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Additional agenda for

30th GST Council Meeting

28 September 2018

माल और सेवा कर परिषद
GOODS AND SERVICES TAX COUNCIL

File No: 580/30th GSTCM/GSTC/2018
GST Council Secretariat

Room No.275, North Block, New Delhi
Dated: 07th September 2018

Notice for the 30th Meeting of the GST Council scheduled on 28th September 2018

The undersigned is directed to refer to the subject cited above and to say that the 30th Meeting of the GST Council will be held on **28th September 2018 (Friday)** as follows:

- Friday, 28th September 2018: 11:00 hours onwards (Through Video Conference)

2. In addition, an Officer's Meeting will be held as follows:

- Thursday, 27th September 2018: 11:00 hours onwards (Through Video Conference)

3. The Agenda Items for the 30th Meeting of the GST Council will be communicated in due course of time.

4. Respective State NIC units may be contacted for details regarding the Video Conference.

5. Please convey the invitation to the Hon'ble Members of the GST Council to attend the meeting.

-sd-
(Dr. Hasmukh Adhia)
Secretary to the Govt. of India and ex-officio Secretary to the GST Council
Tel: 011 23092653

Copy to:

1. PS to the Hon'ble Minister of Finance, Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.

2. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.

3. The Chief Secretaries of all the State Governments, Delhi and Puducherry with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State Government as a Member of the GST Council about the above said meeting.

4. Chairperson, CBIC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.

5. Chairman, GST Network

Agenda Items for the 30th Meeting of the GST Council on 28th September 2018

1. Confirmation of the Minutes of 29th GST Council Meeting held on 04th August 2018
2. Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government
3. Decisions of the GST Implementation Committee (GIC) for information of the GST Council
4. Decisions/recommendations of the IT Grievance Redressal Committee for information of the Council
5. Review of Revenue position
6. Analysis of Revenue Gap of select States and Union Territory of Puducherry for information of the Council
7. Status report on Anti-profiteering measures under GST for information of the Council
8. Proposal of State of Kerala for imposition of Cess on SGST for rehabilitation and flood affected works
9. Proposal of State of Punjab to address difficulties arising out of recent amendment to rule 96 of the CGST/SGST Rules relating to exports
10. IGST exemption to imported goods supplied for relief and rehabilitation of people affected by floods in the State of Kerala for information of the Council
11. Any other agenda item with the permission of the Chairperson
12. Date of the next meeting of the GST Council

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Agenda Item 11: Any other agenda item with the permission of the Chairperson

Agenda Item 11(i): Addendum to Agenda Item 6 (Analysis of Revenue Gap of select States and Union Territory of Puducherry for information of the Council) – Report on Bihar

In the Agenda Item 6 of the main volume of the Detailed Agenda Notes for the 30th GST Council Meeting, the Reports on revenue gap study of Jammu & Kashmir, Punjab, Himachal Pradesh and UT of Puducherry has been placed before the Council. The Finance Secretary visited Patna on 21st September 2018 for conducting the Revenue Gap analysis of Bihar.

2. Accordingly, the reasons for the shortfall and the steps suggested for addressing the revenue gap for the State of Bihar is placed at Annexure 1.

3. This is placed before the Council for information and consideration.

Annexure 1

I. Bihar

A. Background

Bihar is among the top 5 States in terms of the percentage of revenue shortfall against the all-India revenue shortfall figure. For the 8 months of GST collection during the financial year 2017-18 (August, 2017 to March, 2018), the average revenue shortfall of Bihar is 38% as against the national average shortfall of 16%. In the first five months of the financial year 2018-19 (April to August, 2018), the revenue shortfall of Bihar is 20%, as against the national average revenue shortfall of around 13%.

2. Revenue of Bihar to be protected for the base year 2015-16 is Rs.12,620.56 crore. The breakup of the revenue to be protected is at **Table 1** below (revenue from subsumed tax):

Table 1

Revenue from subsumed tax 2015-16

Sl. No.	Particulars	Rs in crore
1	Value Added Tax (VAT)	6340.87
2	Central Sales Tax (CST)	59.22
3	Advertisement Tax	0.71
	Entertainment Tax	66.09
4	Lottery, Betting & Gambling	
	Luxury Tax	
5	Entry Tax	6153.67
6	Cesses & surcharges	0.00
7	Duties of Excise on Medicinal & Toilet Preparations	0.00
	Total	**12620.56**

Revenue from Non-Subsumed Tax 2015-16

Sl. No.	Particulars	Rs in crore
1	VAT on Petrol, Diesel, ATF, Natural Gas, IMFL and Country Liquor	4394.94 -
2	CST on Petrol, Diesel, ATF, Natural Gas, IMFL and Country Liquor	0.77
3	Bihar Electricity Duty	297.33
4	Professional Tax	65.46
	Total	**4758.50**

Grand Total of Revenue – Rs. 17379.06

(Source: Department of Revenue and Commercial Tax Deptt., Bihar)

3. The trend of revenue collection for the last five years and the percentage growth of revenue is summarised in **Table 2** below:

Table 2

Year	Amount collected (Rs. crore)	Growth Percentage
2012-13	7670.67	
2013-14	9496.19	23.80%
2014-15	9874.81	3.99%
2015-16	12620.56	27.81%
2016-17	14573.71	15.48%
Average growth rate		**17.77%**

(Source: Commercial Tax Deptt., Bihar)

4. As can be seen from Table 2 above, the average growth rate of revenue of the last four years for Bihar is 17.77%, which is about 4% more than the assured growth rate of 14% for first five years of implementation of GST. The State enjoyed a higher than the 14% assured growth rate in 2015-16 (27.81%) and in 2016-17 (15.48%). This was largely on account of increase in VAT rate by 1% with effect from January, 2016 of their standard VAT rate (from 13.5% to 14.5%) and imposition of VAT at the rate of 5% on some categories of textiles (textiles sold at more than Rs.500 per metre and *saree* sold at more than Rs.2,500 per piece) preparatory to imposition of Prohibition in the State from April 2016. In August 2016, the standard VAT rate was further increased by 0.5% (from 14.5% to 15%) and the lower VAT rate was increased from 5% to 6%. Another reason for very high growth of tax collection during 2015-16 is reported to be recovery of Rs.985 crore of Entry Tax following the settlement of the legal dispute regarding the Constitutional validity of Entry Tax.

5. The ratio of subsumed to non-subsumed taxes for 2015-16 for Bihar is 2.65 **(Table 3)** which is approximately double the national figure of 1.61. This implies that Bihar has more dependence on the subsumed revenue. It is also interesting to note that unlike other States such as Himachal Pradesh and Punjab, where export taxes like CST and Purchase Tax constituted a substantial percentage of the revenue subsumed, the share of CST in Bihar's revenue collection for 2015-16 is only 0.47%. This indicates that revenue shortfall is not due to any major structural reasons.

Table 3

State/National	**Subsumed** (Rs in crore)	**Non-Subsumed** (Rs in crore)	**Ratio**
	A	**B**	**C = A/B**
Bihar	12620.56	4758.50	2.65
All States/UTs with Legislatures	396882	246264	1.61

Source: Department of Revenue and information collected from States/UTs

B. Reasons for shortfall in revenue

6. **Loss due to Entry Tax:** The Entry Tax collection in 2015-16 constituted 48.76% of the total subsumed taxes. It is reported that Entry Tax was levied on 35 goods at the rates varying from 4%, 5%, 12% and 16%. However, for most of the goods, the amount paid as Entry Tax could be used as Input Tax Credit for payment of VAT when goods were sold within the State. So, this was also largely not a cascaded tax except for Entry Tax paid by some sectors where the final product was not liable to pay VAT, such as power utilities and telecom companies. It is reported that out of about Rs.6,154 crore of Entry Tax collected in 2015-16, approximately Rs.5,000 crore went towards setting off the VAT liability and only Rs.1,100 crore (i.e. 8.72%) was actual collection from Entry Tax.

7. **Slow Settlement Process:** The loss of revenue on account of Entry Tax could be made good through settlement process. However, settlement of IGST has not been regular due to various reasons, like non-filing of returns and non-furnishing of information in the return regarding ineligible input tax credit and the reversal thereof. As Bihar is a consuming State, larger settlement of IGST credit will lead to improvement in its revenue collection. Information of ineligible/reverse credit would become available in the Annual Return.

8. **Effect of increase in VAT Rate due to Prohibition:** Due to introduction of Prohibition in the State from April 2016, there was increase in VAT rate as also levy of VAT on textiles effective from January 2016. Further, in 2015-16, there was collection of huge amount of arrears of Entry Tax (Rs. 985 crore) following settlement of legal dispute regarding Constitutional validity of Entry Tax. This led to a gain of Rs.2,746 crore of VAT revenue to Bihar in 2015-16 and the State has reaped its advantage by getting 14% assured growth rate on this base revenue. Due to high growth rate in the base year of 2015-

16, there is high shortfall in revenue of Bihar in the first 8 months of implementation of GST in 2017-18 (August 2017 to March, 2018) (38%) *vis-à-vis* the national average of 16%. However, this gap has since narrowed down to 20% in the first five months of 2018-19 (April to August, 2018) *vis-à-vis* the average national revenue gap of about 13%.

9. **Reduction in effective rate of tax on goods:** It is reported that there has been loss of revenue due to reduction in rate of tax in GST as compared to the earlier prevailing VAT rate in the State. For instance, there was reduction in the effective rate of tax on some of the major revenue earning commodities like cement, consumer durables and FMCG from 16.88% during VAT regime (15% VAT plus embedded Central Excise Duty) to 14% in the GST regime, and on automobiles from effective VAT rate of 18.7% to 14%. Several other goods in the slab of 6% and 15% under VAT now attract GST at the rates of 2.5% / 6% / 9%. It is reported that loss in tax collection due to rate reduction on goods during the period July, 2017 to March, 2018 as compared to the period July, 2016 to March, 2017 is Rs.1,064 crore whereas gain from rise in tax rate on some commodities like iron and steel (6% to 9%) and a few others is only Rs.388 crore. This has led to a net loss of about Rs.676 crore. This loss has not been offset by gains from Service Tax.

10. **Poor Collection from Service Tax:** It is reported that as a normal pattern, approximately 91% of outward supply in Bihar is intra-State and only about 9% is inter-State supply. However, the major services sectors are reporting a much larger percentage as inter-State supply and paying IGST on them. This includes Railways (31%), Airlines (30% out of which 65% is accounted for by Air India), Telecom (27%) and Banks (11%). On the basis of tax payment data for Telecom, Banks/Financial Services and Railways in the State, their taxable base in Bihar works out to Rs.8,100 crore whereas based on data from other sources, such as Indian Brand Equity Foundation, NIPFP and Railway Budget (2016-17), the taxable base of these sectors in Bihar works out to around Rs.11,775 crore. This is likely due to improper application of place of supply rules by these service sectors within the State, leading to loss of revenue.

11. **Poor Return Filing:** There is substantial loss in revenue due to poor return filing in the State. There is a consistent gap of about 8% to 10% in GSTR-3B filing in the State as compared to the national average. The situation is worse in respect of GSTR-1 filing, where the gap is almost 20%.

12. **Below Par Enforcement for e-Way Bill:** The percentage of e-Way bill registrants *vis-à-vis* GST registrants in Bihar is very low (10.12%) as compared to the national average of 21.29%. This leaves a big gap of 11.1%. Also, the percent of e-Way bill generated in Bihar is only 0.56% of the total number of e-Way Bill generated in the country whereas Bihar accounts for 3.17% of the all-India revenue subsumed in GST in 2015-16. These gaps signify below par enforcement environment for e-Way bill in the State.

13. **Poor revenue contribution from new registrants:** It is reported that 92% of taxes paid in the State is being contributed by the migrated taxpayers. Only 8% tax comes from the newly registered taxpayers. This points to a possible low compliance level by the newly registered taxpayers.

14. **Non-implementation of TDS provision:** Keeping TDS in abeyance has impacted revenue collection. It is reported that revenue collected through TDS in 2015-16 was Rs.1,233 crore and in 2016-17, it was Rs.1,579 crore. For 2016-17, it is reported that out of Rs.1,579 crore collected as TDS, Rs.910 crore was a net gain to the State as this was neither set off as a VAT liability nor claimed as a refund. Directorate General of GST Intelligence (DGGI) of the State has also reported that Government contractors are not paying taxes unless there is proper follow up by the Tax Department.

C. Steps suggested to address the Revenue Gap

15. It is seen that the revenue gap of Bihar *vis-à-vis* the national shortfall percentage was 22% during the period August, 2017 to March, 2018 and this has reduced to 7% during the period April to August, 2018. As Bihar does not have significant structural reasons for revenue shortfall, the revenue gap can be easily bridged through better compliance and enforcement action.

16. The shortfall in revenue from Service Tax needs to be addressed on priority. DG Audit under CBIC should urgently take up systems audit of the centralised accounting software of Railways, Airlines, Banks, Insurance and Telecom sectors to ascertain that they are recording their output supplies in various States in accordance with the place of supply rules applicable to services.

17. Monitoring of return filing needs to be given special attention, with particular focus on the top 1,000 taxpayers of both the State and the Central Tax Administrations. Workshops and public outreach programmes should be organised for taxpayers, trade bodies and tax consultants to motivate the non-filers to file their returns. It should be highlighted during the outreach programmes that late fee for GSTR-1 has been waived if the same is filed by 31st October 2018 and that this last chance should be availed to file GSTR-1s.

18. Non-filers of returns are reported to be around 23%. Data analytics should be carried out (such as their tax behaviour in the VAT regime and e-Way Bill generation) to identify those non-filers who have good revenue potential and they should be persuaded vigorously to file returns.

19. Input tax credit taken in GSTR-3B should be verified *vis-à-vis* the corresponding GSTR-2A. TRAN-1 and TRAN-2 verification should also be carried out by the Tax Administrations based on risk assessment parameters. Against a detection of Rs. 41.72 crore as TRAN-1 related discrepancy, recovery is reported to be only Rs. 3 crore. Recovery needs to be improved.

20. It seems that a large portion of transaction in the value chain is going unreported because of payment of tax in cash at the wholesale/distributor level, which makes it difficult to track the transaction further down at the retail level where value addition is the highest. In order to curb this practice, the GST authorities should bring such cash transactions to the notice of the Income Tax Authorities. The Law Committee should also examine to amend the GST Rules relating to invoice to provide that if there is a sale/transfer in commercial quantity, an invoice must be issued.

21. In Bihar, on an average, about 26% of the tax is paid in cash and the rest by utilising input tax credit. This ratio is by and large matching with the national average. However, the bigger taxpayers whose tax payment by cash is not in this range, need to be identified and audited.

22. There are several reported cases of tax evasion by issuance of invoices without making any supplies. To curb the menace of bogus invoices, the Tax Administrations should conduct physical verification of premises of 10% of new registrants, based on risk assessment.

23. E-Way bill checking, particularly for goods coming into the State, should be conducted in co-ordination with the Central Tax officers at the State borders through mobile squads. The checks should be done on random basis and by surprise. e-Way Bill data should also be verified with the data declared for payment of IGST. Also, to improve compliance, the present value limit of Rs. 2 lakh for issuing intra-State e-Way bill should be reduced to Rs. 1 lakh.

24. Data analytics should be undertaken in a big way to identify risk prone taxpayers as gradually more data and MIS reports are being made available by GSTN to Model 2 States. The newly registered taxpayers need to be subjected to risk analysis to ascertain that they are paying the tax due.

25. Senior officers should conduct regular meetings with officers at the Division, Circle and Range levels to clear their doubts and monitor progress of various items of work.

26. Annual Return under GST should be rolled out in time.

27. Introduction of TDS from 1st October 2018 would improve revenue collection.

Agenda Item 11(ii): Minutes of 10th Meeting of Group of Ministers (GoM) on IT Challenges in GST Implementation for information of the Council and discussion on GSTN issues

The 10th Meeting of the GoM on IT Challenges in GST Implementation was held on 22nd September 2018 in Bengaluru which was attended by the Hon'ble Ministers from Bihar and Karnataka namely Shri Sushil Kumar Modi and Shri Krishna Byregowda. The Minutes of the Meeting is attached at **Annexure A.**

2. The Minutes of the 10th Meeting of the GoM held on 22ND September 2018 is placed before the Council for information as **Annexure A**.

Annexure A

Minutes of the 10th Meeting of GoM held on 22nd September 2018 at Bengaluru, Karnataka

In pursuance of decision taken in the 21st Meeting of GST council held on 9th September 2017 at Hyderabad, a Group of Ministers (GoM), was constituted to monitor and resolve the IT challenges faced in implementation of GST.

The first meeting of GoM was held on September 16, 2017 where the GoM had identified 47 items for time bound resolution. In the 3rd meeting, 8 more items were added to this list, followed by 3 more items getting added in the meeting convened on 17th Jan 2018. Out of these, 8 have been put on hold on account of decisions of GST Council leading to 51 items. These items were reviewed by the GoM in its 10th meeting held on 22nd Sept 2018, at ITC Windsor, Bengaluru.

The tenth meeting, was attended by the following Hon'ble Members of GoM.

Sl. No.	Name	Designation	Group of Members
1	Shri Sushil Kumar Modi	Hon'ble Deputy Chief Minister, Bihar	Convener of GoM
2	Shri Krishna Byregowda	Hon'ble Minister for Rural Development, Karnataka	Member, GoM

Shri Shashi Bhushan Behera, Hon'ble Minister for Finance, Odisha, Shri Amar Agarwal, Hon'ble Minister for Commercial Taxes, Government of Chhattisgarh and Shri Etela Rajendar, Hon'ble Minister of Finance, Telangana could not attend due to other pressing engagements.

The list of officers who attended from GST Council, CBIC/ States, GSTN and Infosys is mentioned in Annexure 1.

A detailed presentation was made covering status of implementation of functionalities identified by the GoM as well as status of remaining functionalities of GST System including that of e-Way Bill System. Live demo of Commissioner's dashboard for Model-2 States and new Dashboard of e-way bill were also presented before The GoM. Highlights of presentation as well as observations and advice of Hon'ble Members of GoM are given below.

(A) GST System: Overall Statistics and Status of return filing:

1. **Overall statistics** of registration, payment of taxes and return filing was presented before the GoM. Since 1st July 2017 till date, more than 15.71 Crore returns have been filed on GST Portal along with 5.34 Crore payment transactions. During this period 50.60 Lakh new taxpayers have registered on the Portal where 62.92 Lakh taxpayers (net of Cancelled) have been migrated from the pre-GST regime taking the total taxpayer to 1.13 Crore. Out of this, 17.65 Lakh taxpayers have opted for Composition scheme.

2. Return Filing

a. The GSTR 3B Returns filed for July 2018 as on September 20, 2018 are 70.40 Lakh which is 74.35% of total eligible taxpayers. For August 2018, out of 96.15 Lakh eligible taxpayers, the GSTR3B Returns are filed by 57.02 Lakh taxpayers (59.31%).

b. The gap between eligible taxpayers for filing GSTR 1 and actual GSTR1 filers is increasing. The GSTR 1 filing since July 2017 is gradually declining and the data was presented before the GoM. Gradual decline in percentile of filing by due date was presented before the GoM.
c. The percentile of filing of GSTR-1 is generally 10% behind that of GSTR-3B but lately this difference has started becoming wider and now it has become about 25%. At present, there is no mechanism to impose late fee on GSTR-1 in the system, as late fee was to be computed at the time of filing of GSTR-3 as envisaged in the original design, where GSTR-1, 2 and 3 were to be filed. **Hon'ble Convener suggested to explore the possibility of auto-population of outward supply table in GSTR 3B from GSTR 1.** [**Action: GSTN**]

3. Refund related issues

a. The refund for exports with IGST paid statistics was discussed and it is stated that data was transmitted to ICEGATE for Rs 43404/- Crore IGST and RS. 370.45 Crore for cess. The GoM was informed that this process has been fully automated.
b. For the manual processing of RFD-01, the percentage of amount sanctioned as percentage of applications received at Tax office, for States is at 76.22% and for Centre is at 80.22%.
c. Status of Refund application RFD-1A and RFD-1B and its integration with States and CBIC was presented before the GoM. Hon'ble Convener asked Model-1 States, which have not yet integrated their refund system, to complete refund application integration with GST System on priority.

[**Action: GSTN**]

4. Updates on GOM Prioritized Functionalities

Total of 50 out of 51 identified functionalities have been developed and deployed on GST System. Remaining one case along with functionalities of few applications deployed partly earlier, are under development, as per details given below:

a. **Native App for field visits by tax officers**: The web-based module of field visit by tax officers has been implemented. However, mobile based application is at final stage of User Acceptance Testing by GSTN and is likely to be deployed by end of September 2018. [**Action: GSTN**]
b) For refund processing by Tax officers (BO processing) the RFD 01, the workaround and interim solution are already in production and full solution is also ready. However, full solution cannot be deployed till all Model I States have completed the development and integrated their refund processing application with GST Systems. [**Action: Model-1 States**].
c) The composition forms GST CMP 05, 06 and 07 are under development and will be ready by Mid-October. [**Action: GSTN**]
d) Payment form GST PMT 03 (Order for re-credit of the amount to cash or credit ledger on rejection of refund claim) is ready but deployment is on hold due to dependency on Model-1 States for completion of Refund processing and integration by them. [**Action: Model-1 States**].
e) The Registration Forms GST REG-08 (Order of Cancellation for registration as Tax Deductor at source or Tax Collector at source), GST REG-14 (Application for Amendment in Registration Particulars) and GST REG-15 (Order of Amendment) are under various stages of development. The Hon'ble Convener directed to complete all registration related issues on Priority by end of October 2018. [**Action: GSTN/Infosys team**]

4.2 Annual Return and Audit Forms (GSTR -9, GSTR-9A and GSTR -9C)

Status of annual returns and audit form, notified in Sept 2018, was presented before the GoM, as given below:

i. The Annual Return for Regular taxpayers (GSTR-9) was notified on 4th September 2018. The SRS for the same has been completed and development has started. By mid-October, it is expected to be in UAT and full deployment is estimated to be by 18th December 2018.
ii. The Annual Return for compounding taxpayers (GSTR-9A) was also notified on 4th Sept and is under development. The completion date given by Infosys was 18th February 2019.
iii. The Audit Form (GSTR-9C) was notified on 13th September 2018 and SRS is yet to be completed. On completion of SRS, the likely date of deployment could be worked out.

As last date for filing Annual Return is 31st December 2018, Hon'ble Convener directed to complete development of GSTR-9/9A and 9C on priority and make it available to taxpayers by November 15, 2018. The CEO, GSTN suggested to develop GSTR-9 and GSTR 9A in parallel so that it can be developed before November 15, 2018 and GSTR-9C may be taken as pdf as that will be prepared by the CA. During the course of discussion, it was pointed out that it may not be feasible to get the Form GSTR-9C uploaded in pdf since this will then have to be processed manually and system-based validation will not be possible. On this, Hon'ble Convener suggested that the matter relating to GSTR-9C may be taken up with Law Committee but this Form too, along with Forms GSTR-9 and 9A, should be provided by 15th November, 2018. [**Action: GSTN/Infosys team**]

5. GST Portal performance during peak time

i. It was pointed out by CEO, GSTN that slowness of GST portal is observed on the last date of filing of GSTR 3B and this trend is observed from last many months. It was suggested that Infosys should ensure that all GSTR 3B returns are filed flawlessly even on last day.
ii. The Convener expressed displeasure over this issue which led to extension of due date of filing of GSTR 3B three times. He directed that required steps in terms of review of architecture, software and hardware be taken to ensure that taxpayers are able to file returns without any difficulty from October 2018 onwards.
iii. The Chairman GSTN, suggested to add proxy server if required to resolve issues.
iv. CEO, GSTN informed that a workshop with experts for review of architecture and software is planned in the first week of October 2018 where issues observed during filing of returns on the last date will be discussed in detail and action taken by Infosys.

[**Action: GSTN/Infosys team**]

6. Data from CBIC for processing of refund applications

i. Non-receipt of data on invoices which have been processed for payment by Customs was brought before the GoM. This data is crucial to lock the invoices for which refund application has been processed, so that taxpayer is not able to edit the same on GST portal.
ii. The data on IGST paid on import is required by GST System to match the same with ITC claimed by taxpayers in summary return GSTR-3B. In absence of its flow from Customs, this crucial validation is not being done.
iii. Hon'ble Convener directed the DG Systems, CBIC to expedite the integration to enable free flow of information from Customs to GST Systems. [**Action: DG Systems CBIC**]

7. Slow progress of Infrastructure change requests

i. Slow progress of implementation by Infosys of Infrastructure related change request made by States was presented before the GoM. Convener, GoM directed Infosys to coordinate with Airtel and other vendors to resolve issues on priority. [**Action: GSTN/Infosys team**]

8. Status of E-Way Bill and demo of New Dashboard

Detailed presentation was made on E-way Bill system, which was made operational on 1st April 2018. The highlights of the presentation are as given below:

i. Till Sept 17th 2018, 23.61 Crore e-way bills were generated by the users, out of which, count of inter-State e-way bills stood at 11.38 Crore (48.21%) and that of intra-State e-way bills at 12.22 Crore (51.78%).
ii. During week days, 18 to 19 lakh E-Way Bills are generated every day. The highest number of e-way bills generated on single day is at 21.77 Lakh and total number of taxpayers registered with e-way Bill system as on 17th September, 2018 stood at 24.13 lakh.
iii. Around 69.02% taxpayers use website of e-way bill system for generation of e-way bill whereas 25.13% taxpayers used excel tools and rest of 5.85% used Mobile apps, API and SMS for generation of e-way bills.
iv. While Maharashtra generated maximum e-way bills (inter and intra put together), Gujarat stands on first position as far as generation of inter-state e-way bills are concerned. Maharashtra, on the other hand, generated maximum number of Intra-state e-way bills.

Thereafter, a demo of newly developed dashboard of E-way Bill Systems having analytics was presented before the GoM. Reports on HSN, inter-State, intra-state movement of goods etc. were shown at State and all-India levels.

Following remarks were made by Hon'ble Convener:

a) He asked tax officials to study reasons for low registration of taxpayers on e-way Bill system and requested them to make efforts to increase the taxpayer registration on E-way bill system.
b) The data of e-way bills generation and usage will be useful for analysis about consumption of commodities and for decision making and identification of tax evaders.
c) The beta version of dashboard should be made available to officers at the earliest. DDG, NIC informed that the dashboard access will be provided to officers by Monday 24th Sept.
d) The Convener asked the tax officers to provide inputs for improving the analytical models to make the reports more relevant to find out tax evaders.

Hon'ble Minister of Karnataka suggested that the Commissioners should provide inputs for improving analytical reports.

Issue of movement of goods in multiple vehicles on one challan without invoice number being mentioned in the es-Way Bill was discussed in detail. CEO GSTN informed that mentioning of invoice number on e-way bill is very important to generate intelligence. The convener directed that the issue may be discussed by the Law Committee in its next meeting.
[Action: Tax Authorities/GSTN/NIC]

9. Presentation of Commissioner Dashboard for Registration, Return and collection

Hon'ble GoM was informed about the release of 34 MIS reports and Dashboard for Commissioners, which is also available for mid-level officers and lowest level officers for their jurisdiction. The dashboard currently covers registration, Returns and collection and same was presented using credentials of Bihar officers. The dashboard shows graphical representation of information most sought after like new registration, pendency of registration, cancellation applications and its pendency, details of collection of tax, comparison with same date and month of previous year, YTD figures, returns filed, return defaulters etc. Following suggestions were made on the dashboard:

i. In registration dash board, data on new registrations should be shown separately for Centre and States.
ii. Officer from Bihar pointed out mismatch in data shown in MIS vis-à-vis that shared through Secure File Transfer Protocol (SFTP). CEO, GSTN informed that MIS reports are still in beta stage and steps are under way to correct the bugs, which lead to mismatch in data.
iii. On the response of MIS report (rendering of data on the dashboard), Infosys team pointed out that multiple filters available to users impact the performance of MIS reports and suggested that filters like date range needs to be removed. The pre-can reports will be available to users and this will improve MIS reports system. The convener asked to change accordingly for improving MIS for use by Officers.
iv. The Convener asked GSTN to develop Business Intelligence reports on priority for use by officers. He stressed that this will help to identify tax evaders and act against them. On this, CEO, GSTN informed that three BI reports are likely to be made available to officers by end of October 2018. [**Action: GSTN/Infosys team**]

10. Suggestions from State officers

i. West Bengal Additional Commissioner, suggested that Enforcement officers of States should be able to see data of taxpayers of other States related to GSTINs under investigation in the State. CEO, GSTN informed that the work on this has been started and this functionality will be made available in 6 weeks.
ii. Chhattisgarh Officer pointed out that after a vehicle belonging to taxpayer assigned to Centre, is intercepted by State officers, they are not able to raise demand (DRC) in system. CEO, GSTN informed this is issue of cross empowerment and is being looked into by the IT Teams of GSTN, CBIC and all Model-1 Staes.
iii. Bihar officer raised issue that taxpayers are not able to appeal against demand generated on temp ID and error is shown that authorized signatory details are not available. CEO, GSTN informed that a solution could be to add details of authorized signatory in TEMP ID Form.
iv. Odisha officer raised issue about closure of tickets without resolution of issues. It was suggested that the details may be shared with GSTN and further action will be taken accordingly. [**Action: GSTN**]

11. Closing Remarks by Hon'ble members of GoM.

i. Hon'ble Karnataka Minister remarked that now focus should be on development of new requirements like Annual Return (GSTR -9, 9A and 9C] within time.
ii. He also remarked that State /CBIC officers should provide inputs for improvement of analytical system of e-way bill and GST system. This will help to improve governance and compliance. He appreciated work done for E-way bill system by NIC and GSTN.
iii. Hon'ble Convener remarked as below.

a. NIC has developed good e-way bill system and work done by NIC and GSTN is appreciated.
b. The focus should be to identify implications of e-way bill use on revenue generation.
c. The system should be improved for filing of GSTR 3B and taxpayers should be able to file GSTR 3B without any difficulty for October 2018 and onwards on the last date of filing.
d. GSTR 9, GSTR 9A and GSTR 9C should be developed on priority and be made available latest by 15th November, 2018 so that taxpayers get sufficient time to file them before the due date of 31st Dec 2018.
e. BI reports should be developed on priority and they should provide good insights to increase revenue. The inputs f State officers should be taken to improve analytics and suggest actionable points.
f. New Return should be developed by Infosys on priority.

The meeting ended with Vote of Thanks to Chair.

Annexure-1

List of Participants for Tenth GoM held on September 22, 2018 at Bengaluru

1. GST Council: The following officers attended the meeting from GST Council

Sl. No.	Name	Designation
1	Shri Dheeraj Rastogi	Joint Secretary
2	Shri Arjun Meena	DC GST Council

2. CBIC: The following officers attended the meeting from CBIC:

Sl. No.	Name	Designation
1	Shri Basavaraj Nalegave	ADG (Systems), CBIC, Bengaluru
2	S. Thirunavukkarasu	ADG (systems), CBIC, Chennai

3. States: The following officers attended the meeting from States:

Sl. No.	Name	Designation
1	Shri MS Srikar	CCT, Karnataka
2	Shri Arun Mishra	Addl. Secretary, CT, Bihar.
3	Shri Atanu Majumdar	Additional Commissioner, West Bengal
4	Sri U Srinivasulu	Additional Commissioner, Telangana
5	Shri B V Ravi	Additional Commissioner, Karnataka
6	Shri K. S. Basavaraj	Joint Commissioner, Karnataka
7	Shri Ramesh Kumar	Joint Commissioner, Karnataka
8	Shri Harshal Nikam	Joint Commissioner, Maharashtra
9	Shri N Sai Kishore	Joint Commissioner, Telangana
10	Shri Dipankar Sahu	Joint Commissioner, Odisha
11	Shri Narendra Verma	Dy. Commissioner, Chhattisgarh
12	Shri Mukesh Kumar	Assistant Commissioner, Bihar

4. NIC

Sl. No.	Name	Designation

1	Shri P V Bhat	DDG, NIC

5. GSTN: The following officers attended the meeting from GSTN:

Sl. No.	Name	Designation
1	Shri Ajay Bhushan Pandey	Chairman
2	Shri Prakash Kumar	CEO
3	Ms. Kajal Singh	EVP (Services)
4	Shri Abhishek Gupta	EVP (Support)
5	Shri Nitin Mishra	EVP(Technology)
6	Shri Pankaj Dixit	SVP (Infrastructure)
7	Shri Nirmal Kumar	SVP (Software)
8	Shri Bhagwan Patil	VP (Services)
9	Shri Shashank Shekhar	AVP (PM)

6. Infosys: The following officers attended the meeting from Infosys:

Sl. No.	Name	Designation
1	Shri Binod Hampapur	EVP
2	Shri C N Raghupati	SVP
3	Shri. Indrasis Dasgupta	Program Manager
4	Shri Venkat Narayan	VP
5	Shri. P.N. Moorthy	AVP
6	Shri Debapriya Ghosh	Delivery Manager
7	Shri Akhil Gandhi	Principal Consultant
8	Shri Abhishek Kumar	Principal Consultant