों से मुक्ति और सरल कर निर्धारण प्रणाली। जीएसटी को करदाताओं का दायरा बढ़ाने और इसके दायरे में ज्यादा एमएसएमई को लाने के लिए डिजाइन किया गया है। इससे अनुपालन का कुछ बोझ बड़ेगा।

## बढ़ेगी एमएसएमई क्षेत्र की प्रतिस्पर्धात्मकता

नई दिल्ली। जीएसटी एमएसएमई को बेहतर प्रतिस्पर्धा और बड़ी कंपनियों के साथ लेवल प्लेइंग फील्ड उपलब्ध कराने के लिए तैयार है। इसका कारण इनपुट क्रेडिट प्राप्ति की आसान प्रक्रिया और सरल कर प्रणाली जैसे कारक हैं। यह बात एसोचैम और अश्विन पारेख एडवायजरी सर्विसेज के संयुक्त अध्ययन में कही गई। रिपोर्ट के मुताबिक, जीएसटी बेहतर बाजार विस्तार और कम लॉजिस्टिकल खर्चों की ओर ले जाएगा, जो बिक्री व सेवाओं और कैपिटल गुड्स की खरीद में एमएसएमई सौदों के लिए एक वरदान है। भारतीय एमएसएमई चीन, फिलीपींस और बांग्लादेश जैसे सस्ती लागत वाले केंद्रों को टक्कर देने में सक्षम होंगे।

**जीएसटी से बढ़ेगी  
छोटी इकाइयों की  
प्रतिस्पर्धा क्षमता**

नई दिल्ली @ पत्रिका.  
जीएसटी से एमएसएमई को  
इनपुट क्रेडिट और सरल कर  
व्यवस्था से प्रतिस्पर्धा क्षमता  
बढ़ाने में मदद मिलेगी और  
उनके लिए बड़ी इकाइयों के  
समान कारोबारी अवसर भी  
बढ़ेंगे। एसोचैम और अश्विन  
पारेख एडवाइजरी की एक  
संयुक्त अध्ययन रपट के  
अनुसार जीएसटी से बाजार  
विस्तार होगा तथा एमएसएमई  
के लिए वरदान होगा।

