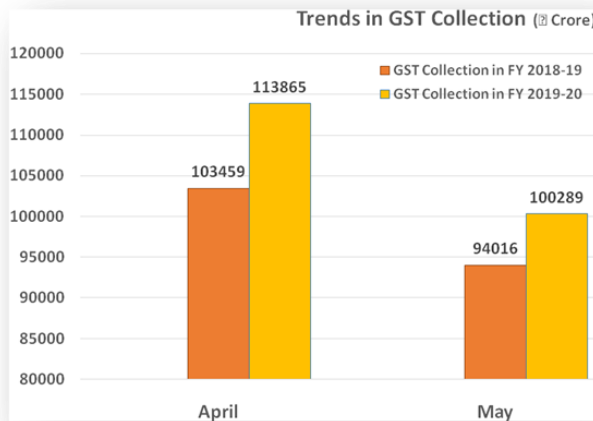


GST COUNCIL SECRETARIAT'S NEWS-LETTER

GST Revenue

Tax Collection in April, 2019 has been the highest ever in a particular month i.e. Rs. 1,13,865 crore since GST implementation. GST collections for May, 2019 have been Rs.1,00,289 crore (consist of CGST Rs.17,811 crore, SGST Rs 24,462 crore, IGST Rs.49,891 crore and Cess Rs 8,125 crore) has shown a consistent growth trend over the last two years. The month-on-month growth in GST collection has been 10.1% and 6.7% for April and May respectively.



—(Source-PIB Delhi)

Details of Revenue Collected during the year 2017-18, 2018-19 and April-May 2019 is as below:

(Figures in ₹ Crore)

	2017-18	2018-19	Apr-19	May-19
CGST	1,18,876	2,02,444	21,163	17,811
SGST	1,71,803	2,78,817	28,801	24,462
IGST	3,87,356	5,98,738	54,733	49,891
<i>Domestic</i>	1,93,093	3,08,243	31,444	25,015
<i>Imports</i>	1,94,263	2,90,495	23,289	24,875
Comp Cess	62,614	97,369	9,168	8,125
<i>Domestic</i>	56,319	87,290	8,115	7,172
<i>Imports</i>	6,295	10,080	1,053	953
Total	7,40,650	11,77,369	1,13,866	1,00,289

—(Source-DoR)

Return Filing Updates

- ✓ The data regarding the number of returns filed cumulatively until 17.06.2019 is as follows:
FORM GSTR-1 9,66,74,296
FORM GSTR-3B 17,58,18,725
FORM GSTR-4 99,93,521
- ✓ The number of Returns filed till due date (20th of the next month) for the month of May, 2019 was 65,18,408 (63.37%) as compared to 60,61,978 (59.24%) for the month of April, 2019.
- ✓ The current status of filing of annual returns in FORM GSTR-9/9A, as on 11.06.2019, as extracted from the reports provided by GSTN, is as follows:

Sl. No.	Description	Count (in lakhs)
1	FORM GSTR-9	6.37
2	FORM GSTR-9A	2.03

Highlights of 35th Meeting of GST Council dated 21.06.2019

The 35th GST Council Meeting was held on 21st June, 2019 at Vigyan Bhawan, in New Delhi under the chairmanship of Union Finance & Corporate Affairs Minister Smt.Nirmala Sitharaman. This was the first Meeting of the Council after the swearing in of the new Government.

At the outset, the Council passed a resolution acknowledging the stellar role played by Shri Arun Jaitley, the former Chairperson of GST Council and expressed its gratitude and appreciation for the exemplary contribution made by him in making the GST Council a shining example of co-operative federalism that it has become today. The Council also thanked the outgoing Members and welcomed the new Members of the Council. It also expressed its deepest condolences at the untimely demise of Shri Prakash Pant, the former Finance Minister of Uttarakhand.

The Agenda of the GST Council Meetings is finalized on the basis of inputs from multiple stakeholders, including the proposals made by the Central and State Governments. Besides, the agenda is also based on the recommendations made by different Committees such as Law Committee, Fitment Committee etc. and Group of Ministers (GoM) constituted by the GST Council for specific purpose wherein the representatives of the Centre as well as the State Governments are members.

The brief of decisions/recommendations by the Council in its 35th meeting are as below:

Creation of State Benches of GST Appellate Tribunal

GST Council approved State and Area Benches for the Goods and Services Tax Appellate Tribunal (**GSTAT**) for States and the Union Territories (with legislature) and all Union Territories (without legislature). The national and regional benches of GSTAT was already approved by GST Council in its 28th Meeting held on 21.07.2018. Subsequently, National bench of GSTAT at New Delhi notified vide Notification No.S.O.1359(E) dated 13.03.2019.

The details of State/Area benches of GSTAT are as under:

S. No.	Name of State/ Union Territory	Location for State Bench	Location for Area Bench
1	Andhra Pradesh	Vijaywada	Vishakhapatnam and Tirupati
2	Assam	Guwahati	No Bench
3	Bihar	Patna	”
4	Chhattisgarh	Atal Nagar Raipur	”
5	Delhi	New Delhi	”
6	Goa	Panaji	No Bench
7	Gujarat	Ahmedabad	Surat and Rajkot
8	Haryana	Hisar	No Bench
9	Himachal Pradesh	Shimla	”
10	Jammu & Kashmir	Jammu & Kashmir	”
11	Jharkhand	Ranchi	”
12	Karnataka	Bengaluru	”
13	Kerala	Thiruvananthapuram	No Bench
14	Maharashtra	Mumbai	Pune and Nagpur
15	Odisha	Cuttak	No Bench
16	Puducherry	Pondicherry	”
17	Punjab	Chandigarh	”
18	Tamil Nadu	Chennai	”
19	Telangana	Hyderabad	”
20	Tripura	(Place not indicated)	”
21	Uttar Pradesh	Allahabad	Ghaziabad, Lucknow, Varanasi and Agra*
22	Uttarakhand	Dehradun	No Bench
23	West Bengal	Kolkata	Two Area Benches at Kolkata

24	Arunachal Pradesh	Common State Bench of GSTAT
25	Manipur	
26	Nagaland	
27	Sikkim	
UTs (without legislature)[#]		
28	Andaman & Nicobar	State Bench of West Bengal (Kolkata)
29	Dadra & Nagar Haveli	State Bench of Maharashtra (Mumbai)
30	Daman & Diu	State Bench of Maharashtra (Mumbai)
31	Lakshadweep	State Bench of Kerala (Ernakulam)
32	Chandigarh	State Bench of Punjab (Chandigarh)

*- (*Subject to the decision of the High Court*)
#-(*Source-DoR*)

Anti-profiteering Measures

- i) GST Council took note of the **performance** of National Anti-Profiteering Authority (NAA) as under:

Total Disposal (during QE March, 2019) – 22
• Cases where Profiteering established – 08
• Cases where Profiteering not established – 14
• Cases referred back to DGAP for further investigation – 03
Total Orders passed by the NAA till May 2019 – 65
• Total profiteering established in NAA’s orders – Rs 606 crore
• Total amount deposited – Rs 499.77 crore

- ii) Rule 137 of CGST Rules, 2017 prescribed two year tenure of NAA from the date on which the Chairman enters upon his office, unless the Council recommends otherwise. Accordingly the term of NAA would be ending on 30th November, 2019. GST Council **extended tenure** of NAA for further period of 2 years, upto 30.11.2021.
- iii) GST law is being amended in order to impose **Anti-profiteering penalty** @ 10% of profit, if profit not paid within 30 days.
- iv) GST Council approved Standing Operating Procedure (**SOP**) for Central GST and State GST officers to strengthen mechanism of verification of profiteering as soon as any GST rate reduction/additional ITC benefits.

New Return System

In order to give ample opportunity to taxpayers as well as the system to adapt, the **New Return System** to be introduced in a phased manner, as described below:

- There are three main components to the new return – one main return (FORM GST RET-1) and two annexures
- FORM GST ANX-1 (Annexure of outward supplies and inward supplies attracting reverse charge)

- FORM GST ANX-2 (Annexure of inward supplies)

Information declared through FORM GST ANX-1 and FORM GST-ANX-2 shall be auto populated in the main return FORM GST RET.

Accordingly, GST Council recommended to introduce new **Return System** in a phased manner, as described below:

- Between July, 2019 to September, 2019, the new return system (FORM GST ANX1 & FORM GST ANX-2 only) to be available for trial for taxpayers. Taxpayers to continue to file FORM GSTR-1&FORM GSTR-3B as at present
- From October, 2019 onwards, FORM GST ANX-1 shall be made compulsory for large taxpayers
- Large taxpayers (having aggregate turnover of more than Rs. 5 crores in previous year) to file FORM GST ANX-1 on monthly basis;
- Small taxpayers to file first FORM GST ANX-1 for the quarter October, 2019 to December, 2019 in January, 2020;
- Invoices etc. can be uploaded in FORM GST ANX-1 on a continuous basis both by large and small taxpayers from October, 2019 onwards; FORM GST ANX-2 may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2
- For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis and will file FORM GST RET-01 for December, 2019
- Small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 and would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20.01.2020
- From January, 2020 onwards, FORM GSTR-3B shall be completely phased out

Extension of filing of Annual returns

On account of difficulties being faced by taxpayers in furnishing the annual returns in FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C, the GST Council recommended that due date for furnishing these returns / reconciliation statements be extended till 31.08.2019

FORM	Taxpayer	Aggregate Turnover	Date
FORM GSTR-9/9C	Normal	> Rs. 5 crores	31.08.2019
FORM GSTR-9/9C	Normal	Rs. 2 crores to Rs. 5 crores	31.08.2019
FORM GSTR-9	Normal	< Rs. 2 crores	31.08.2019
FORM GSTR-9A	Composition	-	31.08.2019

Extension of furnishing of declaration in Form GST-ITC04

To provide sufficient time to the trade and industry to furnish the declaration in FORM GST ITC04, relating to job work, the GST Council recommended that due date for furnishing the said form for the period July, 2017 to June, 2019 be extended till 31.08.2019

Option for Composition scheme for supplier of services

Last date for filing of intimation, in FORM GST CMP-02, for availing the option of payment of tax on intra-State supplies of goods or services or both upto an aggregate turnover of Rs.50 Lakh made on or after 1st day of April in any financial year, by a registered person in terms of Notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 recommended by GST Council for extension from 30.04.2019 to 31.07.2019.

Blocking of E-Way Bill facility

The provisions for blocking and unblocking of e-way bills on non-filing of returns for two consecutive tax periods in terms of Rule 138E of CGST Rules, has been recommended by GST Council for extension uptill 21.08.2019, instead of 21.06.2019. Notification No. 25/2019-Central Tax dated 21.06.2019 issued in this regard.

Aadhaar-enabled GST Registration

GST Council has given a go-ahead to a new system for verification of taxpayers registering themselves under GST. Aadhaar number shall be linked to the GSTIN while generation.

Clarification on Cross-charges

GST Council referred to the Law Committee the clarification on taxability of services provided by an office of an organization in one State to the office of that organization in another State, both being distinct persons.

E-Ticketing

GST Council recommended to make E-ticketing mandatory for multiplexes through amendment in Rule 54 of the CGST Rules, 2017.

Amendment in GST Law

GST Council approved certain amendments in Act mainly to provide legislative force for such decisions implemented through issue of notification/Removal of Difficulties' orders.

Besides these, GST Council approved certain amendments to be carried out in the GST laws to implement the decisions of the GST Council taken in earlier meetings.

The brief of these new amendments in GST Law are as below:

S. No.	Amendment
1	Provision to check bogus registrations by linking to Aadhaar
2	Provision for supplier to mandatorily offer facility for digital payments by buyer.
3	Prescribing annual return & quarterly payment by composition taxpayer
4	Provision to empower the Commissioner to extend the due date for furnishing Annual return in FORM GSTR-9/9A/9C which was earlier done vide issuance of RoD
5	Provision to transfer amount from one head to another in electronic cash ledger
6	Provision to levy interest on net tax liability
7	Provision to empower the Commissioner to extend the due date for furnishing the monthly statement in FORM GSTR-8 & annual statement by e-commerce operator which was earlier done vide issuance of RoD
8	Provision to enable disbursement of refund by a single Authority
9	Provision to establish a Centralized Appellate Authority for Advance Ruling (CAAAR)
10	Provision to levy penalty on the profiteered amount

+ Introduction of E-invoicing

GST Council recommended electronic invoicing system in a phase-wise manner for B2B transactions. E-invoicing is a rapidly expanding technology which would help taxpayers in backward integration and automation of tax relevant processes. It would also help tax authorities in combating the menace of tax evasion. The Phase 1 is proposed to be voluntary and it shall be rolled out from January 2020

+ Use of RFID data for strengthening of e-way system

The Government proposes to integrate a FASTag Bank Mechanism with e-way bill and Logistic Data Services to track movement of goods and check GST evasion. The Government is contemplating integration of E-Way Bill mechanism of GST with FASTag System of National Highway Authority of India (NHAI). The aspect of Logistic Databank integration with FASTag System is being examined.

A Committee of Officers comprising of officers from Central Government, State Governments, GSTN (Goods and Services Tax Network), NIC (National Informatics Centre), GST Council, to examine the issue of use of RFID data for strengthening of E-Way Bill mechanism under GST, was formed by GST Council. The representatives of NHAI and NPCI (National Payments Corporation of India) were also co-opted in the committee.

The Committee of Officers has submitted its report to the GST Council, recommending integration of FASTag system with E-Way Bill mechanism. The recommendations of the Committee are under consideration by GST Council.

E-way Bill update

A snapshot of e-way bills in the year 2018-19

No. of e-way bills generated	5577 Lakhs
No. of inter-state e-way bills generated	2487 Lakhs
No. of intra-state e-way bills generated	3090 Lakhs
No. of e-way bills verified	172 Lakhs
No. of Tax Payers Registered in EWB	28.89 Lakhs
No. of Transporters enrolled in EWB	0.41 Lakhs

– (Source—www.ewaybill.nic.in)

Judicial Pronouncement

+ **GST Evaders Can Be Arrested – Hon’ble Supreme Court Of India Upholds Telangana High Court Judgement –**

Union of India Vs Sapna Jain & Ors (Supreme Court of India)— SLP(CrL) Nos. 4322-4324/2019—In the Order dated 29th May, 2019, the Hon'ble Supreme Court of India has clarified the position of law on the power to arrest under GST. The Hon’ble Court has held as under—

“Nonetheless, while entertaining any such requests in future, the order of the Telangana High Court be kept in mind, which has said that individuals can’t be given protection from arrest in such cases. This order has earlier been upheld by the apex court.”

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