

Change in the shareholding pattern of GSTN

The Goods and Services Tax Network - Special Purpose Vehicle (GSTN-SPV) was created as a private limited, not-for-profit company under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013) by Govt. of India on 28th March, 2013 with an objective to provide shared IT infrastructure and services to Centre and States Governments, tax payers and other stakeholders for implementation of Goods and Services Tax (GST) in the country.

Presently, the Central Government and State Government are holding 24.5% equity shares respectively and the remaining 51% are held by non-Governmental institutions and through various mechanisms, GSTN is under strategic control of government. Majority of the GST processes including registration, filing of returns, payment of taxes, processing of refunds is IT driven and GSTN is handling large-scale invoice level data of lakhs of business entities including data relating to exports and imports. Considering the nature of 'state' function performed by GSTN, Council felt that GSTN be converted into be a fully owned government Company.

In view of the above, GST Council in its meeting held today decided:

Acquisition of entire 51% of equity held by the Non-Governmental Institutions in GSTN amounting to Rs. 5.1 crore, equally by the Centre and the States governments and allow GSTN Board to initiate process for acquisition of equity held by the private Companies; and

GSTN Board shall be allowed to continue the existing staff at existing terms and conditions for the a period upto five years, and shall have the flexibility of hiring people through contract on the terms and conditions similar to those used by GSTN till now while hiring regular employees.

The existing financial commitments given by Centre and States to GSTN to share the capital and O&M cost of the IT Systems shall continue.