

# **Agenda for 15<sup>th</sup> GST Council Meeting Volume – 1**

**3 June 2017**

**F.No. 99/15<sup>th</sup> Meeting/GST Council/2017**  
**GST Council Secretariat**

Room No.275, North Block, New Delhi

Dated: 25 May 2017

**Notice for the 15<sup>th</sup> Meeting of the GST Council scheduled on 3 June 2017**

The undersigned is directed to refer to the subject cited above and to say that the 15<sup>th</sup> Meeting of the GST Council will be held on 3 June 2017 at Hall No. 2-3, Vigyan Bhavan, New Delhi. The schedule of the meeting is as follows:

- Saturday, 3 June 2017 : 1130 hours onwards (and may continue post lunch also)

2. The agenda items of the Council meeting are enclosed.

3. In addition, an officers' meeting will be held on Saturday, 3 June 2017 from 1000 - 1100 hours at the same venue, Hall No. 2-3, Vigyan Bhavan, New Delhi.

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

- *Sd* -

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

Copy to:

1. PS to the Hon'ble Minister of Finance, Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.
2. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.
3. The Chief Secretaries of all the State Governments with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State Government as a Member of the GST Council about the above said meeting.
4. The Chief Secretaries of Delhi and Puducherry with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State Government as a Member of the GST Council about the above said meeting.
5. Chairperson, CBEC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.
6. Chairman, GST Network

## **Agenda items for the 15<sup>th</sup> Meeting of the GST Council on 3 June 2017**

1. Confirmation of the Minutes of the 14<sup>th</sup> GST Council Meeting held on 18-19 May 2017
2. Presentation on Information Technology (IT)-readiness of GSTN for roll-out of GST
3. Approval of amendments to the draft GST Rules and related Forms (details to be informed subsequently)
4. Finalization of the rates of tax and cess to be levied on commodities remaining after the Fitment exercise in the 14<sup>th</sup> GST Council meeting
5. Presentation on concept note on operationalizing the Anti-Profiteering Clause in GST Law
6. Any other agenda item with the permission of the Chairperson
7. Date of the next meeting of the GST Council

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# Discussion on Agenda Items

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## **Agenda Item 1: Confirmation of the Minutes of the 14<sup>th</sup> GST Council Meeting held on 18-19 May 2017**

### **Draft Minutes of the 14<sup>th</sup> GST Council Meeting held on 18 and 19 May 2017**

The fourteenth meeting of the GST Council (hereinafter referred to as ‘the Council’) was held on 18 and 19 May 2017 in Sher-i-Kashmir International Conference Centre (SKICC), Srinagar under the Chairpersonship of the Hon’ble Union Finance Minister, Shri Arun Jaitley. The list of the Hon’ble Members of the Council who attended the meeting is at **Annexure 1**. The list of officers of the Centre, the States, the GST Council and the Goods and Services Tax Network (GSTN) who attended the meeting is at **Annexure 2**.

2. The following agenda items were listed for discussion in the 14<sup>th</sup> Meeting of the Council –

1. Confirmation of the Minutes of the 13<sup>th</sup> GST Council Meeting held on 31 March 2017
2. Rate of interest for delayed payment of tax by the taxpayer and delayed refund by the Government to the taxpayer
3. Finalization of the rate of tax to be collected at source under Section 52 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017
4. Notification of the Common Goods and Services Electronic Portal for facilitating various taxpayer operations under Section 146 of the CGST Act, 2017
5. Constitution of Project Management Team, Standing Committees and Sectoral Working Groups for smooth roll-out of GST
6. Nomination of Additional Secretary, GST Council to the Board of GSTN
7. Approval of mechanism to split the MDR (Merchant Discount Rate) charges between the Centre and the States
8. Approval of amendments to the following Draft GST Rules and related Forms:
  - i. Registration
  - ii. Return
  - iii. Payment
  - iv. Refund
  - v. Invoice, Debit/Credit Note
  - vi. Input Tax Credit
  - vii. Valuation
  - viii. Transitional Provisions
  - ix. Composition
9. Approval of the Fitment of goods and services into the various rate slabs
10. Any other agenda item with the permission of the Chairperson
11. Date of the next meeting of the GST Council

3.1. The Hon'ble Chairperson welcomed all the Members to the Council Meeting. He conveyed the sad news that Shri Anil Madhav Dave, the Union Minister for Environment had passed away on 18 May, 2017. The Hon'ble Members of the Council observed one-minute silence in memory of the departed soul.

3.2. At the start of the proceedings, the Hon'ble Chairperson placed on record his profuse thanks to Dr. Haseeb A. Drabu, the Hon'ble Finance Minister of Jammu & Kashmir and all his colleagues for the outstanding arrangements for the Meeting. He observed that this had set at rest any lurking doubts regarding the environment in the State and the feasibility of holding the Council meeting in Srinagar. He added that all participants were surprised and happy to find normalcy in Srinagar. The Hon'ble Minister from Jammu & Kashmir thanked the Council for accepting their invitation to host the 14<sup>th</sup> Council Meeting in Srinagar. The Chairperson then commenced discussion on the Agenda items.

### **Discussion on Agenda Items**

#### **Agenda Item 1: Confirmation of the Minutes of the 13<sup>th</sup> GST Council Meeting held on 18-19 May, 2017:**

4. The Hon'ble Chairperson invited comments of the Members on the draft Minutes of the 13<sup>th</sup> Meeting of the Council (hereinafter referred to as 'Minutes') held on 31 March 2017 before its confirmation.

4.1. The Hon'ble Minister from Uttarakhand observed that in paragraph 12 of the Minutes, it was recorded that during the 2<sup>nd</sup> meeting of the Council held on 30 September, 2016, it was decided that only 58% of the total CGST amount shall be reimbursed to the eligible industry in the States where area-based Central Excise exemption was in force. He raised a question as to what would happen to the remaining 42% of the reimbursement. The Hon'ble Minister from Assam observed that the Central Government had been exempting the entire Central Excise duty despite the fact that 32% of the total Central Excise collection was being devolved to the States. He added that since devolution of Central taxes in the divisible pool to the States had been enhanced to 42%, the liability of States to reimburse the Central Goods and Services Tax (CGST) collected in the GST regime should at best be limited to 10%. The Secretary to the Council (hereinafter referred to as the Secretary) recalled that in the 2<sup>nd</sup> meeting of the Council, it was decided that if the Central Government continued with the present area-based exemption scheme, it shall reimburse only 58% of the total CGST collected from the eligible industries due to the fact that only 58% of the CGST revenue shall remain in the Consolidated Fund of India and that the remaining 42% shall be devolved to the States. He stated that if any Value Added Tax (VAT) exemption was given to such units, the State concerned could reimburse this tax amount collected as State Goods and Services Tax (SGST). The Hon'ble Minister from Assam stated that earlier, despite devolution, the Central Government gave hundred per cent exemption. The Hon'ble Chairperson stated that the situation was different as presently the units enjoyed hundred per cent tax exemption but in the GST regime, the units under the area-based exemption would pay tax and since the Central Government could retain only 58% of the CGST collected, it would reimburse only this amount to the eligible units.

4.2 The Hon'ble Minister from Uttarakhand stated that his State could not give reimbursement of the remaining 42% of the CGST as GST was a destination based tax and they would not be able to retain any tax for the goods manufactured in their State but supplied outside the State. He recalled that under the Industrial Policy of 2010, industries in his State had been assured exemption from Central Excise till 2020. The Secretary stated that the exemption had been given under the old taxation regime and the Government was not obliged to continue with the same in the GST regime. He added that presently, the discussion was

limited to the Minutes of the last Council meeting and enquired whether the version of the Hon'ble Minister from Uttarakhand recorded therein required any modification. The Hon'ble Minister from Uttarakhand did not propose any modification to his version recorded in the Minutes.

5. In view of the above discussion, for **Agenda item 1**, the Council decided to adopt the Minutes of the 13<sup>th</sup> Meeting of the Council without any changes.

**Agenda Item 2: Rate of interest for delayed payment of tax by the taxpayer and delayed refund by the Government to the taxpayer:**

6. Introducing this Agenda item, the Secretary stated that Section 50(1) and Section 50(3) of the CGST Act and the SGST Acts provided for an upper ceiling of rate of interest of 18% and 24% respectively to be paid by the taxpayer in specified circumstances. He further stated that Section 56 of the CGST Act and the SGST Acts provided for an upper ceiling of interest rate of 6% and 9% to be paid by the Government to the taxpayer in specified circumstances. He added that Section 54(12) of the CGST Act and the SGST Acts provided for an upper ceiling of interest rate of 6% to be paid by the Government where refund was withheld by the Commissioner on the ground that the refund order was under appeal or that any other proceeding was pending against the appellant. He further added that the similar rates of interest would apply under the Integrated Goods and Services Tax (IGST) Act for similar circumstances in view of Section 20 of the said Act. He drew attention to para 14 of the Agenda note and the Addendum in respect of this Agenda item under which certain rates had been proposed for consideration of the Council. He stated that these proposed rates of interest were discussed during the meeting of the officers of the States and the Centre held in Srinagar on 17 May, 2017 and the officers suggested that the rate of interest should be simple interest per annum and should be the same as the prescribed upper ceiling of interest rates under Sections 50(1) (18%), 50(3) (24%), 54(12) (6%), and 56 (6% for the main Section and 9% for the proviso to Section 56) of the CGST Act and the SGST Acts and the same would be made applicable under the IGST Act under corresponding circumstances. He suggested that the Council could agree to this suggestion and approve rates of simple interest per annum at the upper prescribed ceilings under the various Sections. The Council agreed to this suggestion.

7. For **agenda item 2**, the Council approved the following rates of simple interest per annum for the delayed payment of tax by the taxpayer and the delayed refund by the Government to the taxpayer: -

| Sl. No. | Section   | Rate of Simple Interest per annum approved by the Council |
|---------|---|---|
| 1       | Section 50 (1) of the CGST Act/ SGST Acts and under corresponding circumstances in the IGST Act (Section 20)        | 18%   |
| 2       | Section 50 (3) of the CGST Act and the SGST Acts and under corresponding circumstances in the IGST Act (Section 20) | 24%   |
| 3       | Section 54(12) of the CGST Act and the SGST Acts and under corresponding circumstances in the IGST Act (Section 20) | 6%  |

|   |  |    |
|---|--|----|
| 4 | Section 56 of the CGST Act and the SGST Acts and under corresponding circumstances in the IGST Act (Section 20)            | 6% |
| 5 | Proviso to Section 56 of the CGST Act and the SGST Acts and under corresponding circumstances in the IGST Act (Section 20) | 9% |

**Agenda Item 3: Finalization of the rate of tax to be collected at source under Section 52 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017:**

8.1. Introducing this agenda item, the Secretary stated that in terms of the provisions of Section 52 of the CGST Act and SGST Acts and Section 20 of the IGST Act, an electronic commerce operator (e-operator) was obliged to collect the tax at source (TCS) at a rate not exceeding 1% and 2% respectively on the aggregate value of taxable supplies made through him by other suppliers and to pay the same to the Government by the 10<sup>th</sup> of the following month of the collection. He stated that this provision was essentially meant to create an audit trail for a supplier who made supplies through the electronic platform of others. He stated that this agenda item was discussed during the meeting of officers of the States and the Centre held in Srinagar on 17 May, 2017 and that there was a broad agreement that the rate of TCS under Section 52(1) of the CGST Act and the SGST Acts could be 0.5% under each Act and 1% under the second proviso to Section 20 of the IGST Act. He suggested that the Council might approve these rates of TCS. The Council approved this suggestion.

8.2. For **agenda item 3**, the Council approved the following rates for Tax Collection at Source (TCS) by Electronic Commerce Operators (e-operators):

| Sl. No. | Section  | Rate of TCS approved by the Council |
|---------|--|-------------------------------------|
| 1       | Section 52 (1) of the CGST Act and the SGST Acts | 0.5% under each Act                 |
| 2       | Second proviso to Section 20 of the IGST Act     | 1.0%                                |

**Agenda Item 4: Notification of the Common Goods and Services Electronic Portal for facilitating various taxpayer operations under Section 146 of the CGST Act, 2017:**

9.1. Introducing this agenda item, the Secretary stated that in the GST regime, the GST Act and Rules would be common in all States and the Centre and that it was envisaged that certain front end processes of the taxpayers, namely, registration, furnishing of return and payment of tax would be done on a Common Goods and Services Tax Electronic Portal for the Central Goods and Services Tax (CGST) Act, Integrated Goods and Services Tax (IGST) Act, the State Goods and Services Tax (SGST) Act and the Union Territory Goods and Services Tax (UTGST) Act. He stated that Section 146 of the CGST and the SGST Acts provided that *“The Government may, on the recommendations of the Council, notify the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns,*



*computation and settlement of integrated tax, electronic way bill and for carrying out such other functions and for such purposes as may be prescribed.”*

9.2. The Secretary proposed that the Council might approve to issue a notification to the effect that [www.gst.gov.in](http://www.gst.gov.in) shall be the Common Goods and Services Tax Electronic Portal specified under Section 146 of the CGST (which would also be applicable to the IGST Act by virtue of Section 20 of the IGST Act) and the SGST Acts, and Section 21 of the UTGST Act and that this website was being managed by the Goods and Services Tax Network on behalf of the Government. The Council approved this proposal.

9.3. For **agenda item 4**, the Council approved the proposal to issue a notification that [www.gst.gov.in](http://www.gst.gov.in) shall be the Common Goods and Services Tax Electronic Portal specified under Section 146 of the CGST and the SGST Acts and Section 21 of the UTGST Act, which is being managed by the Goods and Services Tax Network on behalf of the Government.

**Agenda item No.5: Constitution of Project Management Team, Standing Committees and Sectoral Working Groups for smooth roll-out of GST:**

10.1. Introducing this agenda item, the Secretary stated that till now two Committees of officers of the Centre and the States was involved in the GST related work. The first was the Law Committee which prepared the draft GST Laws and Rules and the second was the Fitment Committee, which was involved in recommending the GST rates on goods and services. He stated that these two Committees needed to be continued and in addition, more Committees consisting of officers from the Centre and the States would need to be formed to enable a smooth

roll out of GST. A 3-tier structure was proposed for Project Management of GST. At the top of the proposed structure, there shall be the office of the Revenue Secretary, being responsible for successful roll-out of the GST. At the next level would be the Project Management Team (PMT) comprising officers from the Centre, States and the GST Council. GST Council Secretariat shall act as the project management office of the project GST. It was proposed to create eight Standing Committees to look after various aspects of the project. Each Committee shall have two Convenors, one each from the Centre and State. Each Committee would be expected to identify steps to be taken in their area of responsibility and to provide a blue-print for step wise action to be undertaken with target dates. This would lead to uniformity and clarity regarding actions to be taken by the respective revenue administrations and the expected time-lines for the same. The Convenors of the Committee shall be the Nodal officers to give inputs to the Project Management Team on issues relating to their area of responsibility. The decisions could be taken by the individual Standing Committees to the extent possible, and where necessary, at the level of the PMT. PMT might place issues of importance before the Revenue Secretary or GST Council for decision, where necessary.

10.2. He stated that the following eight Standing Committees were proposed to be constituted with defined areas of responsibility:-

- (i) Law and Rules Committee
- (ii) IT Committee
- (iii) Single Interface Committee

- (iv) Fitment Committee
- (v) Publicity and Outreach Committee
- (vi) Capacity Building and Facilitation Committee
- (vii) Fund Settlement Committee
- (viii) Guidance Notes Committee

10.3. He stated that broadly the area of responsibilities of the proposed Committees would be as follows:

**(a) Law Committee**

- (i) Finalizing all the Rules
- (ii) Drafting of all Non-Tariff (NT) notifications
- (iii) Trouble shooting and simplifying business process design
- (iv) Examining all representations of trade on Legal issues

**(b) Information Technology Committee**

- (i) Monitoring IT preparedness of GSTN
- (i) Monitoring IT preparedness of Centre and States
- (ii) Monitoring linkages between various networks

**(c) Single interface Committee**

- (i) Coordinating migration and verification of past credit
- (ii) Rules for single interface including in the IGST in coordination with Law Committee
- (iii) State-wise coordination teams for assigning taxpayers
- (iv) Any other administrative issue needing resolution at the State level

**(d) Fitment Committee**

- (i) Recommending rates of taxes on all commodities and services
- (ii) Recommending interest rates under various Sections and Rules
- (iii) Recommending Composition rates
- (iv) Recommending any other rate provided in Act or Rules
- (v) Examining all representations of trade on rate and other issues

**(e) Publicity and Outreach Committee**

- (i) Publicity in print, electronic and social media
- (ii) Outreaching taxpayers
- (iii) Circulating publicity material for uniformity of messaging
- (iv) Publicity in vernacular media particularly on issues such as cascading of taxes, benefits of GST, anti-profiteering etc.

**(f) Capacity Building and Facilitation Committee**

- (i) Capacity building of officers
- (ii) Capacity building of trade
- (iii) Preparing material for field offices to act as Facilitation Centres

**(g) Fund Settlement Committee:**

- (i) All issues relating to revenue subsumed and compensation post GST rollout
- (ii) CST Compensation, if any
- (iii) IGST fund settlement
- (iv) Any legal issue relating to any of the above

**(h) Guidance Notes Committee:**

- (i) To prepare guidance notes on important Legal provisions
- (ii) To prepare guidance notes on important sectors of the economy

10.4. He further stated that in view of a large number of representations being received from different sectors of the economy, there was a need to constitute Sectoral Groups, consisting of a team of officers from the Centre and the States to examine the issues raised by the stakeholders of such sectors. He stated that recommendations of these teams shall be submitted to the PMT for further necessary action on them. He stated that for some of these sectors, Guidance Notes might also be required to be issued, including in regional languages. He stated that the Sectoral Groups could be constituted for the following sectors: -

- (i) Banking, Financial and Insurance Sector
- (ii) Telecommunication
- (iii) Exports including EOUs and SEZs
- (iv) IT/ITES
- (v) Transport and Logistics
- (vi) Textiles
- (vii) MSMEs, including job work
- (viii) Oil and Gas (upstream and downstream)
- (ix) Gems and Jewellery
- (x) Services received and provided by the Government
- (xi) Food Processing Sector
- (xii) E-commerce
- (xiii) Big Infrastructure (Airport, Sea port- including MRO)
- (xiv) Travel and Tourism
- (xv) Handicrafts (Exports)
- (xvi) Media and Entertainment
- (xvii) Drugs and Pharmaceuticals

10.5. The Secretary further informed that in the agenda note circulated by the Council for this agenda item, 17 sectors were identified for sectoral analysis and that during the meeting of the officers of the Centre and the States held on 17 May, 2017 in Srinagar, Secretary Finance (Revenue), Government of Rajasthan had suggested inclusion of an additional sector, namely Mining. He suggested that the Council might approve the same. The Council approved the proposal. He further stated that during the meeting of the officers, Joint Commissioner, Commercial Taxes, Government of Sikkim had suggested to add another sector, namely Hydro projects, but after discussion, it was felt that this could be covered under the sector relating to 'Big Infrastructure'. The Hon'ble Minister from Haryana suggested to add Housing Construction as an additional sector. The Secretary observed that this could also be covered under the sector 'Big Infrastructure'. The Council agreed to this suggestion.

10.6. The Secretary informed that the States had been requested to send nominations for the Project Management Team, Committees and Sectoral Working Groups but only few nominations had been received

and that many nominations were not at sufficiently senior level. He stated that during the meeting of the officers of the Centre and the States held on 17 May, 2017 in Srinagar, it was suggested that there should be one member from each of the four zones of the country and that in this view, there should be four members from the States in the PMT. The Council agreed to this suggestion. As regards the constitution of the various Committees, the Secretary informed that on the suggestions received, the Council had tentatively constituted the Committees. He stated that while the Convenors of the Committees had been identified, the States could give names for inclusion as members in various Committees. He further observed that these Committees would be vested more with responsibility rather than authority and that decisions would lie with the Council. He stated that the PMT could take quick decisions on the basis of recommendations of the relevant Committee and that these Committees would need to meet very often. He stated that each Committee would have one Convenor from the State and another from the Centre. On a query from the Hon'ble Deputy Chief Minister of Delhi regarding the legal status of these Committees, the Secretary stated that this entire scheme was in the nature of an administrative arrangement and was not part of the law. He proposed that the Council might approve the proposal for creation of the three-tier coordination mechanism for implementation of GST and to further authorize the Chairperson, GST Council to constitute the Project Management Team, Standing Committees and Sectoral Working Groups. The Council approved this proposal.

10.7. Some States expressed an interest to be put in certain Committees, as for example, the Hon'ble Minister from Punjab requested representation of his State in the Textile Committee and the Hon'ble Minister from Uttarakhand requested representation of his State in the Travel and Tourism Committee. The Hon'ble Chairperson stated that all States desirous of becoming members of various Committees should give the name of the officers in writing to the Council. The Hon'ble Minister from Kerala stated that the decisions of the PMT should be circulated to the Council. The Council agreed to this suggestion.

10.8. For **agenda item 5**, the Council approved the following:

- (i) A 3-tier structure for Project Management of GST consisting of the office of the Revenue Secretary, a Project Management Team called GST Implementation Committee (4 officers from States, 4 from the Centre and 1 from GST Council) and eight Standing Committees. In addition, there shall be 18 Sector Groups (including one on Mining Sector).
- (ii) To authorize the Chairperson, GST Council, to constitute the GST Implementation Committee and other Standing Committees and the Sectoral Working Groups after incorporating further nominations received from the States and carry out changes in scope and nomenclature of Committees/Groups, wherever required.
- (iii) To include Power Sector and Housing/Construction in the 'Big Infrastructure' Sectoral Group.
- (iv) Decisions of the GST Implementation Committee shall be circulated to the Council.

## **Agenda Item 6: Nomination of Additional Secretary, GST Council to the Board of Goods and Services Tax Network (GSTN):**

11.1. Introducing this agenda item, the Secretary informed that a position of Director on the GSTN Board of Directors had been vacated upon demission of office of Member Secretary, Empowered Committee of State Finance Ministers (EC) by Shri Satish Chandra, who ceased to be a Director with effect from 31st March, 2017. He further stated that after the passage of the 101<sup>st</sup> Constitutional Amendment Act, GST Council was the Federal Constitutional Body spearheading the policy initiatives relating to GST roll-out in the Country, including the passage of the GST Acts and Rules. He stated that GSTN shall be asked to amend its Articles of Association (AoA) to the effect that all references to the Empowered Committee of State Finance Ministers may, post amendment, refer to GST Council. He further added that in place of “Ex-officio Member Secretary, EC”, Clause 48 should read as “Ex-officio Additional Secretary, GST Council”. He stated that in view of this, it was proposed that Additional Secretary, GST Council may be nominated as Ex-Officio Director on the Board of GSTN to replace Shri Satish Chandra. The Council approved the proposal.

11.2. For **agenda item 6**, the Council approved the nomination of Additional Secretary, GST Council as ex-officio Director on the Board of GSTN in place of the erstwhile Member Secretary, Empowered Committee of State Finance Ministers (EC).

## **Agenda Item 7: Approval of mechanism to split the Merchant Discount Rate (MDR) charges between the Centre and the States:**

12.1. Introducing this agenda item, the Secretary stated that to incentivize the use of digital economy, the Government of India had decided to bear the applicable Merchant Discount Rate (MDR) charges of payment of Government dues (taxes, non-taxes and other payments) up to Rs.1 Lakh made by Indian citizens using debit cards (under the Office Memoranda dated 14.12.2016 and 15.12.2016 issued by the office of the Controller General of Accounts, Department of Expenditure, Ministry of Finance). He further stated that under the GST regime, it had been provided that taxpayers would be able to make payments of CGST, SGST, IGST and the GST compensation cess by a single transaction, through a single challan. He stated that a decision needed to be taken as to the sharing of MDR charges for GST payments up to Rs.1 Lakh using debit cards, between the States and the Centre. He explained that splitting of charges between the States and the Centre based on the amount of CGST, IGST or SGST collected using a single challan might not be the most appropriate option, as a large amount of IGST which was a single levy, would also ultimately accrue to the States due to cross-utilization of credit. He stated that similarly, SGST collected by States would also be used for payment of IGST due to cross-utilization. He expressed that a cleaner way of sharing of MDR charges between the Government of India and the States might be to split these charges, in proportion of the final GST revenues accruing to the States and the Centre after cross-utilization and apportionment processes are finalized.

12.2. The Secretary informed that this agenda item was discussed during the meeting of the officers in Srinagar on 17 May, 2017 and some States like Haryana, Assam, Rajasthan and Odisha had not favoured putting additional financial burden on the State Governments. He further stated that some States desired to know the likely financial burden on the State Governments if the MDR charges for payment of GST by debit card up to Rs.1 lakh was to be borne by the State Governments and the Central Government. He also

informed that Uttar Pradesh had suggested that the Central Government could bear the entire charge for the first two years and then the States could take a call whether to bear this charge. The Hon'ble Minister from Andhra Pradesh stated that after demonetisation, the Central Government had been giving incentives to make payments by credit and debit cards and the State Governments should not be given this burden. The Hon'ble Deputy Chief Minister of Delhi expressed that as Government of India had been bearing this expense, it should continue to do so. The Hon'ble Minister from Assam pointed out that this facility was being extended only for payments up to Rs.1 lakh by debit cards. The Hon'ble Chief Minister of Puducherry stated that the burden on the State Governments should be worked out before taking a decision on this agenda item. The Hon'ble Chairperson suggested that in view of the reservations expressed by the States, this agenda item could be deferred for the time being and after ascertaining the likely financial implication of this decision, a fresh agenda item could be introduced on a later date. The Council agreed to this suggestion.

12.3. For **agenda item 7**, the Council approved to defer the agenda item for consideration and to consider it on a later date after ascertaining the likely financial implications of this proposal.

**Agenda item 8: Approval of amendments to the following Draft GST Rules and related Forms: (i) Registration; (ii) Return; (iii) Payment; (iv) Refund; (v) Invoice, Debit/Credit Note; (vi) Input Tax Credit; (vii) Valuation; (viii) Transitional Provisions; and (ix) Composition:**

13.1. Introducing this agenda item, the Secretary recalled that the Council had approved nine GST Rules during its 13<sup>th</sup> Meeting held on 31 March, 2017 and that these were put in the public domain and sent to the States. He informed that before the 14<sup>th</sup> Council meeting, the Law Committee could finalise seven GST Rules and the connected Forms, which were circulated as Volume-2A and Volume-2B of the Agenda Note respectively. He informed that the GST Rules on Return and Transitional Provisions were yet to be finalised by the Law Committee and that it was expected to finalise these Rules in the next seven to eight days. He further stated that based on the inputs received from stakeholders, some changes had been made in the Rules relating to Registration; Payment; Refund; Invoice; Input Tax Credit (ITC); Valuation and Composition and that a presentation highlighting the important changes to the draft Rules was shared with the States before the 14<sup>th</sup> Council Meeting (attached as **Annexure 3** to the Minutes). He further stated that the draft Rules were discussed during the meeting of the officers of the Centre and the States on 17 May, 2017 in Srinagar and during discussion, the following three changes were agreed to be made in the Rules relating to Registration, Composition and ITC: -

- (i) The word “ninety days” to be replaced by “thirty days” in Rule 9(3) of Registration rules to bring it in consonance with FORM REG RULE 12.
- (ii) The word “Registration.16” may be replaced with “Registration.17” in Rule 1 of Composition Rules.
- (iii) Under Rule 7(1)(i) of the ITC Rules, {‘F’ is the total turnover of the registered person during the tax period”} may be replaced with {‘F’ is the total turnover **in the State** of the registered person during the tax period”} to bring in more clarity.

13.2. Starting the discussion on this agenda item, the Hon'ble Minister from Uttarakhand stated that Rule 4 of the Registration Rules provided for separate registration for multiple business verticals within a State and enquired as to what treatment would be given to a trader who sold various items like cloth, sanitary

ware, hosiery, etc. when his combined turnover exceeded Rs.20 lakh. The Secretary stated that the trader would be required to take only one registration and that if he was only making supplies to consumers (B2C), he would not be required to file invoice-wise details. He stated that majority of the dealers would need to file a very simple return as their supplies would only be B2C. The Hon'ble Minister from Kerala raised a question regarding the manner of invoice matching for B2B supplies, i.e. whether item-wise or on the total. Shri Prakash Kumar, Chief Executive Officer (CEO), GSTN, clarified that earlier the design was to do the matching line item-wise but now it was decided that matching would be done on total value and that if more details were required line item-wise, the same would be available on the System. Shri J. Syamala Rao, CCT, Andhra Pradesh, stated that if commodity-wise invoice matching was not done, it would be difficult to track supply from the manufacturer in the retail chain. Shri Upender Gupta, Commissioner (GST Policy Wing), CBEC, stated that HSN was not being captured at the invoice level and that only a summary of HSN Code was being taken in the return. He further suggested that this could be discussed in greater detail when GST Rules on Return were taken up for discussion. The Hon'ble Minister from Kerala requested to circulate a note on the scheme of matching of returns under GST. The Hon'ble Minister from Kerala raised another issue as to what mechanism was there to ensure that a vehicle transporting taxable goods inter-State was carrying invoice. Commissioner (GST Policy Wing), CBEC, stated that a separate e-way bill Rules would address this issue and that when goods were handed over to the transporter, an e-way bill would be generated. He informed that several comments had been received on the draft e-way bill Rules and after examining them, the Rules on e-way bill would be brought before the Council. The CEO, GSTN, added that where a transport vehicle carried multiple invoice for multiple people, a unique code would be generated and this could be checked anywhere on the way. He added that this code could also be accessed on mobile phone and the e-way bill would give details regarding the goods being carried in a transport vehicle. The Hon'ble Deputy Chief Minister of Delhi emphasised that data should be accessible to the team of surveillance officers.

13.3. The Hon'ble Minister from Uttarakhand raised an issue that if an industry in Uttarakhand set up in 2010 and undertook an expansion of the same in 2017 and got the benefit of tax exemption for both and then set up a new unit under GST regime, then how his tax liability would be calculated. The Secretary explained that under GST regime, there would be one registration for all businesses operating under a common PAN (Permanent Account Number) in a State and that they would all pay GST. He added that in certain circumstances, different business verticals could have different GSTIN numbers, within the same company. The Hon'ble Minister from Uttarakhand raised another issue that a manufacturer of tractor would use different mechanical and electrical parts falling under different HSN (Harmonised System of Nomenclature) Code and how the manufacturer of tractor would declare the same. Dr. P.D. Vaghela, Commissioner of Commercial Tax (CCT), Gujarat, clarified that inputs would be accounted separately and ITC would be available on such inputs and the final product (tractor) would be declared separately under a different HSN Code. The Hon'ble Minister from Uttarakhand also raised the issue of difficulties that job workers for jewellery would face in declaring the HSN Code. The Secretary stated that this issue could be discussed when fitment rate for gold was discussed which was not in the agenda item for this Meeting.

13.4. Shri Somesh Kumar, Principal Secretary (Revenue), Telangana, raised a few questions relating to the Registration Rules. First, he pointed out that in Rule 9 of the Registration Rules (dealing with *suo moto* registration), it was provided that every person to whom a temporary registration had been granted shall submit an application for registration within 90 days and enquired as to what would be the legal effect if no such application for registration was filed. Second, he raised the question that Rule 11 provided for display of the Certificate of Registration and enquired as to what would be the legal effect if the Certificate of Registration was not displayed. The third issue raised by him was the desirability of a provision in Rule

13 wherein it was provided that in some cases registration could not be cancelled for a period of one year from the effective date of registration. The fourth issue raised by him was in respect of the process of physical verification provided under Rule 18. The Commissioner (GST Policy Wing), CBEC, clarified these issues. On the first question, he stated that this would be an enforcement issue and would be dealt accordingly. On the second question, he stated that if the Registration Certificate was not displayed, the Section in GST Law relating to general penalty would apply. On the third question, he stated that the requirement of one-year validity period of a registration was kept only for those taxable persons who had taken registration voluntarily though they were within the exemption threshold. On the fourth question, he clarified that physical verification of a registered premises after the grant of registration would be done only in exceptional cases which would be decided by the computer on the basis of risk parameters.

13.5. The Hon'ble Minister from Meghalaya observed that in Rule 1(e) of the Tax Invoice Rules, the requirement of recording the name and address of the recipient was only for those transactions where the value of taxable supply was Rs. 50,000 or more and suggested that this value limit should be lowered. The Secretary stated that this issue was discussed earlier during the 13<sup>th</sup> Council Meeting (held on 31 March, 2017) and it was explained that any reduction in the monetary limit from Rs. 50,000 to Rs. 20,000 for recording the address of the purchaser in the B2C transaction could not be done for a particular State but on an all-India basis. He added that most of the other States did not favour applying this lower threshold at the all-India level as they felt that this would considerably increase the compliance burden on the tax payers as well as the buyers. He suggested that there could be other ways of addressing this issue like setting up good quality outlets for high value consumer products in the smaller States of the North East, educating the customers to have their address recorded in the invoice when buying from outside the State even for purchases lesser than Rs. 50,000 and the possibility of recognizing the right of non-tribal traders to set up retail stores.

13.6. The Hon'ble Deputy Chief Minister of Manipur stated that the cost of goods in the North-Eastern States was high due to high transportation cost and lack of developed roadways and this prompted the persons from the North-Eastern States to buy goods from Silchar or Guwahati. He stated that an exception should be made in the Rules regarding the monetary limit for recording the address of the purchasers in B2C transactions. The Secretary stated that the issue did not relate to the North-Eastern States but to its neighbouring States where such an exception in the relevant Tax Invoice Rules would need to be made. The Hon'ble Minister from Meghalaya stated that the threshold for recording address of the purchaser on the invoice should be reduced from Rs. 50,000 as otherwise smaller States like Meghalaya would lose revenue. The Hon'ble Minister from Bihar stated that different States had different issues and all could not be addressed in the GST Law. He observed that people from Bihar bought blankets from outside the State and Bihar would not get any tax from this transaction if invoice did not have the address of the purchaser on record. The Hon'ble Minister from Meghalaya stated that the Special Category States needed to be treated differently. The Hon'ble Minister from Uttarakhand supported the proposal to reduce the monetary ceiling for the Special Category States. The Hon'ble Minister from Himachal Pradesh stated that the Rule should provide that if a consumer from a Special Category State bought any goods outside his State, the monetary limit of the transaction for recording the address on record shall be Rs. 25,000. The Secretary observed that this would considerably increase the compliance burden and pointed out that the States had already been assured 14% growth rate for compensation. The Hon'ble Chairperson stated that North-Eastern States were consuming States and compensation formula based on 14% assured growth rate was a very liberal arrangement and therefore, the existing provision could be allowed to operate and its impact could be evaluated in due course.



13.7. The Hon'ble Minister from Meghalaya reiterated that for Special Category States, implementation of this provision in its current form would lead to loss of revenue. The Commissioner (GST Policy Wing), CBEC, stated that a special provision in respect of this Rule would be required in the neighbouring States like West Bengal. The Hon'ble Deputy Chief Minister of Gujarat stated that North-Eastern States were good tourist destinations and they would also get revenue for purchases below Rs. 50,000 by tourists from outside the State. The Hon'ble Minister from Kerala enquired whether a consumer could insist on writing his address on an invoice of value below Rs. 50,000. The Hon'ble Minister from Meghalaya suggested that this requirement should be made compulsory in the Invoice Rules. The Hon'ble Deputy Chief Minister of Arunachal Pradesh suggested that there should be a provision in the Invoice Rules that the address of the buyer would be recorded in an invoice where the buyer insisted on it. The Secretary suggested that a provision to this effect could be made in the Tax Invoice Rules. The Council agreed to this suggestion. The Council approved the other Rules.

14. For **agenda item 8**, the Council approved the GST Rules and the related Forms on (i) Registration; (ii) Payment; (iii) Refund; (iv) Invoice, Debit/Credit Note; (v) Input Tax Credit; (vi) Valuation; and (vii) Composition with the following amendments:

- (i) The word “ninety days” to be replaced by “thirty days” in Rule 9(3) of the Registration Rules to bring it in consonance with FORM REG RULE 12;
- (ii) The word “Registration.16” to be replaced with “Registration.17” in Rule 1 of the Composition Rules;
- (iii) Under Rule 7(1)(i) of the ITC Rules, to replace the expression “{‘F’ is the total turnover of the registered person during the tax period}” with the expression “{‘F’ is the total turnover **in the State** of the registered person during the tax period}”;
- (iv) To insert a provision in the Invoice Rules that the address of the buyer shall be recorded in an invoice where the buyer insists on it.

#### **Agenda Item 9: Approval of the Fitment of goods and services into the various rate slabs:**

15.1. Introducing this agenda item, the Secretary stated that in the 4<sup>th</sup> Council Meeting (held on 3-4 November, 2016), the Council had laid down a set of guiding principles in respect of bands of rates of GST and GST Compensation mechanism and that officers of the Fitment Committee consisting of the Central Government and ten State Governments met three times (for a total of six days) and finalised its recommendations on rates on the basis of these guiding principles. He stated that the Committee had recommended the rates after taking into account the present tax incidence on account of Central Excise, Service Tax and VAT (including cascading on account of these taxes) as well as embedded taxes and the incidence of CST, Octroi, Entry Tax, etc. He added that in certain cases, the Committee had recommended lower/higher GST rates, vis-à-vis the present tax incidence (including embedded taxes) taking into consideration: (a) the current economic and social realities; (b) ensuring moderate tax incidence on items of common use; and (c) ensuring moderate GST rates for intermediates and capital goods.

15.2. He stated that as regards the rates of Compensation Cess, the Committee was largely guided by the present tax incidence with some cushion on goods which presently bore a total tax incidence of more than 28%, including that on mid-segment and large, hybrid luxury cars. He stated that the Committee did not go into details of GST rates for gold, diamond and gems and jewellery sector, keeping in view that the rate of tax for this sector was to be decided by the Council after the completion of the fitment exercise. He further stated that the Committee also examined the existing exemptions relating to Additional duty of Customs (also called CVD) and Special Additional Duty (SAD) of Customs, so as to cull out the cases, where the Committee recommended continuation of exemptions in the form of IGST exemptions. These cases included Multilateral/Bilateral Commitments [including exemption for goods in transit to the land locked Countries], re-import or re-export cases and passenger facilitation at international Airports.

15.3. He further stated that in the case of services, the Committee largely followed the following principles while recommending the GST rate structure: (a) continuance of exemption for certain services, so as to maintain present tax incidence on services; (b) To suggest broadly the same GST rate for different modes of transportation services, more or less at the present rates [lower than the general standard rate of 18% for services] because the inputs for transportation sector such as fuel, etc. were not in GST; (c) Withdrawal of exemptions in certain cases where such exemptions had been extended because of lack of jurisdiction; (d) Withdrawal of exemption in certain cases, like Works Contract [a composite supply of service]. The Committee had recommended withdrawal of present service tax exemptions, keeping in view the fact that sale of goods in these contracts would now attract GST and it might not be possible to segregate the value of services from the total value; (e) For ensuring similar GST rates, when similar supplies could be treated as supply of services or goods [depending on facts of the case] so as to remove tax arbitrage [For example, transfer of right to use goods is a service under GST law (Schedule II: Entry 5 (f)) whereas the sale of similar goods is supply of goods]. He further stated that keeping these principles in mind, the Committee had recommended the goods and services that would fall into different rates, namely, Nil, 5%, 12%, 18%, 28%, as also the Compensation Cess rates and the IGST exemptions.

15.4. The Secretary stated that the five Annexures indicating the GST rates for goods (including the goods covered under the Addendum to the GST Rate Schedule for Goods, circulated before the Council Meeting) covered about 1211 items at 4-digit HSN classification (total items at 8-digit being about 11,000) and out of these, about 88 items were largely in the exempt List (constituting 7% of the total goods at the 4-digit level), about 173 items were in the 5% List (constituting 14% of the total goods at the 4-digit level), about 200 items were in the 12% List (constituting 17% of the total goods at the 4-digit level), about 521 items were in the 18% List (constituting 43% of the total goods at the 4-digit level) and about 229 items were in the 28% List (constituting 19% of the total goods at the 4-digit level). He further stated that about 81% of items at 4-digit level would largely be taxed at the rate of 18% or lower and only about 19% of items at the 4-digit level would be taxed at the rate of 28%. He further added that about 60% of the items at the 4-digit level would be covered in the standard rate of 12% and 18% and about 21% items would be taxed at a rate lower than the standard rate. He also stated that detailed horizontal sheets had been sent to CCTs of every State indicating the rates of tax for goods at the 4-digit level. He stated that the Annexures I to V of the agenda notes covered the rates of goods and the Annexures VI to X covered the rates of services. He stated that services attracting 28% of GST were largely those which were charged to luxury tax and entertainment tax which would be abolished under the GST regime. He further explained that Annexure XI of the agenda notes contained cess on four categories of items which included 50 items of tobacco classified as per Central Excise tariff. He stated that Annexure XII contained the proposal to grandfather IGST exemptions and Annexure XIII contained those services which were proposed to be taxed at the same rate as the

corresponding goods. He added that Annexure XIV contained services to be taxed under reverse charge. He stated that all these tables and the Addendum to the detailed agenda notes of Agenda Item 9 circulated before the Council Meeting had been discussed during a meeting with the officers of the Centre and the States held on 17 May, 2017 in Srinagar. He added that based on the suggestions agreed upon during the officers' meeting, rates on certain goods/services were proposed to be modified as compared to what was proposed in the original agenda notes and that a 4-page addendum was circulated suggesting these modified rates during the meeting today (enclosed as **Annexure 4** to the Minutes).

15.5. Starting the discussion on this agenda item, the Hon'ble Minister from Kerala made a general point that 70% of the VAT revenue came from goods that attracted the VAT rate of 14.5% and that the same weight of the goods should have been there for 28% tax slab under GST but this weight was only 20%. He observed that coverage of goods under the exemption list was understandable as it was meant to keep the Consumer Price Index (CPI) basket low but for intermediate goods, there was a drastic reduction in the incidence of tax as it was being brought to 18%. He observed that India would move into fiscal consolidation path in the next two years and with the increasing social responsibility of the Governments, the revenue deficit should not go up. He stated that this could also have serious impact on the revenues of the Central Government. He expressed an apprehension that with lowering of rates on intermediates, capital goods and items of common use, the situation might not remain revenue neutral and requested more details regarding revenue implications on these goods to better understand the macro picture. The Secretary stated that it would be very difficult to do an exact projection of revenue. He observed that under Central Excise, manufacturers were exempt for turnover upto Rs. 1.5 crore and as there would be no such exemption under GST, more revenue would accrue on this account. He also pointed out that the turnover limit on which VAT was levied was different in different States. He further stated that there could be additional revenue collection through better compliance by use of Information Technology (IT), e-way bill system, etc. He stated that as the present rate structure was loaded against the revenue neutral rate (RNR), one had to be cautious about lowering the rates on State-specific goods. He added that the Council would also need to consider how to operationalise the anti-profiteering provisions of the law in order to ensure that Maximum Retail Price (MRP) was reduced for goods which were required to have the MRP label as otherwise it would lead to windfall gains to the corporates.

15.6. The Hon'ble Minister from Jammu & Kashmir stated that the choice lay between elasticity and buoyancy. He suggested that a study could be done to estimate the gains from buoyancy in taxes. He further stated that the Central Statistical Organisation (CSO) should prepare a new basket for CPI as the present CPI basket was prepared in 1974 and it needed revision. He observed that inflation impact would be less under a new CPI basket. Shri Arvind Subramanian, Chief Economic Adviser (CEA), Government of India, stated that concern of the Hon'ble Minister from Kerala about revenue reduction would be attenuated by reduction in inflation provided the reduction of GST rates was passed on to the consumers. He further stated that there would be two sources of revenue gain, namely, an increase in consumption due to reduction in tax rate and improved compliance. He suggested that the presently proposed GST rates should be adopted and could be watched for a year or two and if there was a serious shortfall of revenue, a call could be taken to increase the tax rates. The Hon'ble Chairperson stated that when Constitutional amendment was being undertaken, there was a concern diametrically opposite to the one expressed by the Hon'ble Minister from Kerala and that was to keep the GST rates low and to put a cap of 18% in the Constitution itself. He stated that the whole issue of having a band of tax rates arose from this concern and there was an effort to reduce the number of goods falling in the band of 28% rate. He further stated that coverage of goods in the 28% rate band had to take account of the current reality, and some of the goods which were considered luxury

earlier, were no longer luxury goods, and therefore, kept at 18%. He further stated that the concern regarding fall in revenue due to lowering of rates were legitimate as every Finance Minister needed to balance his budget. He stated that how much would be gained from buoyancy was a judgment call to be taken. Further, there would be additional buoyancy gains due to increased compliance under income tax. He further stated that the Central Government had to be more watchful about revenue as States were protected for five years due to the provision of compensation at the assured rate of growth of 14%. The Hon'ble Minister from Jammu & Kashmir stated that a long-term view to be kept in mind while discussing the rates of GST was that in the next three to five years, the country should move towards a single rate of GST, and therefore, it would be desirable to tax most of the goods at the rate of 12% or 18%.

15.7. The Hon'ble Minister from Kerala stated that reducing the rates of tax should be avoided as already cartelisation had started in sectors like cement where prices had been increased. He suggested that action should be taken under the anti-profiteering provision of the law. The Hon'ble Chairperson stated that the officers should suggest ways to operationalise the anti-profiteering provision of the law. The Hon'ble Minister from Haryana stated that the success of GST would depend upon its acceptability by the public and in order to assure them, it was important to highlight reduction in rates on certain goods which would counter the increase in prices of some other goods due to introduction of GST. The Hon'ble Minister from Goa stated that the anti-profiteering provision of law should be operationalised. The Hon'ble Chairperson stated that it would be useful to highlight those goods on which tax was being reduced under GST and the Council and the Governments could do a media campaign to ensure that the tax reduction was passed on to the consumers.

15.8. The Hon'ble Minister from Uttarakhand stated that the goods that were not taxed under VAT would be taxed under GST. The Hon'ble Chief Minister of Puducherry stated that the concerns of small States should be addressed in the GST as they might not be able to carry out substantial additional revenue mobilisation. He stated that if compensation was paid every two months, it could affect the developmental activities of the smaller States. The Hon'ble Minister from Tamil Nadu stated that he was happy to see that the goods which were at present exempt both by the Centre and the States continued to be nil rated under GST as these were generally goods of common consumption and deserved to be exempted. He further stated that in general, he had no objection to the proposed fitment of goods and services into various rate slabs under GST on the basis of the guiding principle laid down during the 4<sup>th</sup> GST Council Meeting (held on 3-4 November, 2016). He stated that on certain specific products, he would make suggestions on the basis of representations from the trade and industry.

### **Discussion on GST rate for Goods**

15.9. Starting the discussion on the proposed rates of GST on goods, the Secretary stated that discussion would be limited to those goods in each Annexure where an Hon'ble Member wanted the proposed rates to be revisited. He stated that except for such goods, the proposed rates for the rest of the goods in various Annexures could be deemed to be approved by the Council. The Hon'ble Chairperson stated that any suggested modification in rates should be discussed in terms of five criteria, namely, (i) revenue impact; (ii) impact on domestic manufacturing; (c) the existing combined rate of tax; (iv) the relevance of the product for consumers; and (v) optical perception of GST. The following goods were mentioned Annexure-wise by the Hon'ble Members for discussion: -

## **Annexure I (List of goods at nil GST rate):**

(i) '**Jari booti**': The Hon'ble Minister from Uttarakhand stated that *jari booti* was presently kept in Annexure II (5% List) and that it should be put in the nil rate category as 67% of *jari booti* came from the forests of Uttarakhand. The Secretary stated that *jari booti* was used as herbal medicine, and therefore, it should be taxed. He stated that the Forest Development Corporation would sell *jari booti* to companies like Dabur which would take input tax credit (ITC) and use it for payment of tax on its final products. The Hon'ble Minister from Uttarakhand stated that there was no VAT on *jari booti* in his State. The Hon'ble Minister from Chhattisgarh stated that his State charged 5% VAT on *jari booti*. The Hon'ble Deputy Minister of Gujarat stated that in his State, *jari booti* was collected by tribal people and given to the Forest Development Corporation which auctioned it and 5% VAT was chargeable on them. After discussion, it was agreed that *jari booti* **need not** be brought under the Nil rate of GST.

(ii) '**Suji**': The Hon'ble Minister from Uttarakhand stated that when *atta*, *besan* and *maida* were kept at nil rate, there was no justification to tax *suji* at 5% and suggested that it should also be brought under the nil rate. The Secretary stated that there was 5% VAT on *suji* in every State, except Uttar Pradesh. The Special Secretary (Finance), Odisha, stated that there was 5% VAT on *suji* in his State and that it had not created any adverse impact on the consumers. After discussion, it was agreed to bring *suji* other than put in unit container and bearing a registered brand name under Annexure I attracting Nil rate of GST, while *suji*, put up in unit container and bearing a registered brand name, to be kept under Annexure II at 5% rate.

(iii) '**Dalia**': The Hon'ble Minister from Uttarakhand stated that on the same logic as *suji*, *dalia* should also attract nil rate of GST. After discussion, it was agreed that *dalia*, other than those put up in unit container and bearing a registered brand name, would attract Nil rate of GST and *dalia* put up in unit container and bearing a registered brand would be taxed at the rate of 5%. This was agreed to by the Council.

(iv) '**Rusk**': The Hon'ble Minister from Uttarakhand stated that it was not taxed under VAT, and therefore, it should be kept at Nil rate. The Secretary stated that rusk was modified bread, and therefore, it was justified to levy tax at the rate of 5%, as proposed. The Council agreed to this suggestion.

(v) '**Seviyan**' (Vermicelli): The Hon'ble Minister from Uttarakhand suggested that it should attract Nil rate of GST. The Secretary stated that in most States, it attracted VAT at the rate of 5%, and therefore, it should not be brought under the Nil rate. The Council agreed to this suggestion.

(vi) '**Gur**' (Jaggery): The Hon'ble Minister from Uttarakhand suggested that *gur* should attract Nil rate. This proposal was supported by the Hon'ble Chief Minister of Puducherry on the ground that this product came from the tribal belt. The Hon'ble Ministers from Telangana and Uttar Pradesh also supported this proposal. After discussion, the Council agreed that *gur* (jaggery) would attract Nil rate of GST instead of the presently proposed rate of 5%.

(vii) '**Khandsari**': The Hon'ble Minister from Telangana stated that Khandsari should be taxed at Nil rate of duty. After discussion, the Council agreed to tax it at the rate of 5% as proposed in the agenda notes.

(viii) '**Low priced Biscuits**': The Hon'ble Minister from Uttarakhand suggested that the low priced biscuits which were mostly used by the poorer sections of the society should be kept in the exempt List. The Secretary stated that value based rate of taxation led to suppression of value and loss of revenue. He

suggested that the rate of tax should not be varied on the basis of value of biscuits. After discussion, the Council agreed to discuss this issue separately when they took up discussion on the rate of tax for biscuits.

(ix) **Silk yarn, cotton yarn in hank:** The Hon'ble Minister from Assam suggested that silk yarn should be kept in the exempted category. The Hon'ble Minister from Karnataka stated that there would be no revenue implication in exempting silk yarn as silk fabrics would be taxed. The Hon'ble Minister from Uttar Pradesh suggested that cotton yarn in hank should be kept in the exempt category. The Hon'ble Chairperson observed that reducing taxes on a large number of products would adversely affect the revenue and that the Governments needed to strike a balance between revenue generation and populism. The Secretary suggested that the goods falling in the entire textile chain might be discussed separately. The Council agreed to discuss this point along with discussion on the entire value chain of textiles.

(x) **Sewing thread:** The Hon'ble Deputy Chief Minister of Gujarat suggested that the cheaper varieties of sewing thread should be kept under exempted List. The Secretary suggested that the goods falling in the entire textile chain might be discussed separately. The Council agreed to this suggestion.

(xi) **'Zari':** The Hon'ble Minister from Uttar Pradesh suggested to keep *zari* in the exempt list. The Hon'ble Deputy Chief Minister of Gujarat stated that *zari* thread was made in Surat and supplied to Uttar Pradesh. He stated that making of *zari* thread provided employment to 3 lakh persons and the poor people worked on it at home, and therefore, suggested that *zari* should be kept in the exempt List. The Secretary stated that embroidery or *zari* articles was used in high value textile clothing, and therefore, it was reasonable to tax it at the rate of 5%. He stated that the burden of this tax would be borne by the buyers of these textile articles and not the persons who produced them. The CEA stated that GST was a consumption tax and its incidence would be borne by the consumers, and therefore, it was important to see who were the consumers of the product. The Council agreed **not to change** the recommended rate for *zari* at 5%.

(xii) **'Chikan':** The Hon'ble Minister from Uttar Pradesh suggested that *chikan* should be kept under the exempt category. The Secretary stated that though *chikan* was a local produce, it was largely used by the rich class and when *sari* and *dhoti* were proposed to be taxed at the rate of 5%, it would not go down well with the people to exempt *chikan* products. The Hon'ble Minister from Bihar stated that too many exemptions would lead to problem of misclassification. The Council agreed to this suggestion and not to provide any special dispensation for *chikan*.

(xiii) **Handloom and handicrafts:** The Hon'ble Minister from Jammu & Kashmir suggested that handloom and handicrafts should be kept in the exempt category. The Hon'ble Ministers from Assam and Meghalaya supported this proposal. The Hon'ble Minister from Andhra Pradesh stated that such products were exempted from VAT and imposing GST on them would create problems. The Hon'ble Minister from Goa supported the proposal to exempt handicrafts. The Hon'ble Minister from Manipur supported the proposal to exempt handloom as this was supplied by highly unorganised sector. The CEA stated that exemption from GST to goods which were important in a local area created distortion in the economy and it would be preferable to find a local solution such as Direct Benefit Transfer (DBT). The Secretary suggested that the goods falling in the entire textile chain as well as the handicrafts could be discussed separately. The Council agreed to this suggestion.

(xiv) **Fish net and fish net fabric:** The Hon'ble Minister from Andhra Pradesh stated that these goods were used by fishermen, and therefore, should be kept in the exempt category. The Hon'ble Chief Minister

of Puducherry and the Hon'ble Minister from Goa supported this proposal. The Hon'ble Minister from Tamil Nadu stated that India had a long coast line and lakhs of fishermen were dependent on fishing for their livelihood and keeping this in mind, Tamil Nadu had presently exempted fish net from VAT. He stated that as ITC would be available, fish net could be taxed at 5%. The CEA stated that fish net had a lot of embedded tax and putting it in exempt category would mean that it would continue to carry the embedded tax whereas the imported goods would be carrying no embedded tax, making them cheaper. He further stated that if fish net was charged to Nil rate of GST, no IGST could be charged on imported fish net, which would adversely affect the 'Make in India' campaign. The Hon'ble Minister from Kerala stated that normally, manufactured products should not be kept under Nil rate of GST. The Hon'ble Minister from Bihar suggested that the Chairperson could be authorised to finalise the GST rates in consultation with the Secretary and the officers of the Centre and the States. The Secretary stated that tax on inputs used to make fish net was at the rate of 18%, and therefore, the rate of GST on fish net and fish net fabric should be kept at least at 12% as proposed. The Council agreed to this proposal.

(xv) **Bamboo matting, screens, basket works and other articles of bamboo:** The Hon'ble Minister from Andhra Pradesh stated that these products should be kept under the exempt List as these were made by tribal people. The Hon'ble Minister from Meghalaya also supported this proposal and stated that bamboo products were used in handicrafts. The Hon'ble Deputy Chief Minister of Manipur also suggested to exempt bamboo matting. The Hon'ble Minister from Tripura suggested that bamboo and bamboo products should be kept under the exempt category. The Secretary stated that the GST rate for these products falling in Chapter 46 was discussed during the meeting of officers of the Centre and the States on 17 May, 2017 in Srinagar and it was agreed at the officers' level that rather than putting them under exempt category, they could be taxed at the rate of 12% instead of the earlier recommended rate of 18%. He added that this item was included in the addendum circulated in the Council on 18 May 2017 after the meeting of the officers of the Centre and the States in Srinagar (Annexure 4 of the Minutes). The Council approved the revised proposed rate.

(xvi) **Bamboo floor tiles and bamboo panels:** Ms. Brahmneet Kaur, CCT, Tripura, stated that bamboo floor tiles and bamboo panels should also be taxed at Nil rate or at the rate applicable for other bamboo products. The Secretary pointed out that these products were mostly used by rich people in bungalows. After discussion, the Council agreed that these products should be taxed at the originally recommended rate of 18%.

(xvii) **Sugar:** The Hon'ble Minister from Andhra Pradesh suggested that sugar should be kept in the exempt category as sugar factories were in doldrums and this also affected the farmers. The Hon'ble Deputy Chief Minister of Delhi and the Hon'ble Minister from Tamil Nadu supported the proposal. The Secretary stated that the existing incidence of Central Excise duty alone on sugar was more than 6% and it was proposed to be kept at the rate of 5%. He stated that putting sugar in the exempted category would lead to huge loss of revenue. After discussion, the Council agreed **not to change** the recommended tax rate for sugar at 5%.

(xviii) **Tamarind:** The Hon'ble Minister from Telangana suggested that tamarind should be kept under the exempt category. The Secretary clarified that fresh tamarind was already in the exempt category.

(xix) **Fertilizers:** The Hon'ble Minister from Andhra Pradesh suggested that the fertilizers sold by Primary Agricultural Co-operative Societies should be kept under the exempt category. The Hon'ble Minister from Telangana supported this proposal. The Secretary stated that the raw materials used for making fertilizers

were chemicals which were proposed to be taxed at the rate of 18% and exempting fertilizers would lead to a situation of inverted duty structure leading to large amounts of refund. After discussion, it was agreed to keep fertilizers at the proposed rate of 12%.

(xx) **Cotton fabrics, cotton textiles and man-made fabrics:** The Hon'ble Minister from Andhra Pradesh suggested that cotton fabrics and man-made fabrics should be kept in the exempt category. The Hon'ble Deputy Chief Minister of Delhi suggested that cotton fabrics and cotton textiles should be kept in the exempt category. The Hon'ble Deputy Chief Minister of Gujarat suggested that the same tax rate should be applied for the value chain of cotton and silk. The Secretary suggested that the goods falling in the entire textile chain could be discussed separately. The Council agreed to this suggestion.

(xxi) **Organic waste:** The Hon'ble Minister from Andhra Pradesh suggested that this should be kept in the exempt category. The Joint Secretary (TRU-I), CBEC, clarified that municipal waste, sewage sludge and chemical waste falling under Chapter 38 were already exempt.

(xxii) **Dry fish, salted and fermented:** The Hon'ble Minister from Meghalaya suggested that this product should be kept in the exempt category. The Hon'ble Deputy Chief Minister of Manipur supported this proposal. He stated that dry fish, fermented fish and smoked fish were sold by women in the unorganised sector and it would be difficult to administer tax on these goods and would lead to high cost of collection. The Secretary stated that dry fish was an industrial product which required processing and processing industry would get input tax credit which could be passed through if the product was taxed at the rate of 5%. He further pointed out that dry fish sold by fishermen would not attract GST because of very low turnover (below Rs. 10 lakh in Special Category States and Rs. 20 lakh in other States). He further stated that as fish would be transported to the North-Eastern States from other States like Andhra Pradesh, there would be tax on supply of transport services which could also be passed through by keeping a low tax of 5%. The Council agreed to this suggestion.

(xxiii) **Indigenous hand-made musical instruments:** The Hon'ble Minister from Uttar Pradesh suggested that these goods should be kept under the exempt category. The Secretary stated that the GST rate for these products was discussed during the meeting of officers of the Centre and the States on 17 May, 2017 in Srinagar and it was agreed at the officers' level that instead of the proposed rate of 12%, these could be kept under the exempt category. He stated that this item was covered in the addendum to the GST rate schedule for goods circulated during the Council meeting on 18 May 2017 (Annexure-4 of the Minutes). The Council agreed to this proposed change.

(xxiv) **'Puja samagri' including 'Hawan samagri':** The Hon'ble Minister from Uttar Pradesh suggested that these should be kept under the exempt category. The Secretary suggested that the Fitment Committee should first define the term '*puja samagri*' and then it might be exempted. The Council agreed to this suggestion.

(xxv) **Footwear:** The Hon'ble Minister from Uttar Pradesh suggested that low value footwear sold at Rs. 200-300 should be kept under the exempt category. The Hon'ble Deputy Chief Minister of Delhi suggested exemption from tax for footwear of value upto Rs. 500. The Hon'ble Minister from Bihar suggested that shoes and *chappals* of plastic should be exempt. Ms. Smaraki Mahapatra, CCT, West Bengal, suggested that cheaper footwear should be taxed at the rate of 5%. The Hon'ble Chief Minister of Puducherry stated that taxation on footwear should be categorised on the basis of their sale price. The Hon'ble Minister from



Kerala observed that *chappals* other than *hawai chappals* and straps thereof were proposed to be kept in the 18% rate slab and he proposed that these should be taxed at the rate of 12% and shoes be taxed at the rate of 28%. The Secretary suggested that the tax rate on footwear products should be discussed separately. The Council agreed to this suggestion.

(xxvi) **Sago (*sabudana*):** The Hon'ble Minister from Tamil Nadu suggested that sago should be kept under the exempt category. He stated that Tamil Nadu was a large producer of sago whose input was tapioca and it was a food product of the common man. He stated that if it was taxed at 5%, the full burden of tax would fall on the common man and this would affect the interests of the producers and the consumers. He informed that this product also faced competition from Thailand and Vietnam. The Hon'ble Minister from Jharkhand also supported the proposal to keep sago under the exempt category. After discussion, it was agreed that it need not be kept under the exempt category as it was a processed product and by exempting it, local produce would not be able to face competition with imported goods. The Council agreed that it might be kept at the proposed rate of 5%.

(xxvii) **Honey:** The Hon'ble Minister from Telangana stated that honey which was proposed at 5% rate was sold by co-operative societies and it should be kept under the exempt category. The Secretary stated that honey sold by well-known brands like Dabur carried out value addition and also incurred advertisement costs. He stated that if honey was exempted, the companies supplying them would be denied input tax credit for taxes paid during value addition and advertisement. He suggested that natural honey other than that put up in unit container and bearing a registered brand name might be kept at Nil rate whereas natural honey put up in unit container and bearing a registered brand name might be taxed at 5%. The Council agreed to this suggestion.

(xxviii) **Chemical contraceptives:** The Hon'ble Deputy Chief Minister of Delhi suggested that chemical contraceptives should be exempted from tax. The Secretary stated that the GST rate for this product was discussed during the meeting of officers of the Centre and the States on 17 May, 2017 in Srinagar and it was agreed at the officers' level that instead of the proposed rate of 5%, it could be kept under the exempt category. He stated that this item was covered in the addendum to the GST rate schedule for goods circulated during the Council meeting on 18 May 2017 (Annexure-4 of the Minutes). The Council agreed to this proposed change.

(xxix) **Wheel-chair for physically handicapped persons:** The Hon'ble Deputy Chief Minister of Delhi suggested that wheel-chairs should be kept in the exempt category. The Secretary stated that this product should be kept at 5% so that the input tax credit on taxes paid on the inputs could pass through. The Council agreed to this suggestion.

(xxx) **Sale by CSD Canteen:** The Hon'ble Deputy Chief Minister of Delhi stated that sale by CSD Canteen should be exempt. The Secretary suggested that this issue should be discussed separately. The Council agreed to this suggestion.

(xxxi) **Power driven agricultural implements:** The Hon'ble Minister from Haryana stated that these implements should be kept under exempt category, or alternatively under the 5% category, as tax on these implements would increase the input cost of agriculture and this cost was not accounted for in the Minimum Support Price (MSP) announced by the Government for agricultural products from time to time. He added that while discussing the fitment rates, one could not ignore the cascading impact on primary products and

that the input tax for farmers should not go up as this would lead to inflation. The Chief Minister of Puducherry supported this proposal. The Hon'ble Minister from Karnataka suggested that these goods could be taxed at the rate of 5%. The Secretary stated that there would be embedded input taxes on these products, and therefore, these should be kept at the rate of 12%. He further added that if there was no headline rate of GST on this product, no IGST could be charged on import of similar products and this would put domestic manufacturers at a disadvantage. The Hon'ble Minister from Haryana observed that according to their estimates, embedded taxes on these goods would not be more than 3% and that if the cost of local agricultural implements was increased, this would encourage imports. After further discussion, the Council agreed to discuss this issue again.

(xxxii) **Hand tools:** The Hon'ble Minister from Rajasthan stated that agricultural hand tools like *karani*, etc. should be under the exempt category. The Secretary clarified that agricultural hand tools falling under HS Code 8201 were already kept in the exempt List.

(xxx) **Cancer drugs:** The Hon'ble Minister from Maharashtra stated that 118 drugs for cancer should be kept under exempt category instead of the presently recommended 5% List. The Hon'ble Deputy Chief Minister of Gujarat suggested that the generic medicines should be taxed at Nil rate of GST. The Hon'ble Deputy Chief Minister of Delhi suggested that other than those medicines which were exempt, all others should be taxed at the rate of 5%. The Secretary stated that there were 255 drugs or medicines and diagnostic kits that were kept at 5% rate, which included life-saving and cancer related drugs while all other drugs were proposed to be taxed at the rate of 12%. He stated that as there was tax on intermediate chemicals, the cancer drug industry would not like the final products to be exempted. As regards the proposal to exempt generic medicines, he stated that it would be very difficult to monitor and distinguish the supply of generic and branded medicines, and therefore, both were kept in the 12% rate slab. The Council agreed to keep the rates of tax on drugs as recommended in the agenda notes.

(xxxiii) **Kerosene PDS:** The Hon'ble Minister from Maharashtra suggested that PDS kerosene should be kept under the exempt category. After discussion, it was agreed that it should continue to be in the 5% rate category.

(xxxiv) **Electricity:** The Hon'ble Minister from Punjab stated that electricity also needed to be put under the exempted List. The Hon'ble Minister from Karnataka stated that in his State, electricity was exempted from VAT. The Secretary stated that *prima facie* taxation on electricity was in the domain of the States as 'taxes on the consumption or sale of electricity' was covered under List II (Entry 53) of the Schedule 7 of the Constitution. He added that the issue could be examined further and if necessary, it could be put in the exempt List. The Council agreed to this suggestion.

(xxxv) **Coffee beans:** The Hon'ble Minister from Karnataka stated that taxation on coffee and tea should be equal. He further stated that as raw tea leaves were exempt, coffee beans should also be exempt and not taxed at the proposed rate of 5%. He clarified that unprocessed coffee beans were a primary product and it could not be used directly by the consumers. After discussion, the Council agreed that coffee beans, not roasted, should be exempted from tax.

(xxxvi) **Assistive devices for disabled:** The Hon'ble Minister from Kerala suggested that such devices should be kept in the exempt category. The Secretary stated that this would lead to embedded taxes in the

final product and would be harmful for the domestic industry. The Council agreed not to put the assistive devices in the exempt category.

(xxxvii) **Kerosene stove:** The Hon'ble Deputy Chief Minister of Gujarat suggested that kerosene stove should be charged at Nil rate of tax. However, after discussion, Council agreed to keep the tax rate at 12%.

(xxxviii) **Areca nut:** The Hon'ble Minister from Karnataka stated that fresh areca nut harvested from trees was proposed to be taxed at Nil rate, the dry and processed areca nut was proposed to be taxed at the rate of 12%. He stated that the weighted average of the combined tax incidence today would not be more than 5%. He stated that farmers sold dried areca nut and its rate of tax should not be more than 5%. The Hon'ble Minister from Meghalaya stated that areca nut was a perishable agricultural product and green areca nut should be taxed at zero per cent and dried areca nut should be taxed at 5%. The Secretary stated that in Chapter 8 of the HSN, a carve out could be considered for dried, unprocessed areca nut to be taxed at 5% which should not be called betel nut. Accordingly, it was proposed that dried areca nuts, whether or not shelled or peeled, might be kept at 5%. The Council agreed to this proposal.

#### **Annexure II (List of goods at 5% GST rate):**

(xxxviii) **Dry fruits:** The Hon'ble Deputy Chief Minister of Delhi suggested that dry fruits should be kept in the 5% List instead of the presently proposed rate of 12%. The Secretary stated that dry fruits were consumed by better-off sections of the society, and therefore, it could be taxed at the rate of 12%. The Council agreed to this suggestion.

(xxxix) **Natural Resin ('*lisa*')**: The Hon'ble Minister from Uttarakhand suggested that resin should be taxed at the rate of 5% instead of the proposed rate of 18% as this was collected by the poorer sections of the society. After discussion, the Council agreed to this suggestion and decided to put natural gums, resins, etc. in the 5% rate category.

(xl) **Tendu leaves:** The Hon'ble Minister from Madhya Pradesh suggested that this should be taxed at the rate of 28% and not at 5%. The Secretary suggested that the rate of tax on *tendu* leaves could be discussed separately along with the rate of tax on *bidi*. The Council agreed to this suggestion.

(xli) **Dried tobacco leaves:** The Hon'ble Deputy Chief Minister of Gujarat suggested that the dried tobacco leaves should be kept in the category of exempt goods instead of at the rate of 5%. After discussion, the Council agreed to levy 5% GST on tobacco leaves under reverse charge.

(xlii) **Rubber tyres:** The Hon'ble Minister from Kerala suggested that the rate of tax on rubber tyres should be increased from 5% to 12%. The Joint Secretary (TRU-I), CBEC, informed that pneumatic rubber tyres of a kind used in bicycles, cycle rickshaws and three-wheeled powered cycle rickshaws were at 5% while other pneumatic tyres were at 28%. After discussion, the Council agreed that rubber tyres should be taxed at the rates as proposed in the agenda notes.

(xliii) **Semi-mechanised safety matches:** The Hon'ble Minister from Tamil Nadu stated that match industry was highly labour intensive and gave livelihood to a large number of workers in Tamil Nadu. He observed that the present proposal was to tax hand-made safety matches at the rate of 5% and the rest at the rate of 18% and suggested that semi-mechanised safety matches should also be taxed at the rate of 5% and

only matches manufactured by fully mechanised process should be taxed at the rate of 18%. The Secretary stated it would not be advisable to create a separate classification for semi-mechanised safety matches as in a multi-stage levy like GST, it would not be possible to verify this aspect at all stages and this would create disputes at the field level. The Council agreed not to have a separate rate of tax for semi-mechanised safety matches.

(xliv) **‘Namkeen’ including ‘Khakhra’:** The Hon’ble Minister from Rajasthan stated that *namkeen (bhujia)* should not be taxed at the rate of 18% and that it should be kept in the 5% category, particularly when ‘*rasagulla*’ was to be taxed at the rate of 5%. He added that *namkeens* sold by multi-national companies could be taxed at a higher rate. The Hon’ble Deputy Chief Minister of Gujarat suggested that the Gujarati *namkeen, khakhra*, should be kept under the exempt category as it was consumed by common people. The Secretary stated that *khakhra* was taxable at the same rate as other *namkeen* which was proposed to be taxed at the rate of 18%. The Hon’ble Chairperson stated that the packed *namkeen* was sold by big brand owners and they should be taxed whereas the smaller suppliers would come within the exemption limit of Rs. 20 lakh. The Hon’ble Deputy Chief Minister of Gujarat very strongly recommended that the tax rate for *khakhra* should not be the same as for other *namkeens*. The Secretary stated that *namkeens* attracted Central Excise duty of 5% and in most States, VAT of 5%, and therefore, the rate of all *namkeens*, including *khakhra*, could be kept at 12% instead of the recommended rate of 18%. The Council agreed to this suggestion.

(xlv) **Clay bricks:** The Hon’ble Minister from Uttar Pradesh stated that clay bricks should be kept under a compounding scheme as it was very difficult to keep track regarding the quantum of bricks supplied by the brick kilns. He stated that in the alternative, clay bricks should be kept at a higher rate. The Secretary stated that it would not be advisable to have a separate compounding scheme for clay bricks or to keep them at a higher rate. He stated that tax evasion could be addressed through other means. The Hon’ble Minister from Meghalaya and the Deputy Chief Minister of Gujarat stated that any increase in the rate of tax on clay bricks would adversely affect the *Pradhan Mantri Awas Yojana* Scheme. The Council agreed to keep the tax rate of clay bricks at 5%.

(xlvi) **Fly ash bricks:** The Hon’ble Minister from Bihar suggested that fly ash bricks should be taxed at the rate of 5% as encouraging use of such bricks would help save land in thermal power plants. The Secretary stated that the GST rate for this product was discussed during the meeting of officers of the Centre and the States on 17 May, 2017 in Srinagar and it was agreed at the officers’ level that instead of the proposed rate of 18%, it could be taxed at the rate of 12%. He stated that this item was covered in the addendum to the GST rate schedule for goods circulated during the Council meeting on 18 May 2017 (Annexure-4 of the Minutes). The Council agreed to this proposed change.

(xlvii) **Coal:** The Hon’ble Minister from Uttar Pradesh suggested that the rate of coal should be increased from 5% to 12%. The Secretary stated that coal was a very sensitive product and though its current incidence of tax was about 10%, it was being kept in the 5% List. He stated that some coal might be used as an industrial input but it was also used for generation of electricity. He further stated that presently, imported coal attracted an additional duty of customs (CVD) at the rate of 2% and this would go up to 12% leading to substantial increase in the cost of power generation. He added that coal was also levied to a cess of Rs. 400 per metric tonne. He stated that raising the rate of tax on coal would only increase the subsidy burden of the Governments as the Electricity Boards would seek more subsidy. He, therefore, suggested to keep the rate of tax on coal at 5%. The Council agreed to this suggestion. The Hon’ble Minister from

Chhattisgarh suggested that there should be a separate classification for coal used captively for generation of power. The Hon'ble Chairperson stated that this would pose challenge for levying the tax. After discussion, the Council agreed not to have a separate classification for coal used captively for generation of power.

### **Annexure III (List of goods at 12% GST rate):**

(xlviii) **Plywood and particle board:** The Hon'ble Minister from Chhattisgarh stated that plywood and particle board should be kept in the 12% List instead of the presently proposed tax rate of 28%. The Secretary explained that only specified boards including bagasse based boards and boards made from agricultural residue were proposed to be taxed at the rate of 12% but other wood based boards and plywood were proposed to be taxed at the rate of 28%. He added that all building materials were proposed to be taxed at the rate of 28%. The Hon'ble Minister from Haryana stated that his State was a major manufacturer of ply boards and expressed an apprehension that if tax rate was increased, it would lead to more evasion of taxes. The Hon'ble Minister from Meghalaya stated that his State had a very high green coverage of coniferous forest and if cost of plywood was increased, there would be temptation to cut the trees and to use the planks directly. The Hon'ble Minister from Kerala suggested that wood based particle board should be taxed at the rate of 18%. The Hon'ble Chairperson stated that tax on these goods was not being imposed for the first time and if the existing combined tax rate was about 30%, it would be reasonable to keep it at 28% but not at 18%. He added that if such a steep reduction was made on one item, the Members should also suggest an item on which GST rate could be increased correspondingly. After discussion, the Council agreed to keep the rates as proposed in the agenda notes.

(xlix) **Mosquito net:** The Hon'ble Minister from Tamil Nadu stated that this was a life-saving product and was used by the common man and due to these considerations, no VAT was charged on this product in his State. He suggested that keeping in mind the availability of ITC, mosquito net should be levied to tax at the rate of 5% instead of the proposed 12%. It was suggested to keep this item in 12% bracket at par with fish net. The Council agreed to this proposal.

(l) **Mobile phone:** The Hon'ble Minister from Chhattisgarh stated that in his State even when duty on mobile phone was reduced to 12%, there was no reduction in the price of mobile phones but there was substantial loss of revenue to the State. He suggested that tax rate on mobile phones should be kept at either 18% or 28%. The Hon'ble Minister from Uttarakhand suggested to increase the rate of tax on mobile phone from 12% to 18%. The Hon'ble Minister from Kerala suggested that mobile phone should be taxed at the rate of 18%. The Secretary stated that the present combined incidence of tax on mobile phone was around 14% and therefore, it was put in the rate slab of 12%. He stated that this product was also very important for the Digital India Programme. The Hon'ble Deputy Chief Minister of Delhi stated that there was already a large grey market for mobile phones, and therefore, tax on it should not be too high. The Hon'ble Chairperson observed that this product was now being substantially manufactured in India. The Council agreed to keep the rate of tax on mobile phone at 12%.

(li) **Coconut water:** The Hon'ble Chief Minister of Puducherry stated that tender coconut water should not be taxed at the rate of 12%. Shri Alok Shukla, Joint Secretary (TRU-I), CBEC, clarified that only packaged tender coconut water was proposed to be taxed at the rate of 12%. The Secretary suggested that tender coconut water, put up in unit container and bearing a registered brand name, might be kept at 5% while

other tender coconut water being served fresh might be kept at Nil rate. The Council approved the suggestion.

(lii) **Copper articles:** The Hon'ble Minister from Kerala stated that table and kitchen or other household articles of copper should be kept at a rate higher than 12%. However, after discussion, the Council agreed to keep the rate of such goods at 12%.

(liii) **Sports goods:** The Hon'ble Deputy Chief Minister of Delhi suggested that sports goods other than gym equipment should be taxed at the rate of 5%. After discussion, the Council agreed to keep the rate sports goods other than gym equipment at 12% and of gym equipment at 28% as recommended in the agenda notes.

(liv) **Insulin:** The Hon'ble Deputy Chief Minister of Gujarat suggested to tax this product at a lower rate. The Secretary stated that the domestic manufacturers would suffer if the tax rate on insulin was lowered. The Council approved the rate of 5% as proposed in the agenda notes.

#### **Annexure IV (List of goods at 18% GST rate):**

(lv) **Fruits, nuts and other edible parts of plants, otherwise prepared or preserved:** The Hon'ble Deputy Chief Minister of Delhi stated that this entry appearing at Sl.No.8 of Annexure IV attracting a tax rate of 18% had an overlapping entry at Sl.No.4 at Annexure II attracting a rate of 5% (edible fruit and nuts, in frozen state or preserved) and that this could lead to evasion of tax. He suggested to rectify it by deleting the word 'preserved' from the entry at Sl.No.4 at Annexure II. The Joint Secretary (TRU-I), CBEC, explained that entry at Sl.No.8 of Annexure IV referred to fruits, nuts and other edible parts of plants, prepared or preserved, by vinegar or acetic acid which fell under Chapter 20 whereas the entry at Sl.No.4 of Annexure II referred to fruits and nuts provisionally preserved (for example, by sulphur dioxide gas or in brine) which fell under Chapter 8. He stated that both were distinct entries under different Chapters of the Tariff.

(lvi) **Inorganic and organic chemicals:** The Hon'ble Deputy Chief Minister of Delhi stated that these being input materials, should be taxed at the rate of 12%. The Secretary stated that it was proposed to tax all intermediate products at the standard rate of 18%. The Council agreed to this suggestion.

(lvii) **Betel nut product known as 'Supari':** The Hon'ble Chief Minister of Puducherry suggested to raise its rate from 18% to 28%. After discussion, the Council agreed to keep the tax rate at 18%, since it was an evasion prone item.

(lviii) **Insecticide and rodenticide:** The Hon'ble Chief Minister of Puducherry suggested that these products should be taxed at the rate of 5%. The Secretary stated that such a rate structure would lead to a lot of input tax credit overhang and would lead to large amount of refund claims. The Council agreed to keep the rate of these products at 18%.

(lix) **Helmet:** The Hon'ble Chief Minister of Puducherry suggested that the rate of tax for helmet should be reduced to 5% as it was very important for road safety. The Secretary stated that as per the combined incidence of tax, this product should be in the 28% rate slab, but as the inputs for this product would be

taxed at the rate of 18%, the rate of tax on helmet was already proposed to be kept at 18%. The Council agreed to keep the rate of tax for helmet at 18%.

**(lx) Information Technology (IT) products:** The Hon'ble Minister from Karnataka stated that IT products were facing global competition and NASSCOM had suggested that the IT industry would be better off if IT products in India were classified as per the ITA-I (Information Technology Agreement-I) of the WTO. The Joint Secretary (TRU-I), CBEC, stated that the basis of classification of IT products under ITA-I and GST was the same, namely, the HSN and 217 items spread over HSN Chapters 38 to 90 were covered under the ITA-I agreement. The CEA stated that India was a signatory of ITA-I but not ITA-II and it only obliged the signatory countries to allow import of IT products at Nil Customs duty and there was no harmonisation of domestic taxes. The Hon'ble Minister from Karnataka stated that the annual exports from IT sector was approximately Rs. 200,000 crore and that he was not seeking any rate concession for IT products but requested to recheck whether the classification of goods under ITA-I and GST was in harmony as his feedback from NASSCOM was that they were not.

**(lxi) Recycled products:** The Hon'ble Minister from Karnataka suggested that in order to incentivise use of recycled materials, there should be a lower differential rate for recycled products like recycled paper and recycled plastic. The Joint Secretary (TRU-I), CBEC, stated that if such a differentiation was made, the importers would also claim a similar rate differential and this would create very wide spread classification disputes. The Hon'ble Minister from Karnataka stated that it was a national aspiration to use recycled products. The Hon'ble Minister from Kerala stated that instead of tax exemption, subsidies could be given to encourage the use of recycled products. The Council agreed not to have a rate differential for recycled products.

**(lxii) Sanitary napkins and tampons:** The Hon'ble Minister from Kerala suggested that the rate of tax on these products should be reduced to 12%. The Secretary stated that these goods had already been moved to the List of goods under 12% rate slab. The Council agreed to this rate.

**(lxiii) Arms and ammunition:** The Hon'ble Minister from Kerala stated that the rate on arms and ammunition should be kept in the square bracket. After discussion, the Council agreed to the rate as proposed in the agenda notes (i.e. 18% in Chapter 93).

**(lxiv) Packed and branded cereals:** The Hon'ble Minister from Kerala observed that many goods proposed to be exempted from tax were also supplied by big enterprises and therefore, branded products packed in unit containers should be taxed at the rate of 5%. The Hon'ble Chief Minister of Puducherry stated that branded cereals like packed basmati rice should be levied to tax. The Secretary stated that the Fitment Committee had discussed whether food grains and cereals packed in unit containers and branded should be taxed at the rate of 5% instead of keeping them at Nil rate. He suggested that these goods could be taxed at the rate of 5%. The Hon'ble Minister from Haryana stated that in order to encourage investment in food sector, it would be desirable to exempt them. The Hon'ble Deputy Chief Minister of Gujarat stated that those cereals which were kept at Nil rate of tax should remain so irrespective of the fact that they were sold in a packed and branded state. The Hon'ble Minister from Bihar stated that a lot of money was being spent on advertisement of branded cereals, and therefore, they should be subject to tax. The Hon'ble Minister from Punjab also supported the suggestion to levy tax on packed and branded cereals. The Hon'ble Deputy Chief Minister of Delhi stated that even retailers in small shops packed cereals in packages of 1 kg and 2 kg and these should not get taxed. The Hon'ble Minister from Kerala stated that the term 'branded'

meant use of a trade mark. The Hon'ble Minister from Jharkhand stated that all branded food should be taxed, as products like branded *atta* were sold at a high price. The Hon'ble Minister from Maharashtra stated that almost every district had a brand as for instance, there was a brand of *Mahakali atta* sold by ladies. The CCT, West Bengal, did not support the proposal to tax packed and branded food items. The Hon'ble Minister from Haryana stated that the activity of branding should not be penalised by way of a tax. The Hon'ble Minister from Karnataka stated that the primary grains were also being mostly sold in packed condition as milk, and therefore, it would be advisable to exempt packed and branded primary products. The Secretary stated that a small 5% tax on packed primary commodities would encourage the food processing industry as they could take credit of the tax paid on inputs. The Hon'ble Chairperson stated that it would be politically unwise to tax packed and branded milk. The Hon'ble Minister from Haryana stated that taxing packed pulses and grains would cause inflation. The Hon'ble Minister from Kerala suggested that tax could be levied on such branded primary products whose brand names were registered with the office of the Trade Mark. The Hon'ble Chairperson stated that this criterion might not help as even if the name *Amul* was not registered as a brand name, it could get the same right as a registered trade mark. The Hon'ble Minister from Assam stated that all big brands selling packed and branded primary commodities should be subject to tax. The Hon'ble Deputy Chief Minister of Delhi stated that more and more consumers were moving towards buying packed and branded cereals. The Hon'ble Minister from Haryana suggested that decision on this issue could be postponed to a later date. The Council agreed to this suggestion.

(lxv) **X-ray plates and films:** The Hon'ble Deputy Chief Minister of Gujarat suggested that the rate of tax on x-ray plates and films for medical use should be reduced from 18% to 12% as bulk of these goods were used by Government hospitals. After discussion, the Council agreed to reduce the rate of tax on x-ray plates and films for medical use to 12% while retaining the proposed rate of 18% for x-ray films for other use.

(lxvi) **Stent for heart surgery:** The Hon'ble Deputy Chief Minister of Gujarat suggested that stent for heart surgery should be taxed at the rate of 5%. The Secretary clarified that coronary stent falling under Chapter 90 was already proposed to be taxed at the rate of 5%. The Council approved this proposal.

(lxvii) **Bio-diesel:** The Hon'ble Deputy Chief Minister of Gujarat stated that bio-diesel should be taxed at the lower rate. After discussion, the Council agreed to keep the rate of tax on bio-diesel at 18%.

(lxviii) **Food served in *anganwadis*:** The Hon'ble Deputy Chief Minister of Gujarat raised a question whether food served in *anganwadis* like *upma*, *sheera*, etc. would get covered as preparations for infant use. He stated that rate of tax for food served in *anganwadis* should be exempt. The Secretary stated that this would be difficult to administer and would create classification disputes. He further added that in any case, if these items were served fresh, there would be no tax on them. The Council agreed not to have a separate tax exemption for food served in *anganwadis*.

#### **Annexure V (List of goods at 28% GST rate):**

(lix) **Motor vehicles:** The Hon'ble Chief Minister of Puducherry stated that bigger and smaller cars should not be taxed at the same rate. The Joint Secretary (TRU-I), CBEC, stated that all cars were proposed to be taxed at the rate of 28% but the rate of compensation cess was proposed to be low for smaller cars. The Council agreed to this suggestion.



(lxx) **Cement:** The Hon'ble Deputy Chief Minister of Delhi stated that as real estate was kept out of GST, to help this sector, the rate of cement should be in the 18% rate slab. The Joint Secretary (TRU-I), CBEC, stated that the existing Excise Duty on cement was 12.5% plus a component of specific rate and VAT at standard rate. Therefore, the rate of tax on cement under GST would be lower than the present combined tax incidence. The Council agreed to keep the rate of tax on cement at 28%.

(lxxi) **Paint:** The Hon'ble Deputy Chief Minister of Delhi stated that as real estate was kept out of GST, to help this sector, the rate of paint should be in the 18% rate slab. After discussion, the Council agreed that it should be taxed at the rate of 28%, in line with the present incidence of tax on this item.

(lxxii) **Roofing material:** The Hon'ble Minister from Uttarakhand stated that all building materials were proposed to be taxed at the rate of 28% and suggested that there should be a lower rate of tax for roofing materials like corrugated sheets of steel or asbestos. The Secretary stated that it would not be advisable to have separate rates for certain building materials. The Council agreed to this suggestion.

(lxxiii) **Marble and granite slabs:** The Hon'ble Minister from Rajasthan stated that these products were no more luxury items, and therefore, both should be taxed at the rate of 12%. He further stated that this sector gave large scale employment to people. The Hon'ble Chairperson observed that marble and granite was largely used by rich people. The Hon'ble Minister from Rajasthan stated that there were different grades of marble from high to the low end and it was used by all sections of the society. After discussion, the Council agreed to keep the rate of tax on marble and granite slabs at 28%.

(lxxiv) **Motorcycles:** The Hon'ble Chief Minister of Puducherry stated that motorcycles were used by poorer and mid-income sections of the society, and therefore, they should be taxed at a lower rate. The Secretary stated that the combined rate of taxation on motorcycles was approximately 31%, and therefore, it was proposed to be taxed at the rate of 28%. The Council agreed to keep the rate of tax on motorcycles at 28%.

(lxxv) **Hybrid and Electrically operated cars:** The Hon'ble Minister from Karnataka stated that the rate of tax on these cars should be lower so that they could become affordable. He added that the world over, hybrid cars were taxed at low rates. The Joint Secretary (TRU-I), CBEC, stated that electrically operated cars were already proposed to be taxed at the rate of 12%. The Secretary stated that the GST rate for hybrid cars be at the rate of 28%. The Council agreed to this.

(lxxvi) **Carriage for disabled persons:** The Hon'ble Minister from Uttar Pradesh suggested that carriage for physically challenged persons which included motorised wheel chairs should be taxed at a lower rate. The Secretary stated that since wheel chairs for disabled persons falling under Chapter heading 8713 was already at 5%, carriages for disabled persons, whether or not motorised, falling under Chapter head 8713, might also be kept at 5%. The Council agreed to this suggestion.

### **Rates of GST Compensation Cess:**

16.1. The **proposed rate of Compensation Cess for different supplies of goods** as contained in Annexure XI of Volume-3 of the detailed agenda notes was taken up for discussion. Introducing this subject, the Secretary stated that the rate of Cess on the varieties of cigarettes and other tobacco products was proposed

on the lines of the present Central Excise tariff structure on these products and that the proposed multiple rates on cigarettes was proposed to maintain the existing tax rates.

16.2. Regarding the proposal to charge cess on motor vehicles, the Secretary stated that the present combined incidence of tax on small cars was around 28% and in order to protect revenue, it was proposed to impose a cess of 1% on small petrol cars and 3% on small diesel cars. He suggested that the proposed cess of 1% and 3% on small petrol and diesel hybrid motor vehicles respectively (at Sl.No.50 and 51 of Annexure XI referring to cars of length less than 4 metre and engine capacity of less than 1200 cc for petrol vehicles and of less than 1500 cc for diesel vehicles) and 1% cess on hydrogen vehicles based on fuel cell technology of length less than 4 metre (Sl.No.54 of Annexure XI) could be removed. The Secretary stated that large hybrid vehicles could be charged to Compensation Cess at the same rate (15%) as normal cars. The Council agreed to this proposal. The Hon'ble Minister from Haryana stated that one option of levying cess on motor vehicles could be on the basis of price bands instead of qualitative bands. He observed that criteria like ground clearance could lead to evasion of tax and that a price based rate structure could be adopted. The Secretary stated that due to the past experience of misuse of price based taxation system, certain objective criteria had been adopted for taxation of various categories of cars. The Hon'ble Minister from Haryana stated that some manufacturers might maintain the length of car applicable for lower rate of tax but sell it at a high value and that this would lead to loss of revenue. The Secretary stated that it was not advisable to change the criteria of taxation at this stage and suggested to adopt the criteria as used for excise classification and as recommended by the Fitment Committee. The Council agreed to this proposal.

16.3. The CEA suggested that the rate structure for cess could be rationalised by using certain objective criteria. The Secretary stated that rationalisation could be done at a later date as at this stage, the existing rates of taxes needed to be maintained.

16.4. The Secretary drew attention to page 114 of Volume-3 of the detailed agenda notes where Fitment Committee had recommended to impose cess on high-end motor bikes, say of engine capacity above 500 cc, aircrafts for personal use and yachts. As regards cess on aircrafts for personal use and yachts, the Secretary stated that if the cost of aircrafts and yachts became very high, this could lead to evasion of tax. The Secretary suggested that a Compensation Cess of 3% might be imposed on motor cycles of engine capacity more than 350 cc. He further suggested that similar rate of cess could be imposed on aircrafts for personal use and yachts and other vessels for pleasure or sports. The Council agreed to these suggestions.

### **IGST Exemptions/Concessions:**

17. The Secretary introduced the Annexure XII of Volume-3 of the detailed agenda notes, which contained the proposed IGST exemptions/concessions. He stated that these were mostly existing exemptions on imports due to various multi-lateral and bi-lateral commitments and suggested that these should be continued under GST. The Hon'ble Minister from Haryana raised a question as to why there was an exemption from Customs duty for goods imported by the Vice President of India contained at Sl. No.13 of Annexure XII (Notification No.106/58-Customs dated 29.3.1958). He suggested that in today's time, such an exemption was not desirable. The Hon'ble Minister from Bihar stated that the IGST exemption for the Vice President of India should be continued. The Hon'ble Deputy Chief Minister of Delhi stated that his UT had no objection to continuing with this exemption. The Council approved this exemption as well as the other proposed exemptions/concessions from IGST.

18. For **agenda item 9**, the Council approved the rates of GST **on supply of goods, Compensation cess and exemptions from IGST** as presented in Volume-3 of the detailed agenda notes and the Addendum thereto and another Addendum attached as Annexure-4 to the Minutes with the following modifications: -

### **GST Rate on Goods**

- (i) **Suji:** Other than put up in unit container and bearing a registered brand name, to be charged to Nil rate of tax instead of the proposed 5% and *suji* put up in unit container and bearing a registered brand name to be charged at the rate of 5%;
- (ii) **Dalia:** Other than put up in unit container and bearing a registered brand name to be charged to Nil rate of tax and *dalia* put up in unit container and bearing a registered brand name to be charged at the rate of 5%;
- (iii) **Gur(jaggery):** to be charged to Nil rate of tax instead of the proposed 5%;
- (iv) **Low Priced Biscuits:** Council to discuss it separately along with the rate of tax on biscuits;
- (v) **Silk yarn, cotton yarn in hank:** Council to discuss separately the goods falling in the entire textile chain;
- (vi) **Sewing thread:** Council to discuss separately the goods falling in the entire textile chain;
- (vii) **Chikan:** not to provide any special dispensation for *chikan*;
- (viii) **Handloom and handicrafts:** Council to discuss separately the goods falling in the entire textile chain and the handicrafts;
- (ix) **Fish net and fish net fabric:** to be charged at the rate of 12%;
- (x) **Cotton fabrics, cotton textiles and man-made fabrics:** Council to discuss separately the goods falling in the entire textile chain;
- (xi) **‘Puja samagri’:** Fitment Committee to first define the term ‘*puja samagri*’ and then to exempt it;
- (xii) **Footwear:** Council to discuss separately the tax rate on footwear;
- (xiii) **Sale by CSD Canteen:** Council to discuss it separately;
- (xiv) **Power driven agricultural implements:** Council to discuss it again;
- (xv) **Electricity:** Council to examine this issue further and put it in exempt list, if required;
- (xvi) **Coffee beans, not roasted:** To be charged to Nil rate of tax;
- (xvii) **Areca nut:** Dried areca nuts, whether or not shelled or peeled, to be taxed at the rate of 5%;
- (xviii) **Natural Resin:** to be charged to 5% of tax instead of the proposed rate of 18%;
- (xix) **Tendu Leaves and Bidi:** Council to discuss separately the tax rate on biri and tendu leaves;
- (xx) **Dried tobacco leaves:** to levy 5% GST on tobacco leaves under reverse charge;
- (xxi) **‘Namkeen’ including ‘khakhra’:** to be charged to 12% of tax instead of the proposed 18%;
- (xxii) **Mosquito net:** to be taxed at the rate of 12%;

- (xxiii) **Packed and branded cereals:** Council to discuss separately the rate of tax on packed and branded pulses, cereals and flours;
- (xxiv) **X-ray plates and films for medical use:** to be charged to 12% rate of tax instead of the proposed 18% (and retain the proposed rate of 18% for x-ray films for other use);
- (xxv) **Carriage for disabled persons, whether or not motorised (8713):** to be taxed at the rate of 5%;

#### **Rate of Compensation Cess on Supply of Goods**

- (xxvi) To not charge cess on small hybrid petrol (less than 1200 cc) and small hybrid diesel (less than 1500 cc) motor vehicles and small hydrogen vehicles based on fuel cell (of length less than 4 metre);
- (xxvii) Levy a cess on motorcycles with engine capacity above 350 cc at the rate of 3%;
- (xxviii) Levy a cess at the rate of 3% on aircraft for personal use and yacht and other vessels for pleasure or sports.

#### **Exemptions/Concessions from IGST**

- (xxix) All proposed IGST exemptions/concessions in Annexure XII of Volume-3 of the detailed agenda notes approved.

#### **Discussion on rates for Services**

19. The Secretary introduced the proposed rates of tax and exemptions for services as contained in Annexure VI to X of Volume-3 of the detailed agenda notes and the Addendum thereto. He stated that after discussion during the meeting of officers of the Centre and the States held on 17 May, 2017 in Srinagar, it was agreed to add a few more services to be exempt under GST as they were exempted under the existing Service Tax regime and was circulated to the Council on 18 May, 2017 (Annexure-4 of the Minutes). The Council, thereafter, took up for consideration the various Annexures VI to X and Annexures XIII and XIV relating to services contained in the detailed Agenda Notes for agenda item 9.

#### **Annexure VI (List A-1):**

19.1. The Secretary stated that in List A-1 of Annexure VI, it was proposed to continue with 54 exemptions under GST that were available under the Service Tax. He stated that one additional exemption was proposed in respect of services provided by GSTN to the Government. The Hon'ble Minister from Chhattisgarh suggested that the Local Self Government should also be exempt from GST. The Hon'ble Minister from Punjab raised an apprehension that security services provided to the Chief Ministers and the Governors would become taxable. The Hon'ble Deputy Chief Minister of Gujarat expressed an apprehension that functions of local bodies like giving domicile certificates, caste certificates, etc. would also become taxable. The Secretary clarified that these services were already exempt.

19.2. Shri V.K. Garg, Advisor (GST), Punjab, stated that GST was leviable on a supply made by a person for a consideration in the course or furtherance of business and that services given by an employer to his employee was also subject to GST. He further stated that in Punjab, a fee was charged for giving liquor licence and as fee had the character of service, the Government of Punjab was paying Service Tax on collection of such fee from 1 April, 2016. He stated that where fee was being charged under the authority of the Constitution, no GST should be payable on collection of such fee. He pointed out that Government provided security to high dignitaries as part of its sovereign function and that since services provided by an employer to his employee were taxable for a value above Rs. 50,000, security services would be liable to GST. The Additional Chief Secretary, Haryana, stated that in his State also, there was a fee for giving liquor licence and no GST should be levied on that for the reasons as explained by Punjab and also on the ground that as alcohol for human consumption was not covered under GST, the activities connected to it should also not be charged to GST. The Hon'ble Ministers from Himachal Pradesh, Meghalaya, Rajasthan and Telangana also supported the view that no GST should be charged on the licence fee for giving liquor licence for human consumption. Shri Amitabh Kumar, Joint Secretary (TRU-II), CBEC, stated that there was no GST for services given by an employee to his employer in the course of or in relation to his employment under Schedule III of the CGST Act. He further added that services provided by Government to other than business entity, except the specified /prescribed services, were exempt in view of the very first entry in list A-1. The Secretary stated that by issuing a liquor licence, the Government was giving a service to the business entities and GST should be leviable on it. He stated that if GST was not collected for giving service to a business entity, then the Government would lose a huge amount of revenue on spectrum fee. He, therefore, stated that Government services given to a business entity should not be exempt as the tax paid would also be available as input tax credit. The Hon'ble Minister from Punjab stated that this exemption could be limited only for fees relating to liquor licences. The Secretary stated that if exemption was given in respect of fee for giving liquor licence, then there would be very weak justification for charging tax from telecom operators on spectrum fees. The Hon'ble Minister from Bihar stated that tax on liquor fee should not be exempted as this tax would now be shared with the Central Government. The Hon'ble Chairperson stated that 42% of this collection would also be shared with the States.

19.3. The Hon'ble Minister from Jammu & Kashmir raised an issue as to what was the broad policy objective for charging tax on Government services. The Secretary stated that tax was charged on big items like giving right-of-way for laying pipeline or sale of spectrum. The Advisor (GST), Punjab, stated that a distinction should be made between the Constitutional power to levy a tax (like entry 51 and 56 of List II of Schedule 7 of the Constitution) and other taxes. The Hon'ble Deputy Chief Minister of Gujarat supported the levy of tax on the fee for giving liquor licence as this would be distributed to all the States. The Hon'ble Minister from Assam stated that no exemption should be given for tax on fee for liquor licence as this would send a wrong signal to the public. The Hon'ble Minister from Goa also supported this view. The Hon'ble Minister from Punjab stated that his State had already lost Rs. 2,300 crore due to abolition of purchase tax and it stood to lose another Rs. 1,000 crore due to tax on licence fee for liquor. The Hon'ble Chairperson stated that this loss could be offset by increasing the rate of tax on alcohol for human consumption which was in the State's domain. The Advisor (GST), Punjab, stated that tax paid on spectrum fee was available as ITC but tax paid on the liquor fee by the contractor could not be used as ITC as there was no GST on alcohol for human consumption. The Hon'ble Chairperson stated that licence fee for the present financial year would have already been collected and they could look at changing their tax model next year.

19.4. The Hon'ble Minister from Himachal Pradesh stated that in his State, the fee for liquor licence was collected on quarterly basis. The Hon'ble Deputy Chief Minister of Delhi also stated that the arrangement of charging higher tax on liquor would lead to problems. The Hon'ble Minister from Telangana stated that in his State liquor fee was collected by a Corporation and services given by the Corporation could be exempt. The Hon'ble Chairperson stated that from the taxation policy point of view, the price effect on dealers or consumers of alcohol was not a primary policy objective. The Hon'ble Deputy Chief Minister of Delhi stated that the main problem was lack of set off of ITC under State Excise. The Hon'ble Minister from Punjab stated that liquor fee was a *de facto* tax and there should be no tax on tax. The Secretary stated that grant of a licence was a service given by the Government and this could not be exempted. The Hon'ble Chairperson stated that the only way to address this issue was to change the taxation model where excise duty on alcohol could be increased and licence fee on liquor could be reduced. He added that for the transitional period, the affected States could pass some order. He stated that as the States were aware of the GST roll out, they should have changed their policy accordingly. The Hon'ble Minister from Chhattisgarh stated that they had already changed their policy in anticipation of the GST implementation. The Hon'ble Minister from Jharkhand stated that consumers would bear the additional cost of the tax and the Government should not seek any exemption for the same. Shri Navin Kumar Choudhary, Finance Secretary, Jammu & Kashmir, stated that licence fee was only about 20% of the total amount collected from alcohol for human consumption and this could easily be passed on to the consumer. The Secretary informed that service tax was already leviable on license fee for liquor with effect from 1 April, 2016. The Council agreed to continue this tax on licence fee for liquor in the GST regime also and not to exempt it.

19.5. The Hon'ble Minister from Madhya Pradesh stated that an exemption should also be given for services provided for religious pilgrimage such as *Kailash Mansarovar Yatra*. The Secretary clarified that it was already exempt. Shri R.K. Tiwari, Additional Chief Secretary, Uttar Pradesh, suggested that services given by State bodies like State Co-operative Banks should also be exempted from tax. The Secretary stated that in the Addendum to the agenda notes for Agenda Item 9 circulated on 18 May, 2017, there was an entry to exempt services by way of collection of contribution under any scheme of the State Governments and under this, the States could list out their specific schemes for exemption from GST which could be brought before the Council.

#### **Annexure VI (List A-2):**

20.1. The Secretary explained that List A-2 of Annexure VI contained proposals to continue Service Tax exemptions in GST with modifications as recommended by the Fitment Committee. Starting the discussion on List A-2, the Hon'ble Deputy Chief Minister of Delhi stated that at Sl.No.3, the proposed exemption from GST to hotels with room rent below Rs. 500 per day was too low and that no hotel would be able to take benefit of this exemption. He proposed to increase the limit of room rent to Rs. 1,500 per day. The Hon'ble Chief Minister of Puducherry also supported this proposal and stated that people using such hotels came from lower middle-class strata of the society. The Secretary stated that the scheme of taxation on hotel industry under GST was that for room rent up to Rs. 500 per day, it was exempt; for room rent above Rs. 500 and up to Rs. 2,000 per day, the proposed rate was 12%; for room rent above Rs. 2,000 and up to Rs. 5,000, the proposed rate was 18%; and for room rent above Rs. 5,000 and for five-star hotels, the proposed rate was 28%. He stated that during the deliberations in the Fitment Committee, the smaller States had argued that their revenue would be adversely affected if the room rent limit for exemption was kept

high. The Hon'ble Minister from Goa suggested to keep the exemption limit for room rent at Rs. 500 per day as this figure was arrived at after consideration in the Fitment Committee.

20.2. The Hon'ble Chief Minister of Puducherry stated that his Union Territory was a tourist destination where houses were being converted as hotels and there was increasing inflow of tourists. He, therefore, suggested to keep the exemption limit for room rent at Rs. 1,000 per day. The Hon'ble Ministers from Uttarakhand and Telangana also supported this proposal. The Hon'ble Ministers from Uttar Pradesh, Himachal Pradesh, Jharkhand and Bihar supported the exemption limit for room rent at Rs. 500 per day. The Hon'ble Minister from Rajasthan stated that the tourism industry and the hotel industry needed to be treated differently and suggested the exemption limit of room rent to be Rs. 3,000 per day. The Hon'ble Minister from Goa suggested that the exemption limit for room rent could be made Rs. 750 per day. After further discussion, the Council agreed that the exemption limit for room rent of hotels would be Rs. 1,000 per day.

20.3. The Hon'ble Deputy Chief Minister of Delhi expressed his reservation at the proposed removal of exemption on exhibition of cinematographic film (Sl.No.9). He stated that this exemption was needed to promote regional films, parallel cinema, one-day events, etc. and suggested that entry at Sl.No.9 should be modified to permit exemption to such films so that viewership of films with a social message could be encouraged. He further stated that one-day events like marathon race etc. was a way of life in the country and these should be encouraged. The Secretary stated that as the Entertainment Tax, Luxury Tax and Service Tax were getting subsumed, the Fitment Committee suggested to fix a tax rate on the basis of these taxes. He stated that if States wanted to promote a particular film, they could give reimbursement of SGST portion of the tax. The Hon'ble Deputy Chief Minister of Delhi stated that theatre and cultural activity was a different dimension of society and could not be treated the same as consumption of alcohol in a restaurant. He observed that in a place like Mandi House, which had a seating capacity of 200, even 50 tickets were sold with difficulty, and therefore, it needed to be encouraged. The Hon'ble Chairperson stated that though Delhi had world-class stadia, it had very few big events. The Hon'ble Deputy Chief Minister of Delhi responded that Delhi might not have many big events, it had several small events and charitable programmes. The Secretary stated that smaller theatre groups would enjoy exemption up to the turnover of Rs. 20 lakh. The Hon'ble Minister from Goa also agreed with the proposed rates.

20.4. The Hon'ble Minister from Punjab stated that exemption at Sl.No.7 to processes of electroplating, zinc coating, etc. should be continued. The Secretary explained that in GST, job workers would not suffer any tax if the value of their job charges were less than Rs. 20 lakh in a year but they would need to pay tax if their job charges exceeded Rs. 20 lakh. He stated that in GST, it was not advisable to have a separate exemption for activities like electroplating, zinc plating, etc. The Hon'ble Deputy Chief Minister of Gujarat stated that even small job workers would need to keep account and work on gold and jewellery was done at home and such small people should not be subject to tax. The Hon'ble Chairperson stated that tax would be charged only for relatively bigger job workers. The Hon'ble Minister from Punjab stated that removing exemption would not lead to much tax collection but would increase harassment. The Secretary stated that in GST, job work could be done in different sectors like textile, diamonds, gold jewellery etc. and exemption to particular activities could not be justified. The Hon'ble Deputy Chief Minister of Gujarat suggested that tax on job charges could be kept at a lower rate. The Secretary stated that tax on the job charges would be paid by the principal manufacturer and he would be eligible to take ITC on the same.

### **Annexure VI (List A-3):**

21. The Secretary stated that List A-3 of Annexure VI contained proposals to withdraw in GST certain exemptions extended under Service Tax. He further stated that this List should be read along with Addendum circulated on 18 May, 2017 after the meeting of officers of the Centre and the States (Annexure 4 of the Minutes) in which some exemptions were proposed to be restored and it was also provided that services by way of collection of contribution under any scheme of the State Governments could also be included in the exemption list after consideration by the Council. The Council approved List A-3 of Annexure VI along with the Addendum circulated on 18 May, 2017.

### **Annexure VI (List B):**

22.1. The Secretary explained that List B of Annexure VI contained those items on which service tax exemption was recommended to be withdrawn or modified by the Fitment Committee but which needed to be reviewed by the Council. The Hon'ble Deputy Chief Minister of Delhi raised a question regarding rationale for levying tax on selling of space for advertisements in print media (Sl.No.1 of List B). The Secretary explained that the selling of space for advertisement in the electronic media attracted Service Tax of 18% with ITC and the same was proposed to be continued in GST. He stated that presently, selling of space for advertisements in print media was exempt, but it was now proposed to impose a tax of 5% so that the ITC chain could be completed because GST of 5% was proposed to be levied on news print. He stated that 90% of the country's newsprint was imported and the Indian manufacturers wanted a low rate of tax in order to avoid embedded tax on newsprint manufactured in India. He further stated that 50% of advertisement came from businesses and they would get credit for this tax. He added that 6 major news group had proposed that a tax of 5% should be imposed on selling of space for advertisements in print media if GST was levied on newsprint. He stated that if tax was exempted, then, the major newspapers would suffer a disadvantage due to embedded taxes. The Principal Secretary (Finance), Chhattisgarh, stated that they had also received representations to levy 5% tax on supply of newspapers. The Secretary stated that this tax should not be levied as burden would fall on the consumers, who would not be eligible for ITC. The Hon'ble Minister from Bihar stated that the print media deserved to be congratulated for coming forward with a suggestion to levy tax in their sector. The Hon'ble Chairperson stated that the taxation on media was different from taxation on business and there were court judgments to the effect that taxation on media should be moderate as it was connected to the freedom of press. After deliberation, the Council agreed to levy 5% tax on selling of space for advertisements in print media.

22.2. The Hon'ble Minister from Andhra Pradesh stated that exemption from tax for sponsorship for sporting events organised by National Sports Federations should be reconsidered. The Hon'ble Chairperson stated that National Sports Federations were short of funds as hardly any tickets were getting sold, and therefore, exemption from tax for sponsorship should be considered. He stated that events like IPL and Pro-Kabaddi were not organised by National Sports Federations, and therefore, they would pay tax as was being done presently.

22.3. Dr. C. Chandramouli, Additional Chief Secretary, Tamil Nadu, raised an issue that in Sl.No.2 of List B of Annexure VI, it was provided that there will be no exemption in respect of renting of rooms in a clinical establishment during the course of providing health care services where room charges were Rs. 2,000 or more per day. The Joint Secretary (TRU-II), CBEC, stated that the tax would be charged



at the rate of 18% in view of entry at Sl.No.6 of Annexure IX. The Hon'ble Minister from Karnataka stated that presently they charged luxury tax at the rate of 18% for such hospital rooms. The Hon'ble Minister from Telangana stated that they charged tax for such hospital rooms at the rate of 10%. The Joint Secretary (TRU-II), CBEC, stated that such luxury tax was also being charged in Kerala and a few other States. The Hon'ble Deputy Chief Minister of Delhi stated that patients did not go to hospital for luxury but for treatment and no tax should be levied for their stay in hospital. The Hon'ble Chairperson stated that taxation in education and health sectors should be avoided and even if some States were charging luxury tax for hospital rooms, rate of 18% appeared excessive. The Secretary stated that the rate could be reduced further but a lower rate could lead to credit accumulation and demands for refund. He, therefore, proposed that tax on room charges in hospitals could be exempt. The Council agreed to this proposal.

22.4. After further deliberation, the Council approved the proposals contained in List B of Annexure VI and also agreed to delete the proviso to Sl.No.2 which provided for not extending exemption from tax for renting of rooms in a clinical establishment during the course of providing health care services where room charges were Rs. 2,000 or more per day.

### **Annexure VII:**

23. The Secretary explained that this Annexure contained services which were proposed to be taxed at the rate of 5%. He stated that there was no tax for travel in rail in sleeper class but travelling in higher classes in Railways, transportation by road and freight movement by rail and road were subject to service tax with abatement. They were proposing to keep the tax on transport of goods and passengers by rail (except passengers travelling in sleeper class) at the rate of 5% as there was no GST on petroleum products. The Hon'ble Minister from Uttarakhand stated that in respect of transport of passengers by air-conditioned contract or stage carriage, no benefit of tax would now accrue to the States as it was a destination based tax. The Secretary stated that this would be governed by the provisions of place of supply under the IGST Act. The Hon'ble Minister from Karnataka stated that a flat composition rate of 5% on transportation by road was a retrograde step as this would encourage grey market operations whereas the general effort under the GST was to bring all businesses into the tax net. He stated that in order to encourage transparency of business of transport, which was bedrock of economic development, it was important that the tax administration should be able to ascertain as to how much fuel etc. was consumed by the transporter. He stated that this scheme would encourage under reporting of business and a better method would be to give certain abatement in regard to the value of fuel contained in this service and then fix the tax with full ITC. He stated that evasion in other areas could also be assessed by making an assessment of the volume of business of the transporter and therefore, it was important to bring it into the ITC net. The Secretary stated that non-petrol input in transportation service was about 36% and keeping this into account, a tax rate of 5% had been fixed without any input tax credit. He further stated that the user of transport service would be recorded as the sector was in the tax net at the rate of 5%. He added that this method of levy of tax was followed in this sector for many years and this had not led to any serious tax evasions. He further stated that any innovation could be considered at a later stage. The Hon'ble Minister from Karnataka suggested that the tax rate could be kept at 8% after deducting the tax on fuel and ITC could be allowed on the same. The Hon'ble Chairperson observed that the officers had calculated the set-off on account of petrol/diesel and earlier the tax on transport sector came to 4.5%, which was now being made 5%. The Secretary stated that increasing the rate of tax at a level much higher than the present rate would be disruptive for the economy and suggested to continue with the proposed rate. The Council agreed to the proposal and approved the proposal to levy 5% GST on all services covered under Annexure VII.

## **Annexure VIII:**

24.1. The Secretary stated that Annexure VIII contained the services which were proposed to be taxed at the rate of 12%. He explained the scheme of taxation for restaurants and stated that a composition rate of 5% was available for restaurants with turnover between Rs. 20 lakh and Rs. 50 lakh and air-conditioned or non-air-conditioned restaurants would attract a tax rate of 12% with full ITC and restaurants with liquor licence (whether or not air-conditioned) would be taxed at the rate of 18%. The Hon'ble Minister from Maharashtra stated that in his State, the Composition scheme was available to the restaurants at the rate of 5% where turnover was less than Rs. 3 crore and at the rate of 8% where turnover was more than Rs. 3 crore. The Hon'ble Deputy Chief Ministers of Delhi and Gujarat expressed reservation as to why a restaurant which served alcohol should tax all its customers at the rate of 18% when many customers might not be consuming alcohol. The Hon'ble Minister from Rajasthan suggested to keep the rate of tax for restaurants at 12% irrespective of the fact whether or not it had a liquor licence. The Hon'ble Minister from Meghalaya stated that all non-air-conditioned restaurants should be taxed at the rate of 5%. The Secretary stated that the present weighted average of only VAT incidence on restaurants was about 12% and if it was reduced to 5%, it would lead to a big loss of revenue. The Hon'ble Deputy Chief Minister of Puducherry suggested to keep different rates of tax for air-conditioned and non-air-conditioned restaurants. After further discussion, the Council agreed that restaurants having facility of air-conditioning or central heating at any time during the year (whether serving liquor or not) would be levied to tax at the rate of 18%, restaurants serving liquor would be taxed at the rate of 18% and restaurants not having facility of air-conditioning or central heating at any time during the year and not having licence to serve liquor would be taxed at the rate of 12%.

24.2. The Secretary stated that in the construction sector, works contracts have been deemed as service and GST would be applicable for supply of work contract services before completion of construction of a building but there would be no GST on the sale of a ready built building or flat. He stated that as per the decision of the Supreme Court, no tax could be charged on the value of land, and therefore, the Fitment Committee recommended that in a supply of works contract service where the value of land was included in the amount charged from the service recipient (along with the value of building materials and the services given by the contractor), one-third of the total consideration amount could be taken as the value of land for abatement purpose. He stated that full ITC on works contract would encourage purchase of building materials from registered suppliers but no refund of input tax credit overflow would be permitted. He stated that presently the approximate combined incidence of tax was around 9% -10% but the headline rate of tax would now become 12% with the benefit of ITC. He added that the overflow of input tax credit in this sector would not be refunded. He stated that building materials would be mostly in the rate slab of 12% and due to benefit of ITC, the prices of flats should become cheaper. He stated that consumer education would be required on this subject.

24.3. The Hon'ble Minister from Telangana stated that two different schemes of taxation in construction sector could lead to confusion and suggested that sale of finished flats should also get ITC as otherwise there was a risk of builder selling finished flats as flats under construction. The Hon'ble Deputy Chief Minister of Gujarat stated that this possibility had become remote after the enactment of the Real Estate (Development and Regulation) Act (RERA). The Hon'ble Minister from Maharashtra stated that abatement regarding value of land should be kept out of the current proposal as in his State, in 12 Corporations, the land value was about 50% of the value of the flat and abatement of 30% would lead to litigation. He

suggested that abatement should be given as per ready reckoner of the land value or on the basis of the stamp duty value. The Hon'ble Deputy Chief Minister of Gujarat also expressed apprehension that if Courts gave adverse judgments regarding the proposed abatement for land value, it could create problems. The Secretary stated that taking land value as per ready reckoner would create complications as flats would be of different sizes and common areas would also need to be allocated. He stated that if an option was given for abatement on the basis of ready reckoner of the land value, this would lead to exercise of discretion and could affect revenue. After discussion, the Council agreed to the proposal on the rate of tax on construction service proposed in Annexure VIII and also the other taxation proposals in Annexure VIII.

#### **Annexure IX:**

25. The Secretary explained that this Annexure contained services which were proposed to be taxed at the rate of 18%. He stated that some of the items covered under this Annexure such as renting of hotels and supply of food/drinks in air-conditioned restaurants had already been discussed earlier while discussing the services covered under Annexure VI (List A-2) and Annexure VIII respectively. He proposed that subject to these modifications, the rate of services proposed under Annexure IX might be approved. He added that any other service not covered in 5%, 12% or 28% Schedule would fall in this slab. The Council agreed to the proposal.

#### **Annexure X:**

26.1. The Secretary explained that this Annexure contained those services which were proposed to be taxed at the rate of 28%. The Hon'ble Minister from Chhattisgarh stated that local bodies had the power to levy Entertainment Tax and if GST was also levied at the rate of 28%, the combined rate of taxation would become very high. The Secretary stated that presently, the rate of Entertainment Tax varied from 18% to over 100% which in the GST regime was getting pegged at the rate of 28%. He stated that this gave cushion to local bodies to charge additional Entertainment Tax. The Hon'ble Deputy Chief Minister of Delhi stated that 28% was not a fair rate of taxation for services covered under Sl.No.1 of Annexure X, like admission to cinematographic film, circus, dance and theatrical performance including drama. The Hon'ble Minister from Telangana stated that circus should not be taxed at the rate of 28%. The Secretary clarified that if the ticket rate on circus and theatrical performance was less than Rs. 250, then the tax would be exempt. The Hon'ble Chief Minister of Puducherry stated that tax on admission to cinema should be kept at the lower slab of 18%. The Hon'ble Minister from Telangana suggested that the rate for entry into multiplex cinema hall could be kept at 28% and for entry into other cinema hall could be kept at the rate of 18%. The Hon'ble Chairperson stated that tax at the rate of about 28% was already being paid on entry into cinema halls. He suggested that services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance and drama could be charged to GST at the rate of 18% and the rest of the entries under Sl.No.1 of Annexure X could be taxed at the rate of 28%. The Council agreed to this proposal.

26.2. The Hon'ble Minister from Assam raised an issue as to at what rate tax on dish TV, cable TV etc. would be charged. The Secretary clarified that it would be charged at the rate of 18% under Sl.No.6 of Annexure IX (all other services not specified in any exemption notification). The Hon'ble Minister from Rajasthan suggested that limit of hotel room rent for tax at the rate of 12% should be between Rs. 1,000 to Rs. 3,000 per day and that for tax at the rate of 18%, it should be between Rs. 3,000 to Rs. 5,000 per day. The Hon'ble Minister from Rajasthan stated that a separate rate of tax should be fixed for heritage hotels which were set up in remote villages and tribal areas where the cost of raw material was much higher and

which provided job to the local people. The Secretary stated that value based criteria would be the most appropriate method of taxation as descriptions like heritage hotels could be subject to dispute. The Hon'ble Minister from Kerala observed that during the discussion on the rate structure, there were hardly any proposals to increase taxes and that it was important to remember that all Members had to run Governments. The Hon'ble Minister from Jammu & Kashmir cautioned that the architecture of GST should not be impaired by making various carve outs and one should avoid going towards the system of modified VAT. After further discussion, the Council agreed that hotels with room tariff of Rs. 1,000 and above but less than Rs. 2,500 per room per day would attract the rate of 12% with full ITC and hotels with room tariff of Rs. 2,500 and above but less than Rs. 5,000 per room per day would attract the rate of 18% with full ITC.

26.3. The Hon'ble Minister from Karnataka stated that a high tax of 28% on horse racing would lead to evasion of tax. However, the Council agreed to keep the tax rate at 28%.

26.4. After further discussion, the Council approved the entries under Annexure X with the following amendment: -

(i) services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance and drama to be taxed at the rate of 18% and the rest of the entries under Sl.No.1 of Annexure X to be taxed at 28%.

#### **Annexure XIII:**

27. The Secretary stated that Annexure XIII proposed that some services should attract GST rates as applicable to goods along with compensation cess (if any) to discourage tax arbitrage. He explained that instead of buying a car if someone leased a car, then it should attract the same rate of tax as for buying the car. After discussion, the Council approved the entries in Annexure XIII.

#### **Annexure XIV:**

28. The Secretary stated that this Annexure contained 18 entries of services the tax on which was proposed to be collected on reverse charge basis. The Council approved the same.

#### **Approval of Schedules for classification of Goods and Services**

29.1. The Secretary drew attention to paragraph 6 of the agenda notes to agenda item 9 in Volume-3 and stated that GST rates would generally be prescribed at the 4-digit HS Classification, unless a carve out was required to specify the rate for a good at 6 or 8-digit levels. He proposed that for GST purposes, the classification of goods and the Rules for Interpretation thereof as given in the First Schedule to the Customs Tariff Act, 1975 be relied upon. The Council agreed to this proposal.

29.2. The Secretary drew attention to an Addendum to Agenda Notes circulated by the GST Council Secretariat on 16 May, 2017 wherein it was mentioned that a new Chapter 99 was proposed to be added to the First Schedule to the Customs Tariff Act, 1975 which would provide 6-digit classification of services based on the United Nations Central Product Classification (UN CPC). He stated that the 5-digit classification of UN CPC (excluding '99') had been adapted to meet the Indian requirements. He informed that a Committee of officers in CBEC was constituted to recommend a scheme of classification of services for GST. The Committee had proposed a scheme of classification based on National Product Classification for Services Sector (NPCSS) developed by NSO, which in turn was based on the UN CPC. He explained

that NPCSS was based on UN's 5-digit Central Product Classification (UN-CPC). Broadly, NPCSS classification followed the following formulation: "99+5 digitized UN-CPC code +1 digit for Indian requirements". He stated that NPCSS was essentially a 6-digit expansion of the 5 digit UN-CPC classification. The codes at 6-digit level had been devised to meet Indian requirements. The classification Codes and the descriptions under NPCSS at 5-digit level matched with those at the 5-digit level under the UN-CPC. The difference in the Codes and the descriptions was at the 6-digit level. This ensured that the NPCSS was compatible with the international UN-CPC at 5-digit level.

29.3. He stated that the classification recommended by the Committee was an improvement over the current Services Accounting Code (SAC) based classification followed for payment of Service Tax and statistics, which essentially was a list of taxable services which were covered in the positive list regime. The new GST system would enable collection of data at a more disaggregated level *vis-a-vis* the present system of clubbing all services under 120 odd accounting heads. He proposed that the Council might accept this classification of services for GST. The Council approved the proposal.

30. For **agenda item 9**, the Council approved the proposals related to **supply of services** as presented in Volume-3 of the detailed agenda notes and the Addendum thereto and another Addendum attached as Annexure-4 to the Minutes along with the modifications, where relevant, as listed below:-

(i) **Annexure VI (List A-1):** The Council approved the proposal of the Fitment Committee to continue under GST, the 54 existing listed exemptions under the service tax, and to also exempt the services provided by the GSTN to the Central of State Governments/Union Territories for implementation of GST;

(ii) **Annexure VI (List A-2):** The Council approved the proposal of the Fitment Committee to continue under GST, the 10 existing listed exemptions under the service tax with certain modifications and with the following further modifications:

(a) The exemption limit for services by a hotel, inn, guest house, club or campsite shall be room rent of Rs. 1,000 per day instead of the proposed rate of Rs. 500 per day;

(iii) **Annexure VI (List A-3):** The Council approved the proposal of the Fitment Committee to withdraw under GST, the 18 existing listed exemptions under the service tax;

(iv) **Annexure VI (List B):** The Council approved the proposed review of 13 Service Tax exemptions which were recommended for withdrawal/modification by the Fitment Committee with the following further modifications:

(a) To fully exempt tax on renting of rooms in a clinical establishment during the course of providing healthcare services whereas earlier it was proposed to limit this exemption only for room charges of less than Rs. 2,000 per day;

(v) **Annexure VII:** The Council approved the proposal to levy tax at the rate of 5% on the 11 listed services;

(vi) **Annexure VIII:** The Council approved the proposal to levy tax at the rate of 12% on the 7 listed services with the following modifications:

(a) restaurants having facility of air-conditioning or central heating at any time during the year (whether serving liquor or not) to be levied to tax at the rate of 18% and restaurants not having facility of air-conditioning or central heating at any time during the year and not having license to serve liquor to be taxed at the rate of 12%, , restaurants not having facility of air-conditioning or central heating at any time during the year and having license to serve liquor to be taxed at the rate of 18%;

(vii) **Annexure IX:** The Council approved the proposal to levy tax at the rate of 18% on the 6 listed services subject to the modification of rates in respect of renting of hotels and supply of food/drinks in air-conditioned restaurants recorded under Annexure VI (List A-2) and Annexure VIII respectively;

(ix) **Annexure X:** The Council approved the proposal to levy tax at the rate of 28% on the 5 listed services subject to the following modifications:

- (a) services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance and drama to be taxed at the rate of 18% and the rest of the entries under Sl.No.1 of Annexure X to be taxed at the rate of 28%;
- (b) hotels with room tariff of Rs. 1,000 and above but less than Rs. 2,500 per room per day to be taxed at the rate of 12% with full ITC and hotels with room tariff of Rs. 2,500 and above but less than Rs. 5,000 per room per day to be taxed at the rate of 18% with full ITC;

(x) **Annexure XIII:** The Council approved the proposal to levy GST and cess (where applicable) on the listed services at the rates as applicable to goods;

(xi) **Annexure XIV:** The Council approved the proposal to levy tax on 18 listed services under reverse charge;

(xii) **Schedules for classification of Goods and Services:** The Council approved the proposal to adopt the First Schedule to the Customs Tariff Act, 1975 and the Rules for Interpretation thereof for classification of Goods under GST and addition of a new Chapter 99 to the First Schedule to the Customs Tariff Act, 1975 providing for a 6-digit classification of Services based on the United Nations Central Product Classification (UN CPC).

**Agenda Item 10: Any other agenda item with the permission of the Chairperson:**

31. The Hon'ble Minister from Jammu & Kashmir stated that the Council needed to deliberate on the tax treatment in respect of trade across the Line of Control (LOC) in his State. The Secretary stated that broadly the existing regime could be continued but this could be examined and discussed further.

**Agenda Item 11: Date of the next meeting of the GST Council:**

32.1. The Hon'ble Chairperson observed that it was a very successful two days meeting during which a lot of ground had been covered. He stated that in the next meeting, the outstanding agenda for fitment of rates for goods and the GST Rules would be taken up. He also suggested that GSTN should make a presentation in the next meeting about their preparedness for GST. After discussion, it was agreed that the next meeting of the Council would be held in New Delhi on 3 June 2017.

32.2. In conclusion, the Hon'ble Chairperson once again profusely thanked the Government of Jammu & Kashmir for hosting the Council Meeting in Srinagar and for a very warm hospitality. The Hon'ble Minister of Finance, Jammu & Kashmir, thanked the Hon'ble Chairperson and all the other Members for accepting the invitation to host the Council Meeting in Srinagar and stated that this Meeting affirmed the determination of Jammu & Kashmir to fully participate in the national economic process.

33. The meeting ended with a vote of thanks to the Chair.

**Annexure – 1**

**List of Ministers who attended the 14<sup>th</sup> GST Council Meeting on 18-19 May 2017**

| <b><u>S No</u></b> | <b><u>State/Centre</u></b> | <b><u>Name of the Minister</u></b> | <b><u>Charge</u></b>                                   |
|--------------------|----------------------------|------------------------------------|--|
| 1                  | Govt. of India             | Shri Arun Jaitley                  | Finance Minister                                       |
| 2                  | Govt. of India             | Shri Santosh Kumar Gangwar         | Minister of State (Finance)                            |
| 3                  | Puducherry                 | Shri V. Narayanasamy               | Chief Minister   |
| 4                  | Delhi                      | Shri Manish Sisodia                | Deputy Chief Minister                                  |
| 5                  | Arunachal Pradesh          | Shri Chowna Mein                   | Deputy Chief Minister                                  |
| 6                  | Gujarat                    | Shri Nitinbhai Patel               | Deputy Chief Minister                                  |
| 7                  | Manipur                    | Shri Y. Joykumar Singh             | Deputy Chief Minister                                  |
| 8                  | Andhra Pradesh             | Shri Yanamala Ramakrishnudu        | Finance Minister                                       |
| 9                  | Assam                      | Dr. Himanta Biswa Sarma            | Finance Minister                                       |
| 10                 | Bihar                      | Shri Bijendra Prasad Yadav         | Finance Minister                                       |
| 11                 | Chhattisgarh               | Shri Amar Agrawal                  | Minister, Commercial Taxes                             |
| 12                 | Goa                        | Shri Mauvin Godinho                | Minister for Panchayat                                 |
| 13                 | Haryana                    | Captain Abhimanyu                  | Minister, Excise & Taxation                            |
| 14                 | Jammu & Kashmir            | Dr. Haseeb Drabu                   | Finance Minister                                       |
| 15                 | Jharkhand                  | Shri C. P Singh                    | Minister, Urban Development, Housing & Transport       |
| 16                 | Karnataka                  | Shri Krishna Byregowda             | Minister, Agriculture                                  |
| 17                 | Kerala                     | Dr. Thomas Isaac                   | Finance Minister                                       |
| 18                 | Madhya Pradesh             | Shri Jayant Malaiya                | Finance Minister                                       |
| 19                 | Maharashtra                | Shri Sudhir Mungantiwar            | Finance Minister                                       |
| 20                 | Meghalaya                  | Shri Zenith Sangma                 | Minister, Taxation                                     |
| 21                 | Punjab                     | Shri Manpreet Singh Badal          | Finance Minister                                       |
| 22                 | Rajasthan                  | Shri Rajpal Singh Shekhawat        | Finance Minister                                       |
| 23                 | Tamil Nadu                 | Shri D. Jayakumar                  | Minister (Fisheries, Finance & Administrative Reforms) |
| 24                 | Telangana                  | Shri Etela Rajender                | Finance Minister                                       |
| 25                 | Uttar Pradesh              | Shri Rajesh Agrawal                | Finance Minister                                       |
| 26                 | Uttarakhand                | Shri Prakash Pant                  | Finance Minister                                       |

## Annexure – 2

### List of Officials who attended the 14<sup>th</sup> GST Council Meeting on 18-19 May 2017

| <u>S No</u> | <u>State/Centre</u> | <u>Name of the Officer</u> | <u>Charge</u>                           |
|-------------|---------------------|----------------------------|---|
| 1           | Govt. of India      | Dr. Hasmukh Adhia          | Revenue Secretary                       |
| 2           | Govt. of India      | Ms. Vanaja N. Sarna        | Chairman, CBEC                          |
| 3           | Govt. of India      | Dr. Arvind Subramanian     | Chief Economic Adviser                  |
| 4           | Govt. of India      | Shri Mahender Singh        | Member (GST), CBEC                      |
| 5           | Govt. of India      | Shri R.K. Mahajan          | Member (Budget), CBEC                   |
| 6           | Govt. of India      | Shri P.K. Jain             | Chief Commissioner, (AR), CESTAT, CBEC  |
| 7           | Govt. of India      | Shri B.N. Sharma           | Additional Secretary, Dept. of Revenue  |
| 8           | Govt. of India      | Shri P.K. Mohanty          | Advisor (GST), CBEC                     |
| 9           | Govt. of India      | Shri Alok Shukla           | Joint Secretary (TRU), Dept. of Revenue |
| 10          | Govt. of India      | Ms. Hemambika R. Priya     | Commissioner (Coordination), CBEC       |
| 11          | Govt. of India      | Shri Simanchala Dash       | PS to FM                                |
| 12          | Govt. of India      | Shri B.B. Mohapatra        | ADG Systems, DG Systems                 |
| 13          | Govt. of India      | Shri Upender Gupta         | Commissioner (GST), CBEC                |
| 14          | Govt. of India      | Shri Udai Singh Kumawat    | Joint Secretary, Dept. of Revenue       |
| 15          | Govt. of India      | Shri Amitabh Kumar         | Joint Secretary (TRU), Dept. of Revenue |
| 16          | Govt. of India      | Shri G.D. Lohani           | Commissioner, CBEC                      |
| 17          | Govt. of India      | Shri D.S.Malik             | ADG, Press, Ministry of Finance         |
| 18          | Govt. of India      | Shri Hemant Jain           | OSD to MoS (Finance)                    |
| 19          | Govt. of India      | Shri G.G. Pai              | Director, TRU                           |
| 20          | Govt. of India      | Shri Reyaz Ahmed           | Director, TRU                           |
| 21          | Govt. of India      | Shri Somesh Chander        | Director, TRU                           |
| 22          | Govt. of India      | Ms. Aarti Saxena           | Deputy Secretary, Dept. of Revenue      |
| 23          | Govt. of India      | Shri Promod Kumar          | OSD, TRU                                |
| 24          | Govt. of India      | Shri Paras Sankhla         | OSD to FM                               |
| 25          | Govt. of India      | Shri Siddharth Jain        | Assistant Commissioner, GST Policy      |



| <b>S No</b> | <b>State/Centre</b> | <b>Name of the Officer</b> | <b>Charge</b>                             |
|-------------|---------------------|----------------------------|---|
| 26          | GST Council         | Shri Arun Goyal            | Additional Secretary                      |
| 27          | GST Council         | Shri Shashank Priya        | Commissioner                              |
| 28          | GST Council         | Shri G.S. Sinha            | Joint Commissioner                        |
| 29          | GST Council         | Shri Kaushik TG            | Assistant Commissioner                    |
| 30          | GST Council         | Shri Shekhar Khansili      | Superintendent                            |
| 31          | GST Council         | Shri Amit Soni             | Inspector                                 |
| 32          | GSTN                | Shri Navin Kumar           | Chairman                                  |
| 33          | GSTN                | Shri Prakash Kumar         | CEO                                       |
| 34          | Andhra Pradesh      | Shri J. Syamala Rao        | Commissioner, Commercial Taxes            |
| 35          | Andhra Pradesh      | Shri T. Ramesh Babu        | Additional Commissioner, Commercial Taxes |
| 36          | Arunachal Pradesh   | Shri Marnya Ete            | Commissioner, Commercial Taxes            |
| 37          | Arunachal Pradesh   | Shri Tapas Dutta           | Assistant Commissioner                    |
| 38          | Assam               | Shri Anurag Goel           | Commissioner, Commercial Taxes            |
| 39          | Bihar               | Ms. Sujata Chaturvedi      | Commissioner, Commercial Taxes            |
| 40          | Bihar               | Shri Arun Kumar Mishra     | Additional Secretary, Commercial Taxes    |
| 41          | Chhattisgarh        | Shri Amitabh Jain          | Principal Secretary (Finance)             |
| 42          | Chhattisgarh        | Ms. Sangeetha P            | Commissioner, Commercial Taxes            |
| 43          | Delhi               | Shri S. N. Sahai           | Principal Secretary, Finance              |
| 44          | Delhi               | Shri Anand Kumar Tiwari    | Additional Commissioner                   |
| 45          | Goa                 | Shri Dipak Bandekar        | Commissioner, Commercial Taxes            |
| 46          | Gujarat             | Dr. P.D. Vaghela           | Commissioner, Commercial Taxes            |
| 47          | Gujarat             | Ms. Mona Khandhar          | Secretary, Economic Affairs               |
| 48          | Haryana             | Shri Sanjeev Kaushal       | Additional Chief Secretary                |
| 49          | Haryana             | Shri Shyamal Misra         | Commissioner, Excise & Taxation           |
| 50          | Haryana             | Shri Rajeev Chaudhary      | Deputy Commissioner, Excise & Taxation    |
| 51          | Himachal Pradesh    | Shri Onkar Chand           | Principal Secretary, Excise & Taxation    |

| <b>S No</b> | <b>State/Centre</b> | <b>Name of the Officer</b>  | <b>Charge</b>                             |
|-------------|---------------------|-----------------------------|---|
| 52          | Himachal Pradesh    | Shri Pushpendra Rajput      | Commissioner, Excise & Taxation           |
| 53          | Himachal Pradesh    | Shri Sanjay Bhardwaj        | Additional Commissioner, Commercial Taxes |
| 54          | Jammu & Kashmir     | Shri Navin K. Choudhary     | Secretary, Finance                        |
| 55          | Jammu & Kashmir     | Shri P.I. Khateeb           | Commissioner, Commercial Taxes            |
| 56          | Jammu & Kashmir     | Ms. Anu Malhotra            | Additional Commissioner, Commercial Taxes |
| 57          | Jammu & Kashmir     | Dr. Shamim Ahmed Wani       | Additional Commissioner, Commercial Taxes |
| 58          | Jammu & Kashmir     | Shri P.K. Bhat              | Additional Commissioner, Commercial Taxes |
| 59          | Jharkhand           | Shri Sanjay Kumar Prasad    | Joint Commissioner, Commercial Taxes      |
| 60          | Jharkhand           | Shri G.S. Kapardar          | Asst. Commissioner, Commercial Taxes      |
| 61          | Karnataka           | Dr. M.P. Raviprasad         | Joint Commissioner, Commercial Taxes      |
| 62          | Kerala              | Dr. Rajan Khobragade        | Commissioner, Commercial Taxes            |
| 63          | Madhya Pradesh      | Shri Raghwendra Kumar Singh | Commissioner, Commercial Taxes            |
| 64          | Madhya Pradesh      | Shri Sudip Gupta            | Deputy Commissioner, Commercial Taxes     |
| 65          | Maharashtra         | Shri Dhananjay Akhade       | Joint Commissioner                        |
| 66          | Manipur             | Shri R.K. Khurkishor Singh  | Assistant Commissioner                    |
| 67          | Meghalaya           | Shri Leonardo Khongsit      | Assistant Commissioner                    |
| 68          | Nagaland            | Shri Y. Mhathung Murry      | Additional Commissioner, Commercial Taxes |
| 69          | Nagaland            | Shri Wochamo Udyuo          | Additional Commissioner, Commercial Taxes |
| 70          | Odisha              | Shri Ashok Meena            | Special Secretary (Finance)               |
| 71          | Odisha              | Shri Sahadev Sahu           | Joint Commissioner, Commercial Taxes      |
| 72          | Puducherry          | Dr. V. Candavelou           | Secretary, Finance & Commercial Taxes     |
| 73          | Puducherry          | Shri G. Srinivas            | Commissioner, Commercial Taxes            |
| 74          | Punjab              | Shri V.K. Garg              | Advisor (GST), Govt. of Punjab            |
| 75          | Punjab              | Shri V.P. Singh             | Commissioner, Excise & Taxation           |
| 76          | Punjab              | Shri Pawan Garg             | Deputy Commissioner, Commercial Taxes     |
| 77          | Rajasthan           | Shri Prem Singh Mehra       | Principal Secretary, Finance              |

| <b><u>S No</u></b> | <b><u>State/Centre</u></b> | <b><u>Name of the Officer</u></b> | <b><u>Charge</u></b>                      |
|--------------------|----------------------------|-----------------------------------|---|
| 78                 | Rajasthan                  | Shri Praveen Gupta                | Secretary, Finance                        |
| 79                 | Rajasthan                  | Shri Alok Gupta                   | Commissioner, Commercial Taxes            |
| 80                 | Sikkim                     | Shri Manoj Rai                    | Joint Commissioner, Commercial Taxes      |
| 81                 | Tamil Nadu                 | Dr. C. Chandramouli               | Additional Chief Secretary                |
| 82                 | Tamil Nadu                 | Shri K. Gnanasekaran              | Additional Commissioner, Commercial Taxes |
| 83                 | Telangana                  | Shri Somesh Kumar                 | Principal Secretary (Revenue)             |
| 84                 | Telangana                  | Shri Anil Kumar                   | Commissioner, Commercial Taxes            |
| 85                 | Telangana                  | Shri Kaashi Vishweshwar Rao       | Deputy Commissioner, Commercial Taxes     |
| 86                 | Tripura                    | Ms. Brahmneet Kaur                | Commissioner, Commercial Taxes            |
| 87                 | Uttarakhand                | Shri Piyush Kumar                 | Additional Commissioner, Commercial Taxes |
| 88                 | Uttarakhand                | Shri Vipin Kumar                  | Additional Commissioner, Commercial Taxes |
| 89                 | Uttar Pradesh              | Shri R.K. Tiwari                  | Additional Chief Secretary                |
| 90                 | Uttar Pradesh              | Shri Mukesh Kumar Meshram         | Commissioner, Commercial Taxes            |
| 91                 | Uttar Pradesh              | Shri Vivek Kumar                  | Additional Commissioner                   |
| 92                 | West Bengal                | Ms. Smaraki Mahapatra             | Commissioner, Commercial Taxes            |
| 93                 | West Bengal                | Shri Khalid Anwar                 | Sr. Joint Commissioner, Commercial Taxes  |

Presentation on GST Rules



## Agenda



- ❑ Introduction
- ❑ Updated Rules for
  - Registration
  - Payment
  - Refund
  - Invoice
  - ITC
  - Valuation
  - Composition
- ❑ Related Formats

1

- ❑ Nine Rules for Registration, Payment, Invoice, Refund, ITC, Transition, Composition and Valuation were placed in public domain after approval in March, 2017
- ❑ Rules have been re-examined in view of stakeholder comments received from departmental officers, trade and industry and accordingly changes have been proposed

2

## Updated Rules for Registration (1/2)



- ❑ Provides that an Input Service Distributor (ISD) shall make a separate application for registration as ISD
- ❑ Provides for separate registration for units or developer in a Special Economic Zone
- ❑ Provides for verification of application through electronic verification code (EVC)
- ❑ Provides that in case of non-resident taxable person, a business entity incorporated or established outside India has to submit a tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its PAN, if available for registration

3

## Updated Rules for Registration (2/2)



- ❑ Provides for Aadhar based electronic verification code as a mode of authentication of any document
- ❑ Such verification to be done within two days of furnishing of documents
- ❑ Provides that Companies have to authenticate documents through digital signature certificate only

4

## Updated Rules for Payment



- ❑ Provides that a registered person upon noticing any discrepancy in his electronic liability or cash ledger can communicate the same to the officer exercising jurisdiction in the matter

5

## Updated Rules for Refund (1/2)



- ❑ Provides that refund of advance tax paid by casual or non-resident taxpayer to be claimed in the last return to be furnished
- ❑ Provides for declaration from SEZ Unit or Developer regarding non-availment of ITC for tax paid on supplies to them
- ❑ Provides for document to be submitted for claiming refund on account of wrong or excess payment of tax
- ❑ Provides for formula for calculation of refund of accumulated ITC in case of inverted duty structure

6

## Updated Rules for Refund (2/2)



- ❑ Provides for acknowledgement to indicate date of filing of refund which is crucial for determination of 60 days period for sanctioning of refund
- ❑ Provides that acknowledgement to be issued in three days in case of refund of integrated tax on account of exports
- ❑ Conditions for grant of provisional refund have been liberalized
- ❑ Provides that reasons for withholding of refund by Commissioner to be communicated to the claimant

7

## Updated Rules for Invoice (1/2)



- ❑ Provides that maximum number of characters in Invoice No., Bill of Supply, etc. can be 16
- ❑ Provides for signature or digital signature of invoice issued by recipient under reverse charge
- ❑ Provides that in context of advance received
  - where the rate of tax is not determinable it will be paid @ 18%
  - where nature of supply is not determinable it will be deemed to be inter-State supply

8

## Updated Rules for Invoice (2/2)



- ❑ Particulars to be contained in payment voucher and refund voucher have been provided
- ❑ Provides that Special dispensation for issuance of invoice already made available for Banking company, insurer, Financial institution, etc. will be applicable in case of issuance of receipt voucher, payment voucher, refund voucher also

9



## Updated Rules for ITC (1/2)



- ❑ Provides for availment of ITC on the basis of a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for assessment of integrated tax on imports
- ❑ Provides for keeping supplies without consideration under Schedule I out of the ambit of time period specified for payment of consideration i.e. 180 days
- ❑ Provides for denial of proportionate ITC in case of part payments
- ❑ Provides that time limit for availment of ITC is only applicable to its availment first time rather than on re-availment after reversal

10

## Updated Rules for ITC (2/2)



- ❑ Provides for calculation of credit on supply of capital goods or plant and machinery from the date of issuance of invoice for such goods
- ❑ Provides for certification of certain details by practicing chartered accountant or cost accountant in relation to determination of amount of credit to be paid by taxpayer in certain circumstances

11

## Updated Rules for Valuation



- ❑ Provides that the supplier of goods or services to distinct or related persons can also opt to declare value as 90% of the price charged by recipient
- ❑ Provides that special valuation Rules in case of certain supplies would be applicable only at the option of the supplier
- ❑ Provides for valuation of goods repossessed from the defaulting borrower for recovery of loan or debt
- ❑ Valuation of services procured through pure agent simplified
- ❑ Provides for valuation of supplies in case such supplies were inclusive of tax

12

## Updated Rules for Composition



- ❑ Provides for verification of intimation through electronic verification code (EVC)

13

**ADDENDUM DATED 18.05.2017 TO THE GST RATE SCHEDULE FOR GOODS  
CIRCULATED ON 14.05.2017  
[As per discussions in the Fitment Committee]**

**A. Amendments in the Detailed Horizontal Rate Sheets circulated to CCTs on 14.05.2017:**

The following amendments / additions are proposed to be made to the aforesaid document:

1. Prasadam [2106] supplied by religious places like temples, mosques, churches, gurudwaras, dargahs, etc. presently recommended to be at 5% (as sweetmeats) / 18% (as other edible preparations) may be kept at Nil.
2. Granite slabs [2516], presently recommended to be at 12% may be kept at 28%, the rate recommended for marble and travertine, in slabs [2515 12 20, 2515 12 90].
3. Sandstone, other monumental or building stone [2516] to be excluded from 12% List, as these stones are recommended to be at 5%.
4. All types of contraceptives [Chapter 30] presently recommended to be at 5% may be kept at Nil, the rate recommended for condoms [Chapter 40].
5. Soaps manufactured by KVIC [3401] presently recommended to be at Nil may be kept at 18%, which is the general rate applicable to soaps.
6. Mats, mattings, screens, basket works, wickerwork and other articles of vegetable materials bamboo, rattan or other vegetable materials [4601, 4602] {Plaits and similar products of plaiting materials, whether or not assembled into strips; plaiting materials, plaits and similar products of plaiting materials, bound together in parallel strands or woven, in sheet form, whether or not being finished articles (for example, mats, matting, screens) of vegetables materials such as of bamboo, of rattan, of other vegetable materials [4601] and Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah [4602]} presently recommended to be at 18% may be kept at 12%.
7. Fly ash bricks [Ch. 68] presently recommended to be at 18% may be kept at 12%, along with sand lime bricks.
8. Indigenous handmade musical instruments [Ch. 92] presently recommended to be at 12% may be kept at Nil.
9. Branded broomsticks, phool bahari jhadoo (9603 10 00) presently recommended to be at 18% may also be kept at 5% the rate recommended for unbranded broomsticks, phool bahari jhadoo.

**B. Addendum to Annexure-VI (List A1) (Existing service tax exemptions to continue in GST):**

|     |  |                             |
|-----|--|-----------------------------|
| 60. | Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation;  | Exemption may be continued. |
| 61  | Services by way of training or coaching in recreational activities relating to, -<br>(i) arts or culture. or<br>(ii) sports by charitable entities registered under section 12AA of Income tax Act, 1961;  | Exemption may be continued. |
| 62  | Any services provided by, _<br>(i) the National Skill Development Corporation set up by the Government of India;<br>(ii) a Sector Skill Council approved by the National Skill Development Corporation;<br>(iii) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;<br>(iv) a training partner approved by the National Skill Development Corporation or the Sector Skill Council<br>in relation to<br>(a) the National Skill Development Programme implemented by the National Skill Development Corporation; or<br>(b) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or<br>(c) any other Scheme implemented by the National Skill Development Corporation.” | Exemption may be continued. |
| 63  | Services of assessing bodies empanelled <u>centrally</u> by Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under Skill Development Initiative (SDI) Scheme  | Exemption may be continued  |
|     | Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by National Council For Vocational Training.   | Exemption may be continued  |
| 64. | Services by way of sponsorship of sporting events organised, -<br>(a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;<br>(b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India  | Exemption may be continued  |

|     |   |   |
|-----|---|---|
|     | <p>Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;</p> <p>(c) by Central Civil Services Cultural and Sports Board;</p> <p>(d) as part of national games, by Indian Olympic Association; or</p> <p>(e) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYK KA) Scheme;</p>  |   |
| 65. | <p>Services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(bb) a civil structure or any other original works pertaining to the Beneficiary-led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p>   | Exemption at (bb) may be continued in respect of pure labour contracts.                       |
| 66. | <p>Services by way of construction, erection, commissioning, or installation of original works pertaining to,-</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p>  | Exemption at (bb) may be continued in respect of pure labour contracts.                       |
| 67. | <p>Services of general insurance business provided under following schemes -</p> <p>(a) Hut Insurance Scheme;</p> <p>(b) Cattle Insurance under Swarnajayanti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme);</p> <p>(c) Scheme for Insurance of Tribals;</p> <p>(d) Janata Personal Accident Policy and Gramin Accident Policy;</p> <p>(e) Group Personal Accident Policy for Self-Employed Women;</p> <p>(f) Agricultural Pumpset and Failed Well Insurance;</p> <p>(g) Premium collected on export credit insurance;</p> <p>(h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture;</p> <p>(i) Jan Arogya Bima Policy;</p> <p>(j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana);</p> <p>(k) Pilot Scheme on Seed Crop Insurance;</p> <p>(l) Central Sector Scheme on Cattle Insurance;</p> <p>(m) Universal Health Insurance Scheme;</p> <p>(n) Rashtriya Swasthya Bima Yojana; or</p> <p>(o) Coconut Palm Insurance Scheme;</p> <p>(p) Pradhan Mantri Suraksha Bima Yojana;</p> | Exemption may be continued and its present scope expanded to include State insurance schemes. |

|     |   |                             |
|-----|---|-----------------------------|
|     | (q) Niramaya Health Insurance Scheme implemented by Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).<br>(r) Any other insurance scheme of the State Government as may be notified by Government of India on the recommendation of GSTC   |                             |
| 68. | Services of life insurance business provided under following schemes -<br>(a) Janashree Bima Yojana (JBY); or<br>(b) Aam Aadmi Bima Yojana (AABY);<br>(c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees;<br>(d) Varishtha Pension Bima Yojana;<br>(e) Pradhan Mantri Jeevan Jyoti Bima Yojana;<br>(f) Pradhan Mantri Jan Dhan Yojana;<br>(g) Pradhan Mantri Vaya Vandana Yojana<br>(h) Any other insurance scheme of the State Government as may be notified by Government of India on the recommendation of GSTC | Exemption may be continued. |
| 69  | Services by way of collection of contribution under Atal Pension Yojana (APY).  | Exemption may be continued. |
| 70  | Services by way of collection of contribution under any scheme of the State Governments   |                             |

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### **Agenda Item 3: Approval of amendments to the draft GST Rules and related Forms**

#### **RETURNS**

##### **1. Form and manner of furnishing details of outward supplies**

(1) Every registered person (other than a person referred to in section 14 of the Integrated Goods and Services Tax Act) required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in **FORM GSTR-1** electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The details of outward supplies of goods or services or both furnished in **FORM GSTR-1** shall include, *inter alia*, –

(a) invoice wise details of all -

(i) inter-State and intra-State supplies made to registered persons; and

(ii) inter-State supplies with invoice value more than two and a half lakh rupees made to unregistered persons;

(b) consolidated details of all -

(i) intra-State supplies made to unregistered persons for each rate of tax; and

(ii) State wise inter-State supplies with invoice value ~~less than~~ upto two and a half lakh rupees made to unregistered persons for each rate of tax;

(c) debit and credit notes, if any, issued during the month for invoices issued previously.

(3) The details of outward supplies furnished by the supplier shall be made available electronically to the concerned registered persons (recipients) in **Part A** of **FORM GSTR-2A**, in **FORM GSTR-4A** and in **FORM GSTR-6A** through the Common Portal after the due date of filing of **FORM GSTR-1**.

(4) The details of inward supplies added, corrected or deleted by the recipient in his **FORM GSTR-2** under section 38 or **FORM GSTR-4** or **FORM GSTR-6** under section 39 shall be made available to the supplier electronically in **FORM GSTR-1A** through the Common Portal and such supplier may either accept or reject the modifications made by the recipient and **FORM GSTR-1** furnished earlier by the supplier shall stand amended to the extent of modifications accepted by him.

##### **2. Form and manner of furnishing details of inward supplies**

(1) Every registered person (other than a person referred to in section 14 of the Integrated Goods and Services Tax Act) required to furnish the details of inward supplies of goods or services or both received during a tax period under sub-section (2) of section 38 shall, on the basis of details contained in **Part A, Part B and Part C** of **FORM GSTR-2A**, prepare such details as specified in sub-section (1) of the said section and furnish the same in **FORM GSTR-2** electronically through the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner, after including therein details of such other inward supplies, if any, required to be furnished under sub-section (2) of section 38.

(2) Every registered person shall furnish the details, if any, required under sub-section (5) of section 38 electronically in **FORM GSTR-2**.

- (3) The registered person shall specify the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit in **FORM GSTR-2** where such eligibility can be determined at the invoice level.
- (4) The registered person shall declare the quantum of ineligible input tax credit on inward supplies which is relatable to non-taxable supplies or for purposes other than business and cannot be determined at the invoice level in **FORM GSTR-2**.
- (4A) The details of invoices furnished by an non-resident taxable person in his return in **FORM GSTR-5** under rule 5 shall be made available to the recipient of credit in **Part A** of **FORM GSTR 2A** electronically through the Common Portal and the said recipient may include the same in **FORM GSTR-2**.
- (5) The details of invoices furnished by an Input Service Distributor in his return in **FORM GSTR-6** under rule 7 shall be made available to the recipient of credit in **Part B** of **FORM GSTR 2A** electronically through the Common Portal and the said recipient may include the same in **FORM GSTR-2**.
- (6) The details of tax deducted at source furnished by the deductor under sub-section (3) of section 39 in **FORM GSTR-7** shall be made available to the deductee in **Part C** of **FORM GSTR-2A** electronically through the Common Portal and the said deductee may include the same in **FORM GSTR-2**.
- (7) The details of tax collected at source furnished by an e-commerce operator under section 52 in **FORM GSTR-8** shall be made available to the concerned person in **Part C** of **FORM GSTR 2A** electronically through the Common Portal and such person may include the same in **FORM GSTR-2**.
- (8) The details of inward supplies of goods or services or both furnished in **FORM GSTR-2** shall include, *inter alia*, -
- (a) invoice wise details of all inter-State and intra-State supplies received from registered persons or unregistered persons;
  - (b) import of goods and services made; and
  - (c) debit and credit notes, if any, received from supplier.

### **3. Form and manner of submission of monthly return**

- (1) Every registered person other than a person referred to in section 14 of the Integrated Goods and Services Tax Act or an Input Service Distributor or a non-resident taxable person or a person paying tax under section 10 or section 51 or, as the case may be, under section 52 shall furnish a return specified under sub-section (1) of section 39 in **FORM GSTR-3** electronically through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.
- (2) **Part A** of the return under sub-rule (1) shall be electronically generated on the basis of information furnished through **FORM GSTR-1**, **FORM GSTR-2** and based on other liabilities of preceding tax periods.
- (3) Every registered person furnishing the return under sub-rule (1) shall, subject to the provisions of section 49, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger or electronic credit ledger and include the details in **Part B** of the return in **FORM GSTR-3**.
- (4) A registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in **Part B** of the return in **FORM GSTR-3** and such return shall be deemed to be an application filed under section 54.



(5) Where the time limit for furnishing of details in **FORM GSTR-1** under section 37 and in **FORM GSTR-2** under section 38 has been extended and the circumstances so warrant, return in **FORM GSTR-3B**, in lieu of **FORM GSTR-3**, may be furnished in such manner as may be notified by the Commissioner.

#### **4. Form and manner of submission of quarterly return by the composition supplier**

(1) Every registered person paying tax under section 10 shall, on the basis of details contained in **FORM GSTR-4A**, and where required, after adding, correcting or deleting the details, furnish the quarterly return in **FORM GSTR-4** electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) Every registered person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger.

(3) The return furnished under sub-rule (1) shall include, *inter alia*,-

- (a) invoice wise inter-State and intra-State inward supplies received from registered and un-registered persons; and
- (b) consolidated details of outward supplies made.

(4) A registered person who has opted to pay tax under section 10 from the beginning of a financial year shall, where required, furnish the details of outward and inward supplies and return under rule 1, rule 2 and rule 3 relating to the period during which the person was liable to furnish such details and returns till the due date of furnishing the return for the month of September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.

*Explanation.* – The person shall not be eligible to avail of input tax credit on receipt of invoices or debit notes from the supplier for the period prior to his opting for the composition scheme.

(5) A registered person opting to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the proper officer shall, where required, furnish the details relating to the period prior to his opting for payment of tax under section 9 in **FORM GSTR-4** till the due date of furnishing the return for the quarter ending September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.

#### **5. Form and manner of submission of return by non-resident taxable person**

Every registered non-resident taxable person shall furnish a return in **FORM GSTR-5** electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable under the Act or these rules within twenty days after the end of a tax period or within seven days after the last day of the validity period of registration, whichever is earlier.

##### **5A. Form and manner of submission of return by persons providing online information and database access or retrieval services**

Every registered person providing online information and data base access or retrieval services from a place outside India to a person in India other than a registered person shall file return in **FORM GSTR-5A** on or before the twentieth day of the month succeeding the calendar month or part thereof.

**6. Form and manner of submission of return by an Input Service Distributor**

Every Input Service Distributor shall, **on the basis of details contained in FORM GSTR-6A**, and where required, after adding, correcting or deleting the details, furnish electronically **the** return in **FORM GSTR-6**, containing the details of tax invoices on which credit has been received and those issued under section 20, through the Common Portal either directly or from a Facilitation Centre notified by the Commissioner.

**7. Form and manner of submission of return by a person required to deduct tax at source**

(1) Every registered person required to deduct tax at source under section 51 shall furnish a return in **FORM GSTR-7** electronically through the Common Portal either directly or from a Facilitation Centre notified by the Commissioner.

(2) The details furnished by the deductor under sub-rule (1) shall be made available electronically to each of the suppliers in **Part C** of **FORM GSTR-2A** and FORM-GSTR-4A on the Common Portal after the due date of filing of **FORM GSTR-7**.

(3) The certificate referred to in sub-section (3) of section 51 shall be made available electronically to the deductee on the Common Portal in **FORM GSTR-7A** on the basis of the return furnished under sub-rule (1).

**8. Form and manner of submission of statement of supplies through an e-commerce operator**

(1) Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in **FORM GSTR-8** electronically on the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 52.

(2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in **Part C** of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-8**.

**9. Notice to non-filers of returns**

A notice in **FORM GSTR-3A** shall be issued, electronically, to a registered person who fails to furnish return under section 39 **or section 44 or** section 45 or section 52.

**10. Matching of claim of input tax credit**

The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 41, shall be matched under section 42 after the due date for furnishing the return in **FORM GSTR-3**

- (a) GSTIN of the supplier;
- (b) GSTIN of the recipient;
- (c) invoice or debit note number;
- (d) invoice or debit note date; and
- (e) tax amount:

Provided that where the time limit for furnishing **FORM GSTR-1** specified under section 37 and **FORM GSTR-2** specified under section 38 has been extended, the date of matching relating to claim of input tax credit shall also be extended accordingly:

**Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching** relating to claim of input tax credit to such date as may be specified therein.

*Explanation 1.-* The claim of input tax credit in respect of invoices and debit notes in **FORM GSTR-2** that were accepted by the recipient on the basis of **FORM GSTR-2A** without amendment shall be treated as matched if the corresponding supplier has furnished a valid return.

*Explanation 2. -* The claim of input tax credit shall be considered as matched where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or debit note by the corresponding supplier.

#### **11. Final acceptance of input tax credit and communication thereof**

(1) The final acceptance of claim of input tax credit in respect of any tax period, specified in sub-section (2) of section 42, shall be made available electronically to the registered person making such claim in **FORM GST MIS-1** through the Common Portal.

(2) The claim of input tax credit in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in **FORM GST MIS-1** through the Common Portal.

#### **12. Communication and rectification of discrepancy in claim of input tax credit and reversal of claim of input tax credit**

(1) Any discrepancy in the claim of input tax credit in respect of any tax period, specified in sub-section (3) of section 42 and the details of output tax liable to be added under sub-section (5) of the said section on account of continuation of such discrepancy, shall be made available to the recipient making such claim electronically in **FORM GST MIS-1** and to the supplier electronically in **FORM GST MIS-2** through the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the recipient in his return to be furnished in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

*Explanation 1.-* Rectification by a supplier means adding or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

*Explanation 2.-* Rectification by the recipient means deleting or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

#### **13. Claim of input tax credit on the same invoice more than once**

Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered person in **FORM GST MIS-1** electronically through the Common Portal.

#### **14. Matching of claim of reduction in the output tax liability**

The following details relating to the claim of reduction in output tax liability shall be matched under section 43 after the due date for furnishing the return in **FORM GSTR-3**:-

- (a) GSTIN of the supplier;

- (b) GSTIN of the recipient;
- (c) credit note number;
- (d) credit note date; and
- (e) tax amount:

Provided that where the time limit for furnishing **FORM GSTR-1** under section 37 and **FORM GSTR-2** under section 38 has been extended, the date of matching of claim of reduction in the output tax liability shall be extended accordingly:

**Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching** relating to claim of reduction in output tax liability to such date as may be specified therein.

*Explanation 1.* — The claim of reduction in output tax liability due to issuance of credit notes in **FORM GSTR-1** that were accepted by the corresponding recipient in **FORM GSTR-2** without amendment shall be treated as matched if the said recipient has furnished a valid return.

*Explanation 2.* — The claim of reduction in the output tax liability shall be considered as matched where the amount of output tax liability after taking into account the reduction claimed is equal to or more than the claim of input tax credit after taking into account the reduction admitted and discharged on such credit note by the corresponding recipient in his valid return.

#### **15. Final acceptance of reduction in output tax liability and communication thereof**

- (1) The final acceptance of claim of reduction in output tax liability in respect of any tax period, specified in sub-section (2) of section 43, shall be made available electronically to the person making such claim in **FORM GST MIS-1** through the Common Portal.
- (2) The claim of reduction in output tax liability in respect of any tax period which had been communicated as mis-matched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in **FORM GST MIS-1** through the Common Portal.

#### **16. Communication and rectification of discrepancy in reduction in output tax liability and reversal of claim of reduction**

- (1) Any discrepancy in claim of reduction in output tax liability, specified in sub-section (3) of section 43, and the details of output tax liability to be added under sub-section (5) of the said section on account of continuation of such discrepancy, shall be made available to the registered person making such claim electronically in **FORM GST MIS- 1** and the recipient electronically in **FORM GST MIS-2** through the Common Portal on or before the last date of the month in which the matching has been carried out.
- (2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.
- (3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier and debited to the electronic liability register and also shown in his return in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

*Explanation 1.-* Rectification by a supplier means deleting or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

*Explanation 2.-* Rectification by the recipient means adding or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

**17. Claim of reduction in output tax liability more than once**

Duplication of claims for reduction in output tax liability in the details of outward supplies shall be communicated to the registered person in **FORM GST MIS-1** electronically through the Common Portal.

**18. Refund of interest paid on reclaim of reversals**

The interest to be refunded under sub-section (9) of section 42 or sub-section (9) of section 43 shall be claimed by the registered person in his return in **FORM GSTR-3** and shall be credited to his electronic cash ledger in **FORM GST PMT-05** and the amount credited shall be available for payment of any future liability towards interest or the taxable person may claim refund of the amount under section 54.

**19. Matching of details furnished by the e-Commerce operator with the details furnished by the supplier**

The following details relating to the supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1**-

- (a) State of place of supply; and
- (b) net taxable value:

Provided that where the time limit for furnishing **FORM GSTR-1** under section 37 has been extended, the date of matching of the above mentioned details shall be extended accordingly.

**Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching** to such date as may be specified therein.

**20. Communication and rectification of discrepancy in details furnished by the e-commerce operator and the supplier**

(1) Any discrepancy in the details furnished by the operator and those declared by the supplier shall be made available to the supplier electronically in **FORM GST MIS-3** and to the e-commerce operator electronically in **FORM GST MIS-4** on the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) An operator to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in **FORM GSTR-3** for the month succeeding the month in which the details of discrepancy are made available and such addition to

the output tax liability and interest payable thereon shall be made available to the supplier electronically on the Common Portal in **FORM GST MIS-3**.

## **21. Annual return**

(1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return as specified under sub-section (1) of section 44 electronically in **FORM GSTR-9** through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a person paying tax under section 10 shall furnish the annual return in **FORM GSTR-9A**.

(2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement referred to in sub-section (5) of the said section in **FORM GSTR -9B**.

(3) Every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in **FORM GSTR-9C**, electronically through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

## **22. Final return**

Every registered person required to furnish a final return under section 45, shall furnish such return electronically in **FORM GSTR-10** through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

## **23. Details of inward supplies of persons having Unique Identity Number**

(1) Every person who has been issued a Unique Identity Number and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies of taxable goods or services or both electronically in **FORM GSTR-11**, along with application for such refund claim, through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

(2) Every person who has been issued a Unique Identity Number for purposes other than refund of the taxes paid shall furnish the details of inward supplies of taxable goods or services or both as may be required by the proper officer in **FORM GSTR-11**.

## **24. Provisions relating to a goods and services tax practitioner**

(1) An application in **FORM GST PCT-01** may be made electronically through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner for enrolment as goods and services tax practitioner by any person who:

- (a) (i) is a citizen of India;
- (ii) is a person of sound mind;
- (iii) is not adjudicated as insolvent;
- (iv) has not been convicted by a competent court,-

and satisfies any of the following conditions: -

- (b) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during



his service under the Government, had worked in a post not lower in rank than that of a Group-B gazetted officer for a period of not less than two years; or

(c) he has passed:

- (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
- (ii) a degree examination of any Foreign University recognized by any Indian University as equivalent to the degree examination mentioned in sub-clause (i); or
- (iii) any other examination notified by the Government, on the recommendation of the Council, for this purpose; or
- (iv) **has also passed** any of the following examinations, namely:-
  - (a) final examination of the Institute of Chartered Accountants of India; or
  - (b) final examination of the Institute of Cost Accountants of India; or
  - (c) final examination of the Institute of Company Secretaries of India.

(2) On receipt of the application referred to in sub-rule (1), the officer authorised in this behalf shall, after making such enquiry as he considers necessary, either enrol the applicant as a goods and services tax practitioner and issue a certificate to that effect in **FORM GST PCT-02** or reject his application where it is found that the applicant is not qualified to be enrolled as a goods and services tax practitioner.

(3) The enrolment made under sub-rule (2) shall be valid until it is cancelled:

Provided that no person enrolled as a goods and services tax practitioner shall be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council.

(4) If any goods and services tax practitioner is found guilty of misconduct in connection with any proceedings under the Act, the authorised officer may, after giving him a notice to show cause in **FORM GST PCT-03 for such misconduct** and after giving him a reasonable opportunity of being heard, by order in **FORM GST PCT -04** direct that he shall henceforth be disqualified under section 48 to function as a goods and services tax practitioner.

(5) Any person against whom an order under sub-rule (4) is made may, within thirty days from the date of issue of such order, appeal to the Commissioner against such order.

(6) Any registered person may, at his option, authorise a goods and services tax practitioner on the Common Portal in **FORM GST PCT-05** or, at any time, withdraw such authorisation in **FORM GST PCT-05** and the goods and services tax practitioner so authorised shall be allowed to undertake such tasks as indicated in the said authorization during the period of authorisation.

(7) Where a statement required to be furnished by a registered person has been furnished by the goods and services tax practitioner authorised by him, a confirmation shall be sought from the registered person over email or SMS and the statement furnished by the goods and services tax practitioner shall be made available to the registered person on the Common Portal:

Provided that where the registered person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statement furnished by the goods and services tax practitioner.

(8) A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him to:

- (a) furnish the details of outward and inward supplies;
- (b) furnish monthly, quarterly, annual or final return;
- (c) make deposit for credit into the electronic cash ledger;
- (d) file a claim for refund; and
- (e) file an application for amendment or cancellation of registration:

Provided that where any application relating to a claim for refund or an application for amendment or cancellation of registration has been submitted by the goods and services tax practitioner authorised by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the Common Portal and such application shall not be proceeded with further until the registered person gives his consent to the same.(9)

Any registered person opting to furnish his return through a goods and services tax practitioner shall-

- (a) give his consent in **FORM GST PCT-05** to any goods and services tax practitioner to prepare and furnish his return; and
- (b) before confirming submission of any statement prepared by the goods and services tax practitioner, ensure that the facts mentioned in the return are true and correct.

(10) The goods and services tax practitioner shall-

- (a) prepare the statements with due diligence; and
- (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.

(11) A goods and services tax practitioner enrolled in any other State or Union Territory shall be treated as enrolled in the State/Union territory for the purposes specified in sub-rule (8).

## **25. Conditions for purposes of appearance**

(1) No person shall be eligible to attend before any authority as a goods and services tax practitioner in connection with any proceedings under the Act on behalf of any registered or un-registered person unless he has been enrolled under rule 24.

(2) A goods and services tax practitioner attending on behalf of a registered or an un-registered person in any proceedings under the Act before any authority shall produce before such authority, if required, a copy of the authorisation given by such person in **FORM GST PCT-05**.

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**DRAFT**

**GOODS AND SERVICES TAX RULES, 2017**

**RETURN FORMS**

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## List of Forms

| Sr. No. | Form No. | Title of the Form  |
|---------|----------|--|
| 1       | 2        | 3  |
| 1.      | GSTR-1   | Details of outwards supplies of goods or services  |
| 2.      | GSTR-1A  | Details of auto drafted supplies of goods or services  |
| 3.      | GSTR-2   | Details of inward supplies of goods or services  |
| 4.      | GSTR-2A  | Details of supplies auto drafted from GSTR-1 or GSTR-5 to recipient  |
| 5.      | GSTR-3   | Monthly return   |
| 6.      | GSTR-3A  | Notice to return defaulter u/s 46  |
| 7.      | GSTR-4   | Quarterly return for registered persons opting composition levy  |
| 8.      | GSTR-4A  | Auto drafted details for registered persons opting composition levy  |
| 9.      | GSTR-5   | Return for Non-Resident Taxable Persons  |
| 10.     | GSTR-5A  | Details of supplies of online information and database access or retrieval services by a person located outside India made to non-taxable persons in India |
| 11.     | GSTR-6   | Return for input service distributors  |
| 12.     | GSTR-6A  | Details of supplies auto drafted from GSTR-1 or GSTR-5 to ISD.   |
| 13.     | GSTR-7   | Return for Tax Deduction at Source   |
| 14.     | GSTR-7A  | Tax Deduction at Source Certificate  |
| 15.     | GSTR-8   | Statement for Tax Collection at Source   |
| 16.     | GSTR-11  | Inward supplies statement for persons having Unique Identification Number (UIN)  |

# Form GSTR-1

[See Rule ----]

## Details of outward supplies of goods or services

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. |     | GSTIN  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a) | Legal name of the registered person                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b) | Trade name, if any                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3. | (a) | Aggregate Turnover in the preceding Financial Year |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b) | Aggregate Turnover - April to June, 2017           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

## 4. Taxable outward supplies made to registered persons (including UIN-holders) other than supplies covered by Table 6

(Amount in Rs. for all Tables)

| GSTIN/<br>UIN  | Invoice details |      |       | Rate | Taxable<br>value | Amount            |                |                   |      | Place of<br>Supply<br>(Name of<br>State) |
|--|-----------------|------|-------|------|------------------|-------------------|----------------|-------------------|------|--|
|  | No.             | Date | Value |      |                  | Integrated<br>Tax | Central<br>Tax | State /<br>UT Tax | Cess |  |
| 1  | 2               | 3    | 4     | 5    | 6                | 7                 | 8              | 9                 | 10   | 11                                       |
| 4A. Supplies other than those (i) attracting reverse charge and (ii) supplies made through e-commerce operator |                 |      |       |      |                  |                   |                |                   |      |  |
|  |                 |      |       |      |                  |                   |                |                   |      |  |
| 4B. Supplies attracting tax on reverse charge basis  |                 |      |       |      |                  |                   |                |                   |      |  |
|  |                 |      |       |      |                  |                   |                |                   |      |  |
| 4C. Supplies made through e-commerce operator attracting TCS (operator wise, rate wise)                        |                 |      |       |      |                  |                   |                |                   |      |  |
| GSTIN of e-commerce operator   |                 |      |       |      |                  |                   |                |                   |      |  |
|  |                 |      |       |      |                  |                   |                |                   |      |  |

## 5. Taxable outward inter-State supplies to un-registered persons where the invoice value is more than Rs 2.5 lakh

| Place of<br>Supply<br>(State)   | Invoice details |      |       | Rate | Taxable<br>Value | Amount         |      |
|---|-----------------|------|-------|------|------------------|----------------|------|
|   | No.             | Date | Value |      |                  | Integrated Tax | Cess |
| 1   | 2               | 3    | 4     | 5    | 6                | 7              | 8    |
| 5A. Outward supplies (other than supplies made through e-commerce operator, rate wise)  |                 |      |       |      |                  |                |      |
|   |                 |      |       |      |                  |                |      |
| 5B. Supplies made through e-commerce operator attracting TCS (operator wise, rate wise) |                 |      |       |      |                  |                |      |
| GSTIN of e-commerce operator  |                 |      |       |      |                  |                |      |
|   |                 |      |       |      |                  |                |      |

## 6. Zero rated supplies and Deemed Exports

| GSTIN of recipient                             | Invoice details |      |       | Shipping bill/ Bill of export |      | Integrated Tax |               |      |
|--|-----------------|------|-------|-------------------------------|------|----------------|---------------|------|
|  | No.             | Date | Value | No.                           | Date | Rate           | Taxable value | Amt. |
| 1  | 2               | 3    | 4     | 5                             | 6    | 7              | 8             | 9    |
| 6A. Exports                                    |                 |      |       |                               |      |                |               |      |
|  |                 |      |       |                               |      |                |               |      |
| 6B. Supplies made to SEZ unit or SEZ Developer |                 |      |       |                               |      |                |               |      |
|  |                 |      |       |                               |      |                |               |      |
| 6C. Deemed exports                             |                 |      |       |                               |      |                |               |      |
|  |                 |      |       |                               |      |                |               |      |

## 7. Taxable supplies (Net of debit notes and credit notes) to unregistered persons other than the supplies covered in Table 5

| Rate of tax   | Total Taxable value | Amount     |             |                  |      |
|---|---------------------|------------|-------------|------------------|------|
|   |                     | Integrated | Central Tax | State Tax/UT Tax | Cess |
| 1   | 2                   | 3          | 4           | 5                | 6    |
| 7A. Intra-State supplies  |                     |            |             |                  |      |
| 7A (1). Consolidated rate wise outward supplies [including supplies made through e-commerce operator attracting TCS]                      |                     |            |             |                  |      |
|   |                     |            |             |                  |      |
| 7A (2). Out of supplies mentioned at 7A(1), value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise) |                     |            |             |                  |      |
| GSTIN of e-commerce operator  |                     |            |             |                  |      |
|   |                     |            |             |                  |      |
| 7B. Inter-State Supplies where invoice value is upto Rs 2.5 Lakh [Rate wise]  |                     |            |             |                  |      |
| 7B (1). Place of Supply (Name of State)   |                     |            |             |                  |      |
|   |                     |            |             |                  |      |
| 7B (2). Out of the supplies mentioned in 7B (1), the supplies made through e-Commerce Operators (operator wise, rate wise)                |                     |            |             |                  |      |
| GSTIN of e-commerce operator  |                     |            |             |                  |      |
|   |                     |            |             |                  |      |

## 8. Nil rated, exempted and non-GST outward supplies

| Description                                      | Nil Rated Supplies | Exempted (Other than Nil rated/non-GST supply) | Non-GST supplies |
|--|--------------------|--|------------------|
| 1  | 2                  | 3  | 4                |
| 8A. Inter-State supplies to registered persons   |                    |  |                  |
| 8B. Intra- State supplies to registered persons  |                    |  |                  |
| 8C. Inter-State supplies to unregistered persons |                    |  |                  |
| 8D. Intra-State supplies to unregistered persons |                    |  |                  |

**9. Amendments to taxable outward supply details furnished in returns for earlier tax periods in Table 4, 5 and 6 [including debit notes, credit notes, refund vouchers issued during current period and amendments thereof]**

| Details of original document  |          |           | Revised details of document or details of original Debit/Credit Notes or refund vouchers |         |      |               |      |       | Rate | Taxable Value | Amount         |             |                |      | Place of supply |
|---|----------|-----------|--|---------|------|---------------|------|-------|------|---------------|----------------|-------------|----------------|------|-----------------|
| GSTIN   | Inv. No. | Inv. Date | GSTIN  | Invoice |      | Shipping bill |      | Value |      |               | Integrated Tax | Central Tax | State / UT Tax | Cess |                 |
|   |          |           |  | No      | Date | No.           | Date |       |      |               |                |             |                |      |                 |
| 1   | 2        | 3         | 4  | 5       | 6    | 7             | 8    | 9     | 10   | 11            | 12             | 13          | 14             | 15   | 16              |
| 9A. If the invoice/Shipping bill details furnished earlier were incorrect |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |
|   |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |
| 9B. Debit Notes/Credit Notes/Refund voucher [original]                    |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |
|   |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |
| 9C. Debit Notes/Credit Notes/Refund voucher [amendments thereof]          |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |
|   |          |           |  |         |      |               |      |       |      |               |                |             |                |      |                 |

**10. Amendments to taxable outward supplies to unregistered persons furnished in returns for earlier tax periods in Table 7**

| Rate of tax  | Total Taxable value | Amount     |             |              |      |
|--|---------------------|------------|-------------|--------------|------|
|  |                     | Integrated | Central Tax | State/UT Tax | Cess |
| 1  | 2                   | 3          | 4           | 5            | 6    |
| <b>Tax period for which the details are being revised</b>  | <Month>             |            |             |              |      |
| 10A. Intra-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]                               |                     |            |             |              |      |
|  |                     |            |             |              |      |
| 10A (1). Out of supplies mentioned at 10A, value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise) |                     |            |             |              |      |
| GSTIN of e-commerce operator   |                     |            |             |              |      |
|  |                     |            |             |              |      |
| 10B. Inter-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]                               |                     |            |             |              |      |
| Place of Supply (Name of State)  |                     |            |             |              |      |
|  |                     |            |             |              |      |
| 10B (1). Out of supplies mentioned at 10B, value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise) |                     |            |             |              |      |
| GSTIN of e-commerce operator   |                     |            |             |              |      |
|  |                     |            |             |              |      |

**11. Consolidated Statement of Advances Received/Advance adjusted in the current tax period/  
Amendments of information furnished in earlier tax period**

| Rate  | Gross Advance<br>Received/adjusted | Place of supply<br>(Name of State) | Amount     |         |  |                             |
|---|------------------------------------|------------------------------------|------------|---------|--|-----------------------------|
|   |                                    |                                    | Integrated | Central | State/UT   | Cess                        |
| 1   | 2                                  | 3                                  | 4          | 5       | 6  | 7                           |
| <b>I Information for the current tax period</b>   |                                    |                                    |            |         |  |                             |
| 11A. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability)           |                                    |                                    |            |         |  |                             |
| 11A (1). Intra-State supplies (Rate Wise)   |                                    |                                    |            |         |  |                             |
|   |                                    |                                    |            |         |  |                             |
| 11A (2). Inter-State Supplies (Rate Wise)   |                                    |                                    |            |         |  |                             |
|   |                                    |                                    |            |         |  |                             |
| 11B. Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Table Nos. 4, 5, 6 and 7 |                                    |                                    |            |         |  |                             |
| 11B (1). Intra-State Supplies (Rate Wise)   |                                    |                                    |            |         |  |                             |
|   |                                    |                                    |            |         |  |                             |
| 11B (2). Inter-State Supplies (Rate Wise)   |                                    |                                    |            |         |  |                             |
|   |                                    |                                    |            |         |  |                             |
| <b>II Amendment of information furnished in Table No. 11[1] in GSTR-1 statement for earlier tax periods</b>                                     |                                    |                                    |            |         |  |                             |
| [Furnish revised information]   |                                    |                                    |            |         |  |                             |
| Month   |                                    |                                    |            |         | Amendment relating to information furnished in<br>S. No.(select) | 11A(1) 11A(2) 11B(1) 11B(2) |
|   |                                    |                                    |            |         |  |                             |

**12. HSN-wise summary of outward supplies**

| Sr. No. | HSN | Description<br>(Optional if<br>HSN is<br>provided) | UQC | Total<br>Quantity | Total<br>value | Total<br>Taxable<br>Value | Amount            |                |                 |      |
|---------|-----|--|-----|-------------------|----------------|---------------------------|-------------------|----------------|-----------------|------|
|         |     |  |     |                   |                |                           | Integrated<br>Tax | Central<br>Tax | State/UT<br>Tax | Cess |
| 1       | 2   | 3  | 4   | 5                 | 6              | 7                         | 8                 | 9              | 10              | 11   |
|         |     |  |     |                   |                |                           |                   |                |                 |      |
|         |     |  |     |                   |                |                           |                   |                |                 |      |

**13. Documents issued during the tax period**

| Sr.<br>No. | Nature of document   | Sr. No. |    | Total<br>number | Cancelled | Net issued |
|------------|--|---------|----|-----------------|-----------|------------|
|            |  | From    | To |                 |           |            |
| 1          | 2  | 3       | 4  | 5               | 6         | 7          |
| 1          | Invoices for outward supply  |         |    |                 |           |            |
| 2          | Invoices for inward supply from unregistered person                                |         |    |                 |           |            |
| 3          | Revised Invoice  |         |    |                 |           |            |
| 4          | Debit Note   |         |    |                 |           |            |
| 5          | Credit Note  |         |    |                 |           |            |
| 6          | Receipt voucher  |         |    |                 |           |            |
| 7          | Payment Voucher  |         |    |                 |           |            |
| 8          | Refund voucher   |         |    |                 |           |            |
| 9          | Delivery Challan for job work  |         |    |                 |           |            |
| 10         | Delivery Challan for supply on approval  |         |    |                 |           |            |
| 11         | Delivery Challan in case of liquid gas   |         |    |                 |           |            |
| 12         | Delivery Challan in cases other than by way of supply (excluding at S no. 9 to 11) |         |    |                 |           |            |

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.

Place  
Signatory .....

Date  
/Status.....

Signatures  
Name of Authorized

Designation

## Instructions –

1. Terms used:
  - a. GSTIN: Goods and Services Tax Identification Number
  - b. UIN: Unique Identity Number
  - c. UQC: Unit Quantity Code
  - d. HSN: Harmonized System of Nomenclature
  - e. POS: Place of Supply (Respective State)
  - f. B to B: From one registered person to another registered person
  - g. B to C: From registered person to unregistered person
2. The details in GSTR-1 should be furnished by 10<sup>th</sup> of the month succeeding the relevant tax period.
3. Aggregate turnover of the taxpayer for the immediate preceding financial year and first quarter of the current financial year shall be reported in the preliminary information in Table 3. This information would be required to be submitted by the taxpayers only in the first year. Quarterly turnover information shall not be captured in subsequent returns. Aggregate turnover shall be auto-populated in subsequent years.
4. Invoice-level information pertaining to the tax period should be reported for all supplies as under:
  - (i) For all B to B supplies (whether inter-State or intra-State), invoice level details, rate-wise, should be uploaded in Table 4, including supplies attracting reverse charge and those effected through e-commerce operator. Outwards supply information in these categories are to be furnished separately in the Table.
  - (ii) For all inter-State B to C supplies, where invoice value is more than Rs. 2,50,000/- (B to C Large) invoice level details, rate-wise, should be uploaded in Table 5; and
  - (iii) For all B to C supplies (whether inter-State or intra-State) where invoice value is up to Rs. 2,50,000/- State-wise summary of supplies, rate-wise, should be uploaded in Table 7.
5. Table 4 capturing information relating to B to B supplies should:
  - (i) be captured in:
    - a. Table 4A for supplies relating to other than reverse charge/ made through e-commerce operator, rate-wise;
    - b. Table 4B for supplies attracting reverse charge, rate-wise; and
    - c. Table 4C relating to supplies effected through e-commerce operator attracting collection of tax at source under section 52 of the Act, operator wise and rate-wise.
  - (ii) Capture Place of Supply (PoS) only if the same is different from the location of the recipient.
6. Table 5 to capture information of B to C Large invoices and other information shall be similar to Table 4. The Place of Supply (PoS) column is mandatory in this table.
7. Table 6 to capture information related to:
  - (i) Exports out of India
  - (ii) Supplies to SEZ unit/ and SEZ developer
  - (iii) Deemed Exports
8. Table 6 needs to capture information about shipping bill and its date. However, if the shipping bill details are not available, Table 6 will still accept the information. The same can be updated through submission of information in relation to amendment Table 9 in the tax period in which the details are available but before claiming any refund / rebate related



to the said invoice. The detail of Shipping Bill shall be furnished in 13 digits capturing port code (six digits) followed by number of shipping bill.

9. Any supply made by SEZ to DTA, without the cover of a bill of entry is required to be reported by SEZ unit in GSTR-1. The supplies made by SEZ on cover of a bill of entry shall be reported ~~also~~ by DTA unit in its GSTR-2 as imports in GSTR-2. The liability for payment of IGST in respect of supply of services would, be created from this Table..
10. In case of export transactions, GSTIN of recipient will not be there. Hence it will remain blank.
11. Export transactions effected without payment of IGST (under Bond/ Letter of Undertaking (LUT)) needs to be reported under “0” tax amount heading in Table 6A and 6B.
12. Table 7 to capture information in respect of taxable supply of:
  - (i) B to C supplies (whether inter-State or intra-State) with invoice value upto Rs 2,50,000;
  - (ii) Taxable value net of debit/ credit note raised in a particular tax period and information pertaining to previous tax periods which was not reported earlier, shall be reported in Table 10. Negative value can be mentioned in this table, if required;
  - (iii) Transactions effected through e-commerce operator attracting collection of tax at source under section 52 of the Act to be provided operator wise and rate wise;
  - (iv) Table 7A (1) to capture gross intra-State supplies, rate-wise, including supplies made through e-commerce operator attracting collection of tax at source and Table 7A (2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7A (1);
  - (v) Table 7B (1) to capture gross inter-State supplies including supplies made through e-commerce operator attracting collection of tax at source and Table 7B (2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7B (1); and
  - (vi) Table 7B to capture information State wise and rate wise.
13. Table 9 to capture information of:
  - (i) Amendments of B to B supplies reported in Table 4, B to C Large supplies reported in Table 5 and Supplies involving exports/ SEZ unit or SEZ developer/ deemed exports reported in Table 6;
  - (ii) Information to be captured rate-wise;
  - (iii) It also captures original information of debit / credit note issued and amendment to it reported in earlier tax periods; While furnishing information the original debit note/credit note, the details of invoice shall be mentioned in the first three columns, While furnishing revision of a debit note/credit note, the details of original debit note/credit note shall be mentioned in the first three columns of this Table,
  - (iv) Place of Supply (PoS) only if the same is different from the location of the recipient;
  - (v) Any debit/ credit note pertaining to invoices issued before the appointed day under the existing law also to be reported in this table; and
  - (vi) Shipping bill to be provided only in case of exports transactions amendment.
14. Table 10 is similar to Table 9 but captures amendment information related to B to C supplies and reported in Table 7.
15. Table 11A captures information related to advances received, rate-wise, in the tax period and tax to be paid thereon along with the respective PoS. It also includes information in Table 11B for adjustment of tax paid on advance received and reported in earlier tax periods against invoices issued in the current tax period. The details of information relating to

advances would be submitted only if the invoice has not been issued in the same tax period in which the advance was received.

16. Summary of supplies effected against a particular HSN code to be reported only in summary table. It will be optional for taxpayers having annual turnover upto Rs. 1.50 Cr but they need to provide information about description of goods.
17. It will be mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above Rs. 1.50 Cr but upto Rs. 5.00 Cr and at four digits level for taxpayers having annual turnover above Rs. 5.00 Cr.

# Form GSTR-1A

[See Rule ----]

## Details of auto drafted supplies

(From GSTR 2, GSTR 4 or GSTR 6)

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Taxable outward supplies made to registered persons including supplies attracting reverse charge other than the supplies covered in Table No. 4

| GSTIN/<br>UIN  | Invoice details |      |       | Rate | Taxable<br>value | Amount            |                |                   |      | Place of<br>Supply<br>(Name of<br>State) |
|--|-----------------|------|-------|------|------------------|-------------------|----------------|-------------------|------|--|
|  | No.             | Date | Value |      |                  | Integrated<br>Tax | Central<br>Tax | State /<br>UT Tax | Cess |  |
| 1  | 2               | 3    | 4     | 5    | 6                | 7                 | 8              | 9                 | 10   | 11                                       |
| 3A. Supplies other than those attracting reverse charge (From table 3 of GSTR-2) |                 |      |       |      |                  |                   |                |                   |      |  |
|  |                 |      |       |      |                  |                   |                |                   |      |  |
| 3B. Supplies attracting reverse charge (From table 4A of GSTR-2)                 |                 |      |       |      |                  |                   |                |                   |      |  |
|  |                 |      |       |      |                  |                   |                |                   |      |  |

### 4. Zero rated supplies made to SEZ and deemed exports

| GSTIN of recipient                             | Invoice details |      |       | Integrated Tax |               |            |
|--|-----------------|------|-------|----------------|---------------|------------|
|  | No.             | Date | Value | Rate           | Taxable value | Tax amount |
| 1  | 2               | 3    | 4     | 5              | 6             | 7          |
| 4A. Supplies made to SEZ unit or SEZ Developer |                 |      |       |                |               |            |
|  |                 |      |       |                |               |            |
|  |                 |      |       |                |               |            |
| 4B. Deemed exports                             |                 |      |       |                |               |            |
|  |                 |      |       |                |               |            |
|  |                 |      |       |                |               |            |

### 5. Debit notes, credit notes (including amendments thereof) issued during current period

| Details of original document |     |      | Revised details of document or details of original Debit / Credit Note |     |      |       | Rate | Taxable value | Place of supply (Name of State) | Amount of tax  |             |                |      |
|------------------------------|-----|------|--|-----|------|-------|------|---------------|---------------------------------|----------------|-------------|----------------|------|
| GSTIN                        | No. | Date | GSTIN  | No. | Date | Value |      |               |                                 | Integrated Tax | Central Tax | State / UT Tax | Cess |
| 1                            | 2   | 3    | 4  | 5   | 6    | 7     | 8    | 9             | 10                              | 11             | 12          | 13             | 14   |
|                              |     |      |  |     |      |       |      |               |                                 |                |             |                |      |

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.

Place  
Signatory .....

Date  
/Status.....

Signatures  
Name of Authorized

Designation

## Form GSTR-2

[See Rule.....]

### Details of inward supplies of goods or services

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person | Auto populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  | Auto populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Inward supplies received from a registered person other than the supplies attracting reverse charge

(Amount in Rs. for all Tables)

| GSTIN of supplier | Invoice details |      |       | Rate | Taxable value | Amount of Tax  |             |               |      | Place of supply (Name of State) | Whether input or input service/ Capital goods (incl. plant and machinery)/ Ineligible for ITC | Amount of ITC available |             |               |      |
|-------------------|-----------------|------|-------|------|---------------|----------------|-------------|---------------|------|---------------------------------|---|-------------------------|-------------|---------------|------|
|                   | No              | Date | Value |      |               | Integrated tax | Central Tax | State/ UT Tax | CESS |                                 |   | Integrated Tax          | Central Tax | State/ UT Tax | Cess |
| 1                 | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9             | 10   | 11                              | 12  | 13                      | 14          | 15            | 16   |
|                   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|                   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |

### 4. Inward supplies on which tax is to be paid on reverse charge

| GSTIN of supplier   | Invoice details |      |       | Rate | Taxable value | Amount of Tax  |             |               |      | Place of supply (Name of State) | Whether input or input service/ Capital goods (incl. plant and machinery)/ Ineligible for ITC | Amount of ITC available |             |               |      |
|---|-----------------|------|-------|------|---------------|----------------|-------------|---------------|------|---------------------------------|---|-------------------------|-------------|---------------|------|
|   | No              | Date | Value |      |               | Integrated tax | Central Tax | State/ UT Tax | CESS |                                 |   | Integrated Tax          | Central Tax | State/ UT Tax | Cess |
| 1   | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9             | 10   | 11                              | 12  | 13                      | 14          | 15            | 16   |
| 4A. Inward supplies received from a registered supplier (attracting reverse charge) |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
| 4B. Inward supplies received from an unregistered supplier                          |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
| 4C. Import of service   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |
|   |                 |      |       |      |               |                |             |               |      |                                 |   |                         |             |               |      |

## 5. Inputs/Capital goods received from Overseas or from SEZ units on a Bill of Entry

| GSTIN of supplier             | Details of bill of entry |      |       | Rate | Taxable value | Amount           |      | Whether input / Capital goods (incl. plant and machinery)/ Ineligible for ITC | Amount of ITC available |      |
|-------------------------------|--------------------------|------|-------|------|---------------|------------------|------|---|-------------------------|------|
|                               | No.                      | Date | Value |      |               | Integrated Tax   | Cess |   | Integrated Tax          | Cess |
| 1                             | 2                        | 3    | 4     | 5    | 6             | 7                | 8    | 9   | 10                      | 11   |
| 5A. Imports                   |                          |      |       |      |               |                  |      |   |                         |      |
|                               |                          |      |       |      |               |                  |      |   |                         |      |
| 5B. Received from SEZ         |                          |      |       |      |               |                  |      |   |                         |      |
|                               |                          |      |       |      |               |                  |      |   |                         |      |
| Port code +No of BE=13 digits |                          |      |       |      |               | Assessable Value |      |   |                         |      |

## 6. Amendments to details of inward supplies furnished in returns for earlier tax periods in Tables 3, 4 and 5 [including debit notes/credit notes issued and their subsequent amendments]

| Details of original invoice /Bill of entry No  |     |      | Revised details of invoice |     |      |       | Rate | Taxable value | Amount         |             |              |      | Place of supply | Whether input or input service/ Capital goods/ Ineligible for ITC) | Amount of ITC available |             |              |      |
|--|-----|------|----------------------------|-----|------|-------|------|---------------|----------------|-------------|--------------|------|-----------------|--|-------------------------|-------------|--------------|------|
| GSTIN  | No. | Date | GSTIN                      | No. | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | Cess |                 |  | Integrated Tax          | Central Tax | State/UT Tax | Cess |
| 1  | 2   | 3    | 4                          | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12           | 13   | 14              | 15   | 16                      | 17          | 18           | 19   |
| 6A. Supplies other than import of goods or goods received from SEZ [Information furnished in Table 3 and 4 of earlier returns]-If details furnished earlier were incorrect |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
| 6B. Supplies by way of import of goods or goods received from SEZ [Information furnished in Table 5 of earlier returns]-If details furnished earlier were incorrect        |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
| 6C. Debit Notes/Credit Notes [original]  |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
| 6D. Debit Notes/ Credit Notes [amendment of debit notes/credit notes furnished in earlier tax periods]   |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                 |  |                         |             |              |      |

## 7. Supplies received from composition taxable person and other exempt/Nil rated/Non GST supplies received

| Description              | Value of supplies received from |               |                  |                |
|--------------------------|---------------------------------|---------------|------------------|----------------|
|                          | Composition taxable person      | Exempt supply | Nil Rated supply | Non GST supply |
| 1                        | 2                               | 3             | 4                | 5              |
| 7A. Inter-State supplies |                                 |               |                  |                |
| 7B. Intra-state supplies |                                 |               |                  |                |

## 8. ISD credit received

| GSTIN of ISD        | ISD Document Details |      | ISD Credit received |             |              |      | Amount of eligible ITC |             |              |      |
|---------------------|----------------------|------|---------------------|-------------|--------------|------|------------------------|-------------|--------------|------|
|                     | No.                  | Date | Integrated Tax      | Central Tax | State/UT Tax | Cess | Integrated Tax         | Central Tax | State/UT Tax | Cess |
| 1                   | 2                    | 3    | 4                   | 5           | 6            | 7    | 8                      | 9           | 10           | 11   |
| 8A. ISD Invoice     |                      |      |                     |             |              |      |                        |             |              |      |
|                     |                      |      |                     |             |              |      |                        |             |              |      |
| 8B. ISD Credit Note |                      |      |                     |             |              |      |                        |             |              |      |
|                     |                      |      |                     |             |              |      |                        |             |              |      |

## 9. TDS and TCS Credit received

| GSTIN of Deductor /<br>GSTIN of e-Commerce Operator | Gross Value | Sales Return | Net Value | Amount         |             |                   |
|---|-------------|--------------|-----------|----------------|-------------|-------------------|
|   |             |              |           | Integrated Tax | Central Tax | State Tax /UT Tax |
| 1   | 2           | 3            | 4         | 5              | 6           | 7                 |
| 9A. TDS   |             |              |           |                |             |                   |
|   |             |              |           |                |             |                   |
| 9B. TCS   |             |              |           |                |             |                   |
|   |             |              |           |                |             |                   |

## 10. Consolidated Statement of Advances paid/Advance adjusted on account of receipt of supply

| Rate  | Gross Advance Paid | Place of supply<br>(Name of State) | Amount  |             |              |      |
|---|--------------------|------------------------------------|---|-------------|--------------|------|
|   |                    |                                    | Integrated Tax  | Central Tax | State/UT Tax | Cess |
| 1   | 2                  | 3                                  | 4   | 5           | 6            | 7    |
| (I) Information for the current month   |                    |                                    |   |             |              |      |
| 10A. Advance amount paid for reverse charge supplies in the tax period (tax amount to be added to output tax liability)                       |                    |                                    |   |             |              |      |
| 10A (1). Intra-State supplies (Rate Wise)   |                    |                                    |   |             |              |      |
|   |                    |                                    |   |             |              |      |
| 10A (2). Inter -State Supplies (Rate Wise)  |                    |                                    |   |             |              |      |
|   |                    |                                    |   |             |              |      |
| 10B. Advance amount on which tax was paid in earlier period but invoice has been received in the current period [ reflected in Table 4 above] |                    |                                    |   |             |              |      |
| 10B (1). Intra-State Supplies (Rate Wise)   |                    |                                    |   |             |              |      |
|   |                    |                                    |   |             |              |      |
| 10B (2). Intra-State Supplies (Rate Wise)   |                    |                                    |   |             |              |      |
|   |                    |                                    |   |             |              |      |
| <b>II Amendments of information furnished in Table No. 10 (I) in an earlier month</b> [Furnish revised information]                           |                    |                                    |   |             |              |      |
| Month   |                    |                                    | Amendment relating to information furnished in S. No.(select) |             |              |      |
|   |                    |                                    |   |             |              |      |

### 11. Input Tax Credit Reversal / Reclaim

| Description for reversal of ITC   | To be added to or reduced from output liability | Amount of ITC  |             |              |      |
|---|---|----------------|-------------|--------------|------|
|   |   | Integrated Tax | Central Tax | State/UT Tax | CESS |
| 1   | 2   | 3              | 4           | 5            | 6    |
| <b>A. Information for the current tax period</b>  |   |                |             |              |      |
| (a) Amount in terms of rule 2(2) of ITC Rules   | To be added                                     |                |             |              |      |
| (b) Amount in terms of rule 4(1)(j)(ii) of ITC Rules  | To be added                                     |                |             |              |      |
| (c) Amount in terms of rule 7 (1) (m) of ITC Rules  | To be added                                     |                |             |              |      |
| (d) Amount in terms of rule 8(1) (h) of the ITC Rules                                       | To be added                                     |                |             |              |      |
| (e) Amount in terms of rule 7 (2)(a) of ITC Rules   | To be added                                     |                |             |              |      |
| (f) Amount in terms of rule 7(2)(b) of ITC Rules  | To be reduced                                   |                |             |              |      |
| (g) On account of amount paid subsequent to reversal of ITC                                 | To be reduced                                   |                |             |              |      |
| (h) Any other liability (Specify)   | .....   |                |             |              |      |
| <b>B. Amendment of information furnished in Table No 11 at S. No A in an earlier return</b> |   |                |             |              |      |
| Amendment is in respect of information furnished in the Month                               |   |                |             |              |      |
| Specify the information you wish to amend (Drop down)                                       |   |                |             |              |      |

### 12. Addition and reduction of amount in output tax for mismatch and other reasons

| Description   | Add to or reduce from output liability | Amount         |             |                |      |
|---|--|----------------|-------------|----------------|------|
|   |  | Integrated Tax | Central Tax | State / UT Tax | CESS |
| 1   | 2                                      | 3              | 4           | 5              | 6    |
| (a) ITC claimed on mismatched/duplication of invoices/debit notes   | Add                                    |                |             |                |      |
| (b) Tax liability on mismatched credit notes  | Add                                    |                |             |                |      |
| (c) Reclaim on account of rectification of mismatched invoices/debit notes                                  | Reduce                                 |                |             |                |      |
| (d) Reclaim on account of rectification of mismatched credit note   | Reduce                                 |                |             |                |      |
| (e) Negative tax liability from previous tax periods  | Reduce                                 |                |             |                |      |
| (f) Tax paid on advance in earlier tax periods and adjusted with tax on supplies made in current tax period | Reduce                                 |                |             |                |      |

### 13. HSN summary of inward supplies

| Sr. No. | HSN | Description (Optional if HSN is furnished) | UQC | Total Quantity | Total value | Total Taxable Value | Amount         |             |              |      |
|---------|-----|--|-----|----------------|-------------|---------------------|----------------|-------------|--------------|------|
|         |     |  |     |                |             |                     | Integrated Tax | Central Tax | State/UT Tax | Cess |
| 1       | 2   | 3  | 4   | 5              | 6           | 7                   | 8              | 9           | 10           | 11   |
|         |     |  |     |                |             |                     |                |             |              |      |



Verification (by authorized signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

|        |                                    |
|--------|------------------------------------|
|        | Signatures.....                    |
| Place: | Name of Authorized Signatory ..... |
| Date:  | Designation /Status.....           |

## Instructions –

1. Terms used:
  - a. GSTIN: Goods and Services Tax Identification Number
  - b. UIN: Unique Identity Number
  - c. UQC: Unit Quantity Code
  - d. HSN: Harmonized System of Nomenclature
  - e. POS: Place of Supply (Respective State)
  - f. B to B: From one registered person to another registered person
  - g. B to C: From registered person to unregistered person
2. Table 3& 4 to capture information of:
  - (i) Invoice-level inward supply information, rate-wise, pertaining to the tax period reported by supplier in GSTR-1 to be made available in GSTR-2 based on auto-populated details received in GSTR-2A;
  - (ii) Table 3 to capture inward supplies other than those attracting reverse charge and Table 4 to capture inward supplies attracting reverse charge;
  - (iii) The recipient taxpayer has the following option to act on the auto populated information:
    - a. Accept,
    - b. Reject,
    - c. Modify (if information provided by supplier is incorrect), or
    - d. Keep the transaction pending for action (if goods or services have not been received)
  - (iv) After taking the action, recipient taxpayer will have to mention whether he is eligible to avail credit or not and if he is eligible to avail credit, then the amount of eligible credit against the tax mentioned in the invoice needs to be filed;
  - (v) The recipient taxpayer can also add invoices (not uploaded by the counterparty supplier) if he is in possession of invoices and have received the goods or services;
  - (vi) Table 4A to be auto populated;
  - (vii) In case of invoices added by recipient tax payer, Place of Supply (PoS) to be captured always except in case of supplies received from registered person, where it is required only if the same is different from the location of the recipient;
  - (viii) Recipient will have the option to accept invoices auto populated as well as add invoices, pertaining to reverse charge only when the time of supply arises in terms of section 12 or 13 of the Act; and
  - (ix) Recipient tax payer is required to declare in Column No. 12 whether the inward supplies are inputs or input services or capital goods (including plant and machinery).
3. Details relating to import of Goods/Capital Goods from outside India as well as supplied by an SEZ Unit to be reported rate-wise by recipient tax payer in Table 5.
4. Recipient to provide for Bill of Entry information including six digits port code and seven digits bill of entry number.

5. Taxable Value in Table 5 means assessable value for customs purposes on which IGST is computed (IGST is levied on value plus specified customs duties). In case of imports, the GSTIN would be of recipient tax payer.
6. Table 6 to capture amendment of information, rate-wise, provided in earlier tax periods in Table 3, 4 and 5 as well as original/ amended information of debit or credit note. GSTIN not to be provided in case of export transactions.
7. Table 7 captures information on a gross value level.
8. An option similar to Table 3 is not available in case of Table 8 and the credit as distributed by ISD (whether eligible or ineligible) will be made available to the recipient unit and it will be required to re-determine the eligibility as well as the amount eligible as ITC.
9. TDS and TCS credit would be auto-populated in Table 9. Sales return and Net value columns are not applicable in case of tax deducted at source in Table 9.
10. The eligible credit from Table 3, Table 4 & Table 8 relating to inward supplies to be populated in the Electronic Credit Ledger on submission of its return in Form GSTR-3.
11. Recipient can claim less ITC on an invoice depending on its use i.e. whether for business purpose or non-business purpose.
12. Information of advance paid pertaining to reverse charge supplies and the tax paid on it including adjustments against invoices issued should be reported in Table 10.
13. Table 12 to capture additional liability due to mismatch as well as reduction in output liability due to rectification of mismatch on account of filing of GSTR-3 of the immediately preceding tax period.
14. Reporting criteria of HSN will be same as reported in GSTR-1.

# FORM GSTR-2A

[See Rule.....]

## Details of auto drafted supplies (From GSTR 1, GSTR 5, GSTR-6, GSTR-7 and GSTR-8)

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### PART A

#### 3. Inward supplies received from a registered person other than the supplies attracting reverse charge

(Amount in Rs. for all Tables)

| GSTIN of supplier | Invoice details |      |       | Rate | Taxable value | Amount of tax  |             |               |      | Place of supply (Name of State) |
|-------------------|-----------------|------|-------|------|---------------|----------------|-------------|---------------|------|---------------------------------|
|                   | No.             | Date | Value |      |               | Integrated tax | Central Tax | State/ UT Tax | Cess |                                 |
| 1                 | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9             | 10   | 11                              |
|                   |                 |      |       |      |               |                |             |               |      |                                 |

#### 4. Inward supplies received from a registered person on which tax is to be paid on reverse charge

| GSTIN of supplier | Invoice details |      |       | Rate | Taxable value | Amount of tax  |             |               |      | Place of supply (Name of State) |
|-------------------|-----------------|------|-------|------|---------------|----------------|-------------|---------------|------|---------------------------------|
|                   | No.             | Date | Value |      |               | Integrated Tax | Central Tax | State/ UT Tax | Cess |                                 |
| 1                 | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9             | 10   | 11                              |
|                   |                 |      |       |      |               |                |             |               |      |                                 |

#### 5. Debit / Credit notes (including amendments thereof) received during current tax period

| Details of original document |     |      | Revised details of document or details of original Debit / Credit note |     |      |       | Rate | Taxable value | Amount of tax  |             |              |      | Place of supply (Name of State) |
|------------------------------|-----|------|--|-----|------|-------|------|---------------|----------------|-------------|--------------|------|---------------------------------|
| GSTIN                        | No. | Date | GSTIN  | No. | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | Cess |                                 |
| 1                            | 2   | 3    | 4  | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12           | 13   | 14                              |
|                              |     |      |  |     |      |       |      |               |                |             |              |      |                                 |

**PART B**

**6. ISD credit (including amendments thereof) received**

| GSTIN of ISD                    | ISD document details |      | ITC amount involved |             |                  |      |
|---------------------------------|----------------------|------|---------------------|-------------|------------------|------|
|                                 | No.                  | Date | Integrated Tax      | Central Tax | State/<br>UT Tax | Cess |
| 1                               | 2                    | 3    | 4                   | 5           | 6                | 7    |
| ISD Invoice –eligible ITC       |                      |      |                     |             |                  |      |
| ISD Invoice –ineligible ITC     |                      |      |                     |             |                  |      |
| ISD Credit note –eligible ITC   |                      |      |                     |             |                  |      |
| ISD Credit note –ineligible ITC |                      |      |                     |             |                  |      |

**PART- C**

**7. TDS and TCS Credit (including amendments thereof) received**

| GSTIN of Deductor /<br>GSTIN of e-<br>Commerce Operator | Amount<br>received /<br>Gross<br>Value | Sales Return | Net Value | Amount            |             |                   |
|---|--|--------------|-----------|-------------------|-------------|-------------------|
|   |  |              |           | Integrated<br>Tax | Central Tax | State Tax /UT Tax |
| 1   | 2                                      | 3            | 4         | 5                 | 6           | 7                 |
| 7A. TDS   |  |              |           |                   |             |                   |
|   |  |              |           |                   |             |                   |
|   |  |              |           |                   |             |                   |
| 7B. TCS   |  |              |           |                   |             |                   |
|   |  |              |           |                   |             |                   |
|   |  |              |           |                   |             |                   |

**Form GSTR-3**  
[See Rule -----]

**Monthly return**

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Part-A (To be auto populated)**

(Amount in Rs. for all Tables)

| <b>3. Turnover</b> |  |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|--|--|--|--------|--|--|--|--|--|--|--|--|--|
| Sr. No.            | Type of Turnover                         |  |  |  |  |  |  |  |  | Amount |  |  |  |  |  |  |  |  |  |
| 1                  | 2  |  |  |  |  |  |  |  |  | 3      |  |  |  |  |  |  |  |  |  |
| (i)                | Taxable [other than zero rated]          |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (ii)               | Zero rated supply on payment of Tax      |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (iii)              | Zero rated supply without payment of Tax |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (iv)               | Deemed exports                           |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (v)                | Exempted                                 |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (vi)               | Nil Rated                                |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
| (vii)              | Non-GST supply                           |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |
|                    | Total                                    |  |  |  |  |  |  |  |  |        |  |  |  |  |  |  |  |  |  |

**4. Outward supplies**

**4.1 Inter-State supplies (Net Supply for the month)**

| Rate  | Taxable Value | Amount of Tax  |      |
|---|---------------|----------------|------|
|   |               | Integrated Tax | CESS |
| 1   | 2             | 3              | 4    |
| A. Taxable supplies (other than reverse charge and zero rated supply) [Tax Rate Wise]                                       |               |                |      |
|   |               |                |      |
| B. Supplies attracting reverse charge-Tax payable by recipient of supply  |               |                |      |
|   |               |                |      |
| C. Zero rated supply made with payment of Integrated Tax  |               |                |      |
|   |               |                |      |
| D. Out of the supplies mentioned at A, the value of supplies made through an e-commerce operator attracting TCS-[Rate wise] |               |                |      |
| GSTIN of e-commerce operator  |               |                |      |
|   |               |                |      |

## 4.2 Intra-State supplies (Net supply for the month)

| Rate  | Taxable Value | Amount of Tax |               |      |
|---|---------------|---------------|---------------|------|
|   |               | Central Tax   | State /UT Tax | Cess |
| 1   | 2             | 3             | 4             | 5    |
| A. Taxable supplies (other than reverse charge) [Tax Rate wise]   |               |               |               |      |
|   |               |               |               |      |
| B. Supplies attracting reverse charge- Tax payable by the recipient of supply   |               |               |               |      |
|   |               |               |               |      |
| C. Out of the supplies mentioned at A, the value of supplies made through an e-commerce operator attracting TCS [Rate wise] |               |               |               |      |
| GSTIN of e-commerce operator  |               |               |               |      |
|   |               |               |               |      |

## 4.3 Tax effect of amendments made in respect of outward supplies

| Rate   | Net differential value | Amount of Tax  |             |              |      |
|--|------------------------|----------------|-------------|--------------|------|
|  |                        | Integrated tax | Central Tax | State/UT Tax | Cess |
| 1  | 2                      | 3              | 4           | 5            | 6    |
| (I) Inter-State supplies   |                        |                |             |              |      |
| A Taxable supplies (other than reverse charge and Zero Rated supply made with payment of Integrated Tax) [Rate wise] |                        |                |             |              |      |
|  |                        |                |             |              |      |
| B Zero rated supply made with payment of Integrated Tax [Rate wise]  |                        |                |             |              |      |
|  |                        |                |             |              |      |
| C Out of the Supplies mentioned at A, the value of supplies made through an e-commerce operator attracting TCS       |                        |                |             |              |      |
|  |                        |                |             |              |      |
| (II) Intra-state supplies  |                        |                |             |              |      |
| A Taxable supplies (other than reverse charge) [Rate wise]   |                        |                |             |              |      |
|  |                        |                |             |              |      |
| B Out of the supplies mentioned at A, the value of supplies made through an e-commerce operator attracting TCS       |                        |                |             |              |      |
|  |                        |                |             |              |      |

## 5. Inward supplies attracting reverse charge including import of services (Net of advance adjustments)

### 5A. Inward supplies on which tax is payable on reverse charge basis

| Rate of tax                                  | Taxable Value | Amount of tax  |             |              |      |
|--|---------------|----------------|-------------|--------------|------|
|  |               | Integrated Tax | Central Tax | State/UT tax | CESS |
| 1  | 2             | 3              | 4           | 5            | 6    |
| (I) Inter-State inward supplies [Rate Wise]  |               |                |             |              |      |
|  |               |                |             |              |      |
| (II) Intra-State inward supplies [Rate Wise] |               |                |             |              |      |
|  |               |                |             |              |      |

### 5B. Tax effect of amendments in respect of supplies attracting reverse charge

| Rate of tax                                  | Differential Taxable Value | Amount of tax  |             |              |      |
|--|----------------------------|----------------|-------------|--------------|------|
|  |                            | Integrated Tax | Central Tax | State/UT Tax | CESS |
| 1  | 2                          | 3              | 4           | 5            | 6    |
| (I) Inter-State inward supplies (Rate Wise)  |                            |                |             |              |      |
|  |                            |                |             |              |      |
| (II) Intra-State inward supplies (Rate Wise) |                            |                |             |              |      |
|  |                            |                |             |              |      |

## 6. Input tax credit

**ITC on inward taxable supplies, including imports and ITC received from ISD [Net of debit notes/credit notes]**

| Description   | Taxable value | Amount of tax  |             |              |      | Amount of ITC  |             |              |      |
|---|---------------|----------------|-------------|--------------|------|----------------|-------------|--------------|------|
|   |               | Integrated Tax | Central Tax | State/UT Tax | CESS | Integrated Tax | Central Tax | State/UT Tax | CESS |
| 1   | 2             | 3              | 4           | 5            | 6    | 7              | 8           | 9            | 10   |
| (I) On account of supplies received and debit notes/credit notes received during the current tax period |               |                |             |              |      |                |             |              |      |
| (a) Inputs  |               |                |             |              |      |                |             |              |      |
| (b) Input services  |               |                |             |              |      |                |             |              |      |
| (c) Capital goods   |               |                |             |              |      |                |             |              |      |
| (II) On account of amendments made (of the details furnished in earlier tax periods)                    |               |                |             |              |      |                |             |              |      |
| (a) Inputs  |               |                |             |              |      |                |             |              |      |
| (b) Input services  |               |                |             |              |      |                |             |              |      |
| (c) Capital goods   |               |                |             |              |      |                |             |              |      |

## 7. Addition and reduction of amount in output tax for mismatch and other reasons

| Description |   | Add to or reduce from output liability | Amount         |             |                |      |
|-------------|---|--|----------------|-------------|----------------|------|
|             |   |  | Integrated tax | Central tax | State / UT tax | CESS |
| 1           |   | 2                                      | 3              | 4           | 5              | 6    |
| (a)         | ITC claimed on mismatched/duplication of invoices/debit notes   | Add                                    |                |             |                |      |
| (b)         | Tax liability on mismatched credit notes  | Add                                    |                |             |                |      |
| (c)         | Reclaim on rectification of mismatched invoices/Debit Notes   | Reduce                                 |                |             |                |      |
| (d)         | Reclaim on rectification of mismatch credit note  | Reduce                                 |                |             |                |      |
| (e)         | Negative tax liability from previous tax periods  | Reduce                                 |                |             |                |      |
| (f)         | Tax paid on advance in earlier tax periods and adjusted with tax on supplies made in current tax period | Reduce                                 |                |             |                |      |
| (g)         | Input Tax credit reversal/reclaim   | Add/Reduce                             |                |             |                |      |



## 8. Total tax liability

| Rate of Tax  | Taxable value | Amount of tax  |             |              |      |
|--|---------------|----------------|-------------|--------------|------|
|  |               | Integrated tax | Central tax | State/UT Tax | CESS |
| 1  | 2             | 3              | 4           | 5            | 6    |
| 8A. On outward supplies                                  |               |                |             |              |      |
|  |               |                |             |              |      |
| 8B. On inward supplies attracting reverse charge         |               |                |             |              |      |
|  |               |                |             |              |      |
| 8C. On account of Input Tax Credit Reversal/reclaim      |               |                |             |              |      |
| 8D. On account of mismatch/ rectification /other reasons |               |                |             |              |      |

## 9. Credit of TDS and TCS

|     |     | Amount         |             |               |
|-----|-----|----------------|-------------|---------------|
|     |     | Integrated tax | Central tax | State/ UT Tax |
| 1   |     | 2              | 3           | 4             |
| (a) | TDS |                |             |               |
| (b) | TCS |                |             |               |

## 10. Interest liability (Interest as on .....)

| On account of      | Output liability on mismatch | ITC claimed on mismatched invoice | On account of other ITC reversal | Undue excess claims or excess reduction [refer sec 50(3)] | Credit of interest on rectification of mismatch | Interest liability carry forward | Delay in payment of tax | Total interest liability |
|--------------------|------------------------------|-----------------------------------|----------------------------------|---|---|----------------------------------|-------------------------|--------------------------|
| 1                  | 2                            | 3                                 | 4                                | 5   | 6   | 7                                | 8                       | 9                        |
| (a) Integrated Tax |                              |                                   |                                  |   |   |                                  |                         |                          |
| (b) Central Tax    |                              |                                   |                                  |   |   |                                  |                         |                          |
| (c) State/UT Tax   |                              |                                   |                                  |   |   |                                  |                         |                          |
| (d) Cess           |                              |                                   |                                  |   |   |                                  |                         |                          |

## 11. Late Fee

| On account of | Central Tax | State/UT tax |
|---------------|-------------|--------------|
| 1             | 2           | 3            |
| Late fee      |             |              |

**Part B**

**12. Tax payable and paid**

| Description        | Tax payable | Paid in cash | Paid through ITC |             |              |      | Tax Paid |
|--------------------|-------------|--------------|------------------|-------------|--------------|------|----------|
|                    |             |              | Integrated Tax   | Central Tax | State/UT Tax | Cess |          |
| 1                  | 2           | 3            | 4                | 5           | 6            | 7    | 8        |
| (a) Integrated Tax |             |              |                  |             |              |      |          |
| (b) Central Tax    |             |              |                  |             |              |      |          |
| (c) State/UT Tax   |             |              |                  |             |              |      |          |
| (d) Cess           |             |              |                  |             |              |      |          |

**13. Interest, Late Fee and any other amount (other than tax) payable and paid**

| Description                | Amount payable | Amount Paid |
|----------------------------|----------------|-------------|
| 1                          | 2              | 3           |
| (I) Interest on account of |                |             |
| (a) Integrated tax         |                |             |
| (b) Central Tax            |                |             |
| (c) State/UT Tax           |                |             |
| (d) Cess                   |                |             |
| Late fee                   |                |             |
| (a) Central tax            |                |             |
| (b) State/UT tax           |                |             |

**14. Refund claimed from Electronic cash ledger**

| Description                      | Tax | Interest | Penalty | Fee | Other | Debit Entry Nos. |
|----------------------------------|-----|----------|---------|-----|-------|------------------|
| 1                                | 2   | 3        | 4       | 5   | 6     | 7                |
| (a) Integrated tax               |     |          |         |     |       |                  |
| (b) Central Tax                  |     |          |         |     |       |                  |
| (c) State/UT Tax                 |     |          |         |     |       |                  |
| (d) Cess                         |     |          |         |     |       |                  |
| Bank Account Details (Drop Down) |     |          |         |     |       |                  |

**15. Debit entries in electronic cash/Credit ledger for tax/interest payment [to be populated after payment of tax and submissions of return]**

| Description        | Tax paid in cash | Tax paid through ITC |             |              |      | Interest | Late fee |
|--------------------|------------------|----------------------|-------------|--------------|------|----------|----------|
|                    |                  | Integrated tax       | Central Tax | State/UT Tax | Cess |          |          |
| 1                  | 2                | 3                    | 4           | 5            | 6    | 7        | 8        |
| (a) Integrated tax |                  |                      |             |              |      |          |          |
| (b) Central Tax    |                  |                      |             |              |      |          |          |
| (c) State/UT Tax   |                  |                      |             |              |      |          |          |
| (d) Cess           |                  |                      |             |              |      |          |          |

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

|             |  |
|-------------|--|
|             | Signatures of Authorized Signatory ..... |
| Place ..... | Name of Authorized Signatory .....       |
| Date .....  | Designation /Status.....                 |

## Instructions:-

1. Terms Used :-
  - a) GSTIN :- Goods and Services Tax Identification Number
  - b) TDS :- Tax Deducted at source
  - c) TCS :- Tax Collected at source
2. GSTR 3 can be generated only when GSTR-1 and GSTR- 2 of the tax period have been filed.
3. Electronic liability register, electronic cash ledger and electronic credit ledger of taxpayer will be updated on generation of GSTR-3 by taxpayer.
4. Part A of GSTR-3 is auto-populated on the basis of GSTR 1, GSTR 1A and GSTR 2.
5. Part B of GSTR-3 relates to payment of tax, interest, late fee etc. by utilising credit available in electronic credit ledger and cash ledger.
6. Tax liability relating to outward supplies in Table 4 is net of invoices, debit/credit notes and advances received.
7. Table 4.1 will not include zero rated supplies made without payment of taxes.
8. Table 4.3 will not include amendments of supplies originally made under reverse charge basis.
9. Tax liability due to reverse charge on inward supplies in Table 5 is net of invoices, debit/credit notes, advances paid and adjustments made out of tax paid on advances earlier.
10. Utilization of input tax credit should be made in accordance with the provisions of section 49.
11. GSTR-3 filed without discharging complete liability will not be treated as valid return.
12. If taxpayer has filed a return which was not valid earlier and later on, he intends to discharge the remaining liability, then he has to file the Part B of GSTR-3 again.
13. Refund from cash ledger can only be claimed only when all the return related liabilities for that tax period have been discharged.
14. Refund claimed from cash ledger through Table 14 will result in a debit entry in electronic cash ledger on filing of valid GSTR 3.

**Form GSTR – 3A**  
*[See rule ----]*

Reference No:

Date:

To

\_\_\_\_\_ GSTIN

----- Name

\_\_\_\_\_ Address

**Notice to return defaulter u/s 46 for not filing return**

Tax Period -

Type of Return -

Being a registered taxpayer, you are required to furnish return for the supplies made or received and to discharge resultant tax liability for the aforesaid tax period by due date. It has been noticed that you have not filed the said return till date.

2. You are, therefore, requested to furnish the said return within 15 days failing which the tax liability will be assessed u/s 62 of the Act, based on the relevant material available with this office. Please note that in addition to tax so assessed, you will also be liable to pay interest and penalty as per provisions of the Act.

3. Please note that no further communication will be issued for assessing the liability.

4. The notice shall be deemed to have been withdrawn in case the return referred above, is filed by you before issue of the assessment order.

**Or**

**Notice to return defaulter u/s 46 for not filing final return upon cancellation of registration**

Cancellation order No. --

Date ---

Application Reference Number, if any -

Date -

Consequent upon applying for surrender of registration or cancellation of your registration for the reasons specified in the order, you were required to submit a final return in form **GSTR-10** as required under section 45 of the Act.

2. It has been noticed that you have not filed the final return by the due date.

3. You are, therefore, requested to furnish the final return as specified under section 45 of the Act within 15 days failing which your tax liability for the aforesaid tax period will be determined in accordance with the provisions of the Act based on the relevant material available with or gathered by this office. Please note that in addition to tax so assessed, you will also be liable to pay interest as per provisions of the Act.

4. This notice shall be deemed to be withdrawn in case the return is filed by you before issue of the assessment order.

Signature

Name

Designation

# Form GSTR-4

[See Rule.....]

## Quarterly return for registered person opting for composition levy

|         |  |  |  |  |
|---------|--|--|--|--|
| Year    |  |  |  |  |
| Quarter |  |  |  |  |

|    |     |  |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-----|--|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. |     | GSTIN  |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a) | Legal name of the registered person                | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b) | Trade name, if any                                 | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3. | (a) | Aggregate Turnover in the preceding Financial Year |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b) | Aggregate Turnover - April to June, 2017           |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 4. Inward supplies including supplies on which tax is to be paid on reverse charge

| GSTIN of supplier   | Invoice details |      |       | Rate | Taxable value | Amount of Tax  |             |              |      | Place of supply (Name of State) |
|---|-----------------|------|-------|------|---------------|----------------|-------------|--------------|------|---------------------------------|
|   | No.             | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | CESS |                                 |
| 1   | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9            | 10   | 11                              |
| 4A. Inward supplies received from a registered supplier (other than supplies attracting reverse charge) |                 |      |       |      |               |                |             |              |      |                                 |
|   |                 |      |       |      |               |                |             |              |      |                                 |
| 4B. Inward supplies received from a registered supplier (attracting reverse charge)                     |                 |      |       |      |               |                |             |              |      |                                 |
|   |                 |      |       |      |               |                |             |              |      |                                 |
|   |                 |      |       |      |               |                |             |              |      |                                 |
| 4C. Inward supplies received from an unregistered supplier  |                 |      |       |      |               |                |             |              |      |                                 |
|   |                 |      |       |      |               |                |             |              |      |                                 |
| 4D. Import of service   |                 |      |       |      |               |                |             |              |      |                                 |
|   |                 |      |       |      |               |                |             |              |      |                                 |

### 5. Amendments to details of inward supplies furnished in returns for earlier tax periods in Table 4 [including debit notes/credit notes and their subsequent amendments]

| Details of original invoice  |     |      | Revised details of invoice |     |      |       | Rate | Taxable value | Amount         |             |              |      | Place of supply (Name of State) |
|--|-----|------|----------------------------|-----|------|-------|------|---------------|----------------|-------------|--------------|------|---------------------------------|
| GSTIN  | No. | Date | GSTIN                      | No. | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | Cess |                                 |
| 1  | 2   | 3    | 4                          | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12           | 13   | 14                              |
| 5A. Supplies [Information furnished in Table 4 of earlier returns]-If details furnished earlier were incorrect |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |
| 5B. Debit Notes/Credit Notes [original]  |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |
| 5C. Debit Notes/ Credit Notes [amendment of debit notes/credit notes furnished in earlier tax periods]         |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |
|  |     |      |                            |     |      |       |      |               |                |             |              |      |                                 |

## 6. Tax on outward supplies made (Net of advance and goods returned)

| Rate of tax | Turnover | Composition tax amount |              |
|-------------|----------|------------------------|--------------|
|             |          | Central Tax            | State/UT Tax |
| 1           | 2        | 3                      | 4            |
|             |          |                        |              |

## 7. Amendments to Outward Supply details furnished in returns for earlier tax periods in Table No. 6

| Quarter | Rate | Original details |             |              | Revised details |             |              |
|---------|------|------------------|-------------|--------------|-----------------|-------------|--------------|
|         |      | Turnover         | Central Tax | State/UT tax | Turnover        | Central Tax | State/UT Tax |
| 1       | 2    | 3                | 4           | 5            | 6               | 7           | 8            |
|         |      |                  |             |              |                 |             |              |
|         |      |                  |             |              |                 |             |              |

## 8. Consolidated Statement of Advances paid/Advance adjusted on account of receipt of supply

| Rate   | Gross Advance Paid | Place of supply (Name of State) | Amount         |   |               |       |       |       |
|--|--------------------|---------------------------------|----------------|---|---------------|-------|-------|-------|
|  |                    |                                 | Integrated Tax | Central Tax   | State/ UT Tax | Cess  |       |       |
| 1  | 2                  | 3                               | 4              | 5   | 6             | 7     |       |       |
| (II) Information for the current quarter   |                    |                                 |                |   |               |       |       |       |
| 8A. Advance amount paid for reverse charge supplies in the tax period (tax amount to be added to output tax liability)   |                    |                                 |                |   |               |       |       |       |
| 8A (1). Intra-State supplies (Rate Wise)   |                    |                                 |                |   |               |       |       |       |
|  |                    |                                 |                |   |               |       |       |       |
| 8A (2). Inter-State Supplies (Rate Wise)   |                    |                                 |                |   |               |       |       |       |
|  |                    |                                 |                |   |               |       |       |       |
| 8B. Advance amount on which tax was paid in earlier period but invoice has been received in the current period [reflected in Table 4 above] (tax amount to be reduced from output tax liability) |                    |                                 |                |   |               |       |       |       |
| 8B (1). Intra-State Supplies (Rate Wise)   |                    |                                 |                |   |               |       |       |       |
|  |                    |                                 |                |   |               |       |       |       |
| 8B (2). Intra-State Supplies (Rate Wise)   |                    |                                 |                |   |               |       |       |       |
|  |                    |                                 |                |   |               |       |       |       |
| II Amendments of information furnished in Table No. 8 (I) for an earlier quarter   |                    |                                 |                |   |               |       |       |       |
| Year   |                    | Quarter                         |                | Amendment relating to information furnished in S. No.(select) | 8A(1)         | 8A(2) | 8B(1) | 8B(2) |
|  |                    |                                 |                |   |               |       |       |       |

## 9. TDS Credit received

| GSTIN of Deductor | Gross Value | Amount      |              |
|-------------------|-------------|-------------|--------------|
|                   |             | Central Tax | State/UT Tax |
| 1                 | 2           | 3           | 4            |
|                   |             |             |              |
|                   |             |             |              |

**10. Tax payable and paid**

| Description        | Tax amount payable | Pay tax amount |
|--------------------|--------------------|----------------|
| 1                  | 2                  | 3              |
| (a) Integrated Tax |                    |                |
| (b) Central Tax    |                    |                |
| (c) State/UT Tax   |                    |                |
| (d) Cess           |                    |                |

**11. Interest, Late Fee payable and paid**

| Description            | Amount payable | Amount Paid |
|------------------------|----------------|-------------|
| 1                      | 2              | 3           |
| Interest on account of |                |             |
| (a) Integrated tax     |                |             |
| (b) Central Tax        |                |             |
| (c) State/UT Tax       |                |             |
| (d) Cess               |                |             |
| (II) Late fee          |                |             |
| (a) Central tax        |                |             |
| (b) State/UT tax       |                |             |

**12. Refund claimed from Electronic cash ledger**

| Description                      | Tax | Interest | Penalty | Fee | Other | Debit Entry Nos. |
|----------------------------------|-----|----------|---------|-----|-------|------------------|
| 1                                | 2   | 3        | 4       | 5   | 6     | 7                |
| (a) Integrated tax               |     |          |         |     |       |                  |
| (b) Central Tax                  |     |          |         |     |       |                  |
| (c) State/UT Tax                 |     |          |         |     |       |                  |
| (d) Cess                         |     |          |         |     |       |                  |
| Bank Account Details (Drop Down) |     |          |         |     |       |                  |

**13. Debit entries in cash ledger for tax /interest payment [to be populated after payment of tax and submissions of return]**

| Description        | Tax paid in cash | Interest | Late fee |
|--------------------|------------------|----------|----------|
| 1                  | 2                | 3        | 4        |
| (a) Integrated tax |                  |          |          |
| (b) Central Tax    |                  |          |          |
| (c) State/UT Tax   |                  |          |          |
| (d) Cess           |                  |          |          |

Verification (by authorized signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

Signature of Authorized Signatory .....

Place

Name of Authorized Signatory .....

Date

Designation /Status.....



## Instructions:-

1. Terms used:
  - (a) GSTIN: Goods and Services Tax Identification Number
  - (b) TDS: Tax Deducted at Source
2. The details in GSTR-4 should be furnished between 11<sup>th</sup> and 18<sup>th</sup> of the month succeeding the relevant tax period.
3. Aggregate turnover of the taxpayer for the immediate preceding financial year and first quarter of the current financial year shall be reported in the preliminary information in Table 3. This information would be required to be submitted by the taxpayers only in the first year and should be auto-populated in subsequent years.
4. Table 4 to capture information related to inward supplies, rate-wise:
  - (i) Table 4A to capture inward supplies from registered supplier other than reverse charge. This information will be auto-populated from the information reported by supplier in GSTR-1 and GSTR-5;
  - (ii) Table 4B to capture inward supplies from registered supplier attracting reverse charge. This information will be auto-populated from the information reported by supplier in GSTR-1;
  - (iii) Table 4C to capture supplies from unregistered supplier;
  - (iv) Table 4D to capture import of service;
  - (v) Tax recipient to have the option to accept invoices auto populated/ add invoices, pertaining to reverse charge only when the time of supply arises in terms of section 12 or 13 of the Act; and
  - (vi) Place of Supply (PoS) only if the same is different from the location of the recipient.
5. Table 5 to capture amendment of information provided in earlier tax periods as well as original/ amended information of debit or credit note received, rate-wise. Place of Supply (PoS) to be reported only if the same is different from the location of the recipient. While furnishing information the original debit /credit note, the details of invoice shall be mentioned in the first three columns, While furnishing revision of a debit note/credit note, the details of original debit /credit note shall be mentioned in the first three columns of this Table,
6. Table 6 to capture details of outward supplies including advance and net of goods returned during the current taxperiod.
7. Table 7 to capture details of amendment of incorrect details reported in Table 6 of previous returns.
8. Information of advance paid pertaining to reverse charge supplies and the tax paid on it including adjustments against invoices issued to be reported in Table 8.
9. TDS credit would be auto-populated in a Table 9.

## Form GSTR-4A

[See Rule.....]

### Auto-drafted details for registered person opting for composition levy

(Auto-drafted from GSTR-1, GSTR-5 and GSTR-7)

|         |  |  |  |  |
|---------|--|--|--|--|
| Year    |  |  |  |  |
| Quarter |  |  |  |  |

|    |       |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Inward supplies received from registered person including supplies attracting reverse charge

| GSTIN of supplier  | Invoice details |      |       | Rate | Taxable value | Amount of tax  |             |              |      | Place of supply (Name of State) |
|--|-----------------|------|-------|------|---------------|----------------|-------------|--------------|------|---------------------------------|
|  | No.             | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | Cess |                                 |
| 1  | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9            | 10   | 11                              |
| <b>3A. Inward supplies received from a registered supplier (other than supplies attracting reverse charge)</b> |                 |      |       |      |               |                |             |              |      |                                 |
|  |                 |      |       |      |               |                |             |              |      |                                 |
| <b>3B. Inward supplies received from a registered supplier (attracting reverse charge)</b>                     |                 |      |       |      |               |                |             |              |      |                                 |
|  |                 |      |       |      |               |                |             |              |      |                                 |

### 4. Debit notes/credit notes (including amendments thereof) received during current period

| Details of original document |     |      | Revised details of document or details of original Debit / Credit Note |     |      |       | Rate | Taxable value | Amount of tax  |             |              |      | Place of supply (Name of State) |
|------------------------------|-----|------|--|-----|------|-------|------|---------------|----------------|-------------|--------------|------|---------------------------------|
| GSTIN                        | No. | Date | GSTIN  | No. | Date | Value |      |               | Integrated Tax | Central Tax | State/UT Tax | Cess |                                 |
| 1                            | 2   | 3    | 4  | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12           | 13   | 14                              |
|                              |     |      |  |     |      |       |      |               |                |             |              |      |                                 |

### 5. TDS Credit received

| GSTIN of deductor | Gross value | Amount of tax |              |
|-------------------|-------------|---------------|--------------|
|                   |             | Central Tax   | State/UT Tax |
| 1                 | 2           | 3             | 4            |
|                   |             |               |              |
|                   |             |               |              |

## Form GSTR-5

(See Rule....)

### Return for Non-resident taxable person

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |  |  |  |  |  |  |  |  |  |                |  |  |  |
|----|-------|-------------------------------------|--|--|--|--|--|--|--|--|--|----------------|--|--|--|
| 1. | GSTIN |                                     |  |  |  |  |  |  |  |  |  |                |  |  |  |
| 2. | (a)   | Legal name of the registered person |  |  |  |  |  |  |  |  |  | Auto Populated |  |  |  |
|    | (b)   | Trade name, if any                  |  |  |  |  |  |  |  |  |  | Auto Populated |  |  |  |
|    | (c)   | Validity period of registration     |  |  |  |  |  |  |  |  |  | Auto Populated |  |  |  |

### 3. Inputs/Capital goods received from Overseas (Import of goods)

(Amount in Rs. for all Tables)

| Details of bill of entry |      |       | Rate | Taxable value | Amount         |      | Amount of ITC available |      |
|--------------------------|------|-------|------|---------------|----------------|------|-------------------------|------|
| No.                      | Date | Value |      |               | Integrated Tax | Cess | Integrated Tax          | Cess |
| 1                        | 2    | 3     | 4    | 5             | 6              | 7    | 8                       | 9    |
|                          |      |       |      |               |                |      |                         |      |
|                          |      |       |      |               |                |      |                         |      |
|                          |      |       |      |               |                |      |                         |      |

### 4. Amendment in the details furnished in any earlier return

| Original details |      | Revised details |      |       |      |                  |                   |      |                            |      | Differential ITC<br>(+/_) |      |
|------------------|------|-----------------|------|-------|------|------------------|-------------------|------|----------------------------|------|---------------------------|------|
| Bill of entry    |      | Bill of entry   |      |       | Rate | Taxable<br>value | Amount            |      | Amount of ITC<br>available |      |                           |      |
| No               | Date | No              | Date | Value |      |                  | Integrated<br>Tax | Cess | Integrated<br>Tax          | Cess | Integrated<br>tax         | Cess |
| 1                | 2    | 3               | 4    | 5     | 6    | 7                | 8                 | 9    | 10                         | 11   | 12                        | 13   |
|                  |      |                 |      |       |      |                  |                   |      |                            |      |                           |      |
|                  |      |                 |      |       |      |                  |                   |      |                            |      |                           |      |
|                  |      |                 |      |       |      |                  |                   |      |                            |      |                           |      |

### 5. Taxable outward supplies made to registered persons (including UIN holders)

| GSTIN/<br>UIN | Invoice details |      |       | Rate | Taxable value | Amount         |             |                |      | Place of Supply<br>(Name of State) |
|---------------|-----------------|------|-------|------|---------------|----------------|-------------|----------------|------|------------------------------------|
|               | No.             | Date | Value |      |               | Integrated Tax | Central Tax | State / UT Tax | Cess |                                    |
| 1             | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9              | 10   | 11                                 |
|               |                 |      |       |      |               |                |             |                |      |                                    |
|               |                 |      |       |      |               |                |             |                |      |                                    |

**6. Taxable outward inter-State supplies to un-registered persons where invoice value is more than Rs 2.5 lakh**

| Place of Supply<br>(State) | Invoice details |      |       | Rate | Taxable Value | Amount         |      |
|----------------------------|-----------------|------|-------|------|---------------|----------------|------|
|                            | No.             | Date | Value |      |               | Integrated Tax | Cess |
| 1                          | 2               | 3    | 4     | 5    | 7             | 8              | 9    |
|                            |                 |      |       |      |               |                |      |
|                            |                 |      |       |      |               |                |      |

**7. Taxable supplies (net of debit notes and credit notes) to unregistered persons other than the supplies mentioned at Table 6**

| Rate of tax   | Total Taxable value | Amount         |             |               |      |
|---|---------------------|----------------|-------------|---------------|------|
|   |                     | Integrated Tax | Central Tax | State /UT Tax | Cess |
| 1   | 2                   | 3              | 4           | 5             | 6    |
| 7A. Intra-State supply (Consolidated, rate wise)                                    |                     |                |             |               |      |
|   |                     |                |             |               |      |
| 7B. Inter-State Supplies where the value of invoice is upto Rs 2.5 Lakh [Rate wise] |                     |                |             |               |      |
| Place of Supply (Name of State)   |                     |                |             |               |      |
|   |                     |                |             |               |      |

**8. Amendments to taxable outward supply details furnished in returns for earlier tax periods in Table 5 and 6 [including debit note/credit notes and amendments thereof]**

| Details of original document  |     |      | Revised details of document or details of original Debit/Credit Notes |     |      |       | Rate | Taxable Value | Amount         |             |                |      | Place of supply |
|---|-----|------|---|-----|------|-------|------|---------------|----------------|-------------|----------------|------|-----------------|
| GSTIN   | No. | Date | GSTIN   | No. | Date | Value |      |               | Integrated Tax | Central Tax | State / UT Tax | Cess |                 |
| 1   | 2   | 3    | 4   | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12             | 13   | 14              |
| 8A. If the invoice details furnished earlier were incorrect   |     |      |   |     |      |       |      |               |                |             |                |      |                 |
|   |     |      |   |     |      |       |      |               |                |             |                |      |                 |
| 8B. Debit Notes/Credit Notes [original]   |     |      |   |     |      |       |      |               |                |             |                |      |                 |
|   |     |      |   |     |      |       |      |               |                |             |                |      |                 |
| 8C. Debit Notes/Credit Notes [amendment of debit notes/credit notes furnished in earlier tax periods] |     |      |   |     |      |       |      |               |                |             |                |      |                 |
|   |     |      |   |     |      |       |      |               |                |             |                |      |                 |

**9. Amendments to taxable outward supplies to unregistered persons furnished in returns for Earlier tax periods in Table 7**

| Rate of tax   | Total taxable value | Amount         |             |                |      |
|---|---------------------|----------------|-------------|----------------|------|
|   |                     | Integrated Tax | Central Tax | State / UT Tax | Cess |
| 1   | 2                   | 3              | 4           | 5              | 6    |
| <b>Tax period for which the details are being revised</b> |                     |                |             |                |      |
| 9A. Intra-State Supplies [Rate wise]                      |                     |                |             |                |      |
|   |                     |                |             |                |      |
| 9B. Inter-State Supplies [Rate wise]                      |                     |                |             |                |      |
| Place of Supply (Name of State)                           |                     |                |             |                |      |
|   |                     |                |             |                |      |

## 10. Total tax liability

| Rate of Tax   | Taxable value | Amount of tax  |             |              |      |
|---|---------------|----------------|-------------|--------------|------|
|   |               | Integrated Tax | Central Tax | State/UT Tax | CESS |
| 1   | 2             | 3              | 4           | 5            | 6    |
| 10A. On account of outward supply                             |               |                |             |              |      |
|   |               |                |             |              |      |
| 10B. On account of differential ITC being negative in Table 4 |               |                |             |              |      |
|   |               |                |             |              |      |

## 11. Tax payable and paid

| Description        | Tax payable | Paid in cash | Paid through ITC |      | Tax Paid |
|--------------------|-------------|--------------|------------------|------|----------|
|                    |             |              | Integrated tax   | Cess |          |
| 1                  | 2           | 3            | 4                | 5    | 6        |
| (e) Integrated Tax |             |              |                  |      |          |
| (f) Central Tax    |             |              |                  |      |          |
| (g) State/UT Tax   |             |              |                  |      |          |
| (h) Cess           |             |              |                  |      |          |

## 12. Interest, late fee and any other amount payable and paid

| Description                 | Amount payable | Amount paid |
|-----------------------------|----------------|-------------|
| 1                           | 2              | 3           |
| (II) Interest on account of |                |             |
| (b) Integrated tax          |                |             |
| (b) Central Tax             |                |             |
| (c) State/UT Tax            |                |             |
| (d) Cess                    |                |             |
| Late fee on account of      |                |             |
| (a) Central tax             |                |             |
| (b) State / UT tax          |                |             |

## 13. Refund claimed from electronic cash ledger

| Description                      | Tax | Interest | Penalty | Fee | Other | Debit Entry Nos. |
|----------------------------------|-----|----------|---------|-----|-------|------------------|
| 1                                | 2   | 3        | 4       | 5   | 6     | 7                |
| (b) Integrated tax               |     |          |         |     |       |                  |
| (b) Central Tax                  |     |          |         |     |       |                  |
| (c) State/UT Tax                 |     |          |         |     |       |                  |
| (d) Cess                         |     |          |         |     |       |                  |
| Bank Account Details (Drop Down) |     |          |         |     |       |                  |

## 14. Debit entries in electronic cash/credit ledger for tax/interest payment [to be populated after payment of tax and submissions of return]

| Description        | Tax paid in cash | Tax paid through ITC |      | Interest | Late fee |
|--------------------|------------------|----------------------|------|----------|----------|
|                    |                  | Integrated tax       | Cess |          |          |
| 1                  | 2                | 3                    | 4    | 5        | 6        |
| (a) Integrated tax |                  |                      |      |          |          |
| (b) Central Tax    |                  |                      |      |          |          |
| (c) State/UT Tax   |                  |                      |      |          |          |
| (d) Cess           |                  |                      |      |          |          |

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

|             |  |
|-------------|--|
|             | Signatures of Authorized Signatory ..... |
| Place ..... | Name of Authorized Signatory .....       |
| Date .....  | Designation /Status.....                 |

## Instructions:-

1. Terms used:
  - a. GSTIN: Goods and Services Tax Identification Number
  - b. UIN: Unique Identity Number
  - c. UQC: Unit Quantity Code
  - d. HSN: Harmonized System of Nomenclature
  - e. POS: Place of Supply (Respective State)
  - f. B to B: From one registered person to another registered person
  - g. B to C: From registered person to unregistered person
2. GSTR-5 is applicable to non-resident taxable person and it is a monthly return.
3. The details in GSTR-5 should be furnished by 20<sup>th</sup> of the month succeeding the relevant tax period or within 7 days from the last date of the registration whichever is earlier.
4. Table 3 consists of details of import of goods, bill of entry wise and taxpayer has to specify the amount of ITC eligible on such import of goods.
5. Recipient to provide for Bill of Entry information including six digits port code and seven digits bill of entry number.
6. Table 4 consists of amendment of import of goods which are declared in the returns of earlier tax period.
7. Invoice-level information, rate-wise, pertaining to the tax period separately for goods and services should be reported as under:
  - i. For all B to B supplies (whether inter-State or intra-State), invoice level details should be uploaded in Table 5;
  - ii. For all inter-state B to C supplies, where invoice value is more than Rs. 2,50,000/- (B to C Large) invoice level detail to be provided in Table 6; and
  - iii. For all B to C supplies (whether inter-State or intra-State) where invoice value is up to Rs. 2,50,000/- State-wise summary of supplies shall be filed in Table 7.
8. Table 8 consists of amendments in respect of -
  - i. B2B outward supplies declared in the previous tax period;
  - ii. “B2C inter-State invoices where invoice value is more than 2.5 lakhs” reported in the previous tax period; and
  - iii. Original Debit and credit note details and its amendments.
9. Table 9 covers the Amendments in respect of B2C outward supplies other than inter-State supplies where invoice value is more than Rs 250000/-.
10. Table 10 consists of tax liability on account of outward supplies declared in the current tax period and negative ITC on account of amendment to import of goods in the current tax period.

On submission of GSTR-5, System shall compute the tax liability and ITC will be posted to the respective ledgers.

## Form GSTR-6

[See Rule.....]

### Return for input service distributor

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Input tax credit received for distribution

(Amount in Rs. for all

| GSTIN of supplier | Invoice details |      |       | Rate | Taxable value | Amount of Tax  |             |                |      |
|-------------------|-----------------|------|-------|------|---------------|----------------|-------------|----------------|------|
|                   | No              | Date | Value |      |               | Integrated tax | Central Tax | State / UT Tax | CESS |
| 1                 | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9              | 10   |
|                   |                 |      |       |      |               |                |             |                |      |
|                   |                 |      |       |      |               |                |             |                |      |

Tables)

### 4. Total ITC/Eligible ITC/Ineligible ITC to be distributed for tax period (From Table No. 3)

| Description                              | Integrated tax | Central Tax | State / UT Tax | CESS |
|--|----------------|-------------|----------------|------|
| 1  | 2              | 3           | 4              | 5    |
| (a) Total ITC available for distribution |                |             |                |      |
| (b) Amount of eligible ITC               |                |             |                |      |
| (c) Amount of ineligible ITC             |                |             |                |      |

### 5. Distribution of input tax credit reported in Table 4

| GSTIN of recipient/State, if recipient is unregistered | ISD invoice |      | Distribution of ITC by ISD |             |                |      |
|--|-------------|------|----------------------------|-------------|----------------|------|
|  | No.         | Date | Integrated Tax             | Central Tax | State / UT Tax | CESS |
| 1  | 2           | 3    | 4                          | 5           | 6              | 7    |
| 5A. Distribution of the amount of eligible ITC         |             |      |                            |             |                |      |
|  |             |      |                            |             |                |      |
| 5B. Distribution of the amount of ineligible ITC       |             |      |                            |             |                |      |
|  |             |      |                            |             |                |      |



## 6. Amendments in information furnished in earlier returns in Table No. 3

| Original details  |     |      | Revised details   |  |      |       |      |               |                |             |                |      |
|---|-----|------|-------------------|--|------|-------|------|---------------|----------------|-------------|----------------|------|
| GSTIN of supplier   | No. | Date | GSTIN of supplier | Invoice/debit note/credit note details |      |       | Rate | Taxable value | Amount of Tax  |             |                |      |
|   |     |      |                   | No                                     | Date | Value |      |               | Integrated tax | Central Tax | State / UT Tax | CESS |
| 1   | 2   | 3    | 4                 | 5                                      | 6    | 7     | 8    | 9             | 10             | 11          | 12             | 13   |
| 6A. Information furnished in Table 3 in an earlier period was incorrect |     |      |                   |  |      |       |      |               |                |             |                |      |
|   |     |      |                   |  |      |       |      |               |                |             |                |      |
| 6B. Debit Notes/Credit Notes received [Original]                        |     |      |                   |  |      |       |      |               |                |             |                |      |
|   |     |      |                   |  |      |       |      |               |                |             |                |      |
| 6C. Debit Notes/Credit Notes [Amendments]                               |     |      |                   |  |      |       |      |               |                |             |                |      |
|   |     |      |                   |  |      |       |      |               |                |             |                |      |

## 7. Input tax credit mis-matches and reclaims to be distributed in the tax period

| Description   | Integrated tax | Central Tax | State/ UT Tax | Cess |
|---|----------------|-------------|---------------|------|
| 1   | 2              | 3           | 4             | 5    |
| 7A. Input tax credit mismatch                               |                |             |               |      |
| 7B. Input tax credit reclaimed on rectification of mismatch |                |             |               |      |

## 8. Distribution of input tax credit reported in Table No. 6 and 7 (plus / minus)

| GSTIN of recipient                               | ISD credit no. |      | ISD invoice |      | Input tax distribution by ISD |             |           |      |
|--|----------------|------|-------------|------|-------------------------------|-------------|-----------|------|
|  | No.            | Date | No.         | Date | Integrated Tax                | Central Tax | State Tax | CESS |
| 1  | 2              | 3    | 4           | 5    | 6                             | 7           | 8         | 9    |
| 8A. Distribution of the amount of eligible ITC   |                |      |             |      |                               |             |           |      |
|  |                |      |             |      |                               |             |           |      |
| 8B. Distribution of the amount of ineligible ITC |                |      |             |      |                               |             |           |      |
|  |                |      |             |      |                               |             |           |      |

## 9. Redistribution of ITC distributed to a wrong recipient (plus / minus)

| Original input tax credit distribution           |                    |      |                 |      | Re-distribution of input tax credit to the correct recipient |             |      |                                |             |           |      |
|--|--------------------|------|-----------------|------|--|-------------|------|--------------------------------|-------------|-----------|------|
| GSTIN of original recipient                      | ISD invoice detail |      | ISD credit note |      | GSTIN of new recipient                                       | ISD invoice |      | Input tax credit redistributed |             |           |      |
|  | No.                | Date | No              | Date |  | No.         | Date | Integrated Tax                 | Central Tax | State Tax | CESS |
| 1  | 2                  | 3    | 4               | 5    | 6  | 7           | 8    | 9                              | 10          | 11        | 12   |
| 9A. Distribution of the amount of eligible ITC   |                    |      |                 |      |  |             |      |                                |             |           |      |
|  |                    |      |                 |      |  |             |      |                                |             |           |      |
| 9B. Distribution of the amount of ineligible ITC |                    |      |                 |      |  |             |      |                                |             |           |      |
|  |                    |      |                 |      |  |             |      |                                |             |           |      |

**10. Late Fee**

| On account of | Central Tax | State / UT tax | Debit Entry No. |
|---------------|-------------|----------------|-----------------|
| 1             | 2           | 3              | 4               |
| Late fee      |             |                |                 |

**11. Refund claimed from electronic cash ledger**

| Description                      | Fee | Other | Debit Entry Nos. |
|----------------------------------|-----|-------|------------------|
| 1                                | 2   | 3     | 4                |
| (a) Central Tax                  |     |       |                  |
| (b) State/UT Tax                 |     |       |                  |
| Bank Account Details (Drop Down) |     |       |                  |

**Verification**

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory .....

Place

Name of Authorized Signatory .....

Date

Designation /Status.....

**Instructions:-**

1. Terms Used :-
  - a. GSTIN :- Goods and Services Tax Identification Number
  - b. ISD :- Input Service Distributor
  - c. ITC: - Input tax Credit.
2. GSTR 6 can only be filed only after 10<sup>th</sup> of the month and before 13<sup>th</sup> of the month succeeding the tax period.
3. ISD details will flow to Part B of GSTR-2A of the Registered Recipients Units on filing of GSTR 6.
4. ISD will not have any reverse charge supplies. If ISD wants to take reverse charge supplies, then in that case ISD has to separately register as Normal taxpayer.
5. ISD will have late fee and any other liability only.
6. ISD has to distribute both eligible and ineligible ITC to its Units in the same tax period in which the inward supplies have been received.
7. Ineligible ITC will be in respect of supplies made as per Section 17(5).
8. Mismatch liability between GSTR-1 and GSTR-6 will be added to ISD and further ISD taxpayer has to issue ISD credit note to reduce the ITC distributed earlier to its registered recipients units.
9. Table 7 in respect of mismatch liability will be populated by the system.
10. Refund claimed from cash ledger through Table 11 will result in a debit entry in electronic cash ledger.

## Form GSTR-6A

[See Rule.....]

### Details of supplies auto-drafted from (Auto-drafted from GSTR-1)

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Input tax credit received for distribution

(Amount in Rs. for all

Tables)

| GSTIN of supplier | Invoice details |      |       | Rate | Taxable value | Amount of Tax  |             |                |      |
|-------------------|-----------------|------|-------|------|---------------|----------------|-------------|----------------|------|
|                   | No              | Date | Value |      |               | Integrated tax | Central Tax | State / UT Tax | Cess |
| 1                 | 2               | 3    | 4     | 5    | 6             | 7              | 8           | 9              | 10   |
|                   |                 |      |       |      |               |                |             |                |      |
|                   |                 |      |       |      |               |                |             |                |      |

### 4. Debit / Credit notes (including amendments thereof) received during current tax period

| Details of original document |     |      | Revised details of document or details of Debit / Credit Note |     |      |       |      |               |                |             |                |      |
|------------------------------|-----|------|---|-----|------|-------|------|---------------|----------------|-------------|----------------|------|
| GSTIN of supplier            | No. | Date | GSTIN of supplier   | No. | Date | Value | Rate | Taxable value | Amount of tax  |             |                |      |
|                              |     |      |   |     |      |       |      |               | Integrated tax | Central Tax | State / UT Tax | Cess |
| 1                            | 2   | 3    | 4   | 5   | 6    | 7     | 8    | 9             | 10             | 11          | 12             | 13   |
|                              |     |      |   |     |      |       |      |               |                |             |                |      |
|                              |     |      |   |     |      |       |      |               |                |             |                |      |

**Form GSTR-7***[See Rule...]***Return for Tax Deducted at Source**

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |                                |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|--------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN                          |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a) Legal name of the Deductor | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b) Trade name, if any         | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**3. Details of the tax deducted at source**

(Amount in Rs. for all

Tables)

| GSTIN of deductee | Amount paid to deductee on which tax is deducted | Amount of tax deducted at source |             |              |
|-------------------|--|----------------------------------|-------------|--------------|
|                   |  | Integrated Tax                   | Central Tax | State/UT Tax |
| 1                 | 2  | 3                                | 4           | 5            |
|                   |  |                                  |             |              |

**4. Amendments to details of tax deducted at source in respect of any earlier tax period**

| Original details |                   |  | Revised details   |  |                                  |             |              |
|------------------|-------------------|--|-------------------|--|----------------------------------|-------------|--------------|
| Month            | GSTIN of deductee | Amount paid to deductee on which tax is deducted | GSTIN of deductee | Amount paid to deductee on which tax is deducted | Amount of tax deducted at source |             |              |
|                  |                   |  |                   |  | Integrated Tax                   | Central Tax | State/UT Tax |
| 1                | 2                 | 3  | 4                 | 5  | 6                                | 7           | 8            |
|                  |                   |  |                   |  |                                  |             |              |

**5. Tax deduction at source and paid**

| Description        | Amount of tax deducted | Amount paid |
|--------------------|------------------------|-------------|
| 1                  | 2                      | 3           |
| (a) Integrated Tax |                        |             |
| (b) Central Tax    |                        |             |
| (c) State/UT Tax   |                        |             |

**6. Interest, late Fee payable and paid**

| Description   | Amount payable | Amount paid |
|---|----------------|-------------|
| 1   | 2              | 3           |
| <b>(I) Interest on account of TDS in respect of</b> |                |             |
| (b) Integrated tax                                  |                |             |
| (b) Central Tax                                     |                |             |
| (c) State/UT Tax                                    |                |             |

|                      |  |  |
|----------------------|--|--|
| <b>(II) Late fee</b> |  |  |
| (a) Central tax      |  |  |
| (b) State / UT tax   |  |  |

#### 7. Refund claimed from electronic cash ledger

| Description                      | Tax | Interest | Penalty | Fee | Other | Debit Entry Nos. |
|----------------------------------|-----|----------|---------|-----|-------|------------------|
| 1                                | 2   | 3        | 4       | 5   | 6     | 7                |
| (a) Integrated Tax               |     |          |         |     |       |                  |
| (b) Central Tax                  |     |          |         |     |       |                  |
| (c) State/UT Tax                 |     |          |         |     |       |                  |
| Bank Account Details (Drop Down) |     |          |         |     |       |                  |

#### 8. Debit entries in electronic cash ledger for TDS/interest payment [to be populated after payment of tax and submissions of return]

| Description        | Tax paid in cash | Interest | Late fee |
|--------------------|------------------|----------|----------|
| 1                  | 2                | 3        | 4        |
| (b) Integrated Tax |                  |          |          |
| (b) Central Tax    |                  |          |          |
| (c) State/UT Tax   |                  |          |          |

#### Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory .....

Place:

Name of Authorized Signatory .....

Date:

Designation /Status.....

**Instructions –**

1. Terms used:
  - a) GSTIN: Goods and Services Tax Identification Number
  - b) TDS: Tax Deducted at Source
2. Table 3 to capture details of tax deducted.
3. Table 4 will contain amendment of information provided in earlier tax periods.
4. Return cannot be filed without full payment of liability.

## Form GSTR 7A

[See Rule ----]

### Tax Deduction at Source Certificate

1. TDS Certificate No. –
2. GSTIN of deductor –
3. Name of deductor –
4. GSTIN of deductee–
5. (a) Legal name of the deductee -  
(b) Trade name, if any –
6. Tax period in which tax deducted and accounted for in GSTR-7 –
7. Amount of tax deducted -

| Amount of Tax deducted at source (Rs.) |             |               |
|--|-------------|---------------|
| Integrated Tax                         | Central Tax | State /UT Tax |
|  |             |               |
|  |             |               |
|  |             |               |
|  |             |               |

Note –

The certificate is generated on the basis of information furnished by deductor in return filed in Form GSTR-7.



## Form GSTR - 8

[See Rule ----]

### Statement for tax collection at source

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |       |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------|-------------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. | GSTIN |                                     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | (a)   | Legal name of the registered person | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|    | (b)   | Trade name, if any                  | Auto Populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Details of supplies made through e-commerce operator

(Amount in Rs. for all Tables)

| GSTIN of the supplier                     | Details of supplies made which attract TCS |                            |                           | Amount of tax collected at source |             |               |
|---|--|----------------------------|---------------------------|-----------------------------------|-------------|---------------|
|   | Gross value of supplies made               | Value of supplies returned | Net amount liable for TCS | Integrated Tax                    | Central Tax | State /UT Tax |
| 1   | 2  | 3                          | 4                         | 5                                 | 6           | 7             |
| 3A. Supplies made to registered persons   |  |                            |                           |                                   |             |               |
|   |  |                            |                           |                                   |             |               |
| 3B. Supplies made to unregistered persons |  |                            |                           |                                   |             |               |
|   |  |                            |                           |                                   |             |               |

### 4. Amendments to details of supplies in respect of any earlier statement

| Original details                          |                   | Revised details   |  |                          |                           |                                   |             |              |
|---|-------------------|-------------------|--|--------------------------|---------------------------|-----------------------------------|-------------|--------------|
| Month                                     | GSTIN of supplier | GSTIN of supplier | Details of supplies made which attract TCS |                          |                           | Amount of tax collected at source |             |              |
|   |                   |                   | Gross value of supplies made               | Value of supply returned | Net amount liable for TCS | Integrated Tax                    | Central Tax | State/UT Tax |
| 1   | 2                 | 3                 | 4  | 5                        | 6                         | 7                                 | 8           | 9            |
| 4A. Supplies made to registered persons   |                   |                   |  |                          |                           |                                   |             |              |
|   |                   |                   |  |                          |                           |                                   |             |              |
| 4B. Supplies made to unregistered persons |                   |                   |  |                          |                           |                                   |             |              |
|   |                   |                   |  |                          |                           |                                   |             |              |

### 5. Details of interest

| On account of              | Amount in default | Amount of interest |             |               |
|----------------------------|-------------------|--------------------|-------------|---------------|
|                            |                   | Integrated Tax     | Central Tax | State /UT Tax |
| 1                          | 2                 | 3                  | 4           | 5             |
| Late payment of TCS amount |                   |                    |             |               |

**6. Tax payable and paid**

| Description    | Tax payable | Amount paid |
|----------------|-------------|-------------|
| 1              | 2           | 3           |
| Integrated Tax |             |             |
| Central Tax    |             |             |
| State / UT Tax |             |             |

**7. Interest payable and paid**

| Description        | Amount of tax collected | Amount paid |
|--------------------|-------------------------|-------------|
| 1                  | 2                       | 3           |
| (a) Integrated tax |                         |             |
| (b) Central Tax    |                         |             |
| (c) State/UT Tax   |                         |             |

**8. Refund claimed from electronic cash ledger**

| Description                      | Tax | Interest | Penalty | Other | Debit Entry Nos. |
|----------------------------------|-----|----------|---------|-------|------------------|
| 1                                | 2   | 3        | 4       | 5     | 6                |
| (a) Integrated tax               |     |          |         |       |                  |
| (b) Central Tax                  |     |          |         |       |                  |
| (c) State/UT Tax                 |     |          |         |       |                  |
| Bank Account Details (Drop Down) |     |          |         |       |                  |

**9. Debit entries in cash ledger for TCS/interest payment [to be populated after payment of tax and submissions of return]**

| Description        | Tax paid in cash | Interest |
|--------------------|------------------|----------|
| 1                  | 2                | 3        |
| (a) Integrated tax |                  |          |
| (b) Central Tax    |                  |          |
| (c) State/UT Tax   |                  |          |

**Verification**

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory

.....

Place:

Name of Authorized Signatory .....

Date:

Designation /Status.....

**Instructions:-**

1. Terms Used :-
  - a. GSTIN :- Goods and Services Tax Identification Number
  - b. TCS :- Tax Collected at source
2. An e-commerce operator can file GSTR- 8 only when full TCS liability has been discharged.
3. TCS liability will be calculated on the basis of table 3 and table 4.
4. Refund from electronic cash ledger can only be claimed only when all the TCS liability for that tax period has been discharged.
5. Cash ledger will be debited for the refund claimed from the said ledger.
6. Amount of tax collected at source will flow to Part C of GSTR- 2A of the taxpayer on filing of GSTR-8.
7. Matching of Details with supplier's GSTR-1 will be at the level of GSTIN of supplier.

# Form GSTR -11

[See Rule ----]

## Statement of inward supplies by persons having Unique Identification Number (UIN)

|       |  |  |  |  |
|-------|--|--|--|--|
| Year  |  |  |  |  |
| Month |  |  |  |  |

|    |                               |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|-------------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1  | UIN                           |                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. | Name of the person having UIN | Auto populated |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### 3. Details of inward supplies received

(Amount in Rs. for all Tables)

| GSTIN of supplier              | Invoice/Debit Note/Credit Note details |      |       | Rate | Taxable value | Amount of Tax  |             |              |      |
|--------------------------------|--|------|-------|------|---------------|----------------|-------------|--------------|------|
|                                | No                                     | Date | Value |      |               | Integrated tax | Central Tax | State/UT Tax | CESS |
| 1                              | 2                                      | 3    | 4     | 5    | 6             | 7              | 8           | 9            | 10   |
| 3A. Invoices received          |  |      |       |      |               |                |             |              |      |
|                                |  |      |       |      |               |                |             |              |      |
|                                |  |      |       |      |               |                |             |              |      |
| 3B. Debit/Credit Note received |  |      |       |      |               |                |             |              |      |
|                                |  |      |       |      |               |                |             |              |      |

### 4. Refund amount

| Integrated tax           | Central Tax | State/UT Tax | CESS |
|--------------------------|-------------|--------------|------|
| 1                        | 2           | 3            | 3    |
|                          |             |              |      |
| Bank details (drop down) |             |              |      |

### Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Place

Signature

Date

Name of Authorized Signatory .....

Designation /Status.....

**Instructions:-**

1. Terms Used :-
  - a. GSTIN :- Goods and Services Tax Identification Number
  - b. UIN :- Unique Identity Number
2. UIN holder has to file GSTR-11 for claiming refund on quarterly basis or otherwise as and when required to file by proper officer.
3. Table 3 of GSTR 11 will be populated from GSTR-1.
4. UIN holder will not be allowed to add or modify any details in GSTR-11.

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**DRAFT**

**GOODS AND SERVICES TAX RULES, 2017**

**GOODS AND SERVICE TAX PRACTITIONER FORMS**

---

**List of Goods and Service Tax Forms**

| Sr. No. | Form No.    | Description  |
|---------|-------------|--|
| 1.      | GST PCT - 1 | Application for Enrolment as Goods and Service Tax Practitioner  |
| 2.      | GST PCT-02  | Enrolment Certificate for Goods and Service Tax Practitioner   |
| 3.      | GST PCT-03  | Show Cause Notice for disqualification   |
| 4.      | GST PCT-04  | Order of Rejection of Application for enrolment as GST Practitioner/ Or Disqualification to function as GST Practitioner |
| 5.      | GST PCT-05  | Authorization/withdrawal of authorization of Goods and Service Tax Practitioner.   |

# Form GST PCT - 1

[See Rule ---]

## Application for Enrolment as Goods and Services Tax Practitioner

### Part -A

State /UT

District -

|  |  |  |
|--|--|--|
| (i)  | Name of the Goods and Services Tax Practitioner<br>(As mentioned in PAN) |  |
| (ii)   | PAN  |  |
| (iii)  | Email Address  |  |
| (iv)   | Mobile Number  |  |
| <b>Note - Information submitted above is subject to online verification before proceeding to fill up Part-B.</b> |  |  |

### PART B

|     |   |  |
|-----|---|--|
| 1.  | Enrolling Authority   | Centre <input type="text"/><br>State <input type="text"/>  |
| 2.  | State/UT  |  |
| 3.  | Date of application   |  |
| 4   | Enrolment sought as:  | (1) Chartered Accountant holding COP<br>(2) Company Secretary holding COP<br>(3) Cost and Management Accountant holding COP<br>(4) Advocate<br>(5) Graduate or Postgraduate degree in Commerce<br>(6) Graduate or Postgraduate degree in Banking<br>(7) Graduate or Postgraduate degree in Business Administration<br>(8) Graduate or Postgraduate degree in Business Management<br>(9) Degree examination of any recognized Foreign University<br>(10) Retired Government Officials |
| 5.  | Membership Number   |  |
| 5.1 | Membership Type (drop down will change based the institute selected ) |  |
| 5.1 | Date of Enrolment / Membership  |  |
| 5.2 | Membership Valid upto   |  |
| 6   | Advocates registered with Bar (Name of Bar Council)                   |  |
| 6.1 | Registration Number as given by Bar                                   |  |
| 6.2 | Date of Registration  |  |
| 6.3 | Valid up to   |  |
| 7   | Retired Government Officials  | Retired from Centre/ State   |
| 7.1 | Date of Retirement  |  |
| 7.2 | Designation of the post held at the time of retirement                | Scanned copy of Pension Certificate issued by AG office or any other document evidencing retirement  |

|      |   |                                     |
|------|---|-------------------------------------|
| 8.   | <b>Applicant Details</b>  |                                     |
| 8.1  | Full name as per PAN  |                                     |
| 8.2  | Father's Name   |                                     |
| 8.3  | Date of Birth   |                                     |
| 8.4  | Photo   |                                     |
| 8.5  | Gender  |                                     |
| 8.6  | Aadhaar   | <optional>                          |
| 8.7  | PAN   | < Pre filled from Part A>           |
| 8.8  | Mobile Number   | <Pre filled from Part A>            |
| 8.9  | Landline Number   |                                     |
| 8.10 | Email id  | < Pre filled from Part A>           |
| 9.   | <b>Professional Address</b>   | (Any three will be mandatory)       |
| 9.1  | Building No./ Flat No./Door No.   |                                     |
| 9.2  | Floor No.   |                                     |
| 9.3  | Name of the Premises / Building   |                                     |
| 9.4  | Road / Street Lane  |                                     |
| 9.5  | Locality / Area / Village   |                                     |
| 9.6  | District  |                                     |
| 9.7  | State   |                                     |
| 9.8  | PIN Code  |                                     |
| 10.  | <b>Qualification Details</b>  |                                     |
| 10.1 | Qualifying Degree   |                                     |
| 10.2 | Affiliation University / Institute  |                                     |
|      | <b>Consent</b><br><i>I on behalf of the holder of Aadhaar number &lt;pre-filled based on Aadhaar number provided in the form&gt; give consent to "Goods and Services Tax Network" to obtain my details from UIDAI for the purpose of authentication. "Goods and Services Tax Network" has informed me that identity information would only be used for validating identity of the Aadhaar holder and will be shared with Central Identities Data Repository only for the purpose of authentication.</i> |                                     |
|      | <b>Verification</b><br><i>I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.</i>   |                                     |
|      | Place   | < DSC /E-sign of the Applicant/EVC> |
|      | Date  | < Name of the Applicant>            |

## Acknowledgment

Application Reference Number (ARN) –

You have filed the application successfully.

GSTIN, if available:

Legal Name:

Form No. :

Form Description :



Date of Filing:

Time of filing:

Center Jurisdiction:

State Jurisdiction :

Filed by :

Temporary reference number, (TRN) if any:

Place:

It is a system generated acknowledgement and does not require any signature.

Note - The status of the application can be viewed through “Track Application Status” at dash board on the GST Portal.

## Form GST PCT-02

*[See Rule ----]*

### Enrolment Certificate of Goods and Services Tax Practitioner

|                   |   |                            |
|-------------------|---|----------------------------|
| 1.                | Enrolment Number                                |                            |
| 2.                | PAN   |                            |
| 3.                | Name of the Goods and Services Tax Practitioner |                            |
| 4.                | Address and Contact Information                 |                            |
| 5.                | Date of enrolment as GSTP                       |                            |
| Date<br>Authority |   | Signature of the Enrolment |
|                   |   | Name and Designation.      |
|                   |   | Centre / State             |

**Form GST PCT-03**

*[See Rule -----]*

Reference No.

Date

To

Name

Address of the Applicant

GST practitioner enrolment No.

**Show Cause Notice for disqualification**

It has come to my notice that you are guilty of misconduct, the details of which are given hereunder:

- 1.
- 2.

You are hereby called upon to show cause as to why the certificate of enrolment granted to you should not be rejected for reasons stated above. You are requested to submit your response within <15> days to the undersigned from the date of receipt of this notice.

☐ Appear before the undersigned on ----- (date)..... (Time).....

If you fail to furnish a reply within the stipulated date or fail to appear for personal hearing on the appointed date and time, the case will be decided ex parte on the basis of available records and on merits

Signature

Name  
(Designation)

**Form GST PCT-04**

[See Rule -----]

Reference No.

Date-

To

Name

Address

Enrollment Number

**Order of rejection of enrolment as GST Practitioner**

This has reference to your reply dated ---- in response to the notice to show cause dated -----.

☐ Whereas no reply to notice to show cause has been submitted; or  
☐ Whereas on the day fixed for hearing you did not appear; or  
☐ Whereas the undersigned has examined your reply and submissions made at the time of hearing, and is of the opinion that your enrolment is liable to be cancelled for following reason(s).

1.

2.

The effective date of cancellation of your enrolment is <<DD/MM/YYYY >>.

Signature  
Name

(Designation)

## Form GST PCT-05

[See Rule -----]

### Authorisation / withdrawal of authorisation for Goods and Services Tax Practitioner

To  
The authorized officer  
Central Tax/State Tax.

#### PART-A

Sir/Madam

I/We <Name of the Proprietor/all Partners/Karta/Managing Directors and whole time Director/Members of Managing Committee of Associations/Board of Trustees etc.) do hereby

1. \*solemnly authorize,
2. \*withdraw authorization of

----- (Name of the Goods and Services Tax Practitioner), bearing Enrolment Number----- for the purposes of Section 48 read with **rule 24.Return** to perform the following activities on behalf of ----- (Legal Name) bearing << GSTIN - >>:

| Sr. No. | List of Activities   | Check box |
|---------|--|-----------|
| 1.      | To furnish details of outward and inward supplies                    |           |
| 2.      | To furnish monthly, quarterly, annual or final return                |           |
| 3.      | To make deposit for credit into the electronic cash ledger           |           |
| 4.      | To file an application for claim of refund                           |           |
| 5.      | To file an application for amendment or cancellation of registration |           |

2. The consent of the ----- (Name of Goods and Services Tax Practitioner) is attached herewith\*.

*\*Strike out whichever is not applicable.*

Signature of the authorized signatory

Name

Designation/Status

Date

Place

**Part -B**

**Consent of the Goods and Services Tax Practitioner**

I <<(Name of the Goods and Services Tax Practitioner)>>< Enrolment Number> do hereby solemnly accord my consent to act as the Goods and Services Tax Practitioner on behalf of ----- (Legal name), GSTIN ..... only in respect of the activities specified by ----- (Legal name), GSTIN .....

Signature

Name

Enrolment No.

Date

### **Results of Matching after filing of the Returns of September (to be filed by 20<sup>th</sup> October)**

|  | Month | Bill of Entry No. /Invoice/Debit Note/Credit Note |        |               | ITC/Output Liability |         |            |      | Interest   |         |       |      |
|--|-------|---|--------|---------------|----------------------|---------|------------|------|------------|---------|-------|------|
|  |       | Date  | Number | Taxable Value | Integrated           | Central | State / UT | Cess | Integrated | Central | State | Cess |

**A. Finally Accepted Input Tax Credit**

**A.1** *Details of Invoices, Debit and Credit Notes of the month of September that have matched*

|   |           |  |  |  |  |  |  |  |     |  |  |  |
|---|-----------|--|--|--|--|--|--|--|-----|--|--|--|
| 1 | September |  |  |  |  |  |  |  | Nil |  |  |  |
| 2 | Septmeber |  |  |  |  |  |  |  | Nil |  |  |  |

**A.2** *Details of Invoices, Debit and Credit Notes of the month of August that were found to have mismatched in the return of the month of August filed by 20th September but mismatch was rectified in the return for the month of September filed by 20th October*

|   |        |  |  |  |  |  |  |  |     |  |  |  |
|---|--------|--|--|--|--|--|--|--|-----|--|--|--|
| 1 | August |  |  |  |  |  |  |  | Nil |  |  |  |
| 2 | August |  |  |  |  |  |  |  | Nil |  |  |  |

**A.3** *Details of Invoices, Debit and Credit Notes of the month of July and before but not earlier than April of the previous Financial Year which had become payable but the pairing supplier/recipient has included the details of corresponding document in his return of the month of September filed by 20th October and the reclaim is being allowed alongwith refund of interest.*

|   |       |  |  |  |  |  |  |  |        |  |  |  |
|---|-------|--|--|--|--|--|--|--|--------|--|--|--|
| 1 | Month |  |  |  |  |  |  |  | Refund |  |  |  |
| 2 | Month |  |  |  |  |  |  |  | Refund |  |  |  |

**B. Mismatches/Duplicates that have led to increase of liability in the return for September filed by 20th October**

**B.1** *Details of Invoices, Debit and Credit Notes of the month of July that were found to have mismatched in the return of the month of July filed by 20th August but mismatch was not rectified in the return for the month of August filed by 20th September and have become payable in the return for month of September to be filed 20th October*

|   |      |  |  |  |  |  |  |  |            |  |  |  |
|---|------|--|--|--|--|--|--|--|------------|--|--|--|
| 1 | July |  |  |  |  |  |  |  | Two Months |  |  |  |
| 2 | July |  |  |  |  |  |  |  | Two Months |  |  |  |

**B.2** *Details of Invoices, Debit and Credit Notes of the month of August that were found to be duplicates and have become payable in the return September filed by 20th October*

|   |        |  |  |  |  |  |  |  |           |  |  |  |
|---|--------|--|--|--|--|--|--|--|-----------|--|--|--|
| 1 | August |  |  |  |  |  |  |  | One Month |  |  |  |
| 2 | August |  |  |  |  |  |  |  | One Month |  |  |  |

**B.3** *Details of Invoices, Debit and Credit Notes of the month of August where reversal was reclaimed in violation of Section 42/ 43 and that have become payable in the return of September filed by 20th October*

|   |        |  |  |  |  |  |  |  |                |  |  |  |
|---|--------|--|--|--|--|--|--|--|----------------|--|--|--|
| 1 | August |  |  |  |  |  |  |  | One Month-high |  |  |  |
| 2 | August |  |  |  |  |  |  |  | One Month-high |  |  |  |

**C. Mismatches/Duplicates that will lead to increase of liability in the return for October to be filed by 20th November**

**C.1** *Details of Invoices, Debit and Credit Notes of the month of August that were found to have mismatched in the return of the month of August filed by 20th September but mismatch was not rectified in the return for the month of September filed by 20th October and will become payable in the return for month of October to be filed 20th November*

|   |           |  |  |  |  |  |  |  |                |  |  |  |
|---|-----------|--|--|--|--|--|--|--|----------------|--|--|--|
| 1   | August    |  |  |  |  |  |  |  | Two Months     |  |  |  |
| 2   | August    |  |  |  |  |  |  |  | Two Months     |  |  |  |
| <i>C.2 Details of Invoices, Debit and Credit Notes of the month of September that were found to be duplicate and will be become payable in the return for October to be filed by 20th November</i>  |           |  |  |  |  |  |  |  |                |  |  |  |
| 1   | September |  |  |  |  |  |  |  | One Month      |  |  |  |
| 2   | September |  |  |  |  |  |  |  | One Month      |  |  |  |
| <i>C.3 Details of Invoices, Debit and Credit Notes of the month of September where reversal was reclaimed in violation of Section 42/43 and that will become payable in the return of October return to be filed by 20th November</i>   |           |  |  |  |  |  |  |  |                |  |  |  |
| 1   | September |  |  |  |  |  |  |  | One Month-high |  |  |  |
| 2   | September |  |  |  |  |  |  |  | One Month-high |  |  |  |
| <b>D. Mismatches/Duplicates that may lead to increase of liability in the return for November to be filed by 20th December</b>  |           |  |  |  |  |  |  |  |                |  |  |  |
| <b>D.1</b> Details of Invoices, Debit and Credit Notes of the month of September that have been found to have mismatched and may become payable in the return for November to be filed by 20th December in case mismatch not rectified in the return for October to be filed by 20th November |           |  |  |  |  |  |  |  |                |  |  |  |
| 1   | September |  |  |  |  |  |  |  | Nil/Two Months |  |  |  |
| 2   | September |  |  |  |  |  |  |  | Nil/Two Months |  |  |  |



## **Agenda Item 5: Concept note on operationalizing the Anti-Profiteering Clause in GST Law**

### **Notifying Provisions related to Anti-profiteering**

Section 171 of the Central Goods and Services Tax Act, 2017 (CGST Act) requires that any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit is passed on to the recipient by way of commensurate reduction in prices. This section also provides for constitution of an Authority or empowering any existing Authority to examine that reduction in effective tax incidence is passed on next in the supply chain.

2. In the 14<sup>th</sup> meeting of the GST Council on 18<sup>th</sup> and 19<sup>th</sup> May, 2017, the tax rates for most of goods and services have been finalized. The rates recommended by the Council have been placed in the public domain. Based on the recommended rates, businesses are now in a position to estimate the likely prices in the GST regime.

3. In this background, it is essential that steps to notify section 171 of the CGST Act are taken so that an Authority can be constituted which can monitor the present prices and possible impact of tax rates recommended by the Council on prices under GST.

4. Further the Anti-Profiteering Rules have also been drafted which are submitted for consideration and approval of the Council.

5. It may be mentioned that 23 States (list placed as Annexure-A) have already passed the respective SGST Acts till 31 May, 2017 but it appears that they are yet to be notified. Thus, the Rules would have to be notified under CGST Act, 2017 and such Rules would be deemed to be notified under SGST Act and UTGST Act as and when such Acts are notified.

6. It is proposed that the Council may kindly approve notifying section 171 of the CGST Act from 19<sup>th</sup> June, 2017 and also approve the draft Anti-Profiteering Rules. After getting the approval, the draft Anti-Profiteering Rules would be put in public domain & finalised after getting views of public. It would then be brought back to the Council.

## Annexure-A

### States that have passed SGST Acts as on 31 May 2017

1. Telangana
2. Bihar
3. Rajasthan
4. Jharkhand
5. Chhattisgarh
6. Uttarakhand
7. Madhya Pradesh
8. Haryana
9. Goa
10. Gujarat
11. Assam
12. Arunachal Pradesh
13. Andhra Pradesh
14. Uttar Pradesh
15. Puducherry
16. Odisha
17. Maharashtra
18. Sikkim
19. Tripura
20. Mizoram
21. Nagaland
22. Himachal Pradesh
23. Delhi

## **Anti-profiteering Rules, 2017**

In exercise of the powers conferred by section 164 read with sub-section (3) of section 171 of the Central Goods and Service Tax Act, 2017(12 of 2017) the Central Government hereby makes the following rules, namely :-

**1. Short title, extent and commencement. -**

- (i) These rules may be called the Anti-profiteering Rules, 2017.
- (ii) They extend to the whole of India except the State of Jammu and Kashmir.
- (iii) They shall come into force on the date of their publication in the Official gazette.

**2. Definitions. -**

In these rules, unless the context otherwise requires,-

- (a) “Act” means the Central Goods and Service Tax Act, 2017;
- (b) “Authority” means the National Anti-profiteering Authority constituted under sub-section (2) of section 171 of the Act.
- (c) “Committee” means Standing Committee on Anti-profiteering constituted by the Council in terms of rule 13 of these rules.
- (d) “Interested party” includes-
  - (i) supplier of goods or services under the proceedings;
  - (ii) recipients of goods or services under the proceedings;
  - (iii) trade or business association(s) concerned with goods or services under the proceedings; and
  - (iv) consumer associations;
- (e) Words and expressions used and not defined herein but defined in the Act, shall have the same meaning respectively, assigned to them, in the Act.

**3. Power to determine procedure in certain circumstances. -** In a situation not provided for in these rules, the Authority may determine the procedure of proceedings in any specific matter, if so required.

**4. Power to determine the methodology and the accounting period. -** Subject to the provisions of these rules, the Authority may determine the methodology and the accounting period for determination of whether a registered person has passed on the reduction in rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices.

**5. Duties of the Authority. -** Subject to the provisions of these rules, it shall be the duty of the Authority, -

- (1) to determine whether any reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has been passed on to the recipient by way of commensurate reduction in prices or not;

- (2) to identify the registered person who has not passed on to the recipient the reduction in rate of tax on its supply or the benefit of the input tax credit by way of commensurate reduction in prices;
- (3) to recommend,
  - (i) reduction in prices;
  - (ii) return of the amount equivalent to the amount not passed on to the recipient by way of commensurate reduction in prices to the recipient along with eighteen percent of interest; or
  - (iii) recovery of the amount not returned under clause (ii) and depositing the same in the Fund referred to in section 57 of the Act.

#### **6. Initiation of proceedings. -**

- (1) Except as provided in sub-rule (4), the Authority shall, on receipt of a written application, initiate proceedings to determine whether any reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has been passed on to the recipient by way of commensurate reduction in prices.
- (2) An application under sub-rule (1), shall be in the form, as may be specified by the Authority in this behalf and such application shall be supported by prima-facie evidence to support the claim that a reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has not been passed on to the recipient by way of commensurate reduction in prices.
- (3) The Authority shall not initiate the proceedings pursuant to an application under sub-rule (1) unless it examines the accuracy and adequacy of the evidence provided in the application; satisfies itself that there is a prima-facie evidence of not passing on the reduction in rate of tax on the supply of goods or services or the benefit of input tax credit by way of commensurate reduction in prices and also receives recommendation from the Committee to initiate the proceedings.
- (4) Notwithstanding anything contained in sub-rule (1), the Authority may initiate proceedings *suo motu* if it is satisfied with the information received from any Commissioner or any other source that sufficient evidence exists as referred to in sub-rule (3).

#### **7. Principles governing the proceedings. -**

- (1) The Authority shall, after it has decided to initiate the proceedings issue a public notice notifying its decision there to. The public notice shall, *inter alia*, contain adequate information on the following, namely: -
  - (i) the description of the goods or services in respect of which the proceedings have been initiated;
  - (ii) the name and addresses of registered person(s) against whom the proceedings have been initiated;
  - (iii) date of initiation of the proceedings;
  - (iv) summary of statement of facts on which the allegations are based;
  - (v) the address to which the representation by the interested parties should be directed;

- (vi) the time limit allowed to the interested parties for making their views known.
- (2) A copy of the public notice shall be placed by the Authority on the website notified by the Authority for this purpose and shall also be forwarded to the Department of Consumer Affairs and other interested parties.
- (3) The Authority shall provide a copy of the application referred to in sub-rule (1) of rule 6 to-
  - (i) the known suppliers of goods or services under the proceedings;
  - (ii) the concerned trade associations; and
  - (iii) the known associations engaged in the protection of consumers' interest;
 Provided that the Authority may also make available a copy of the application, upon request in writing, to any other interested party, after due examination.
- (4) the Authority may issue a notice calling for any information in such form as may be specified by it from the suppliers or recipients of goods or services covered under the proceedings or the registered person who may have information related to the proceedings initiated and such information shall be furnished by such persons in writing within fifteen days from the date of receipt of the notice or within such extended period not exceeding further fifteen days as the Authority may allow on sufficient cause being shown.
- (5) The Authority may require the Directorate General of Goods and Service Tax Intelligence (DGI) or any other agency notified by the Government or State Government to conduct investigation to collect evidence necessary to determine whether any reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has been passed on to the recipient by way of commensurate reduction in prices.
- (6) The Authority shall also provide opportunity to the concerned supplier or recipient of goods or services under the proceedings or registered person alleged to have violated the Anti-profiteering provisions; consumer associations and other interested parties.
- (7) The Authority may allow an interested party or its representative to present the information relevant to the proceedings orally but such oral information shall be taken into consideration by the Authority only when it is subsequently submitted in writing or recorded by the Authority in writing.
- (8) The Authority shall make available the evidence presented to it by one interested party to the other interested parties, participating in the proceedings.
- (9) In case where an interested party refuses access to or otherwise does not provide necessary information within a reasonable period or significantly impedes the proceedings, the Authority may recommend as it deems fit under such circumstances on the basis of the facts available before it.

## **8. Confidential Information. -**

- (1) Notwithstanding anything contained in sub-rules (1), (3) and (8) of rule 7 and sub-rule (2) of rule 12, any information which is confidential by nature or which is provided on a confidential basis shall, upon cause being shown, be treated as

such by the Authority and shall not be disclosed without specific authorization of the party providing such information.

- (2) The Authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of the party providing such information, such information cannot be summarised, such party may submit to the Authority a statement of reasons why summarisation is not possible.
- (3) Notwithstanding anything contained in sub-rule (2), if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is unwilling either to make the information public or to authorise its disclosure in a generalized or summary form, he may disregard such information unless it is demonstrated to his satisfaction from appropriate sources that such information is correct.

**9. Cooperation with other agencies or statutory authorities.** -Where the Authority deems fit, it may seek opinion of any other agencies or statutory Authorities in discharge of its duties.

**10. Power to summon persons to give evidence and produce documents.** -

- (1) Members of the Authority shall be deemed to be the proper officer to exercise power to summon any person whose attendance it considers necessary either to give evidence or to produce a document or any other thing under section 70 of the Act and shall have power in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908 (5 of 1908).
- (2) Every such inquiry referred to in sub-section (1) shall be deemed to be a “judicial proceedings” within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860).

**11. Decision to be by majority.** -If the Members of the Authority differ in opinion on any point, the point shall be decided according to the opinion of the majority.

**12. Recommendation of the Authority.** -

- (1) The Authority shall, within three months of initiation of the proceedings or within such extended period as the Board may allow, determine whether a registered person has passed on the reduction in rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices.
- (2) Where the Authority determines that a registered person has not passed on the reduction in rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, the Authority may recommend-
  - (i) the reduction in prices;
  - (ii) return of the amount equivalent to the amount not passed on to the recipient by way of commensurate reduction in prices to the recipient

along with simple interest calculated at the annual interest rate of eighteen percent;

- (iii) recovery of the amount including the interest recommended to be returned under clause (ii) but not returned within thirty days and such recovered amount to be deposited in the Fund referred to in section 57 of the Act; and
- (iv) imposition of penalty as prescribed under the Act.

**13. Constitution of the Standing Committee. -**

- (1) The Council may constitute a Committee, namely Standing Committee on Anti-profiteering.
- (2) The Committee shall consist of such Officers of the Central Government or State Government as nominated by the Council.
- (3) The Committee shall be authorised to pass such order so as to implement section 171 of the Act.

**14. Order of the Committee. -** The Committee may, based on the determination and recommendations made by the Authority, pass such orders as it deems fit to implement the section 171 of the Act with the prior approval of the Council.

Provided that the Council may allow the Committee to pass orders without prior approval of the Council, if it is within the threshold prescribed by the Council.

**15. Appeal before the High Court. -** Orders under these rules shall be appealable in the High Court.

**16. Compliance by the registered person. -** Any order passed by the Committee under the rules shall be immediately complied with by the registered person failing which the proper officer shall proceed to recover the amount under provisions of the Act.

**17. Monitoring of the order. -**

- (1) The Authority may require the Directorate General of Goods and Service Tax Intelligence (DGI) or any other agency notified by the Government or State Government to
  - (i) monitor implementation of the Order passed by the Committee;
  - (ii) monitor whether a registered person continues passing on the reduction in rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices; and
  - (iii) conduct market survey with the help of professional survey agencies to find the impact of reduction in rate of tax on the supply of goods or services or grant of the benefit of input tax credit on prices.

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## **Agenda Item 6: Any other agenda item with the permission of the Chairperson**

### **(1) Applicability of GST on supply of Electricity**

In the last GST Council meeting held on 18-19 May, 2017, a point was raised on whether supply of “electricity” would come within the ambit of GST or not. This matter has been examined in the following paragraphs.

2. In this regard, attention is drawn to the following definitions/clauses of Article 366 of the Constitution:

- a. 366 (12A) “goods and services tax” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption”
- b. 366 (12) “goods” includes all materials, commodities and articles
- c. 366 (26A) “services” means anything other than good.

3. Further, vide the Constitution (One Hundred and First Amendment) Act, 2016, erstwhile Entry 52 of List – II (State List) of the Seventh Schedule to the Constitution, has been deleted. Entry 52 empowered the State Governments to levy taxes on the entry of goods into a local area for consumption, use or sale therein. Also, Entry 54 of List – II (State List) of the Seventh Schedule to the Constitution has been restricted to taxes on intra-State sale of petroleum products and alcoholic liquor for human consumption. Further, Entry 62 of List – II (State List) of the Seventh Schedule to the Constitution has been restricted to taxes on entertainment and amusement to the extent levied and collected by the Panchayat or the Municipality or the Regional Council or the District Council.

4. In addition, it may be mentioned that taxes on consumption or sale of “electricity” is provided for as a separate Entry 53 of List – II (State List) of the Seventh Schedule to the Constitution and it reads as follows:

“53. Taxes on the consumption or sale of electricity”

5. Further, it may be noted that the Hon’ble Supreme Court in a number of decisions has held that “electricity” falls under the category of “goods”.

6. Given the above Constitutional provisions and the observations of the Hon’ble Supreme Court, a view needed to be taken as to whether GST would be applicable on supply of “electricity” or not. A reference in this regard was made to the Union Ministry of Law.

7. The Union Ministry of Law has opined that having a separate Entry on “electricity” in the State List does not preclude electricity from being under the ambit of GST. With this interpretation, any GST imposed on supply of “electricity” at any later date would be over and above any tax imposed on consumption or sale of “electricity” by any State under Entry 53 of the State List. This will be similar to treatment of tobacco under the Constitution, as amended by Constitution (One Hundred and First Amendment) Act 2016, wherein by virtue of Entry 84 of Union List, the Union Government has powers to impose Excise Duty on tobacco and tobacco products over and above any GST which may be imposed on supply of tobacco and tobacco products, since tobacco as a “good” has been subsumed under GST.

8. In light of the observations made by the Union Ministry of Law, it is proposed that the GST Council may recommend that the supply of “electricity” be exempted from the levy of GST.



## **Agenda Item 6: Any other agenda item with the permission of the Chairperson**

### **(2) Notifying Provisions related to Composition Levy**

Section 10 of the CGST Act, 2017 (CGST Act) provides that a registered person, whose aggregate turnover in the preceding financial year did not exceed Rs. 50 lac, may opt to pay tax under composition levy. Under this option, a person can pay tax at an alternative rate on the turnover. This provision has been made to reduce compliance cost for small taxpayers.

2. The taxpayers who are registered under the existing laws are being migrated to GST. The process of migration had already started in November, 2016. Although majority of existing taxpayers have already migrated to GST yet it has been proposed to open the migration process for two more weeks from 1<sup>st</sup> June, 2017 so as to enable remaining taxpayers to migrate. The migrated taxpayers have been allotted a provisional registration. At the time of giving Goods and Services Tax Identification Number (GSTIN), the migrated taxpayer would be asked to declare whether he wishes to avail composition scheme or not. In other words, an existing taxpayer is required to declare, in advance, about option for composition levy. Further new registrants would also be required to opt for composition scheme. In the 14<sup>th</sup> meeting of the GST Council on 18<sup>th</sup> and 19<sup>th</sup> May, 2017, rules on composition levy, apart from other six rules, have also been recommended by the Council.

3. In order to allow the facility for availing the option of composition levy to intending migrated taxpayers, it is required that provisions related to composition levy are notified. This would also enable notifying relevant rules on composition levy. The relevant section of the CGST Act which is required to be notified is section 10 of the CGST Act on composition levy.

4. It may be mentioned that 23 States have already passed the respective SGST Acts till 31 May, 2017 but it appears that they are yet to be notified. Thus, benefit of composition levy would have to be granted under CGST Act, 2017 and such option would be deemed to be allowed under SGST Act and UTGST Act as and when such Acts are notified.

5. It is proposed that the Council may kindly approve notifying section 10 of the CGST Act from 19<sup>th</sup> June, 2017.

## **Agenda Item 6: Any other agenda item with the permission of the Chairperson**

### **(3) Notifying Provisions related to Appointment of Officers**

Section 3 of the Central Goods and Services Tax Act, 2017 (CGST Act) provides that the Central Government shall, by notification, appoint the different classes of officers for the purposes of the CGST Act. Section 4 of the CGST Act empowers the Board (Central Board of Excise and Customs) to appoint officers as it may think fit in addition to the officers notified by the Government under section 3. Section 5 of the CGST Act provides for powers of the officers. Section 3 of the Integrated Goods and Services Tax Act, 2017 (IGST Act) provides that the Board may appoint such central tax officers as it thinks fit for exercising the powers under the IGST Act.

2. **Sections 3, 4 and 5 of the CGST Act and section 3 of the IGST Act are required to be notified so that officers can be appointed under the CGST and IGST Acts.** This would enable Central Government to notify the reorganisation of its field formations so that the new formations are in place well before the appointed date.

4. Section 1 of CGST Act and IGST Act are also required to be notified so that these Acts come into effect for notifying different provisions of the said Acts.

5. It is proposed that the Council may kindly approve notifying section 1, 3, 4 and 5 of the CGST Act, 2017 and section 1 and 3 of the IGST Act, 2017 from 19<sup>th</sup> June, 2017.

## **Agenda Item 6: Any other agenda item with the permission of the Chairperson**

### **(4) Notifying Provisions related to Registration**

Sections 22 to 30 contained in Chapter VI of the Central Goods and Services Tax Act, 2017 (CGST Act) contain provisions for registration of taxpayers under GST. However, persons already registered under the existing law (Central Excise, Service Tax, Value Added Tax, Central Sales Tax etc.) are proposed to be migrated to GST through a simpler process so that existing taxpayers are not required to apply for fresh registration for GST. The existing taxpayer would be migrated under the provisions of section 139 of the CGST Act.

2. The process of migration of presently registered taxpayers had already started in November, 2016. Although majority of existing taxpayers have already migrated to GST yet it has been proposed to open the migration process for two more weeks from 1<sup>st</sup> June, 2017 so as to enable remaining taxpayers to migrate. The migrated taxpayers have been allotted a provisional registration. In the 14<sup>th</sup> meeting of the GST Council held on 18<sup>th</sup> and 19<sup>th</sup> May, 2017, rules on registration, apart from other six rules, have also been recommended by the Council.

3. In order to issue registration certificate (Goods and Services Tax Identification Number (GSTIN)) under the provisions of CGST to the migrated taxpayers, it is required that provisions related to registration and transitional provisions on migration are notified. This would also enable notifying the relevant rules on registration and migration. Further the procedure to grant new registrations also needs to be started. The relevant chapters/sections of the CGST Act which are required to be notified are chapter VI on registration containing sections from 22 to 30 and section 139 of the CGST Act on migration of existing taxpayers.

4. The Integrated Goods and Services Tax Act, 2017 (IGST Act) envisages under section 20 that provisions relating to registration and transition, among others, as in the CGST Act shall, *mutatis mutandis*, apply to integrated tax. Therefore, section 20 of the IGST Act is also required to be notified.

5. It may be mentioned that 23 States have already passed the respective SGST Acts till 31 May, 2017 but it appears that they are yet to be notified. Thus, issuance of registration certificates to migrated taxpayers and fresh registrations to new taxpayers would have to be granted under CGST Act, 2017 and such registrations would be deemed to be granted under SGST Act and UTGST Act as and when such Acts are notified.

6. It is proposed that the Council may kindly approve notifying section 22 to 30 and section 139 of the CGST Act and section 20 of the IGST Act from 19<sup>th</sup> June, 2017.

# **Agenda for 15<sup>th</sup> GST Council Meeting Volume – 2**

**3 June 2017**



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# Discussion on Agenda Items

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## **Agenda Item 3: Approval of amendments to the draft GST Rules and related Forms**

### **TRANSITIONAL PROVISIONS**

#### **1. Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day**

(1) Every registered person entitled to take credit of input tax under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section:

Provided that the Commissioner may, on the recommendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.

Provided further that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004:

*[this proviso only in CGST rules]*

*Provided that in the case of a claim under sub-section (1) of section 140, the application shall specify separately—*

*(i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant and*

*(ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (i) above;*

*(this proviso only in SGST rules)*

(2) Every declaration under sub-rule (1) shall: -

(a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day-

(i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and

(ii) the amount of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;

(b) in the case of a claim under sub-section (3) or the proviso thereto or clause (b) of sub-section (4) or sub-section (6) or sub-section (8) of section 140, specify separately the details of stock held on the appointed day;

(c) in the case of a claim under sub-section (5) of section 140, furnish the following details—

(i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law,

- (ii) the description and value of the goods or services,
- (iii) the quantity in case of goods and the unit or unit quantity code thereof,
- (iv) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services,  
the date on which the receipt of goods or services is entered in the books of account of the recipient.

(3) The amount of credit specified in the application in **FORM GST TRAN-1** shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.

(4) (a) (i) A registered person who was not registered under the existing law shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit on goods (on which the duty of central excise or, as the case may be, additional duties of customs under sub-section (1) of section 3 of Customs Tariff Act, 1975, is leviable) held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.

(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract central tax at the rate of nine per cent. or more and forty per cent. for other goods of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax

(iii) The scheme shall be available for six tax periods from the appointed date.

(b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely, -

(i) such goods were not unconditionally exempt from the whole of the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated in the said Schedule.

(ii) the document for procurement of such goods is available with the registered person.

(iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in **FORM GST TRAN 2** --- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.

(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.

(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

**(In CGST Rules)**

***(4) (a) (i) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.***

***(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract central tax at the rate of nine per cent. or more and forty per cent. for other goods of the State tax applicable on supply of***



*such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid:*

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax.

*(iii) The scheme shall be available for six tax periods from the appointed date.*

*(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely, -*

*(i) such goods were not wholly exempt from tax under the <Name of the State> Value Added Tax Act,.....*

*(ii) the document for procurement of such goods is available with the registered person.*

*(iii) the registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN 2--- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.*

*(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.*

*(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.*

*(4) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.*

*(In SGST Rules of States offering tax on MRP scheme)*

## **2 Declaration to be made under clause (c) of sub-section (11) of section 142**

Every person to whom the provision of clause (c) of sub-section (11) of section 142 applies, shall within a period of sixty days of the appointed day, submit a declaration electronically in FORM GST TRAN-1 furnishing the proportion of supply on which VAT or service tax has been paid before the appointed day but the supply is made after the appointed day, and the ITC admissible thereon.

**[Individual States may insert a proviso giving the details of methodology of calculation of the VAT paid which would be available as ITC of State Tax]**

## **3. Declaration of stock held by a principal**

Every person to whom the provisions of section 141 apply shall, within sixty days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, specifying therein, the stock of the inputs, semi-finished goods or finished goods held by him on the appointed day.

## **4. Details of goods sent on approval basis**

Every person having sent goods on approval under the existing law and to whom sub-section (12) of section 142 applies shall, within sixty days of the appointed day, submit details of such goods sent on approval in **FORM GST TRAN-1**.

## **5. Recovery of credit wrongly availed**

The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.

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**DRAFT**

**GOODS AND SERVICES TAX RULES, 2017**

**TRANSITIONAL PROVISIONS FORMS**

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**Form GST TRAN - 1***(See Rule -----)***Transitional ITC / Stock Statement**

1. GSTIN -
2. Legal name of the registered person -
3. Trade Name, if any -
4. Whether all the returns required under existing law for the period of six months immediately preceding the appointed date have been furnished: - Yes/No
5. Amount of tax credit carried forward in the return filed under existing laws:

(a) Amount of Cenvat credit carried forward to electronic credit ledger as central tax (Section 140(1) and Section 140(4)(a))

| Sl. no. | Registration no. under existing law (Central Excise and Service Tax) | Tax period to which the last return filed under the existing law pertains | Date of filing of the return specified in Column no. 3 | Balance cenvat credit carried forward in the said last return | Cenvat Credit admissible as ITC of central tax in accordance with transitional provisions |
|---------|--|---|--|---|---|
| 1       | 2  | 3   | 4  | 5   | 6   |
|         |  |   |  |   |   |
|         | <b>Total</b>   |   |  |   |   |

(b) Amount of tax credit carried forward to electronic credit ledger as State/UT Tax  
(For all registrations on the same PAN and in the same State)

| Sr. no. | Registration no. under the existing law | Tax period to which the last return filed under the existing law pertains | Date of filing of the return specified in column no. 3 | Balance VAT [& Entry Tax] credit carried forward in the return | Credit related to unsubstantiated claims on transactions under CST (pending forms C/F/H/E/I) | Input tax credit admissible as ITC of State/UT tax (Column 5 - Column6) |
|---------|---|---|--|--|--|---|
| 1       | 2                                       | 3   | 4  | 5  | 6  | 7   |
|         |   |   |  |  |  |   |
|         | <b>Total</b>                            |   |  |  |  |   |

6. Details of statutory forms (mentioned in column no. 6 of Table 5 above) received for which credit is being carried forward

| Amount of carried forward ITC shown in the last Return in Rs. | Details of claim related to section 3, sub-section (3) of section 5, section 6, section 6A or sub-section (8) of section 8 of the Central Sales Tax Act, 1956 |  |  | <b>Credit not eligible</b> to be credited to the electronic credit ledger on account of non-substantiation of claim <b>as per Annexure 2</b> | <b>Credit eligible</b> to be credited to the electronic credit ledger |
|---|---|--|--|--|---|
|   | <b>Total claim</b> against Form C, F, H & I during last 3 years (Total turnover involved in such inter-State transactions including BT in Rs.)                | <b>Claim duly substantiated</b> in the manner prescribed in Rule 12 of CST Rules, 1957 * | <b>Claim not substantiated</b> in the manner prescribed in Rule 12 of CST Rules, 1957 <b>as per Annexure 1</b> |  |   |
| 1   | 2   | 3  | 4  | 5  | 6 (1-5)   |
|   |   |  | (Auto populated from Annexure 1)   | (Auto populated from Annexure 2)   |   |
|   |   |  |  |  |   |

**Annexure 1**

**Claim duly substantiated in the manner prescribed in Rule 12 of CST Rules, 1957**

**(i.e. details of statutory forms already received)**

YEAR: ..... (2014-15/15-16/16-17/17-18)

|       | Claim against C Form |                  |                   |        | Claim against F Form          |               |                   |        | Claim against H Form | Claim against I Form |
|-------|----------------------|------------------|-------------------|--------|-------------------------------|---------------|-------------------|--------|----------------------|----------------------|
|       | Name of Purchaser    | TIN of Purchaser | Sr. No. of Form C | Amount | Name of Person issuing F Form | TIN of Person | Sr. No. of Form F | Amount |                      |                      |
|       |                      |                  |                   |        |                               |               |                   |        |                      |                      |
|       |                      |                  |                   |        |                               |               |                   |        |                      |                      |
|       |                      |                  |                   |        |                               |               |                   |        |                      |                      |
|       |                      |                  |                   |        |                               |               |                   |        |                      |                      |
| Total |                      |                  |                   |        |                               |               |                   |        |                      |                      |
|       |                      |                  |                   |        |                               |               |                   |        |                      |                      |

## Annexure 2

### Calculation of credit not eligible to be credited to the electronic credit ledger due to non-submission of Form

(Amount in Rs.)

| Sr. No. | Particulars   | C FORM | F FORM | H FORM | I FORM |
|---------|---|--------|--------|--------|--------|
| 1.      | Amount of pending claims (i.e. turnover) on account of non-submission of Form                       |        |        |        |        |
| 2.      | Amount of tax levied, if any, on such turnover  |        |        |        |        |
| 3.      | Amount of ITC denied, if any <b>(Varies from State to State)</b>                                    |        |        |        |        |
| 4.      | Total tax burden on such pending claim  |        |        |        |        |
| 5.      | <b>Details ITC claimed on intra-State purchases of taxable goods that is involved in such claim</b> |        |        |        |        |
| 5A      | (i) Amount of taxable purchase having 5% rate of tax  |        |        |        |        |
|         | (ii) Amount of ITC claimed on such purchase   |        |        |        |        |
| 5B      | (i) Amount of taxable purchase having 15% rate of tax   |        |        |        |        |
|         | (ii) Amount of ITC claimed on such purchase   |        |        |        |        |
| 5C      | (i) Amount of taxable purchase having .....% rate of tax  |        |        |        |        |
|         | (ii) Amount of ITC claimed on such purchase   |        |        |        |        |
| 6.      | Total ITC Claimed (= 5A(ii) + 5B(ii) + 5C(ii) + .....)  |        |        |        |        |
| 7.      | Total ITC utilized (6-4)  |        |        |        |        |
| 8.      | Total ITC remained un-utilized (6-7)  |        |        |        |        |

7. Details of capitals goods for which unavailed credit has not been carried forward under existing law (section140(2)).

(a) Amount of unavailed cenvat credit in respect of capital goods carried forward to electronic credit ledger as central tax

| Sr. no | Invoice / Document no. | Invoice / document Date | Supplier's registration no. under existing law | Recipients' registration no. under existing law | Details of capital goods on which credit has been partially availed |                       |     | Total eligible cenvat credit under existing law | Total cenvat credit availed under existing law | Total cenvat credit unavailed under existing law (admissible as ITC of central tax) (9-10) |
|--------|------------------------|-------------------------|--|---|---|-----------------------|-----|---|--|--|
|        |                        |                         |  |   | Value   | Duties and taxes paid |     |   |  |  |
|        |                        |                         |  |   |   | ED/ CVD               | SAD |   |  |  |
| 1      | 2                      | 3                       | 4  | 5   | 6   | 7                     | 8   | 9   | 10   | 11   |
|        |                        |                         |  |   |   |                       |     |   |  |  |
|        |                        |                         |  |   |   |                       |     |   |  |  |
|        |                        | <b>Total</b>            |  |   |   |                       |     |   |  |  |

(b) Amount of unavailed input tax credit carried forward to electronic credit ledger as State/UT tax  
(For all registrations on the same PAN and in the same State)

| Sr.<br>no | Invoice<br>/<br>Docum<br>ent<br>no. | Invoice<br>/<br>docume<br>nt<br>Date | Supplier's<br>registratio<br>n no.<br>under<br>existing<br>law | Recipients'<br>registration<br>no.<br>under<br>existing<br>law | Details regarding capital goods on<br>which credit is not availed |                            | Total<br>eligible<br>VAT [and<br>ET] credit<br>under<br>existing<br>law | Total<br>VAT [and<br>ET] credit<br>availed<br>under<br>existing<br>law | Total VAT [and<br>ET] credit<br>unavailed under<br>existing law<br>(admissible as<br>ITC of State/UT<br>tax) (8-9) |
|-----------|-------------------------------------|--------------------------------------|--|--|---|----------------------------|---|--|--|
|           |                                     |                                      |  |  | Value   | Taxes paid VAT<br>[and ET] |   |  |  |
| 1         | 2                                   | 3                                    | 4  | 5  | 6   | 7                          | 8   | 9  | 10   |
|           |                                     |                                      |  |  |   |                            |   |  |  |
|           |                                     |                                      |  |  |   |                            |   |  |  |
|           |                                     | <b>Total</b>                         |  |  |   |                            |   |  |  |

8. Details of the inputs held in stock in terms of sections 140(3), 140(4)(b) and 140(6).

(a) Amount of duties and taxes on inputs claimed as credit excluding the credit claimed under Table 5(a) and 7(a)

| Sr. no.   | Details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock |      |      |       |                                     |
|---|--|------|------|-------|-------------------------------------|
|   | HSN (at 6-digit level)   | Unit | Qty. | Value | Eligible Duties paid on such inputs |
| 1   | 2  | 3    | 4    | 5     | 6                                   |
| <b>8A Where duty paid invoices are available</b>  |  |      |      |       |                                     |
| Inputs  |  |      |      |       |                                     |
|   |  |      |      |       |                                     |
| Inputs contained in semi-finished and finished goods  |  |      |      |       |                                     |
|   |  |      |      |       |                                     |
| <b>8B Where duty paid invoices are not available (Applicable only for person other than manufacturer or service provider) – Credit in terms of Rule 3(a)(i)</b> |  |      |      |       |                                     |
| Inputs  |  |      |      |       |                                     |
|   |  |      |      |       |                                     |

(b) Amount of vat and entry Tax paid on inputs supported by invoices/documents evidencing payment of tax carried forward to electronic credit ledger as SGST/UTGST

| Sr. no. | Invoice/ document no. | Invoice/ document date | Supplier reg. no. under earlier laws | Name of supplier | Recipient s reg. no. under earlier laws | Details of inputs in stock |      |     |  |       |            |           | Total input tax credit claimed under earlier law | Total input tax credit related to exempt sales not claimed under earlier law | Total Input tax credit admissible as SGST/UTGST |
|---------|-----------------------|------------------------|--------------------------------------|------------------|---|----------------------------|------|-----|--|-------|------------|-----------|--|--|---|
|         |                       |                        |                                      |                  |   | Descript ion               | Unit | Qty | Type of stock(input s/semi-finished/Fi nished) | Value | Taxes paid |           |  |  |   |
|         |                       |                        |                                      |                  |   |                            |      |     |  |       | VAT        | Entry tax |  |  |   |
| 1       | 2                     | 3                      | 4                                    | 5                | 6                                       | 7                          | 8    | 9   | 10   | 11    | 12         | 13        | 14   | 15   | 16  |
|         |                       |                        |                                      |                  |   |                            |      |     |  |       |            |           |  |  |   |
|         |                       | Total                  |                                      |                  |   |                            |      |     |  |       |            |           |  |  |   |



(c) Details of inputs held on appointed day not supported by invoices/documents evidencing payment of tax (SGST Act)

| Sr. no. | Invoice/document no. | Invoice/document Date | Supplier reg. no. under earlier laws | Name of supplier | Recipients reg. no. under earlier laws | Details of Inputs in stock |      |          |       |
|---------|----------------------|-----------------------|--------------------------------------|------------------|--|----------------------------|------|----------|-------|
|         |                      |                       |                                      |                  |  | Description                | Unit | Quantity | Value |
| 1       | 2                    | 3                     | 4                                    | 5                | 6                                      | 7                          | 8    | 9        | 10    |
|         |                      |                       |                                      |                  |  |                            |      |          |       |
|         |                      | Total                 |                                      |                  |  |                            |      |          |       |

9. Details of inputs or input services received on or after appointed day but duty and taxes has been paid under existing law under Section 140(5)

| Sr. no.        | Invoice/document no. | Invoice/document date |  | Supplier's reg. no. under existing laws | Recipient's reg. no. under existing laws | Details of Inputs / input services |                                     |
|----------------|----------------------|-----------------------|--|---|--|------------------------------------|-------------------------------------|
|                |                      |                       |  |   |  | Value                              | Amount of eligible Duties and Taxes |
| 1              | 2                    | 3                     |  | 4                                       | 5  | 6                                  | 7                                   |
| Inputs         |                      |                       |  |   |  |                                    |                                     |
|                |                      |                       |  |   |  |                                    |                                     |
| Input Services |                      |                       |  |   |  |                                    |                                     |
|                |                      |                       |  |   |  |                                    |                                     |
|                |                      | Total                 |  |   |  |                                    |                                     |

Details of description and quantity of inputs / input services as well as date of receipt of goods or services (as entered in books of accounts) is also required.

**10. Details of transfer of cenvat credit for registered person having centralized registration under existing law (Section 140(8))**

| Sl. no. | Registration no. under existing law (Centralized) | Tax period to which the last return filed under the existing law pertains | Date of filing of the return specified in Column no. 3 | Balance eligible cenvat credit carried forward in the said last return | GSTIN of receivers (same PAN) of ITC of CENTRAL TAX | Distribution document /invoice |      | ITC of CENTRAL TAX transferred |
|---------|---|---|--|--|---|--------------------------------|------|--------------------------------|
|         |   |   |  |  |   | No.                            | Date |                                |
| 1       | 2   | 3   | 4  | 5  | 6   | 7                              | 8    | 9                              |
|         |   |   |  |  |   |                                |      |                                |
|         |   |   |  |  |   |                                |      |                                |
|         |   |   |  |  |   |                                |      |                                |
|         | <b>Total</b>                                      |   |  |  |   |                                |      |                                |

**11. Details of goods sent as principal to the job worker under section 141**

| Sr. No. | Challan No.  | Challan date | Type of goods (inputs/ semi-finished/ finished) | Details of goods with job- worker |             |      |          |       |
|---------|--------------|--------------|---|-----------------------------------|-------------|------|----------|-------|
|         |              |              |   | HSN                               | Description | Unit | Quantity | Value |
| 1       | 2            | 3            | 4   | 7                                 | 8           | 9    | 10       | 11    |
|         |              |              |   |                                   |             |      |          |       |
|         |              |              |   |                                   |             |      |          |       |
|         |              |              |   |                                   |             |      |          |       |
|         | <b>Total</b> |              |   |                                   |             |      |          |       |

**12. Details of goods held in stock as job worker on behalf of the principal under section 141**

| Sr. No. | Challan No.  | Challan Date | Type of goods (inputs/ semi-finished/ finished) | Details of goods with job- worker |             |      |          |       |
|---------|--------------|--------------|---|-----------------------------------|-------------|------|----------|-------|
|         |              |              |   | HSN                               | Description | Unit | Quantity | Value |
| 1       | 2            | 3            | 4   | 7                                 | 8           | 9    | 10       | 11    |
|         |              |              |   |                                   |             |      |          |       |
|         |              |              |   |                                   |             |      |          |       |
|         | <b>Total</b> |              |   |                                   |             |      |          |       |

13. Details of credit availed in terms of Section 142 (11 (c ))

| Sr. no. | Registration No of VAT | Service Tax Registration No. | Invoice/document no. | Invoice/document date | Tax Paid | VAT paid Taken as SGST Credit or Service Tax paid as CENTRAL TAX Credit |
|---------|------------------------|------------------------------|----------------------|-----------------------|----------|---|
| 1       | 2                      | 3                            | 4                    | 5                     | 6        | 7   |
|         |                        |                              |                      |                       |          |   |
|         |                        |                              | Total                |                       |          |   |

14. Details of goods sent on approval basis six months prior to the appointed day (section 142(12))

| Sr No. | Document no. | Document date | GSTIN no. of recipient, (if applicable) | Name & address of recipient | Details of goods sent on approval basis |             |      |          |       |
|--------|--------------|---------------|---|-----------------------------|---|-------------|------|----------|-------|
|        |              |               |   |                             | HSN                                     | Description | Unit | Quantity | Value |
| 1      | 2            | 3             | 4                                       | 5                           | 6                                       | 7           | 8    | 9        | 10    |
|        |              |               |   |                             |   |             |      |          |       |
|        | <b>Total</b> |               |   |                             |   |             |      |          |       |

Verification (by authorized signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

Signature

Place

Name of Authorized Signatory .....

Date

Designation /Status.....

**Form GST TRAN - 2***(See Rule -----)*

1. GSTIN -
2. Name of Taxable person -
3. Tax Period : month..... year.....
4. Details of inputs held on stock on appointment date in respect of which he is not in possession of any invoice/document evidencing payment of tax carried forward to Electronic Credit ledger.

| Opening stock for the tax period |      |      | Outward supply made |       |             |                |             | Closing balance |
|----------------------------------|------|------|---------------------|-------|-------------|----------------|-------------|-----------------|
| HSN (at 6 digit level)           | Unit | Qty. | Qty                 | Value | Central Tax | Integrated Tax | ITC allowed | Qty             |
| 1                                | 2    | 3    | 4                   | 5     | 6           | 7              | 8           | 9               |
|                                  |      |      |                     |       |             |                |             |                 |

Verification (by authorized signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

Signature

Place

Name of Authorized Signatory .....

Date

Designation /Status.....

**Agenda Item 4: Finalization of the rates of tax and cess to be levied on commodities remaining after the Fitment exercise in the 14<sup>th</sup> GST Council meeting**

**1. GST rates for supply of certain goods:** The Hon'ble GST Council in its 14<sup>th</sup> Meeting on 18<sup>th</sup> and 19<sup>th</sup> May, 2017, while discussing the GST rates for supply of goods, had decided to discuss GST rates in respect of the following commodities/commodity groups in its next meeting:

- (i) Biri wrapper leaves (tendu patta) – Ch. 14
- (ii) Biscuits – Ch.19
- (iii) Biris – Ch. 24
- (iv) Textiles – Ch. 50 to 63
- (v) Footwear – Ch. 64
- (vi) Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin – Ch. 71
- (vii) Power driven Agricultural, horticultural, forestry, poultry keeping or bee-keeping machinery, Harvesting or threshing machinery, machines for cleaning, sorting or grading, machinery used in milling industry and parts thereof [8432, 8433, 8436 and 8437]
- (viii) Cereals and flour put up in unit container and bearing a registered brand name.
- (ix) Puja samagri including havan samagri will be under Nil category. However, the exact specifications for the same will be finalised.

2. This Agenda note gives certain factual details on the aforesaid commodities/commodity groups so as to facilitate the discussions regarding GST rates for them.

3. Subsequent to the putting on website the GST rates approved by the GST Council, certain discrepancies have been noticed in the rate schedule. To rectify such discrepancies an addendum is being circulated.

3. In addition, this Agenda also proposes definition of handmade matches and a note on GST concession for supplies to Canteen Stores Department of Armed Forces.





## 2. Cereals, pulses and flour put up in unit container and bearing a registered brand name:

2.1 Table below gives an illustrative list of some such items sold packed in unit container and bearing a registered brand name. The table also compares the prices of branded goods either with the retail prices as per Department of Consumer Affairs [DoCA], or with the lowest price of branded goods.

| S. No. | Wheat Flour                                    | Price | Qty (kg.) | Retail Price (MRP) per Kg. | Variation from DoCA price (Rs. per Kg) | % variation w.r.t DOCA retail price | Brand/ Registered TradeMark Owned by | Brand /Registered Trademark/ Label/ Device registered with CGPDT                      |
|--------|--|-------|-----------|----------------------------|--|-------------------------------------|--------------------------------------|---|
| 1      | Average Retail Price as per <b>DoCA</b>        | 24.51 | 1         | 24.51                      |  |                                     |                                      |   |
| 2      | Aashirvaad shudh Chakki Whole wheat            | 330   | 10        | 33                         | 8.49                                   | 35%                                 | ITC Ltd.                             |    |
| 3      | Patanjali Whole wheat Atta                     | 300   | 10        | 30                         | 5.49                                   | 22%                                 | Patanjali Ayurved Ltd.               |    |
| 4      | Nature Fresh Chakki Atta                       | 340   | 10        | 34                         | 9.49                                   | 39%                                 | Cargill India Pvt. Ltd.              |   |
| 5      | Pillsbury Multigrain Atta                      | 245   | 5         | 49                         | 24.49                                  | 100%                                | The Pillsbury Company LLC            |  |
| 6      | Rajdhani whole Wheat Chakki fresh              | 350   | 10        | 35                         | 10.49                                  | 43%                                 | Victoria Foods Pvt Ltd.              |  |
| 7      | Aashirvaad select superior sharbati Wheat atta | 480   | 10        | 48                         | 23.49                                  | 96%                                 | ITC Ltd.                             |  |
| 8      | Organic Tattva Wheat Atta                      | 280   | 5         | 56                         | 31.49                                  | 128%                                | Mehrotra Consumer Products Pvt. Ltd. |  |
| 9      | 24 Mantra organic whole Wheat                  | 260   | 5         | 52                         | 27.49                                  | 112%                                | Sresta Natural Bioproducts Pvt.Ltd   |  |
| 10     | Pro nature whole Wheat                         | 290   | 5         | 58                         | 33.49                                  | 137%                                | Pro Nature Organic Foods Pvt Ltd     |  |
|        |  |       |           |                            |  |                                     |                                      |   |

| S. No. | Maida                             | Price | Qty kg.   | Retail Price (MRP) Rs. per Kg.     | Variation from cheapest branded maida (Rs. per Kg)   | % variation with reference to cheapest branded maida | Brand/ Registered TradeMark Owned by | Brand /Registered Trademark/ Label/ Device registered with CGPDT                      |
|--------|-----------------------------------|-------|-----------|------------------------------------|--|--|--------------------------------------|---|
| 1      | Rajdhani Maida                    | 30    | 0.5       | 60                                 |  |  | Victoria Foods Pvt Ltd.              |    |
| 2      | Ecolife Organic Maida             | 55    | 0.5       | 110                                | 50   | 367%   | Nature Bio Foods Ltd.                | Word Mark   |
| 3      | Organic tattva Maida              | 55    | 0.5       | 110                                | 50   | 367%   | Mehrotra Consumer Products Pvt. Ltd. |    |
|        |                                   |       |           |                                    |  |  |                                      |   |
|        | Daliya                            | Price | Qty (kg.) | Maximum Retail Price (MRP) per Kg. | Variation from cheapest branded maida (Rs. per kg.)  | % variation with reference to cheapest branded maida | Brand/ Registered TradeMark Owned by | Brand /Registered Trademark/ Label/ Device registered with CGPDT                      |
| 1      | Rajdhani Daliya                   | 30    | 0.5       | 60                                 |  |  | Victoria Foods Pvt Ltd.              |  |
| 2      | Ecolife Organic Daliya            | 48    | 0.5       | 96                                 | 36   | 60%  | Nature Bio Foods Ltd.                | Word Mark   |
| 3      | Best Value wheat daliya           | 35    | 0.5       | 70                                 | 10   | 17%  | Grofers India Pvt. Ltd.              |  |
| 4      | Organic tattva wheat daliya       | 55    | 0.5       | 110                                | 50   | 83%  | Mehrotra Consumer Products Pvt. Ltd. |  |
|        |                                   |       |           |                                    |  |  |                                      |   |
|        | Rice                              | Price | Qty (kg.) | Price per Kg.                      | Variation from cheapest branded basmati rice per kg. | % variation w.r.t cheapest branded basmati rice      | Brand/ Registered TradeMark Owned by | Brand /Registered Trademark/ Label/ Device registered with CGPDT                      |
| 1      | Kohinoor charminar rozana basmati | 79    | 1         | 79                                 |  |  | Kohinoor Flour Mills Ltd.            |  |
| 2      | Patanjali samriddhi Basmati Rice  | 790   | 5         | 158                                | 79   | 100%   | Patanjali Ayurved Ltd.               |  |



|   |                              |     |   |     |    |     |                                    |   |
|---|------------------------------|-----|---|-----|----|-----|------------------------------------|---|
| 3 | 24 Mantra organic rice       | 89  | 1 | 89  | 10 | 13% | Sresta Natural Bioproducts Pvt.Ltd |  |
| 4 | Kohinoor everyday basmati    | 439 | 5 | 88  | 9  | 11% | Kohinoor Flour Mills Ltd.          |  |
| 5 | Patanjali Basmati XXL Rice   | 540 | 5 | 108 | 29 | 37% | Patanjali Ayurved Ltd.             |  |
| 6 | Patanjali Dhanashree Basmati | 440 | 5 | 88  | 9  | 11% | Patanjali Ayurved Ltd.             |  |



### **3. Puja samagri, including havan samagri:**

3.1 Puja samagri, including havan samagri, is proposed to be kept under Nil GST rate.

3.2 As per the list provided by Uttar Pradesh, puja samagri includes items as under:

- (i) Incense sticks commonly known as agarbatti, dhupkathi or dhupbatti [proposed GST rate 12%];
- (ii) Sambhrani or lobhana [proposed GST rate 12%];
- (iii) Rudraksha, rudraksha mala, tulsi kanthi mala, panchgavya (mixture of cowdung, desi ghee, milk and curd);
- (iv) Sacred thread (commonly known as yagnopavit);
- (v) Wooden khadau;
- (vi) Panchamrit,
- (vii) Vibhuti sold by religious institutions,
- (viii) Unbranded honey [proposed GST Nil]
- (ix) Wick for diya.
- (x) Misri, batasha, bura [proposed GST rate 18%];

3.3 Goods like incense sticks commonly known as agarbattis, dhupkathi or dhupbatti, sambhrani or lobhana are manufactured items and exempting them from GST will put domestic manufacturers of such goods at a disadvantage vis-a-vis imports. [proposed GST rate 12%].

3.4 Thus, except

- (i) Incense sticks commonly known as agarbattis, dhupkathi or dhupbatti [proposed GST rate 12%],
- (ii) Sambhrani or lobhan [proposed GST rate 12%],
- (iii) Mishri, batasha, bura [proposed GST rate 18%]

**all other goods, namely, -**

- (i) Rudraksha, rudraksha mala, tulsi kanthi mala, panchgavya (mixture of cowdung, desi ghee, milk and curd);**
- (ii) Sacred thread (commonly known as yagnopavit);**
- (iii) Wooden khadau;**
- (iv) Panchamrit,**
- (v) Vibhuti sold by religious institutions,**
- (vi) Unbranded honey [proposed GST Nil]**
- (vii) Wick for diya.**

**may be kept at Nil GST, as part of Puja samagri.**

3.5 In addition, lobhan, mishri, batasha may be kept at 5% [the GST rate for natural resin/sugar].

4. **Definition of Handmade matches:**

- 4.1 Handmade matches are proposed to be kept at 5%. The following definition as it exists for the purposes of exemption from central excise duty is proposed to be adopted:

“Matches, in or in relation to the manufacture of which, none of the following processes is ordinarily carried on with the aid of power, namely: -

- (i) frame filling;
- (ii) dipping of splints in the composition for match heads;
- (iii) filling of boxes with matches;
- (iv) pasting of labels on match boxes, veneers or cardboards;
- (v) packaging.”

5. **Biscuits – Chapter 19:**

| <b>Type of biscuits</b>   | <b>Excise Duty Rate / embedded excise duty</b> | <b>Post-clearance Service Tax embedding</b> | <b>Headline / Weighted Average VAT Rate</b> | <b>CST, Entry Tax, Octroi, etc.</b> | <b>Present Incidence</b>                                | <b>Proposed GST Rate by the Fitment Committee</b> |
|---|--|---|---|-------------------------------------|---|---|
| Low priced Biscuits [RSP equivalent not exceeding Rs.100 per kg.] | 3.07%  | -   | 14.5%                                       | 2.50%                               | 20.6% with Octroi, etc.<br>18.1% without Octroi, etc.   | 18%   |
| Other biscuits  | 6%   | 0.14%                                       | 14.5%                                       | 2.50%                               | 23.11% with Octroi, etc.<br>20.61% without Octroi, etc. | 18%   |

6. **Power driven Agricultural, horticultural, forestry, poultry keeping or bee-keeping machinery, Harvesting or threshing machinery, machines for cleaning, sorting or grading, machinery used in milling industry and parts thereof [8432, 8433, 8436 and 8437]:**

| Chapter heading   | Excise Duty Rate / embedded excise duty   | Post-clearance Service Tax embedding | Headline / Weighted Average VAT Rate | CST, Entry Tax, Octroi, etc. | Present Incidence                                       | Proposed GST Rate by the Fitment Committee |
|---|---|--------------------------------------|--------------------------------------|------------------------------|---|--|
| 8432, 8433, 8436<br>Agricultural, horticultural, etc. machinery | 5%  | 0.09%                                | 6.2%                                 | 2.50%                        | 13.79% with Octroi, etc.<br>11.29% without Octroi, etc. | 12%  |
| 8437<br>Cleaning, sorting, grading machinery, Milling machinery | 0%<br>[Actual embedding will be more or less same as other agricultural machinery. The excise duty drawback not worked out as there was no request from industry] | 0.09%                                | 6.2%                                 | 2.50%                        | 8.79% with Octroi, etc.<br>6.29% without Octroi, etc.   | 12%  |

## 7. Footwear – Ch. 64:

### 7.1 Excise duty Structure

| Description                                | Retail Sale Price (RSP)                         | Rate excise of duty           | Total tax incidence   | Proposed GST rate |
|--|---|-------------------------------|---|-------------------|
| All footwear                               | Less than Rs.500 per pair                       | NIL<br>[Embedded Taxes 5.04%] | <b>9.5%</b><br>[5.04% Excise embedded+ 2% VAT embedded + 2.5% CST, Octroi etc.] | 12%               |
| All footwear                               | More than Rs.500 and less than Rs.1000 per pair | 6%                            | <b>23.1%</b><br>[6.14% Excise + 14.5% VAT + 2.5% CST, Octroi etc.]              | 18%               |
| Leather footwear                           | More than Rs.1000 per pair                      | 6%                            | <b>23.1%</b><br>[6.14% Excise + 14.5% VAT + 2.5% CST, Octroi etc.]              | 18%               |
| All footwear [other than leather footwear] | More than Rs.1000 per pair                      | 12.5%                         | <b>29.58%</b><br>[12.64% Excise + 14.5% VAT + 2.5% CST, Octroi etc.]            | 18%               |

### 7.2 VAT Structure

| State     | Exempt/lower rate With description           | Higher Rate |
|-----------|--|-------------|
| Bihar     | 5%<br>Plastic footwear/parts                 | 15%         |
| Jharkhand | 0%<br>Rubber Chappal                         |             |
|           | 5%<br>Plastic footwear/parts                 | 15%         |
| Karnataka | 0%<br>Upto Rs 500 [plastic footwear, rubber] | 14.5%       |
|           | 5.5%<br>Single moulded plastic above Rs 500  | -           |
| WB        | 5%<br>Hawai Chappal, plastic, EVA footwear   |             |
|           | 5%<br>Other than above footwear Up to Rs 750 | 14.50%      |
| Gujarat   | 5%<br>Plastic footwear                       | 14.50%      |
| Kerala    | 5%<br>Up to Rs 500                           | 14.50%      |
| UP        | 0%<br>Up to Rs 300                           |             |
|           | 5%<br>Plastic moulded and Hawai above Rs 300 | 14.50%      |
| JK        | 5%<br>Plastic moulded and Hawai Chappal      | 14.50%      |

| State        | Exempt/lower rate<br>With description | Higher Rate |
|--------------|---------------------------------------|-------------|
| Haryana      | 0%<br>Upto Rs 500                     | 13.13%      |
| Punjab       | 5%<br>Upto Rs 250                     | 14.50%      |
| Tamil Nadu   | 0%<br>Upto Rs 201                     | 14.50%      |
| Rajasthan    | 0%<br>Upto to Rs 500                  | 14.50%      |
| Chhattisgarh | 0%<br>Upto to Rs 250                  | 14.50%      |
| MP           | 0%<br>Upto Rs. 250                    | 14.50%      |
| Uttarakhand  | 5%<br>Hawai moulded                   | 14.5%       |

### 7.3 Imports

| Rs. Crore      |               |          |                  |          |
|----------------|---------------|----------|------------------|----------|
| Financial Year | CTH (2-Digit) | CVD Rate | Assessable Value | CVD Paid |
| 20152016       | 64            | 0.00     | 975              | 0.00     |
| 20152016       | 64            | 6.00     | 258              | 40       |
| 20152016       | 64            | 12.50    | 1233             | 470      |
| Grand Total    |               |          | 2466             | 511      |

### 7.4 Domestic factory gate value

| Rs. Crore      |         |           |                  |                |        |       |
|----------------|---------|-----------|------------------|----------------|--------|-------|
| Financial Year | Chapter | Duty rate | Assessable Value | Duty collected |        |       |
|                |         |           |                  | Cash           | Credit | Total |
| 20152016       | 64      | Nil       | 2802             | --             | --     | --    |
| 20152016       | 64      | 6.00      | 3266             | 121            | 57     | 178   |
| 20152016       | 64      | 12.50     | 1727             | 79             | 50     | 129   |
| Grand Total    |         |           | 7790             | 200            | 107    | 307   |

7.5 Value of imports at 12.5% of CVD is less than the domestic production. However, CV duty is more because of higher MRP of imported footwear.

8. **Textiles – Ch. 50 to 63:**

8.1 [Present tax incidence and proposed GST rates \[have already been circulated\]](#)

8.2 The CVD collection on imports during 2016-17:

| Rs. Crore |  |          |                  |             |
|-----------|--|----------|------------------|-------------|
| Chapter   | Description  | CVD Rate | Assessable Value | CVD Payable |
| 50        | Silk yarn and fabrics  | 12.5%    | 307              | 28          |
| 51        | Wool fibres and fabrics  | 12.5%    | 227              | 11          |
| 52        | 100% Cotton yarn and fabrics   | 6%       | 276              | 9           |
| 52        | Blended cotton yarn and fabrics  | 12.5%    | 678              | 10          |
| 53        | Other vegetable fibres and fabrics   | 12.5%    | 464              | 28          |
|           | <b>TOTAL</b>   |          | <b>1418</b>      | <b>47</b>   |
| 54        | <b>Man-made filaments/fibres and man-made textile materials</b>  | 12.5%    | 4593             | 419         |
| 55        | <b>Manmade staple fibres</b>   | 12.5%    | 3475             | 293         |
|           | <b>TOTAL</b>   |          | <b>8068</b>      | <b>712</b>  |
| 56        | Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof                        | 12.5%    | 1540             | 187         |
| 57        | <b>Carpets</b> and other textile floor coverings   | 12.5%    | 427              | 44          |
| 58        | <b>Special woven fabrics</b> ; tufted textile fabrics; lace; tapestries; trimmings; embroidery                           | 12.5%    | 519              | 41          |
| 59        | <b>Impregnated, coated, covered or laminated</b> textile fabrics; textile articles of a kind suitable for industrial use | 12.5%    | 4382             | 440         |
| 60        | <b>Knitted or crocheted fabrics</b>  | 12.5%    | 2739             | 303         |
|           | <b>TOTAL</b>   |          | <b>9607</b>      | <b>1016</b> |
| 61        | Articles of apparel and clothing accessories, knitted or crocheted   | 12.5%    | 1597             | 398         |
| 62        | Articles of apparel and clothing accessories, not knitted or crocheted   | 12.5%    | 1943             | 495         |
| 63        | Other made up textile articles, sets, worn clothing and worn textile articles; rags                                      | 12.5%    | 1477             | 197         |
|           | <b>TOTAL OF GARMENTS AND MADE UPS</b>  |          | <b>5017</b>      | <b>1091</b> |
|           | <b>Total CVD collected</b>   |          |                  |             |

8.3 Excise collection during 2016-17:

| Rs. Crore                   |  |            |             |
|-----------------------------|--|------------|-------------|
| Central Excise Duty 2016-17 |  |            |             |
| Chapter                     | Commodity  | Cash       | Credit      |
| 54                          | Synthetic filament yarn [ <b>Excise duty @ 12.5%</b> ] | 312        | 3781        |
| 55                          | M/M fibres & yarn [ <b>Excise duty @ 12.5%</b> ]       | 276        | 1662        |
| 54, 55                      | Manmade fabrics  | 10         | 61          |
| 52                          | Cotton Yarn & fabrics                                  | 5          | 100         |
|                             | <b>TOTAL</b>   | <b>603</b> | <b>5604</b> |

## 9. Biri wrapper leaves and Biris

### 9.1 Biri wrapper leaves (tendu patta) – Ch. 14:

| Embedded excise duty | Post-clearance Service Tax embedding | Headline /Weighted Average VAT Rate | CST, Entry Tax, Octroi, etc. | Present Incidence                                     | GST Rate recommended by the Fitment Committee | Rate suggested by <b>Madhya Pradesh</b> |
|----------------------|--------------------------------------|-------------------------------------|------------------------------|---|---|---|
| 0.85%                | 0.14%                                | 5%                                  | 2.50%                        | 8.41% with Octroi, etc.<br>5.91% without Octroi, etc. | 5%  | 28%                                     |

### 9.2 Biris – Ch. 24:

- a) Excise duty = 3.72%
- b) [Weighted average VAT rate](#) = 19.46%
- c) CST, Octroi, etc. = 2.5%
- d) Total tax incidence = 25.68%
- e) Proposed GST rate – 28%



**10. Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin – Ch. 71:**

| <b>Heading</b> | <b>Description</b>  | <b>Excise duty rate</b>  |
|----------------|---|--|
| 7101           | Pearls, natural or cultured, whether or not worked or graded but not strung, mounted or set; Pearls, natural or cultured, temporarily strung for convenience of transport   | Nil  |
| 7102           | Diamonds, whether or not worked, but not mounted or set   | <b>Nil</b>   |
| 7103           | Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience transport | <b>Nil</b>   |
| 7104           | Synthetic or reconstructed precious or semi-precious stones, whether or not worked or graded but not strung, mounted or set; Ungraded synthetic or reconstructed precious stones, temporarily strung for convenience of transport                     | Nil  |
| 7105           | Dust and powder of natural or synthetic precious or semi - precious stones  | 6%   |
| 7106           | Silver (including silver plated with gold or platinum), unwrought or in semi - manufactured forms, or in powder form  | Silver manufactured from Silver ore or concentrate; Silver dore bar; gold dore bar; or during the process of copper smelting, zinc or lead smelting, attracts duty of <b>8.5%</b> . However, CVD on Silver is Nil. |
| 7107           | Base metals clad with silver, not further worked than semi - manufactured   | 12.5%  |
| 7108           | Gold (including gold plated with platinum) unwrought or in semi - manufactured forms, or in powder form   | Gold bars manufactured from gold ore or concentrate; Gold dore bar; Silver dore bar; or during the process of copper smelting, zinc or lead smelting, attracts duty of <b>9.35%</b> .                              |
| 7109           | Base metals or silver, clad with gold, not further worked than semi - manufactured  | 12.5%  |
| 7110           | Platinum, unwrought or in semi - manufactured form, or in powder form   | 12.5%  |
| 7111           | Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured  | 12.5%  |
| 7113           | Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal   | <b>1% (without input tax credit)<br/>or</b>  |

|             |  |   |
|-------------|--|---|
|             |  | <b>12.5% with input tax credit</b>  |
| 7113        | Articles of silver jewellery, other than those studded with diamond, ruby, emerald or sapphire are exempted.             | <b>Nil</b>  |
| 7114        | Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal | <b>1% (without input tax credit)<br/>or<br/>12.5% with input tax credit</b> |
| 7115        | Other articles of precious metal or of metal clad with precious metal  | 12.5%   |
| 7116        | Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or re-constructed)          | 12.5%   |
| <b>7117</b> | <b>Imitation jewellery</b>   | <b>6%</b>   |
| 7118        | Numismatic Coins   | Nil   |

#### 10.2 **VAT Rates for Jewellery in different States:**

| <b>S. No.</b> | <b>State</b>         | <b>Rate</b> |
|---------------|----------------------|-------------|
| 1.            | Andhra Pradesh       | 1%          |
| 2.            | Arunachal Pradesh    | 1%          |
| 3.            | Assam                | 1%          |
| 4.            | Bihar                | 1%          |
| 5.            | Chhattisgarh         | 1%          |
| 6.            | Chandigarh           | 1%          |
| 7.            | Dadra & Nagar Haveli | 1%          |
| 8.            | Daman & Diu          | 1%          |
| 9.            | Delhi                | 1%          |
| 10.           | Goa                  | 1%          |
| 11.           | Gujarat              | 1%          |
| 12.           | Haryana              | 1%          |
| 13.           | Himachal Pradesh     | 1%          |
| 14.           | Jammu & Kashmir      | 1%          |
| 15.           | Jharkhand            | 1%          |
| 16.           | Karnataka            | 1%          |
| 17.           | <b>Kerala</b>        | <b>5%</b>   |
| 18.           | Madhya Pradesh       | 1%          |
| 19.           | <b>Maharashtra</b>   | <b>1.2%</b> |
| 20.           | Manipur              | 1%          |
| 21.           | Meghalaya            | 1%          |
| 22.           | Mizoram              | 1%          |
| 23.           | Nagaland             | 1%          |
| 24.           | Odisha               | 1%          |

| S. No. | State         | Rate |
|--------|---------------|------|
| 25.    | Puducherry    | 1%   |
| 26.    | Punjab        | 1%   |
| 27.    | Rajasthan     | 1%   |
| 28.    | Sikkim        | 1%   |
| 29.    | Tamil Nadu    | 1%   |
| 30.    | Telangana     | 1%   |
| 31.    | Tripura       | 2%   |
| 32.    | Uttar Pradesh | 1%   |
| 33.    | Uttarakhand   | 1%   |
| 34.    | West Bengal   | 1%   |

**10.3 VAT Rates for diamond and other precious and semi-precious stones in different States:** VAT rates applicable to diamonds and precious and semi-precious stones in different States are same as that for jewellery, except in case of Gujarat, which has Nil VAT on rough diamonds.

**10.4 Market size:**

**10.4.1 Articles of jewellery and other articles of precious metals:**

- (i) Total jewellery market size in India is about Rs. 4.5 lakh crore.
- (ii) Gold consumption in Jewellery sector was 527 MT during 2016-17 as against 606 MT during 2015-16
- (iii) As per report of the GST Revenue Neutral Rate Committee, consumption of gold by top 2 income deciles account for about 80% of the total consumption, while consumption by bottom 4 deciles is only 0.2%.
- (iv) Simultaneously, it is by nature an evasion prone commodity and, thus, linked to black money generation.

**10.4.2 Imports of Gold Jewellery:**

| Description  | Rs Crore |                         |
|--|----------|-------------------------|
|  | 2015-16  | 2016-17<br>( Up to Feb) |
| JEWELLERY OF GOLD UNSET  | 2,526    | 292                     |
| JEWELLERY OF GOLD SET WITH PEARLS  | 3        | 13                      |
| JEWELLERY OF GOLD SET WITH DIAMOND   | 1,214    | 956                     |
| JEWELLERY OF GOLD SET WITH PRECIOUS AND SEMI PRECIOUS STONES OTHER THAN DIAMONDS | 65       | 67                      |
| JEWELLERY OF PLATINUM GROUP METALS UNSET   | 21       | 18                      |
| Grand Total  | 3,829    | 1345                    |

#### 10.4.3 Exports of Gold Jewellery:

| Description  | Rs Crore |                       |
|--|----------|-----------------------|
|  | 2015-16  | 2016-17<br>(Upto Feb) |
| JEWELLERY OF GOLD UNSET  | 23,998   | 23,355                |
| JEWELLERY OF GOLD SET WITH PEARLS  | 359      | 140                   |
| JEWELLERY OF GOLD SET WITH DIAMOND   | 23,202   | 21,254                |
| JEWELLERY OF GOLD SET WITH PRECIOUS AND SEMI PRECIOUS STONES OTHER THAN DIAMONDS | 3,792    | 3,706                 |
| Total  | 51,352   | 48,455                |

#### 10.5 Precious metals:

##### Gold and Silver imports during 2015-16 and 2016-17

| Financial year | Quantity (in Kg) | Rs. Crore |
|----------------|------------------|-----------|
|                |                  | Value     |
| Gold           |                  |           |
| 2015-16        | 929167           | 197255    |
| 2016-17        | 716418           | 167316    |
| Silver         |                  |           |
| 2015-16        | 6740444          | 21636     |
| 2016-17        | 2121620          | 7749      |

#### 10.6 Diamonds: Imports and exports

| Description               | Rs Crore      |                       |               |                       |
|---------------------------|---------------|-----------------------|---------------|-----------------------|
|                           | Imports value |                       | Exports value |                       |
|                           | 2015-16       | 2016-17<br>(Upto Feb) | 2015-16       | 2016-17<br>(Upto Feb) |
| Rough Diamonds            | <b>92368</b>  | <b>101418</b>         | 9170          | 9579                  |
| Cut and polished diamonds | 17758         | 14129                 | <b>133379</b> | <b>139263</b>         |

### 10.7 Precious and semi-precious stones: Imports and exports

| Description   | Rs Crore      |                       |               |                       |
|---|---------------|-----------------------|---------------|-----------------------|
|   | Imports value |                       | Exports value |                       |
|   | 15-16         | 2016-17<br>(upto Feb) | 15-16         | 2016-17<br>(upto Feb) |
| EMERALDS, UNCUT   | 664           | 1597                  | 194           | 190                   |
| RUBY AND SAPPHIRE,<br>UNCUT   | 1,058         | 1109                  | 5             | 37                    |
| OTHR PRCS STONE (E.G.<br>AQUAMARINE<br>CHRISOBARYLE-TOPAZ<br>ETC) UNCUT | 36            | 219                   | 11            | 2                     |
| OTHER SEMI PRECIOUS<br>STONE UNCUT                                      | 738           | 641                   | 94            | 42                    |
| OTHERWISE WRKD<br>RUBIES SAPPHIRES AND<br>EMERALDS                      | 8,062         | 8797                  | 1594          | 1619                  |
| OTHER STONE CUT<br>(TOPAZ AQUAMARINE<br>ETC)                            | 266           | 241                   | -             | -                     |

11. **GST tax treatment of Supplies to Canteen Stores Department [CSD], a Government of India undertaking under the Union Ministry of Defence and Supplies from CSD and Unit Run Canteens [URCs]:**

11.1 The Canteen Stores Department [of Armed Forces], CSD as it is commonly referred to, was created to provide 'easy access to quality products of daily use, at prices less than market rates' to the soldiers, ex-servicemen and their families. **It is not driven by the profit motive.**

11.2 The Department has 34 depots strategically located across India. This is the core strength of the CSD, which puts its operation in close proximity to the thousands of URCs it has mandated to serve. These Depots are the hub of the CSD chain.

11.3 Presently, **CSD enjoys partial or full exemption**, as the case may be, which varies from State to State, on procurements by CSD, supplies by CSD to the URCs and supplies by URCs to the customers.

11.4 During 2015-16

- a) Sales = Rs. 15,828 crore
- b) Sales net of liquor sales = Rs. 13,421 crore
- c) Total VAT exemption benefit on non-liquor sales = Rs. 1376 crore
- d) **% VAT concession on items other than liquor = 10.3%.**

11.5 Thus, Hon'ble GST Council may like to consider, **50% concession from GST** on supplies to CSD, which will result in concessional rate of 2.5%, 6%, 9% and 14% [with resultant concessions of 2.5%, 6%, 9% and 14%]. No concession may, however, be extended from Compensation Cess.

11.6 **At present, there is no excise duty concession on supplies to CSD.** However, in GST it would be advisable that the cost of concessions to CSD is equally borne by the Centre and States.

11.7 If the above proposal is accepted then we will have to issue:

- a) A notification under section 55 of the CGST/SGST Acts, providing for refund of 50% of GST to CSD;
- b) Exempt 50% of GST payable on supplies [sales] made by CSD to Unit Run Canteens
- c) Exempt 50% of GST payable on supplies [sales] made by CSD or Unit Run Canteens to final consumer.

**12. Addendum to the GST rate Schedule for Goods [As per discussions in the GST Council Meeting held on 18th May, 2017]**

The following amendments / additions are required to be made to the aforesaid document:

1. In Chapter 15, in the 18% rate column, the part entry from 1517 relating to edible mixtures of vegetable fats or oils, that is “edible mixtures or preparations of vegetable fats or vegetable oils or of fractions of different vegetable fats or vegetable oils of this Chapter, other than edible fats or oils or their fractions of heading 1516 [1517]” may be shifted to the 5% rate column [wherein all vegetable fats and vegetable oils at 5%]. [This will ensure that mixtures of two or more varieties of edible vegetable oils fall at 5%.]
2. In Chapter 29, in the 18% rate column, after the entry No 39 the following entries shall be inserted,
  - (i) “40 - 2939 Alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives
  - (ii) 41 - 2940 Sugars, chemically pure, other than sucrose, lactose, maltose, glucose and fructose; sugar ethers, sugar acetals and sugar esters, and their salts, other than products of headings 2937, 2938 or 2939
  - (iii) 42 - 2941 Antibiotics
  - (iv) 43 - 2942 Other organic compounds”All goods falling under chapter 29 [organic chemicals, being intermediates] are at 18% [These were omissions]
3. In Chapter 31, in the 5% rate column, the entries “3101 Organic manure put up in unit containers and bearing a brand name” may be added. [3101 Organic manure other than put up in unit containers and bearing a brand name is at Nil]. [This was an omission.]
4. In Chapter 34, in the 28% rate column, the entry “3404 Artificial waxes and prepared waxes” may be omitted. These goods [being in the nature of intermediates] are covered in the 18% rate column. [By mistake it was appearing in 28% also.]
5. In Chapter 38, in the 18% rate column, for the entry No 18 the entry “3823 Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols” shall be substituted. [There is typographical error in the description.]
6. In Chapter 40,
  - i. in the 12% rate column, the entry “4 - Erasers [4016].” may be added.
  - ii. in the 18% rate column, the entry No. 12 “Erasers [4016].” may be omitted. [Mathematical boxes, geometry boxes and colour boxes, pencil sharpeners (7310 or 7326) and Pencils, crayons (9609) are at 12%].

7. In Chapter 48, in the 18% rate column, for the part entry in 4811 i.e. for the words “[Other aseptic packaging paper and”, the words “[other than aseptic packaging paper]” shall be substituted. [Aseptic packaging paper 4811 is covered in the 12% rate column. There was a small mistake of missing word, ‘than’ after the word ‘other’.]
8. In Chapter 69, -
  - i. In the 28% rate column, the entry “6903 Other refractory ceramic goods (for example, retorts, crucibles, muffles, nozzles, plugs, supports, cupels, tubes, pipes, sheaths and rods), other than those of siliceous fossil meals or of similar siliceous earths” may be omitted [This entry is covered in the 18% rate column as all goods of 6903].
  - ii. In the 28% rate column, the entry “6908 Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing” may be omitted [This tariff heading has been omitted from the Central Excise Tariff with effect from 01.01.2017. This entry is now covered in the entry 6907, which is also in the 28% rate column].
9. In Chapter 70,
  - i. In the 18% rate column, in the entry against 7018, “Glass beads” may be omitted.
  - ii. In the 5% rate column, the entry “7018 Glass beads” may be inserted.  
[Glass beads are covered as part of “Embroidery or zari articles” in the 5% rate column under chapter 58.]
10. In Chapter 84, -
  - i. In the Nil rate column, the entry “8445 Amber charkha” may be added.
  - ii. In the 5% rate column, the entry “Hand pumps and parts thereof [8413, **8414 90**]” may be read as “Hand pumps and parts thereof [8413, **8413 91**]”.
  - iii. In the 12% rate column, the entry No 1 the words “Nuclear fuel elements” may be substituted by the words “fuel elements (cartridges), non-irradiated, for nuclear reactors”
  - iv. In the 18% rate column, in entry No 1 the words “fuel elements (cartridges), non-irradiated, for nuclear reactors” may be omitted.
11. In the 18% rate column, after entry No 13 the entry “13A - machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; other packing or wrapping machinery (including heat-shrink wrapping machinery); machinery for aerating beverages [8422 20 00, 8422 30 00, 8422 40, 8522 90]” shall be inserted. [These are capital goods and are not listed in the 18% rate column].



12. In Chapter 85, -

- i. In the 5% rate column, after entry (c), the entry “(d) photo voltaic cells, whether or not assembled in modules or made up into panels” may be added [these cells and modules are renewable energy devices].
- ii. Correspondingly, in the 18% rate column, the part entry from 8541, that is “including photo voltaic cells, whether or not assembled in modules or made up into panels” may be omitted.
- iii. In the 12% rate column, the entry “8539 LED lamps” may be added [LED lamps, falling under 9405, are already at 12% rate.]

13. In Chapter 90, in the 18% rate column, the entry “9032 Automatic regulating or controlling instruments and apparatus” may be inserted [this entry is not listed in the 18% rate column].

14. In Chapter 91, -

- i. In the 28% rate column, the entry “9110 Complete clock movements, unassembled or partly assembled (movement sets); incomplete clock movements, assembled; rough clock movements” may be omitted;
- ii. In the 18% rate column, the entry “5 - 9110 Complete clock movements, unassembled or partly assembled (movement sets); incomplete clock movements, assembled; rough clock movements” may be added in the 28% rate column, the entry from 9112 relating to clock i.e. “9112 Clock cases, and parts thereof” may be omitted;
- iii. In the 28% rate column, the entry from 9112 relating to clock i.e. “6 - 9112 Clock cases, and parts thereof” may be added;  
[Clocks and their parts are at 18%].

15. In Chapter 95, in the 28% rate column the entry “9506 Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this chapter; swimming pools and paddling pools” may be substituted by the entry “9506 Articles and equipment for general physical exercise, gymnastics, athletics”. [Sports goods in general are at 12%].

16. In Chapter 96, in the 12% rate column, the entry “Pencils, crayons, pastels, drawing charcoals, writing or drawing chalks and tailor’s chalk [9609]” may be read as “Pencils, crayons, pastels, drawing charcoals and tailor’s chalk [9608, 9609]” **[propelling or sliding pencils are covered under 9608. Chalk sticks are at Nil.]**

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## **Additional Agenda Item**

### **Agenda Note – e Way Bills**

Draft Rules on e-way bills, which were framed by the Law Committee, were put in public domain in April, 2017. Various representations on these rules have been received and collated, but the same have not been examined so far by the Law Committee for paucity of time.

2. Some of the key issues identified by the trade and industry in relation to e-way bills rules are as follows:

- a) The draft rules have laid down a very low threshold beyond which the e-way bill will apply. It has been provided that any consignment of value greater than Rs. 50,000/- will be required to have an e-way bill for its movement. The limit is very low compared to the high compliance burden for transporters.
- b) The rules provide that it will be applicable to any kind of movement of goods both, intra-State or inter-State. The draft e-way bill has gone beyond the present system and is proposed to be applicable to any kind of movement, both intra-State and inter-State.
- c) The draft rules provide that it will be applicable to movement of all kinds of goods. There is no demarcation for the goods as to whether they are evasion prone or not. This universal application of the rule to all kinds of goods means that there is no adoption of risk management approach which is the essence of modern day tax administration.
- d) The draft rules provide for strict timelines for completion of transport operation, which appear to be impractical and aloof from reality. Further any violation of timelines has penal consequence.
- e) The coverage of the rules is ubiquitous and does not provide for relaxation for any kind of movement such as that for imports or exports. So any movement of the export goods from the ICD to the Gateway port or for the transshipment of the imported goods from gateway port to the ICD has not been given any relaxation from the application of rules
- f) The rules require that any transshipment of the goods during movement will entail the generation of a new-way bill. The compliance burden created by this requirement would be huge as transshipment is one of the essential attribute of cargo movement and is required for efficient movement of goods throughout the country. Besides, there might be certain eventualities such as accidents where the goods would require to be shifted from one conveyance to another.

- g) The draft rules provide that the transporter is required to carry both the invoice as well as the e-way bill during the movement of goods. Thus, there is no respite for the transporter.
- h) The onus and responsibility of movement of taxable goods is getting blurred. The smooth movement of goods may be hindered because of the faults of a transporter.
- i) Trade associations have suggested alternative model.

3. Since the feedback from the stakeholders is yet to be examined by the Law Committee, finalisation of Rules and related formats may take some time. The software development can start only after finalization of the rules and formats by the Council.

4. The above facts are placed for consideration of the Council for deciding the date and modalities of the implementation of e-way system in GST regime.