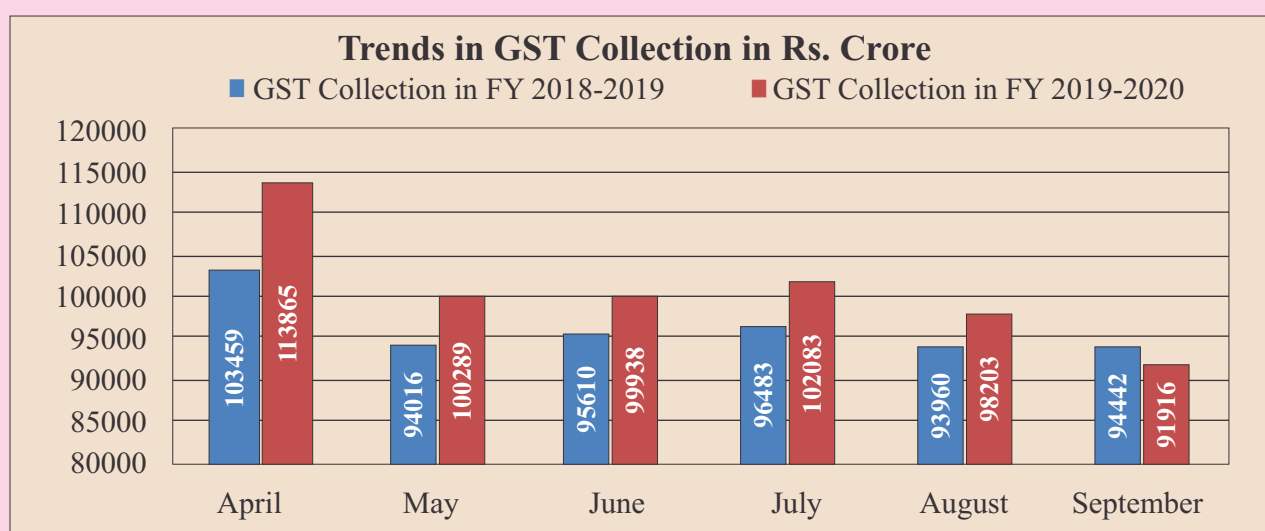


### GST Revenue Collection

Gross GST revenue in the month of September, 2019 was Rs. 91,916 crore, including CGST Rs.16,630 crore, SGST Rs. 22,598 crore, IGST Rs. 45,069 crore and Cess Rs.7,620 crore. The total revenue earned by Central Government and the State Governments after regular settlement in the month of September, 2019 is Rs. 37,761 crore for CGST and Rs. 37,719 crore for the SGST, respectively. The revenue in the month September, 2019 declined by 2.67% as against the revenue in September, 2018 of last year.

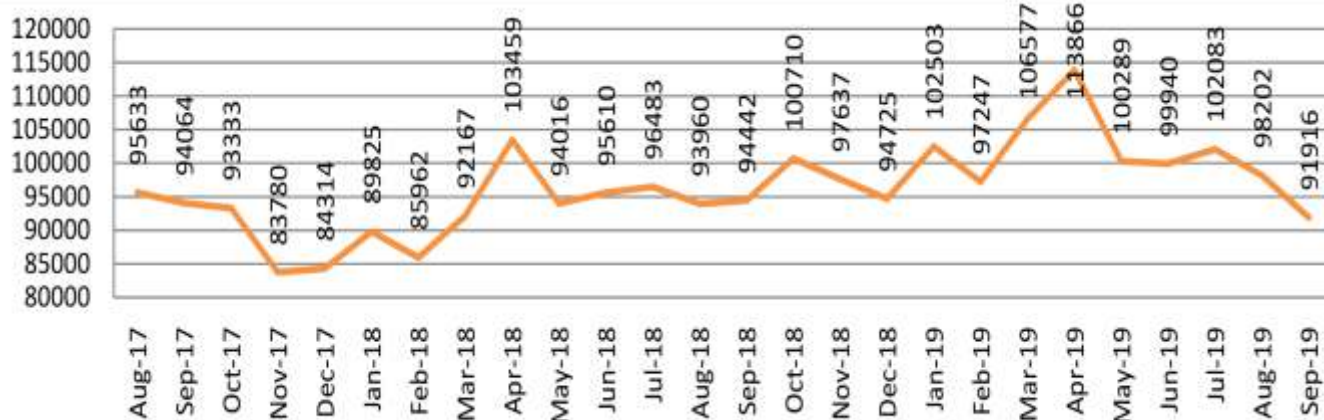
The chart below shows revenue trend from April to September of the current financial year (2019-20) as against the last financial year (2018-19).



A snap shot of GST revenue collection since its introduction till September 2019 is shown below:

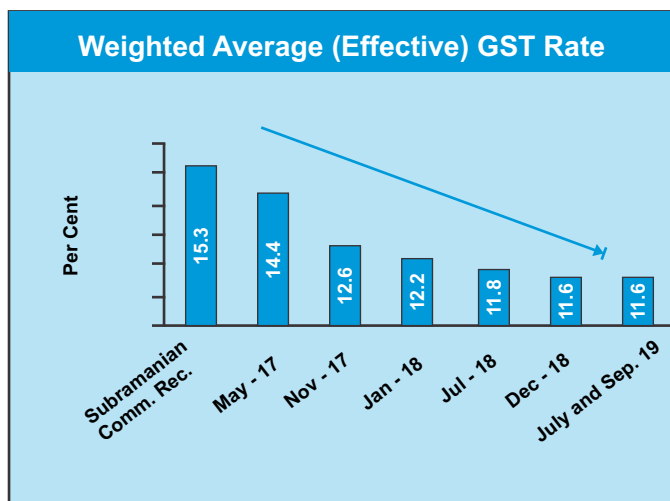
### GST Revenue Snapshot from July 2017 to September 2019 (Rs. Crore)

FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2017-18				21572	95633	94064	93333	83780	84314	89825	85962	92167	7,40,650
2018-19	103459	94016	95610	96483	93960	94442	100710	97637	94725	102503	97247	106577	11,77,370
2019-20	113865	100289	99940	102083	98202	91916							6,06,294



## Trend of weighted average GST Rate vis-à-vis Revenue Neutral Rate (RNR)

The issue of rate rationalization has been discussed in GST Council from time to time. The concept of RNR was introduced by the Committee headed by the former Chief Economic Advisor Dr. Arvind Subramanian in 2015. The Committee recommended an RNR of 15 to 15.5%. In India, GST collections have varied across states. The rationalization of rates by the GST Council has brought down the effective weighted average GST rate from 14.4 per cent at the time of inception to 11.6 per cent, which is shown graphically below;



Source: RBI Report 2019-20 on State Finances

## Implementation of New Return

A new return system would be introduced from 1st April 2020 in terms of the decision of the 37th GST Council meeting. In order to smoothen the transition to the new return system, GSTN implemented a trial version of the New Returns offline tool to encourage and increase active participation of taxpayers. In the trial version, Form GST ANX-1, Form GST-ANX-2 (with inbuilt matching tool) and a template for Purchase Register have been released.

The purpose of new return trial is to ensure that the taxpayers familiarize themselves with the ANX-1 and ANX-2 framework and workflow before the full-fledged launch of the new return system. In this endeavor, it was desired that tax officials should provide adequate guidance to taxpayers in ensuring their effective participation in the trial exercise. Accordingly, both Central and State Tax administrations were requested to familiarize the taxpayers with this new system. The number of trial returns under the new return system has been fixed for States/UTs and Central Tax zone as below:

Sl. No	State/UT	No. of Returns	Central Tax Zone	No. of Returns
1	Jammu & Kashmir	8000	Chandigarh	51900
2	Himachal Pradesh	9000		
3	Punjab	30000		
4	Chandigarh	2000		
5	Uttar Pradesh	120000		
6	Uttarakhand	13000	Lucknow	56700
7	Haryana	36000	Meerut	47600
8	Delhi	63000	Panchkula	46200
9	Rajasthan	60000	Delhi	67000
10	Bihar	34000	Jaipur	53100
11	Jharkhand	15000	Ranchi	32000
12	Arunachal Pradesh	1000	Guwahati	13200
13	Nagaland	700		
14	Manipur	1000		
15	Mizoram	500		
16	Tripura	2200		
17	Meghalaya	2200		
18	Assam	17000		
19	West Bengal	55000	Kolkata	58700
20	Sikkim	700		

Sl. No	State/UT	No. of Returns	Central Tax Zone	No. of Returns
21	Andaman&Nicobar	475	Bhubaneswar	15000
22	Odisha	20000		
23	Chattisgarh	12000		
24	Madhya Pradesh	35000	Bhopal	43000
25	Gujarat	82000	Ahmedabad	59000
26	Daman & Diu	500		
27	Dadra & Nagar Haveli	700		
28	Maharashtra	130000	Mumbai	76000
			Nagpur	28900
			Pune	36000
29	Goa	3000	Bengaluru	68600
30	Karnataka	70000		
31	Lakshadweep	25	Trivandrum	28900
32	Kerala	30000	Chennai	97600
33	Tamil Nadu	80000		
34	Puducherry	2000		
35	Telangana	32000	Hyderabad	34700
36	Andra Pradesh	32000	Visakhapatnam	33100
	<b>Grand Total</b>	<b>10,00,000</b>	<b>Grand Total</b>	<b>1000000</b>

Source: F.No. 20/16/21/2019/GST dated 23/09/2019 (for Centre)  
F.No.816/Action Taken Report – GCG/GSTC/2018 dated 11.10.2019 (for State)

## Committee on Augmenting GST Revenue

GST has completed two years and multiple suggestions are being received for improving tax administration. It was felt that states and Centre should together deliberate and try to come up with suggestions with a holistic view for structural changes and to improve compliance of GST. Accordingly, a Committee was constituted to suggest measures to augment GST revenue by examining the following areas:

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

Source: F.No.590/CoO/Revenue Augmentation/GSTC/2019 dated 10.10.2019

## Re-constitution of CoO on Risk based Management

A Committee of Officers (CoO) on Risk based Management of Taxpayers was constituted to curb tax evasion and generation of fake invoices. The mandate of the Committee was to examine, suggest and establish certain checks and balances on the risky taxpayers. To have intensive deliberation and wider participation, this Committee was recently revamped by inducting new officers from Centre and State Governments, with the following mandate:

- The modalities of KYC verification of a taxpayer through various agencies, parameters for risk-based profiling of a taxpayers so as to identify 'risky' entity in an automated manner.
- The modalities for assessing financial credibility of a taxpayer vis-à-vis his GST profile and also suggest various threshold limits for such target taxpayers;
- Reasonable restrictions/interventions to be imposed on taxpayer based on risk parameters to regulate issue of invoice, utilization of ITC, passing of ITC, refunds etc.;
- Changes required, if any, in the GST Law and Rules to enable profiling and regulating risky taxpayer, including invocation of panel provisions in case of failure to undertake the desired verification/compliance for KYC;
- Measures for implementation of suggested risk based management on immediate basis and any other measures, mechanism and machinery to check and curb multiple types of frauds;

- f. Data requirements and modalities for sharing of data of offence cases amongst Centre, State and with various other agencies;
- g. Common format for reporting offence cases by Centre and State, which could be used for sharing and storing data, based on the formats already in use by CEIB and CBIC.

The Committee have conducted so far three meetings as under.

Meeting	Date
1 <sup>st</sup> Meeting	22 <sup>nd</sup> August, 2019
2 <sup>nd</sup> Meeting	9 <sup>th</sup> September, 2019
3 <sup>rd</sup> Meeting	18 <sup>th</sup> October, 2019

Based on deliberation and presentation made, the CoO has submitted its interim recommendations before GST Council in its 37<sup>th</sup> GSTC meeting held on 20<sup>th</sup> September 2019, which were accepted by the Council as reproduced below:

- i. To initiate the Aadhar based verification process of all new taxpayers.
- ii. Develop modalities and timelines for similar verification of all the existing taxpayers.
- iii. In absence of Aadhar validation, compulsory physical verification of premises.
- iv. 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 lakh per month for first 6 months.
- v. Further ITC to be linked to their depositing a certain percentage of 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 lakh shall be 5 times the amount deposited in the cash ledger.
- vi. GSTC with 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.
- vii. Till now return is rolled out, transpose information from GSTR-1, GSTR-2A and GSTR-3 to identify taxpayers claiming excess ITC or taking ITC of duty/taxes not paid.

#### Changes in GST as per recommendations in 37<sup>th</sup> GST Council

##### Changes in filing of Return

- Form GSTR-3B return for each month from October, 2019 to March, 2020 shall be required to be filed on or before the 20<sup>th</sup> day of the succeeding month.  
Notification No. 44/2019 – Central Tax, dated 09/10/2019
- Time limit for filing quarterly returns in Form GSTR-1 by registered persons having aggregate turnover upto 1.5 crore rupees for the quarter October-December 2019 and January-March 2020 shall be 31<sup>st</sup> January, 2020 and 30<sup>th</sup> April, 2020, respectively.  
Notification No. 45/2019 – Central Tax, dated 09/10/2019
- Time limit for filing monthly returns in Form GSTR-1 by registered persons having aggregate turnover of more than 1.5 crore rupees for each month from October, 2019 to March, 2020 shall be the eleventh day of the succeeding month.  
Notification No. 46/2019 – Central Tax, dated 09/10/2019
- Option has been provided for furnishing annual return of FY 2017-18 and 2018-19 for the taxpayers having aggregate income less than 2 crore rupees.  
Notification No. 47/2019 – Central Tax, dated 09/10/2019
- Form GST CMP-08 for the quarter July, 2019 to September, 2019 or part thereof, shall be required to be

- furnished by 22<sup>nd</sup> October, 2019.  
Notification No. 50/2019 – Central Tax, dated 24/10/2019

##### Changes in GST Rules

- Various rules regarding due dates of filing returns have been changed for registered taxpayers in Jammu and Kashmir.  
Notification No. 48/2019 – Central Tax, dated 09/10/2019
- Changes in Rules, including inter alia the restriction of 20% of the eligible credit out of the invoice or debit notes not uploaded by the supplier.  
Notification No. 49/2019 – Central Tax, dated 09/10/2019

##### Changes in GST Rates

Notification No.	Subject in brief
14/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 1/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to specify effective CGST rates for specified goods.
15/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 2/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to grant exemption to dried tamarind and cups, plates made of all kinds leaves, bark and flower of plants effective from 1 <sup>st</sup> October, 2019.
16/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 3/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to extend concessional CGST rates to petroleum operations or coal bed methane operations under the Hydrocarbon Exploration Licensing Policy (HELP) or Open Acreage Licensing Policy (OALP).
17/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 26/2018-Central Tax (Rate) dated 31 <sup>st</sup> December, 2018 has been amended to exempt CGST on supplies of silver and platinum by nominated agencies to registered persons.
18/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 2/2019-Central Tax (Rate) dated 7 <sup>th</sup> March, 2019 has been amended to exclude manufacturers of aerated water from the purview of Composition Scheme.
19/2019 – Central Tax (Rate), dated 30/09/2019	Supply of goods for specified projects to the Food and Agricultural Organisation of the United Nation (FAO) has been exempted from all Central Tax leviable thereon under Section 9 of the CGST Act, 2017.
20/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 11/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to notify the CGST rates of various services like job work, hotel accommodation, restaurant service, outdoor catering.
21/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 12/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to exempt various services.
22/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 13/2017-Central Tax (Rate) dated 28 <sup>th</sup> June, 2017 has been amended to notify services under reverse charge mechanism (RCM).



Notification No.	Subject in brief
23/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 4/2018-Central Tax (Rate) dated 25th January, 2018 has been amended to add an explanation on the applicability of provisions related to supply of development rights.
24/2019 – Central Tax (Rate), dated 30/09/2019	Notification No. 7/2019-Central Tax (Rate) dated 29th March, 2019 has been amended by substituting the entry related to cement in order to bring clarity regarding GST under RCM on purchase of cement by a promoter from an unregistered supplier.
25/2019 – Central Tax (Rate), dated 30/09/2019	Grant of alcoholic liquor license against consideration in the form of licence fee or application fee shall be treated neither as supply of goods nor as supply of services as per Section 7(2) of CGST Act. 2017.

#### Changes in Place of Supply

Notification No.	Subject in brief
04/2019 – Integrated Tax, dated 30/09/2019	This notification has been issued in order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules for the services or circumstances as specified in the Table of the notification.

#### Changes in levy of Compensation Cess

Notification No.	Subject in brief
02/2019 – Compensation Cess (Rate), dated 30/09/2019	Notification No. 1/2017-Compensation Cess (Rate) dated 28th June, 2017 has been amended to specify effective Compensation Cess (Rate) of caffeinated beverages and motor vehicles.
03/2019 – Compensation Cess (Rate), dated 30/09/2019	No refund of unutilized input tax credit of compensation cess shall be allowed for tobacco and manufactured tobacco substitutes where credit has accumulated due to rate of compensation cess on inputs being higher than the rate of compensation cess on the output supplies of such goods, except nil rated or fully exempt supplies.

#### Circulars

Circular No	Subject in brief
110/29/2019 dated 03/10/2019	Seeks to clarify the eligibility of filing refund application in Form GST RFD-01
111/30/2019 dated 03/10/2019	Seeks to clarify procedure to claim refund in FORM GST RFD-01 subsequent to favourable order in appeal or any other forum
112/31/2019 dated 03/10/2019	Seeks to withdraw of Circular No. 105/24/2019 – GST dated 28/06/2019
113/32/2019 dated 11/10/2019	Clarification regarding GST rates and classification of goods
114/33/2019 dated 11/10/2019	Clarification on scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both
115/34/2019 dated 11/10/2019	Clarification on issue of GST on Airport levies
116/35/2019 dated 11/10/2019	Levy of GST on the service of display of name in the premises of charitable organizations against donations
117/36/2019 dated 11/10/2019	Clarification on the applicability of GST exemption to the Directorate General Shipping approved maritime courses conducted by Maritime Training Institute of India
118/37/2019 dated 11/10/2019	Clarification regarding determination of the place of supply of software/design services
119/38/2019 dated 11/10/2019	Clarification regarding taxability of securities under Securities Lending Scheme, 1997
120/39/201 dated 11/10/2019	Clarification on the effective date of explanation inserted in Notification No. 11/2017-CTR dated 28.06.17, Sr. No.3(vi)
121/40/2019 dated 11/10/2019	Clarification related to supply of grant of alcoholic liquor license



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