

Regd. / Email

From

Excise & Taxation Commissioner,
Haryana, Panchkula

To

All the Dy. Excise and Taxation Commissioner (ST),
in the State.


Memo No. 2771 /GST-1
Panchkula, date 30/10/2019

Subject: Monthly of News-Letters released by GST Council Secretariat.

Memo

Please find enclosed herewith copies of News-Letters volume I to VI which are released by GST Council Secretariat monthly basis on the latest developments on various issues related to GST, which would be useful for reference for your kind information.


30/10/2019
Superintendent (GST)

**For Excise and Taxation Commissioner,
Haryana** 

GST COUNCIL SECRETARIAT'S NEWS-LETTER

GST Revenue:

GST collections in the month of March 2019 was a record high of ₹.1,06,577 crore (CGST= ₹ 20,353 crore, SGST = ₹ 27,520 crore, IGST= ₹ 50,418 crore and cess is ₹.8,286 crore) as against revenue in March, 2018 of ₹ 92,167 crore, showing growth of 15.6% over revenue in same month last year. Revenue for last quarter in 2018-19 is 14.3% higher than same period last year.



GST Council Wins the Changemaker of the Year Award

The Hindu Business Line awarded Changemaker Award for the year 2019 to GST Council. Union Finance Minister Shri Arun Jaitley accepted the award on behalf of the GST Council on 15th March, 2019.

“As an example of the perfect coming together of cooperative federalism and an uncomplicated tax regime, the GST Council played a stellar role in uniting multiple State Governments with varying political obligations under a ‘one nation, one tax’ system called the Goods and Services Tax.” – *The Hindu Business Line.*

GST Council:

The GST Council was constituted on 15th September 2016 under Article 279A of the Constitution. It consists of the Union Finance Minister (Chairperson), Union Minister of the State in charge of Revenue of Finance and the Minister in charge of Finance or Taxation or may other Minister nominated by each State Government. Union Revenue Secretary is the ex-officio Secretary to the GST Council. The working of GST Council has ushered in a New Phase of Cooperative Federalism where the Central and the State Government work together to take collective decision on all issues relating to Indirect Tax regime of the country. In 34 meetings of GST Council 1064 decisions have been taken. The decisions includes interalia the issues related to GST laws, rules, GST

rates on goods and services, compensation, taxation threshold, composition scheme, MSME, real estate, hotel, and lottery etc.

The details of 34 GST Council Meetings:

Meeting	Date	Place
1.	22 nd & 23 rd September, 2016	New Delhi
2.	30 th September, 2016	New Delhi
3.	18 th & 19 th October, 2016	New Delhi
4.	3 rd & 4 th November, 2016	New Delhi
5.	2 nd & 3 rd December, 2016	New Delhi
6.	11 th December, 2016	New Delhi
7.	22 nd & 23 rd December, 2016	New Delhi
8.	3 rd & 4 th January, 2017	New Delhi
9.	16 th January, 2017	New Delhi
10.	18 th February, 2017	Udaipur
11.	4 th March, 2017	New Delhi
12.	16 th March, 2017	New Delhi
13.	31 st March, 2017	New Delhi
14.	18 th & 19 th May, 2017	Srinagar
15.	3 rd June, 2017	New Delhi
16.	11 th June, 2017	New Delhi
17.	18 th June, 2017	New Delhi
18.	30 th June, 2017	New Delhi
19.	17 th July, 2017	VC
20.	05 th August, 2017	New Delhi
21.	09 th September, 2017	Hyderabad
22.	06 th October, 2017	New Delhi
23.	10 th November, 2017	Guwahati
24.	16 th December 2017	VC
25.	18 th January, 2018	New Delhi
26.	10 th March 2018	New Delhi
27.	4 th May, 2018.	VC
28.	21 st July 2018	New Delhi
29.	04 th August 2018	New Delhi
30.	28th September, 2018	VC
31.	22nd December, 2018	New Delhi
32.	10th January, 2019	New Delhi
33.	24 th February 2019	New Delhi
34.	19 th March 2019	VC

GST changes for the benefits of MSME Sector:

- Higher exemption threshold limit for registration for exclusively supply of goods increased to ₹.40 lakh from ₹.20 lakh, except persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and subject to the conditions of the notification ([Notification No. 10/2019-CT dt. 07.03 2019](#))

- Composition scheme has been extended to the services also, by an amendment in Rule 7 under CGST Rules, 2017 whereby 'Composition Rules' have changed to 'Composition Levy'. Hence, the latest Composition Levy is as under:

Sl. No.	Category of registered persons	Rate of tax (CGST + SGST)
(1)	(2)	(3)
1.	Manufacturers, other than manufacturers of such goods as may be notified by the Government	One per cent. of the turnover in the State or Union Territory
2.	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	Five per cent. of the turnover in the State or Union Territory
3.	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	One per cent. of the turnover of taxable supplies of goods and services in the State or Union Territory

(Notification No. 03/2019–CT dt. 29.01.2019 and corresponding State Notifications)

- Turnover limit for Composition Scheme has been increased to ₹.1.5 crore from ₹.75 lakh for all States except States namely (i) Arunachal Pradesh, (ii) Assam, (iii) Manipur, (iv) Meghalaya, (v) Mizoram, (vi) Nagaland, (vii) Sikkim, (viii) Tripura, (ix) Himachal Pradesh for which the aggregate turnover limit is increased to ₹.75 lakh from ₹.50 lakh

(Notification No. 14/2019–CT dt. 07.03.2019)

- A new Composition Scheme for intra State supply of goods or services or both has been launched vide which first supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person, shall be levied at 6%, subject to the conditions as specified in the corresponding entry in notification.

(Notification No.02/2019–CT(R) dt. 07.03.2019)

Changes in Real Estate Sector—

Consequent upon recommendations by GST Council in the 34th Meeting held on 19th March, 2019, a new composition tax scheme for Real Estate Sector has been brought in with effect from 1st April, 2019:

- Real Estate will be taxed at 5% without input tax credit and 1% for affordable housing without input tax credit.
- Developers of projects who have started constructions before due date will get a one-time option to choose the new rate or old rates
- Under new scheme, 80% of inputs and input services for construction should be procured from registered persons. If it falls below 80%, then tax is to be paid by the developer at 18% on RCM basis (except for cement which is at 28% and capital goods at applicable rates under RCM).
- The exemption notification no. 12/2017 has been amended to include the services provided by the land owner to the developer by way of Transfer of development rights/ FSI/ Long term lease for the residential projects. The above exemption shall be subject to the conditions that all the flats are sold prior to OC.
- The RCM notification 13/2017 has been amended to notify the services provided by the land owner to the developer by way of Transfer of development rights/ FSI/ Long term lease for the residential projects as specified services under reverse charge i.e. under Sec 9(3).
- Up to 15% of commercial development to be treated as residential property only for taxation purposes.
- The area of construction should be considered as the basis for calculating the proportion of credit attributable to taxable / exempt supplies covered under entry 5(b) of schedule II (i.e. Construction services).

Notifications No. 03/2019 to 08/2019 – Central Tax (Rate), all dated 29.03.2019; Notification No.16/2019–CT dt. 29.03.2019 amending the CGST Rules, 2017; and Order No. 4/2019 - CT dt. 29-03-2019

System Related Changes

- Businesses with an annual turnover of over ₹ 2 crore can now start filing GST audit reports for fiscal 2017-18 as GST Network (GSTN) has made its format available on its portal.
- The audit report for 2017-18, the first year of the Goods and Services Tax (GST) implementation, is to be filed by June 30.
- Annual return forms GSTR-9, GSTR-9A and GSTR-9C to be filed by June 30.—**(Notification No. 14/2019–CT dt. 07.03.2019)**

- The DG Systems under CBIC has released a new business functionalities in GST IT Ecosystem dated 20th April, 2019, as under:
 - Tax Officers can block / unblock ITC credit in Credit ledger at GST portal;
 - Tax Officers can see annual returns GSTR-9; GSTR-9A filed on GST portal;
 - Tax Officers can see GSTR-2 return claiming TDS/TCS credit on GST portal;
 - Tax Officers can see ITC-01 and ITC-03 returns filed by new registrants for ITC credit on inputs held in stock or semi-finished or finished goods.

Judicial Pronouncement on GST

No input tax credit if GST returns not filed,; and Interest payable on gross GST liability; says High Court of Telangana—

In the case of M/s.Megha Engineering & Infrastructures Ltd. (Writ Petition Number 44517 of 2018), the High Court of Telangana has ruled that no input tax credit (ITC) is available unless GST returns are filed and a taxpayer is liable to pay penalty on the entire liability. Accordingly, the court held that interest was payable on the gross amount of the goods and services tax (GST) liability.

“In other words until a return is filed as self-assessed, no entitlement to credit and no actual entry in the electronic credit ledger takes place.

As a consequence, no payment can be made from out of such a credit entry,” Justices V Ramasubramanian and P Keshava Rao.

“.....the claim made by the respondents for interest on the ITC portion of the tax cannot be found fault with. Hence, the Writ Petition is dismissed,” the court said.

Because of the taxpayer's delay in filing the return in this instance, the payment of the tax liability—partly in cash and partly in the form of a claimed input tax credit—was made beyond the period prescribed, and thus the liability to pay interest on the gross amount arose automatically. The taxpayer was thus liable for interest on the gross GST liability.

Committee of Officers (CoO) on generation of e-Invoice

On 22nd April, 2019, a Committee of Officers (CoO) on generation of electronic Invoice through GST portal is constituted to examine various issues on generation of electronic Invoice through GST portal. Dr. Rajeev Ranjan, Special Secretary, GST Council Secretariat is Convener of the Committee.

Important GST Notifications/ Circulars/Orders

Central Tax Notifications:

Notification No. 21/2019-CT dt. 23-04-2019

Notify procedure for quarterly tax payment and annual filing of return for taxpayers availing the benefit of Notification No. 02/2019–Central Tax (Rate), dated the 7th March, 2019.

Notification No. 15/2019-CT dt. 28-03-2019

To extend the due date for furnishing of FORM GST ITC-04 for the period July 2017 to March 2019 till 30th June 2019 issued.

Important Circulars:

No. 99/2019 dated 23-04-2019 (F. No. CBEC–20/16/04/2018 – GST)

CBIC clarified the extension in time under sub-section (1) of section 30 of the Act to provide a one time opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019 for the specified class of persons for whom cancellation order has been passed up to 31st March, 2019.

No. 98/2019 dated 23-04-2019 (F. No. CBEC–20/16/04/2018 – GST)

CBIC has clarified the manner of utilization of input tax credit post insertion of the rule 88A of the CGST Rules. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the illustrations given in the circular.

No. 95/2019 dated 28.03-2019 (F. No. 20/16/04/2018 – GST)

To clarify verification for grant of new registration. The circular has been issued to guide the departmental officers to cross check the registration applications properly, to ensure that no such tax payers (whose registration was cancelled due to non-compliance and failed to discharge all the pending liabilities) are provided with a new GSTIN.

No. 94/2019 dated 28.03-2019 (F. No. 20/16/04/2018 GST)

This circular has been issued to clarify certain refund related issues under GST

No. 92/2019 dated 07.03-2019 (F. No. CBEC-20/16/04/2018 - GST)

CBIC has issued the circular clarifying various doubts related to treatment of sales promotion scheme under GST. There are several promotional schemes which are offered by taxable persons to increase sales volume and to attract new customers for their products. Some of these schemes have been examined and clarification has been made by CBIC, on the aspects of taxability, valuation, availability or otherwise of Input Tax Credit in the hands of the supplier in relation to the said schemes.

Important Orders:

Order No. 5/2019 - CT dt. 23-04-2019

This order has been issued to extend the time limit for filing an application for revocation of cancellation of registration for specified taxpayers.

IMF-TADAT training

GST Council has facilitated IMF 'Tax administration Diagnostic Assessment Tool' (TADAT) training to provide an objective assessment of the health of key components of a country's system of tax administration, for the officers from States and other formations in the month of April 2019.

Examination for Confirmation of Enrollment of GST Practitioners

The next examination for confirmation of enrollment of Goods and Services Tax Practitioners (GSTPs) shall be conducted on 14.06.2019 from 1100 hrs to 1330 hrs at designated examination centers across India. It will be a Computer Based Examination. The registration for the examination can be done by the eligible GSTPs on a registration portal, link of which will be provided on NACIN and CBIC websites. The registration portal for examination scheduled on 14.06.2019 will be activated on 21st May, 2019 and

will remain open up to 4th June, 2019. The applicants are required to make online payment of examination fee of ₹.500/- at the time of registration for this exam.

Union Finance Minister Desk

The Union Finance Minister Shri Arun Jaitley said that the Government is committed to facilitate trade and industry in the country so that the momentum of the growth continues to move-up. He asked the captains of Indian industry to comply with the recent recommendations of the GST Council with regard to reduction of rates of various items and pass on the benefits to the consumers at large. The Finance Minister Shri Jaitley was speaking when a delegation of Federation of Indian Chambers of Commerce and Industry (FICCI) called on him in his office in New Delhi on 5th March' 2019.

The Finance Minister said that GST is now on the track and is in process of fast settling down. The Finance Minister said that the thrust of the Government is to lower the tax rate and widen the tax base and keep the revenue collections moving-up. He said that the indirect tax collections will further increase in future.

Mr. Sandip Somany, President FICCI congratulated the Finance Minister for the decisive action taken on many economic fronts including Landmark Reforms like Introduction of GST and Insolvency and Bankruptcy Act among others.

(Source-PIB Delhi)

Revenue Secretary Desk

Shri Ajay Bhushan Pandey, Revenue Secretary said while a lot of things had been done to simplify the GST regime, more would be on the cards in near future. "For example, from the three-return system, we will be moving towards a single return system within a few months. Similarly, when it comes to returns and other procedures, they will also be completely streamlined. Our aim would be to make the system as simple and as convenient as possible, through use of technology".

(Source-The Economic Times)

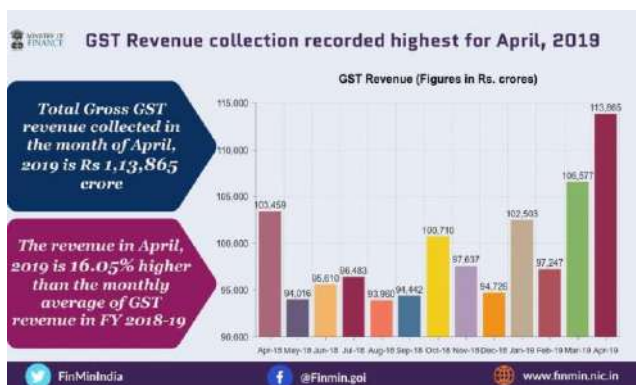
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GST COUNCIL SECRETARIAT'S NEWS-LETTER

GST Revenue:

Gross GST revenue collected in the month of April, 2019 is Rs.1,13,865 crore, including CGST of Rs.21,163 crore, SGST of Rs.28,801 crore, IGST of Rs.54,733 crore and Cess of Rs.9,168 crore. –



(Source-PIB)

Month-wise Revenue Collection Snapshot:

S. No.	Revenue Collected in the month of	Amount (in Rs. Crores)
1	July, 2017	21,572
2	August, 2017	95,633
3	September, 2017	94,064
4	October, 2017	93,333
5	November, 2017	83,780
6	December, 2017	84,314
7	January, 2018	89,825
8	February, 2018	85,962
9	March, 2018	92,167
10	April, 2018	1,03,458
11	May, 2018	94,016
12	June, 2018	95,610
13	July, 2018	96,483
14	August, 2018	93,960
15	September, 2018	94,442
16	October, 2018	1,00,710
17	November, 2018	97,637
18	December, 2018	94,726
19	January, 2019	1,02,503
20	February, 2019	97,247
21	March, 2019	1,06,577
22	April, 2019	1,13,865
	Total	20,31,884

[Source GST-Concept & Status (01.05.2019)-CBIC]

GST Council – Journey so far:

The GST Council was constituted on 15th September 2016 under Article 279A of the Constitution. It consists of the Union Finance Minister (Chairperson), Union Minister of State in charge of the Revenue or Finance and the Minister in charge of Finance or Taxation or any other Minister

nominated by each State Government. Union Revenue Secretary is the *ex-officio* Secretary to the GST Council. The working of GST Council has ushered in a New Phase of Cooperative Federalism where the Central and the State Governments work together to take collective decisions on all issues relating to Indirect Tax regime of the country. In the journey GST Council has touched following milestones so far:

Number of Meetings of GST Council	34
Number of Meetings of GST Council Prior to implement of GST (prior to 01.07.2017)	17
Number of Meetings of GST Council Post implement of GST (after 01.07.2017)	17
Number of decisions taken by GST Council	1064
Number of Pages in the Agenda Notes for the Meetings of GST Council	5685
Number of Pages in the Minutes of Meetings of GST Council	1671
Number of Notifications Issued by the Central Government to implement decisions of GST Council	
Central Tax Notifications:	178
Central Tax Rate Notifications:	87
(Note—Almost equal number of corresponding SGST Notifications have been issued by each State.)	
IGST/UTGST Tax Notifications:	56
IGST/UTGST Tax Rate Notifications::	186
Number of Circulars issued by the Central Government	213
Number of Orders issued by the Central Government	15

Authorities of Advance/Appellate Rulings- Status Upto April, 2019

“Authority for Advance Ruling” (AAR) constituted under the provisions of a SGST/ UTGST Act, in terms of the provisions of Section 96 of the CGST Act, 2017 to render ruling on issues specified under Section 98 of the CGST/SGST Act which are binding on respective tax authority and tax payers.

Being aggrieved by said Ruling, a person may appeal before the jurisdictional “Appellate Authority for Advance Ruling” (AAAR) which is constituted under the provisions of the SGST Act, 2017, in terms of the provisions of Section 99 of the CGST Act, 2017.

Details of Advance Ruling/Appellate Authorities of all States/UTs as well as Order issued by the each States are being hosted on the website www.gstcouncil.gov.in. The brief of Ruling and Appellate Orders passed by each State/UTs are for ready reference, below:-

Name of State/ Union Territory	Rulings passed by AAR	Appellate Orders issued by AAAR
Andhra Pradesh	26	0
Arunachal Pradesh	0	0
Assam	0	0
Bihar	2	0
Chhattisgarh	10	2
Delhi	18	-
Goa	8	0
Gujarat	36	7
Haryana	19	2
Himachal Pradesh	0	0
Jammu & Kashmir	0	-
Jharkhand	0	0
Karnataka	39	9
Kerala	7	0
Madhya Pradesh	20	0
Maharashtra	94	26
Manipur	0	0
Meghalaya	0	0
Mizoram	0	0
Nagaland	0	0
Odisha	8	5
Puducherry	0	0
Punjab	3	-
Rajasthan	47	7
Sikkim	0	0
Tamil Nadu	39	1
Telangana	12	3
Tripura	0	0
Uttar Pradesh	12	0
Uttarakhand	22	2
West Bengal	49	9
All UTs (without Legislature)		
Andaman & Nicobar	0	0
Chandigarh	0	0
Dadra & Nagar Haveli	0	0
Lakshadweep	0	0
Daman & Diu	9	0
GRAND TOTAL	480	73

Anti-Profiteering Measures:

The National Anti-Profiteering Authority (NAA) was constituted on 28th November, 2017 under Section 171 of the CGST Act, 2017 to ensure that the reduction in rate of tax or the benefit of input tax credit is passed on to the recipient by way of commensurate reduction in prices.

Important steps taken by the NAA to curb profiteering:

- Regular meetings with the Zonal Screening Committees and the Chief Commissioners of Central Tax to stress upon consumer awareness programmes;
- Helpline to resolve the queries of citizens regarding registration of complaints against profiteering.
- Complaints through email and NAA portal.
- Working with consumer welfare organizations in order to facilitate outreach activities.

60 orders so far passed against the complaints of profiteering by NAA. In 23 cases, profiteering was established amounting to Rs.625 crores and effected recovery of Rs.300 crores (Approx.).

Generation of e-Invoice

A Committee of Officers (CoO) on generation of electronic Invoice through GST portal was constituted on 22nd April, 2019. Subsequently, the CoO had two meetings on 3rd May, 2019 and 17th May, 2019 and submitted its interim inception report.

Enforcement Action:

In a drive to curb tax evasion, CBIC has reported detection of 396 cases on fake invoices involving tax-evasion of Rs.5887.54 crores. In the similar action all States/UTs have reported detection of 225 cases on fake invoice cases involving tax evasion of Rs.1314.77 crores.

GST Grievance Redressal Mechanism

A multi-layered mechanism on grievance redressal exist to taxpayers, as below:--

Pan-India Helpdesk: (24 x 7 Helpdesk – CBECMITRA):

For all queries related to law and procedure under GST and related IT issues.

National Toll-free number: 1800-1200-232

E-mail : cbecmitra.helpdesk@icegate.gov.in

Helpdesk manager: Escalation.Cbecmitra@icegate.gov.in

Taxpayer Self-service (web-ticketing)

Taxpayers may also use a self-service mechanism available under 'HELP' tab on the below mentioned website to get their queries answered by providing information in drop-down menu.

Website: <https://cbec-gst.gov.in>

GST Seva Kendras

Multiple CBIC GST Seva Kendras are available locally for taxpayers to resolve their local issues in the local language(s). These Seva Kendras also accessible via phone, via email or can be visited in person by a taxpayer.

CBIC Portal: <http://www.cbic.gov.in/htdocs-cbec/gst/index>

Real Estate Sector- New Tax Regime —

Consequent upon introduction of new tax regime for real estate sector, Government has issued two trenches of Frequently Asked Questions (FAQs) for the benefit of trade and officials.

The first set of compilation of FAQs for real estate sector was issued on 07.05.2019 by CBIC to clarify doubts with regard to migration of real estate developers to new GST rates for the sector which has come into force from April 1, 2019.

The main salient clarifications of FAQs are:

- i) With effect from 01-04-2019, effective rate of GST applicable on construction of residential apartments by promoters in a real estate project are as under:

Description	Effective rate of GST (after deduction of value of land)
Construction of affordable residential apartments	1% without ITC on total consideration.
Construction of residential apartments other than affordable residential apartments	5% without ITC on total consideration.

- ii) In case of on-going project, the promoter has an option to pay GST at the old rates, i.e. at the effective rate of 8% on affordable residential apartments and effective rate of 12% on other than affordable residential apartments (after deduction of value of land).
- iii) Affordable residence having carpet area upto 60 square meter in metropolitan cities and 90 square meter in cities or towns other than metropolitan cities and the gross amount charged for which, by the builder is not more than forty five lakhs rupees.
- iv) No adjustment of accumulated credits in ongoing projects in case builder opt for lower new GST rate.
- v) Builders who have received completion certificate for an ongoing project before April 1, 2019, will have to charge 12 percent GST from buyers on the balance amount due towards purchase of the flat.
- vi) GST on services of construction of an apartment by a promoter @ 1% / 5% is to be discharged in cash only. ITC, if any, may be used for discharging any other supply of service.
- vii) Developer and not the land owner have the right to decide whether to opt for new GST rates or stick to old rates for ongoing projects.

{Reference: Circulars F. No. 354/32/2019-TRU dated 07.05.2019 and 14.05.2019}

System Related Changes:

Enhancements in E-Way Bill System

1. **Auto calculation of route distance based on PIN code for generation of EWB:** E-waybill system is now enabled to auto calculate route distance for movement of goods, based on the Postal PIN codes of source and destination locations given by the user. The e-waybill system will

calculate and display the actual distance between the supplier and recipient addresses. User is allowed to edit the distance shown, but it will be limited to 10% more than the displayed distance. In case, source PIN and destination PIN are same, the user can enter up to a maximum of 100 kms only. If PIN entered is incorrect, the system would alert the user as INVALID PIN CODE, but he can continue entering the distance.

2. **Knowing the distance between two PIN Codes:** Taxpayer can now know the distance between source and destination by selecting “PIN to PIN distance” in Search section on the EWB System home page. Search will show approximate distance between the PINs entered.

3. **Blocking of generation of multiple E-Way Bills on one Invoice/document:** EWB system will not allow generation of multiple e-way bills based on one invoice, by any party – consignor, consignee or transporter. That is, once E-way Bill is generated with an invoice number, then no one can generate another E-Way Bill with the same invoice number.

4. **Extension of E-Way Bill in case Consignment is in Transit:** The taxpayer or transporter (who has been assigned an EWB) can now extend E-way Bill validity, when goods are in transit. User can login to the EWB portal and navigate to **EWB Module > Extend Validity > Enter EWB Number to fill the form**. On selection of **In Transit**, the address details of the transit place need to be provided by user. On selection of **In Movement** the system will prompt user to enter Mode and Vehicle details.

5. **Report on EWB which are about to expire soon:** Users of EWB System can now view the list of EWB about to expire in next three days. User can see this after logging into the EWB portal and navigating through **Reports > My EWB Reports > EWB about to expire**.

GST Council Mandate – Judicial Pronouncement

Union of India Vs Shiyad (Kerala High Court)—WA No.2061/2017—In the Order dated 11th April, 2019, the Hon'ble High Court of Kerala has held that GST Council not to adjudicate on Representations under GST—

Respondents, members of the Plastic Recycling Industrial Association' had sent a representation to the GST Council on 27.07.2017 by post; that a Writ Petition was filed on 01.08.2017 for issuing a Writ of Mandamus to the GST Council to dispose of the representation at the earliest etc. Single Judge had by judgment dated 02.08.2017 disposed of the Writ Petition directing the GST Council to consider and pass orders on the representation within a period of one month – UOI and the GST Council have filed appeals challenging the said judgment.

Learned Senior Standing Counsel for the GST Council contended that it is not the function of the GST Council to receive representations from the general public and to conduct personal hearings and to pass orders on such representations and, therefore, a writ of mandamus as

issued by the Court in the impugned judgment will not lie against the Council. The Bench finds considerable force in this contention.

The Hon'ble Court considered that it is evident from a reading of the provisions of Article 279A of the Constitution that

“there is no mechanism provided in the Constitution or any other statute for the GST Council to adjudicate the grievances raised by the general public. There is no mechanism for consideration and disposal of representations made by the general public to the Council after conducting personal hearing of the parties who make such representations. Writ Petitioners have not brought to the notice of the Bench any provision in the Constitution or any other statute which imposes a duty on the GST Council to adjudicate on the grievances raised by the members of the general public with regard to imposition and levy of goods and services tax on any product.”

The Hon'ble Court also held that “Single Judge has wrongly exercised his discretion in issuing a direction to the GST Council. Consequently writ appeal is allowed and the impugned judgment is set aside.”

Important GST Notifications/Circulars

Central Tax Notifications:

Notification no 23/2019 & 24/2019 both dt. 11-05-2019

Due date of filing Form GSTR 1 & 3B for the month of April, 2019, extended till 10th June, 2019 & 20th June, 2019 respectively, for cyclone hit districts of Odisha

Central Tax Rate Notifications:

Notification No. 10/2019-CT(R) dt. 10-05-2019

The date for exercising the option for residential real estate project to either stay at old GST rate (8% or 12% with ITC) or to avail new GST rate (1% or 5% without ITC) is being extended to 20.05.2019 from 10.05.2019.

Circular: No. 101/20/2019-GST dated 30.04.2019 (F. No. 354/27/2019-TRU)

GST exemption on the upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business under Entry No. 41 of Exemption Notification 12/2017 – Central Tax (R) dated 28.06.2017 is admissible irrespective of whether such upfront amount is payable or paid in one or more installments, provided the amount is determined upfront.

GST Practitioners—Conduct of Examination

In terms of Rule 83A(3) of CGST Rules, 2017, the examination shall be conducted twice in a year by NACIN. The next two examinations in year 2019, for GSTPs falling under STPEL/TRPEL categories, shall be conducted on **14.06.2019 and 12.12.2019** (from 1100 hrs to 1330 hrs) at designated examination centers, all across India.

CBIC Launched Samarth—E-Learning Platform

Chairman CBIC Mr. P K Das launched Samarth, an e-learning platform developed by DG System in collaboration with NACIN. The platform has been integrated with [@NACIN_OFFICIAL](#) website under LMS link for facilitation and enrichment of CBIC officers.

Cross-utilization of ITC-CBIC:

CBIC has clarified that IGST credit can be used for payment of all taxes. CGST credit can be used only for paying CGST or IGST. SGST credit can be used only for paying SGST or IGST.

The credit would be permitted to be utilized in the following manner:

- ITC of CGST allowed for payment of CGST & IGST in that order;
- ITC of SGST allowed for payment of SGST & IGST in that order;
- ITC of UTGST allowed for payment of UTGST & IGST in that order;
- ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order.

ITC of CGST cannot be used for payment of SGST/UTGST and vice versa. It has been further provided that IGST balances shall be exhausted for payment of IGST, CGST or SGST, as the case may be, before utilization of CGST or SGST.

[Source: Notification No.16/2019-CT dated 29.03.2019; and 'GST-Concept & Status (01.05.2019)-CBIC']

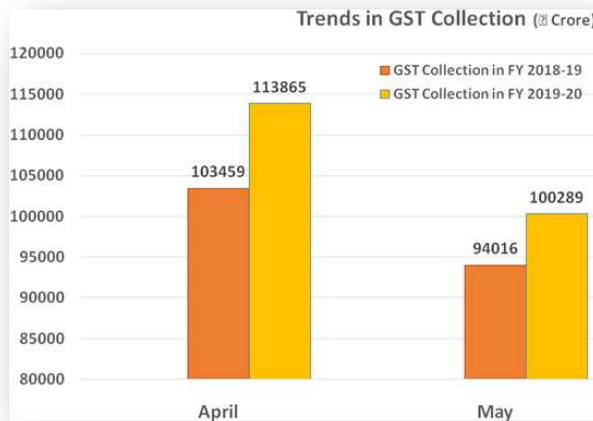
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GST COUNCIL SECRETARIAT'S NEWS-LETTER

GST Revenue

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



—(Source-PIB Delhi)

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

(Figures in ₹ Crore)

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

—(Source-DoR)

Return Filing Updates

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

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

Highlights of 35th Meeting of GST Council dated 21.06.2019

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

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

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

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

Creation of State Benches of GST Appellate Tribunal

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

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

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

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

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

Anti-profiteering Measures

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

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

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

New Return System

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

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

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

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

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

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

Extension of filing of Annual returns

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

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

Extension of furnishing of declaration in Form GST-ITC04

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

Option for Composition scheme for supplier of services

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

Blocking of E-Way Bill facility

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

Aadhaar-enabled GST Registration

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

Clarification on Cross-charges

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

E-Ticketing

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

Amendment in GST Law

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

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

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

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

Introduction of E-invoicing

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

Use of RFID data for strengthening of e-way system

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

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

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


E-way Bill update

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

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

– (Source—www.ewaybill.nic.in)

Judicial Pronouncement

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

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

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

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GST COUNCIL SECRETARIAT'S NEWS-LETTER

GST Revenue—An Overview

Total GST collection in the first three months in the FY 2019-20 (April-June 2019) has been ₹3,14,093 crore, ₹11,77,369 crore in the FY 2018-19, and ₹7,40,650 crore from July 2017 to March 2018 in FY 2017-18.

Monthly average of GST Collection was ₹1,04,698 crore in Financial Year 2019-20 vis-à-vis ₹ 98,114 crore in Financial Year 2018-19 and ₹ 89,885 crore in the Financial Year 2017-18.

The GST revenue growth was 9.56% in the FY 2018-19 (from August'18 to March'19) against the corresponding period of FY 2017-18. Similarly, the GST revenue growth was 7.17% in the FY 2019-20 from April'19 to June'19 against the corresponding period of FY 2018-19.

The Central Government has released ₹1,29,355 as total GST compensation to the states (including the UTs of Delhi and Puducherry) {₹ 48,178 crore in 2017-18 (July to March) and ₹ 81,177 crore in 2018-19}.

The total GST collection of the States/UTs was ₹5,18,447 crore in 2018-19 as against ₹2,91,100 crore in the year 2017-18 (August to March). The government said GST collection of the states/UTs has been showing steady improvement over time. In addition, they are also assured a growth of 14% for a period of five years through payment of compensation.

MONTH-WISE GROSS COLLECTION OF GST

MONTH	2017-18	2018-19	2019-20
April	-	1,03,459	1,13,865
May	-	94,016	1,00,289
June	-	95,610	99,939
July	21,572	96,483	-
August	95,633	93,960	-
September	94,064	94,442	-
October	93,333	1,00,710	-
November	83,780	97,637	-
December	84,314	94,726	-
January	89,825	1,02,503	-
February	85,962	97,247	-
March	92,167	1,06,577	-
Total	7,40,650	11,77,369	3,14,093
Average	89,885	98,114	1,04,698

Figures in ₹crore.

Union Finance Budget 2019-20

The Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman presented her first Union Budget 2019-20 on 5th July, 2019.

The Finance Minister presented the details of consolidated revenue collections for 2017-18 and budget estimates for various direct/indirect taxes and GST as under:

HEAD	2017-18 (Actuals)	2018-19 (Budget Estimates)	2018-19 (Revised Budget Estimates)	2019-20 (Budget Estimates)
Corporation Tax	571202	621000	671000	766000
Taxes on Income	430772	529000	529000	569000
Customs	129030	112500	130038	155904
Excise	259431	259600	259612	300000
Service Tax	81228	--	9283	--
GST				
CGST	203262	603900	503900	526000
IGST	176688	50000	50000	28000
GST Compensation Cess	62612	90000	90000	109343
Total GST	442562	743900	643900	663343

Figures in ₹Crore

She said that landscape of Indirect Tax has changed significantly with the implementation of GST, terming it as a “monumental reform”, GST regime has brought together the Centre and the States with the result that 17 taxes and 13 cesses became one and multitude of rates instantly became four. Almost all commodities saw rate reduction. Tens of returns were replaced by one. Taxpayers' interface with tax departments got reduced. Border checks got eliminated. Goods started moving freely across states, which saved time and energy. The dream of ‘One Nation, One Tax, One Market’ was realized and the Council, Centre and States proactively worked to resolve the teething problems witnessed during the initial phase of GST.

The changes in respect of GST in the Budget 2019-20 are brought as under:

- GST rate proposed to reduce on electric vehicles from 12% to 5%.
- Threshold exemption limit for a supplier of goods is enhanced from ₹ 20 lakhs to ₹ 40 lakhs.
- Quarterly return for tax payers having annual turnover of less than ₹ 5 crore
- Free accounting software for Return preparation shall be provided to small businesses.
- Fully automated GST refund module shall be implemented.

- Multiple tax ledgers for a tax payer shall be replaced by one.
- ₹ 350 crore allocated for 2% interest subvention for all GST-registered MSMEs on fresh or incremental loans.
- Electronic invoice system wherein invoice details will be captured in a central system at the time of issuance to be rolled out from January 2020.
- Providing for a composition scheme for supplier of services or mixed suppliers (not eligible for the earlier composition scheme) having an annual turnover of upto ₹ 50 lakhs in preceding financial year.
- Proposed constitution, qualification, appointment, tenure, conditions of services of the National Appellate Authority for Advance Ruling (NAAAR) and the procedures for filing of appeals and rectification of orders. To empower the National Appellate authority at par with civil courts.
- Empower the Commissioner to extend the due date for furnishing of Annual return and Re-conciliation statement; and Monthly and Annual Statement by an e-commerce operator

36th GST Council Meeting—27.07.2019

36th GST Council Meeting held through Video Conference on 27.07.2019 under the chairmanship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. The Council has recommended:

Reduction in the GST rate on supply of goods and services, effective from 1st August, 2019:

- GST rate on all electric vehicles reduced from 12% to 5%.
- GST rate on charger or charging stations for Electric vehicles reduced from 18% to 5%.
- Hiring of electric buses (of carrying capacity of more than 12 passengers) by local authorities is exempted from GST.

Extension of New Composition Scheme:

GST Council extended the last date for filing CMP-02 from 31.07.2019 to 30.09.2019. A taxpayer may opt for Composition Scheme introduced vide notification No.2/2019-CT(R) dated 07.03.2019 as amended vide notification No.09/2019-CT(R) dated 29.03.2019. This scheme is for the suppliers of services or engaged in mixed supplies, who were not eligible for the primary composition scheme and whose annual turnover in the preceding financial year did not exceed ₹ 50 lakh under section 10 of the CGST Act, to pay GST at composition rate of 6%. Taxpayer, who wants to opt for

Composition Scheme for a financial year or during the middle of a financial year, has to inform the government about his choice through CMP-02.

Also, the GST Council extended last date for furnishing statement containing the details of payment of self-assessed tax in FORM GST CMP-08 for the quarter April 2019 to June 2019 from 31.07.2019 to 31.08.2019.

2nd GST DAY—01.07.2019

2nd Anniversary of GST was celebrated in New Delhi on 1st July, 2019.

The Minister of State for Finance & Corporate Affairs, Shri Anurag Singh Thakur presided the GST day and said that GST has been a Game Changer for all the stakeholders in the economy. He said that it is a shining example of GST having made India a true common market is that the transport time and cost of moving goods across the length and breadth of the country have come down significantly.

Dr. Ajay Bhushan Pandey, Revenue Secretary, Shri P.K. Das, Chairman, CBIC and Shri John Joseph, Member, CBIC and Dr. Rajeev Ranjan, Special Secretary of GST Council Secretariat, graced the occasion. Senior officers of various Ministries of the Government of India, senior officers of CBIC, senior retired officers of CBIC, the representatives of all major Trade and industry Associations were also present on the occasion in large numbers.

On this occasion, the Union Minister of State for Finance granted Commendation Certificates to 30 CBIC Officers from various formations across the country for their valuable contribution in the administration of GST. He also released a book on “GST for MSME” by CBIC.

Speaking on the occasion, Revenue Secretary said that GST is an excellent example of Federal Cooperation. There are 1.2 crore tax payers who have registered on GSTN. Around 70 lakh tax payers regularly file returns and an amount of ₹ 1 lakh crore of tax is paid online. He called upon the officers that on this Day, we should remember what can be further done for trade facilitation.

Ex-Hon'ble Union Finance Minister Shri Arun Jaitley on the occasion of GST day and completion of 2 years of GST has written a blog, where he expressed:

- The monumental restructuring of one of the world's clumsiest indirect tax system was not an easy task. The challenges to implement the GST were compounded by some outlandish and exaggerated comments of the not so well-informed. The GST merged all these seventeen different laws and

created one single taxation. The GST changed this scenario completely. Today, there is only one tax, online returns, no entry tax, no truck queues and no inter-state barriers.

- The GST Council is India's first statutory federal institution. The Centre and the States jointly sit and decide. Both have pooled their fiscal rights in a collective forum to create one common market.
- India had one of the smoothest transformations. Within the first few weeks of the implementation, the new system settled down. It would be inequitable to apply a single rate in countries where there are a large number of people below the poverty line. The direct tax is a progressive tax. The more you earn, the more you pay. An indirect tax is a regressive tax.

Constitution of GoM / Committee of Officers

Re-constitution of Group of Ministers (GoM) on IT

The Group of Ministers (GoM) has been re-constituted to monitor and resolve the IT challenges in implementation of GST vide OM F.No.156/ Committees-5/GoM-GSTN/2017 dated 12th July, 2019. Shri Sushil Kumar Modi, Deputy Chief Minister, Bihar is the Convener of the GoM.

Committees of Officers (CoO) for a Special Composition Scheme

A Committee of Officers (CoO) for composition scheme has been constituted to examine feasibility of designing a special composition scheme for Brick Kilns, Menthol, Sand Mining Activity and Stone Crushers Unit vide OM F.No. 346/CoO-SplCmpSch/ GSTC/2019 dated 12th July, 2019. Pr.Commissioner of GST Policy Wing, CBIC and Commissioner of State Tax, Bihar are Co-Conveners of the Committee.

Committees of Officers (CoO) on risk-based management of taxpayer under GST regime

A Committee of Officers (CoO) on risk-based management of taxpayer under GST regime has been constituted vide OM F.No.341/Profiling of Taxpayers/GSTC/2019 dated 15th July, 2019. Pr.Commissioner of GST Policy Wing, CBIC and Chief Commissioner of State Tax, Gujarat are Co-Conveners of the Committee.

GST Implementation Committee (GIC) — A brief:

GST Council in its 14th and 17th meetings on 18-19 May 2017 and 18 June 2017 respectively decided to constitute a GST Implementation Committee (GIC) to facilitate and decide on urgent matters of GST. This committee consists of officers from Central and State Government and the decision taken by GIC are being

circulated among the Council's members and then submitted before the GST Council for its ratification.

Further, GST Council in the 21st meeting on 9th September, 2017 decided that GIC could decide on procedural issues while for substantive policy issues, the GIC should send its recommendations to the GST Council. Accordingly, GIC has conducted 30 meetings until now, which are as under:

Meeting No.	Date
1 st Meeting	11 th June, 2017
2 nd Meeting	18 th June, 2017
3 rd Meeting	23 rd June, 2017
4 th Meeting	28 th June, 2017
5 th Meeting	5 th July, 2017
6 th Meeting	20 th July, 2017
7 th Meeting	25 th August, 2017
8 th Meeting	31 st August, 2017 & 1 st September, 2017
9 th Meeting	26 th September, 2017
10 th Meeting	28 th September, 2017
11 th Meeting	26 th December, 2017
12 th Meeting	15 th February, 2018
13 th Meeting	26 th February, 2018
14 th Meeting	19 th March, 2018
15 th Meeting	26 th March, 2018
16 th Meeting	10 th April, 2018
17 th Meeting	16 th May, 2018
18 th Meeting	28 th May, 2018
19 th Meeting	5 th June, 2018
20 th Meeting	22 nd June, 2018
21 st Meeting	21 st August, 2018
22 nd Meeting	10 th October, 2018
23 rd Meeting	26 th October, 2018
24 th Meeting	12 th February, 2019
25 th Meeting	5 th March, 2019
26 th Meeting	22 nd March, 2019
27 th Meeting	15 th April, 2019
28 th Meeting	27 th May, 2019
29 th Meeting	11 th June, 2019
30 th Meeting	9 th July, 2019

IT Grievance Redressal Mechanism (ITGRC) in GST Regime—A brief:

In the 26th GST Council Meeting held on 10th March 2018, the IT Grievance Redressal Mechanism was set up in light of the direction from various Hon'ble High Courts to have grievance redressal. Accordingly, GST Implementation Committee (GIC) was mandated to act as the IT Grievances Redressal Committee (ITGRC) for resolving the problems of taxpayers who have not been able to file their documents like TRAN-1, TRAN-2, GSTR-3B and GSTR-1 or to complete registration/migration due to technical glitches at GST portal.

Subsequently, a procedure to address the grievance of taxpayers due to technical glitches in GST Portal was laid down by CBIC vide Circular No. 39/13/2018 dated 3rd April 2018. Further, a Standard Operating Procedure (SOP) was issued on 12th April 2018 by the Goods and Service Tax Network (GSTN) delineating the process to be followed by the designated Nodal Officers of the Central and State Governments.

In 32nd GST Council Meeting, mandate of the ITGRC was expanded to consider non-technical cases also on merit, the specific cases covered under the orders of the Hon'ble High Courts as sent by Centre or State Authority.

So far, the ITGRC has conducted seven meetings. 2394 cases have been placed before the ITGRC, out of which 920 cases allowed.

The details of meetings are as below:

Meeting No.	Date
1 st Meeting of ITGRC	22 nd June, 2018
2 nd Meeting of ITGRC	21 st August, 2018
3 rd Meeting of ITGRC	26 th October, 2018
4 th Meeting of ITGRC	12 th February, 2019
5 th Meeting of ITGRC	5 th March, 2019
6 th Meeting of ITGRC	27 th May, 2019
7 th Meeting of ITGRC	11 th June, 2019

Various Important Notifications/Circulars issued by CBIC

Notification No. & Date	Subject
33/2019-Central Tax dt. 18-07-2019	Seeks to carry out changes in the CGST Rules, 2017.
34/2019-Central Tax dt. 18-07-2019	Seeks to extend the last date for furnishing FORM GST CMP-08

Circular No. & Date	Subject
107/2019 dt. 18-07-2019	To clarify various doubts related to supply of Information Technology enabled Services (ITeS services).
108/2019 dt. 18-07-2019	To clarify issues regarding procedure to be followed in respect of goods sent / taken out of India for exhibition or on consignment basis for export promotion
109/2019 dt. 22-07-2019	Clarification on issues related to GST on monthly subscription/contribution charged by a Residential Welfare Association from its members.

GST Council Website –A Treasure

An official website of GST Council www.gstcouncil.gov.in was launched in the month of June 2017 and being maintained by GST Council Secretariat to cater to taxpayers, tax officials, consultants, advisor, taxpayers, CA, trade and industry etc.

The website is unique, rich and is a treasure trove of contents of not only Central Tax information but also all States Tax information. It contains GST Laws and corresponding SGST Laws of all States. Similarly, it has all Central Tax Rate notifications and corresponding notifications issued by all States. All agenda and minutes of meeting of GST Council are uploaded from time to time. Information on Committees constituted by GST Council from time to time are made available on the website. A database on all members of GST Council (Hon'ble Ministers) is maintained. It is the only website which provides Rulings / Orders issued by all State Authorities for Advance Rulings (AAR) and all State Appellate Authorities for Advance Rulings (AAAR) which is openly accessible. Besides these, various information on GST, CGST Rules, GST grievance redressal mechanism, and Anti-profiteering mechanism, Press-releases, FAQs, Fliers, MSME, Books on Act/Rules/Notifications/Circulars/Forms etc. uploaded on website.

Recently, new features have been added on the website to have GST system statistics and compendium of articles on GST issued by different print media/electronic media for ready reference of the viewers. In a short span of time, over 2.7 crore viewers have visited the website.

DISCLAIMER: This newsletter is in-house efforts of the GST Council Secretariat. The contents of this newsletter does not represent views of GST Council Secretariat and are for reference purposes only. Please refer the text of Notifications / Circulars / Orders / Judgements etc. for further details.

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Tribute

The GST Council Secretariat is extremely saddened by the untimely demise of Shri Arun Jaitley, the first Chairperson of the GST Council and former Union Finance Minister. The GST Council, India's first institution of co-operative federalism, witnessed his adroit handling and non-partisan functioning of the body, enabling consensus building on complex taxation issues. The Secretariat pays its tribute to Shri Arun Jaitley, a great raconteur, a humorous personality, statesman, reformer, strategist, versatile leader, seasoned parliamentarian and a loved human being.

The GST Council in its 35th meeting on June 21, 2019 unanimously placed on record the Council's appreciation of the exemplary contributions made by Shri Arun Jaitley in 33 meetings chaired by him, which led to the monumental restructuring of one of world's most difficult indirect tax system and fulfilled the dream of "One tax, One nation and One market".

The resolution passed by the GST Council is reproduced below:



The Goods and Services Tax Council, in its thirty-fifth meeting held on 21st June 2019;

Having recalled the stellar role played by **Shri. Arun Jaitley**, the earlier Union Finance Minister and Chairperson, GST Council in the roll out of GST;

Having reflected upon the leadership exhibited by him during discussion on the design of GST, in forging a consensus between the Centre and the States which had been elusive for more than a decade and half;

Noting the immense patience and erudition shown by him in ensuring that all contentious issues were discussed threadbare before arriving at a solution acceptable to all;

Having recollected the many number of instances in which his legal acumen guided the Council in its deliberations on difficult legal issues;

Expresses its gratitude and appreciation for the exemplary contribution made by him in making the GST Council a shining example of Cooperative Federalism that it has become today, which was also greatly responsible for rekindling a new nationalistic fervour cutting across political spectrum.

Here is what eminent personalities said while condoling his demise:

“Extremely saddened by the passing of Shri Arun Jaitley after battling a long illness with fortitude and dignity. A brilliant lawyer, a seasoned parliamentarian, and a distinguished Minister, he contributed immensely to nation-building”

Shri Ramnath Kovind
Hon'ble President of India

“I have lost a valued friend whom I have had the honour of knowing for decades. His insight on issues and nuanced understanding of matters had very few parallels. He lived well, leaving us all with innumerable happy memories. We will miss him!”

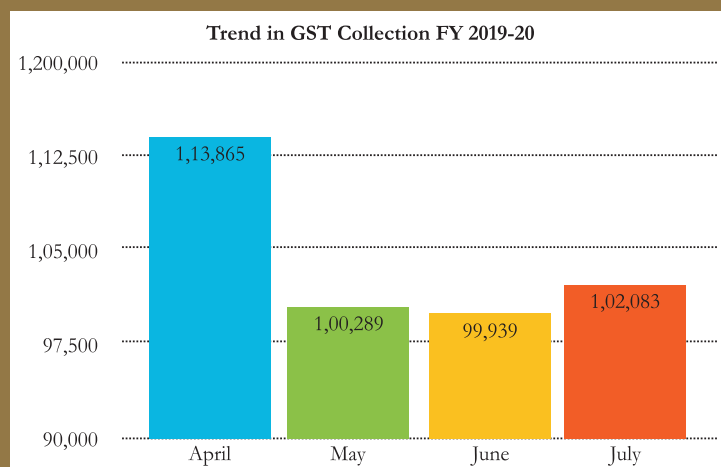
Shri Narendra Modi
Hon'ble Prime Minister

“No words can describe the loss of Shri Arun Jaitley. A mentor to many of us, a guide and a moral support and strength. Have learnt so much from him. A fine large-hearted person. Always ready to help anyone/everyone. His intelligence, sagacity, astuteness have no match”

Smt. Nirmala Sitharaman
Hon'ble Minister for Finance

GST Revenue Collection

GST collection in July, 2019 of Rs. 1,02,083 crore, comprises of CGST Rs. 17,912 crore, SGST Rs. 25,008 crore, IGST Rs. 50,612 crore and Cess Rs. 8,551 crore. The revenue growth of 5.80% noticed over the revenue mopped up in the same month last year ie, Rs.96,483 crore in July 2018. During April-July 2019 vis-à-vis corresponding period of 2018, the domestic component has grown by 9.2%, while the GST on imports has come down by 0.2% and the total collection has grown by 6.83%. Rs. 17,789 crore has been released to States as GST compensation for the months of April-May, 2019. The graph below shows the trend in GST collection during the first four months of the current fiscal.



Source: Compiled from PIB press release

North-Eastern States registered over 30 per cent growth in GST collection during the first four months of the current fiscal (2019-20). Growth recorded by most of the seven sister states is over three times the national average of 9 per cent. Among these States, Nagaland registered highest growth of 39 per cent during the April-July period. It was followed by Arunachal Pradesh with 35 per cent growth and Sikkim with 32 per cent. Out of 37 States and UTs, Delhi, Lakshadweep and Puducherry registered de-growth of 2 per cent, 17 per cent and 8 per cent, respectively. Big States like Maharashtra and Gujarat recorded single-digit growth of 6 per cent. Punjab clocked 7 per cent growth, while Haryana's growth was at 9 per cent. Tamil Nadu and Karnataka recorded 10 per cent and 11 per cent growth in GST collections, respectively.

Source: PTI, 15/08/2019

Pending GST refunds for MSMEs to be paid within a month

Finance Minister Smt. Nirmala Sitharaman has announced several decisions to ease doing business including expediting GST refund. All pending GST refunds of MSME would be made within 30 days, and that all future refunds will be paid within 60 days from the date of application. This is expected to free up a lot of capital that was otherwise locked up for the MSME sector. "GST will soon come up with fewer numbers of forms. I am ensuring the free flow of refund, so that it does not affect people," said Finance Minister Smt. Nirmala Sitharaman in a press conference by the Finance Ministry.

Source: PIB, 23/08/2019

Creation of GST Tribunal

The Central Government has notified vide Notification No.S.O.3009 (E) dated 21/08/2019 the creation of State and Area Benches of Goods and Services Tax Appellate Tribunal (GSTAT) in exercise of the powers conferred by the subsection 6 of section 109 of the CGST Act, 2017 on the recommendation of the GST Council. Also the Government frames the GSTAT (Appointment and Conditions of Service of President and Members) Rules, 2019, which inter-alia provides for method of recruitment of members, salary and allowances, condition of service, etc. The details of GSTAT in various States/UTs are given below:

No.	State	State Benches
1	Andhra Pradesh	Vijayawada
2	Bihar	Patna
3	Chhattisgarh	Raipur
4	Delhi	New Delhi
5	Goa	Panaji
6	Gujarat	Ahmedabad
7	Haryana	Hisar
8	Himachal Pradesh	Shimla
9	Jharkhand	Ranchi
10	Karnataka	Bengaluru
11	Kerala	Thiruvananthapuram
12	Maharashtra	Mumbai
13	Odisha	Cuttack
14	Puducherry	Pondicherry
15	Punjab	Chandigarh
16	Tamil Nadu	Chennai
17	Telangana	Hyderabad
18	Tripura	Agartala
19	Uttarakhand	Dehradun
20	West Bengal	Kolkata
21	Assam	Guwahati
22	Arunachal Pradesh	
23	Manipur	

Honest taxpayers to be protected: Prime Minister

Elaborating the government's vision for making India a USD 5 trillion economy, Prime Minister Shri. Narendra Modi has said entrepreneurs are government's 'growth ambassadors' and assured the business community that they should complete their investment plan without any fear. "I reassure all honest and law-abiding businesses of all possible support from our end." PM said in an interview with *The Economic Times*. He also stated that the tax reforms with lower rates and simplifying procedures led to improving India's ranking in ease of doing business. The next step of the government on GST is to improve consumer awareness of the benefits of the system, he said. "Presently, it is totally missing. Consumers should know their benefit under this system". According to a study GST rate reductions have helped the average middle class family save about Rs.1500 per year, PM added.

Source: The Prime Minister's Interview to *The Economic Times*, 12/08/2019.

24	Nagaland	
25	Sikkim	
Union Territories		UTs Benches
26	Andaman & Nicobar	Kolkata
27	Dadra & Nagar Haveli	Mumbai
28	Daman & Diu	Mumbai
29	Lakshadweep	Ernakulum
30	Chandigarh	Chandigarh
State		Area Benches
1	Andhra Pradesh	Vishakhapatnam and Tirupati
2	Gujarat	Surat and Rajkot
3	Maharashtra	Pune and Nagpur
4	West Bengal	Two area benches at Kolkata

Source: Notification No.S.O.3009 (E) dated 21/08/2019

Filing of GST Annual Returns extended till 30 November, 2019

The Government has extended the last date for furnishing of annual return in the Form GSTR-9 / Form GSTR-9A and reconciliation statement in the Form GSTR-9C for the financial year 2017-18. The due date is extended from August 31, 2019 to November 30, 2019 as taxpayers were facing technical problems in furnishing returns.

Source: Order No.07/2019-CT dated 26/08/2019

Legacy Dispute Resolution Scheme effected from September 1, 2019

The Government has notified vide Notification No. 04/2019 and 05/2019 Central Excise-NT dated 21/08/2019 Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. Its Rules shall come into force from September 1, 2019 and it would continue till December 31, 2019. Also CBIC fixed the monetary limits for which appeals shall not be filed in the CESTAT as below Rs.50,00,000 in High Courts as below Rs.1,00,00,000 and in Supreme Court as below Rs.2,00,00,000.

Source: F.No.390/Misc/116/2017-JC dated 22/08/2019

Filing GSTR 3B Return extended

Government has notified that the due date for filing of GSTR-3B return for the month of July 2019 has been extended to August 22, 2019. However, such deadline has been extended upto September 20, 2019 in the case of taxpayers registered in Jammu & Kashmir and certain flood affected districts of Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha and Uttarakhand.

Source: Notification No. 37/2019 CT dated 21/08/2019

Provision of Rule 138E of CGST Rules deferred

Government has extended the due date by 3 months for implementation of Rule 138E of the CGST Rules. Earlier the due date was extended to August 21, 2019 vide CGST Notification no. 25/2019 dated 21/06/2019. Rule 138E provides that if a registered dealer failed to file GST Return for consecutive two tax periods, generation of e-way bill will be blocked.

Source: Notification No.36/2019-CT dated 20/08/2019

Support Taxpayers in Annual Return filing: CBIC Chairman

The last date for filing the annual return and the reconciliation statements in FORM GSTR-9, GSTR-9A and GSTR-9C is 31/08/2019. Hence, the Chairman has written a letter to its senior officers to initiate outreach programmes to help taxpayers file the annual returns well before the due date. In this context 'public mela' on filing of annual return has been organized by various Central GST zones for seeking clarification on any doubts in this regard.

Source: D.O.F. No. 349/43/2(117-GST (Pt.1)(Vol.1)12/89 dated 06/08/2019

Amendments in the CGST ACT, 2017

The Government has notified the Finance Act, 2019 after receiving the assent of the President on 1 August 2019. Earlier the Parliament passed the Finance Bill to ratify the amendments made in five major categories, including the GST. The GST Act itself has 25 amendments, which are briefly explained below:

Section	Amendment
2 (4) Definitions	Adjudicating Authority amended to exclude 'the National Appellate Authority for Advance Ruling'.
10 Composition levy	Amendment to introduce composition scheme for service providers up to Rs. 50 lakh.
11(1) Power to grant	Notification No. 2/2017-CT (Rate) under Section 11 (1) of CGST Act, 2017, is being amended retrospectively so as to exemption from tax exempt "Uranium Ore Concentrate" from the levy of Central Tax from 01/07/2017 to 14/11/2017.
22 (1) Persons liable for registration	Increase in threshold limit for registration to Rs. 40 lakh.
25 Procedure for registration	Aadhaar authentication for new and existing registrants.
31 (A) Insertion of new Sec.	Specified suppliers to mandatorily give the option of electronic payment to the recipients of supply of goods or services or both made by them.
39 Furnishing of returns	Provide for new return system and allow composition taxpayers to furnish annual return along with quarterly payment.
44 Annual return	Empowers the Commissioner or Joint Secretary posted in the Board to extend the due date furnishing FORM GSTR9/9A and 9C.
49 Payment of tax, interest, penalty and other amounts	Provide for transfer of an amount from one head to another head in the electronic cash edger. Such transfer shall be deemed to be a refund from the electronic cash ledger under this Act.
50 Interest on delayed payment of tax	Charging interest only on the net cash tax liability, except in proceedings under section 73 or 74. Interest on late payment of tax shall be calculated on net cash liability, and not gross tax liability.
52 (4&5) Collection of tax at source	Empowers the Commissioner or Joint Secretary posted in the Board to extend due date of monthly/annual statement of TCS.

53 A Insertion of new Sec.	Provides for consequential transfer of amount between Centre and States, due to section 49.
54(8A) Refund of tax	Provides that the Central Government may disburse refund amount to taxpayers in respect of refund of State taxes.
95(f) Advance Ruling (AR) - Definitions	To define the National Anti-profiteering Authority (NAA) for Advance Ruling.
101A, B & C Insertion of new Sec.	To introduce provisions relating to NAA for Advance Ruling.
102 Rectification of AR	Power to NAA to rectify any error apparent on the face of the record.
103 Applicability of AR	Advance Ruling pronounced by the NAA shall be binding PAN wise.
104 AR to be void in certain circumstances	Advance Ruling pronounced by the NAA to be void in certain cases.
105 Powers of Authority and Appellate Authority	The NAA to have powers of Civil Court under the Code of Civil Procedure, 1908.
106 Procedure of Authority and Appellate Authority	The NAA to regulate its own procedure.
168 Power to issue instructions or directions	The Commissioner or Joint Secretary shall exercise the powers specified in respect of section 44(1) and section 52 (4&5).
171 Anti-profiteering measure	To empower NAA to impose penalty equivalent to 10 per cent of the profiteered amount. However, no penalty shall be levied if the profiteered amount is deposited within 30 days of the date of passing of the order by the Authority.

Amendments in the IGST Act, 2017

Section	Amendment
17A Insertion of new Sec.	Provisions for consequential transfer of amount between Centre and States, in view of interoperability of amounts in different heads of cash ledger under section 49 of CGST Act.
6 (1) Power to grant exemption from tax	Notification No. 2/2017-Integrated Tax (Rate), under Section 6(1) of the IGST Act, 2017, is being amended retrospectively so as to exempt "Uranium Ore Concentrate" from the levy of Integrated Tax from 01/07/2017 to 14/11/2017.

Amendments in the UTGST Act, 2017	
Section	Amendment
8(1) Power to grant	Notification No. 2/2017-UT Tax (Rate) under Section 8(1) of the exemption from tax UTGST Act, 2017, is being amended retrospectively so as to exempt "Uranium Ore Concentrate" from the levy of Union Territory Tax from 01/07/2017 to 14/11/2017.

Functionality position of GST portal

India aimed at achieving, with GST, not merely a simplification of the tax structure, but also systemic reform with transparency, efficiency and speed in implementation and administration of taxes. Technology was undoubtedly a major component of the solution devised to fulfill these objectives. Towards this endeavor all interaction with public are made through the common GSTN portal, therefore, reducing public interface between taxpayer and the tax administration. It also improves environment of compliance and reduction in compliance cost. GST Portal enables the taxpayers to fulfill various statutory obligations like registration, payment, return filing, refund, e-way bill generation etc. In this regard, various forms and functionalities have been made available in the GST portal. As on July 31, 2019, there are 104 functionalities available in the GST common portal and 84 on CBIC system. A snap shot of presently available major modules and functionalities are given below:

Module	Functionality as per GST Law	Available on GST portal	Available on CBIC System
Registration	REG 01 to 30	30	29
	PCT 01 to 05	4	4
	CMP 01 to 08	7	3
Payment	PMT 01 to 07	7	5
Return	GSTR-1-8,1A,2A,3A, 3B,4A,5A,6A,7A,9,9A,11	17	17
	ITC 01 to 04	4	4
	TRAN 1 to 3	3	3
E-WAY bill	EWB 01 to 04, INV 01	5	5
Provisional Assessment	ASMT 01 to 09	4	0
Assessment / Scrutiny of return	ASMT 10 to 18	3	0
Refunds	RFD 01A,01B, 01 to 11	4	13
Advance Ruling	ARA 01 to 03	1	0
Dispute Resolution (Adjudication + Recovery)	DRC 01 to 25	7	1
	CPD 01 to 02	2	0
Appeal	APL 01 to 08	4	0
Audit	ADT 01 to 04	0	0
Investigation	INS 01 to 05	2	0

Source: DG (Systems), CBIC

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GST Revenue Collection

Total gross GST revenue collected in the month of August, 2019 was Rs. 98,202 crore, including Rs. 17,733 crore of CGST, Rs. 24,239 crore of SGST, Rs. 48,958 crore of IGST and Rs. 7,273 crore of Cess. Revenue growth in August, 2019 was 4.51 per cent over the same month in 2018 (August 2018, Rs. 93,960).

The snapshot of revenue collected in CGST, SGST, IGST and Cess for April – August 2019 is given below:

GST Revenue for April to August, 2019 (Rs. in crore)

	April	May	June	July	August
CGST	21,163	17,811	18,366	17,912	17,733
SGST	28,801	24,462	25,343	25,008	24,239
IGST	54,733	49,891	47,772	50,612	48,958
CESS	9,168	8,125	8,457	8,551	7,273
Total	1,13,865	1,00,289	99,938	1,02,083	98,203

The below chart shows trend of GST collection April-August 2019-20 vis-s-vis 2018-19.



GST Council paid Tribute to Shri Arun Jaitley

Before start of 37th meeting, the GST Council paid its tribute to Shri Arun Jaitley, Ex. Union Finance Minister and first Chairperson of GST Council, by observing two minutes silence after the tribute was read over which is reproduced below:

“The GST Council expresses its deepest condolences on passing away of Shri Arun Jaitley, erstwhile Union Finance Minister who had Chaired 32 GST Council Meetings. During discussions in GST Council Meetings leading to the roll out of GST, he showed immense patience and erudition in ensuring that all contentious issues were discussed threadbare and a solution acceptable to all was arrived at. He thus set up a very healthy precedence of arriving at decisions by consensus. His legal background lent depth to his interventions on difficult legal issues. He thus made the GST Council a shining example of Cooperative Federalism that it is today”



Recommendations of the 37th GST Council on 20.09.2019

37th meeting of the GST Council was convened on 20th September 2019 at Goa under the Chairmanship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman.

37th Meeting of the Goods and Services Tax Council 19-20th September 2019, Goa



Constitution of State/Area benches of GSTAT and Extension of last date for filing appeal before GSTAT

In term of provisions of Section 109 of the CGST Act, GST Council recommended constitution of GST Appellate Tribunal and its benches in following states:

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

In the wake of non-functionality of GST Appellate Tribunal in the States/UTs, the Council has also decided to extend the last date for filing of appeal before the GSTAT by three months from the date of order or three months from the date on which the President or the State President of the Tribunal enter office, whichever is later.

Measures for MSMEs

Considering the challenges being faced by the taxpayers on account of annual return filing, the Council has decided to exempt MSMEs from filing annual return for FY 2017-18 and FY 2018-19 as under:

- complete waiver of FORM GSTR-9A for Composition Taxpayers for the said tax periods.
- waiver of FORM GSTR-9 for taxpayers turnover below Rs. 2 crores for the said tax periods.

The Council also directed to constitute a Committee of Officers to examine simplification of forms for Annual Return and Reconciliation Statement.

Restrictions on availment of ITC

In order to nudge taxpayers to timely file their statement of outward supplies, the Council decided that the ITC to be availed by a registered taxpayer in respect of invoices or debit notes; the details of which have not been uploaded by the suppliers under sub-section (1) of section 37; shall not exceed 20% of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.

New Return System

In order to give ample opportunity to taxpayers as well as the GSTN to adopt, it was decided to implement the New Return System from April, 2020, instead of its implementation in phased manner. Trial version of annexures of outward supplies and inward supplies has already been available for Trade and tax officials by GSTN. Many training and outreach programme to acquaint with NEW Return System are being conducted by tax administration and GSTN.

The Council approved retrospective amendment of Rule 61 (5) of CGST Rules, 2017 that FORM GSTR-3B is a return under Section 39 of the CGST Act.

Refund

The Council was informed that online refund processing functionality shall be implemented from 24th September, 2019 enabling **disbursement of refund through a Single Refund Sanctioning Authority** under an Integrated Refund System. Earlier, the refund processing was done for both Centre and State GST by one authority to whom the taxpayer was assigned administratively but disbursement was done by accounting authority of Centre and State tax department separately. The new system has done away with this and after processing is completed by the tax officer, the sanctioned amount will get credited to the bank account of the taxpayers through PFMS System.

The Council also approved that the procedure to be followed and other issues be clarified in relation to refund in following situations:

- procedure to claim refund in FORM GST RFD-01A subsequent to favourable order in appeal or any other forum;
- eligibility to file a refund application in FORM GST RFD-01A for a period and category under which a NIL refund application has already been filed.

Linking GST Registration with Aadhar

To curb/check fly-by-night operators who are taking advantage of easy registration process and to authenticate the identity of the promoters and authorized signatories, GST Council in-principle decided to link Aadhar with registration of taxpayers in phases. The first phase of linking of Aadhar would be considered for:

- Authorised signatory and proprietor in case of proprietorship concerns
- Authorised signatory and partners managing/Auth in case of partnership firms
- Authorised signatory and Karta in case of HUF
- All other authorized signatories

Taxpayers coming for new registration shall be asked whether they intend to provide their Aadhar details or not. In case they don't consent, facility of auto-approval of registration will not be available and physical verification process will be made mandatory to confirm their identity using other document.

The GST Council also in-principle decided to examine possibility of making Aadhar mandatory for claiming refunds.

Risk Management of Taxpayers

To tackle the menace of fake invoices and fraudulent refunds, the Council in-principle agreed for examination by Law Committee of the interim recommendations of Committee of Officer on Risk Based Management of taxpayers:

- To initiate the Aadhar based verification process of all new taxpayers;
- Develop modalities and timelines for similar verification of all the existing taxpayers;
- In absence of Aadhar validation, compulsory physical verification of premises;
- For risky new taxpayers (Proprietor, new PAN with no Income Tax or Business turnover, financial credentials) restrict ITC on supplies made by them to Rs. 20 lakh per month i.e. block GSTR-2A auto population to Rs. 20 lakhs per month for first 6 months;
- Further, ITC to be linked to their depositing a certain percentage of the ITC sought to be passed on in cash ledger. Considering that the average cash to allowed credit ratio is 20:80, the credit allowed to be pushed above the limit of Rs. 20 lakhs shall be 5 times the amount deposited in the cash ledger.
- GST Council with the help of GSTN to get an offence database developed and all enforcement wings to share suspect GSTINs, DINs from GST and pre-GST periods in the said database;
- Till new return is rolled out, transpose information from GSTR-1, GSTR-2A and GSTR-3B to identify taxpayers claiming excess ITC or taking ITC of duty/taxes not paid.

IT enabled and intermediary services

To bring uniformity in application of law, Council approved a clarification regarding supply of Information Technology enabled Services (ITeS) (in supersession of Circular No. 107/26/2019-GST dated 18.07.2019) being made on own account or as intermediary.

GST Acts on account of creation of UTs of J&K and Ladakh

The Council approved suitable amendments in CGST Act, UTGST Act and the corresponding SGST Act in view of creation of UTs of Jammu & Kashmir and Ladakh.

Composition scheme

Aerated drink manufactures would be excluded from availing composition scheme.

Hospitality and Tourism

Rate of GST on hotel accommodation service has been reduced. The rate matrix on accommodation service would be as below:

Sl. No.	Transaction Value per unit (Rs) per day	GST
1	Rooms priced below Rs. 1000	Nil
2	Rooms priced below Rs. 7500	12%
3	Rooms priced over Rs. 7500	18%

Rate of GST on outdoor catering services other than in premises having daily tariff of unit of accommodation of Rs 7501 reduced from present 18% with ITC to 5% without ITC. The rate would be mandatory for all kinds of catering. Catering in premises with daily tariff of unit of accommodation is Rs 7501 and above would remain at 18% with ITC.

Export Promotion

GST exemption on services provided by an intermediary to a supplier of goods or recipient of goods when both the supplier and recipient are located outside the taxable territory.

A notification would be issued under Section 13(13) of IGST Act notifying the place of supply of specified R&D services (such as Integrated discovery and development, Evaluation of the efficacy of new chemical/ biological entities in animal models of disease, Evaluation of biological activity of novel chemical/ biological entities in in-vitro assays, Drug metabolism and pharmacokinetics of new chemical entities, Safety Assessment/ Toxicology, Stability Studies, Bio Equivalence and Bio Availability Studies, Clinical trials, Bio analytical studies) provided by Indian pharma companies to foreign service recipients, as the place of effective use and enjoyment of a service i.e. location of the service recipient.

A clarification would be issued that the place of supply of chip design software R&D services provided by Indian companies to foreign clients by using sample test kits in India is the location of the service recipient and section 13(3)(a) of IGST Act, 2017 is not applicable for determining the place of supply in such cases. Exemption from GST/IGST granted to:

- Silver/Platinum by specified nominated agencies at the time of import;
- supply of Silver/Platinum by specified nominated agency to exporters for exports of Jewellery.

Inclusion of Diamond India Limited (DIL) in the list of nominated agencies eligible for IGST exemption on imports of Gold/ Silver/Platinum so as to supply at Nil GST to Jewellery exporters.

Railway Wagons, Coaches and Rolling Stocks

The Industry had requested that the rate structure had led to inversion and industry was saddled with huge accumulation of ITC affecting their cash flow. In order to address accumulation of ITC the Council decided to increase the GST from 5% to 12% without refund on goods of Chapter 86 of tariff like railway wagon, coaches, rolling stock.

Job Work Services

To address the issue of accumulation of ITC, it was decided to reduce the rate of GST on Job Work services as below:

Item	Existing	New
Job work on diamond	5%	1.5%
Machine job work, except bus body building	18%	12%

Agriculture and Warehousing

GST exempted prospectively on services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, rice, coffee and tea.

GST exempted on supply of goods and services to Food and Agriculture Organisation (FAO) for specified projects in India. GST concession @12% on pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery during the period 1.07.2017 to 31.12.2018.

Food and related goods

To bring caffeinated beverages at par with aerated waters, the Council decided to increase GST rate from 18% to 28%. Also 12% compensation cess would be leviable on caffeinated beverages.

GST rate on:

- Wet Grinders (stone as a grinder) reduced to 5% from the existing 12%.
- Dried tamarind rate reduced to Nil from existing 5%.
- Retrospective exemption provided on Fishmeal for the period 01.07.17 to 30.09.19, in view of doubts as regards taxability of fishmeal and related interpretation. However, any tax collected for this period shall be required to be deposited.

Applicability of GST rate @18% on Almond milk (HS code 22029990) would be clarified.

Mere heating of leguminous vegetables (gram/lentil) for removing moisture, or to soften and puff it or removing the skin, and not subjecting to any other processing or addition of any other ingredients (salt, oil etc.) would be classified under HS code 0713.

Defence

GST/IGST exempted on imports of specified defence goods, not being manufactured indigenously (upto 2024).

GST/IGST exempted on imported stores for Navy.

Aviation

GST rate on Marine Fuel 0.5% (FO) has been reduced to 5% from existing 18%.

Modalities would be prescribed for allowing concessions on spare parts imported temporarily by foreign airlines for repair of their aircraft, while in India in transit in terms of the Chicago Convention on Civil Aviation.

Taxability of Passenger Service Fee (PSF) and User Development Fee (UDF) levied by airport operators would be clarified.

Petroleum Products

Option provided to pay GST at the rate of 18% on transaction value at the time of disposal of specified goods for petroleum operations (on which concessional GST rate of 5% was paid at the time of original supply) provided that the goods are certified by Directorate General of Hydrocarbons (DGH) as non-serviceable.

GST rate reduced @5% on specified goods for petroleum operations undertaken under Hydrocarbon Exploration Licensing Policy (HELP).

The scope of the entry 'services of exploration, mining or drilling of petroleum crude or natural gas or both' would be clarified.

Renewable Energy

Parts like solar evacuation tubes for solar power based devices like solar water heater, solar steam, generation systems, would be eligible to 5% GST rate.

Sports

GST exempted on supply of goods and services to FIFA and other specified persons for organizing the under-17 Women's Football World Cup in India.

Medical

Council decided to clarify exclusive parts and accessories suitable for use solely or principally with a medical device (falling under headings 9018, 9019, 9021 or 9022) would fall in respective headings and attract GST at the concessional rate of 12%.

Gems and Jewellery

GST rate on cut and polished semi- precious stones reduced to 0.25% from existing 5%.

Utility items

GST rate of 12% uniformly imposed from present rates of 5%, 12%, 18% on Polypropylene/Polyethylene Woven and Non-Woven Bags and sacks, whether or not laminated, of a kind used for packing of goods.

Tobacco products

Restriction placed on refund of compensation cess on tobacco products (in case of inverted duty structure)

Mechanical sprayers

All "mechanical sprayers" falling under HS Code 8424 would attract 12% GST.

Clothing Accessories

GST rate reduced on the parts of Slide Fasteners to 12% from existing 18%.

Handicraft

GST rate on Plates and Cups made of Leaves/ flowers/ bark reduced to Nil from existing 5%.

Transportation

Validity of conditional exemption of GST on export freight by air or sea extended till 30.09.2020.

Royalty to authors

Royalty paid by publishers to authors for original literary works

attracts GST at 12% under Reverse Charge Mechanism (RCM). Now a registered author shall have an option to pay GST on royalty charged from publishers under forward charge and observe regular GST compliance.

Insurance

GST exemption is provided on "BANGLA SHASYA BIMA" crop insurance scheme of West Bengal Government.

GST exemption is provided on services of life insurance business provided or agreed to be provided by the Central Armed Paramilitary Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the respective Group Insurance Schemes of these Central Armed Paramilitary forces.

Security lending services

In order to streamline the levy on supply of securities lending service, the Council decided to levy GST on securities lending service under reverse charge mechanism (RCM). IGST shall be payable on supply of these services and in cases where CGST/SGST/UTGST have been paid, such taxpayers will not be asked to pay again.

Vehicles

Passenger vehicles of engine capacity 1500 cc in case of diesel, 1200 cc in case of petrol and length not exceeding 4000mm designed for carrying upto 9 persons attract compensation cess of 1% for petrol and 3% for diesel vehicle. Council recommended same compensation cess rate for vehicles having these specifications (length and engine capacity) but designed for carrying more than 10 persons but upto 13 persons. (Presently these vehicles attract compensation cess at the rate of 15%);

S. No	Item	Existing	New
1	Petrol Motor Vehicles Engine Cap – 1200 cc and Length – 4000 mm	15%	1%
2	Diesel Motor Vehicles Engine Cap – 1500 cc and Length – 4000 mm	18%	3%

To allow RCM to suppliers paying GST @ 5% on renting of vehicles, from registered person other than body corporate (LLP, proprietorship) when services provided to body corporate entities.

Liquor License

To notify grant of liquor licence by State Governments against payment of license fee as a "no supply" to remove implementational ambiguity on the subject.

Group photo of Hon'ble Ministers from States/UTs and officials with the Chairperson of the GST Council during 37th Meeting on 20.09.2019 at Goa



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