

Minutes of the 38th GST Council Meeting held on 18th December, 2019

The 38th Meeting of the GST Council (hereinafter referred to as 'the Council') was held on 18th December, 2019 at New Delhi under the Chairpersonship of Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman (hereinafter referred to as the Chairperson). A list of the Hon'ble Members/Ministers of the Council who attended the meeting is at **Annexure 1**. A list of officers of the Centre, the States, the GST Council, the Goods and Services Tax Network (GSTN) who attended the meeting, is at **Annexure 2**.

2. The following agenda items were listed for the discussion in the 38th Meeting of the Council:

1. Confirmation of the Minutes of 37th GST Council Meeting held on 20th September 2019
2. Issues concerning GST on Lottery
3. GST Revenue Augmentation
Recommendations of the GoM on Revenue Analysis and
Deliberations of the Committee of Officers on Revenue
Augmentation
4. Report of GoM on Real Estate on boosting real estate sector
5. Issues recommended by the Fitment Committee for the consideration of the GST Council
6. Issues recommended by the Law Committee for the consideration of the GST Council
 - i. Standard Operating Procedure to be followed in case of non-filers of returns
 - ii. Proposed amendments in the CGST Act, 2017
7. Creation of Public Grievance Redressal Committee as per Hon'ble High Court of Delhi's order in the case of Sales Tax Bar Association
8. Status of Group of Ministers (GoMs) constituted for various agenda items
9. Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government
10. Decisions of the GST Implementation Committee (GIC) for information of the Council


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11. Decisions/Recommendations of the IT Grievance Redressal Committee for information of the Council
12. Quarterly Report of the NAA for the quarter July to September 2019 for the information of the GST Council
13. Presentation on developments regarding implementation of
 - i. GST EWB System – FASTag Integration
 - ii. New Return System
 - iii. Integrated refund system with disbursement by single authority
 - iv. Generation of electronic Invoice Reference Number
 - v. Linking GST registration with Aadhaar and proposed changes in the GST Law and GSTN System
14. Clarification on GST rate on fabrics and articles of textiles falling in Chapters 56 to 59 of the tariff pursuant to the order of the Hon'ble High Court of Delhi in Writ petition (Civil) No. 597 of 2019
15. Any other agenda item with the permission of the Chairperson
 - i. Creation of the State and Area benches of the Goods and Services Tax Appellate Tribunal (GSTAT)
 - ii. Measures for Revenue Augmentation
 - iii. Addendum to Agenda Item 10: Decisions of the GIC Implementation Committee (GIC) for information of the GST Council
 - iv. Proposal for change in GST rate on woven/non-woven bags and sacks of polypropylene/polyethylene, whether or not laminated and Flexible Intermediate Bulk Containers (FIBC) from 12% to 18%
16. Date of the next meeting of the GST Council

Preliminary discussion

3. The Chairperson invited the Union Revenue Secretary and the ex-officio Secretary to the GST Council (hereinafter referred to as the Secretary) to begin the proceedings. The Secretary welcomed everyone to the 38th GST Council Meeting. He, on behalf of the Council, welcomed Shri Dushyant Chautala, Deputy Chief Minister and the incoming Member, nominated from the State of Haryana to the Council. He also welcomed the following Council Members nominated specifically for the 38th GST Council Meeting:



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- i. Shri Mekapati Gautam Reddy, Minister for Industries & Commerce and Information Technology, Andhra Pradesh
- ii. Shri Jayant Rajaram Patil, Finance Minister, Maharashtra
- iii. Shri V. Hangkhanlian, Minister of Agriculture, Manipur
- iv. Shri Kyrmen Shylla, Minister for Printing & Stationery Department, Revenue & Disaster Management and Social Welfare, Meghalaya
- v. Dr. Harak Singh Rawat, Minister for Forests & Wild Life, Uttarakhand.

On behalf of the GST Council, he also placed on record its appreciation for contribution made by the outgoing Council Members, Capt. Abhimanyu (the then Minister for Excise & Taxation), Haryana and Shri Sudhir Mungantiwar (the then Finance Minister), Maharashtra.

3.1 After the preliminary discussions, the Hon'ble Chairperson asked the Secretary to take up the individual agenda items for consideration of the Council.

Agenda Item 1: Confirmation of the Minutes of the 37th GST Council Meeting held on 20th September, 2019

4. The Secretary informed that the first agenda item was the confirmation of the Minutes of the 37th GST Council Meeting (hereinafter referred to as Minutes) held on 20th September, 2019 in Goa. He stated that the Minutes was circulated to all the States in advance and some corrections had been suggested by the States during the Officers' Meeting held on 17th December, 2019.

4.1. The following three changes were proposed by the State of Odisha to the version of the Hon'ble Member from Odisha recorded in the Minutes:

- i. In paragraph 4.23 of the Minutes, to replace the presently recorded version (They also suffered loss to the tune of Rs 600 crores on account of Sales Tax.) with the following version: 'They also suffered loss of VAT to the tune of Rs. 600 crores on account of paddy and pulses.'
- ii. In paragraph 22 of the Minutes, to replace the last line (The Hon'ble Minister from Odisha suggested that there should be a check in GST System where a registered taxpayer should not be allowed to file **FORM GSTR-3B** unless he/she had file **FORM GSTR-1** in previous month.) with the following version: 'The Hon'ble

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Minister from Odisha suggested that there should be a check in GST System where a registered taxpayer should not be allowed to file **FORM GSTR-1** unless he/she had filed **FORM GSTR-3B** in previous month.'

iii. In paragraph 49.4. of the Minutes, to replace the first line (The Hon'ble Minister from Odisha stated that if any taxpayer did not provide the Aadhar number, his refund should be restricted.) with the following version: 'The Hon'ble Minister from Odisha stated that if any taxpayer did not provide the Aadhar number, his refund should be restricted, till he complies.'

4.2. The Secretary stated that the UT of Puducherry had suggested a change in version recorded in paragraph 14.4. of the Minutes of the Hon'ble Member from Puducherry (He further stated that Puducherry was entitled to 71% of the IGST amount collected by the Centre.) with the following version: 'He further stated that Puducherry was entitled to 0.27% of the IGST amount apportioned to the States which would work out to Rs 219 crore.'

4.3. He also stated that in paragraph 34.9. of the Minutes, the State of Uttar Pradesh had requested to replace the words recorded as 'revenue implication' with the word 'turnover.'

4.4. The Secretary proposed that the Council may confirm the Minutes of the 37th GST Council Meeting with the changes suggested above.

5. For **Agenda item 1**, the Council decided to adopt the Minutes of the 37th GST Council Meeting with the following changes.

5.1. To replace the sentence 'They also suffered loss to the tune of Rs 600 crores on account of Sales Tax.' in paragraph 4.23. of the Minutes with 'They also suffered loss of VAT to the tune of Rs. 600 crores on account of paddy and pulses.'

5.2. To replace the sentence 'The Hon'ble Minister from Odisha suggested that there should be a check in GST System where a registered taxpayer should not be allowed to file **FORM GSTR-3B** unless he/she had file **FORM GSTR-1** in previous month.' in paragraph 22 of the Minutes with 'The Hon'ble Minister from Odisha suggested that there should be a check in GST System where a registered taxpayer should not be allowed to file **FORM GSTR-1** unless he/she had filed **FORM GSTR-3B** in previous month.'



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5.3. To replace the sentence 'The Hon'ble Minister from Odisha stated that if any taxpayer did not provide the Aadhar number, his refund should be restricted.' in paragraph 49.4. of the Minutes with 'The Hon'ble Minister from Odisha stated that if any taxpayer did not provide the Aadhar number, his refund should be restricted, till he complies.'

5.4. To replace the sentence 'He further stated that Puducherry was entitled to 71% of the IGST amount collected by the Centre.' in paragraph 14.4. of the Minutes with 'He further stated that Puducherry was entitled to 0.27% of the IGST amount apportioned to the States which would work out to Rs 219 crore.'

5.5. To substitute the words revenue implication' in paragraph 34.9 of the Minutes with the word 'turnover'.

5.6. The Secretary also requested to be allowed to formally sign the already confirmed Minutes of the 34th GST Council Meeting held under the Chairmanship of the then Hon'ble Finance Minister and Chairperson of the Council, Late Arun Jaitley, on 19-3-2019 in New Delhi so that it can be put in public domain.

Agenda Item 2: Issues concerning GST on Lottery

6. The Secretary invited Shri Manish Kumar Sinha, Joint Secretary, TRU-II to brief the agenda to the Council.

6.1. Dr. Thomas T M Isaac, the Hon'ble Minister from Kerala intervened and stated that he and few other Hon'ble Ministers had requested for discussion on the issue of compensation to the States. However, he could not find the Agenda on compensation to the States listed and enquired as to when would the same be discussed. Shri Manish Sisodia, the Hon'ble Deputy Chief Minister of Delhi concurred with the views of the Hon'ble Minister from Kerala and stated that the agenda should have been listed and if not, then at least the reasons for not including the same may be informed. Shri Sushil Kumar Modi, the Hon'ble Deputy Chief Minister of Bihar stated that the compensation to States issue could be discussed along with Agenda Item 3 which would cover the issue of compensation to the States also. Dr. Amit Mitra, the Hon'ble Minister from West Bengal stated that the States had given up their taxation matters in the GST and, therefore, it was imperative to discuss compensation to them. Shri Manpreet Singh Badal, the Hon'ble Minister from Punjab stated that the agenda on revenue position should be discussed in every meeting as

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a part of agenda. The second issue he highlighted was regarding activating the dispute resolution mechanism which had been provided by the Constitution that the Council would establish a mechanism to adjudicate any dispute arising out of the recommendations of the Council or implementation thereof.

6.2. The Hon'ble Minister from West Bengal stated that the like Centre, the States had also surrendered many of their powers related to taxation so as to roll out GST regime. He recalled that prior to formation of GST Council, one of the reasons for which the Empowered Committee of Finance Ministers had agreed to GST regime was due to the binding nature and number of years for which compensation was agreed to be paid to States by the Government of India in case of revenue shortfall. However, he observed that for the first time, the compensation to States for August-September had been delayed for whatever reasons. The key point of the concerns expressed by the States and the desired agenda item was regarding the mechanism, periodicity, problems, prospects and the solutions related to compensation to the States so that it becomes a consistent pattern as it has been so far. Shri T.S. Singh Deo, the Hon'ble Minister from Chattisgarh stated that time and again we had reminded ourselves about the federal nature of our polity and the constitution of GST Council. Therefore, the States should be reassured again as to what was the status of the single Member State and if a State had any issue and raised it to be included as an agenda, did it not merit a response. He further requested the Chairperson to reassure the Members that the issues which were of obvious importance would be taken up. The Hon'ble Minister from Kerala stated that the suggestion made by the Hon'ble Deputy Chief Minister of Bihar was acceptable and the issue of compensation to States could be clubbed along with Agenda item 3. The Hon'ble Chairperson stated that there was absolutely no hesitation in discussing this issue; that she would like to quell any worry that Centre did not want to discuss compensation. She added that it had been told to her that the issues on revenue augmentation was discussed during the Officer's Meeting held on 17th December 2019 and a presentation was to be made in this regard as part of Agenda item 3 and compensation issues would be discussed as part of that Agenda in an elaborate manner. The Council agreed to discuss the issues related to revenue and compensation in Agenda item 3 and continued with discussion on issues concerning GST on Lottery.

6.3. The Joint Secretary, TRU-II (JS, TRU-II) initiated the discussion with a presentation (attached as **Annexure 3**) on this agenda item by stating that it was essentially


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the proceedings till date of the GoM on Lottery headed by Shri Sudhir Mungantiwar, the then Hon'ble Finance Minister of Maharashtra and associated litigations. The issues referred to GoM on Lotteries were GST rate on supply of lottery; ensuring destination principle for supply so that GST revenue accrued to the consuming State; valuation principles to be adopted for charging GST; addressing the Constitutional challenge to levy of GST on Lottery as 'Goods'; regulation of online lottery; and miscellaneous issues related to Casinos, Horse Racing and Online Gaming. He further stated that the issues currently pending before the GoM were the GST rates on supply of lottery and miscellaneous issues related to Casinos, Horse Racing and Online Gaming.

6.4. He added that the recommendation of the GoM to the 33rd GST Council Meeting held on 24.02.2019 were that a single rate of GST should be levied on lottery instead of existing two rates and as lottery was a sin and demerit good, it should be taxed at the higher rate of 18% or 28% to be decided by the GST Council. However, no final decision could be taken in this regard and the Council requested GoM to further deliberate on the issue. He added that in the GoM, finality could not be arrived on the issue due to different stance of the States. He stated that while Assam, Arunachal Pradesh, Goa and Maharashtra supported single rate of GST, the States of Kerala, Punjab, West Bengal and Karnataka supported the existing two rates of GST on lottery. Therefore, the convenor of the GoM directed that the matter be placed before the GST Council for appropriate rate structure on the supply of lottery. JS, TRU-II, recapitulating the issue of tax rates, stated that the recommendations of GoM presented to 35th GSTC Meeting on 20.06.2019 were as follows:

(i) There was no consensus on the need for a new rate of GST on lottery. Assam, Arunachal Pradesh, Goa, Maharashtra supported single rate of GST. However, Kerala, Punjab, West Bengal and Karnataka supported the existing two rates of GST on lottery. Punjab was willing to consider lower uniform rate, if there were legal difficulties with rate differential. Therefore, the Convener of the GoM directed that the matter be placed before the GST Council and the Council decide appropriate rate structure on the supply of lottery. Given that this is a sin good, rate of tax should be high i.e. 28% or 18%.

(ii) The constitutional challenge to the dual rate structure should be defended forcefully.

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The JS, TRU-II stated that in the 35th GST Council Meeting held on 20th June 2019, the Council was directed to seek legal opinion from learned Attorney General of India as to whether differential rate could be levied on lottery and whether it would violate Article 304 of the Constitution. He drew the attention to the opinion furnished by the learned Attorney General of India that there would be no impediment arising from the Constitution of India to the levy of a uniform rate of GST on 'State Run Lotteries' and State Authorised Lotteries'; that Article 304 of the Constitution of India had no bearing on the levy of differential GST on 'State Run Lotteries' and 'State Authorised Lotteries'; and that these two lotteries could be treated as different goods.

6.5. The JS, TRU-II also drew attention to a Writ Petition (C) No. 961/2018 filed in the Hon'ble Supreme Court relating to levy of GST on lottery on the grounds that GST could not be levied on lottery 'as goods'; GST on lotteries should be imposed after excluding the prize money component of the lottery ticket since the said amount never formed part of income in the lottery trade; and levy of GST on lottery at two different rates was in violation to the Constitution of India and all lotteries might be taxed at a uniform rate. He further stated that the learned Additional Solicitor General, Shri Vikramjit Bannerji had informed Department of Revenue that the Hon'ble Supreme Court had adjourned hearing of the petition to 15.01.2020 after giving final opportunity to the Group of Ministers/GST Council to decide on the issues agitated in the petition. In view of the above, he requested the GST Council to take decision on the issue of GST Rate on lottery, i.e., (a) whether a uniform rate of GST be levied on lottery? (b) If yes, what should be the rate of GST on lottery, 18% or 28%? (or any other rate). Further, he stated that the following issues might be referred to Law Committee to address the associated issues.as these issues were not part of the original terms of reference of the GoM: -

Supply	Request made by the Industry
Casinos	Value retained by a Casino after winnings as taxable value
Horse Racing	Value retained by a club after giving prize money as taxable value
Online Gaming	Value retained by an online platform after giving prize money as taxable value

6.6. The Hon'ble Chairperson requested the Hon'ble Members to give their views on the proposal.


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6.7. The Hon'ble Minister from Kerala stated that in the 35th GST Council Meeting held on 21st June 2019, he had circulated a 15-page note where he had explained the rationale of differential treatment of the two types of lottery i.e. 'State Run Lottery' and 'State Authorised Lottery' in terms of actionable claims. He stated that the Council after long deliberation decided the current differential rate structure of 12% and 28% and that this position had been upheld by the Hon'ble High Court of Kolkata. Therefore, in his view, there was no need of a uniform rate on the two types of lottery. He also stated that he did not have the political mandate to change his stand and the Council might call for division and decide the issue of differential treatment of the lotteries. Dr. Himanta Biswa Sarma, the Hon'ble Minister from Assam stated that there had been enough debate on this issue. He added that he appreciated the views expressed by the Hon'ble Minister from Kerala but the North Eastern States too had their own view point on the issue. He stated that Kerala Government run its own lottery (State Run Lottery); however, the North-Eastern States did not have requisite infrastructure to run their own lotteries. Therefore, they had to outsource it to someone to run their lotteries. He likened it to State-operated bus service where the State also outsourced the bus service to private agencies to operate it under the State's banner and the consumer did not have to pay differential rate for using the bus services irrespective of it being State run or State authorised. Similarly, there was no difference between the two kinds of lotteries. He added that irrespective of the argument of continuing the differential rate structure on lotteries, by having two different GST rates on lotteries, North-Eastern States were being discriminated. Therefore, he supported a Division to decide the issue. He also added that as lottery was a sin good, the GST rate might be pegged at higher rate of 28%.

6.8. Shri Mauvin Godinho, the Hon'ble Minister from Goa stated that this issue had been debated enough in the Council. He observed that even though the lotteries were classified as State Run and State Authorised, it could not be run privately. He had no doubt that irrespective of the fact that lottery was State Run or State Authorised, the lottery was one good and not two different goods, and therefore, they should attract the same rate of tax. He stated while the matter was under consideration in the Hon'ble Supreme Court, the Council was required to formulate its response as well. He stated that like the North Eastern States, the State of Goa was also losing because of the differential GST rates on lotteries. He also drew attention of the Council to the fact that a higher rate of 28% on lottery might lead to a legitimate business going underground and instead of lottery, people might start

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indulging in illegal things such as 'Satta Bazaar' 'Matka'. Therefore, he cautioned the Council while deciding the GST rate on lottery. On the issue of casino, he stated that the GoM could not deliberate on the issue of casinos that was referred to it by the Council and requested the Council to refer the matter to the Law Committee. He informed the Council that consequent to action by GST Intelligence Unit from Hyderabad, casinos in the State of Goa were on the verge of closing down, because GST was sought to be levied on the full amount, including the prize money instead of the gross gaming revenue. He requested that concerned authorities might be advised to wait till the issue got settled. The Hon'ble Minister from Goa concluded by saying that till now every decision was taken by consensus in the Council and all the Members were bound by it. He added that one should not distance oneself from decisions of the Council as the revenue collection fell during the slowdown in economy. The camaraderie and spirit of Council should be as it had been.

6.9. Shri Nitinbhai Patel, the Hon'ble Deputy Chief Minister of Gujarat stated that in GST we had implemented the principle 'One Nation, One Tax' and the differential rates of 12% and 28% on Lottery was not in line with the principles of GST. He stated that when the Hon'ble Supreme Court of India had required us to give an opinion by 15.01.2020 then the Council should decide on the issue. He also observed that till now all the decisions related to GST had been taken by consensus in the Council and till now it had never happened that a decision was taken by the Courts instead of the Council. He also stated that till date none of the decision on any issue had been done by division and requested the Council to decide something on the issue in hand by consensus again. He stated that in his view one standard rate could be prescribed for lottery. Further, as lottery was a sin good, it should attract higher GST rate of 28% so as to increase revenue for the Centre and the State simultaneously. The Hon'ble Deputy Chief Minister of Delhi requested JS, TRU-II to reiterate the advice furnished by the learned Attorney General of India. The JS, TRU-II stated that the Learned Attorney General had clarified that the two types of lottery could be intelligibly classified as two different goods but he also clarified that there was no bar in keeping the rate uniform. Thereafter, the Hon'ble Deputy Chief Minister of Delhi stated that two perspectives were being discussed on the issue, the first being in line with national interest for lottery being a sin good and the second was regarding augmentation of revenue by raising the GST rate on lottery. He added that on the first perspective, even if it was not domain of the Council, but he felt that for the sake of the country. With respect to the second perspective on revenue and it appeared that the revenue generated from lottery for one State



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clashed with the other. He stated that the Learned AG's opinion was not very clear, the GoM on Lottery had not given any categorical recommendation and that the issue had been going on in Hon'ble Courts for a while. In this backdrop, he stated that he supported status quo to be maintained.

6.10. Shri Suresh Kumar Khanna, the Hon'ble Minister from Uttar Pradesh stated that the matter should be decided by consensus instead of division of votes and that supply of lottery should attract a uniform rate of 18% or 28%. Shri V. Narayansamy, the Hon'ble Chief Minister of Puducherry stated that the issue of GST on lottery had been deliberated in various Council Meetings. He stated that the differential rate on 'State Run Lottery' and 'State Authorised Lottery' was arrived after long deliberation in the Council. He added that in his view, a State authorising private parties to run its lotteries, taxed at higher GST rate, should not dictate terms to other States running their own lotteries taxed at lower GST rate and that it would be illogical and unacceptable. Therefore, in his view, they could continue to attract two different GST rates.

6.11. The Hon'ble Minister from West Bengal stated that his State had only paper lotteries i.e. 'State Run Lottery' and 'State Authorised Lottery', which were taxed differentially at 12% and 28% of GST rate respectively. Further, the State of West Bengal had banned online lottery and only paper lottery was there. He informed that the differential rates had been upheld by the Hon'ble High Court of Kolkata. He added that the lower tax rate of 12% on State Run Lottery was an incentive for people to buy it instead of the privately-run State Authorised Lotteries. Therefore, he wondered as to whether to continue the status quo or do away with dual rate and have a uniform rate as decided by the Council with the view of increasing revenue. However, he too preferred for status quo to continue and that the Council should try to reach to a decision by consensus and not by having division on the matter. The Hon'ble Deputy Chief Minister of Bihar stated that GST Council had been discussing this issue since long. He added that as stated by some of the Members, Goa and the North-Eastern States had been losing revenue due to this differential rate while they did not have many other sources of revenue. He observed that most of the States had given their opinion on the issue and the mood of the Council could be ascertained. He stated that personally he was of the opinion that Lottery should be banned across the country as it was a sin good. However, in the given context he supported a uniform higher rate for lotteries. He called upon the Council Members to move from


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'unanimity' (*sarvaanumati*) to 'consensus' (*sarvasahmati*) and also to not insist for division of votes on the proposal.

6.12. Shri Metsubo Jamir, the Hon'ble Minister from Nagaland stated that the Hon'ble Member from Assam and Goa had explained the problems of North Eastern States and the smaller States vis-à-vis differential rates of GST on the two types of lotteries. He added the issue was not about lottery here, but the fact that because the apex body on GST matters i.e. GST Council was unable to take a decision on an issue and therefore, the Hon'ble Supreme Court would have to intervene in the matter based on litigation. While he appreciated the diversity of opinion among the Council members, he also stated that the outcome from today's meeting would reflect upon us and therefore, he felt that this body should make a decision in the matter. The Hon'ble Minister from Chattisgarh stated that in his view the issue did not seem to be of principles. He felt that the solution seemed to be struck in getting a particular viewpoint across. He observed that the State of West Bengal had two rates and were not being contested by the State; learned AG's opinion did not say that two rates were not allowed as per the Constitution. Therefore, he suggested to wait for the Hon'ble Supreme Court's decision in the matter. He also opined that the Council should continue with the tradition of decision by consensus instead of decision by majority.

6.13. The Hon'ble Minister from Assam stated the differential rates on State Run Lottery and State Authorised Lottery across the country was due to the decision of the Council. He stated that the North Eastern States lotteries did not have market in Kerala so they did not operate there whereas in West Bengal by virtue of it being a neighbouring State the State Run Lottery of West Bengal and the State Authorised Lottery of North Eastern States operated in each other's region. Therefore, it was not that the North Eastern States had accepted something in West Bengal and not accepted in Kerala. He added that State Authorised Lottery of the North-Eastern States were unable to compete with State Run Lottery on account of higher differential rates on the former. He stated that the revenue accruing from Lottery for the larger States might be insignificant overall but for the smaller States of the North-Eastern region, the lottery revenue was very vital. He requested the Council Members and the Chairperson to accommodate the aspirations of the North-East, and if not then at least allow them to vote on the matter.

6.14. The Hon'ble Chief Minister from Puducherry added that even on the contentious issues, the Council had arrived at decisions by give and take and by consensus. Therefore,


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he requested the States demanding division and the Council Members to reconsider and not deviate from the tradition. He wondered as to what if the Council decided something on the matter and the same got challenged/decided otherwise in the awaited decision of the Hon'ble Supreme Court. Therefore, he suggested to arrive at any decision by consensus. Shri Dushyant Chautala, the Hon'ble Deputy Chief Minister of Haryana stated even though lottery was banned in Haryana, but since it was a sin good, it should be taxed in highest rate slab. He also stated that in line with tradition of the Council and its smooth functioning, it would be better if the matter could be decided by consensus instead of division of votes.

6.15. The Hon'ble Minister from West Bengal stated that the State Authorised Lotteries of North-Eastern States competed very well with State Run Lottery in the State of West Bengal. He observed that almost 92% of the revenue accruing to the State of West Bengal was from lotteries were generated from State Authorised lotteries. (This is shown in page 138 of the Detailed Agenda Notes - Volume.1). He observed that many States did not have paper lottery or might had only online lottery. Therefore, he suggested that the States where lottery was not banned might be allowed discretion on whether they wanted a dual rate or uniform single rate. The Hon'ble Minister from Punjab stated that they have no opinion in the matter. However, since some of the States were suggesting division, he wished to suggest a solution of levying GST rate of 12% and 18% on State Run Lottery and State Authorised Lottery. Thus, reducing the gap to only 6% between them. Perhaps, apart from levying GST, compensation cess could also be levied on lottery, as it was a sin good.

6.16. The Hon'ble Minister from Kerala once again stated that there were political compulsions as to why he could not agree to a single rate on lottery because they did not want private operators/intermediaries to come to Kerala. As regards the loss of revenue from lottery to the North Eastern States, he reiterated his proposal made during the previous Council Meetings to the States of North-East region to run their lottery and give them a better return than any private operator. He stated that the Council in its wisdom might decide on the issue and requested for division on the issue. The Hon'ble Minister from Assam clarified that his State did not run any lottery, nor did it allow any lottery to be operated, except in the autonomous region of Bodoland, where lottery was being run in four districts. However, he was fighting for *ashmita* of the people of North East. He stated that the crux of his submission was that the North Eastern States should not be discriminated and the path to integration of North East States with main stream India should be welcomed.

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Therefore, he submitted that the Lottery might be banned across the country since it was a sin good but as long as lottery trade was allowed, the North Eastern States should not be discriminated. He also stated that, if needed, the Council in its wisdom might decide the issue by division of votes.

6.17. Shri Brajendra Singh Rathore, the Hon'ble Minister from Madhya Pradesh stated that lottery was banned in his State. However, since the matter was already under consideration in the Hon'ble Supreme Court, the Council might await the decision of the Hon'ble Court and defer its decision to next meeting. Shri D. Jayakumar, the Hon'ble Minister from Tamil Nadu stated that though his State did not run any lottery, he supported a uniform GST rate on lottery. Shri Chowna Mein, the Hon'ble Minister from Arunachal Pradesh stated that as one of the Member of the GoM on Lottery, they had earlier recommended to have a uniform GST rate on State Run Lottery and State Authorised Lottery and he reiterated the same. He further stated that they endorsed the views expressed by the Hon'ble Minister from Assam with respect to the North East. Shri Jishnu Dev Varma, the Hon'ble Deputy Chief Minister of Tripura stated that though his State also did not have any lottery, he also supported a single rate of lottery as the North Eastern States were smaller States with limited resources and they should have parity with the mainland States. Shri V. Hangkhanlian, the Hon'ble Minister from Manipur stated that even though they did not have lottery, still they also supported single GST rate on lottery. Shri Lalchamlia, the Hon'ble Minister of Mizoram also supported the views of Hon'ble Minister from Assam for the North Eastern States. He stated that their State also supported single GST rate on lottery.

6.18. Shri C P Singh, the Hon'ble Member from Jharkhand stated that his State had no lottery and he was of the opinion that lottery should be banned in the entire country. However, he supported uniform GST rate on lotteries. Shri Basavaraj Bommai, the Hon'ble Minister from Karnataka stated that his State ran no lottery. However, based on discussion in the Council, it appeared to him that there were two sets of States i.e. those who allowed the lottery and those who did not allow the lottery. He suggested that those who allowed lottery might be allowed to take any view in the matter after taking into consideration the view of stakeholders. Shri T. Harish Rao, the Hon'ble Minister from Telangana stated that the mood of the House was very clear with many States wanting to have a uniform GST rate on lotteries and requested the Hon'ble Minister from Kerala to not insist for division.


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6.19. The Hon'ble Chairperson requested for final views of Hon'ble Council Members from the States of Assam and Kerala upon hearing the views of the other Council Members about the division and consensus in the process of decision making. The Hon'ble Minister from Kerala stated that he did not mean any insinuation but the issue on lottery was brought before the Council based on the representation made by lottery association and that he could not make a compromise on the issue. Therefore, the Members could proceed with Division as per the rule. The Hon'ble Minister from Assam stated that he too had expressed his views and he was alright with Division of votes for decision on the issue. The Chairperson clarified/stated that many issues were discussed in the GST Council at the request of some or the other association. She hoped that there was no question of any *mala fide* in the matter and the same was not implied in the Hon'ble Member from Kerala's statement. She once again asked the Members as to whether the Council should proceed as per the sense of the House or sought a Division. The Hon'ble Member from Goa suggested that Hon'ble Council Member from Kerala could put a note of dissent and the Council could proceed as per the sense of the House. However, the Hon'ble Minister from Kerala stated that the regulations framed by the GST Council for the conduct of its business provided that in case any Member sought division on any proposal then the same had to be agreed upon. The Hon'ble Chairperson with a view to re assess the sense of the Council asked the Members as to what should be done. The Hon'ble Members from many States including Uttar Pradesh, Gujarat, Bihar, Puducherry, Haryana, Uttarakhand Goa etc. stated that so far, we had run the Council by consensus and we should try to continue the same. The Hon'ble Minister from West Bengal suggested that if the Council felt that it would let the States do what they had with respect to taxation on lottery or change it as they wished. It could lead us to the solution of this impasse. The Hon'ble Chairperson once again on the behalf of the Council appealed to the Hon'ble Minister from Kerala to reconsider his demand for division. However, the Hon'ble Member from Kerala insisted on division.

6.20. The Hon'ble Chairperson requested the Secretary to follow the rules in this regard. The Secretary then read out the relevant Rule 14 i.e. 'Decision on proposals' in Chapter V from the Procedure and Conduct of Business Regulations of the Goods and Services Tax Council to the Members of the Council which reads as follows:

'All proposals before the Council shall be discussed threadbare. Thereafter, the Chairperson shall put the question and invite the Members of the Council to cast

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their votes by show of hands. In case Member seeks division on any proposal, the Chairperson shall put the proposal to vote through secret ballot'

The Hon'ble Chairperson directed the Secretary to conduct the proceedings accordingly. Thereafter, the Secretary put forth the question before the Council to vote i.e. "Do you support the proposal to levy a uniform rate of tax on State Run Lottery and the State Authorised Lottery?". Then the Secretary requested the Hon'ble Members to indicate their decision by the show of hands if they supported the proposal. The Secretary then read out the names of the States who voted for the proposal. The 21 States, namely: the States of Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir (UT), Jharkhand, Karnataka, Uttar Pradesh, Uttarakhand, Andhra Pradesh, Odisha, Tamil Nadu and Telangana raised their hands in favour of the proposal. Then, the Secretary requested the Hon'ble Members who were against the proposal, to raise their hands. The Secretary read out the names of the States who voted against the proposal. The 7 States, namely: Puducherry (UT), Kerala, Maharashtra, Madhya Pradesh, Chhattisgarh, Delhi (UT) and West Bengal voted against the proposal. The States of Punjab, Rajasthan and Meghalaya did not cast their votes. The Secretary then pronounced that in accordance with the Procedure and Conduct of Business Regulations of the Goods and Services Tax Council, of the 28 States present and voting, 18 votes were required for passage of the proposal. He informed that 21 States had voted in favour of the proposal and therefore, the proposal to levy a uniform rate on lottery had been passed in GST Council.

6.21. The Hon'ble Chairperson of the Council thereafter asked the Council Members as to what GST rate should we apply on lottery. The Hon'ble Deputy Chief Minister of Bihar stated that because lottery was a sin good, it should attract 28% GST along with cess. The Hon'ble Minister from Punjab cautioned that the drawback of high rate on lottery would be an increase in illegal market business. The Hon'ble Minister from Kerala stated that the highest rate should apply because the benefit of rate reduction would go to the middlemen. The Hon'ble Ministers from Goa, Assam, Puducherry, Delhi, West Bengal, Maharashtra, Uttar Pradesh, Haryana and Arunachal Pradesh supported the levy of 28% GST. The Hon'ble Minister from Telangana and Goa stated that the issue of taxation on horse racing and Casino were yet to be finalised, while Andhra Pradesh supported 28% GST on lottery. The GST Council thereafter decided to levy 28% GST on lottery by consensus. The


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Hon'ble Minister from Telangana also requested the Chairperson to include the State of Telangana in the GoM on Lottery. The Hon'ble Minister from Kerala requested for grace period of two months for implementing the new rate of 28% so as to enable printing of fresh lottery tickets and exhaust the already printed lottery tickets. The Secretary proposed that the Council may approve that 28% rate of lottery would apply from 01.03.2020.

7. For **Agenda item 2**, the Council decided to apply a single uniform rate of 28% on supply of State Run Lottery as well as State Authorised Lottery with effect from 01.03.2020.

7.1. The Council also decided to refer the pending matters relating to casino, horse racing and online gaming to the Law Committee/Fitment Committee.

Agenda Item 3: GST Revenue Augmentation

**Recommendations of the GoM on Revenue Analysis and
Deliberations of the Committee of Officers on Revenue Augmentation**

8. The Secretary requested the Hon'ble Deputy Chief Minister of Bihar, the Convenor of the GoM on Revenue Analysis to present the recommendations of the GoM to the Council. The Hon'ble Deputy Chief Minister of Bihar mentioned that the GoM had observed that the revenue gap for the period April 2019 – August 2019 had increased for almost all the States compared to the period April 2018 – August 2018 and that most States had growth rate of less than 14% in pre-GST period. He further stated that the GoM had made the following recommendations:

- i. States should be asked to suggest ways to improve the GST compliance.
- ii. A study should be conducted on rationalisation of GST rates/ tariff and merger of GST slab;
- iii. GST collection from real state sector should be analysed;
- iv. How States can be better equipped to harness the tax potential on supplies of services;
- v. A detailed study should be conducted on e-Commerce including deep discounts offered by them with a view to augmenting revenue;
- vi. A study should also be conducted to explore avenues for expanding the scope of the Cess being levied including increase in the Cess rate or bringing some new items under the levy of Cess.

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8.1. The Hon'ble Deputy Chief Minister of Bihar called upon Joint Secretaries, TRU-I and TRU-II to initiate the discussions on the agenda item concerning revenue analysis. The presentation (attached as **Annexure 4**) was made jointly by JS, TRU-I and JS, TRU-II. The JS TRU-I initiated the presentation by stating that a Group of Ministers' Meeting on analysis of revenue from GST took place on 09.11.2019 at North Block, New Delhi. Further, a Committee of Officers consisting of Central and State Governments officials was constituted to consider looking into areas such as measures to improve voluntary compliance, measures for expansion of tax base, systematic changes in GST including checks and balances to prevent misuse, policy measures and relevant changes needed in the law, improved compliance monitoring and anti-evasion measures using better data management and better administrative coordination. Further, a letter from GST Council Secretariat was also circulated to States and Central officials inviting suggestions/input/proposals as regards measures on compliance as well as rates, to help in augmenting revenue including suggestions on, review of items currently under exemption; GST and compensation Cess rates on various items; rate calibrations for addressing the inverted duty structure; compliance measures other than those currently under implementation; and any other measure to augment revenue. A meeting had also been convened of the Committee of Officers to suggest measures to augment GST revenue collection and administration on 10.12.2019 where valuable inputs had been obtained from the SGST officials. Several States had also provided written suggestions on the above.

8.2. Continuing the presentation, JS, TRU-II stated that monthly GST collection in the year 2019-20 was higher than that of 2018-19 except during the months of September, 2019 and October, 2019. He stated that the revenue in the month of November, 2019 was more than that of November, 2018 and the short period of negative growth in GST collection was already over. The JS, TRU-I stated that while the growth rate of GST collection for April, 2019 – November, 2019 on domestic supplies was 8.3%, the same for IGST collection on import of goods showed a decline of 7.2%. He stated that imports have witnessed compression as well. He further stated that the combined growth rate (GST and Cess collection on domestic supplies and imports) was 3.7% which was less than the expected rate of growth. He presented the projection of requirement for compensation when growth rates were assumed at 5%, 8% and 10%. He stated that while in the previous two financial years, the Compensation Cess collection was more than its requirement, in the next two years, the gap was likely to be widened, depending on the growth rate. He presented



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compensation requirement gap under various growth rate scenarios. The JS, TRU-I then proceeded with the presentation on the evolution of the GST rate structure, the recommendation regarding the revenue-neutral rate made by the Committee headed by the then Chief Economic Adviser (CEA) and a recent report of RBI on the decline in weighted average (effective) GST rate since before May 2017 till September 2019. He also stated that the RNR estimated by the Committee headed by the then CEA, made certain assumptions about collection efficiency post-introduction of GST which is higher than that in the past, and comparable to or higher than some other jurisdictions. It was, thereafter, highlighted about actual collection of GST (excluding Cess) at different rates, which showed that the taxable base attracting 5% and 12% slabs were significant. The presentation also listed out some of the major items at 5% and 12% slabs and exempted items. He then dwelt upon the manufactured goods which suffer inverted duty structure on account of lower rate while the inputs attracted higher GST rate, which has resulted in refunds estimated at about Rs.20,000 crore in a year. Suggestions received for augmenting revenue from some of the States were thereafter highlighted. Finally, in the slide on the requirement of Cess, the Cess gap and the extent to which compensation requirement was covered under the various revenue growth rates scenario was presented by JS, TRU-I.

8.3. The Hon'ble Deputy Chief Minister of Delhi stated that the presentation did not reflect the timelines for bringing about invoice matching and implementation of HS codes. The Secretary clarified that requirement to upload invoices in **FORM GSTR-1** was being fulfilled by the requirement that the gap which was presently admissible in the ITC allowed to be availed and the dealers' invoices uploaded was restricted to 20%. This would be discussed as an Agenda Item 15 (ii) under measures for revenue augmentation.

8.4. The Hon'ble Minister from Kerala stated that projections of revenue and compensation Cess collections had to be based on the rate-structure, the compliance levels and the current slow-down in the economy. These three factors would determine the compensation gap and thus, a simple linear projection might not give the complete picture. He stated that there was a short-term problem that had created this gap. He highlighted that the then Chairperson of the GST Council, Shri Arun Jaitley had stated in one of the Council Meetings that GST Council could borrow to fund the compensation Cess requirement and also decide to extend it from 5 years to 6 years. The problem would arise around February, 2020. He then wanted to know as to why there was a delay in disbursement of compensation

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Cess when money was available. He stated that the bi-monthly disbursement of compensation was backed by the law. This problem could recur and this would lead to non-fulfilment of expenditure requirement by the States. He further highlighted that in the 7th GST Council Meeting, an assurance was given by the then Chairperson, which had been duly minuted.

8.5. The Hon'ble Minister from West Bengal enquired about the expected rate of growth and stated that they would first like to understand and examine all the information provided in the presentation and then react. Ultimately, all this was a function of the political economy of the country. He stated that regarding compensation, the Centre might confirm the frequency of compensation disbursement for the future, so that the States were assured of their fiscal space.

8.6. The Hon'ble Deputy Chief Minister of Delhi stated that GST rates structure should not be tinkered with and instead focus should be there on utilizing all the tools available to increase compliance level. He further stated that as per the information provided in the 37th GST Council Meeting held on 20th September 2019 in Goa, around Rs. 35,000 crore was lying in the compensation cess account and another Rs. 5000 crore were added to the account during last few months taking the total to around Rs.40,000 crore. He enquired as to why the disbursement of this amount was delayed when sufficient amount was available in the fund. Of the monthly budgeted requirement of about Rs. 5,000 crore, Delhi Government gets about Rs.2,500 crore from GST. He stated that since the compensation amount formed a significant part of the State's budget requirement every month, it was important to know the reason for the delay in disbursement.

8.7. The Hon'ble Minister from Chhattisgarh enquired as to whether it would be prudent to raise taxes when the economy was slowing down. He also wanted to know if we had data projections with respect to national levels of consumption of goods, for instance edible oil. According to him, it was imperative to have consumption data at the national level in respect of goods and services before discussing the GST rates. He wanted to know as to why the States were being compensated, and to his mind, this was on account of the fact that the GST rates had been slashed vis-à-vis the erstwhile applicable VAT rates. There was a lacuna in realization and according to him the realization potential under the existing rates structure should be exhausted and thereafter only should we resort to increasing the GST rates.



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8.8. The Hon'ble Minister from Uttar Pradesh stated that in the VAT system, the revenue accruing to his State from Pan Masala was around Rs.1,500 crore while in GST it was Rs. 500 crore, implying a Rs.1000 crore deficit in this product alone. He further stated that in case of brick kilns too, the State was observing a decrease in tax realization from Rs.550 crores in VAT regime to Rs.75 crores in GST regime. He stated that all such anomalies in different products might be observed and be corrected through capacity-based levy or such methods. He further requested that Uttar Pradesh should be included in the Group of Ministers on Analysis of Revenue from GST. He further stated that while the parts of mobile phone were charged at 18%, the finished product of mobile phone was charged at 12%. He stated that such anomalies might also be corrected in a way to ensure the revenues for both the States and the Centre. He stated that the States of Uttar Pradesh did well in GST regime and that they were optimistic that the States would continue to do well in the future. Ideally, the GST rate should take care of 10% increase in the VAT collections.

8.9. The Hon'ble Minister from Punjab stated that we had reached mid-way in the assured compensation regime. He highlighted the fact that the rates were predominantly decided in the 14th GST Council Meeting held on 18th & 19th May 2017 in Srinagar. Further, in the subsequent meetings, there had been several rate reductions without sufficient discussion which compromised the revenue of the Centre as well as the States. He stated that if the revenues were not balanced quickly, the consensus might disappear in the GST Council. Shri V. K. Garg, Advisor, Financial Resources to Chief Minister, Punjab drew attention of the Council to the fact that several reports had made recommendations on the GST rates structure till the inception of GST and had made varying recommendations on the rates structure. He further stated that GST was collected as a tax on final consumption, so tax on intermediate products did not matter except when such products were used in making exempt supplies. Therefore, supposing it was assumed that all the steel produced in the country was used in making automobiles, then the GST rates structure on steel did not matter; this was for the reason that the GST rate on automobile would end-up collecting the due GST on its raw material which was steel. He stated that when looking at the revenue from each of the rate slabs, we were looking at the GST collections from the first stage of revenue, not at the stage of consumption. He stated that for the last two years, the rates which were reduced were the rates at the stage of final consumption to appease the sensitivity of the consumer. He clarified that the reduction in rate on final consumption goods or white goods like paints, resulted in a fall in revenue collections which was more

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than what was initially apparent. He further underscored the point that the fall in GST revenue was not on account of economic slowdown alone, but due to rate reduction/structure.

8.10. The Hon'ble Minister from Karnataka stated that immediate course correction was necessary to meet the gap in revenue collection. The options available to cover the compensation gap were to either increase the Cess base or the Cess rate. He stated that item-wise rate review should be made to improve revenue collection, with a focus on core sectors and their cascading effect. He further stated that State-specific corrections could also be looked at and be presented to the Centre.

8.11. The Hon'ble Minister from Assam stated that the rate reduction had taken place under the belief that this would improve compliance and thereby resulting in higher collections. However, it needed to be studied in detail as to whether this had really happened. He further stated that he was happy with the compensation given because prior to GST, the VAT revenues of Assam were growing at the rate of 9%, while GST had given them an additional 5% through way of assured growth rate of 14% for compensation. He felt that before questioning the Central Government, the States also needed to look at as to what was the growth in VAT revenue prior to GST and also whether the States had done enough to improve their GST collections. He finally requested to make a more in-depth constructive presentation on revenue which should be forwarded to State Governments seven days in advance of the next GST Council Meeting.

8.12. The Hon'ble Deputy Chief Minister of Bihar stated that the steepest reduction in the GST rates was effected in the 23rd GST Council Meeting held in Guwahati on 10.11.2017 when GST rate of 28% on 243 items was reduced to 18%. He stated that any shortfall in tax collection because of this reduction in rates, should have been observed within the following months and not after two years. Hence, the current fall in GST collections should not be attributed to the rate reduction undertaken in earlier years. He further stated that the increase in threshold limit for registration could not have caused significant fall in revenue collection. He suggested that in GST regime, the excise component which was hidden earlier had become visible to the consumer which resulted in resistance to higher rate slabs, necessitating reduction of rate for few items. He stated that GST collections had fallen not due to downward rate revisions but due to economic slowdown. He stated that knee-jerk reactions should be avoided as economic growth was

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expected to grow after two to three quarters. He further stated that complacency in the State tax administration because of the assured compensation should be avoided. He stated that changing rates or merging of the slabs should be avoided during the slow-down in the economy and such measures could wait for next 4-5 months. He stated that measures like e-invoicing, Aadhaar integration, new returns, linking of e-Waybill with FASTag, blocking of ineligible ITC, cancellation of registration of non-filers and their regular monitoring by the Ministers would result in increase in compliance level, thereby increasing GST revenue collections. As the GDP was growing at the rate of about 5%, therefore, the Compensation Cess would also grow at the rate of 5% and it needed to be examined whether assured compensation growth rate could be linked to GDP growth rate instead.

8.13. The Chairperson suggested that the Detailed Agenda Note might be circulated to the States well in advance for the next meeting, after incorporating the inputs from all the Hon'ble Members. The Hon'ble Minister from Kerala wanted to know the status of disbursement of compensation Cess due in December, 2019 (for October, 2019 and November, 2019). He also requested that it might be assured that whatever accumulated IGST and Cess was collected should be distributed. The Hon'ble Deputy Chief Minister of Gujarat stated that as most of the States had less liquidity, whatever compensation Cess was collected, should be distributed among the States. The Hon'ble Council Member from Tamil Nadu in his written speech (circulated during the Meeting) suggested that the compensation to the States may be continued even after the mandatory five-year period, although the rate at which such compensation is to be provided and other modalities could be worked out by this august Council, in the time to come.

8.14. Thereafter, the Hon'ble Chairperson informed the Council that the States of Uttar Pradesh and Jammu & Kashmir (UT with Legislature) would be making presentations on the best practices in GST and measures taken by the Govt. of Jammu & Kashmir to improve revenue collections. Thereafter, the Hon'ble Minister from Uttar Pradesh asked Shri Alok Sinha, Additional Chief Secretary, Commercial Tax Department, Uttar Pradesh to make the presentation (attached as **Annexure 5**). This was followed by a presentation by Shri K K Sharma, Advisor to Lt. Governor, Jammu & Kashmir on measures taken by them to improve revenue collections (attached as **Annexure 6**).

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9. For **Agenda item 3**, the Council took note of the presentation made by JS TRU-I and TRU-II and the suggestions made by the Hon'ble Members. The Council also took note of the presentations made by the State of Uttar Pradesh and UT of Jammu & Kashmir.

Agenda Item 4: Report of GoM on Real Estate on boosting Real Estate Sector

10. The Secretary asked Shri Manish Kumar Sinha, JS, TRU-II i.e. Secretary to the GoM on Real Estate to apprise the Council about the developments in the GoM and their recommendations by way of a presentation (attached as **Annexure 7**) on the agenda item. The JS, TRU-II stated that the Hon'ble Chairperson in the 37th GST Council Meeting held on 20.09.2019 desired that a meeting of the GoM on Real Estate be held to address the pending issues. Accordingly, a GoM meeting headed by Shri Nitinbhai Patel, the Hon'ble Deputy Chief Minister of Gujarat, was convened on 21.11.2019 to discuss and examine the following four issues: -

- (i) Request from the State of Punjab to exempt from GST on long term lease of lands by private/ semi private bodies for setting up industrial parks.
- (ii) Request from the State of West Bengal for examining the proposal to exempt the supply of construction services provided by the Co-operative Housing Society to its members.
- (iii) Request from the State of Maharashtra on need to provide preferential tax treatment to free houses provided to slum dwellers in a slum rehabilitation/ redevelopment project and mechanism of taxing TDR handed over to builder by Government thereof.
- (iv) Request from industry associations on need to review the value limit of Rs. 45 lakh in the definition of affordable residential apartment for a metropolitan region, if necessary.

10.1. The JS, TRU-II stated that of the four pending issues, one of the issues forwarded by the State of Punjab at 10(i) was decided. The three other issues listed at paragraph 10 had been deferred by the GoM for the reasons as listed in the Report of the GoM on boosting real estate sector, appended as Annexure 1 to this agenda item. He thereafter, elaborated the summary of the decisions of the GoM on the four issues as follows:

10.2. **Proposal 1** - To exempt GST on long term lease of lands by private/ semi private bodies for setting up industrial parks.



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- i. Service by way of grant of long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 20% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, might be exempted from GST.
- ii. In case of breach of land use subsequently, (i.e. from industrial use to any other use), the exemption might be withdrawn and GST with interest and penalty might be recovered jointly and severally from the entity that had availed the exemption originally and all lessees who had subsequently purchased or entered into agreement with original supplier and subsequent buyers / owners.
- iii. The condition above (sl. no. ii) should be monitored and enforced by the State Government.
- iv. GST @ 5% might be levied on long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by a *private person or entity, or an entity having less than 20% ownership of the Government. Similar safeguards as at sl. no. (ii) and (iii) above shall apply to this clause as well.

* The term 'private person' shall be clarified by way of a Circular.

The existing Explanation appended in the present notification would also apply and the number '50%' therein should be suitably substituted by '20%'.

10.3. **Proposal 2** -To exempt the supply of construction services provided by the Co-operative Housing Society to its members.

10.3.1. It was requested from State of West Bengal to provide more data and examples to explain that 'no value addition is involved' and that there would be no loss of revenue in the proposal. West Bengal might also suggest safeguards in such a way that the exemption if granted, it would be available only to a very select kind of housing society, who deserve this relief and couldn't be misused by other cooperative societies.

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10.4. **Proposal 3** -To provide preferential tax treatment to free houses provided to slum dwellers in a slum rehabilitation/ redevelopment project and mechanism of taxing TDR handed over to builder by Government thereof; and

10.5. **Proposal 4** -To review the value limits of Rs. 45 lakhs in the definition of affordable residential apartment for a metropolitan region, if necessary.

10.6. The GoM during its second Meeting felt that the **proposal 3** and **proposal 4** might be deferred till President's Rule was in operation in Maharashtra and to take them up for examination after new Government was formed in the State.

10.7. The JS, TRU-II then invited the Hon'ble Deputy Chief Minister of Gujarat, Convenor of the GoM, to brief the Council about the recommendation of the GoM for consideration of the Council.

10.8. The Hon'ble Convenor of the GoM on Real Estate thereafter briefed the Council and stated that the Meeting of the GoM was convened by video conferencing due to the urgency expressed by the State of Punjab on account of the planned initiative similar to 'Vibrant Gujarat'. He apprised the Council that the state of Punjab had highlighted before the GoM that in Punjab, land was scarcely available for industrial development and there could be instance where, the State Government entity directly did not allot the land to the industry for development. Further, it was also suggested by some States including Punjab that even in the case of private person or entity offering land for development of infrastructure for financial business on lease, then even in such cases, the benefits of GST @ 5% might be passed on at par with Government entities. He added that, the Hon'ble Minister from Uttar Pradesh was of the view that even the GST rate of 5% even in case private person or entity should be recommended. However, all the Members of the GoM, after due consideration, decided to recommend that service by way long term lease of land for industrial plots or plots for development of infrastructure for financial business, provided by the entity having 20% or more ownership of Central/ State/ UT Government, might be levied GST rate of 5% and the Council could decide on the applicable rate. He also requested Hon'ble Minister from Punjab to present his views.

10.9. The Hon'ble Minister from Punjab stated that the rationale behind the proposal and Punjab's request was long term leasing of land from the point of view of Punjab's New Industrial Policy and the role this exemption could play in promoting the Make-in-India campaign. He further stated that presently there was double taxation on lease of land (i.e.



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stamp duty of around 5-7% in various States and GST of 18% on the same transaction) which was a major hurdle in promoting industry in Punjab. He added that it would also lead to creation of employment and generation of revenue. He therefore, requested the Council to agree with the suggestion of the GoM.

10.10. The Additional Chief Secretary, Commercial Tax Department, Uttar Pradesh stated that the suggestion from Uttar Pradesh regarding exempting GST in the case of private person or entity offering land on lease for development of infrastructure for financial business, the associated condition should be that it should have been approved by the Government because in their industrial policy they had scheme of private industrial parks which are 100% owned by the private person or entity but those are approved by the State Government through a rigorous process and adequate safeguards and therefore, instead of granting exemption only to entities with 20% ownership of Government, same could also be allowed to lease of land by private entities which did not have any Government ownership otherwise they might not be able to compete with the Government.

10.11. In view of the foregoing discussion, the Secretary suggested that for the time being, the Council might accept the first part of the recommendation of proposal 1 to exempt the transactions along with the two associated conditions i.e.

- i. Upfront amount payable in respect of service by way of granting of long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 20% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, might be exempted from GST.
- ii. In case of breach of land use subsequently, (i.e. from industrial use to any other use), the exemption might be withdrawn and GST with interest and penalty might be recovered jointly and severally from the entity that had availed the exemption originally and all lessees who had subsequently purchased or entered into (sub-lease) agreement with original supplier (lessor) and subsequent buyers/owners.
- iii. The condition above (sl. no. ii) should be monitored and enforced by the State Government by issuing necessary order in this regard.

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10.12. The Secretary further suggested that all the second portion of the first proposal relating to rate levy of GST on long term lease of land of industrial plots or plots for development of infrastructure for financial business, provided by a private person or entity, might be referred to the Fitment Committee and then their recommendations might be discussed in the GST Council Meeting for the reason that it required little more examination on account of its cross-implications. The Council agreed to the above-mentioned suggestions of the Secretary.

10.13. The Secretary also suggested that effective date for implementation of the recommendation of the Council above could be from 1st January 2020. The issues discussed in proposal 2, proposal 3 and proposal 4 as per the report of the GoM were still pending before the GoM on Real Estate. The Council agreed to the same.

11. For **Agenda item 4**, the Council recommended the following: -

a. to exempt the transactions along with the two associated conditions i.e.

i. Upfront amount payable in respect of service by way of granting of long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 20% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, might be exempted from GST.

ii. In case of breach of land use subsequently, (i.e. from industrial use to any other use), the exemption might be withdrawn and GST with interest and penalty might be recovered jointly and severally from the entity that had availed the exemption originally and all lessees who had subsequently purchased or entered into (sub-lease) agreement with original supplier (lessor) and subsequent buyers / owners.

iii. The condition above (sl. no. ii) should be monitored and enforced by the respective State Governments by issuing necessary order in this regard.

b. This exemption shall be effective from 1st January, 2020.

c. Further, the Council also decided to refer the issue with respect to the second portion of the first proposal relating to rate levy of GST on long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by a private person or entity, or an entity having less than 20% ownership of the


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Government for further examination to the Fitment Committee before any decision by the GST Council.

d. The Council also took note about issues discussed in **proposal 2, proposal 3 and proposal 4**(as per the report of the GoM) which were pending before the GoM on Real Estate.

Agenda Item 5: Issues recommended by the Fitment Committee for the consideration of the GST Council

Agenda Item 15 (iv): Proposal for change in GST rate on woven/nonwoven bags and sacks of polypropylene/polyethylene, whether or not laminated and Flexible Intermediate Bulk Containers (FIBC) from 12% to 18%

12. The Secretary asked JS TRU-I to present the fitment issue before the Council. He also informed that there were no fitment issues as such, but a Table Agenda (Agenda item 15 (iv)) concerning the GST rate rationalisation effected in the 37th Meeting of the GST Council on 20th September, 2019. Thereafter, JS, TRU-I stated that the Council in its 37th Meeting on 20th September, 2019 had recommended to rationalise the GST rates on woven/non-woven bags and sacks of polypropylene/polyethylene (whether or not laminated) at a uniform rate of 12% to obviate classification disputes. He stated that earlier, the sacks and bags made up of man-made textile material, falling under heading 6305 attracted GST at the rate of 5% (their value being less than Rs.1000/-), while polypropylene, polyethylene and other plastic bags falling under heading 3923 attracted 18% GST. These differential rates gave rise to disputes regarding classification. To resolve the issue, a clarification was issued *vide* Circular No.80/54/2018-GST dated 31st December 2018. However, disputes continued and were aggravated due to multiple divergent Advance Rulings passed. To resolve the issue, the Council recommended a uniform rate of 12%. However, subsequent requests had been received from the trade associations stating that the major basic constituent ingredient for these bags was HDPE/PP granule which attracted 18% GST. They had further stated that 12% GST rate on woven and non-woven bags and sacks of polypropylene and polyethylene was leading to inverted duty structure and increasing the compliance burden and efforts for seeking refund on small manufacturers of these bags. This would make investment in the sector unviable. These woven and non-woven bags and sacks of polypropylene and polyethylene (whether or not laminated) were used in a number of applications such as packaging of cement, fertilizer, sugar, sponge

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iron/mineral packing etc. Increase of GST rate to 18% might not increase the cost of the bags to the end-consumer as this was a B2B product and full ITC of the GST paid on bags was available to the user industry. In fact, it would remove the inverted duty structure and accumulation of ITCs with the manufacturers of these bags. Moreover, FIBC classified under HS 63053200 were intermediate goods used in a number of industries for bulk packing and transportation of goods. ITC on GST paid on these goods was available to these users. The JS, TRU-I proposed, that to have uniform tax rate on all types of such bags, the GST rates on woven and non-woven bags and sacks of polypropylene and polyethylene, whether or not laminated (classified under 3923 or 6305) including Flexible Intermediate Bulk Containers (FIBC) may be considered for a raise from 12% to 18%. The Secretary proposed to the Council that the rate change may be effective from 1st January 2020.

12.1. The Hon'ble Minister from Tamil Nadu stated that the issue of rationalization of GST on matches was discussed in the 37th GST Council Meeting in Goa. He stated that even the Hon'ble Chief Minister of Puducherry agreed for GST rate at 12% and the same might be considered favourably. Further, he stated that his State received several representations on the very high rate of GST of 18% on insurance premium. The Secretary stated that these issues could be discussed in the Fitment Committee. The Hon'ble Council Member from Tamil Nadu in his written speech also urged the august Council to consider the remaining representations forwarded to the Council on the ground of rationalisation of tax, items of essential use by common man, items for the benefit of farmers and fishermen, items made by small artisans, items relating to religious sentiments, early.

12.2. The Hon'ble Minister from Odisha stated that in his State 8 lakh poor people were working as pluckers of *tendu* leaves. Due to the high rate of 18% GST on *tendu* leaves, the poor were suffering. He added that the State of Odisha had declared *tendu* leaves as forest produce and pointed out that even in BJP's manifesto it had been promised to return the GST collected to the workers. The Hon'ble Minister added that he would move a proposal in this regard and requested the Fitment Committee to look into this issue. The Chairperson agreed and assured the matter would be looked into by the Fitment Committee.

13. For **Agenda item 5, read with Table Agenda item 15 (iv)**, the Council approved the proposal for change in GST rate on woven/nonwoven bags and sacks of


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polypropylene/polyethylene, whether or not laminated and Flexible Intermediate Bulk Containers (FIBC) from 12% to 18% with effect from 1st January 2020.

Agenda Item 6: Issues recommended by the Law Committee for the consideration of the GST Council

Agenda Item 6(i): Standard Operating Procedure to be followed in case of non-filers of returns

14. The Secretary asked Shri Yogendra Garg, Principal Commissioner, GST Policy Wing, CBIC to initiate the discussion on the issues recommended by the Law Committee for the consideration of the GST Council. The Principal Commissioner, GST Policy Wing, CBIC initiated the discussion by stating that the recommendations of the Law Committee were discussed in detail in the Officers' Meeting on 17th December 2019. The presentation made in this regard is annexed as **Annexure 8**. He stated that the rationale of recommendations was to improve compliance and simplify processes. He also stated that non-filers and late filers of returns had been a major issue in the GST regime, though some States such as Uttar Pradesh had dealt with the issue well, there had been no uniformity pan India in dealing with the same. He stated that the Law Committee recommended to issue a Circular for dealing with non-filers of returns under Sections 39, 44 & 45 of the GST Act. He further stated that some of the States were already issuing notices and the objective of the proposed draft circular was to make the process uniform and to improve due date filing of returns which has a direct correlation with the revenue. The draft circular delineated various steps *vis-à-vis* the return defaulters from issuing of a system generated message to notice in **FORM GSTR-3A** followed by best judgement assessment and ultimately, if the return was not filed for 6 months then initiation of action under Section 29 of the GST Act for cancellation of registration was proposed. He further added that the period of 30 days for reapplying for GST registration upon cancellation had been extended to 60 days on the suggestion of State of Odisha in the Officers' Meeting held on 17th December 2019. He also clarified that as for Composition tax payers, the return was filed annually, the same means that this could only be resorted to after the due date for such return. The Hon'ble Council Member from the Tamil Nadu in his written speech also mentioned that they did not support the suggestion of allowing filing of return with short payment of tax as the taxpayers will be burdened with huge cash crunch; the recipient would take ITC on full credit of input tax,

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thereby causing loss to exchequer; and refund could also be claimed and granted for short payment by the suppliers.

15. For **Agenda item 6(i)**, the Council approved the issuance of Circular outlining a Standard Operating Procedure in case of non-filers of returns as proposed.

Agenda Item 6(ii): Proposed amendments in the CGST Act, 2017

16. The Principal Commissioner, GST Policy Wing, CBIC introduced the Agenda relating to amendments to the CGST /SGST Acts in the Budget 2020-21. He stated that the proposed amendments were discussed in detail in the Officers' Meeting on 17th December 2019. He informed that there were altogether 12 amendments proposed, some of which were in the nature of aligning with the earlier amendments. The first amendment sought to align certain entries in Schedule II of the GST Act with the amendments carried out vide the CGST (Amendment) Act, 2018 with effect from 1st February 2019. Likewise, the second amendment had been proposed to align the Composition Scheme under Section 10(1) and (2) of the CGST Act with Section 10(2A) of the said Act. The third amendment proposed was to allow ITC on Debit Notes by linking it to the date of issuance of the Debit Note by amending Section 16(4) of the GST Act. The fourth amendment was to allow a taxpayer who had taken voluntary registration to cancel it by amending Section 29 of the GST Act. The next amendment proposed was for amending Section 31 so as to align section 31(2) with 31(1) regarding manner of issue of invoices for services as well. With respect to the sixth amendment proposed, the Principal Commissioner, GST Policy Wing, CBIC stated that in Officers' Meeting on 17th December 2019, it was viewed that there was no requirement of amending Section 49(4) of the GST Act, and that it would be prudent that a new rule may be drafted using the existing powers under law and accordingly, it was proposed that Rule 86A might be inserted so as to block ineligible input tax credits and control the menace of fake invoices immediately. The seventh amendment recommended was for providing a system generated Tax Deduction at Source (TDS) certificate by amendment in Section 51(3) and doing away with the late fees requirement by omission of Sub-Section 4 of Section 51 of the GST Act. The eighth amendment proposed was to carry out certain amendments in Sections 122 and 132, so as to insert necessary provisions to make the person receiving the benefit of a fraudulent transaction liable for penalty and arrest. The Principal Commissioner, GST Policy Wing, CBIC stated that presently, the person who availed the fake ITC only was liable for penal provisions. The objective of the



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proposed amendment was to align the liability of the mastermind with the person who was taking the fake ITC. The ninth amendment proposed was to insert in Section 140 of the GST Act enabling provisions to prescribe the time-limit and the manner of availing transitional credit. This was proposed to be done retrospectively with effect from 01.07.2017. The tenth amendment proposed was for vesting functions relating to job-work extension and remuneration of chartered accountants/ cost accountants with the jurisdictional Commissioners of CGST. The next amendment proposed was for extending the existing time-period of 3 year to 5 years from the date of commencement of the GST Act in Section 172 to enable the Government to issue orders for removal of difficulties in implementing the provisions of the Act. The last amendment proposed in respect of Section 17(5) was for making input tax credit eligible in respect of commercial vessels like drilling rigs, dredgers etc. Principal Commissioner, GST Policy Wing, CBIC explained that credit was available on such 'vessels' prior to the first amendment of CGST Act in August, 2018 and that while no recommendation of the Council was made to restrict the same, inadvertently due to a drafting error, this credit had come to be denied which is the likely cause of hardship to dredging companies, oil exploration companies etc. and that it was proposed to make suitable amendments to restore the original position. However, the Hon'ble Member from Chhattisgarh wanted that the tax cost/implication of the proposal in respect to vessels and aircraft be brought to the Council before any decision. Therefore, this proposal was deferred.

17. For **Agenda item 6(ii)**, the Council approved the amendments in the GST Act, as proposed and discussed above.

Agenda Item 7: Creation of Public Grievance Redressal Committee as per the Hon'ble High Court of Delhi's order in the case of Sales Tax Bar Association

18. The Secretary asked Principal Commissioner, GST Policy Wing, CBIC to introduce the agenda item. The Principal Commissioner, GST Policy Wing, CBIC, while introducing the agenda item also made a presentation (attached as **Annexure 8**). He stated that in view of the Writ petition W.P.(C) 9575/2017 & C.M. no. 38987/2017-Sales Tax Bar Association (regd.) & ANR in Hon'ble High Court of Delhi on non-availability of many functionalities on GST Portal, a proposal for suitable mechanism for grievance redressal at ground level was felt necessary. Therefore, a proposal for creating Grievance Redressal Committee had

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been placed for approval of the Council. The background details were mentioned in the agenda circulated.

18.1. He further stated that while in the Central Excise/Service Tax regime such an arrangement existed in the form of Regional Advisory Committee at the Zonal level, no such formal arrangement existed, under the GST regime to tackle grievances of specific/general nature at the Zonal/ Commissionerate/ State level. Accordingly, it was proposed to operationalize a Grievance Redressal Committee (GRC) at Zonal/State level with membership of both CGST and SGST officers, representatives of trade and industry and other relevant officers of GSTN.

18.2. The constitution of the said Grievance Redressal Committee, its functions and mandate were proposed in the agenda as follows:

A. Constitution of the Committee:

- i. Zonal Principal Chief Commissioner/ Chief Commissioner of Central Tax (Co-chair)
- ii. Chief Commissioner/ Commissioner of State Tax (Co-chair)
- iii. Representatives of various Trade Associations – **12 in number**
- iv. Representatives of prominent Associations of Tax Professionals like Chartered Accountants, Tax Advocates, Tax Practitioners etc. – **4 in number**
- v. Nodal officer of ITGRC of the Central Tax and Nodal officer of ITGRC of the State Tax.
- vi. Representative of GSTN handling the concerned Zone/ State
- vii. Any other member with the permission of the Co-chairs.
- viii. Additional/Joint Commissioner of office of Zonal Principal Chief Commissioner/ Chief Commissioner of Central Tax and an officer nominated by the Chief Commissioner/ Commissioner of State Tax - Secretaries of the GRC.

B. Term of the Committee - The GRC would be constituted for a period of two (2) years and the term of each member so nominated also would be for a period of 2 years. Any member of the Committee absent for 3 consecutive meetings, without adequate reasons, would be deemed to have been withdrawn from the Committee and his place would be filled by fresh nomination by the Principal Chief Commissioner/Chief Commissioner of Central Tax and the Chief Commissioner/ Commissioner of State Tax.


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C. Functions and mandate of the Committee:

- (i) Examining and resolving all the grievances and issues being faced by the taxpayers, including procedural difficulties and IT related issues pertaining to GST, both of specific and general nature.
- (ii) Referring any issue requiring a change in Act/Rules/Notification/ Form/Circular/ Instruction, etc., to the GST Council Secretariat and the relevant Policy Wing of the CBIC.
- (iii) Referring any matter related to IT related issue pertaining to GST Portal, to GSTN.

Whenever an issue would be referred by the GRC, the concerned Policy Wing of CBIC would examine the said policy issue and if required, would make suitable recommendation on the same for consideration/ approval of the GST Council. Likewise, if the matter would be an IT related issue pertaining to GST portal, the same would be resolved by GSTN in a time bound manner, preferably within one month.

D. Periodicity of Meeting of the Committee – The Committee would meet once every quarter or more often as the Co-chairs may decide.

E. Mechanism of Working of the Committee: The stakeholders would send their grievances/suggestions to the Secretary of the Committee, who would place the same before the Committee. Further, the Secretary of the Committee should also submit a quarterly progress report to the GST Council Secretariat as well as to the GST Policy Wing, CBIC.

18.3. Further, GSTN had also proposed (**Annexure B to the Agenda 7**) that,

- a) to ensure transparency and time bound handling of grievances and accountability, they would develop a portal for recording all such grievances (including their scanned images) and their disposal. It would be the responsibility of the Co-chairs to ensure timely entry of the grievances and updating the status of their disposal on the portal.
- b) the nodal officers of GSTN, Policy Wing of CBIC and GST Council Secretariat would also be able to update status of action taken at their end. The details of action taken on all issues would be displayed on the portal, which would be available for viewing by all stakeholders to check the status of the resolution.



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18.4. The above proposal was placed before the GST Council for consideration and approval. The Council after deliberations approved the proposal.

19. For **Agenda item 7**, the Council considered and approved the constitution along with the functions and mandate of the Grievance Redressal Committee as contained in the agenda.

Agenda Item 8: Status of Group of Ministers (GoMs) constituted for various agenda items

20. The Secretary asked Dr. Rajeev Ranjan, Special Secretary, GST Council Secretariat to present the status of various GoMs constituted on the recommendations of the Council for different agenda items. The Special Secretary thereafter stated that altogether 12 GoMs had been constituted on the recommendations of the Council. Of these, 6 GoMs, namely, GoM on Composition and tax structure on Restaurants, GoM on Reverse Charge Mechanism, GoM on Digital Payments, GoM on Sugar Cess, GoM for MSME and GoM on Revenue Mobilisation in case of Natural Calamities and Disasters had given their reports and recommendations before the Council and the Council had taken requisite action in respect of the same. It had, therefore, been proposed to not continue these GoMs. Further, it was proposed that 3 GoMs as mentioned in para 15 (ii) may continue. Of these, the GoM on IT challenges in GST implementation was the most active and met frequently on account of its mandate to monitor and resolve the IT challenges faced in the implementation of GST. Likewise, the GoM on boosting real estate under GST regime and GoM on Analysis of Revenue from GST were also proposed to be continued. During discussion under Agenda Item 2 for the issues concerning GST on Lottery, in view of the submission of the report of the GoM on Lottery which was annexed to the said agenda item, a decision had been taken to refer the matter relating to casinos, horse racing and online gaming to Law Committee. Therefore, it was decided to discontinue the GoM on issues relating to lottery. Finally, the Special Secretary stated that the two GoMs, namely GoM on IGST Settlement and GoM on movement of Gold and precisions Stones had been constituted recently and their reports were yet to be placed before the Council. The Hon'ble Council Member from Tamil Nadu in his written speech mentioned that a timeframe for the GoM on IGST settlement may be fixed for resolving the issue of unsettled IGST accumulated amount for the year 2017-18.



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21. For **Agenda item 8**, the Council decided to continue with the 5 GoMs namely: GoM on IT challenges in GST implementation, GoM for boosting Real Estate Sector under GST regime, GoM on Analysis of Revenue from GST, GoM on movement of Gold and Precious Stones and GoM on IGST settlement.

21.1. The Council also decided to refer the pending matter relating to casinos, horse racing and online gaming to Law/Fitment Committee.

Agenda Item 9: Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government

22. The Secretary asked Principal Commissioner, GST Policy Wing, CBIC to place the agenda before the Council. The Principal Commissioner, GST Policy Wing, CBIC stated that in the 37th Meeting held on 20.9.2019, the Council had ratified all the notifications, circulars and orders issued before 11.9.2019. He thereafter made a presentation (attached as **Annexure 8**) listing out all the notifications, rate and non-rate, of CGST, UTGST, IGST and Compensation Cess, Circulars and removal of difficulty orders issued after 11.09.2019 till 13.12.2019, under the GST Laws by the Central Government as available on www.cbic.gov.in.

23. For **Agenda Item 9**, the Council granted deemed ratifications to the notifications, circulars and Orders as in agenda item and the presentation (attached as **Annexure 8**) made during the Council Meeting, which are available on www.cbic.gov.in.

Act/Rules	Type	Notification/Circular/Order Nos
CGST Act/CGST Rules	Central Tax	42 to 72 of 2019
	Central Tax (Rate)	14 to 26 of 2019
UTGST Act	Union Territory Tax (Rate)	14 to 26 of 2019
ITGST Act	Integrated Tax	04 of 2019
	Integrated Tax (Rate)	14 to 25 of 2019
GST (Compensation to States) Act	Compensation cess (Rate)	02 and 03 of 2019
Circulars	Under CGST Act, 2017	110 to 127 of 2019



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ROD Orders	Under CGST Act	8 and 9 of 2019
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23.1. The notifications, Circulars and Orders issued by the States which are *pari materia* with above notifications, Circulars and Orders were also deemed to have been ratified.

Agenda Item 10: Decisions of the GST Implementation Committee (GIC) for information of the Council

24. The Secretary asked Principal Commissioner, GST Policy Wing, CBIC to present the Agenda before the Council. Thereafter, Principal Commissioner, GST Policy Wing, CBIC stated that the GST Implementation Committee (GIC) took decisions between 21.9.2019 and 17.12.2019. Further, due to the urgency involved, certain decisions were taken by GIC after obtaining approval amongst GST Members by circulation. Thereafter, he made a presentation (attached as **Annexure 8**) on the decisions taken by Members of the GIC post 37th GST Council Meeting. Thereafter, he also submitted that an **Agenda Item 15(iii)**, which was addendum to Agenda Item No. 10 regarding decisions of the GIC in its Meeting held on 02.12.2019 was also placed before the Council for information.

25. For **Agenda item 10**, the Council took note of the decisions of the GST Implementation Committee between 21.09.2019 and 17.12.2019.

Agenda 11: Decisions/Recommendations of the IT Grievance Redressal Committee for information of the Council

Decisions/recommendations of the 8th IT Grievance Redressal Committee

26. Introducing this Agenda item, the Secretary stated that the 8th Meeting of the IT Grievance Redressal Committee (ITGRC) was held on 13th August 2019 to resolve grievance of the taxpayers arising out of technical and non-technical issues. (Minutes of the Meeting attached as **Annexure A** of this agenda Item).

26.1. As per the agenda note, a total **491 cases of TRAN-1/TRAN-2** had been examined by GSTN (**Agenda 1**) and presented before the Committee. Out of these, 442 cases were sent by Nodal officers and 49 were court cases. All above cases had been categorized broadly



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reason-wise in two major categories as 'A' and 'B' by GSTN team. **Category 'A'** included cases in which the taxpayer could not apparently file TRAN 1/TRAN 2 because of technical glitches while **Category 'B'** included cases where no technical issues were found from the system logs in filing TRAN 1/TRAN 2.

26.2. In pursuance of decision in 32nd GST Council Meeting, regarding extended scope of ITGRC, GST Council Secretariat had received another **22 cases** *vis-a-vis* extended scope of ITGRC and analysis of these cases was also presented before the committee (**Agenda 3**).

26.3. It was also observed by GSTN that 04 cases of TRAN 1 had been brought twice before the ITGRC in 6th and 7th Meeting with wrong description and recommendations based on incomplete facts, which needed reconsideration. GSTN had again examined the system logs of 04 cases and presented them before the Committee for appropriate decision (**Agenda 4**),

26.4. After detailed discussion, the 8th ITGRC decided and had recommended as under: -

Recommendation for Agenda 1, Agenda 3 and Agenda 4 for

(A) 491 Cases presented through GSTN (Agenda 1):

- i) **To allow** filing of TRAN-1 in total **137 cases of TRAN-1 & TRAN-2** belonging to Category 'A' as per Annexures indicated in column No. 3 and 4 of Table-2 (136 cases of TRAN-1) & Table 4 (01 case of TRAN-2 in Category 'A') on account of technical/system issues as explained at paragraph 5 and paragraph 7 of Minutes, in accordance with the Law Committee recommendations regarding consequential benefits related to filing of TRAN 1.
- ii) **Allowed** GSTN to **withdraw two (02) cases** (one of each TRAN-1 and TRAN-2) as mentioned in Table 5 of Minutes without any decision and directed GSTN to present these cases after proper analysis before the next ITGRC Meeting.
- iii) **Not to allow** remaining **352 cases of Category 'B'** as per Annexures indicated in column No. 3 & 4 of Table-3 (351 cases of TRAN-1) and Table 4 (01 case of TRAN-2 in Category 'B') in absence of any evidence of technical/system errors in these cases as explained at paragraph 6 & 7 of Minutes, as was decided in similar cases in past seven ITGRC meetings.

(B) 22 Cases presented through GST Council Secretariat as per extended scope of ITGRC (Agenda 3):

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Decision on these cases was deferred in view of discussion on the emerging issues as discussed with reference to **Agenda 2**. This matter would be discussed again in ITGRC in light of decision of **Agenda 2**, which inter alia included the issue of re-examining the limited number of non-technical glitch/error cases. The details of discussion on **Agenda 2** might be referred for details.

(C) Cases which had been brought twice in 6th and 7th ITGRC (Agenda 4):

- i) ITGRC allowed 03 cases of TRAN-1 which were earlier not allowed in 6th ITGRC but they were allowed in 7th ITGRC.
- ii) Committee also accepted the proposal of fourth case to recall the decision of 7th ITGRC on this case, on account of error reported by GSTN and effectively restoring the decision of 6th ITGRC of allowing the filing/revision of TRAN-1.

Discussion on emerging issues before ITGRC (Agenda 2)

26.5. During the earlier ITGRC proceedings, it was observed that Nodal officers as well as GSTN had received various references and Writ Petitions where non-technical issues were also involved. The ITGRC could not handle those cases, as it was not empowered to take any decision on these issues. Further, on account of no appeal mechanism in respect of Forms TRAN-1/TRAN-2 under GST law, taxpayers were approaching various Hon'ble High Courts for grievance redressal. In 32nd GST Council Meeting, it was decided to enhance/expand the scope of the ITGRC to include those cases where no technical glitch/problem was evident, and the Commissioners would after examination recommend such cases but GSTN and GST Council Secretariat were receiving cases without proper scrutiny. Till 31st January, 2019, 62 cases (with incomplete details and not in conformity with the spirit of the decision of the 32nd GST Council Meeting) were received and placed before 4th ITGRC on 12.02.2019. Hence, it was recommended by the Committee that GST Council Secretariat might send another reminder to all States and Centre reiterating that the case details be checked; certified and it should also be clearly stated that the case was covered by the decision of 32nd GST Council Meeting along with clear recommendations from the State/Centre before sending by the concerned Jurisdictional Commissioner. Accordingly, 179 cases received till 31st March 2019 were placed before 6th ITGRC on 27.05.2019 while 22 cases were placed before 8th ITGRC which contained many of the cases that were found incomplete in 6th ITGRC. Till then, as no case has been allowed to file TRAN-1/TRAN-2 in accordance with the extended

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scope of ITGRC, therefore, such emerging issues before ITGRC were also discussed in the Committee as per Agenda 2.

26.5.1. In respect of Agenda 2 i.e. emerging issues in respect of cases involving non-technical glitches, it was discussed and recommended by ITGRC that for cases involving non-technical glitches, the process of examination by ITGRC might be redesigned and a pragmatic approach was required on the issue of allowing GST TRAN- 1/GST TRAN 2 for those taxpayers who were covered under the 32nd GST Council decision; having High Court decision and had filed the TRAN-1 before due date i.e. 27.12.2017 but not received the transitional credit due to non-technical error. The mechanism would include following aspects:

- a. The process would be applicable to the taxpayers who had satisfied the criteria and represented before the nodal officer/Jurisdictional Commissioner for non-technical glitches as per 32nd GST Council Meeting's decision.
- b. Definition of the non-technical error might include cases where TRAN-1/TRAN-2 had been filed before due date i.e. 27.12.2017 but credit not received to taxpayer including the scenario where the credit was entered in wrong column.
- c. The jurisdictional Commissioners of the State/Centre should get the claim of the taxpayer checked including the verification of credit and ascertain the amount of credit (CGST/SGST) that was claimed in the various tables of GST TRAN 1/GST TRAN 2. Wherever required a certificate from counterpart tax authorities may also be obtained regarding genuineness of claimed credit.
- d. After being satisfied about the genuineness of the claim, the details should be sent to GSTN with proper recommendation and specific High Court order copy as per 32nd GST Council Meeting's decision to enable filing of TRAN-1/TRAN-2. The mode as well as format for such directions and the requisite certificate be finalised by GSTN in order to maintain the audit trail and generate report, if required.
- e. If deemed necessary, post audit of the taxpayers could be carried out by tax authorities in a time-bound manner, who would claim transitional credit above a particular threshold.
- f. In light of above, ITGRC could revisit the 'Category A' cases identified as non-technical cases placed in Annexure 3 of 6th ITGRC and Agenda 3 of the 8th ITGRC, taking inputs as required from GSTN.

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26.6. The decisions/recommendations as per attached Minutes of the 8th ITGRC were placed for information of the Council.

27. For **Agenda item 11**, the Council took note of the decisions/recommendations of the 8th Meeting of the IT Grievance Redressal Committee.

Agenda Item 12: Quarterly Report of the NAA for the quarter July to September 2019 for the information of the GST Council

28. The Secretary introduced the Agenda item pertaining to various issues related to the National Anti-profiteering Authority (NAA) and stated that this agenda was discussed in the Officer's Meeting held on 17th December 2019. The quarterly performance report of National Anti-profiteering Authority along with performance reports of DGAP, Screening Committee and State Level Screening Committee for the quarter (July, 2019 to September, 2019) of the financial year 2019-20 was placed before the Council for information.

28.1. Performance of **National Anti-Profiteering Authority**:

Opening Balance	No. of Investigation Reports received from DGAP during the quarter	Disposal of Cases (during Quarter)				Closing Balance
		Total Disposal during quarter	No. of cases Where Profiteering established	No. of cases Where Profiteering not established	No. of cases referred back to DGAP	
50	39	2	1	1	3	84

28.2. The **final disposal of 2 cases by the NAA** was as under:

Sr. No.	Order No. and Date of Order	Respondent	Amount of Profiteering (Rs.)
1	46/2019 dt. 04.07.2019	HP India Sales	Nil
2	47/2019 dt. 26.09.2019	Paramount Propbuild Pvt. Ltd.	3,69,26,963

28.3. In addition, NAA had been conducting outreach program across the country to sensitize the jurisdictional Officers about their role and responsibility towards check of profiteering. During the tenure of this report, the outreach programs and zonal review meetings on Anti-Profiteering efforts was held at Indore on 16th September, 2019.

28.4. Further, the NAA had sent 516 profiteering complaints received by them till 31st



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July, 2019 via its web portal to 21 State Level Screening Committees

29. For **Agenda item 12**, the GST Council took note of the performance of the National Anti-profiteering Authority for the quarter July to September 2019...

Agenda Item 13: Presentation on developments regarding implementation of

- i. **GST EWB System – FASTag Integration**
- ii. **New Return System**
- iii. **Integrated refund system with disbursal by single authority**
- iv. **Generation of electronic Invoice Reference Number**
- v. **Linking GST registration with Aadhaar and proposed changes in the GST Law and GSTN System**

30. The Secretary stated that a detailed presentation was given by Shri Prakash Kumar, CEO, GSTN in the Officer's Meeting held on 17.12.2019 regarding the GST EWB System – FASTag Integration, status of implementation of New Return System, Integrated Refund System with disbursal by Single Authority, Generation of Electronic Invoice Reference Number and Linking GST registration with Aadhaar. The presentation made so is attached as **Annexure 9** to the Minutes. Following were the salient features of the presentation of CEO, GSTN.

A. GST EWB System – FASTag Integration

30.1. The MoU with Indian Highways Management Company Limited (IHMPCL) & GSTN had been signed on 14.10.2019.

- a. The MoU was for collaboration and working together for implementation track and trace mechanism to track the goods carrying vehicles through FASTag at the toll plazas across the country.
- b. NPCI was extending its NPCINet to E-Way Bill system.
 - i. Routers at Primary Data Centre (at Delhi) & DR Centre (at Hyderabad) of NIC had been delivered.
 - ii. Lease line (link) had also been delivered. Installation process was in progress.
- c. NPCI had already extended its network to the EWBS data center. Network testing and integration was completed.
- d. APIs were ready and available on sandbox. Testing on simulators was complete. Sandbox would be made available by NIC by 15th January 2020. Sample data from NETC would be used for testing.



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e. Integration was expected to be completed by mid-February, 2020.

B. New Return System

30.2. He updated on the extent of trial use of ANX-1 and ANX-2 in Centre and States till 15.12.2019 and also shared the status of development and deployment of ANX1 and ANX2 in his presentation on 17.12.2019. The New Return was proposed to be effective from 1.04.2019. He further informed that workshops were conducted on New Return in association with FICCI, PHD Chamber of Commerce, ASSOCHAM, CII and in coordination with Centre & State Tax Administrations.

C. Integrated refund system with disbursement by single authority

30.3. As regards updates on disbursement of refund through PFMS, CEO, GSTN, presented on 17.12.2019 that till 16.12.2019, total number of RFD-05 issued were 16,515 & out of which PFMS had accepted 7699 cases, rejected 61 cases, disbursed 5912 cases while 2400 cases were under processing. He had also presented the data as on 15.12.19 regarding refund applications which were not acknowledged and pending for more than 60 days (both State-wise and CBIC).

D. Generation of Electronic Invoice Reference Number

30.4. The CEO, GSTN presented the advantages of e-invoice Reference Number and that there was a need for standards to ensure complete inter-operability and elimination of manual data entry by businesses leading to transcription errors. He also presented the timeline for implementation of e-invoice and informed that NIC was developing the same for its roll out by 1st January, 2020 for taxpayers with turnover of Rs 500 crore on voluntary basis. In February, 2020, the taxpayers with turnover of Rs 100 crore would be required to use it on voluntary basis and thereafter, it will be made mandatory from 1st April, 2020 for tax payers with turnover above Rs 100 crore. He also informed about the stakeholder interaction plan for-invoicing which included Industry partners, Accounting Software Provider/GST Suvidha Provider & Accounting Software companies.

E. Linking GST registration with Aadhaar and proposed changes in the GST Law and GSTN System

30.5. As regards linking of GST registration with Aadhaar and proposed changes in the GST Law and GST System, CEO, GSTN stated that this project was expected to be rolled out by 1st February 2020 and mentioned Infosys had completed Proof of Concept (POC) and had also completed the prototypes for the purpose.



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31. For **Agenda item 13**, the Council took note of the latest updates as per the presentation made by CEO, GSTN.

Agenda Item 14: Clarification on GST rate on fabrics and articles of textiles falling in Chapters 56 to 59 of the tariff pursuant to the order of the Hon'ble High Court of Delhi in Writ Petition (Civil) No.597 of 2019

32. The Secretary asked JS, TRU-I to introduce the agenda item to the Council. The JS TRU-I, thereafter, submitted that the Hon'ble High Court of Delhi has directed *vide* its order dated 11.10.2019 to place before the Council the issue agitated before them and also to place a copy of the said order of the Hon'ble Delhi High Court. The issue brought before the Hon'ble High Court was that the Council in its 15th Meeting had prescribed that all fabrics were to be taxed at the rate of 5% and not 12% irrespective of whether they were used for making apparels or for specialised and industrial fabrics. The Department of Revenue filed affidavit and submitted before the Hon'ble High Court that the GST Council had made a specific recommendation to prescribe 12% GST rate on specialized and industrial fabrics of Chapters 56 to 59 which were notified by the Central and the State Governments and thus there was no variance from the recommendations of the GST Council on the GST rate on specialized and industrial fabrics of Chapters 56 to 59 and the notifications was issued by the Central and State Governments in pursuance of these recommendations. He further stated that the GST rates on fabrics was discussed in detail in the 15th GST Council Meeting held on 3rd June, 2017 and the GST rates were prescribed on the recommendations of the Council. The rate of 5% was prescribed on fabrics used for making apparels. The GST Council had recommended 12% GST rates on specialized and industrial fabrics. The Council had discussed the request for reduction in tax rates on fabrics of Chapters 56 to 59 from 12% to 5% in various meetings after the rollout of GST. The Council did not recommend any change in the tax structure on these goods i.e. technical textiles and specialized fabrics of Chapters 56 to 59. He submitted that as per the directions of the Hon'ble High Court, the copy of order dated 11.11.2018 of the Hon'ble Delhi High Court was also placed before the Council along with his submissions.

33. For **Agenda item 14**, the Council took note of the order dated 11.10.2019 of the Hon'ble Delhi High Court. The decision of the Council to levy 12% GST on specialized and industrial fabrics and technical textiles of Chapters 56 to 59 was confirmed.

Agenda Item 15: Any other agenda item with the permission of the Chairperson

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Agenda Item 15 (i): Creation of the State and Area Benches of the Goods and Services Tax Appellate Tribunal (GSTAT)

34. The Secretary introduced the agenda and stated that in terms of Section 109 of the CGST Act, 2017, Goods and Services Tax Appellate Tribunal (GSTAT) were being constituted by the Government on the recommendation of the GST Council. The Appellate Tribunal having National / Regional Benches at National level and the State / Area Benches at State level, to hear appeals against orders passed by the Appellate Authority or by the Revisional Authority. He further directed Special Secretary GST Council to brief the Council.

34.1. In order to recapitulate, Special Secretary GST Council stated that the recommendations of the GST Council in respect of creation of the GSTAT and further developments in chronological order were as under:

- **In the 28th Meeting of the GST Council on 21.07.2018 the Council recommended:**
 - Constitution of Goods and Services Tax Appellate Tribunal (GSTAT); and
 - Creation of National Bench of GST Appellate Tribunal at New Delhi and three Regional Benches at Mumbai, Chennai and Kolkata.
- Union Cabinet approved creation of National Bench of the GST Appellate Tribunal at New Delhi.
- National Bench at New Delhi had also been notified vide Notification No. **S.O. 1359(E)**—[No.1/2019,[F.No.A.50050/99/2018-Ad.1C(CESTAT)] dated 13-03-2019 issued by Department of Revenue.
- Till the 37th Meeting , the Council had recommended setting up of State Benches and Area Benches in 29 States and 5 UTs as per request received from States. It had also recommended to separately consider constitution of benches in Uttar Pradesh due to court cases. It also took note of constitution of Jammu & Kashmir GST Appellate Tribunal in terms of proviso to Section 109(6) of the CGST Act, 2017.
- The Rules for the GSTAT called the Goods and Services Tax Appellate Tribunal (Appointment and Conditions of Service of President and Members) Rules, 2019 were notified by Central Government as per the recommendations of the GST Council in 28th meeting, vide notification No. G.S.R. 584(E)-

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[F.No.A.50050/99/2018-Ad.1C(CESTAT)] dated 21.08.2019.

- State and Area bench as recommended by the GST Council till 36th GST Council Meeting had also been notified by Department of Revenue.

34.2. Further, in the 37th Meeting of the GST Council on 20.09.2019 had recommended location of State Bench and Area Bench in respect of following 4 States as under:

Sl. No.	Name of States/Union Territory	Location for State Bench	Location for Area Bench
1.	Meghalaya	Shillong	No bench
2.	Mizoram	Aizawl	-do-
3.	Rajasthan	Jaipur	Jodhpur
4.	Karnataka*	Bengaluru	Two Area benches at Bengaluru

*State bench of Karnataka at Bengaluru is already created.

34.3. Now, request from Madhya Pradesh had been received to create a State Bench at Indore, while two more requests had been received from Meghalaya and Punjab seeking amendments in the earlier recommendations of GST Council for creating bench at Shillong and Chandigarh respectively. Meghalaya had also requested to club their State bench with the State bench of Assam at Guwahati, which was notified as a common bench for Arunachal Pradesh, Manipur, Nagaland & Sikkim. Punjab had requested to change their State bench from Chandigarh to Ludhiana.

34.4. Accordingly, the above stated requests for creation of State benches, as detailed below, were placed before GST Council for consideration:

Sl. No.	Name of States/Union Territory	Location for State Bench
1.	Madhya Pradesh	Indore
2.	Meghalaya	Guwahati* (request from Govt. of Meghalaya requested to club State Bench of Assam at Guwahati instead of earlier proposed at Shillong)
3.	Punjab	Ludhiana* (the Govt. of Punjab requested to change the State Bench of Punjab to Ludhiana instead of Chandigarh)

Agenda Item 15 (ii): Measures for Revenue Augmentation

1. **GSTR-1 Amnesty scheme along with E-Way Bill Blocking for non-filers of GSTR-**

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35. Pr. Commissioner GST Policy Wing, CBIC introduced this agenda by stating that the **FORM GSTR-1** filing had been low and had crossed 60% only once in the last six months. This was despite the introduction of sub-rule (4) of Rule 36 which restricted availment of input tax credit in respect of those invoices, the details of which have not been uploaded by the supplier under Section 37 of the CGST Act (in **FORM GSTR-1**) to 20% of the eligible credit available in **FORM GSTR-2A** for a taxpayer. Presently late fees for delay in furnishing of **FORM GSTR-1** by the due date was Rs.20 per day for NIL filers and Rs.50 per day for others. The maximum late fee was Rs.10,000 per month (Rs.5,000 under the CGST/SGST Act).

- 1) Many taxpayers, had represented that they were willing to file their **FORM GSTR-1** but they were not willing to pay Rs.10,000 per month of late fee. This was one of the key reasons for low or no filing of **FORM GSTR-1**.
- 2) It might be noted that in the current GST system, there was no procedure for part payment/invalid return. Therefore, the only way taxpayers could declare admitted liability was through **FORM GSTR-1**. This could be later recovered with interest by the Government. Therefore, in order to improve filing of **FORM GSTR-1** the following were proposed:
 - a. A one-time amnesty scheme to file all **FORM GSTR-1** from July 2017 to November, 2019 might be given to taxpayers. There would be no late fees for filing such return if the same was filed till 10th January 2020.
 - b. E-way bill generation might be blocked for non-filing of any two **FORM GSTR-1** (similar to **FORM GSTR-3B**)

2. **Credit availment to 10% of GSTR-2A in Rule 36(4)**

35.1. This rule was inserted to ensure discipline among the taxpayers for filing GST returns. On analysis it was found that in FY 2018-19, the total gap in **FORM GSTR-2A** and **FORM GSTR-3B** was 13%. Therefore, approximately 13% of the total credit was lying unmatched in the system currently. He, therefore, proposed that the Law Committee had recommended that in the interest of revenue and to increase the proportion of matched credit in the system, Rule 36(4) be amended to restrict input tax credit on missing invoices for any recipient to 10% of the total supplies received in his **FORM GSTR-2A** from his suppliers.

3. **Credit blocking in specific instances**



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35.2. Principal Commissioner, GST Policy Wing, CBIC initiated the discussion stating that during investigations it had been accepted by the persons/registered persons that the input tax credit that had been passed on was fake credit as the underlying invoices that had been passed on were fake invoices. In course of investigation, the recipients who had availed the said input tax credit had also been identified (Rs.9028 crore by Centre and Rs.2740 crore by the States). Section 16 required ineligible credit was to be reversed in the return which was not happening as the return **FORM GSTR-3B** were self-assessed and were on a summary basis so it was not possible to determine the exact reason for reversal. There was a facility in the portal which allowed the tax authorities to block utilization of ITC which was being used by State Officers in as many as 25 States/UTs. It was further stated by the Principal Commissioner, GST Policy Wing that this issue was discussed in great depth in the Officers' Committee meeting on 17th December 2019. To ensure uniformity and in the interest of revenue, it was proposed that the GST Council, as a measure of revenue augmentation, may approve insertion of a new rule 86A to block the utilization of such credit.

4. **Extension of due date for filing of FORM GSTR-9 / 9C for FY 2017-18**

35.3. Principal Commissioner, GST Policy Wing, CBIC stated that notification No. 56/2019 dated 14.11.2019 was issued to simplify filing of Annual Return (**FORM GSTR-9**) and Reconciliation Statement (**FORM GSTR-9C**) for FY 2017-18 and FY 2018-19. Certain changes were required in the offline utility for filing of **FORM GSTR-9C**. It had been informed that the offline utility for filing of **FORM GSTR-9C** had not been deployed yet (till 16.12.2019). Taxpayers were expressing concern that they would get very little time for compliance. Accordingly, it was proposed to extend the due date for filing the **FORM GSTR-9** and **FORM GSTR-9C** for FY 2017-18 from 31.12.2019 to 31.1.2020.

5. **Return extension for North-Eastern States**

35.4. The Principal Commissioner, GST Policy Wing, CBIC stated that internet had been suspended in many of the North-Eastern Areas with curfew also imposed in many of the territories. In light of this, many trade bodies had expressed their inability to file their return **FORM GSTR-1**, **GSTR-7**, **GSTR-8**, **GSTR-9** and **GSTR-9C**. Therefore, Assam had requested for extension in due dates of filing **FORM GSTR-1**, **GSTR-7**, **GSTR-8**, **GSTR-3B**, **GSTR-9** and **GSTR-9C**. Likewise, Manipur and Tripura had also requested for extension in due dates of filing in certain forms. The Principal Commissioner, GST Policy

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Wing requested the other North-Eastern States to inform if there was need to extend due dates in their regions. It was further stated by him that Section 39(6) of SGST Act empowered State Commissioners to extend the due date of filing their respective returns. Further, if such return was extended by the State Commissioner, the due date under the CGST Act was automatically extended. Therefore, all forms except GSTR-8, GSTR-9 and GSTR-9C might be extended by the State Commissioners on recommendation of the Council.

35.5. The Hon'ble Council Member from Tamil Nadu in his written speech suggested that a general rule may be introduced to enable manual issue of notice, filing of objection, grant of time and personal hearing and passing of orders and communication of any decision by the proper officer with their signature and serve the same through the method of service as per Section 169 of the CGST/SGST Act, till such time all the business processes are made available electronically by the States and Centre. It was also suggested that steps may be taken for establishing helpdesks in other languages also, in addition to the existing Hindi and English languages and that they were ready to bear the cost of creating Tamil Helpdesk in GSTN.

36. Further, the **Agenda Item 15(iii)** and **Agenda Item 15(iv)** were discussed in the Agenda Item 5 and 10 respectively.

37. For **Agenda Item 15**, the Council approved the following:

- i. Creation of the State and Area benches of the Goods and Services Tax Appellate Tribunal (GSTAT) as below:

Sl. No.	Name of States/Union Territory	Location for State Bench
1.	Madhya Pradesh	Indore
2.	Meghalaya	Guwahati* (request from Govt. of Meghalaya requested to club State Bench of Assam at Guwahati instead of earlier proposed at Shillong)
3.	Punjab	Ludhiana* (the Govt. of Punjab requested to change the State Bench of Punjab to Ludhiana instead of Chandigarh)

- ii. (a) Late fees to be waived for the registered persons who failed to furnish the details of outward supplies in **FORM GSTR-1** for the months/quarters from July,


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2020 and to block E-way Bill generation for non-filing of any two **FORM GSTR-1**.

- (b) To amend the Rule 36(4) of GST Rules to restrict availment of input tax credit in respect of those invoices, the details of which have not been uploaded in the return filed under Section 37 (**FORM GSTR-1**) to the extent of 10% of the total eligible ITC, the details of which have been uploaded in **FORM GSTR-1**.
 - (c) To insert a new Rule 86A to block input tax credits under certain circumstances.
 - (d) To extend due date for filing of FORM GSTR-9 / 9C for FY 2017-18 to 31.1.2020.
 - (e) To extend the last date for filing returns in specified forms in case of Assam and certain other North-Eastern States on account of suspension of internet in these regions.
- iii. As recorded under Agenda Item No.10, the Council took note of the decisions of the 34th GIC Meeting held on 02.12.2019.
- iv. The proposal in agenda item 15(iv) to increase the GST rates from 12% to 18% on woven and non-woven bags and sacks of polypropylene and polyethylene (whether or not laminated) (classified under 3923 or 6305) including Flexible Intermediate Bulk Containers (FIBC), with effect from 1st January 2020.

Other issues

38. Finally, The Secretary stated that he was putting forth a proposal which may be considered by the Council that changes in GST rates normally should be carried out only once in a year because otherwise, frequent rate changes create a lot of uncertainty. He requested the Council that they might consider it for acceptance later. It was further suggested by the Hon'ble Member from Uttar Pradesh that the revenue implication of every rate change should also be placed before the Council, along with whether the said good or service was a final consumption or an intermediate consumption.

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Agenda Item 16: Date of the next Meeting of the GST Council

- 39. This agenda item was not taken up for discussion.
- 40. The Meeting ended with a vote of thanks to the Chair.



(Nirmala Sitharaman)
Chairperson, GST Council



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Annexure 1

List of Hon'ble Ministers who attended the 38th GST Council Meeting on 18th December 2019

SI No	State/Centre	Name of Hon'ble Minister	Charge
1	Govt of India	Ms. Nirmala Sitharaman	Union Finance Minister
2	Govt of India	Shri Anurag Singh Thakur	Minister of State (Finance)
3	Andhra Pradesh	Shri Mekapati Gautam Reddy	Minister for Industries & Commerce and Information Technology
4	Arunachal Pradesh	Shri Chowna Mein	Deputy Chief Minister
5	Assam	Dr. Himanta Biswa Sarma	Finance Minister
6	Bihar	Shri Sushil Kumar Modi	Deputy Chief Minister
7	Chattisgarh	Shri T.S. Singh Deo	Minister for Commercial Taxes
8	Delhi	Shri Manish Sisodia	Deputy Chief Minister
9	Goa	Shri Mauvin Godinho	Minister for Transport and Panchayat
10	Gujarat	Shri Nitinbhai Patel	Deputy Chief Minister
11	Haryana	Shri Dushyant Chautala	Deputy Chief Minister
12	Himachal Pradesh	Shri Vikram Singh	Minister for Industries
13	Jammu & Kashmir	Shri K K Sharma	Advisor to Lt. Governor
14	Jharkhand	Shri C.P. Singh	Minister - Department of Urban Development, Housing and Transport
15	Karnataka	Shri Basavaraj Bommai	Minister for Home Affairs and Co-operation
16	Kerala	Dr. T. M. Thomas Isaac	Minister for Finance & Coir
17	Madhya Pradesh	Shri Brajendra Singh Rathore	Commercial Tax Minister
18	Maharashtra	Shri Jayant Rajaram Patil	Finance Minister
19	Manipur	Shri V Hangkhanlian	Minister of Agriculture, Veterinary & Animal Husbandry
20	Meghalaya	Shri Kyrmen Shylla	Minister for Printing & Stationary Deptt, Revenue & Disaster Management and Social Welfare
21	Mizoram	Shri Lalchamlia	Minister, Taxation
22	Nagaland	Shri Metsubo Jamir	Minister, Urban, Municipal Administration
23	Odisha	Shri Niranjan Pujari	Finance & Excise Minister
24	Puducherry	Shri V. Narayansamy	Chief Minister
25	Punjab	Shri Manpreet Singh Badal	Finance Minister
26	Rajasthan	Shri Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development and Housing, Law and Legal affairs, Parliamentary affairs
27	Sikkim	Shri. B.S. Panth	Minister for Tourism, Civil Aviation, Commerce and Industries
28	Tamil Nadu	Shri D. Jayakumar	Minister for Fisheries and Personnel & Administrative Reforms


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Sl No	State/Centre	Name of Hon'ble Minister	Charge
29	Telangana	Shri T. Harish Rao	Finance Minister
30	Tripura	Shri Jishnu Dev Varma	Deputy Chief Minister
31	Uttarakhand	Dr. Harak Singh Rawat	Minister for Forests & Wild Life, Environment & Solid Waste Disposal
32	Uttar Pradesh	Shri Suresh Kumar Khanna	Finance Minister
33	West Bengal	Dr. Amit Mitra	Finance Minister

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Annexure 2

List of Officials who attended the 38th GST Council Meeting on 18th December 2019

Sl. No	State/Centre	Name of the Officer	Charge
1	Govt. of India	Dr. A B Pandey	Revenue Secretary
2	Govt. of India	Dr. Krishnamurthy Subramanian	Chief Economic Advisor
3	Govt. of India	Shri Pranab Kumar Das	Chairman, CBIC
4	Govt. of India	Dr. John Joseph	Member (Tax Policy), CBIC
5	Govt. of India	Shri Sandeep M Bhatnagar	Member (GST & Investigation), CBIC
6	Govt. of India	Dr. Rajeev Ranjan	Special Secretary, GST Council
7	Govt. of India	Ms Archana Pandey Tiwari	Pr. Director General (Audit)
8	Govt. of India	Ms N Sumati	Pr. CCA
9	Govt of India	Shri Manoj Sethi	CCA
10	Govt. of India	Shri Anil Kumar Jha	Additional Secretary, DoR
11	Govt of India	Shri Ritvik Pandey	Joint Secretary, DoR
12	Govt. of India	Shri Yogendra Garg	Pr. Commissioner, GST Policy Wing, CBIC
13	Govt. of India	Shri Sanjay Mangal	Commissioner, GST Policy Wing, CBIC
14	Govt. of India	Shri G.D. Lohani	Joint Secretary, TRU I, DoR
15	Govt. of India	Shri Manish Kumar Sinha	Joint Secretary, TRU II, DoR
16	Govt. of India	Ms V. Usha	Pr. Commissioner, Ce.Ex, CBIC
17	Govt. of India	Shri A K Goel	Secretary, NAA
18	Govt. of India	Shri Rajesh Malhotra	DG (M&C), PIB
19	Govt. of India	Shri K M Nahar	MECO (M&C), PIB
20	Govt of India	Shri Gaurav Singh	Deputy Secretary, TRU-I
21	Govt of India	Shri Jainendra Singh Kandhari	OSD, TRU-I
22	Govt of India	Shri Praveen Kumar Bali	Dy. Comm., TRU-I
23	Govt of India	Shri S W Haider	Dy. Comm., TRU-I
24	Govt of India	Shri Abhishek Verma	Dy. Comm., TRU-I
25	Govt. of India	Shri Parmod Kumar	Commissioner (OCD) TRU-II
26	Govt. of India	Shri Pramod Kumar	Director, TRU-II
27	Govt. of India	Shri Harish Y. N	OSD, TRU-II
28	Govt. of India	Shri N Gandhi Kumar	Director, DoR
29	Govt. of India	Shri Amaresh Kumar	Joint Commissioner, GST Policy Wing, CBIC
30	Govt. of India	Shri Nimba Ram	Joint Commissioner, GST Policy Wing, CBIC
31	Govt. of India	Shri Vikash Kumar	Dy. Comm., GST Policy Wing, CBIC
32	Govt. of India	Shri Siddharth Jain	Dy. Comm., GST Policy Wing, CBIC
33	Govt. of India	Ms. Rajni Sharma	Dy. Comm., GST Policy Wing, CBIC



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Sl. No	State/Centre	Name of the Officer	Charge
34	Govt. of India	Ms. Deepika Singh	Dy. Comm., GST Policy Wing, CBIC
35	Govt. of India	Ms. Megha Gupta	Asst Comm, GST Policy Wing, CBIC
36	Govt. of India	Shri Sumit Garg	Dy. Commr., TPRU
37	Govt. of India	Shri Shekhar Kumar	Dy. Commr., TPRU
38	Govt. of India	Shri Vipul Bansal	PS to Union Finance Minister
39	Govt. of India	Shri Binod Kumar	PS to MoS (Finance)
40	Govt. of India	Shri Debashis Chakraborty	OSD to Revenue Secretary
41	Govt. of India	Dr. Abhishek Chandra Gupta	OSD to Chairman, CBIC
42	Govt. of India	Shri Dev Kumar Rajwani	OSD to Chairman, NAA
43	GST Council	Shri Amitabh Kumar	Joint Secretary
44	GST Council	Shri S.K. Rahman	Joint Secretary
45	GST Council	Shri Dheeraj Rastogi	Joint Secretary
46	GST Council	Smt Ashima Bansal	Joint Secretary
47	GST Council	Shri Rajesh Agarwal	Director
48	GST Council	Shri G.S. Sinha	Director
49	GST Council	Shri Jagmohan	Director
50	GST Council	Ms. Ujjaini Datta	Director
51	GST Council	Shri Arjun Meena	Dy. Commissioner
52	GST Council	Shri Rakesh Agarwal	Dy. Commissioner
53	GST Council	Shri Rahul Raja	Under Secretary
54	GST Council	Shri Nitin Deepak Agarwal	Under Secretary
55	GST Council	Shri Mahesh Singarapu	Under Secretary
56	GST Council	Shri Krishna Koundinya	Under Secretary
57	GST Council	Shri SaribSahran	Superintendent
58	GST Council	Shri Adesh Nayak	Superintendent
59	GST Council	Shri Krishan Kumar Verma	Superintendent
60	GST Council	Ms Chanchal Soni	Superintendent
61	GST Council	Shri Maneesh Nemiwal	Superintendent
62	GST Council	Shri Om Veer Singh	Superintendent
63	GST Council	Shri Sumit Kumar	Superintendent
64	GST Council	Shri Vijay Kumar	Superintendent
65	GST Council	Shri Vipin Sethi	Superintendent
66	GST Council	Shri Sanjay Bansal	Superintendent
67	GST Council	Shri Rakesh Joshi	Inspector
68	GST Council	Shri Pankaj Bharadwaj	Inspector
69	GSTN	Shri Prakash Kumar	CEO
70	GSTN	Ms Kajal Singh	EVP, Services
71	GSTN	Shri Sarthak Saxena	OSD to CEO
72	Govt. of India	Dr Balbir Singh	Commissioner, CGST, Ahmedabad
73	Govt. of India	Shri MahendraRanga	Pr. Commissioner, CGST, Lucknow


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Sl. No	State/Centre	Name of the Officer	Charge
74	Govt. of India	Shri V M Jain	Commissioner, CGST, Haryana
75	Govt. of India	Shri Satish Kumar Agarwal	Pr. Commissioner, CGST, Bengaluru
76	Govt. of India	Shri Pramod Kr Agarwal	Pr. Commissioner, CGST, Nagpur
77	Govt. of India	Ms. Hemambika R Priya	Pr. Commissioner, CGST, Delhi
78	Govt. of India	Shri B.K. Kar	Pr. Commissioner, CGST, Bhubaneswar
79	Govt. of India	Shri Krishna A Mishra	Pr Commissioner, CGST, Pune
80	Govt. of India	Shri Pramod Kumar Singh	Pr Commissioner, CGST, Jaipur
81	Govt. of India	Shri B. B. Mohapatra	Pr Commissioner, CGST, Raipur
82	Govt. of India	Shri Manas Ranjan Mohanty	Commissioner, CGST, Mumbai
83	Govt. of India	Shri Anuj Gogia	Commissioner, CGST, Uttarakhand
84	Govt. of India	Shri H. B. Negi	Commissioner, CGST, Shimla
85	Govt. of India	Shri Ashutosh Kr Baranwal	Pr. Commissioner, CGST, Chandigarh
86	Govt. of India	Shri M Srihari Rao	Commissioner, CGST, Vishakhapatnam
87	Govt. of India	Shri M. R. R. Reddy	Commissioner, CGST, Secunderabad
88	Andhra Pradesh	Dr D.Sambasiva Rao	Special Chief Secretary, Revenue
89	Andhra Pradesh	Shri Peeyush Kumar	Chief Commissioner (State Tax) (GST)
90	Andhra Pradesh	Shri J. V. M. Sarma	Joint Commissioner (ST)(GST)
91	Arunachal Pradesh	Shri Kanki Darang	Commissioner (Tax, Excise & Narcotics)
92	Assam	Shri Anurag Goel	Commissioner, State Tax
93	Assam	Md. Shakeel Saadullah	Joint Commissioner (State Tax)
94	Bihar	Shri Arun Kumar Mishra	Additional Secretary, CTD
95	Bihar	Shri Binod Kumar Jha	Joint Commissioner, CTD
96	Chandigarh	Shri Mandip Singh Brar	E&TC
97	Chandigarh	Shri Ramesh Kumar Chaudhary	Asst. E&TC
98	Chhattisgarh	Ms Reena Babasaheb Kangale	Secretary and Commissioner, State Tax
99	Chhattisgarh	Shri S L Agrawal	Special Commissioner, State Tax
100	Chhattisgarh	Shri Manish Mishra	Dy Commissioner, State Tax
101	Delhi	Shri Rajeev Verma	Principal Secretary, Finance
102	Delhi	Ms Padmini Singla	Secretary, Finance
103	Delhi	Shri H. Rajesh Prasad	Commissioner, State Tax
104	Delhi	Shri Anand Kumar Tiwari	Additional Commissioner, State Tax
105	Goa	Shri Dipak Bandekar	Commissioner, CT

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Sl. No	State/Centre	Name of the Officer	Charge
106	Gujarat	Shri Pankaj Joshi	Additional Chief Secretary
107	Gujarat	Shri J. P. Gupta	Chief Commissioner, State Tax
108	Gujarat	Shri Ridhidesh Rawal	Dy, Comm, State Tax
109	Haryana	Shri Anurag Rastogi	Principal Secretary, Excise & Taxation
110	Haryana	Shri Amit Agarwal	Commissioner, E & T Dept
111	Haryana	Shri Vijay Kumar Singh	Addl. Excise & Taxation Commissioner
112	Haryana	Shri Rajeev Chaudhary	Jt. Excise&Taxation Commissioner
113	Himachal Pradesh	Shri Sanjay Kundu	Pr. Secretary, State Taxes and Excise
114	Himachal Pradesh	Dr. Ajay Sharma	Commissioner of State Tax and Excise
115	Himachal Pradesh	Shri Rakesh Sharma	Addl. Commissioner., State Tax & Excise
116	Jammu & Kashmir	Shri P K Bhatt	Commissioner, State Tax
117	Jharkhand	Shri Prashant Kumar	Secretary cum Commissioner, State Tax
118	Jharkhand	Shri Santosh Kumar Vatsa	Special Secretary, State Tax
119	Jharkhand	Shri Brajesh Kumar	State Tax officer
120	Karnataka	Shri SrikarM.S	Commissioner, State Tax
121	Karnataka	Shri Nitesh Patil	Additional Commissioner (Intelligence), State Tax
122	Karnataka	Dr Avinash Menon	Additional Commissioner, State Tax
123	Kerala	Shri Manoj Joshi	Additional Chief Secretary (Finance & Taxes)
124	Kerala	Shri Anand Singh	Commissioner, State Tax
125	Madhya Pradesh	Shri Raghwendra Singh	Commissioner, State Tax
126	Madhya Pradesh	Shri Sudip Gupta	Joint Commr, State Tax
127	Madhya Pradesh	Shri Narendra Singh Chauhan	Dy. Comm, State Tax
128	Maharashtra	Shri Rajiv Jalota	Commissioner, State Tax
129	Maharashtra	Shri Kiran Shinde	Dy Commissioner, State Tax
130	Manipur	Ms. Jaspreet Kaur	Commissioner, State Tax
131	Meghalaya	Shri L Khongsit	Joint Commissioner, State Tax
132	Mizoram	Shri Vanlal Chhuanga	Commissioner & Secretary, Taxation Deptt
133	Mizoram	Shri R. Zosiamliana	Addl. Commissioner, State Tax
134	Nagaland	Shri Y Mhathung Murry	Addl Commissioner, State Tax
135	Odisha	Shri Ashok K K Meena	Principal Secretary, Finance
136	Odisha	Shri Sushil Kumar Lohani	Commissioner, CT & GST
137	Odisha	Shri Ananda Satpathy	Special Commissioner, CT & GST

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MINUTE BOOK

Sl. No	State/Centre	Name of the Officer	Charge
138	Puducherry	Shri L Kumar	Commissioner, State Tax
139	Puducherry	Shri K Sridhar	Dy. Comm, State Tax
140	Punjab	Shri M. P. Singh	ACS cum Financial Commissioner, Taxation Deptt
141	Punjab	Shri V. K. Garg	Advisor, Financial Resources to Chief Minister
142	Punjab	Shri Vivek Pratap Singh	Excise and Taxation Commissioner
143	Punjab	Shri Pawan Garg	Deputy Excise and Taxation Commissioner
144	Rajasthan	Dr. Prithvi Raj	Secretary Finance (Revenue)
145	Rajasthan	Dr. Preetam B Yashvant	Commissioner, State Tax
146	Rajasthan	Shri Ketan Sharma	Addl. Commissioner, GST, State Tax Dept
147	Sikkim	Shri. J D Bhutia	Commissioner, State Tax
148	Tamil Nadu	Shri K. Gnanasekaran	Addl. Commissioner (Policy & Planning)
149	Tamil Nadu	Shri C Palani	Joint Commissioner, State Tax
150	Telangana	Shri Somesh Kumar	Special Chief Secretary
151	Telangana	Smt Neetu Prasad	Commissioner, State Tax
152	Telangana	Shri Laxminarayan Jannu	Addl. Commissioner, State Tax
153	Telangana	Shri N. Sai Kishore	Joint Commissioner, State Tax
154	Tripura	Shri Sudip Bhowmik	Deputy Commissioner, State Tax
155	Tripura	Shri Badal Baidya	Assistant Commissioner, State Tax
156	Uttarakhand	Dr Sunita Pandey	Deputy Commissioner, State Tax
157	Uttarakhand	Shri S.S. Tiruwa	Deputy Commissioner, State Tax
158	Uttar Pradesh	Shri Alok Sinha	Additional Chief Secretary, CTD
159	Uttar Pradesh	Ms. Amrita Soni	Commissioner, CTD
160	Uttar Pradesh	Shri Sanjay Kumar Pathak	Joint Commissioner, CTD
161	Uttar Pradesh	Shri Gaurav Rajput	Asst. Comm., State Tax
162	Uttar Pradesh	Shri K Mrityunjay	Asst. Comm., State Tax
163	West Bengal	Shri H.K. Dwivedi	Addl Chief Secretary, Finance
164	West Bengal	Ms Smaraki Mahapatra	Secretary, Finance
165	West Bengal	Shri Devi Prasad Karanam	Commissioner, CT
166	West Bengal	Shri Khalid Aizaz Anwar	In charge GST-PPU



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Annexure 3



Agenda on Lottery

38th GST Council Meeting, New Delhi
18th December 2019

1

Issues referred to GoM on Lotteries

1. GST rate on supply of lottery
2. Ensuring destination principle for supply so that GST revenue accrues to the consuming state
3. Valuation to be adopted for charging GST
4. Addressing the Constitutional challenge to levy of GST on Lottery as 'Goods'
5. Regulation of online lottery
6. Miscellaneous issues: Casinos, Horse Racing & Online Gaming

2

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Issues pending before GoM

1. GST rate on supply of lottery
2. Miscellaneous issues: Casinos, Horse Racing and Online Gaming

3

Recommendation of GoM to 33rd GSTC Meeting on 24.02.2019 [Agenda 7(i)]

(i) A single rate of GST should be levied on lottery instead of existing two rates. (Presently, the lotteries run by the State are taxed at the rate of 12% whereas the lotteries authorized by State Government are taxed at the rate of 28%). A uniform rate would be in conformity with GST principles.

(ii) Lottery is a sin/demerit good and should be taxed at high rate of GST. GST Council may take the final decision on the appropriate single rate of tax on lottery either at the rate of 28% or 18%.

Decision of 33rd GSTC Meeting: Rate not decided and let it for GoM to decide the GST rate

4



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Recommendation of GoM to 35th GSTC Meeting on 20.06.2019 [Agenda 7(i)]

(i) There was no consensus on the need for a new rate of GST on lottery. Assam, Arunachal Pradesh, Goa, Maharashtra supported single rate of GST. However, Kerala, Punjab, West Bengal and Karnataka supported the existing two rates of GST on lottery. Punjab was willing to consider lower uniform rate, if there were legal difficulties with rate differential. Therefore, the Convener of the GoM directed that the matter be placed before the GST Council and the Council decide appropriate rate structure on the supply of lottery. Given that this is a sin goods, rate of tax should be high i.e. 28% or 18%.

(ii) The constitutional challenge to the dual rate structure may be defended forcefully.

Decision of 35th GSTC Meeting: Legal Opinion of Ld. Advocate General be taken on the rate issue of lottery.

5

Legal Opinion of Learned Attorney General of India

- There would be no impediment arising out of the Constitution of India to the levy of a uniform rate of GST on 'State Run Lotteries' and 'State Authorised Lotteries'.
- Article 304 of Constitution of India, would have no bearing on the levy of differential GST on 'State Run Lotteries' and 'State Authorised Lotteries'.
- State Run Lotteries and State Authorized Lotteries can be treated as different goods.

6



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Recommendation of 37th GSTC Meeting on 20.09.2019 [Annexure VII of Agenda, Vol 3]

- (i) GoM on Lottery to decide the rate of GST on lottery
- (ii) GoM to decide on the associated issues related to Casinos, Horse Racing and Online Gaming
- Decision of 37th GSTC Meeting: GoM on Lottery to meet and decide on the above two issues and bring it before the GST Council.
 - GoM has not been able to meet due to elections in Maharashtra.

7

Writ Petition (C) No. 961/2018 by Skill Lotto Solutions Pvt Ltd at Hon'ble SC

Three main grounds by the petitioner: -

- (i) GST cannot be levied on lottery as 'goods'.
- (ii) GST on lotteries should be imposed after excluding the prize money component of the lottery ticket since the said amount never forms part of income in the lottery trade.
- (iii) GST cannot be levied on lottery at two different rates as it is in violation of article 14, 19(1)(g), 301, 304 of the Constitution of India. The discriminatory rate of tax be set aside and all the lotteries may be taxed at the rate of 12%.

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Writ Petition (C) No. 961/2018 by Skill Lotto Solutions Pvt Ltd at Hon'ble SC

- 30th April, 2019: Interim Order by Hon'ble SC after taking statement of ld. ASG that all the above issues will be considered by the GoM on lottery.
- 3rd December, 2019: Adjourned to 15.01.2019 after giving final opportunity to GoM/GST Council to decide on the agitated issues.
- 4th December, 2019: Shri Vikramjit Bannerji, Ld. ASG has informed Department of Revenue vide letter that Hon'ble SC has adjourned hearing of the petition to 15.01.2020, to enable the department to convey the decision of the GST Council on the issue **as a final opportunity**.

9

S.N.	Issue raised in the Writ Petition	Status
1	GST cannot be levied on lottery as 'goods'	GoM recommended that supply of lottery should continue to be treated as actionable claims i.e goods and leviable to GST as per the existing provisions of GST law. The 35 th GST Council on 21 st June 2019 accepted the decision of the GoM.
2	Impose GST on lotteries excluding the prize money component of the lottery ticket.	GoM recommended that GST should continue to be levied on face value of prize lottery which includes prize money as per the existing provisions i.e Rule 31A of CGST Rules. The 35 th GST Council 21 st June 2019 accepted the decision of the GoM.

10



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The next date of hearing in the Hon'ble SC on the matter is 15.01.2020, the Council is requested to take decision on the issue of tax rate on lottery i.e.

- (a) Whether a uniform rate of GST be levied on lottery?
- (b) If yes, what should be the rate of GST on lottery, 18% or 28% (or any other rate).

11

- Following issues may be referred to Law Committee as these issues were not part of the original terms of reference to the GoM: -

Supply	Request made by the industry
Casinos	Value retained by a Casino after winnings as taxable value.
Horse Racing	Value retained by a club after giving prize money as taxable value.
Online Gaming	Value retained by an online platform after giving prize money as taxable value.

- Suggest any other method to address the associated issues.
- **Another set of litigation by Online gaming portals are going on.**

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Annexure 4

**Committee of Officers to suggest
measures to augment GST Revenue**

**The 38th Meeting of the GST Council
December 18, 2019**

Contents..

- Committee of officers- constitution, TOR and deliberations
- Revenue trends
- Compensation requirement gap projections
- Evolution of GST rate structure viz a viz RNR Committee recommendation
- Suggestions from States for revenue augmentation
- Certain scenarios for revenue trends in next two years



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Context

- After witnessing impressive growth in the fourth quarter of last FY, the GST revenue growth rate declined in recent months.
 - The compensation requirements have increased significantly. The compensation cess collections are inadequate to meet this requirement.
 - In view of these concerns, a Committee of Officers was constituted to suggest measures to augment revenue.
-

TOR of the Committee of Officers

- Systemic changes in GST including checks and balances to prevent misuse
 - Measures to improve voluntary compliance
 - Policy measures and relevant changes needed in law
 - Measures for expansion of tax base
 - Improved compliance monitoring and measures using data analytics
 - Better administrative control
-

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Constitution of Committee

▪ State CCTs

- Maharashtra
- Tamil Nadu
- Uttar Pradesh
- West Bengal
- Punjab
- Any other State (opts to join)
 - Odisha
 - M.P.
 - Haryana
 - Rajasthan

▪ Centre

- Joint Secretary (Revenue)
- Pr Commissioner GST
- Joint Secretary (TRU I/II)
- ADG (ARM)
- ADG (System)
- Joint Secretary (GST Council)
- Executive VP, GSTN

▪ GSTC Sectt and GSTN

- Joint Secretary (GST Council)
- Executive VP, GSTN

Discussions in the Committee

STATES were requested to provide specific suggestions on the following points

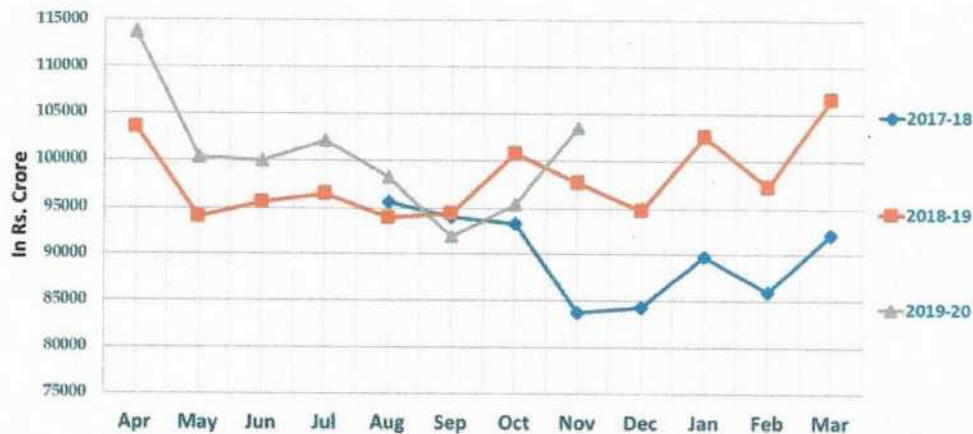
- Review of items currently under exemptions
- GST and compensation cess rates on various items
- Rate calibration for addressing the inverted duty structure
- Compliance measures other than those currently under implementation
- Any other measure to augment revenue

The Committee had elaborate discussions on 15th Oct and 12th Dec
Also exchanged views in between through mails


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GST Gross Revenue Trends



GST Gross Revenue [Centre + State] Trends

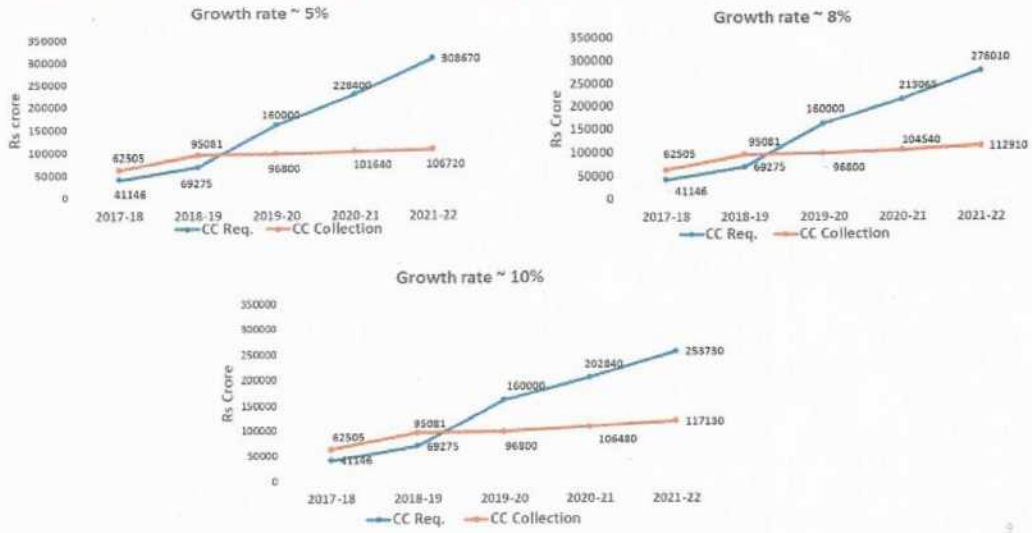
In Rs Crore

Tax Head	2017-18 (Jul - Mar)	2018-19	2018-19 (Apr - Nov)	2019-20 (Apr - Nov)	Growth (%) 19-20
GST (Dom)	4,83,716	7,89,497	5,14,245	5,56,938	8.3
CC (Dom)	56,319	87,289	57,482	57,637	0.3
Total Dom (A)	5,40,037	8,76,786	5,71,727	6,14,575	7.5
IGST Import	1,94,414	2,90,504	1,98,043	1,83,700	-7.2
CC (Import)	6,201	10,079	6,546	6,891	5.3
Total Import (B)	2,00,615	3,00,583	2,04,589	1,90,591	-6.8
Total [A+B]	7,40,652	11,77,369	7,76,316	8,05,166	3.7

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Compensation Cess requirement gap (different scenarios)



GST RATE RATIONALISATION..

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Evolution of GST rates structure

- GST Rates were initially worked out on RNR basis
- However, lower than RNR rates were prescribed on a number of items
- Items placed under 28% slab had pre-GST incidence in excess of 31%
- Items like tooth paste, mineral water, soap (pre-GST incidence~30%) kept in 18% slab
- Significant post GST rate reduction and other concessions

Meeting Date	GST rates reduction [No of goods]
09.09.2017	36
06.10.2017	26
10.11.2017	243
18.01.2018	24
21.7.2018	55
22.12.2018	16
20.9.2019	12
[about 80 services]	

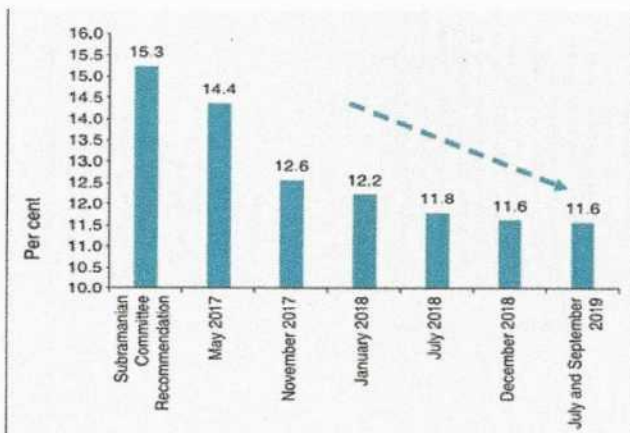
Other concessions

- Threshold increased to Rs 40 lakh in goods
- Composition limit increase (Rs 75 lakh to Rs 1.5 Crore)
- Composition rate lowered from 2% to 1% for manufacturers
- Composition Scheme extended to services

Implications has been about Rs 1 lac crore in a year

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Weighted Average (Effective) GST rate [RBI Report]



RBI's observation:

Enhanced buoyancy has been achieved by widening the tax base and reducing distortions

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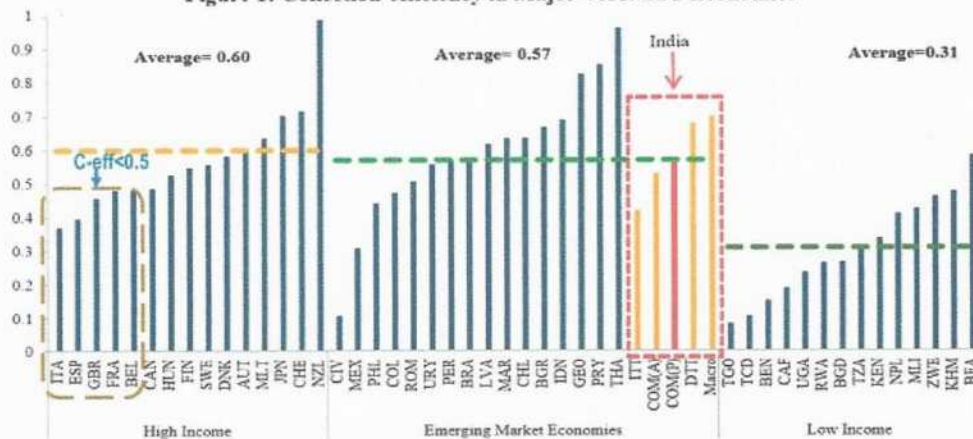
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REVENUE NEUTRAL RATE BY THE CEA COMMITTEE

	RNR (%)	Rate on precious metals (%)	"Low" rate (Goods) (%)	"Standard" rate (%)	"High/demrit" rate or Non-GST excise (goods)
Preferred [C efficiency- 0.56]	15	6	12	16.9	40
		4		17.3	
		2		17.7	
Alternative [C-efficiency-0.53]	15.5	6	12	18.0	40
		4		18.4	
		2		18.9	

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Figure 1: Collection-efficiency in Major VAT/GST Economies



Source-IMF and Committee's calculations

From RNR Committee Report

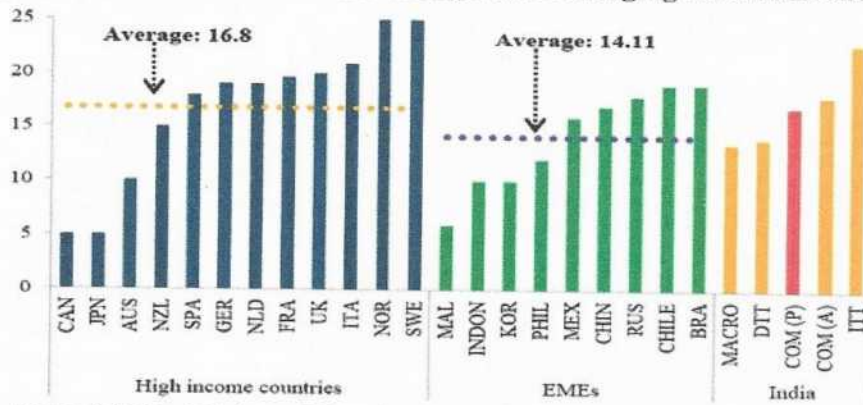
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Figure 2: Standard rate of VAT in High and Emerging Market Economies



Source-IMF, Credit Suisse and Committee's own calculation

From RNR Committee Report

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RNR Committee's observation on lower rate

- The lower rate should be closure to the RNR rate
- This would ensure
 - The standard rate could be kept reasonable
 - Lesser temptation to push the commodities to lower rate

Rate-wise share in GST collection (Excluding cess)

GST rate	Cash+ITC (% share)	Cash (% share)
3%	1.1	0.7
5%	8.0	10.2
12%	11.4	8.4
18%	60.6	63.3
28%	17.9	16.4

Significant base in 5% and 12% slab

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Major items @ 5% slab

- Fertilizer
- Cotton, cotton yarn
- Branded cereals
- Edible oil, Spices
- Sugar
- Misc eatables
- Walnut, cashew
- Fabrics
- Garments (upto Rs1000)
- Coal/Dom LPG
- Footwear (upto Rs1000)
- Ores
- Oil cake/rice bran
- Renewable energy equipment
- Specified Handicrafts
- E-waste
- Goods transport
- Economy Air
- AC Rail travel
- E-vehicles
- Job work
- Restaurants
- Catering
- Construction of houses
- Tour operators
- Car renting
- Specified Pharma
- Ships/aircraft
- Assistive devices for disabled
- News print

Major items @ 12% slab

- Mobile
- Manmade Yarns
- Apparel(>Rs1000)
- Carpets
- Paintings
- Handicrafts
- Paper
- Ghee/butter
- Pickle, jam, jellies
- Fruit Juices
- Water (20 Ltr pack)
- Specified bio pesticides
- Misc-tooth powder, candles, hand bags
- Bicycle
- Tractors
- Railway wagons
- Toys
- General pharma
- Agri machinery
- Drip irrigation
- Air travel(Business)
- State Lotteries
- Cinema (upto Rs 100)
- Accommodation (Rs1000 to 7500)

Exemptions- Major items

- Education
- Health
- Public transport
- Accomo< Rs 1000
- House lease/rent
- Cereals/pulses
- Fruits
- Vegetables/plants
- Jaggery/khandsari
- Animals/fishes
- Animal feeds
- Honey
- Bread
- Salt
- Milk/paneer/curd
- Printed books, news paper
- Khadi yarn/khadi fabrics (KVIC)
- Raw silk, wool, jute
- Kajal kum-kum, sindoor
- Sanitary napkins
- Organic manure
- Hearing aids
- Manual agri implements
- Misc items like rakhi

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Inverted duty structure

- Manufactured goods in lower rate slabs (5% // 12%) suffer inverted duty structure (IDS)
- IDS has led to
 - demand for refund ITC on services and capital goods.
 - litigation and distortions
- Estimated refunds on account of IDS ~ Rs 20,000 crore a year

Items
Fertilizers
Mobile phones
Footwear
Renewable equipment
Man-made yarns
Tractors
Fabrics
Pharma
RMG and Madeups
Generators/inverters
Edible oil
Job work
Aggarbatti

Items
Agri machinery
Utensil
Bicycles
LED light
Milling machines
Ink
Ethyl alcohol
Medical equip
PP_bags
Water pumps
Other Misc items

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Suggestions received for augmenting revenue (1/2)

- **RATE SLAB**
 - Two rate structure 10% and 20%
 - Special higher rate on sin and luxury goods
 - Cess on goods like cosmetics, gambling, recreational services etc
 - Increase in the cess rates of existing items. Specific rates to be inflation indexed
 - Rationalisation of exemption
- **COMPOSITION**
 - Revise composition rate upward for manufacturers
 - Review of coverage under composition scheme
- **PLUGGING LEAKAGE**
 - ECO may be made principal supplier
 - MRP based levy of certain items like Pharma or goods sold to consumer
 - Capacity based levy

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Suggestions received for augmenting revenue (2/2)

- **Specific suggestions for base broadening and rationalisation**
 - Withdrawal of exemption on certain items which are presently exempt
 - Education and health- selective taxation of higher segments
 - Precious metal (3% to 5%)
 - Moving items from 5% /12% to higher slabs (like mobile from 12% to 18%)
 - Revisit rates on certain items which went from 28%to 18%
- **Improving compliance**
 - Suggestions were also received on procedural side, input tax credit, widening of TDS. A number of these, like e-invoice are under implementation.

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Revenue scenarios if current position continues

Revenue growth rate	Financial year	CESS requirement (Rs Cr)	CESS GAP (Rs Cr)	Extent to which compensation covered (%)
5%	2019-20	1,60,000	63,200	8.5
	2020-21	2,28,400	1,26,760	6.2
	2021-22	3,08,670	2,01,950	4.8
8%	2020-21	2,13,060	1,08,520	6.9
	2021-22	2,76,010	1,63,100	5.7
10%	2020-21	2,02,840	96,360	7.3
	2021-22	2,53,730	1,36,600	6.5

- **Increase in compensation cess rates would not yield any significant revenue to meet this gap**

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Annexure 5

Best Practices in GST

Commercial Tax Department
Uttar Pradesh

REGISTRATION PROCESS

Verification of Registration

- Physical Verification of new registration through mobile app
- Aim to physically verify all the Registered dealers, More than 1.1 lakh dealers verified so far.
- Provision of recording discrepancy in the Place of Business vis a vis nature of business declared by dealers.

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Encouraging New Registrations

- Enumeration of all the business activities in all Urban Local Bodies and big Gram Panchayats.
- Collecting information from various departments of the state and agencies viz. Paytm etc. to create database of business entities eligible for registration.
- Aim to register all eligible dealers.
- Taking help of Vyapari Kalyan Board and local associations in the process
- Awareness campaign through news paper advertisements and seminars.

Return Filing

- Return filing alert SMS to eligible dealers on 5th, 15th & 18th of every month.
(More than 86 Lakh sms sent from April 2019 to Nov-2019)
- Online Notice generation for all non-filers on 25th of the month.
(More than 13 Lakh Notices Issued from April 2019 to Nov-2019)
- Online monitoring system for the disposal of notices.
- Action against the regular non-filers as per the provisions in GST.



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Return Filing Status (State Dealers)

Tax Period	Filing Percentage	Non Filing Percentage
Apr-19	97.72	2.28
May-19	97.25	2.75
Jun-19	96.62	3.38
Jul-19	95.92	4.08
Aug-19	95.04	4.96
Sep-19	93.56	6.44
Oct-19	90.39	9.61

Dealer Risk Profiling

- Dynamic Dealer risk profiling on the basis of compliance and transactional data.
- Dealer Score on the basis of criticality of the parameter for tax evasion.
- Monthly dealer Score for **Scrutiny** and Mean Dealer Assessment Score for **Enforcement purpose**.
- Zone, Region & Sector wise risk Scores available in Officer login.

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RFID

- RFID system to monitor the vehicle movement in, from & through the State.
- RFID Towers at 41 strategic locations capable of capturing the Fastag and customized State RFID tag.
- More than 3 lakh RFID tags affixed on vehicles
- Through RFID technology, multiple usage of E-Way bill case was caught & Rs. 87.5 Lakh got deposited by single vehicle carrying pan masala.

Mobile Management System(MMS)

- Red flagging of Vehicles, Transporter and dealers on the basis of data.
- All the mobile units are equipped with vehicle tracking system.
- Centralized command centre for monitoring of mobile units.
- From online detention memo to Appeal ...complete process is online.


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SIB management System(SMS)

- All functionalities of Investigation & Raids are online
- Case profiles are filled online and monitoring is also online
- Body-worn camera for the Investigating Units during Raids.
- Centralized enforcement units at H.Q. for effective investigation and raids based on data analysis and other information.

Weekly monitoring of functional parameters

- **Registration application disposal & verification**
- **Return Filing**
 - Action against Non-Filers
 - Return Scrutiny
 - Red flag dealers scrutiny and follow up
- **Adjudication of SIB cases**
- **Recovery & Collection**
- **Refund Application disposal**


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Suggestions for Revenue Augmentation

Systemic changes in GST including checks and balances to prevent misuse

- Need to capture B2C transactions.
- Seamless integration between GSTN, DGFT, banks, RBI, STPI and Special Economic Zones (SEZ) for effective monitoring

11

Suggestions for Revenue Augmentation

Measures to improve voluntary compliance

- Regular communication with dealers through SMS and app on weekly basis
- An incentive scheme for dealers involved in B2C supplies may be envisaged.

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Suggestions for Revenue Augmentation

Policy measures and relevant changes needed in the law

- Enforce the provisions of Rule 138(7).
- Compulsory e-invoicing for sensitive commodities and services.
- Government departments, which are registered as normal tax payer for their outward supplies on forward charge, should not be provided facility of any outward supply on RCM basis.

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Suggestions for Revenue Augmentation

Improved compliance monitoring and anti-evasion measures using better data analytics

- There should be HSN and SAC wise mapping of commodities and services at time of Registration.
- Real-time data sharing between NHAI, GSTN and State and Centre.

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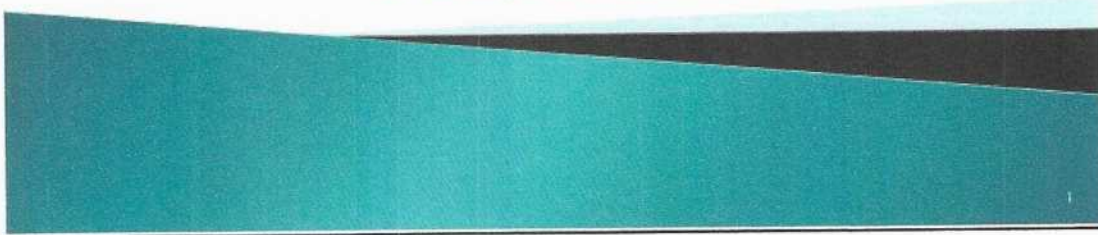
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Annexure 6

Measures taken by the Government of J&K to improve Revenue Collections

Finance Department Government of J&K

38th Meeting of GST Council, 18th December, 2019



Revenue Trends in 2019-20

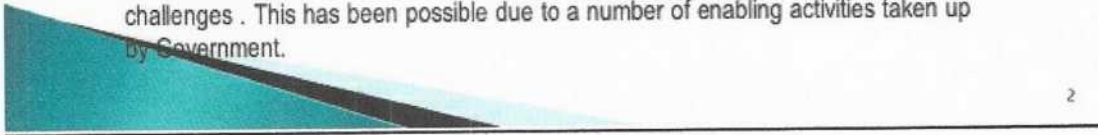
•During the current financial year, the collections for the period April to July stood at 1769 crores against the collection of Rs. 1365 crores for the corresponding period of 2018-19 registering thereby a robust growth of 26%.

•On an average the revenue collections increased to Rs.442 crores per month up to July 2019

•Due to extension in date of filling of returns post August 2019 the average collections have declined to 362 crores per month (ending November,2019)

•The total collection of SGST ending November 2019 is Rs. 2957.28 crores against Rs. 2851.49 crores collected ending November 2018 thereby reducing the percentage of growth from 26% ending July 2019 to 3.71 % ending November 2019

•Importantly, the overall collection still continues to witness growth, despite several challenges . This has been possible due to a number of enabling activities taken up by Government.



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Revenue trends under GST for the last four months

Comparative Month-wise Revenue Statement under GST										
(Rs. in Crores)										
Month	Revenue Realized during F.Y. 2019-20					Revenue Realized during F.Y. 2018-19				
	State Goods & Service Tax (SGST)	Provisional Settlement of IGST	Ad-hoc/Advance settlement from IGST	Compensation (Grant-in-aid)	Total (1+2+3+4)	State Goods & Service Tax (SGST)	Provisional Settlement of IGST	Ad-hoc/Advance settlement from IGST	Compensation (Grant-in-aid)	Total (6+7+8+9)
	1	2	3	4	5	6	7	8	9	10
August	111.62	200.02	-30.58	470.00	751.06	129.78	225.78	72.00	0.00	427.56
September	99.02	139.69	-15.47	0.00	223.24	128.93	220.94	0.00	415.00	764.87
October	123.01	155.23	-27.42	0.00	250.82	132.80	226.04	178.80	292.00	829.64
November	160.54	198.83	0.00	0.00	359.37	127.11	265.58	0.00	0.00	392.69

The above chart shows that though there was some decline in SGST collection in the months of August & September, the collections have picked up momentum in October & witnessed growth in November.

Return filing trends

- ▶ J&K has a tax base of approximately one lac registered tax payers
- ▶ On an average 70 per cent of the taxpayers file their returns in time (some of the dealers may not be required to file returns due to increase in threshold level but may not have cancelled the registration due to connectivity issues)
- ▶ Post July 2019, 38304 returns were filed in the month of August, 36212 in the month of September and 31888 in the month of October, which is nearly 50% of the regular returns filed, despite significant constraints
- ▶ Return filing percentage in Kashmir Division was particularly impacted for the months of August, September and October and was only 6 Per cent primarily due to constraints in internet connectivity
- ▶ Return filing percentage has increased in the month of December as a result of establishment of facilitation centres through out the UT and enabling of machine generated SMS for sending OTPs.

CHAIRMAN'S INITIALS

Government acted as enabler and facilitator in carrying out the business activities in the UT of J&K

Total banking transactions in UT of J&K made from 01-08-2019 to 26-11-2019 were 79932020 and amount transacted was Rs 297,769.94 crore out of which ATM transactions made were 18654441 and ATM withdrawals amounted to Rs 10243.29 crore.

- The monthly disbursement from the Treasuries of UT of J&K reflected an upward trend thereby increasing liquidity which has in creating momentum in the economy. Timely payments has been the hallmark since August

The comparative monthly details of disbursements for the periods are as under:-

Month	Financial Year 2018-19 (Rs In crore)	Financial Year 2019-20 (Rs In crore)
1	2	3
April	2966.94	3528.16
May	3134.33	4207.02
June	4151.10	3897.24
July	3952.63	4483.84
August	4007.84	4599.88
September	3965.40	4958.60
30 th October	3901.77	5179.19
Total	26080.01	30853.93

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Inward and Outward Supplies in respect of J&K under GST (Comparative) based e-way bill data

Month	Type	No. of EWB 2018	2018 Invoice Value (in Crore)	No. of EWB 2019	2019 Invoice Value (in Crore)
August	Inward	180173	5833.00	107815	4008.00
August	Outward	30376	2737.00	28043	2552.00
Total		210549	8570.00	135858	6560.00
September	Inward	186069	5703.00	147725	6427.00
September	Outward	30149	2339.00	29849	2547.00
Total		216218	8042.00	177574	8974.00
October	Inward	202717	5739.00	199564	5062.00
October	Outward	32807	2334.00	28277	2148.00
Total		235524	8073.00	227841	7210.00
November	Inward	165151	5041.00	176117	5130.00
November	Outward	26704	1891.00	27563	2107.00
Total		191855	6933.00	203680	7237.00

Analysis of the data shows there has been gradual increase in volume of e-way bill generation from August to October indicating the growth in business transactions.

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CHAIRMAN'S
INITIALS



**Month-wise Toll Tax Collected during 2018-19 & 2019-20
(upto 17/12/2019) in respect of Excise Department, J&K**

S.No.	Month	Rs. In lacs	
		2018-19	2019-20
1	April	7361.31	7683.10
2	May	8349.99	8696.06
3	June	8283.79	8726.34
4	July	7616.35	9148.10
5	August	8543.58	6991.56
6	September	8286.06	7796.91
7	October	8659.17	8388.72
8	November	7282.51	8179.65
	Total	64382.76	65610.44

Analysis of the data indicates that there has been substantial decrease in Imports and Exports in the month of August but the same has registered upward trend from September onwards.



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Measures taken by the Government to augment revenue collections

- ▶ Establishment of over 60 facilitation centres with 118 systems for providing assistance to the tax payers in filling their returns covering all districts and all circles of UT
- ▶ Increase in e way bill verifications for both in ward and outward supplies. Presently 66 per cent(approx) of the e way bill generated are verified despite having connectivity issues in the UT
- ▶ Increase in the enforcement activities by way of physically verifying the goods
- ▶ Verification of the business premises of all the tax payers post approval of registration
- ▶ Use of red flag data provided by the GSTN particularly with respect to the return defaulters and mismatch of ITC.

(.....cont)



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**CHAIRMAN'S
INITIALS**

Establishment of Facilitation Centers

1. Kashmir Division

TAX PAYER'S CIRCLE	LOCATION	ADDRESS OF FACILITATION CENTRE
A to R	OFFICE OF THE STATE TAXES OFFICER CIRCLE A to R SRINAGAR	EXCISE AND TAXATION COMPLEX SOLINA RAMBAGH
BUDGAM	OFFICE OF THE STATE TAXES OFFICER CIRCLE BUDGAM	OFFICE OF THE STATE TAXES OFFICER CIRCLE BUDGAM
BARAMULLA I,II,III (Sopore)	OFFICE OF THE STATE TAXES OFFICER CIRCLE BARAMULLA I,II,III (Sopore)	OFFICE OF THE STATE TAXES OFFICER CIRCLE BARAMULLA I,II,III (Sopore)
KUPWARA	OFFICE OF THE STATE TAXES OFFICER CIRCLE KUPWARA	OFFICE OF THE STATE TAXES OFFICER CIRCLE KUPWARA
AWANTNAGI II,III	OFFICE OF THE STATE TAXES OFFICER CIRCLE AWANTNAGI II,III	OFFICE OF THE STATE TAXES OFFICER CIRCLE AWANTNAGI II,III
PULWAMA	OFFICE OF THE STATE TAXES OFFICER CIRCLE PULWAMA	OFFICE OF THE STATE TAXES OFFICER CIRCLE PULWAMA

DISTRICT	ADDRESS
Bandipore	Office of the District Development Commissioner, Bandipore, Kashmir
Ganderbal	Office of the District Development Commissioner, Ganderbal, Kashmir
Shopian	Office of the District Development Commissioner, Shopian, Kashmir
Kulgam	Office of the District Development Commissioner, Kulgam, Kashmir

Establishment of Facilitation Centers

2. Jammu

TAX PAYER'S CIRCLE	LOCATION	ADDRESS OF FACILITATION CENTRE
A to S	GST COMPUTER LAB	FOURTH FLOOR EXCISE AND TAXATION COMPLEX RAILHEAD, JAMMU
POONCH	OFFICE OF THE STATE TAXES OFFICER CIRCLE POONCH	OFFICE OF THE STATE TAXES OFFICER CIRCLE POONCH
RAJOURI	OFFICE OF THE STATE TAXES OFFICER CIRCLE RAJOURI	OFFICE OF THE STATE TAXES OFFICER CIRCLE RAJOURI
UDHAMPUR III	OFFICE OF THE STATE TAXES OFFICER CIRCLE UDHAMPUR I	OFFICE OF THE STATE TAXES OFFICER CIRCLE UDHAMPUR I
SAMBA	OFFICE OF THE STATE TAXES OFFICER CIRCLE SAMBA	OFFICE OF THE STATE TAXES OFFICER CIRCLE SAMBA
KATHUA I	OFFICE OF THE STATE TAXES OFFICER CIRCLE KATHUA I	OFFICE OF THE STATE TAXES OFFICER CIRCLE KATHUA I
KATHUA II	OFFICE OF THE DEPUTY COMMISSIONER STATE TAXES (ENFORCEMENT) LAKHANPUR	OFFICE OF THE DEPUTY COMMISSIONER STATE TAXES (ENFORCEMENT) LAKHANPUR
KISHIWAR	OFFICE OF THE STATE TAXES OFFICER CIRCLE KISHIWAR	OFFICE OF THE STATE TAXES OFFICER CIRCLE KISHIWAR
DODA	OFFICE OF THE STATE TAXES OFFICER CIRCLE DODA	OFFICE OF THE STATE TAXES OFFICER CIRCLE DODA
RAMBAH	OFFICE OF THE STATE TAXES OFFICER CIRCLE RAMBAH	OFFICE OF THE STATE TAXES OFFICER CIRCLE RAMBAH

The tax payers located in District of Reasi can use the facility at the State Taxes Department help desk established in the office of the District Development Commissioner, Reasi, Jammu



CHAIRMAN'S
INITIALS

- ▶ Use of ITC verification tools in case of the tax payers who never pay tax in cash
- ▶ Creation of enforcement groups for verifying the day wise supplies of the tax payers.
- ▶ Regular surveys particularly with respect to the service providers.
- ▶ Use of the Back office Intelligence tool for identifying the tax evaders.
- ▶ Spot Verification of business premises of all the newly registered tax payers under GST.
- ▶ Deployment of the enforcement teams on the unconventional routes so as to prevent the smuggling of goods.
- ▶ Monitoring of top 500 tax payers

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Constraints

- ▶ J&K being the end point consumption place face problems particularly with respect to the divisibility of the consignments below the value of rupees fifty thousand in order to avoid the away bill generation.
- ▶ No check on the purchases made by the unregistered persons using Adhar or PAN and invoicing the consignments below fifty thousand.
- ▶ Exemption on away bill generation on the goods supplied through post offices.
- ▶ Non availability of auto invoice matching system.

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CHAIRMAN'S
INITIALS

Annexure 7



Agenda on Real Estate
GST Council Meeting on 18th December,
2019

Pending issues discussed by GoM in its 2nd meeting

- **Punjab:** To exempt GST on long term lease of lands by private/ semi private bodies for setting industrial parks.
- **West Bengal:** To exempt GST on supply of construction services provided by the Co-operative Housing Society to its members
- **Maharashtra:** To provide preferential tax treatment to:
 - redevelopment of old buildings where the residents enter into a JDA with the developer.
 - free houses provided to slum dwellers in a slum rehabilitation/ redevelopment project
- **Maharashtra:** To review the value limit of Rs. 45 lakhs in the definition of affordable residential apartment for a metropolitan region.

CHAIRMAN'S
INITIALS



Issue 1: GST on long term lease of lands by private/ semi private bodies for setting industrial parks.

Present GST rates:

Service	Rate
upfront amount payable for grant of long term lease of land (30 years, or more) of industrial plots or plots for development of infrastructure for financial business, <ul style="list-style-type: none"> o provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 50% or more ownership of Government o to industrial units or developers o in any industrial or financial business area 	Exempt
upfront amount payable for grant of long term lease of land (30 years, or more) of industrial plots or plots for development of infrastructure for financial business, <ul style="list-style-type: none"> o provided by private entities or any other entities where ownership of government is less than 50% o to industrial units or developers o in any industrial or financial business area 	18%

Issue 1: GST on long term lease of lands by private/ semi private bodies for setting industrial parks.

Recommendation of GoM:

Service	Rate
upfront amount payable for grant of long term lease of land (30 years, or more) of industrial plots or plots for development of infrastructure for financial business, <ul style="list-style-type: none"> o provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 20% or more ownership of Government o to industrial units or developers o in any industrial or financial business area 	Exempt
upfront amount payable for grant of long term lease of land (30 years, or more) of industrial plots or plots for development of infrastructure for financial business, <ul style="list-style-type: none"> o provided by private entities or any other entities where ownership of government is less than 20% o to industrial units or developers o in any industrial or financial business area 	5%

CHAIRMAN'S INITIALS

Safeguards:

- In case of **breach of land use** from industrial use to any other use,
 - the **exemption shall be withdrawn** and
 - **GST with interest and penalty** shall be recovered **jointly and severally** from the entity that has availed the exemption originally and all lessees who have subsequently purchased or entered into lease agreement
- The above condition shall be **monitored and enforced** by the State Government.

Issue 2, 3 and 4: Deferred by GoM

Issues	Reasons
Issue 2: GST on supply of construction services provided by the Co-operative Housing Society to its members	State of West Bengal to provide more data and examples
Issue 3: To provide preferential tax treatment to: <ul style="list-style-type: none"> • redevelopment of old buildings where the residents enter into a JDA with the developer. • free houses provided to slum dwellers in a slum rehabilitation/ redevelopment project 	At the time of meeting of GoM; Hon'ble finance Minister of Maharashtra had not been appointed
Issue 4: To review the value limit of Rs. 45 lakhs in the definition of affordable residential apartment for a metropolitan region.	



CHAIRMAN'S
INITIALS

Annexure 8

PPT for 38th GST Council

- 18th December 2019 New Delhi

- december 2019



Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (1/6)

Notifications issued under CGST Act, IGST Act and GST (Compensation to States) Act

Notification No. 42/2019 - Central Tax dated 24.09.2019	Seeks to bring rules 10, 11, 12 and 26 of the CGST (Fourth Amendment) Rules, 2019 in to force
Notification No. 43/2019 - Central Tax dated 30.09.2019	Seeks to amend notification No 14/2019- Central Tax dated 7.3.2019 so as to exclude manufacturers of aerated waters from the purview of composition scheme
Notification Nos. 44/2019, 45/2019, 46/2019 - Central Tax all dated 09.10.2019	Seeks to prescribe the due date for furnishing of return in FORM GSTR-3B and FORM GSTR-1 (for both above and below 1.5 crore rupees aggregate turnover) for the month(s)/quarter, from October, 2019 to March, 2020
Notification No. 47/2019 - Central Tax dated 09.10.2019	Seeks to make filing of annual return under section 44 (1) of CGST Act for F.Y. 2017-18 and 2018-19 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date.
Notification No. 48/2019 - Central Tax dated 09.10.2019	Seeks to amend notification No. 41/2019 - Central Tax, dated the 31st August, 2019.
Notification No. 49/2019 - Central Tax dated 09.10.2019	Seeks to carry out changes in the CGST Rules, 2017.
Notification No. 50/2019 - Central Tax dated 24.10.2019	Seeks to extend the last date for filing of FORM GST CMP-08 for the quarter July-September 2019 by four days from 18.10.2019 till 22.10.2019.
Notification No. 51/2019, - Central Tax dated 31.10.2019	Seeks to amend notification No. 2/2017- Central Tax in order to notify jurisdiction of Jammu Commissionerate over UT of J&K and UT of Ladakh

CHAIRMAN'S INITIALS

Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (2/6)

Notifications under CGST Act, IGST Act and GST (Compensation to States) Act.	
Notification No. 52/2019, 53/2019, 54/2019 and 55/2019 – Central Tax all dated 14.11.2019	Seeks to extend the due date for furnishing FORM GSTR-3B, FORM GSTR-7 and FORM GSTR-1 (for both above and below 1.5 crore rupees aggregate turnover) for registered persons in Jammu and Kashmir for the month(s)/quarter from July, 2019 to September, 2019
Notification No. 56/2019 – Central Tax dated 14.11.2019	Seeks to carry out Seventh amendment (2019) in the CGST Rules, 2017. [Primarily related to Simplification of the Annual Return / Reconciliation Statement]
Notification No. 57/2019, 58/2019, 59/2019, 60/2019 and 61/2019 – Central Tax dated 26.11.2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1, FORM GSTR-3B and FORM GSTR-7 for registered persons in Jammu and Kashmir
Notification No. 62/2019 – Central Tax dated 26.11.2019	Seeks to notify the transition plan with respect to J&K reorganization w.e.f. 31.10.2019
Notification No. 04/2019 - Integrated Tax dated 30.09.2019	Seeks to notify the place of supply of R&D services related to pharmaceutical sector as per Section 13(13) of IGST Act, as recommended by GST Council in its 37th meeting held on 20.09.2019.
Notification No. 02 /2019-Compensation Cess (Rate) dated 30.09.2019	Seeks to amend notification No. 1/2017-Compensation Cess (Rate), dated 28.6.2017 on the recommendations of the GST Council in its 37th meeting dated 20.09.2019.
Notification No. 03 / 2019-Compensation Cess (Rate) dated 30.09.2019	Seeks to disallow the refund of compensation cess in case of inverted duty structure for tobacco and manufactured tobacco substitutes.

Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (3/6)

Rate notifications issued under CGST Act, UTGST Act and IGST Act, 2017	
Notification No. 14/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No 1/2017-Central Tax (Rate) dated 28.6.2017 so as to specify effective CGST rates for specified goods, to give effect to the recommendations of the GST Council in its 37th meeting dated 20.09.2019. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 15/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No 2/2017- Central Tax (Rate) dated 28.6.2017 so as to grant exemption to dried tamarind and cups, plates made of leaves, bark and flowers of plants. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 16/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 3/2017- Central Tax (Rate) dated 28.6.2017 so as to extend concessional CGST rates to specified projects under HELP/OALP, and other changes. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 17/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No 26/2018- Central Tax (Rate) dated 31.12.2018, so as to exempt CGST on supplies of silver and platinum by nominated agencies to registered persons. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 18/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No 2/2019- Central Tax (Rate) dated 7.3.2019 so as to exclude manufacturers of aerated waters from the purview of composition scheme. [similar rate notification issued under UTGST Act, 2017]
Notification No. 19/2019- Central Tax (Rate) dated 30.09.2019	Seeks to exempt supply of goods for specified projects under FAO. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 20/2019- Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 37th meeting held on 20.09.2019. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]

CHAIRMAN'S INITIALS



Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (4/6)

Rate notifications issued under CGST Act, UTGST Act and IGST Act, 2017	
Notification No. 21/2019-Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 12/2017- Central Tax (Rate) to exempt services as recommended by GST Council in its 37 th meeting held on 20.09.2019 [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 22/2019-Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 13/2017- Central Tax (Rate) so as to notify services under reverse charge mechanism (RCM) as recommended by GST Council in its 37 th meeting held on 20.09.2019 [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 23/2019-Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 4/2018 - Central Tax (Rate), dated the 25 th January, 2018, by adding an explanation on the applicability of provisions related to supply of development rights. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 24/2019-Central Tax (Rate) dated 30.09.2019	Seeks to amend notification No. 7/2019 - Central Tax (Rate), dated the 29 th March, 2019 by amending the entry related to cement [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 25/2019-Central Tax (Rate) dated 30.09.2019	Seeks to notify the grant of alcoholic liquor licence neither a supply of goods nor a supply of service as per Section 7(2) of CGST Act, 2017. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]
Notification No. 26/2019-Central Tax (Rate) dated 22.11.2019	Seeks to insert explanation regarding Bus Body Building in Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017. [similar rate notification issued under UTGST Act, 2017 and IGST Act, 2017]

Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (5/6)

Circulars issued under CGST Act, 2017	
Circular No. 110/29/2019 – GST dated 03.10.2019	Seeks to clarify the eligibility to file a refund application in FORM GST RFD-01 for a period and category.
Circular No. 111/30/2019 – GST dated 03.10.2019	Seeks to clarify procedure to claim refund in FORM GST RFD-01 subsequent to favourable order in appeal or any other forum.
Circular No. 112/31/2019 – GST dated 03.10.2019	Seeks to withdraw Circular No. 105/24/2019-GST dated 28.06.2019 regarding treatment of secondary or post-sales discounts under GST.
Circular No. 113/32/2019 – GST dated 11.10.2019	Clarification regarding GST rates & classification (goods) Circular.
Circular No. 114/33/2019 – GST dated 11.10.2019	Clarification on scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both
Circular No. 115/34/2019 – GST dated 11.10.2019	Clarification on issue of GST on Airport levies.
Circular No. 116/35/2019 – GST dated 11.10.2019	Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts by individual donors.
Circular No. 117/36/2019 – GST dated 11.10.2019	Clarification on applicability of GST exemption to the DG Shipping approved maritime courses conducted by Maritime Training Institutes of India.
Circular No. 118/37/2019 – GST dated 11.10.2019	Clarification regarding determination of place of supply in case of software/design services related to Electronics Semi-conductor and Design Manufacturing (ESDM) industry.
Circular No. 119/38/2019 – GST dated 11.10.2019	Clarification regarding taxability of supply of securities under Securities Lending Scheme, 1997.

CHAIRMAN'S INITIALS

Agenda 9: Deemed Ratification of Notifications, Circulars, Orders etc. (6/6)

Circulars issued under CGST Act, 2017

Circular No. 120/39/2019 - GST dated 11.10.2019	Clarification on the effective date of explanation inserted in notification No. 11/2017- Central Tax (Rate) dated 28.06.2017, Sr. No. 3(vi).
Circular No. 121/40/2019 - GST dated 11.10.2019	Clarification related to supply of grant of alcoholic liquor license.
Circular No. 122/41/2019 - GST dated 05.11.2019	Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons- reg.
Circular No. 123/42/2019 - GST dated 11.11.2019	Seeks to clarify restrictions in availment of input tax credit in terms of sub-rule (4) of rule 36 of CGST Rules, 2017.
Circular No. 124/43/2019 - GST dated 18.11.2019	Seeks to clarify optional filing of annual return under notification No. 47/2019- Central Tax dated 9th October, 2019.
Circular No. 125/44/2019 - GST dated 18.11.2019	Seeks to clarify the fully electronic refund process through FORM GST RFD-01 and single disbursement.
Circular No. 126/45/2019 - GST dated 22.11.2019	Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017
Circular No. 127/46/2019 - GST dated 04.12.2019	Seeks to ab-initio withdraw the Circular No. 107/26/2019 dated 18.07.2019.

Removal of Difficulties Order issued under CGST Act, 2017

Order No.8/2019 - Central Tax dated 14.11.2019	Seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for FY 2017-18 till 31 st December, 2019 and for FY 2018-19 till 31 st March, 2020
Order No. 9/2019 - Central Tax dated 03.12.2019	Issuance of Removal of Difficulties Order so as to extend the last date for filing of appeals before the GST Appellate Tribunal against orders of Appellate Authority on account of non-constitution of benches of the Appellate Tribunal.

Agenda 9: Deemed Ratification of Notifications issued after Agenda circulation

Notifications under CGST Act, IGST Act and GST (Compensation to States) Act,

Notification No. 63/2019, 64/2019, 65/2019, 66/2019 and 67/2019 - Central Tax dated 12.12.2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1, FORM GSTR-3B and FORM GSTR-7 for registered persons in Jammu and Kashmir
Notification No. 68/2019 - Central Tax dated 13.12.2019	Seeks to carry out Eighth amendment (2019) in the CGST Rules, 2017. [Primarily related to introducing provisions related to e-Invoicing]
Notification No. 69/2019 - Central Tax dated 13.12.2019	Seeks to notify the common portal for the purpose of e-invoice
Notification No. 70/2019 - Central Tax dated 13.12.2019	Seeks to notify the class of registered person required to issue e-invoice
Notification No. 71/2019 - Central Tax dated 13.12.2019	Seeks to give effect to the provisions of rule 46 of the CGST Rules, 2017
Notification No. 72/2019 - Central Tax dated 13.12.2019	Seeks to notify the class of registered person required to issue invoice having QR Code



CHAIRMAN'S
INITIALS



Agenda 10 :GIC decisions post 37th GST Council Meeting (1/4)

GIC decision by circulation dated 10th October, 2019

- The proposal regarding the scope the term 'bus body building' and Perceived overlap between entries at item (id) and (iv) under heading 9988
- ✓ Notification No. 26/2019- Central Tax (Rate) dated 22nd November 2019 and Circular No. 126/45/2019-GST dated 22nd November 2019 issued

32nd GIC meeting dated 16th October 2019

- Issuance of Circular on fully electronic refund process through FORM GST RFD-01 and single disbursement
- ✓ Circular No. 125/44/2019 – GST dated 18th November 2019 issued.
- Clarification regarding optional filing of annual return under notification No. 47/2019-Central Tax dated 9th October, 2019
- ✓ Circular No. 124/43/2019 – GST dated 18th November 2019 issued.
- Changes to statements 1A, 2 & 3 in Annexure-1 of FORM GST-RFD-01
- ✓ Notification No. 56/2019–Central Tax dated 14th November, 2019 issued.

Agenda 10 :GIC decisions post 37th GST Council Meeting (2/4)

GIC decision by circulation dated 19th October, 2019

- The proposal for extension of last date for filing FORM CMP-08 for the quarter of July, 2019 to September ,2019 was approved
- ✓ Notification No. 50/2019- Central Tax dated 24th October 2019

GIC decision by circulation dated 31st October, 2019

- The proposal before the GIC was regarding extension of due dates for filing of FORM GSTR-1, FORM GSTR-7 and FORM GSTR-3B for the months of July, August, September 2019 for the State of Jammu and Kashmir
- ✓ Notification No. 52/2019-Central Tax, dated 14th November 2019, 53/2019-Central Tax, dated 14th November 2019, 54/2019-Central Tax, dated 14th November 2019, 55/2019-Central Tax, dated 14th November 2019, Notification No. 57/2019-Central Tax, dated 26th November 2019, Notification No. 58/2019-Central Tax, dated 26th November 2019, Notification No. 59/2019-Central Tax, dated 26th November 2019, Notification No. 60/2019-Central Tax, dated 26th November 2019 and Notification No. 61/2019-Central Tax, dated 26th November 2019 & Notification Nos. 63 to 67/2109-Central tax dated 12th December 2019 issued.

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CHAIRMAN'S
INITIALS

Agenda 10 :GIC decisions post 37th GST Council Meeting (3/4)

33rd GIC meeting dated 09th November 2019

- Simplification of Annual Return and Reconciliation Statement for FY 201:7-18 and 2018-19
- ✓ Notification Nos. 56/2019 dated 14th November 2019 and Removal of Difficulties Order No. 8/2019 – Central Tax dated 14th November 2019 were issued.
- Clarifications on restriction in availment of input tax credit in terms of sub-rule (4) of rule 36 of CGST Rules, 2017
- ✓ Circular No. 123/42/2019–GST dated 11th November 2019
- Amendment to Notification No. 50/2017-Customs dated 30th June, 2017 with respect to requirement of 'end-use certificates' to be issued by and Bond to be submitted to GST Officers
- ✓ The GIC agreed that a SOP including the mechanism for recovery of IGST in case of non-fulfilment of certification requirements and imposition of penalty, interest if any, may be prepared and shared. The GIC deferred the agenda item

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Agenda 10 :GIC decisions post 37th GST Council Meeting (4/4)

Decision by Circulation - 11th November 2019

- Proposal regarding the transition plan for the State of Jammu and Kashmir in view of the reorganization of the erstwhile State of Jammu and Kashmir into two Union territories w.e.f. 31.10.2019 by way of issuance of notification under Section 148 of CGST Act, 2017 as made applicable to the UTGST Act, 2017.

✓ Notification No. 62/2019 – Central Tax dated 26th November 2019 issued.

34th GIC meeting dated 2nd December 2019

- Implementation of e-invoice scheme and QR code
- ✓ Notification Nos. 68 to 72/2019-Central Tax dated 13.12.2019 issued.
- GIC agreed to rescind the Circular No. 107/26/2019-GST dt. 18.07.2019 ab-initio.
- ✓ Circular No. 127/46/2019-GST dated 04.12.2019 was issued.

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CHAIRMAN'S
INITIALS



Agenda Item 6(i) :SOP on non filers

Issuance of a Circular to clarify Standard Operating Procedure to be followed in case of non-filers of returns

- A system generated message to be sent to all return defaulters immediately after the due date;
- A notice in **FORM GSTR 3A** to be sent by the proper officer five days after the due date of filing;
- In case the return is still not filed, assessment under section 62 and order in **FORM ASMT-13** to be issued and **FORM DRC-07** to be uploaded (after taking into account the **GSTR-1**, supplies auto-populated from **GSTR-2A**, information available from e-way bills, and information available from any other source, including from inspection);
- In case the return still remains unfurnished within the statutory period of 30 days from issuance of **FORM GST ASMT 13** then recovery proceedings u/s 78 to be initiated;
- In deserving cases action under section 83 may be contemplated before issuance of **FORM GST ASMT 13**;
- In cases where the return has not been filed for 6 consecutive months/three tax periods in case composition taxpayers, action under section 29 for cancellation of registration to be initiated.

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Agenda Item 6(ii) :Amendments to the CGST Act

Sections	Purpose
Schedule II	Omitting certain supplies without consideration from Schedule II
10	Aligning the Composition Scheme u/s 10(1) & (2) with scheme u/s 10(2A) by restricting provision of inter-State services, etc. in scheme u/s 10 (1 & 2)
16 (4)	Taking the date of issuance of debit note as the date for determining eligibility of ITC to the recipient
29	Allowing taxpayers who have taken voluntary registration to apply for cancellation of registration

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CHAIRMAN'S INITIALS

Agenda Item 6(ii) :Amendments to the CGST Act

Sections	Purpose
31	Necessary provisions in Law to allow prescribing of manner for invoices for provision of services
49	Necessary provision in law to allow Commissioner to restrict utilization of ITC in specified cases*
51	Removal of requirement of TDS certificate, and related late fees, by officers as the facility is now in the system
122 & 132	Necessary provisions to make the person receiving the benefit of a transaction liable for penalty and arrest

* In view of insertion of Rule 86A as decided in the Officers' Committee on 17.12.2019, the Council may decide whether amendment in section 49 is required. 15


Agenda Item 6(ii) :Amendments to the CGST Act

Sections	Purpose
140	Enabling provision for prescribing time for availing transitional credit
168	Vesting functions related to job-work extension and remuneration of CA/CS with jurisdictional commissioner
172	Extending the power to issue removal of difficulties order from three years to five years.
17	Making ITC eligible in respect of "vessels and aircrafts"
29(2)(b)	To allow for cancellation of registration for composition taxpayers if one return (one year) is not filed.
30	To extend time for application of cancellation of registration from 30 days to another 30 days (by JC/ ADC) and further 30 days (by Commissioner) (90 days in case of a composition dealer)

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CHAIRMAN'S INITIALS

Agenda Item 7 : Public Grievance Redressal Committee (1/4) 

Creation of Grievance Redressal Committee as per order of Hon'ble High Court in the case of Sales Tax Bar Association

- Hon'ble High Court of Delhi, while examining a Writ Petition, filed by Sales Tax Bar Association, desired that a mechanism of handling of individual grievances for IT related issues be made under a retired judge of High Court.
- In a meeting called by Hon'ble High Court on 16.11.2019 with officers of GSTN, GST Policy Wing and GST Council, it was proposed to constitute Grievance Redressal Committees at Zone/ State level.
- Hon'ble High Court in its order on 28.11.2019 desired to know the constitution, structure and mechanism of such Committees through an **affidavit to be filed within two weeks of the order of the Court.**

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Agenda Item 7 : Public Grievance Redressal Committee (2/4) 

- There is presently no formal arrangement under GST regime to address grievances of specific/ general nature at the Zonal/ Commissionerate/ State level.
- It is proposed to constitute a Grievance Redressal Committee (GRC) at Zonal/State level with both CGST and SGTS officers and including representatives of trade and industry and other GST stakeholders (GST practitioners and GSTN etc.).
- Proposed Committee to be co-chaired by Zonal Pr Chief Commissioner/ Chief Commissioner of Central Tax and Chief Commissioner/ Commissioner of State Tax
- The Committee to meet at least once every quarter.

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Agenda Item 7 : Public Grievance Redressal Committee
(3/4)



▪ **Functions and mandate of the Committee:**

- Examining and resolving all the grievances and issues being faced by the taxpayers, including procedural difficulties and IT related issues pertaining to GST, both of specific and general nature.
- Referring any issue requiring a change in Act/Rules/Notification/Form/Circular/ Instruction, etc., to the GST Council Secretariat and the relevant Policy Wing of the CBIC.
- Referring any matter related to IT related issue pertaining to GST Portal, to GSTN.

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Agenda Item 7 : Public Grievance Redressal Committee
(4/4)



- GSTN has proposed to develop a portal for recording all such grievances and their disposal.
- The constitution, terms, functions and mandate, periodicity of meetings and mechanism of working of proposed Grievance Redressal Committee at Zonal/ State level are placed for the Council's approval.

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Table Agenda (1/5)



- GSTR-1 filing has been low and has crossed 60% only once in the last six months
- Late fees for delay in furnishing of **FORM GSTR – 1** by the due date is Rs. 20 per day for NIL filers and Rs. 50 per day for others. The maximum late fee is Rs. 10,000 per month (Rs. 5,000 under the CGST / SGST Act) (Section 47)
- The only way taxpayers can declare outward supplies (admitted liability) is through FORM GSTR-1
- Proposal:
 - A one-time waiver of late fees to file all FORM GSTR-1 from July 2017 to November 2019 may be given to taxpayers
 - E-Way bill generation may be blocked for two consecutive non-filing of FORM GSTR-1 (similar to FORM GSTR-3B)

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Table Agenda (2/5)



- On analysis , it was found that in FY 2018-19 the total difference in FORM GSTR-2A and FORM GSTR-3B is 13% of total GSTR-2A.
- Approximately 13% of the total credit lies unmatched in the system currently
- Proposal:
 - In the interest of revenue and to increase the proportion of matched credit in the system, Rule 36(4) be amended to restrict input tax credit on missing invoices for any recipient to 10% of the total supplies received in his FORM GSTR-2A from his suppliers

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Table Agenda (3/5)



- During investigations it has been accepted by the persons / registered persons that the input tax credit that has been passed on is fake credit as the underlying invoices that have been passed on are fake invoices
- In course of the investigation, the recipients who have availed the said input tax credit have also been identified (Rs. 9028 Cr. by Centre and Rs. 2740 Cr. by the States)
- Section 16 requires ineligible credit is required to be reversed in the return. Reversal not happening as the return FORM GSTR-3B are self-assessed and are on a summary basis -not possible to determine the exact reason for reversal
- There is a facility in the portal which allows the tax authorities to block utilization of ITC – being used by State Officers in as many as 25 States/UTs
- Proposal: Rules to be framed to ensure uniformity in protecting interest of revenue

Table Agenda (4/5)



- Notification No. 56/2019 dated 14.11.2019 issued to simplify filing of Annual Return (FORM GSTR-9) and Reconciliation Statement (FORM GSTR-9C) for FY 2017-18 and FY 2018-19
- Certain changes required in the offline utility of FORM GSTR-9C
- It has been informed that the offline utility for filing of FORM GSTR-9C not yet deployed (till 16.12.2019)
- Taxpayers are expressing concern that they will get very little time for compliance
- Proposal: Due date for filing the FORM GSTR-9 and FORM GSTR-9C may be extended from 31.12.2019 to 31.01.2020

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Table Agenda (5/5)


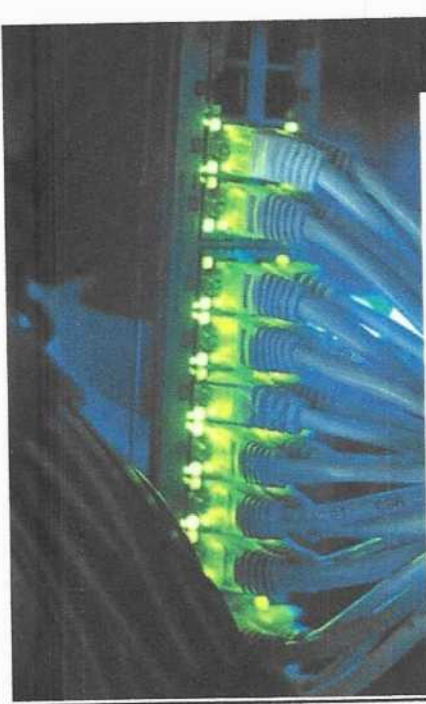


- Internet has been suspended in many of the North Eastern Areas
- Assam has requested for extension in due dates of FORM GSTR-1, GSTR-7, GSTR-8, GSTR-3B, GSTR-9 and GSTR-9C
- Other North East States may be facing similar issues in internet connectivity
- Proposal:
 - Due date for all forms except GSTR-8, GSTR-9 and GSTR-9C may be extended, as per request by the States (Assam, Tripura and Manipur have already requested)

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Annexure 9



Agenda13: Presentation on development of

- i. GST EWB System –FASTAg Integration
- ii. New Return System
- iii. Integrated refund system with disbursal by single authority
- iv. E-invoice
- v. Linking of GST registration with Aadhaar

Analysis of data



Agenda 13(i): Linking of e-way bill with FASTag



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Status and Review of EWB integration with FASTag



- ❖ MoU with Indian Highways Management Company Limited (IHMPCL) & GSTN has been signed on 14.10.2019.
- ❖ The MoU is for collaboration and working together for implementation track and trace mechanism to track the goods carrying vehicles through FASTag at the toll plazas across the country.
- ❖ NPCI is extending its NPCINet to E-Way Bill system.
 - ✓ Router at Primary Data Centre (at Delhi) & DR Centre (of Hyderabad has been delivered) of NIC delivered.
 - ✓ Lease line (link) has also been delivered. Installation Process is in Progress.
- NPCI has already extended its network to the EWBS data center. **Network testing and integration is completed.**
 - APIs are ready and available on sandbox. Testing on simulators is completed. Sandbox will be made available by NIC by 15th Jan. Sample data from NETC will be used for testing.
 - Integration is expected to be completed by mid February, 2020.



3



Agenda 13(ii): New GST Return



4

CHAIRMAN'S INITIALS

State/UT-wise upload : Overall Stat up to 15.12.2019



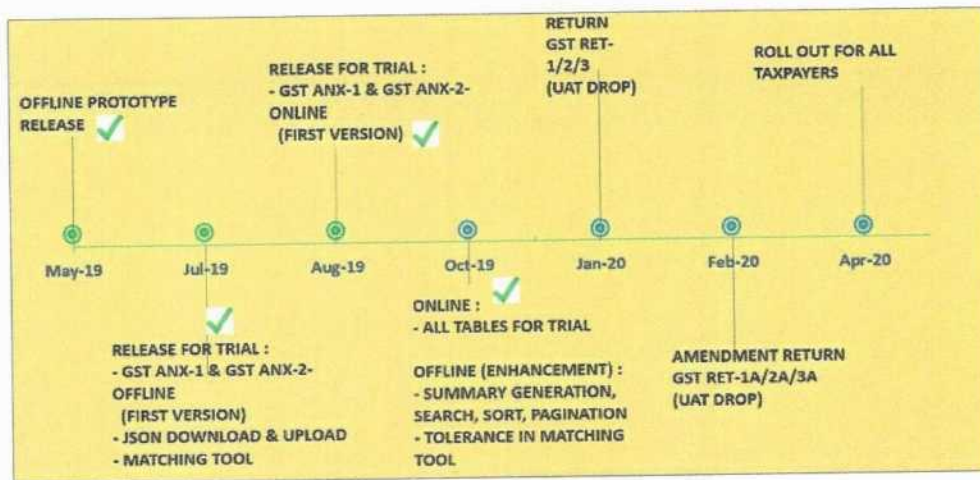
Unique GSTINs

Form	Unique Taxpayers of State	Unique Taxpayers of Centre	Total unique GSTINs	% of State	% of Centre	Normal Taxpayers	Total uploads : Normal taxpayers
ANX-1	60,726	28,544	89,270	68.03%	31.97%	1,03,13,480	0.87%
ANX-2	9,061	3,836	12,897	70.26%	29.74%	1,03,13,480	0.13%
Total	69,787	32,380	1,02,167	68.31%	31.69%	1,03,13,480	0.99%

Unique uploads (Total)

Form	Unique uploads (State/UT)	Unique uploads (Centre)	Total uploads	% of State	% of Centre
ANX-1	1,60,801	84,494	2,45,295	65.55%	34.45%
ANX-2	12,652	5,641	18,293	69.16%	30.84%
Total	1,73,453	90,135	2,63,588	65.80%	34.20%

Status of Development and Deployment



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CHAIRMAN'S INITIALS

State / UT Name	ANXI	ANX-2	ANX1	ANX2	Total	% of State Tried	% of Centre Tried	Total Taxpayers (Normal)	% of total who tried
Jharkhand (20)	771	25	433	26	1,255	63.43%	36.57%	1,44,991	0.86%
Andhra Pradesh (37)	1,298	128	665	57	2,148	66.39%	33.61%	2,85,727	0.75%
Rajasthan (8)	1,533	240	1,162	154	3,089	57.40%	42.60%	5,40,590	0.57%
Kerala (32)	880	130	573	63	1,646	61.26%	38.64%	3,01,671	0.54%
Andaman and Nicobar Islands (35)	9	-	11	20	20	45.00%	55.00%	3,921	0.51%
West Bengal (19)	1,617	140	994	94	2,845	61.76%	38.24%	6,10,188	0.47%
Maharashtra (27)	2,561	181	1,732	127	4,601	59.60%	40.40%	13,66,336	0.34%
Tamil Nadu (33)	1,457	187	1,164	115	2,923	56.24%	43.76%	8,74,255	0.33%
Sikkim (11)	14	-	9	-	23	60.87%	39.13%	7,406	0.31%
Chandigarh (4)	38	29	4	4	71	53.52%	46.48%	26,946	0.26%
Arunchal Pradesh (12)	14	5	11	-	30	63.33%	36.67%	12,430	0.24%
Gujarat (24)	965	85	803	73	2,016	52.08%	47.92%	8,73,885	0.23%
Punjab (3)	415	18	148	18	599	72.29%	27.71%	3,08,426	0.19%
Haryana (6)	382	18	238	22	677	62.04%	37.96%	4,23,955	0.16%
Delhi (7)	370	35	406	40	1,091	55.45%	44.55%	1,32,218	0.15%
Uttar Pradesh (9)	783	70	841	53	1,447	58.95%	41.05%	11,21,216	0.13%
Jammu and Kashmir (1)	58	8	36	5	107	61.68%	38.32%	91,989	0.12%
Madhya Pradesh (23)	183	36	138	13	360	58.06%	41.94%	3,38,160	0.10%
India	60,726	9,061	28,544	3,836	1,02,167	68.31%	31.69%	1,03,13,480	0.99%

State/UT-wise upload (Unique GSTINS) upto 15.12.2019



State / UT Name	ANXI	ANX-2	ANX1	ANX2	Total	% of State Tried	% of Centre Tried	Total Taxpayers (Normal)	% of total who tried
Nagaland (13)	900	19	225	3	1,147	80.12%	19.88%	6,688	17.15%
Meghalaya (17)	1,548	64	774	36	2,422	66.56%	33.44%	26,387	9.18%
Bihar (10)	8,875	4,306	3,373	1,624	18,178	72.51%	27.49%	3,32,366	5.47%
Mizoram (15)	208	17	57	6	288	78.13%	21.88%	6,033	4.77%
Chhattisgarh (22)	3,258	132	1,239	50	4,679	72.45%	27.55%	1,03,312	4.53%
Tripura (16)	736	19	328	12	1,095	68.95%	31.05%	24,205	4.52%
Karnataka (29)	19,577	2,242	7,265	748	29,832	73.14%	26.86%	7,19,151	4.15%
Assam (18)	3,908	342	1,384	129	5,763	73.75%	26.25%	1,43,698	4.01%
Puducherry (34)	486	69	151	14	720	77.08%	22.92%	19,948	3.61%
Odisha (21)	4,417	356	1,505	150	6,428	74.25%	25.75%	2,21,085	2.91%
Other Territory (97)	-	-	2	2	2	0.00%	100.00%	75	2.67%
Daman and Diu (25)	26	6	48	6	86	37.21%	62.79%	5,745	1.50%
Dadra and Nagar Haveli (26)	34	4	56	11	105	36.19%	63.81%	7,914	1.33%
Mamrupur (14)	70	9	38	3	120	65.83%	34.17%	10,086	1.19%
Himachal Pradesh (2)	722	18	281	14	1,035	71.50%	28.50%	87,788	1.18%
Telangana (36)	1,352	74	2,145	124	3,695	38.59%	61.41%	3,47,869	1.06%
Chandigarh (5)	884	51	349	36	1,320	70.83%	29.17%	1,27,552	1.03%
Goa (30)	177	17	104	6	304	63.82%	36.18%	34,825	0.87%

State/UT-wise upload (Unique GSTINS) upto 15.12.2019



Training/Workshops (demo of offline and matching tool of New return)



- e-mails sent to authorized signatories regarding trial of New Returns.
- Workshops conducted on New Return in association with FICCI, PHD Chamber of Commerce, ASSOCHAM, CII & in coordination with Centre & State Tax Administrations.

No of Sessions conducted	No. of Cities covered	No. of Taxpayers participated	No. of Tax Officers participated
69	32	3,513	3,215

- 7 Webinars conducted in New Returns Offline Tool in English, Hindi, Tamil, Malayalam, Telugu and Marathi.
- VC conducted with field formations of CBIC on 22 November, 2019 in two sessions.



Agenda 13(iii): Refund-Statistics & disbursement through PFMS



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Online Refunds: Statistics (As on 16th Dec.)



#	STATUS	COUNT	AMOUNT (IN CR.)	EXPLANATION	
1	Total applications received since 26/09/2019 (in RFD-01)	71254	23768.69		
2	Filed, but yet to be acknowledged (RFD-01)	16114	5979.13	22.61% of receipt (count)	25.16% of receipt (amount)
3	Out of (1-2) above, cases where deficiency memo issued (RFD-03)	20100	7388.88	28.21% of ack. (count)	31.09% of ack. (amount)
4	Cases which are at various stages of processing (1-2-3)	35040	10400.68	Percentage of 35040 ↓	Percentage of 10400.68 ↓
5	Out of 4 above, cases which have been acknowledged but no further processing has started	11390	2275.36	32.51%	21.88%
6	Out of 4 above, Complete sanction (RFD-06) but payment advice not issued	16398	4016.75	46.80%	38.62%
7	Out of 4 above, Partial sanction (RFD-06) but payment advice not issued	1371	793.72	3.91%	7.63%
8	Out of 4 above, Found inadmissible (RFD-06)	791	143.21	2.26%	1.38%
9	Out of 4 above, for Consumer Welfare Fund (RFD-06)	41	3.44	0.12%	0.03%
10	Out of 4 above, cases where Provisional Order has been issued (RFD-04)	2537	2498.29	7.24%	24.02%
11	Out of 4 above, cases where SCN has been issued which have not been replied (RFD-08)	1892	409.84	5.40%	3.94%
12	Out of 4 above, cases where SCN has been replied and case under process (RFD-09)	615	259.65	1.76%	2.50%
13	Out of 4 above, cases withheld (RFD-7B)	5	0.42	0.01%	0.00%
14	Number of Payment Orders Issued in RFD-05	16,515	5,944.02		

Online Refunds: Status of RFD-05 (As on 16th Dec.)



#	STATUS	COUNT	AMOUNT (IN CR.)	EXPLANATION	
1	Total RFD-05 issued since 26/09/2019 (in RFD-01)	16,515	5,944.02		
2	Out of 1 above, sent to PFMS	16,072	5,844.57	97.32%	98.33%
				Percentage of 16072 ↓	Percentage of 5844.57 ↓
3	Out of (2) above, Accepted by PFMS	7699	2,615.37	47.90%	44.75%
4	Out of (2) above, Rejected by PFMS	61	30.64	0.38%	0.52%
5	Out of (2) above, Disbursed by PFMS	5912	2,503.12	36.78%	42.83%
6	Out of (2) above, balance in under process with PMFS	2400	695.43	14.93%	11.90%
7	Balance Yet to be sent to PFMS (out of 1)	443	99.45	2.68%	1.67%

*: 14/(1-2-3)

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Online Refunds : Age analysis (as on 9th Dec. 2019)



STATUS	CENTER					STATE				
	<= 15 days	16 to 30 days	31 to 45 days	46 to 60 days	> 60 days	<= 15 days	16 to 30 days	31 to 45 days	46 to 60 days	> 60 days
Yet to be Acknowledged (RFD-01)	4425	277	101	73	51	6160	2073	804	927	769
Acknowledged but no further process started (RFD-02)	1556	1494	681	378	50	2240	1931	932	978	539
Deficiency Memo Issued (RFD-03)	1236	2417	1681	1962	2038	974	1793	1386	1877	2017
SCN issued (RFD-07)	88	132	138	162	86	153	329	202	258	168
SCN replied (RFD-09)	27	31	52	45	11	21	77	83	56	75
Grand Total	7332	4351	2653	2620	2236	9548	6203	3407	4096	3568

No. of RFD-01 which are yet to be acknowledged and pending more than 60 days (15th Dec)



State	Assigned to		TOTAL
	CENTER	STATE	
Jammu and Kashmir	0	4	4
Himachal Pradesh	0	57	57
Punjab	0	58	58
Chandigarh	0	0	0
Uttarakhand	2	1	3
Haryana	5	69	74
Delhi	3	46	49
Rajasthan	1	83	84
Uttar Pradesh	2	98	100
Bihar	1	5	6
Sikkim	0	3	3
Arunachal Pradesh	0	0	0
Nagaland	0	3	3
Manipur	0	1	1
Mizoram	0	0	0
Tripura	0	3	3
Meghalaya	0	0	0
Assam	0	16	16
West Bengal	3	3	6

State	Assigned to		TOTAL
	CENTER	STATE	
Jharkhand	0	16	16
Odisha	0	0	0
Chhattisgarh	0	4	4
Madhya Pradesh	0	31	31
Gujarat	2	229	231
Daman and Diu	0	0	0
Dadra and Nagar Haveli	2	16	18
Maharashtra	8	86	94
Karnataka	0	13	13
Goa	2	0	2
Lakshadweep	0	0	0
Kerala	7	19	26
Tamil Nadu	0	100	100
Puducherry	0	0	0
Andaman and Nicobar Islands	0	0	0
Telangana	0	39	39
Andhra Pradesh	0	3	3
Total	38	1006	1044

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Agenda 13(v): Linking of Aadhaar for GST registration



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Aadhaar Integration with Registration Process



S. No	Activity /Challenges	Date
1.	Business Requirement Document submitted to Infosys team.	4 th Sept 2019
2	Approved SRS shared to Infosys team	30 th Sept 2019
3	Meeting on Technical gap analysis done by Infosys on security and Aadhaar compliance requirement	14 th Oct 2019
4	Technical Comments shared with Infosys- Infra and security related matters by GSTN	18 th Oct 2019
5	For requirement freezing meeting with NIC team. Aadhaar authentication traffic will be routed through NIC	31 st Oct 2019
6	Infra team of Infosys has provided hosting server IP address for Pre-Prod	7 th Nov 2019
7	IA resubmitted and approval given by GSTN	28 th Nov 2019
8	TDD submitted by Infosys. Review completed and Infosys has to resubmit the efforts again to GSTN	9 th Dec 2019
9	Expected roll out date	1 st Feb 2020

Infosys has completed Proof of concept (POC) and has also completed the Prototypes.




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Agenda 13(iv): Reporting of electronic Invoice to GST System



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Positioning e-Invoice?

- Is e-invoice taken into buyer's billing/accounting system directly? **NO**
- If not, how is the data entered? **Manually (even if received electronically)**



- Transcription errors
- Wrong entries



- Need for standards to ensure complete inter-operability
- Elimination of need of manual data entry and transcription errors



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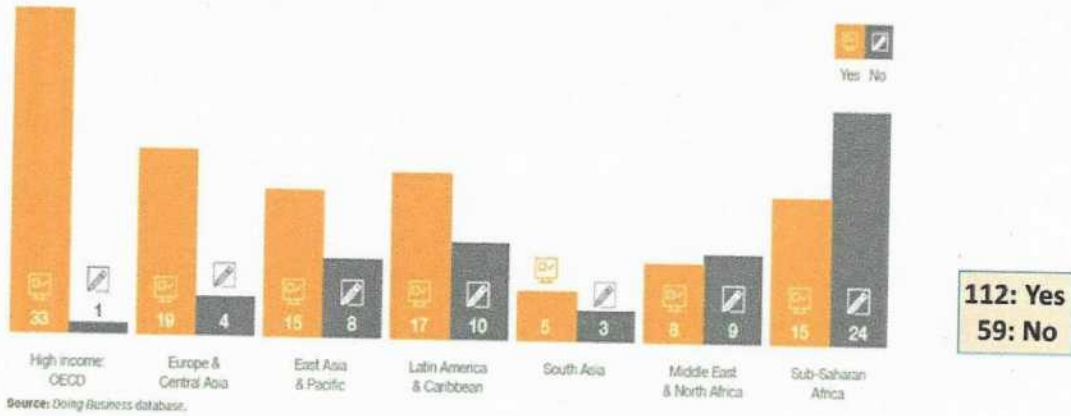
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Economies in the OECD high-income group are at the forefront of invoice digitization



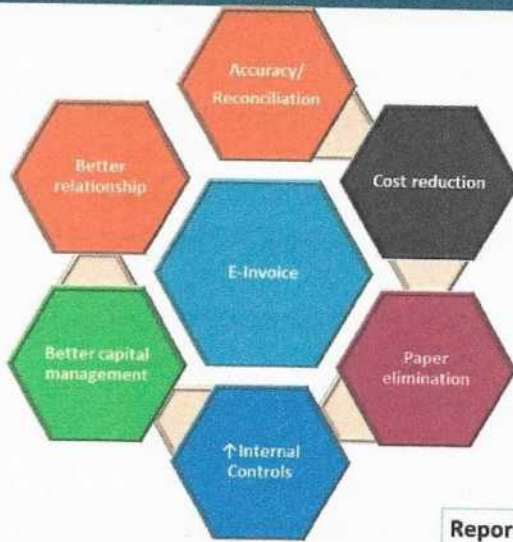
Number of economies offering e-invoices



112: Yes
59: No

Source: World Bank Group

Advantages of e-Invoice



Generation of invoice and its reporting will become part of business process.

Also, no further reporting to GST portal or e-way bill portal.

Reporting to GST is a by-product. Auto of Return by GSTN

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Benefits of e-invoice system



Case Study from France

Items	Paper invoice (pre e-invoice period)	After introduction of e-invoice	Change
Cost of handling of one invoice	7 Euros	0.3 Euros	96% saving
Number of invoices handled by an employee in a year	6,000 paper invoices	90,000 e-invoices	15 times efficiency improvement
Time saving	15 days for paper invoice	3 days for e-invoice	80% saving of time
52% businesses view the cost reduction as the principal advantage of digital transformation			

Source: EY Study 2016

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E-invoice: Generation and Reporting



- e-invoice does not mean generation of electronic invoice on GST Portal **but reporting of electronic-Invoice?**
- What will change for users/taxpayers? **Nothing**
- The taxpayer will **NOT be required to make any change** in his ERP?
- **Change?:** Reporting of invoice data generated in a particular format which can be understood by government portal as well as by buyers.
- **The aim** is to make it part of business process of taxpayer and eliminate all reporting
- Reporting in near real time. → Return generation by GST System.



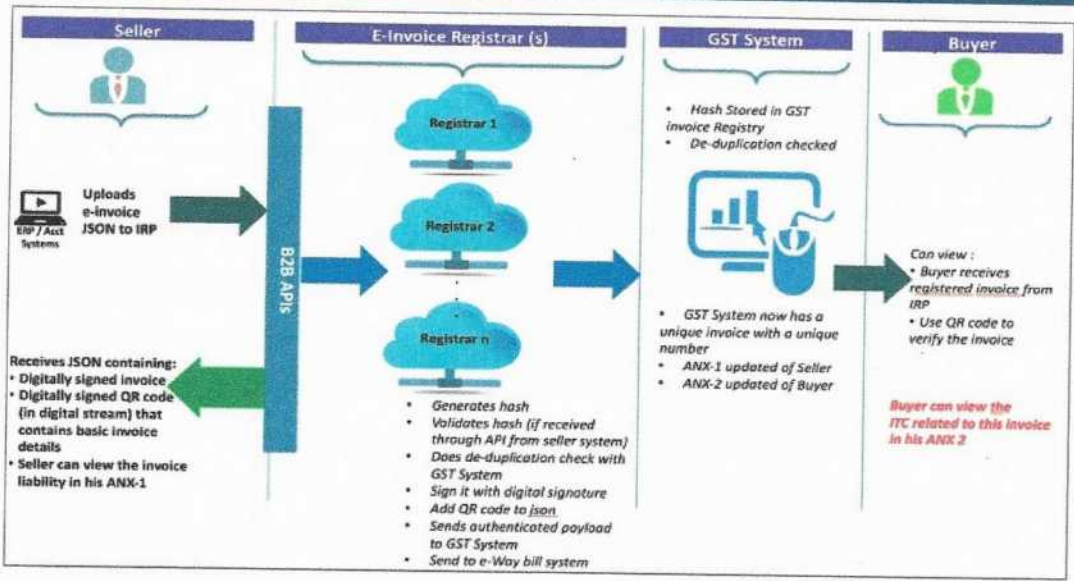
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CHAIRMAN'S INITIALS



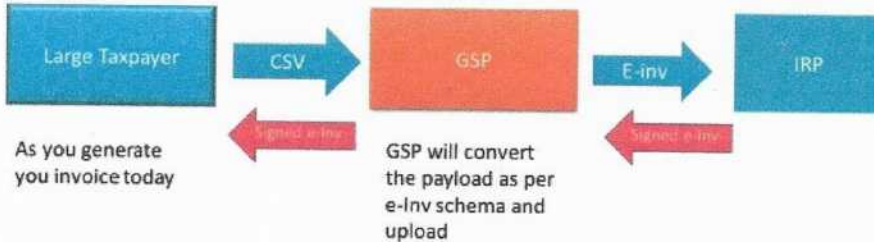
Flow of the E-Invoice Registration System



Solutions already demonstrated:



1. Thru a GSP.



2. ERP vendor to make changes in the software to enable taxpayers to generate e-invoice payload as per approved schema.

3. Mobile Apps for e-invoice generation by micro/small taxpayers. 4 out of 8 companies which are providing free accounting software have demonstrated it.

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E-invoice – Stakeholder/IT Companies Interactions



1. Session with major ASP/GSP & Accounting Software companies – conducted on **04.12.2019**
2. Sessions planned across India :

#	City	Industry Body Partner	Tentative Dates
✓ 1.	✓ Delhi	NASSCOM, ASSOCHAM, CII, PHDCI, FICCI	06 th Dec 2019 3 to 5 pm ✓
✓ 2.	✓ Chennai	CII	11 th Dec 2019 3 to 5 pm ✓
✓ 3.	✓ Hyderabad	FICCI	12 th Dec 2019 ✓
✓ 4.	✓ Jaipur	PHDCCI	17 th Dec 2019 3 to 5 pm ✓
5.	Bangalore	ASSOCHAM	19 th Dec 2019
6.	Pune	CII	20 th Dec 2019 3 to 5 pm
7.	Mumbai	CII	(to be decided)

e-invoice : Steps Taken and Timelines



Steps	Status/Timeline
Sharing of approved e-invoice schema and concept with Billing and Accounting eco-system (GSP, ASP and eight Accounting and Billing software providers providing free basic accounting/billing software).	Completed in October
Rollout	
On voluntary basis for taxpayers having turnover above Rs 500 Crores.	from 1 st Jan 2020
On voluntary basis for taxpayers having turnover above Rs 100 Crores.	from 1 st Feb 2020
Based on lessons learnt, mandatory rollout for the same taxpayers	from 1 st April 2020
Others: Gradual reduction of Turnover limit	Based on experience
Interaction with SAP and Oracle (as most of them use these ERPs)	Three Rounds completed
Development of software by NIC: E-invoice will be rolled out on e-way bill hardware to start with.	On track

Note: Data from e-invoice will be taken to e-way bill (from 1st Jan) and ANX-1 (from 1st April) so that they do not have to report the same again.


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GIN
GOODS AND SERVICES TAX NETWORK

100 Crore

E-Way Bills Generated on the E-Way Bill Portal

As on 16th December 2019

Status of Pending Payment of Advance User Charges and Interest thereon as on 16.12.2019

Sl. No.	CENTRE/STATE/ UT	User Charges for FY 2018-19 (1st Instalment)	User Charges for FY 2018-19 (2nd Instalment)	User Charges for FY 2019-20	Total User Charges to be collected	Total Interest Liability
	CBIC		87.15	83.84	171	4.78
1	Andhra Pradesh		3.78	6.74	10.52	0.29
2	Andaman & Nicobar			0.09	0.09	0.01
3	Arunachal Pradesh			0.26	0.26	0.01
4	Assam			3.04	3.04	0.08
5	Biher		2.58		2.58	0.06
6	Chandigarh					
7	Chhattisgarh			0.71	0.71	0.02
8	Dadra & Nagar Havell		0.11	0.06	0.17	0.01
9	Daman and Diu					
10	Delhi					
11	Goa					
12	Gujarat					
13	Haryana			3.49	3.49	0.09
14	Himachal Pradesh					
15	J&K					
16	Jharkhand					
17	Karnataka					
18	Kerala		2.96		2.96	0.07
19	Lakshadweep		0.01	0.01	0.01	0.01

• Rs. In Crores

CHAIRMAN'S INITIALS

MINUTE BOOK

Status of Pending Payment of Advance User Charges and Interest thereon as on 16.12.2019



Sl. No.	CENTRE/STATE/ UT	User Charges for FY 2018-19 (1st Instalment)	User Charges for FY 2018-19 (2nd Instalment)	User Charges for FY 2019-20	Total User Charges to be collected	Total Interest Liability
	CBIC		87.15	83.84	171	4.78
20	Madhya Pradesh					
21	Maharashtra					
22	Manipur			0.26	0.26	0.01
23	Meghalaya			0.01	0.01	0.01
24	Mizoram					
25	Nagaland			0.05	0.05	0.01
26	Odisha		3.07	2.98	6.05	0.15
27	Puducherry					
28	Punjab	5.29	4.24	-	9.53	0.25
29	Rajasthan			0.57	0.57	0.01
30	Sikkim			0.07	0.07	0.01
31	Tamil Nadu			5.07	5.07	0.13
32	Telangana		4.81	7.61	12.42	0.56
33	Tripura					
34	Uttar Pradesh			16.08	16.08	0.4
35	Uttrakhand					
36	West Bengal					
	Total	5.29	108.71	130.94	244.93	6.98

• Rs. In Crores



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