



Agenda for 43rd Meeting of the GST Council

28 May 2021

Volume – 1





GST Council Secretariat

New Delhi

Dated: 16th May 2021

Notice for the 43rd Meeting of the GST Council Scheduled on 28th May 2021

The undersigned is directed to refer to the subject cited above and convey that the 43rd Meeting of the GST Council would convene on **28th May 2021 (Friday)** through Video Conference. The schedule of the meeting is as follows:

28th May 2021 (Friday) : 1100 Hours onwards

2. Please convey the invitation to the Hon'ble Members of the GST Council to attend the Meeting.

(-Sd-)

(Tarun Bajaj)

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, Union Territories (with legislature) of Delhi, Puducherry and Jammu and Kashmir with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State/UT Government as a Member of the GST Council about the above said meeting.
4. Chairman, CBIC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.
5. Chairman, GST Network

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Discussion on Agenda Items

Agenda Item 1 – Confirmation of the Minutes of the 42nd GST Council Meeting held on 05th & 12th October, 2020

The draft minutes of the 42nd meeting of the GST Council (hereinafter referred to as ‘the Council’) held on 05th & 12th October, 2020 was circulated to the Member States after the approval of Chairperson of the GST Council. The changes suggested by Odisha, Rajasthan and Telangana have been incorporated and the draft minutes are as follows.

The draft minutes of the 42nd meeting of the GST Council held on 05th & 12th October, 2020 through video conference under the Chairpersonship of the Hon’ble Union Finance Minister, Smt. Nirmala Sitharaman (hereinafter referred to as the Chairperson). A list of the Hon’ble Members of the Council who attended the meeting is given at **Annexure-1&2**. A list of officers of the Centre, the States, the GST Council and the Goods and Services Tax Network (GSTN) who attended the meeting is given at **Annexure-3&4**.

2. The following agenda items were listed for the discussion in the 42nd Meeting of the Council:

1. Confirmation of the Minutes of GST Council Meetings.
 - i. 40th meeting of the GST Council held on 12th June, 2020
 - ii. 41st meeting of the GST Council held on 27th August, 2020
2. Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government
3. Decisions of the GST Implementation Committee (GIC) for information of the Council
4. Timelines in respect of TRAN-1/TRAN-2 declarations based on the discussions of 13th meeting of IT Grievance Redressal Committee held on 01.09.2020
5. Update on Return Enhancement and Advancement Project (REAP) & in-principle approval of overall architecture
6. Issues recommended by the Law Committee for the consideration of the GST Council
 - i. Extension of the GSTR-1/3B system of return filing and change in due date for quarterly taxpayers upon introduction of the new GSTR-2B functionality
 - ii. Issues related to Annual Return for Financial Year 2019-20
 - iii. Steps taken to improve compliance behavior of taxpayers for making furnishing of GSTR-1 mandatory before furnishing GSTR-3B

- iv. Amendment to FORM GSTR-1 and notification 12/2017-Central Tax, dated 28.06.2017 for improving data quality to enhance tax administration
 - v. Agenda Note regarding refund to be disbursed in same PAN and Aadhaar linked bank account on which registration has been obtained under GST.
 - vi. Proposal for amendments to CGST Rules, 2017
 - vii. Limitation period for taking cognizance or institution of prosecution under GST
7. Issues recommended by the Fitment Committee for the consideration of the GST Council
- i. Agenda Note on the representation received from HADMA seeking GST rate of 12% on Ayurveda/Unani/Siddha' (AUS)-ingredients based sanitizer
8. Issues of Goods and Services Tax Network (GSTN):
- i. Status of receipt of Advance User Charges (AUC) from States and CBIC
 - ii. Need for moving resources from CR model to T&M model for important developments
 - iii. Status update on conversion of Goods and Services Tax Network (GSTN) into 100% Government-owned Company
9. Agenda Note for continuation of cess beyond the transition period
- 9A. GST Compensation Options – Ways of meeting the Shortfall
10. Review of Revenue position
11. Enabling UPI and IMPS as a payment option for payments of Goods & Services Tax
12. Status report of creation of GRC Zone-wise (CBIC) and States / UTs as on 04.09.2020
13. Performance Report of the NAA (National Anti-profiteering Authority) for the 1st quarter (April to June, 2020) for the information of the Council
14. Any other agenda item with the permission of the Chairperson
- i. Minutes of the Meetings of GoM on IGST Settlement held on 22.09.2020 & 01.10.2020
 - ii. GST on launch of small satellites by Indian enterprises
15. Date of the next meeting of the GST Council

Preliminary discussion

3. The Hon'ble Chairperson invited the Union Finance Secretary and ex-officio Secretary to the GST Council (hereinafter referred to as the Secretary) to begin the proceedings. The Secretary welcomed the Hon'ble Chief Minister, the Hon'ble Minister of State (Finance), the Hon'ble Deputy Chief Ministers and the Hon'ble Members to the 42nd Meeting of the GST Council.

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

Agenda Item 1 : Confirmation of the Minutes of GST Council Meetings

4. The Secretary informed that the 1st Agenda item, was the confirmation of the Minutes of the 40th and 41st Meetings of the GST Council (hereinafter referred to as Minutes) held on 12th June, 2020 and 27th August, 2020 respectively. He stated that the Minutes were circulated to all the States in advance and comments have been received from the following States suggesting the following changes.

i. The State of Puducherry suggested that:

- a. in Para 6.5 of the minutes recorded for the 40th GST Council meeting in line 4, to replace the presently recorded version (Several rounds of meetings were held amongst which one was held in the presence of Hon'ble Union Finance Minister and it was agreed that this issue will be resolved) with the following version "Several rounds of meetings were held in this regard. One such meeting was held in the presence of the Hon'ble Union Finance Minister and it was agreed that this issue will be resolved".
- b. in Para 9 of the minutes recorded for the 41st GST Council meeting, in lines 46 and 47, to replace the presently recorded version (Further he brought up the issue that every State was getting 51% revenue share whereas Puducherry was getting only 26% whereas it was entitled to 51%) with the following version "Further he brought up the issue that every State was getting 41% revenue share whereas Puducherry was getting only 26% whereas it was entitled to 41%".

ii The State of Kerala suggested that:

- a. in Para 40 of the minutes recorded for the 41st GST Council meeting, to replace the presently recorded version (the Hon'ble Member from Kerala stated that he disagreed with the assessment made by the Finance Secretary in dealing with the situation. When the economy is in recession, or in contraction, the theory suggests that the Government should expand the expenditure.) with the following version "The Hon'ble Member from Kerala strongly disagreed with the assessment made by the Finance Secretary in dealing with the situation. He stated that barring one or two states all others who spoke, said that the center should do the borrowing. Having felt the sense of the house, this aspect should be discussed first and he took strong exception to the discussions centering on Covid related revenue loss and non-Covid related revenue loss. When the economy is in recession, or in contraction, the theory suggests that the Government should expand the expenditure."

- b. in Para 59 of the minutes recorded for the 41st GST Council meeting, to replace the presently recorded version (the Hon'ble Member from Kerala stated that the best course of action would be to give some time to the States to communicate the option they choose to exercise.) with the following version "The Hon'ble Member from Kerala stated that the best course of action would be to give some time to the States to examine the options."

5. For **Agenda Item 1(i) and 1 (ii)**, the Council approved the Minutes of the 40th GST Council meeting and 41st GST Council meeting with the changes suggested by Puducherry and Kerala as detailed in para 4 above.

6. After confirmation of the minutes of the 40th and 41st meetings of the GST Council, the Hon'ble Ministers from the States / UTs of Puducherry, Punjab, Kerala, Telangana, Haryana, Maharashtra requested the Chairperson that the GST compensation issue should be discussed first while rest of the agenda items could follow. The Secretary clarified that compensation issue was listed as Agenda Item 9A. He sought permission of the Chairperson and the Hon'ble Ministers to first discuss Agenda Item 9 on continuation of cess beyond transition period and then Agenda Item 9A. It was agreed upon and the meeting started with discussion on Agenda No.9.

7. However, the minutes are presented below in sequence of the Agenda Items 2 to 14 for the convenience of ease of reference.

Agenda Item 2: Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government.

8. The Secretary asked Pr. Commissioner, GST Policy Wing, Sh. Yogendra Garg to place the Agenda before the Council. PC, GSTPW introducing the Agenda briefed the Council that the Agenda is regarding deemed ratification of Notifications, Circulars and Orders in relation to decisions already taken by GST Council and if deemed fit may be ratified and approved by the Council. He stated that in the 40th GST Council meeting held on 12-6-2020, the Council had ratified all the notifications, circulars and orders issued before 10-6-2020. He thereafter made a presentation (**Annexure 5**) listing out all the notifications, rate and non-rate of CGST, UTGST, IGST and Compensation Cess Circulars and Removal of Difficulty orders issued since 10-6-2020 till 25-9-2020, under the GST Laws by the Central Government as available on www.cbic.gov.in

9. For **Agenda Item 2**, the Council ratified the following:

- i. the notifications, circulars and Orders as in Agenda Item and the presentation (attached as **Annexure 5**) made during the Council Meeting, which are available on www.cbic.gov.in

Act / Rules	Type	Notification/Circular/Order Nos
CGST Act/CGST Rules	Central Tax	From Notification No. 48/2020-Central Tax, dated 19.06.2020 to Notification No. 73/2020-Central Tax, dated 01.10.2020

Act / Rules	Type	Notification/Circular/Order Nos
		Notification No. 04/2020-Central Tax (Rate) ,dt. 30-09-2020
UTGST Act	Union Territory Tax	Notification No. 02/2020 - Union Territory Tax dated 24.06.2020 and Notification No. 04/2020 - Union Territory Tax (Rate) dated 30.09.2020
IGST Act	Integrated Tax	1. Notification No. 04/2020 - Integrated Tax dated 24.06.2020 2. Notification No. 05/2020 - Integrated Tax dated 24.06.2020 3. Notification No. 04/2020 - Integrated Tax (Rate) dated 30.09.2020
Circulars	Under CGST Act, 2017	141/11/2020 - GST
ROD Orders	Under CGST Act, 2017	01 of 2020- Central Tax

ii. the notifications, Circulars and Orders issued by the States which are *parimateria* with above notifications, Circulars and Orders.

Agenda Item 3: Decisions of the GST Implementation Committee (GIC) for information of the Council

10. PC, GSTPW, CBIC informed that the GST Implementation Committee (GIC) took various decisions between 27.05.2020. and 08.09.2020. Further, due to the urgency involved, certain decisions were taken by GIC after obtaining approval amongst GIC Members by circulation. He made a presentation (attached as **Annexure 5**) on the decisions taken by GIC.

10.1 The Hon'ble Deputy CM of Delhi on the decision of GIC with respect to sharing of information with the Comptroller and Auditor General of India commented that this information should be sought directly from GSTN instead of CAG approaching each State separately. He suggested that after getting approval from the States, GSTN should make the information available directly to CAG. He stated that an SOP be made by the Council for both CBIC and the States on the modalities of information sharing. He added that CAG is first approaching the States and then States are seeking information from GSTN and then sharing it with CAG. This will make the whole process cumbersome. He suggested that instead, GSTN

should be authorised and with due approval of the States, GSTN should be allowed to share information with CAG. He further stated that CAG was presently asking for information from the NCT of Delhi, so the issue needs to be addressed urgently.

10.2 The Secretary to the GST Council acknowledged that suggestion of the Hon'ble Deputy CM of Delhi was good and stated that it should be done the way suggested. He added that in consultation with CAG, they had established certain protocol as to how information from the Central Government will go.

Now as per the suggestions given by the Hon'ble Member, the same will be incorporated and then in principle approval can be taken with regard to the nature and manner of data sharing, so that whatever is decided for Central Government, the same can be placed before the Council and based on that, data sharing can be done with CAG. He informed the Council that the Deputy CAG had met him some time back and placed similar request that going to all the States separately for data will be cumbersome and hinder proper audit. He emphasised that proper audit was must to ensure timely corrective action on the observations of CAG.

10.3 The CEO, GSTN, clarified that there were two aspects, one being selection of cases where audit will be done and for that data can be taken centrally. Second is once the cases are selected then they need to approach the particular jurisdiction and look at the files. He informed that now the Central Government authorities have created User-ID and password for the CAG Officers so that they can access the information. Suppose the CAG authorities want to look at the entire refund processing, they can see from start to end for those cases which have been selected by them. Same thing they want for the States as well. He informed that for 30 Model-2 States, GSTN was in the process of creating a similar kind of access mechanism wherein the States create the access User-Id's and passwords and give to CAG for accessing data required.

10.4 The Secretary, GST Council summing up the discussion stated that today's meeting could be taken as authorisation for making similar mechanism for the States as had been done for the Centre after extensive discussion with CAG for data sharing with CAG, wherein after approval from the States, the User-Id and password can be given to CAG for enabling access and retrieval of data for the individual cases they want to look at.

10.5 The Hon'ble Deputy CM of Delhi again stressed that approval of the State in this process was must.

10.6 The CEO, GSTN clarified that the User-Id and password will be made available to the State Nodal Officer so that when the CAG team comes for audit it can be handed over by the State Nodal Officer for access of data and then be taken back once audit is complete. So, the control rests with the States. As it is approved today by Council, GSTN will work on the same and have the functionality ready at the earliest.

10.7 The Hon'ble CM of Delhi appreciated the same.

10.8 The Commissioner, Commercial Taxes, Karnataka submitted that as a Model 1 State, CAG had already sought their data through the backend. So they were already accessing their system and as Model 1 State they did not have access to the GSTN system. So as far as Model 1 States were concerned, CAG could continue to access their system much like their officers accessed it.

11. For **Agenda Item 3**, the Council took note of the decisions of the GST Implementation Committee between 27.05.2020 and 08.09.2020.

Agenda Item 4: Timelines for TRAN-1 and TRAN-2 based on 13th meeting of ITGRC

12. The Secretary of the Council asked the Convener, Law Committee to brief the Council on the agenda. The Convener, Law Committee explaining the agenda informed that in 13th ITGRC meeting, it was observed by the ITGRC that Rule 117(1A) of CGST Rules, 2017 had been amended vide Notification No. 02/2020-CT dated 01.01.2020 extending the due date for submitting the declaration electronically in Form GST TRAN-1 upto 31.03.2020, in respect of taxpayers who could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council had made a recommendation for such extension. Similarly, due date of filing TRAN-2 had been extended upto 30.04.2020. In view of the spread of pandemic COVID-19, these timelines stood extended to 31.08.2020 vide CBIC Notification No. 35/2020-CT dated 03.04.2020 read with Notification No.55/2020-CT dated 27-06-2020.

12.1 He further informed that the ITGRC in its meeting held on 01.09.2020 had recommended 26 cases (12 cases received from Nodal Officers and 14 cases received on account of Court cases) for opening up of the portal to file revised TRAN-1/TRAN-2. Further, another 31 cases viz. 9 Court cases and 22 cases received from Nodal Officer (received by nodal officers before 31.03.2020) were under examination by the GSTN. He informed that the ITGRC had observed that as due date for submitting the declaration electronically in Form GST TRAN-1 under present provisions of Rule 117(1A) was already over on 31.08.2020, it therefore appeared that ITGRC could not take up any fresh case for discussion and recommendation unless the Rule was amended. In view of the above, the ITGRC requested that this issue might be referred to Law Committee before bringing it to GST Council for appropriate recommendation.

12.2 The issue was deliberated by Law Committee in its meeting held on 09.09.2020, wherein it was decided that the timeline under Rule 117(1A) should not be extended, as any extension of time limit under Rule 117(1A) may adversely affect the stand taken by the Government in the Special Leave Petition 7425-7428/2020 filed by the Revenue in the case of Brand Equity Treaties Limited in the Hon'ble Supreme Court.

12.3 The Secretary apprised the Council that this Agenda involves two parts:

- (a) The ITGRC had recommended 26 cases (12 from Nodal Officers and 14 Court cases) in its 13th meeting held on 01-09-2020 for opening up of the portal to file revised TRAN-1/TRAN-2.
- (b) The cases pending with GSTN as on 01-10-2020, including 9 Court cases and 22 cases received from Nodal Officer (received by nodal officers before 31.03.2020), totaling to 31 cases.

He explained that though the due date for submitting the declaration electronically in Form GST TRAN-1 under present provisions of Rule 117(1A) was over on 31.08.2020 but these 26 cases, having technical glitches while filing TRAN-1/TRAN-2 and recommended by the ITGRC, may be considered so that the portal can be opened for these cases. This would give legal backing for enabling opening up of the portal in respect of these 26 cases recommended by ITGRC.

12.4 For the cases mentioned at 12.3(b) above, he requested the Council that the issue may be kept open and the same can be brought back to the Council. He informed that many of these taxpayers are approaching Courts to get transitional credit and that there is a need to be cautious as whatever is done with regard to these cases would have legal implications.

13. For **Agenda item 4**, the GST Council took note of the above and accorded its approval for 26 cases duly recommended by ITGRC in its 13th meeting held on 01-09-2020 for opening up of the portal to file TRAN-1/TRAN-2, if they had faced technical glitch.

Agenda Item 5: Update on Return Enhancement and Advancement Project (REAP) & in-principle approval of overall architecture

14. The PC, GSTPW made a presentation (**Annexure 5**) and briefed the Council that in the 39th GST Council meeting held on 14.03.2020, it was decided that instead of an entirely new return system, enhancements were to be carried out in the existing system and achieve the same objective. The Return Enhancement and Advancement Project (REAP) undertaken by the GSTN essentially involved, inter-alia, that the liability got auto-populated from the GSTR-1, the credit got auto-populated from GSTR-1 of the suppliers and ultimately an auto populated return is generated.

14.1 Briefing the Council PC, GSTPW highlighted that following features had already been enabled under REAP:-

i. Nil filing of GSTR 3B by SMS

ii. Nil filing of GSTR-1 by SMS

iii. Auto population of liabilities from GSTR-1 to GSTR- 3B for Monthly Taxpayer

iv. Auto drafted ITC Statement (GSTR-2B): Elaborating on this point, PC, GSTPW stated that auto drafted ITC statement in GSTR-2B was now available. The Secretary explained that one of the major issues during discussions in the Council was invoice matching. In GSTR-2B details of all the suppliers' invoices could be seen and on that basis his ITC was being computed leading us to the final goal of invoice matching. He stated that GSTR-2B was an important step in that direction. He reminded the Council of the presentation made by Sh. Nandan Nilekani in the 39th GST Council meeting held in March wherein he was requested that by end of July, certain important milestones be achieved, and this was one of them. This should prove beneficial for taxpayers as they would know the exact ITC available to them on the basis of invoice matching and also for the tax administration as any undue utilisation of tax credit will be red flagged for necessary action and follow up. So, it was good for the taxpayer and good for the tax administration and should definitely boost tax collection.

v. Enhancement of existing comparison report of auto-drafted and filed values for GSTR-3B

vi. Matching Tool for matching GSTR-2B and the Purchase register: To this point the PC, GSTPW elaborated that matching tool is now available using which the taxpayer could match his purchase register to GSTR-2B and find missing invoices. He stated that a communication tool is under development which would enable taxpayers to send the details of missing invoices to his suppliers for making necessary corrections/declaration.

vii. Import data as part of GSTR-2A download and GSTR-3B auto-population: To this point PC, GSTPW added that earlier import data from customs was on self-entry basis and now it was also flowing from the system automatically into the GSTR-2B.

viii. Delinking of credit/debit notes with invoices in GSTR-1/GSTR-6

ix. Providing detail of invoices considered for computation in Table 8A of GSTR-9: To this point, PC, GSTPW elaborated that in GSTR-9, ITC was auto populated for the entire year but the taxpayer did not know as to which invoices were captured and there was a difficulty in reconciliation which had now been made resolved.

Giving the roadmap, graphically depicted in the presentation (**Annexure5**) the PC, GSTPW stated that finally everything will be linked, and taxpayer would get an auto drafted GSTR-3B from the system. The ultimate goal is that everybody needs to declare only their GSTR-1, that is their own invoices, and once e-invoice was achieved for everybody, even GSTR-1 will also be automatically prepared and from this GSTR-3B will also be prepared. This would ensure that the compliance cost and burden go down significantly and barring reverse charge supplies and ITC reversals, practically everything will be done by the system.

14.2 He further highlighted that the only area where work was yet to be done was regarding the earlier approved quarterly return with monthly payments which was proposed to be rolled out as part of the new return system for smaller taxpayers with turnover less than Rs.5 crores. He informed that such taxpayers are about 89% in number and contributed only about 13% to the total tax revenue. PC, GSTPW stated that a similar QRMP system with a slightly different approach is now proposed to facilitate these small taxpayers. He highlighted that the major issue was computation of the tax liability every month after taking into account the outward supplies, inward supplies and ITC computation and filing of return because it may require some external assistance. He stated that under the proposed scheme, all the small taxpayers having turnover less than Rs.5 crores will have an option of either self-assessing their tax liability, or auto generating their challans of 35 percent of the cash liability of the last quarter. Thus, based on past tax liability, monthly tax liability would be allowed to be paid instead of assessing the tax liabilities. Only at the end of the quarter, they would need to file their return and assess the correct liability. This way instead of filing GSTR-3B and GSTR-1 every month, they would be required to be filed only quarterly which will lead to substantial reduction in the compliance costs. The Secretary, GST Council added that the taxpayers are actually paying 35% during first two months of the quarter on the basis of the last quarter cash payment and in case, during the third month, he has to pay more because of greater tax liability for the quarter, then he will not be required to pay interest on the tax liability for the first two months as he had already complied with the 35% requirement. This would substantially reduce his compliance burden as instead of filing monthly return, he is filing quarterly returns. He added that the total number of taxpayers with turnover less than Rs. five crores is almost 89% and for making these monthly payments, these people will not need to visit any accountant or professional anymore, so to that extent it will be a big relief.

14.3 The PC, GSTPW stated that the taxpayer will not need to refer back to his taxes and the system will pick up and generate the challan. He stated that the quarterly filers will be required to file their GSTR-1 also quarterly only. He stated that the challenge in quarterly GSTR-1 currently available for taxpayers having turnover less than Rs. 1.5 Crore is that some of the large buyers or buyers making exports demand that invoices supplied to them should be declared on monthly basis. The smaller taxpayers are therefore forced to either go for monthly compliance or lose their customers. He informed that keeping this difficulty in mind, a facility is proposed so that the taxpayers can report invoices of such buyers on monthly basis while report the rest on quarterly basis. Further he proposed that QRMP be made available from 01.01.2021 for which the option be made available from 01.12.2020. He informed that in order to facilitate these small taxpayers, what is proposed is that they are migrated automatically by default to QRMP Scheme and they

can opt out during December 2020-January 2021 till 31st January 2021 and the same will be publicised. With this, he placed the following proposal for in-principle approval of the Council:

- i. For month M1 and M2 of the quarter they will file only one challan PMT-06 for their liability (net of ITC)
- ii. Option to estimate tax liability or pay 35% of cash paid in last quarter
- iii. Continuous invoice filing facility (IFF) to be made available in M1 and M2

He stated that once GST Council granted in principle approval to the same, the Law Committee would work out the legal framework.

14.4 The Secretary GST Council reiterated that this was proposed to be brought from 01.01.2021 and that it had two components. One part being Technology which was already being worked out and they were confident that this would be done in time. The other part was legal for which certain changes in the Rules would have to be made which Law Committee will work out, so the taxpayers should get the benefit of QRMP right from the fourth quarter of this Fiscal Year.

14.5 The Hon'ble Member from Goa lauded the proposal and stated that it was long due and he was waiting for invoice matching to be there. He complimented the officers for formulating this proposal and opined that they should move ahead with it immediately for it to be implemented from 01.01.2021. He reiterated that it was long overdue and congratulated the officers for having worked on it despite the pandemic. He hoped this will help to plug leakages and firm up revenues.

14.6 The Hon'ble Dy. CM of Gujarat stated that it had always been discussed that the Forms and Returns must be made as comfortable and easy as possible. He opined that the Law Committee had not yet finalised the Return form and the format of the same must be widely publicised to CA's and professionals and feedback must be sought on it. He stated that it should be put up in public domain through website and feedback from Trade associations and stakeholders be sought on whether it is really comfortable and easy and only then should Law Committee finalise the same so that there is no need of any change in future.

14.7 To the point made by the Hon'ble Dy. CM of Gujarat, the PC, GSTPW explained that no returns or forms were being changed and that the proposal was only to allow for monthly payment to small taxpayer for which he will have to pay a challan of 35% of his cash payment of last quarter and that he will have to file quarterly returns, for which the form remains the same. The Secretary, GST Council added that GSTR-1 and GSTR-3B forms remained the same and only their frequency was being altered. This proposal would require changes in the GST Rules which the Law Committee will look into and these will be brought before the Council before 31.12.2020 for it to be made functional from 01.01.2021. Nonetheless he assured the Hon'ble Deputy CM that in case any changes were made in the forms, they would consult the same with stakeholders and obtain their feedback.

14.8 The Hon'ble Deputy CM of Gujarat suggested that they must strive to ease/simplify the forms as these prove to be quite complicated for the small taxpayers who are being allowed to file returns quarterly. A simple and easy form must be made available for these taxpayers. He thanked the Secretary for accepting his suggestion on stakeholders' feedback.

15. For **Agenda Item 5**, the Council granted in principle approval to the Quarterly Return and Monthly Payment Scheme (QRMP) to be made available from 01.01.2021 as proposed and directed that the Law Committee should work on the legal framework for the same expeditiously.

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

16. The Secretary then asked PC, GST Policy Wing Sh. Yogendra Garg to take up this Agenda Item. The PC, GSTPW, initiated the discussions with a presentation (**Annexure 5**) and briefed the Council that all the proposals in this Agenda were discussed and recommended by Law Committee.

16.1 Taking up the Agenda Item 6(i) he stated that in the existing returns system consisting of GSTR 1-2-3, since GSTR 2 and GSTR 3 were kept in abeyance, GSTR-1 and GSTR-3B need to be prescribed time and again. He informed that the existing extensions were valid till 30 September 2020. The GST Council in its 39th meeting held on 14th March, 2020 had already decided on incremental approach to new return system by enhancing existing return system and that as explained in the previous agenda item, the said project would get completed by 1st April 2021. Therefore, the proposal was that GSTR-3B and GSTR-1 be prescribed till 31st March 2021 and at the same time Law Committee would work on ensuring that the legal framework law gets aligned with GSTR-1 and GSTR-3B system which are going to be the final returns system, so that further extensions are not required. He further stated that second part of the proposal was that the due date of quarterly GSTR-1 is the last day of the month succeeding the quarter which would cause difficulty to the buyers in availing ITC on time since now GSTR-2B has been made available which gets generated on the 14th of the succeeding month. He explained that there was a need to align the due date and it is proposed that due date for quarterly GSTR-1 be made 13th of the month following the quarter so that GSTR-2B of the quarter involve all those invoices also. The Council approved the said proposal at 6(i).

16.2 Taking up the next Agenda Item 6(ii) the PC, GSTPW stated that it was regarding annual return / reconciliation statement for 2019-20. He reminded the Council that for the annual returns for 2017-18 and 2018-19, based on the stakeholder's suggestions, certain tables had been made optional. Now, out of those optional Tables, two items i.e. details of ITC availed on capital goods and Tables 8A to 8D (ITC data) were proposed to be made mandatory as part of 2019-20 return cycle. For 2020-21 cycle he stated that they will be anyway developing a new form because of lots of enhancements which had taken place. He stated that the second decision point was that the Council had made the annual return for 2018-19 optional for taxpayers with turnover upto Rs.2 crore and 9C was mandatorily required to be filed by taxpayer having turnover of above Rs.5 crore, but looking at the difficult times that the taxpayers have gone through due to COVID related lockdown, further enhancement in turnovers in this regard could be considered. He explained that just less than 2 percent of the taxpayers had turnover of greater than Rs.20 crore and who contributed 84 percent of the tax. The PC, GSTPW, placed for the consideration of the Council whether they should maintain the same threshold that is Rs.2 crore for GSTR-9 and Rs.5 crore for GSTR-9C or should they be looking at any enhancement to give relief to more taxpayers.

16.3 The Secretary added that in this proposal some analysis had been done and it was discussed in Law Committee and the Council can take a final view on this. He stated that Form-9C particularly requires some professional help. It was also necessary because whatever extra credit one had taken, had to be reconciled through 9C. He informed the Council that whatever tax came from 9C mechanism last year, majority of it came from those who are having turnover more than Rs.20 crore. So the proposal was that if the turnover for mandatory GSTR 9C could be increased from Rs.5 crore to Rs.20 crore it would provide a big relief to the taxpayers and a larger number of taxpayers would not have to worry about filing 9C. Further he stated that through data analytics if supposing they found large gaps and somebody had taken more credit than due to him and if his turnover was less than 20 crores, they could always ask for more information. The

Secretary opined that this kind of balanced approach will protect the revenue and ease the compliance burden. He requested the Council to approve the proposal.

16.4 The Hon'ble Member from Kerala stated that when they had increased the limit last time he had opposed it justifying that the annual return was a very important instrument to check tax evasion. Now virtually they were giving it up in the name of easy compliance. He added that the extra effort to plug tax leakage has a compliance cost. They had already raised the limit and raising it further was not a balanced approach at all and therefore, he was not in favour of the proposal. 16.5 The Hon'ble CM of Puducherry stated that the present status for filing of annual returns GSTR-9 and 9A was that it was optional for taxpayers with aggregate turnover less than Rs 2 crores and the filing of GSTR-9C was mandatory for those with turnover greater than Rs.5 crore. In his view, filing of reconciliation statement in form GSTR-9C with annual turnover of more than Rs.5 crore had to be continued. In the sense, he agreed with the view expressed by the Hon'ble Finance Minister of Kerala that when they give exemption relaxations, it gives room for evasion and the reconciliation statement definitely will help to avoid evasion of tax. Therefore, check and balance will be there and according to him the present system of Rs.2 crores and Rs.5 crores be continued.

16.5 Hon'ble Member from West Bengal stated that in his presentation to the GST Council, Sh. Nandan Nilenkani mentioned about significant leakage of revenue and bigger question was, as to how do we reform this structure so that this leakage could be minimised. Of course now auto population was being proposed which was one of the key points that three hundred crores of invoices were to be uplinked every month, according to the original plan. He stated that GSTR-1 was working fine but GSTR-2 which was supposed to be auto populated was not working. He enquired from the senior officers whether these changes would bring down significant amount of leakage which is primarily due to input tax credit where fraudsters create companies and those companies are non-existent shell companies and they create ITC on them because the system does not have the auto population and matching of invoices there. What are the fundamental changes which will help in reducing the ITC fraud due to the inefficiency or lacunae in the system, how do we do that? If we can get an answer to that, if it was not possible now, if something could be produced to show how this could happen, it would be big service in the collection of tax.

16.6 The Secretary sought the permission of the Hon'ble Chairperson to respond to the Hon'ble FM of West Bengal stating that they had brought several proposals to achieve that goal of plugging leakages. In a sense that some of the proposal had been brought in this Council Meeting and some had been approved in the last two council meetings. One of the points mentioned by the Hon'ble Member about people creating companies, fly by night operators, issuing invoices and disappearing had been restricted through introduction of GST registration through Aadhar authentication. Now it was not that easy that somebody gets some PAN card or some documents from somewhere and floats a company, issues invoice and disappears. In order to get a registration, one will have to give Aadhaar and if somebody does not give Aadhaar number then in that particular case his premises has to be physically inspected. He was very glad to state that almost 90 percent of the new registration had been through Aadhaar based mechanism. Further he added that GSTR-2B auto-population and matching had been implemented. He requested the Hon'ble FM that instead of taking time here in the next Council meeting they could actually come up with the presentation on the steps taken thus far to curb leakages, minimise ITC leakages, the achievements on that front and the way forward and it could be discussed in detail.

16.7 The Hon'ble Member from West Bengal submitted that what the Hon'ble Deputy CM of Gujarat had said with regard to stakeholder consultation and inputs, in his experience having been on both sides of

the story, he found, was a very constructive suggestion. There were two sides of the story one is those who create the shell companies and run away and the other is honest taxpayer who are made to go through such a rigour. The bigger ones find ways and means through chartered accountant and smaller ones are unable to do so. He suggested that as pointed by the Hon'ble Deputy CM of Gujarat, stakeholder consultation was very important. He noted that it was here that they had repeatedly been making the mistake, not only in this tax but taxation in general.

16.8 The Secretary agreed that stakeholder consultation was very important and they would include it in every major decision. He brought to the notice of the Council that a major step had been taken from 1st of October wherein electronic invoice (e-invoice) had been made mandatory for all companies having turnover more than Rs.500 crore for B2B supplies. He noted that they were given a lot of time, lot of discussion took place and finally from 1st October it was initiated and during the last 3-4 days, each day 6 to 7 lakh invoices were being filled electronically. He stated that the mandatory limit for e-invoices today was Rs.500 crore and this Council had already approved that from 1st of January all companies having turnover of more than Rs.100 crores will be required to generate e-invoice and ultimately, they will gradually bring down this limit, so that smaller companies are also able to generate e-invoices. Finally, the day everybody starts generating e-invoices, the whole concept of GSTR-1 will no more be relevant and the invoice matching to that extent would be perfect, the return can be pre populated because all the invoices are electronic. The taxpayer can simply verify and make the payment. He added that they were adopting a gradual approach so that industry was also able to adjust. In this approach, bigger taxpayers are being included first as once they are able to adjust to the new system, the medium and small industries also will be able to follow up on the same.

16.9 The Hon'ble Deputy CM of Delhi stated that the driving force of this proposal, he presumed, was change in the definition of MSME. He further stated that he was of the opinion that the 5 lakh taxpayers falling between aggregate turnover of Rs.5 crores to Rs.20 crores were already getting their accounts audited, even IT audit was already being done for them. If they were already getting their audit done, they had to merely file return and subsequently with auto population tool this could be done. Therefore, he opined that there was no need to relax it further as Rs.5 crore limit was already set, it should be allowed to continue and they should not touch it and for the taxpayers with turnover above Rs 5 crore, it was not a big deal as they were already getting their accounts audited.

16.10 The Secretary, with the permission of the Hon'ble Chairperson, stated that the older limit could be retained and accordingly no change may be done. The PC, GSTPW, added that as part of this agenda 6(ii), a clarification that annual return being optional for taxpayers with less than Rs.2 crores aggregate turnover, was optional for composition dealers as well, may be issued. The Council approved the proposal to that extent.

16.11 The PC, GSTPW taking up Agenda 6(iii) briefed the Council that for auto-population and any matching, what was most important is that their outward supply statement, GSTR-1 was filed. Currently the behaviour was very different though the behaviour had been changing ever since rule 36(4) was introduced in terms of which the credit availed cannot be more than 110% of the tax as per invoices declared by the supplier. He stated that still there was a gap of about 20% between GSTR-3B and GSTR-1 filing. For the auto generation of liability in GSTR 3B under REAP project proposed from 1st of April, it was very important that GSTR1 filing becomes disciplined and GSTR-1 is filed before GSTR-3B is filed. So, it is proposed that measures be taken to ensure that GSTR-1 is filed before GSTR-3B. He explained that what

is proposed is that there is going to be a system check and late fee collected from 1st of April 2021 if GSTR-1 is not filed. He further stated that it was very important as the Secretary also mentioned that once GSTR-1 is filed then the entire returns can be auto-populated. Of course, when e-invoice reaches the last level, the GSTR-1 itself will become redundant but till such time it was important that GSTR-1 was filed. The other measures which Council had approved in the meeting held in December last year was to bring in system check that e-way bill is blocked if GSTR-1 are not filed. He further stated that both kinds of behaviour are there that some file GSTR-1 and not file GSTR-3B and vice versa. He added that if the Council approves the proposal in this meeting, the trade would get six months' advance notice.

16.12 The Secretary said that the said requirement will come into effect from 1st of April 2021 and this was very important. As the Hon'ble FM of West Bengal had mentioned about ITC leakages and resulting loss of revenue, these steps regarding filing of GSTR-1 prior to GSTR-3B must be taken. And in case GSTR-1 is not filed for 2 months their e-way bill would be blocked. He added that they were giving enough time so that trade and industry can adjust before it is rolled out from 01-04-2021.

16.13 The PC, GSTPW stated that quite a large number of large taxpayers and compliant taxpayers were already filing and more than two third of the paying taxpayers were already following this behaviour. He further stated that for the late fee on delayed furnishing of GSTR-1, currently there is an impression that on GSTR-1 there is no late fee though there is a late fee in law. The same is not being populated in the next month's GSTR-3B and not being thus collected also unlike the late fee for delayed submission of GSTR-3B. The proposal is that from 1st of April 2021, GSTR-1 late fee also appears in the next GSTR-3B. Another proposal for auto-population along with this is that of interest on the delayed payment of tax. He informed that the Council had already decided that interest will be on net basis. Therefore, it is proposed that from 1st of April, the late payment interest would also auto populated in GSTR-3B so that it can be collected with tax payment itself. It will also bring in more discipline in GSTR-3B filing. No change in law was required and these all were procedural changes. Further, he informed that since GSTR-3B can contain liability of earlier months also, there will be a facility to modify and add interest.

16.14 Taking up the next Agenda Item 6(iv) on changes in HSN requirement, the PC, GSTPW, stated that tax administration had been struggling to generate the sectoral data. A conscious decision was taken that in the first two-three years of the GST to not burden taxpayers with HSN requirement. Currently, for taxpayers having aggregate turnover upto Rs.1.5 crore no HSN is to be given, from Rs.1.5 to Rs.5 crore aggregate turnover it is only 2 digits and above Rs.5 crores it is 4 digits. But this is leading to misuse besides challenge in getting sectoral data. Quoting the example of stainless-steel, PC, GSTPW, stated that people don't declare the correct heading as they declare only 2 digit or 4 digit and the distinction cannot be made between costly grades and cheap grades leading to evasion of tax. He explained that the proposal was that from 1st of April 2021, 6 digit HSN for goods and service be made mandatory for all taxpayers above Rs.5 crore aggregate turnover while for those below Rs.5 crore aggregate turnover 4 digit code will be mandatory only on B2B supplies. In addition, power to prescribe a class of supplies where the 8-digit HSN/SAC must be mentioned so that sensitive items like chemical weapons or evasion prone goods like stainless steel etc. can be effectively monitored. He also proposed to modify GSTR-1 to add 'Rate of Tax' in Table 12 so that combined with the HSN the correct sectoral data can be obtained which would help in taking correct policy view.

16.15 Taking up the next Agenda Item 6(v) the PC, GSTPW stated that in the last three years investigation had shown that refunds were taken into accounts opened on the basis of fake documents. So when tax

administration went after people after finding fake refund by monetisation of fake credit, they were unable to trace them. Accordingly, it is proposed that refund be given only in the account which had been validated vis-a-vis with the Aadhaar and PAN of the claimant. It would ensure that the refunds were going into authenticated account belonging to registered taxpayer and not in the account of some operators of fake credit. Further, as was approved in earlier Council meetings, the refund applications would be Aadhaar validated so, one knows that it is coming from genuine person.

16.16 Moving to the next Agenda Item 6(vi) pertaining to amendment in CGST rules the PC, GSTPW, stated that in Covid period they had stopped blocking e-way bill. The current rule was that if two consecutive GSTR3Bs were not filed the e-way bill gets blocked. Since, conditional relaxation in filing of GSTR3B was given in lockdown period, blocking of e-way bills had been stopped w.e.f. 25th March 2020. He informed that there was demand from some of the State Administrations that such suspension of blocking should be made part of the rules. So, it was discussed in the Law Committee and the recommendation was a proviso may be added in Rule 138E that from 20.03.2020 to 15.10.2020 no e-way blocking be carried out and that from 15.10.2020 blocking will be reinitiated for taxpayers having aggregate turnover above Rs.5 crore. He informed that for taxpayers having aggregate turnover below Rs.5 crores, we would watch the behaviour and then take an appropriate call. He further stated that like they allowed GSTR-3B and GSTR-1 nil filing through SMS now the composition taxpayers who have no liability in a particular quarter also will be able to do NIL filing through SMS. He further highlighted some technical changes as mentioned in his presentation (**Annexure 5**) for approval of the Council.

16.17 Moving to the next Agenda Item 6(vii) pertaining to inclusion of GST laws in Economic Offences (Inapplicability of Limitation) Act, 1974 the PC, GSTPW stated that this was very important as in CrPC there was a time limit for prosecution. He stated that in the Economic Offences Act (Inapplicability of limitation) Act, 1974 all the existing laws are listed there but the GST laws are not there. He informed that in some cases, people being arrested in GST offences were given bail on day one saying that GST Officers do not file prosecution application within the limitation period. The proposal is that all the Central GST Acts that is CGST Act, IGST Act, the UTGST Act and the Compensation Cess Act be put in the Annexure to this Act. He further informed that most of the States also have similar acts and they also needed to carry out the similar amendments. Wherever a State doesn't have such an Act, a proviso as per draft can be inserted in the SGST Act itself.

16.18 Member CBIC Sh.Vivek Johri added that significance of changes carried out through this amendment is that, otherwise, the general limitation which was applicable under CrPC would also apply to all GST offences and that will prevent us from filing prosecution in time and taking action.

17. For **Agenda Item 6**, the Council took the following decisions:

- i. Approved extension of the present GSTR-1/3B return filing system till March, 2021;
- ii. Approved changing the due date for furnishing GSTR-1 by quarterly taxpayers till 13th of the month succeeding the quarter;
- iii. Granted in principle approval to make legal changes to replace GSTR-1/2/3 related provisions with the present GSTR-1/3B return filing system.
- iv. Empowered the Law Committee to deliberate upon the amendments required in the GST Acts and Rules accordingly.

- v. Approved issuance of clarification with respect to waiver of annual return in FORM-9A for composition taxpayers.
- vi. Approved measures to ensure GSTR-1 filing mandatory before GSTR-3B from 01.04.2021 through
- Waiver of GSTR-1 late fee if same is filed before GSTR-3B
- Blocking of e-way bills to be enabled on system from 01.04.2021 if two consecutive GSTR-1's are not filed
- vii. Approved to populate GSTR-1 late fee in next GSTR-3B
- viii. Approved to populate interest for late payment of tax also in next GSTR-3B from 01.04.2021
- ix. Approved facility to add interest if part of the liability being declared in GSTR-3B pertains to earlier tax periods.
- x. Approved making 6 digit HSN for goods and 6 digit SAC for services mandatory for taxpayers above Rs. 5 Cr. turnover w.e.f. 01.04.2021
- xi. Approved making 4 digit HSN/SAC compulsory on B2B supplies by taxpayers below Rs.5 Cr. turnover w.e.f. 01.04.2021
- xii. Amend Rules to empower to notify 8 digit HSN on notified class of supplies by all taxpayers
- xiii. Approved modification of GSTR-1 to include Rate in Table 12 to have better sectoral data w.e.f. 01.04.2021
- xiv. Approved grant of refund only in a PAN & Aadhaar linked Bank account of the claimant.
- xv. Approved Aadhaar revalidation at the time of filing refund application.
- xvi. Approved waiver of blocking of e-way bill during COVID period from 20.03.2020 to 14.10.2020 - to be given legal backing through a proviso in CGST Rule 138E
- xvii. Approved blocking to be reinitiated from 15.10.2020 for taxpayers with turnover > Rs. 5 crore.
- xviii. Approved NIL filing of CMP-08 through SMS from a date to be notified-change in CGST Rule 67
- xix. Approved change in Rule 142(1A) making communication of demand ascertained by the officer in FORM DRC-01A optional
- xx. Approved changes in forms-RFD-01, GSTR-5 (non-resident) to include reverse charge liability, GSTR-5A (OIDAR) to include place of supply and Provision for declaring fee in DRC-1,2,7,8,9,24,25 & ASMT-16
- xxi. Approved inclusion of GST Laws in Schedule to Economic Offences (Inapplicability of Limitation) Act, 1974 so as to exclude from said limitation and inclusion SGST Act in the Schedule of respective Acts or if such an Act is not there, then to insert proviso to Section 134.

Agenda Item 7: Issues recommended by the Fitment Committee for the consideration of the GST Council. 7(i): The representation received from HADMA seeking GST rate of 12% on Ayurveda / Unani / Siddha (AUS)-ingredients based sanitizer.

18. The Secretary introduced the Agenda Item 7(i) to the Council and asked the Joint Secretary, TRU-I (Co-Convener of the Fitment Committee) to present the agenda before the Council.

18.1 The JS, TRU-I stated that a representation dated 27th July, 2020, was received from the Haryana Ayurvedic Drugs Manufacturers Association (HADMA) regarding Ayurveda / Unani / Siddha (AUS) ingredient-based sanitizers, having Tulsi, Neem, aloe vera or other similar ingredients, claiming that the said goods were Ayurvedic medicines and, therefore, merit classification under HS Code 3004 90 11 and should attract GST at the rate of 12%. The contention was that the clarification in Press Release dated the 15th July, 2020 did not apply to AUS ingredient-based sanitizers. Their main argument was that AUS ingredients-based sanitizers should be treated differently from alcohol-based sanitizers for the purpose of GST levy, since AUS ingredients-based sanitizers fall under category of Ayurveda 'medicines' and required license under the Drugs and Cosmetics Act, 1940.

18.2 Subsequently, HADMA filed CWP No. 11474 of 2020 before the Hon'ble Punjab and Haryana High Court, praying for accepting their above-mentioned contention regarding AUS ingredient-based sanitizers, as well as relief from enforcement action by GST authorities on this account. The Hon'ble High Court, in its Order dated the 11th August, 2020 disposed of the said petition with the observation that "It is hoped that the same shall be taken up for consideration by the GST Council at the earliest, considering the issue involved." The Hon'ble High Court directed that the representation of HADMA dated 27th July, 2020 be placed before the GST Council for consideration.

18.3 The JS, TRU explained the contentions of HADMA. The representation of HADMA dated 27th July, 2020 was placed before the GST Council as per the Order dated 11-08-2020 of the Hon'ble High Court of Punjab and Haryana. The JS, TRU further explained the details of Press release dated 15-07-2020, WCO reference from Covid-19 medical supplies and other details to the GST Council. He stated that the Fitment Committee had examined the issue and recommended that Ayurveda / Unani / Siddha (AUS) ingredients-based sanitizers were classified under tariff item 3808 94 00 and attracted 18% GST and as such there should be no distinction between them and alcohol-based hand sanitizers.

18.4 The Hon'ble Ministers from Delhi and Kerala expressed their agreement with the recommendations of the Fitment Committee. The Hon'ble Deputy Chief Minister from Gujarat also supported the recommendation. The Hon'ble Minister from Tamil Nadu stated that same rate should be there for all types of sanitizers otherwise it might lead to misclassification disputes. The Hon'ble Minister from Uttar Pradesh stated that the present GST rate of 18% on all types of sanitizers should continue. The Deputy Chief Ministers from Bihar, Haryana and the Hon'ble Minister from Rajasthan also agreed with the recommendation. The Hon'ble Chief Minister from Puducherry also supported the proposal that GST rate of 18% should continue on all types of sanitizers. Thus, the GST Council, after considering the representation of HADMA dated 27th July, 2020, agreed with the recommendations the Fitment Committee on this issue.

19. For **Agenda Item 7(i)**, the GST Council recommended that the Ayurveda / Unani / Siddha (AUS) ingredient-based sanitizers be classified under tariff item 3808 94 00 with 18% GST and as such there should be no distinction between them and alcohol-based hand sanitizers.

Agenda Item 8: Issues of Goods and Services Tax Network (GSTN):

8(i): Status of receipt of Advance User Charges (AUC) from States and CBIC

20. The Secretary of the Council asked the CEO, GSTN to brief the Council on the agenda. The CEO, GSTN stated that as per the Revenue Model of GSTN approved by the Empowered Committee of State Finance Ministers (EC) in its meeting held on 30th August 2016, the GST System Project was being implemented by GSTN as per approval of the Cabinet and the cost incurred on the project (Capex and Opex) along with GSTN's own expenses was to be shared equally by the CBEC (now CBIC) and States in the form of User Charges to be remitted by them in two (2) instalments in a Financial Year on a half-yearly basis by 1st March and 1st September of the year.

20.1 He further informed that as per the approved Revenue Model, GSTN had raised demand for the payment of AUC to the Central and State Governments for the 2018-19, 2019-20 and 2020-21. The Advance User Charges of FY 2018-19 was received from all States and Centre, except from the States of Punjab and Telangana. GSTN had been following up for the same with the concerned states. Further, the follow up for Advance User Charges of 2019-20 was also being made continuously, including by way of informing the status to the GST Council. Also, the first instalment of Advance User Charges for FY 2020-21 was payable by 1st June 2020 and second Instalment was payable by 1st October 2020. However, in view of the current situation, few states had expressed concerns that they might not be able to release funds to GSTN within specified time, and had requested for extension of time without interest.

20.2 The Secretary stated that the CBIC had paid its first instalment of Rs.132.22 Crores towards AUC for FY 2020-21. Submitting the status of pendency of AUC as on 29-09-2020, he specifically pointed out the following:

- (a) The States of Telangana, Punjab and others who had not paid the AUC for FYs 2018-19 and 2019-20 were requested to pay their dues at the earliest.
- (b) For FY 2020-21, the first installment for payment of AUC was due on 01-06-2020 and the second installment for payment of AUC was due on 01-10-2020. Many States and the UTs had not paid the AUC for FY 2020-21. Some of the States had requested for extension of time without interest. Hence, he requested the GST Council to give consent for extension of due date for payment of AUC for FY 2020-21 (both first and second installments) till 31-03-2021 without levying any interest.

21. For **Agenda Item 8(i)**, the GST Council took note of the above and accorded its approval for extension of the due date for payment of AUC for FY 2020-21 (for both first and second instalments) till 31-03-2021 without levying any interest. Further, the States who had not paid the AUC for FYs 2018-19 and 2019-20 are requested to pay their dues at the earliest.

Agenda Item 8(ii): Need for moving resources from CR model to T&M model for important developments.

22. The CEO, GSTN explained the agenda that the proposal of Software development under actual identified resources utilization model, commonly known as Time and Material (T&M) basis, to implement the changes identified under roadmap for incremental improvements to existing Returns (Linking of GSTR-1/GSTR-2A/2B with GSTR-3B) was placed before the GST Council in its 39th meeting held on 14th March 2020. Consequently, Council approved the proposal of incremental enhancement of existing Returns on a T&M basis starting with 60 personnel to carry out development. GSTN also approved 30.5 resources under T&M model for critical changes of Back office, Front Office and Registration module of GST System,

which had been named LEAP Project. These were not really additional resources being paid for but movement of resources from normal CR model of change implementation to T&M model of change implementation.

22.1 He further explained that the main difference in T&M model and normal CR model is that in T&M model payment is calculated in terms of man-days of resources identified which were deployed exclusively for the project. It was for GSTN to closely monitor the running of the project and ensure that the manpower was fully utilised. At present GST, which had fast evolving law, needed this agile mode of IT development under T&M model. GSTN was now experienced enough to use T&M model of development and deliver projects faster. In CR model payment was made for individual CR and effort was estimated for each step in the development and payment was for effort in the development. On the other hand, huge time was spent on estimation of efforts, impact assessment etc and then designing involving to and fro movement between GSTN and Infosys till agreement was arrived at the effort estimation and thereafter the software was developed.

22.2 The CEO, GSTN further informed that the GSTN and Infosys started T&M model in the month of April for changes in Returns and related CRs and named this as REAP (Return Enhancement and Advancement Project). Accordingly, following approvals were requested from the GST Council:

- (i) that the methodology of getting the work done on T&M basis, would be followed for developing above mentioned changes along with other critical changes which had direct impact on revenue. Overall 45 resources (30 in REAP and 15 in LEAP Project) starting from 1st Oct 2020 till 30th June 2021 would be utilised for the same over and above the existing resources; and
- (ii) to extend REAP & LEAP Projects with existing resources from 1st Oct 2020 till 30th June, 2021.

22.3 Further, the Secretary apprised the Council that the agenda proposed methodology of getting the work done on T&M basis through 45 additional resources for developing the software changes mentioned in para 5 of the Agenda Item 8(ii) from 01-10-2020 to 30-06-2021 over and above the existing resources. He also sought extension of REAP AND LEAP Projects with existing resources from 01-10-2020 to 30-06-2021.

23. For **Agenda Item 8(ii)**, the GST Council took note of the above and accorded its approval to the proposal contained in Agenda Item 8(ii).

Agenda Item 8(iii): Status update on conversion of Goods and Services Tax Network (GSTN) into 100% Government-owned Company

24 The CEO, GSTN stated that the GST Council in its 27th Meeting held on 4th May 2018 had decided that the GSTN will be converted into a 100% Government-owned entity by transferring 51% equity shares held by the Non-Government institutions to the Centre and States equally. The Union Cabinet in its Meeting held on 26th September 2018 had approved the proposal and the present status of conversion of GSTN into 100% Government-owned Entity.

24.1 He apprised that the Union Government and 24 States / UTs had paid the amounts while the payment was pending from 07 States as on 16-09-2020. After the payment to the non-Governmental

institutions for the shareholding by the remaining States, further processes were required to be done to convert GSTN into 100% Government-owned entity.

24.2 He stated that there was an urgency to complete the process as early as possible and following were placed before the Council for information and directions:

(a) The present status of conversion of GSTN in to 100% Government-owned entity.

(b) The 07 States as listed in (Annex-2 of the Agenda) may be requested to make payment of their respective share purchase consideration and execute necessary documentations including Shareholders' Agreement and send the same to GSTN in order to expedite the matter of conversion of GSTN.

24.3 During the discussion, the GSTN updated that as on 03-10-2020, out of the 07 remaining States, 03 States viz. Tamil Nadu, Telangana and Arunachal Pradesh had made the payments to Non-Government Institutions for share transfer. The officials from Andhra Pradesh Government stated that Andhra Pradesh Government had already paid requisite amount on 03.10.2020 for their share purchase consideration.

24.4 Further, the Secretary apprised the GST Council that after payment by the 04 States as mentioned above, only three States viz. Rajasthan, Chhattisgarh and Sikkim were remaining for payment of their respective share purchase consideration to Non-Government Institutions. The officials from Rajasthan Government stated that they had moved the proposal to Finance through Budget which could not be cleared in Assembly and they would pay as soon as it was approved by the Assembly. The Secretary suggested that the amount of Rs.8.23 lakhs was not much, and requested for exploring other methods (Head of Account) for early payment.

25. For **Agenda Item 8(iii)**, the GST Council took note of the agenda and requested the concerned States to make early payment of their respective share purchase consideration to non-Government institutions.

Agenda Item 9: Extension of levy of GST Compensation Cess beyond transition period.

26. The Secretary requested the Joint Secretary, DoR to present the agenda and initiate the discussion. The JS, DoR began his discussion by quoting Section 8(1) of the GST (Compensation to States) Act 2017 which provided for levy of Compensation Cess on supply of goods and services for the purposes of providing compensation to the States for loss of revenue arising on account of implementation of the Goods and Services Tax for **a period of five years or for such period** as may be prescribed on the recommendations of the Council. To ensure that the total cess is sufficient to cover the compensation requirement during the entire transition period, the levy of cess would have to be extended beyond initial period of five years. He informed that the Learned Attorney General of India, in his opinion in Note dt 26-08-2020, had recommended that the continued levy and collection of the cess beyond the period of five years could take place only in the event there has been a shortfall in the payment of compensation to the States during the 5 year transition period. In other words, the GST Council would recommend the continuance of the cess beyond the transition period of 5 years only in a situation of shortfall during the transition period, which would necessitate the raising of funds for paying the compensation to the States after the 5 year period is over.

26.1 In light of the above, the Secretary requested the GST Council to take a view and consider the recommendation that the levy of compensation cess be extended beyond the transition period of five years for such period as may be required to meet the gap. Further, the exact period for which the cess would be extended beyond June 2022 would be worked out and brought before the Council subsequently.

26.2 The Hon'ble Minister from Kerala welcomed the proposal. The Hon'ble Minister from West Bengal stated that this proposal was very good and that it would not burden whoever borrowed. He submitted that the Compensation Cess collected beyond the transition period may be used for paying off interest and the principal amount and accordingly, the period for which the levy has to be effected beyond the transition period ought to be decided. The Hon'ble Minister from Punjab also praised the proposal and submitted that the end date should not be defined and the levy should be extended till full compensation is settled. The Hon'ble Minister from Karnataka welcomed the proposal calling it both imperative and inevitable. The Hon'ble Chief Minister of Puducherry stated that as there is a provision in law, it is agreed upon to extend. Due to the extension of levy of the compensation cess beyond five years, the States would not lose anything. This was also in accordance with the commitment made by the then Union Finance Minister and Chairman of the Council Late Shri Arun Jaitley. The Hon'ble Minister from Madhya Pradesh also supported the proposal. The Hon'ble Minister from Uttar Pradesh thanked the Chairperson for this proposal and supported it. The Hon'ble Minister from Goa congratulated the Chairperson for taking such a practical decision. During this period of global pandemic, India was far better than many other countries, on account of the steps taken by the Hon'ble FM. The slow-down was mostly due to the pandemic and not due to any reason on account of the Union of India. The GST architecture was working very well and as the economic activity picks up, the revenue will become very good. The Hon'ble Minister from Odisha supported the proposal.

27. For **Agenda Item 9**, the Council took note of the suggestions made by the Hon'ble Ministers and approved to extend the levy of Compensation Cess beyond June 2022 till the entire shortfall is covered. The extension has to be reviewed from time to time.

Agenda Item 9A: GST compensation options – ways of meeting the shortfall as discussed on 5th October, 2020.

28. The Secretary asked the Joint Secretary, DoR to initiate the discussion on the Agenda Item. The Joint Secretary, DoR stated that after the discussion on ways to meet shortfall in cess collection in the 41st meeting of the GST Council held on 27-08-2020, States were given two options to meet their GST compensation shortfall for current FY from market borrowing. The details of the two options were communicated to States by the Department of Expenditure, Government of India. Thereafter, 21 States opted for Option-1 while Puducherry indicated that it would accept Option-1 if accepted by all States. He further stated that the States while giving the option have also made several suggestions and given their views which are tabulated in Annexure to the Agenda Item. No State has yet opted for the Option-2.

28.1 The Secretary stated that based on these suggestions, the Department of Expenditure had agreed to modify Option-1 as under:-

(i) Projected growth of 10% would be reduced to 7% and the amount under Option-1 would then be about ₹1.1 lakh crore.

(ii) The interest on borrowing will remain the first charge on the Fund. The repayment schedule will be spread out during the period of extension of cess beyond transition period so that the part of the cess collection, remaining payment of interest and repayment of debt is released to the States against arrears of compensation.

28.2 The Secretary stated that the States which had not yet given their options may indicate their views on Option-1 in the meeting. He further emphasized that the Department of Expenditure had communicated that this borrowing of ₹1.1 lakh crore is in addition to the increase in the borrowing limit from 3% to 5%. He stated that there should not be any doubt regarding the headroom for the States as this borrowing is in addition to the 5% already available to the States. He further stated that in case a State were not able to borrow the entire amount up to 5% in the present year, it also could be extended to next year as per the special dispensation scheme as communicated by the Department of Expenditure. With the above details, he submitted the Agenda Item to the Council for discussions.

28.3 The Hon'ble Minister from Chhattisgarh informed that the Hon'ble Chief Minister of Chhattisgarh had expressed that the State was not able to accept either of the options provided. He stated that instead of limiting to two options, the matter could have been left open for any State to give any proposal regarding borrowing on their account or any other mechanism by which the shortfall in cess collection could be met. He further stated that keeping in view the principles of cooperative federalism and Section 18 of the Constitution (One Hundred and First Amendment) Act 2016, it was not proper to seek opinion on a matter which had already been decided and incorporated in the Constitution (One Hundred and First Amendment) Act 2016 and that the GST (Compensation to States) Act 2017 does not make any differentiation in the shortfall in revenue either on account of implementation of GST or due to Covid-19 or any other reason. He urged that the GST Council must live by the letter, word and spirit of the Constitution. The Hon'ble minister further stated that the international rating agencies also consider the debts taken by the States to be the cumulative debt of the country when they downgrade or upgrade a country's economic rating. He further stated that the majority should not be the deciding factor, instead, the principles enshrined in the Constitution, considered decisions and judgment that all members had taken since the inception of the concept of GST to the passing of the GST Act should work. He stated that the Centre should come forward to carry out its bounden Constitutional duty in times of stress by being the agency taking the loan which would be serviced by the extended Cess collections beyond June 2022, instead of just being a guarantor.

28.4 The Hon'ble Minister from Rajasthan stated that he agreed with the views of the Hon'ble Minister from Chhattisgarh. He stated that during the debate on GST in the Parliament, doubts were expressed regarding availability of compensation to the States and the draft Act was amended to remove the word 'may' and insert the word 'shall' in its place. He stated that it was a constitutional duty of the Centre to compensate the States and not giving compensation to the States was harming the States, more so during the Covid-19 pandemic.

28.5 The Hon'ble Deputy Chief Minister of Gujarat thanked the Chairperson for finalizing and offering two options to the States for handling the compensation shortfall, especially during the current Covid scenario and the slowdown in the economy and when the revenues of both the Centre and the States had fallen. He further stated that since all the recommendations of the States regarding the options provided were considered by the Centre, such as reducing the assumed growth rate from 10% to 7%, interest payment to be made from cess collections, the States would not be burdened by the borrowing. He further stated that a decision should be taken soon, and the process be started immediately to enable the States to get the amount as per the option chosen by them.

28.6 The Hon'ble Minister from Tamil Nadu stated that in the FY 2020-21, for the period till July 2020, compensation of ₹4,258.94 crore is due to be paid to the State and it was a matter of grave urgency that the GST compensation payments are made immediately to enable them to continue the battle against Covid-19. He further stated that it is for the Centre to find the necessary funds to compensate the States if there was a shortfall in the cess collection. He suggested a via media in the 41st meeting of the GST Council, that the Centre could mobilize resources and borrow the funds required in the GST Compensation Fund. The loan could be serviced through an extension of the GST cess for few years beyond 2021-22. He informed that the Hon'ble Chief Minister of Tamil Nadu had written to the Hon'ble Prime Minister in this regard. He further stated that in the last meeting held on 27.08.2020, the Centre had proposed two options in which an artificial distinction was being drawn between GST implementation based losses and Covid induced losses.

28.7 He added that as per the note circulated earlier, under the operative Sections of the GST Compensation Act 2017, the compensation is payable for the entire shortfall in revenue collection, even if it is not on account of GST implementation. Further, this position had been clarified by the Attorney General and was asserted by the Centre. It was also stated that the balance shortfall would be made good in the subsequent years. He stated that even for the current financial year, partial release of compensation may be done. He also stated that the States had pointed out in the meeting conducted by the Union Finance Secretary, that the assumption of 10% normal growth in Option-1 was a highly unrealistic and unwarranted. Instead, revenue gap of the States must be assessed based on the appropriate proportion of the total anticipated loss this financial year under Option-1. He further stated that in such circumstances, given that there are only limited options, his State chooses Option-1 with a hope that it would be reworked to reflect the highest proportion of the actual loss in revenue.

28.8 The Hon'ble Minister from Madhya Pradesh thanked the Chairperson for considering the suggestion of the State about reducing the assumed growth rate from 10% to 7%. He stated that under Option-1, even after the State borrows Rs.4,500 crore, a further sum of about Rs.2295 crore would be due. He stated that Madhya Pradesh had also suggested that after the period of cess collection is over, after the payment of interest on borrowing, cess collections should be used for paying the pending compensation amount before the principal on the borrowing is paid.

28.9 The Hon'ble Minister from Karnataka stated that there was a need to shift to the solution of the problem, which is unprecedented and was never envisaged by the predecessors. He stated that the whole country was in dire economic and health emergency. He further stated that the proposals brought before the GST Council had further instilled the confidence among the States and showed the commitment of the Centre and the Union Finance Ministry and now it is for the States to come forward to work towards the

solution as enough discussion had taken place. He further requested the Chairperson to negotiate with RBI for a special concession on interest and special period for extension of repayment. He further stated that if the proposal did not go through because of the one issue of who should be borrowing, then there is a risk of receiving no compensation for all the States.

28.10 The Hon'ble Chief Minister of Puducherry stated that he had sent a letter to the Hon'ble Chairperson on 05.09.2020 in which he highlighted that it was the statutory obligation on the part of the Centre to pay the GST compensation to the States and in case of any shortfall in compensation cess, it was the responsibility of the Centre to borrow from the market and pay to the States. He stated that making the States to borrow from the market was not agreed in previous GST Council Meetings namely, 7th, 8th and 10th. Without prejudice to the above proposal, only if all the States agree for the first option, Puducherry also prefers first option but, unfortunately, a picture had been given in the note that Puducherry agreed for the 1st option. The Hon'ble Chief Minister further stated when the Constitution (One Hundred and First Amendment) Act 2016 was passed in the Parliament and thereafter implemented, the States had given up their right to tax in view of the assurance given by the Centre to compensate the States for five years and the autonomy of the States to tax had been taken away. Now that the States are reeling under severe economic crisis as had been explained by other Hon'ble members, the compensation should be paid to the State exchequer for meeting the Covid-19 challenges, and for fulfilling various liabilities and welfare schemes for the people. He further stated that in the two options given by the GST Council, a growth rate of 10%, further revised down to 7%, was assumed. A notional growth rate might not work for all the States and the actual growth rate for each States should be taken, as different States have different growth rates. He stated that apart from Ld. AGI's opinion, the Constitutional obligation and statutory liability is on the Centre, as the assurance was given by the then Chairman of the GST Council, on record in the minutes of the meeting; that when there was a shortfall and when the cess was not accumulating, the Centre would go for open market borrowing to compensate the States. He further stated that the Centre should go for market borrowing as it was the liability of the Central Government to do it and it was much easier for them, and the Centre should not tell the States to borrow. Further the Union Territories of Delhi and Puducherry would face additional complexities also. He further stated that there had been a strong tradition of arriving at consensus in the GST Council meetings under the then Chairman as well as the present Chairperson by seeing the larger interest of the nation and the people of the country. He suggested that the Centre should approach the RBI for borrowing and give the money to States as it was a much easier method than States going for borrowing.

28.11 The Hon'ble Deputy Chief Minister of Tripura stated that he agreed with the view of the Hon'ble Minister from Gujarat regarding being pragmatic and moving forward. He also agreed with the views of the Hon'ble member from Karnataka that it was a practical solution that the loan would be repaid from the cess collections of the extended period and it is important to get the fund in time. He requested the Chairperson to initiate the opening of special window with the Reserve Bank of India, so that the States who are willing to borrow could go ahead with the borrowing proposal.

28.12 The Hon'ble Minister from West Bengal stated that in the letter sent to the States it was mentioned that it would be better for the States to borrow instead of the Centre because of the following: (i) Impact on rating from credit agencies- He mentioned that the debt-to-GDP ratio, which is a benchmark used by credit rating agencies, is arrived at by looking at the aggregate debt of the Centre and the States as a proportion

of GDP. Hence, there would be no difference whether States or the Centre borrow. (ii) Increase in fiscal deficit - He mentioned that the credit agencies would look at the fiscal deficits of the States as well as the Centre. (iii) Macro-economic implications - He pointed out that the macro-economic implications would be there for States as well as the Centre. He further stated that the Centre had a better headroom i.e. the capacity to borrow and the States which were already mowed down in debt, did not have capacity to borrow. He stated that the Centre can monetize its fiscal deficit while the States cannot. The Centre also had a special window with the RBI, whereas the States do not have such a special window to borrow. He further stated that the Centre would have an advantage of borrowing at G-sec rate whereas the States get a competitive rate around 2% higher than the G-Sec rate. He stated that the State Bank of India's report said that only 8 States had capacity to borrow, while the rest did not. He further mentioned that the Centre had sovereign guarantee whereas the States do not, in the same manner in which the word 'sovereign guarantee' is used. He mentioned that the artificial differentiation between Covid-19 and non-Covid-19 situation as delineated in the borrowing options would not be possible as the Covid-19 situation was a reality.

28.13 The Hon'ble Minister from West Bengal further stated that history should be looked at, and that it was Shri Arun Jaitley, then Leader of the Opposition who said on 20th December 2013 that the BJP did not support GST because they did not trust the then Central Government to compensate the States. Further, on 18th February 2017, the then Secretary of the GST Council was asked why the Act should not clearly say that the Parliament shall compensate in five years, instead of the present reading of the Act. The then Secretary went on record to say that the Centre could raise resources by other means for compensation and this could be recouped by continuation of cess beyond five years. He further mentioned that the Chairperson stated on March 14th, 2020, that it was the solemn commitment to the States and the Centre is duty bound to give compensation to the States. The Hon'ble Minister informed that when he was the Chairman of the Empowered Committee, the States had given up 70% of taxing capacity under only one condition that the Parliament shall compensate the States for a period of five years. He stated that a letter was sent from the Hon'ble Chief Minister of West Bengal to the Hon'ble Prime Minister, saying the Centre should borrow and the States would cooperate by extending the Cess so that the Centre does not have to pay anything on its own apart from the cess collection irrespective of how long it would take. He further stated that the options could have been given in advance. He said that both options specified that the States have to borrow. In Option-1, with an artificial differentiation made where the interest and principal would be paid from the cess collection. In Option-2, to borrow a sum of Rs. 2.5 lakh crore of estimated revenue loss where the interest would be paid by the States from their resources. He appealed to the Chairperson that given the Centre's capacity to borrow and the headroom available to the Centre, the borrowing should not be done at the cost of the States. He mentioned that the Reserve Bank of India has supposedly said that it was much easier for the Centre to borrow. He concluded with a positive note that economy would pick up, as it was seen in September 2020 revenue collection, and entire compensation can be paid from cess collection.

28.14 The Hon'ble Minister from Punjab stated that the State of Punjab lost 25% of its revenue base which was subsumed when GST was launched and no other State would have lost so much of revenue. He further stated that extending payment of compensation beyond the transition period was not permissible by the law as on date. He referred to the opinion of the learned Attorney General which stated that the States were entitled to receive full compensation during the transition period in accordance with the provisions of the Act irrespective of the shortfall. As on date, there is no provision in the GST (Compensation to States) Act 2017 for extending the period of five years for payment of compensation to States. He further mentioned

that Section 8(1) of the Act would only entitle an extension with regard to period of the levy and collection of cess beyond the period of five years for the payment of compensation to the States and this would not permit the extension or deferment of the period of five years for the payment of compensation to the States. He stated that in his opinion, it was only in the case where all the States together agree for a deferment or extension with regard to payment of compensation to them, could one adopt such a course of action. He stated that he had written to the Chairperson on the subject and wanted to know whether the compensation law would be amended to provide compensation in the revised manner and if so, could this amendment be retrospective starting from April 2020.

28.15 He further stated that the state of economy was not good, and the States' fisc was stretched like never before, and hence measures need to be taken to settle the past dues of compensations. He stated that this would collectively match with the 25% of the revenue gap for the current year and hence the compensation cess collected should be disbursed without any further delay. He further mentioned that the Council could go ahead with the interim plan of borrowing for requirements up to December 2020 and by that time, the proposals could be fine-tuned. He stated that the Centre was expanding the first part of borrowing in Option-1 by another about Rs.13,000 crore with the provision of IGST settlement of 2017-18 providing additional revenue of Rs.13,000 crore. With GST picking up in September 2020 and cess crossing Rs.7,000 crore and hopefully more in near future, there was not much left at stake to deny full compensation as the gap could only be around Rs.60,000 crore. He suggested that a Group of Ministers may be formed on the subject as the issue was too sensitive and had potential to become a precedent in settling compensation issues in the future. He stated that in case the issue was not settled during the meeting, the Council may activate the dispute resolution mechanism. He concluded saying that there were three issues to be considered (i) whether the Council would go with the Ld. AGI's opinion and amend the Act; (ii) whether the dispute resolution mechanism could be activated and (iii) since the gap was only around Rs.60,000 crore which could be handled by the Centre, a collective decision could be taken in this regard. He stated that the spinoff in terms of morale for the business community and for the State governments would far outweigh the sum of Rs.60,000 crore.

28.16 The Hon'ble Minister from Uttar Pradesh thanked the Chairperson for extending the cess collection beyond five years and for reducing the assumed growth rate from 10% to 7%. He stated that the Centre had not avoided any responsibility and had given assurance to give maximum facility to the States in the form of the two options provided, among which the State of Uttar Pradesh had chosen Option-1. He stated that since the Centre was taking responsibility and had given a suggestion, the States should agree to it. He stated that his State would support the Centre in any decision it may take and further stated that with the economic package announced by the Centre during the time of Covid, purchasing power of the people has increased and economic performance of the State improved compared to last year. He stated that in comparison to the revenue collection in the year 2019, the revenue collection in 2020 was better. He stated that this improvement in economic performance was the result of the steps announced by the Centre from time to time and he hoped that the same performance would continue in future. He further stated that the Centre may consider two suggestions put forward by the State i.e. (i) a plan may be evolved regarding the compensation till 2022 and (ii) more packages may be designed by the Centre so that purchasing power may be increased and economic performance may be further strengthened. He thanked the Chairperson for supporting the State and hoped that the support would continue in the future also.

28.17 The Hon'ble Minister from Kerala stated that a written speech was circulated on 03.10.2020 to all the Members of the Council and it be taken as read. One of the main concerns expressed by the States was that the revenue loss which may occur when the taxing powers of States get subsumed, and when the taxation system changes from origin-based to destination-based. The issue of GST compensation was discussed in the Empowered Committee meetings held on 14th June and 26th July 2016. The States had unanimously agreed that the compensation should be paid in full for a period of five years. The Union Finance Minister, who was appreciative of the concerns of the States, assured the Empowered Committee that the Centre is committed to give full compensation for a period of five years. The States were assured of compensation by the Central Government and it was incorporated in the Constitution (One Hundred and One Amendment) Act 2016, and further to allay the fears it was mandated that "Parliament shall, by law" provide for compensation, instead of "may". It cannot be denied that compensation package and the comfort it provided to the states was the clincher in implementing GST across the country. He added that during the discussions in the 5th meeting of the GST Council held on 2nd/3rd December 2016, the 7th meeting of the GST Council held on 22nd/ 23rd December 2016 and the 8th meeting of the GST Council held on 3rd/ 4th January 2017, the relationship between compensation and Compensation Cess was extensively discussed. It could be seen from the Minutes of the Council meetings that the States were assured that compensation to States will not be restricted to the compensation Cess collected. It was after much deliberation that 14 per cent growth was guaranteed to the states. The widening of the Compensation deficit had become evident much before COVID with the decline in GDP growth rate during 2019-20, so much so that in the 37th meeting of the GST Council at Goa, the Chairman, Fifteenth Union Finance Commission, while addressing the Council, pleaded to the States to re-visit the Compensation formula, saying that the growth at 14 per cent was unsustainable in the macroeconomic scenario that prevailed in the country. All States had then rejected the proposal.

28.18 The Hon'ble Minister of Kerala further stated that in the 41st meeting of GST Council, the States presented their views, while the Centre discussed the opinion of Attorney General and placed before the States two options of borrowing. In such circumstances, if it is difficult to arrive at a consensus, the legal provisions for Dispute Resolution Mechanism within the Council may be activated. It appears that measures taken by the Centre seem to have impact on State resources as cesses are kept outside the divisible pool, the States are being given only 32% of the Centre's resources against the promised 42%. He also raised the issue of proper management of IGST and compensation accounts. He quoted the example of the Central Government appropriating a sum of Rs.88,344.22 crores in 2017-18 and Rs.13944 crores in 2018-19 from IGST account by crediting it to the Consolidated Fund of India. He also mentioned about amendment in the GST Act for petroleum products to be brought into GST. Further, the long-standing demand of the States to appoint a Vice-Chairperson to the GST Council may be considered and implemented at the earliest. He stated that there were two principles on which the State would not compromise -. (1) that full compensation had to be paid as it was a Constitutional right of the States and (2) if a borrowing is required, it could not be part of the normal borrowing of the States or the additional borrowing of the States which was already permitted. Option-2 did not meet these conditions. With the current proposal, these principles were not upheld. He drew attention to the statement made by the Union Finance Minister two days after the last GST Council meeting, wherein she assured that as a commitment of the Centre, full compensation would be paid to the States.

28.19 The Hon'ble Minister of Kerala further stated that there were four issues which needed to be discussed. (1) the issue of how much compensation would be paid now and how much to be deferred, (2) the issue of who should be borrowing, the States or Centre or both, (3) what would be the terms and conditions of borrowing, and (4) the issue of repayment. He stated that the issue of repayment was already settled. He stated that he was happy with the statement of the Secretary that the full compensation would be paid. He further stated that he believed that the Council as a federal institution must be strengthened and that all the members must strive to have a professional approach to decision making and must compromise to develop a consensus. He stated that he agreed with the view expressed by the Hon'ble Member from West Bengal that within the Council, a professional approach should be taken. He stated that as the Hon'ble Member from Punjab stated, with an additional sum of Rs.60,000 crore, entire compensation could be paid for the year. He stated that the issue was that a concept of distinction was made suddenly, between loss incurred due to implementation of GST and due to other causes, which was never thought while preparing the GST Act. He stated that the definition of the compensation and calculation of compensation was elaborately mentioned in the Act itself, without any reference to any other factor such as act of nature, act of God, and origin of the loss. He stated that even if one accepts this concept of differentiation between the causes, it was all the more important that the compensation should be paid immediately since Covid had already come and the impact was being felt at present and the shortfall must be made good immediately. He stated that it would not make much sense macro-economically to compensate at a future date, for the revenue loss during a recession. He stated that even with the differentiation, since the Covid impact was at present, the loss of revenue was at present, the States should be compensated at present. He further stated that regarding the question of who should borrow this amount, he would agree with the view of the Hon'ble Members from West Bengal and Chhattisgarh that there would not be any difference whether the States borrow or the Centre borrows. He stated that it would be much easier and convenient for the Centre to borrow as the Centre would get much better terms and a window for monetizing the debt. He stated that as the compensation requirement would be different for each State, there could not be same rule for all and that the additional borrowing would have to be tweaked which was an ex-post outcome. He stated that it would be much more convenient for the Centre, when looked at rationally.

28.20 He stated that with regards to the Ld. AGI's opinion that it cannot be paid from the Consolidated Fund, when undistributed IGST fund was not just parked in the Consolidated Fund but was appropriated into the Consolidated Fund, there could be no argument that the Centre cannot borrow to make good the shortfall in compensation to the States. He stated this view goes against the history of discussions held in the Council, Empowered Committee and the Parliament, yet, a discussion should be held regarding how much the Centre should borrow and how much should the States borrow and arrive at a consensus. He stated that regarding the terms and conditions, since it was already decided that the repayment was to be made from the extended cess collection and the interest also to be paid from the same, the whole 2% additional borrowing could be made unconditional as few States would find it very difficult to implement the condition regarding direct benefit transfer in electricity sector. He stated that in case this was not acceptable, a dispute resolution mechanism be made active and the issue may be referred to the same as it would only show the maturity of the Council in working to arrive at a consensus.

28.21 The Hon'ble Minister from Telangana stated that the distinction of loss of revenue on account of implementation of GST and of Covid was artificial. He further stated that it was the Constitutional right of the State to get the entire shortfall. He stated that compensation payment should not be linked to normal or

additional borrowing which is permitted to States under the Aatma Nirbhar Package. He stated that the Centre should borrow entire shortfall which could be serviced from the cess collected beyond 2022 and Centre need not pay anything from its kitty. He further requested that the cess collected in the last six months, which was readily available with the Council to the tune of about Rs.30,000 crore, may be paid to the States immediately to provide relief to the States during the time of Covid.

28.22 The Hon'ble Deputy Chief Minister of Delhi stated that when the States surrendered their right to tax, it was assured to them by the then Chairman, GST Council that the States would be compensated for five years with an assured growth rate of 14%. He stated that ideal situation was for the Centre to borrow and compensate entire shortfall to be recouped by the Cess collection beyond 2022. He stated that it would not be proper to divide the shortfall into two categories of Act of God situation and due to implementation of GST. He stated that when the borrowing options were provided, the Union Territories with legislature were effectively provided with only one option, which was Option-1. He stated that the NCT of Delhi was compelled to accept Option-1. He stated that in the detailed agenda note (volume-5), Agenda Item 9A (3) (V) it was said that in respect of Union Territories (including National Capital Territory), suitable arrangements to ensure flow of resources under the Special Window to them would be made by the Government of India. He requested that it may be clarified whether the Ministry of Home Affairs (MHA) had been kept in loop while deciding the above arrangement for Union Territories with Legislature because it would not be possible without MHA's approval. He further stated that it was mentioned in Agenda Item 9A (3) (XI) that the remaining arrears of compensation accrued during the transition period would be paid after the interest and principal are paid. He sought clarification as to whether this would mean that the remaining part of Rs.1.35 lakh crore would be given to the States after 2022. He further stated that assumed growth rate of 7% was calculated based on two year average, instead it would have been better to be based on last year's revenue growth rate which was around 2.8% to 3.0%.

28.23 The Hon'ble Minister from Assam stated that the Centre had committed at the time of implementation of GST that the Council would compensate the States for the revenue loss due to the implementation of GST. He stated that as per Section 18 of the Constitution (One Hundred and First Amendment) Act 2016 the shortfall due to implementation of GST was to be compensated, the Centre was helping the States even though the Central Government is also facing several such challenges. He stated that the Central Government was also facing the Covid-19 crisis as the States did and that the entire vaccination program had been taken over by the Centre which would involve expenditure of huge amount. This is in addition to the handling of the situation at Ladakh. He stated that this was the time to strengthen the hands of the Centre rather than having difference of opinion. He further stated that the assurances about the principal amount, the guarantor, the extension of cess period and no limitation on the borrowing of the States, secure the interests of States. He further stated that the Centre had been standing by the States in disbursing the Compensation amount, devolution amount and the revenue grants even though similar situation is being faced by the Centre.

28.24 He further stated that the country was just recovering from the economic slowdown and the Centre may be complimented for the GST revenue collection in the month of September 2020. Reacting to the proposal of creating the dispute resolution mechanism within GST Council, he stated that Assam along with around 21 other States had no dispute with the Centre. He also stated that the States were in immediate need of revenue and the dispute resolution mechanism is not a priority as on date. He stated that the Centre

had already taken the views of all the States and had generously assured the States of full compensation for the revenue including the loss of revenue on account of Covid. He also stated that the 21 States which had chosen Option-1, may be allowed to go ahead with the borrowing, irrespective of other States not joining, as the revenue is needed immediately for the welfare of the people. He sought to place on record his deep appreciation to the Union Government, the Hon'ble Prime Minister, the Hon'ble Union Finance Minister and the Hon'ble Minister of State (Finance) for the kind of help and support extended to the States in the present hour of crisis.

28.25 The Hon'ble Minister from Andhra Pradesh stated that he would like to reiterate certain facts. He stated that taxation was an integral part of governance and administration. He stated that from the revised estimates, an approximate amount of Rs.67 lakh crore was spent in total (about Rs.27 lakh crore of the Union and Rs.40 lakh crore was spent by all the States). If the defence expenditure of around Rs.4,67,000 crore was deducted, along with paramilitary related expenditure, an expenditure of 7% would be reduced. It would mean that the States spend about 64% and the Centre about 36% of the total expenditure towards services, subsidies, welfare and administrative expenditure which directly concerns the common man. He further stated that regarding the taxes that are collected, which form part of the divisible pool, the cesses and surcharges in the year 2018-19 was around Rs.2,65,000 crore which had seen a steep increase in 2019-20 to about Rs.6 lakh crore which was directly reflected on the divisible pool which otherwise would have been automatically been part of the State revenues. In the year 2018-19 the divisible pool was around Rs.18 lakh crore whereas in 2019-20 (R.E), the divisible pool was reduced to Rs.15 lakh crore. This had a direct bearing on the revenues of the States. In 2018-19, Rs.7,61,000 crore was the share of the States taxes which had come down to Rs.6,50,000 crore in 2019-20. He stated that the Cesses and Surcharges had become the major portion of total taxation which was reflecting on the divisible pool and on the taxes transferred to the States.

28.26 He stated that in this scenario, where the States had far more direct responsibilities for governance and administration, it was requested that certain decisions may be taken which would have a bearing on the revenues of the States such as (i) the assumed growth rate of 7% may be reviewed further in a scientific manner because there was slowdown in the country's economy and global economy even before Covid (ii) de-linking of the 2% additional borrowing facility which was provided to the States as part of Aatma Nirbhar Package and (iii) the priority order for repayment to be changed to from interest first, principal next and arrears of compensation later to arrears of compensation being the first charge, interest as the second charge and the repayment of principal as the third charge. He further stated that with regards to borrowing, the Centre was more empowered and appropriate to borrow or to raise the money of around Rs.1 lakh crore required as the Centre had the facility to coordinate with RBI to do the needful.

28.27 The Hon'ble Minister from Arunachal Pradesh stated that he agreed with the views of the member from Assam and chooses Option-1. He thanked the Centre for confirming that the interest would be repaid from the compensation cess.

28.28 The Hon'ble Member from Jammu and Kashmir stated that they would opt for Option-1 and were in favour of utilizing the borrowing mechanism that was proposed, as early as possible, to enable the Union Territory to deal with the situation that was prevailing. He further requested that the compensation cess collected till September 2020 may be released at the earliest possible.

29. The Hon'ble Minister from Goa thanked the Hon'ble Chairperson for taking the problems being faced by States, into consideration. He stated that after 21 States had already chosen Option-1, it could have been put to a voting and done away with, but the Hon'ble Chairperson had not done so. He stated that a good formula had been devised. He stated that with the new initiatives on invoice matching, detecting tax fraud, plugging leakages of revenue, the revenue was bound to increase. He stated that in spite of the pandemic, revenue was on a march to recovery as evidenced in the recent GST collection. He further stated that right path had already been chosen by the Hon'ble Chairperson by allowing the cess to continue beyond 5 years to cover the entire borrowing and interest, by putting no additional burden on the States, making available the borrowing, window through the RBI or such facility as created by the Centre and the States not to be penalized for borrowing more.

29.1 He further stated that as he had suggested in the last GST Council meeting, Cess should be increased on cigarettes, bidis and tobacco related products. He stated that the World Health Organization recommends that the total taxation should represent at least 75% of the retail price where as it was only 49.5% for cigarettes, 63.7% for smokeless tobacco and 22% for bidis at present. In the name of common man, bidis are taxed on the lower side, but they should also consider the suffering of poor people, because of the impact on the health and subsequent economic costs involved. He stated that cess should be charged on these products as was suggested by scientific data. He stated that according to his calculation an amount of Rs.49,000-50,000 crore could be raised with minimum increase in the rate of cess so that the burden of loan on the States and the Centre would be reduced. He further stated that around Rs.1,04,500 crore i.e. 1.16% of the GDP was spent on treatment for ailments of tobacco use in 2011 and it could be further more at present. He stated that the Council need not be subjected to allegations that it was protecting the tobacco industry and all the members of the Council should support this proposal as these products were harmful to the health and were deteriorating the health of the common man in the form of bidis, and of the rich in the form of smokeless, e-cigarettes. He further stated that people from tobacco industry had given a calculation with much reluctance that even with just one rupee increase per stick, the revenue gain would be around Rs. 50,000 crore.

29.2 He further requested that a sum of around Rs.7000 crore collected at present along with the balance of Rs.15,000 crore collected, not released to the States should be released to the States without further delay. He suggested that since smaller States like Himachal Pradesh, Goa and North Eastern States require smaller amounts, and that it should be decided by consensus that smaller States, which require small amounts, may be released compensation without any delay. He stated that with an early disbursal, the funds could have been utilized in building tourism infrastructure, which would have resulted in a greater influx of tourists, more earnings of foreign exchange through foreign tourists, more indirect tax collection through GST and revenue would have risen. He stated that the smaller States deserved an extra consideration and he hoped this would happen. He stated that it was not the case that the Centre had money and holding it back and not giving to the States and that the problem was being faced by the States and Centre alike.

29.3 The Hon'ble Deputy Chief Minister of Haryana stated that his State opted for Option-1 as stated in the Annexure. He further requested the Council that the cess collection which had been accumulated with the Centre as on date to the tune of Rs.28,000 - 29,000 crore should be released as soon as possible with a set timeline so that the States start getting funds and a timeline should be set for the repayment of interest

and arrears to the States. Further, as per Agenda Item 9, a timeline regarding extension of cess whether for three or five years must also be decided by the Council so that the interests of States are safeguarded.

29.4 The Hon'ble Deputy Chief Minister of Bihar thanked the Chairperson for giving two options to the States and given the circumstances, these were the best options that the Centre could give. He further stated all States were in need of money since compensation was not available for the last six months and since 20 States had already opted for Option-1, the process regarding the borrowing may be started at least for these States. He further requested that the States, who had not given an option yet, may be given sufficient time to choose but the process should start for others so that the States who had opted for option 1 may start getting the required money by November. He further stated that the Council should deliberate and list out goods which can possibly be subjected to compensation cess. He stated that similar to raising compensation cess on cigarettes and tobacco products as suggested by the Hon'ble Member from Goa, there was a need to consider a change of tax structure on Pan Masala also as regularly suggested by the Hon'ble Member from Uttar Pradesh. He stated that an Officers Committee may be made to deal with the issues of identifying products which can be subjected to cess and the products on which cess already exists but it can be raised. He stated that the States were already reeling under severe economic pressure and the process for borrowing may be started at the earliest. He further stated that regarding the dispute resolution authority, he was the Chairman of the Empowered Committee and that the Standing Committee and perhaps even the Parliament had already rejected that proposal since the States are sovereign and no other authority or tribunal could direct them in these matters. He stated that if a dispute arises, or if there was a difference of opinions, the Council already had the mechanism of constituting Groups of Ministers (GoMs) to deal with those issues and had already constituted 11 such GoMs so far which were successful in dealing with the issues referred to them.

29.5 The Hon'ble Minister from Himachal Pradesh thanked the Centre for taking many steps to stabilize the economy and agreed with the views as put forward by Hon'ble Members from Assam, Bihar and Gujarat. He stated that he welcomed the options given for payment of compensation cess and the unanimous decision of the Council to extend the compensation cess beyond July 2022 so that the burden of the repayment, interest shall not fall on the States. He further stated that similar to many other States, Himachal Pradesh also opted for Option-1, and requested that an early borrowing may be facilitated by the Centre at G-sec rates.

29.6 Since the Hon'ble Minister from Jharkhand could not attend the meeting, the representative officer from Jharkhand put forward the State's view. She stated that the Hon'ble Member from Jharkhand and the Hon'ble Chief Minister of the State had already sent written communication that neither of the two options as communicated was acceptable and that it was the Centre's responsibility to go for borrowing and transfer the entire compensation to the States and that the Centre should raise the required funds as a loan lending it to the GST Compensation Fund against the future receipts of the cess beyond 2022. She further requested that the existing funds which had been collected already may be released to the States as soon as possible.

29.7 The Hon'ble Minister from Uttar Pradesh stated that he welcomed the statement of the Hon'ble Member from Bihar. He further stated that he had raised three issues of Pan masala, brick kilns, and Mentha oil earlier also. He stated that with regards to mentha oil, which was specific to his States, there was an outgo of Rs.400 crore for which no tax was collected in return. He stated that a GoM may be convened to

deal with the issues of Pan masala and brick kilns and said that he was ready to take responsibility in GoM in whichever capacity assigned to him. He stated that there was a loss of revenue of Rs.2000 crore in these issues and thus they may be decided at the earliest. He further stated that there was a significant evasion of tax in these sectors and that in their single initiative they were able to uncover a loss of Rs.738 crore and recover the same. He stated that these could be good sources of revenue. He stated that before GST, in 2015-16, around Rs.500 crore tax had been collected in brick kilns and at present, it was reduced to less than Rs.100 crore and thus a decision should be taken at the earliest. He further stated that the problems in Mentha would also be eliminated if Reverse Charge Mechanism (RCM), in which the buyer who purchases from the farmer at the first instance would pay the tax, was implemented. He stated that the State was already doing better at tax collection, compared to last year's collection, and hoped to continue the performance with the support of the Centre.

29.8 The Secretary stated that the issues of pan masala, brick kilns, mentha oil and casinos were already discussed earlier and if time permitted, a presentation regarding the same could be made, so that the Council can be made aware of the issues involved, then the Council could guide how to move further.

29.9 The Hon'ble Deputy Chief Minister of Gujarat stated that a scheme of Reverse Charge Mechanism already existed in Cotton in Gujarat, where lakhs of farmers sell cotton and the dealers who purchase the cotton to make cotton bales, make the payment of tax. Similar RCM mechanism may be employed as suggested by Hon'ble Member from Uttar Pradesh. He further stated that a constitution of GoM may not be required as the issue only pertains to Uttar Pradesh which had been raising the issue from a long time.

29.10 The Secretary stated that based on the suggestions given on all these four issues, a Group of Ministers may be formed to discuss and analyze the issues: Capacity based taxation on Pan Masala, Reverse Charge Mechanism in mentha oil, brick kilns, taxation in casinos and with respect to lotteries.

29.11 The Hon'ble Minister from Karnataka stated that the issue of horse racing also may be referred to the proposed Group of Minister and the Chairperson assured the same.

29.12 The Hon'ble Minister from Odisha stated that the issue of whether the liquor was food or not should be decided. He further stated that the issue is not pending in any court and would not be sub-judice to decide. The Hon'ble Chairperson had assured him to take the matter in the next GST Council meeting, but unfortunately, the same was not brought today, and requested to include this matter with issues of Pan Masala etc, and requested that the issue may be taken at the next meeting of the GST Council. The Hon'ble Chairperson assured the same.

29.13 The Hon'ble Chairperson stated that few members raised the point about the available cess amount and she assured that the Centre is committed to disburse the money to the States. She further stated that because of the lockdown, there was no substantial collection of the Cess till August 2020 but at present, there was around Rs.20,000 crore which would be distributed by late that evening. The Hon'ble Members from Gujarat, Karnataka, Uttar Pradesh, Madhya Pradesh, Puducherry thanked the Hon'ble Chairperson.

29.14 The Hon'ble Chairperson reiterated that the cess collection would be disbursed immediately and the amount of excess compensation cess credited to the Consolidated Fund was also being reversed and that

was how the compensation of around Rs.1,60,000 crore was given to the States, despite the collection being around Rs.96,000 crore in the previous year. She stated that she was aware of the difficult times the Centre and the States were facing and that the actual fight against Covid was being undertaken by the States. She stated that since she took charge, with due process, she had given time to address all the long pending issues. She thanked all the members of the Council for being positive in solving the three problems. She further stated that she was always willing to hear any views of the members whether it was suggestions or criticism and that she never hurried through when a member wants to put his point of view forward. The Hon'ble Chairperson further stated that she was not in favour of any code of conduct for the members as each member was a senior and experienced leader managing their States even during the current challenging times.

29.15 The Secretary, GST Council stated that borrowing program was discussed with the Secretary, Department of Expenditure and Secretary, Department of Economic Affairs who were in touch with the banks. He further stated that since Agenda Item 9 was approved, procedural formalities could be started within the next two days and that other States which had not exercised their options could also take a decision within the next two days. He stated that the Reserve Bank desired a borrowing calendar so that they can plan the logistics and go to the market and arrange for the money.

29.16 The Hon'ble Minister from Kerala stated that this went against the spirit that the Hon'ble Chairperson had just espoused. He stated that he welcomed the remarks of the Hon'ble Chairperson about Council being an open forum, and not making a code of conduct for Members. He disputed that Option-1 was the decision of the Council. He stated that he had mentioned earlier that both the options were unacceptable and along with the reasons and that he also said that they could have a discussion and possible to arrive at an alternative. The Council had not decided Option-1 as its final decision.

29.17 The Hon'ble Chief Minister of Puducherry stated that regarding Agenda Item 9A, some States had expressed that the Central Government had to borrow and give the compensation to the States and some States said they preferred Option-1, and thus there was no consensus regarding the Agenda Item 9A. He stated that since there was a division, the Hon'ble Chairperson had to arrive at a consensus before coming to a conclusion. He stated that he made his position clear that his State did not agree with Option-1.

29.18 The Hon'ble Minister from Chhattisgarh stated that he was in agreement with the view of the Hon'ble Member from Puducherry. If it had been decided as Option-1, he was making it clear that his State had not agreed with either of the options.

29.19 The Hon'ble Minister from West Bengal stated that along with Option-1 and Option-2 there was also a third Option which the Hon'ble Chief Minister of West Bengal had written to the Hon'ble Prime Minister, and as reiterated by the Hon'ble Members from Puducherry and the Hon'ble Member from Chhattisgarh agreeing to it i.e. for the Union Government to borrow from the RBI window and crediting the amount to the Compensation Cess Fund for further disbursement to the States. So there were three Options on the table. He stated that the Council should come to a conclusion and if there was a difference, more discussion could be held in next few days to arrive at a consensus.

29.20 The Hon'ble Minister from Punjab reiterated his remark about whether the law would be amended as he regarded that the options provided were not in accordance with law. He further mentioned that the

Article 279A (11) of the constitution provided a dispute resolution mechanism and that it could be activated. He further stated that if there was no consensus, a division could be called. The Hon'ble Member from Chhattisgarh also supported a division.

29.21 The Hon'ble Deputy Chief Minister of Gujarat stated that the matter which was being discussed was of immense importance for the States. He stated that the first priority was how to get the fund at the earliest. He further mentioned that as the Hon'ble Member from Karnataka and the Hon'ble Member from Assam discussed that once money was received, there would be spurt in economic activities. It was already stated by the Secretary to the Council, if they get approval, they would start the process of availing loan from tomorrow itself. He further stated that any delay would only hurt the States and not the Centre as the States were facing the shortfall of fund and their schemes were not working and requested all the members to choose Option-1 and start the borrowing procedure at the earliest. He stated that there was never a division in the GST Council earlier and it would not be appropriate to go for voting or division.

29.22 The Hon'ble Minister from West Bengal stated that his State was unable to accept Option-1 and if the Hon'ble Chairperson was not convinced, the Hon'ble Chairperson may call for division.

29.23 The Hon'ble Member from Assam stated that his State had chosen Option-1 and he was not in a position to accept any other alternative. He made request that proceedings should start for the States who had already chosen option-1, as they were in immediate need of money.

29.24 The Hon'ble Minister from Karnataka stated that the States should come to a practical solution that having the money at present was more important than receiving after six months by which time lot of damage would have been done to the people and the economy. He requested the Hon'ble Chairperson to state the sense of the house and take a call, stating the Consensus of the House.

29.25 The Hon'ble Minister from Chhattisgarh requested that the Chairperson may take more time to achieve consensus as voting was not preferred by the States and if unfortunately consensus was not forthcoming, tenets of the GST Act must be adhered to and a voting may be called where 75% or more members vote for a particular issue.

29.26 The Hon'ble Deputy Chief Minister of Bihar stated that he failed to understand the opposition when the Centre was guaranteeing in a way and making arrangements for borrowing, the States were not burdened. He stated that this issue about who should go for borrowing might go on but in the process, States which were in immediate need of money would suffer. He stated that another 5 days' time may be given and a meeting of the Council could be called next week and if the issue was unresolved, if required voting should be resorted to, for as was done in deciding the lottery issue. He pleaded that it may either be decided today or latest in next meeting. It should not be prolonged and States could not be deprived of funds. He stated that some States could not veto when most other States suffer because of unavailability of funds.

29.27 The Hon'ble Minister from Uttarakhand stated that he welcomed the proposal under Agenda Item 9A and the State had opted for Option-1.

29.28 The representative Officer from Rajasthan stated the State was in favour of Option-3 where the Centre would borrow and disburse the amount to the States.

29.29 The Hon'ble Minister from Kerala stated that he had earlier requested that there should be a compromise and a new formula could be arrived at within the broad contours he suggested earlier.

29.30 The Hon'ble Chairperson stated that she heard all the Hon'ble members, had been rightly reminded that there should be consensus in decision making. Therefore, upholding the tradition of the Council and going by the suggestion of the Hon'ble Member from Bihar, she proposed to hold another meeting on 12th October 2020. She was open to have another round of discussions on 12th October 2020 and then they would take a call that day. She further reiterated that States were on the forefront of fighting Covid, she had cleared disbursement to the States as soon as resources were available whether it was GST compensation or devolution in terms of Finance Commission's recommendation.

The meeting on 5th October 2020 ended with thanks to the Chair.

Agenda Item 9A: GST compensation options – ways of meeting the shortfall as discussed on 12th October, 2020.

30. The 42nd meeting of the GST Council resumed on 12th October 2020 with the Secretary of the GST Council welcoming the Hon'ble Union Finance Minister, the Chief Minister, the Union Minister of State (Finance), the Deputy Chief Ministers, and all the Hon'ble Members of the Council to the Council meeting.

31. The Secretary submitted to the Council that Agenda Item No.9 for 'Continuation of cess beyond transition period' had been approved, and Agenda Item No.9A 'GST Compensation Options – Ways of meeting the Shortfall' was under discussion. He requested the Chairperson to allow resumption of discussion on the said Agenda Item. He asked the Joint Secretary, DoR, to initiate with a brief recap.

32. The JS, DoR stated that the States had been given two options. 23 States / UTs had opted for Option-1, whereas no State had opted for Option-2 and 8 States had reservations against either of the two Options, the details of which are given in Annexure to the Agenda.

33. The Secretary stated that the details of the option one were communicated to the States by the Department of Expenditure, Ministry of Finance, Government of India. After the options were communicated by the Department of Expenditure to the States, there was a meeting held by him as the Finance Secretary, with the Expenditure Secretary and Finance Secretaries of the States and certain suggestions were received and thereafter various suggestions had also been being received from the States. He added that the Department of Expenditure examined all the suggestions in detail and agreed to modify Option-1, under which the entire Rs.97,000 crore shortfall was calculated assuming GST growth rate of 10%, but States had suggested that the real growth could be in the range of 7% to 8% depending upon the State so the assumed growth rate was reduced to 7% which meant amount to be borrowed under Option-1, would now become Rs.1.1 Lakh crore instead of Rs.97,000 crore.

34. On the question of as to how this entire debt would be serviced, the Secretary, stated that with the approval of Agenda Item 9, the cess had already been extended beyond June 2022. He stated that the Department of Expenditure had communicated to them, that the interest on the borrowing under the Special

Window would be paid from the Cess as and when it arises until the end of the transition period. After the transition period, principal and interest would also be paid from proceeds of the Cess, by extending the Cess beyond the transition period. However, as per discussions, it is now decided that at first stage, cess collected would be used for paying the interest and at the second stage, it will be used for repaying the principal and the remaining part would be used for meeting the remaining arrears of compensation. The Secretary submitted that this was the main item for discussion that had been communicated from the Department of Expenditure and requested the Hon'ble Members of the Council to express their views on the Agenda Item.

35. The Hon'ble Minister from Madhya Pradesh thanked the Hon'ble Finance Minister for announcing the special package. He stated that he was glad that Central Government had positively considered the Option-1 in respect of compensation cess and also considered the other two suggestions given by Madhya Pradesh State. Now, his State could borrow Rs.4,542 crores instead of Rs.4,056 crores under the special facilitation provisions of Central Government and RBI, which they could use for the development work of the State. He added that in last meeting, he also requested that when Central Government was pondering over the options of compensation cess so seriously and had also received the support of majority of States then remaining States should also think over it positively so that some solution could be arrived at, and amount is made available to the States so that the same could be utilized in the second half of this Financial Year.

35.1 The Hon'ble Chief Minister of Puducherry thanked the Hon'ble Chairperson for postponing the meeting so as to arrive at consensus on the issue of Agenda Item 9A. He stated that the issue was discussed in the previous two meetings and Hon'ble Chairperson was kind enough to hear views of all Hon'ble Members. Who would be borrowing and how it would be paid was elaborately discussed along with the learned AGI's view and also the views taken by various States. The points he liked to raise were the decisions that had been taken in previous meetings of the GST Council and the assurance that had been given by then Hon'ble Union Finance Minister, Late Shri Arun Jaitley that the Government of India would borrow and give to the States and whenever there would be short fall of compensation Cess, it would be honoured and implemented. How to implement this decision was the issue which the Hon'ble Members had to decide.

35.2 He added that from point of view of Puducherry, GST, especially the commercial tax, was one of the main components of their revenue. He mentioned that they are a small State and the taxation power which was there with the States, had been surrendered to the GST Council on certain conditions and certain assurances. Now, the State Governments would lose their revenue because of various factors including the tax equalisation which had affected his State very badly and also due to COVID-19 pandemic situation. The financial position of the State was in a very bad condition and they were not able to meet day to day expenses of the Government on various schemes, projects, and towards salary of Government employees. He requested the Hon'ble Chairperson that the borrowing from the open market or from RBI or issuance of Gold Bond was very easy for the Government of India to do instead of the State Governments doing it. Apart from that, his State had another difficulty as they were a Union Territory with legislature. Whenever they wanted to borrow, they had to approach through the Home Ministry, Government of India. Unless the Home Ministry concurs and the Finance Ministry gives the nod, it would be difficult for Puducherry to borrow.

35.3 He stated that they were grateful to the Hon'ble Chairperson who was hearing the views of the Hon'ble Members of the Council and trying to arrive at a solution. He requested that the disputes had to be resolved by give and take, all States had to agree because of present critical financial position in various States. Therefore, he requested the Government of India to borrow and pass it on to States and all problems associated with State borrowing such as State Governments approaching RBI, going to open market, in their case, State going to the Home Ministry, could be resolved. Borrowing by the Government of India would be very easy vis-à-vis State Government doing it because without the permission of the Government of India, the State Governments cannot borrow and therefore he wanted easy route to be followed. He requested the Hon'ble Chairperson to consider the third option proposed by the Hon'ble Finance Minister of West Bengal i.e. the Govt of India to borrow and give it to States.

35.4 The Hon'ble Minister from Assam congratulated the Hon'ble Union Finance Minister for declaring so many benefits for States in continuation to what had already been done for them. He stated that, in the last meeting held on 5th Oct 2020 also they had discussed this GST Compensation options issue at length and 23 States had already chosen the option. The Department of Expenditure had already deliberated the issue and States would be borrowing as it would be repaid by the Central Government out of the collection of the Cess. The mechanism of borrowing is being handled by the Department of Expenditure of Government of India and as the provisions of the Article 293 of the Constitution, the options have been worked out. The GST Council has jurisdiction to extend the levy of cess to compensate for shortfall in the compensation and in the last GST Council meeting held on 5th October, the GST Council exercised its authority to extend the levy of cess beyond June 2022. That decision was actually taken to ensure the States would get full compensation with respect to any shortfall in comparison to the projected revenue growth of 14%.

35.5 He was of the opinion that, so far as the borrowing was concerned, it was the decision of the individual State and the Centre in accordance with the Article 293 of the Constitution of India and he was of the opinion that it will fall outside the jurisdiction of the GST Council. As a matter of respect, the Central Govt. had brought this issue to the GST Council for information that in case of shortfall, one could go for borrowing under various options but it would not be ultimately decided by the GST Council. This decision had to be taken under the Article 293 by the Government of India independent of any decision which would be arrived at in the GST Council. He said over and above this, the Chairperson offered that if they had any immediate requirement of funds, they could approach the Central Govt. under Article 293 and choose from the options provided. He said the 23 States that have preferred Option-1 needed immediate funds and they could discuss under Article 293 with the Department of Expenditure, Government of India on borrowing and the GST Council need not discuss about borrowing which was not their mandate.

35.6 The Hon'ble Minister from Chhattisgarh thanked the Hon'ble Chairperson for allowing this discussion to continue and allowing them all to make an honest and concerted effort to come to a consensus and not get into options of division or voting and also thanked her for whatever releases had been done so far. He quoted para.6.3 of the Minutes of the 10th meeting of the GST Council held on 18th February 2017 wherein it is stated that:

“The Hon'ble Minister from Telangana stated that the Compensation Law should provide that if money fell short in the Compensation Fund, it could be raised from other sources. The Secretary stated that Section 8(1) of the draft Compensation Law provided that cess could be collected for a period of five years or such period as may be prescribed on the recommendation of the Council. He stated that this implied that the Central Government could raise resources by other means for compensation and this could be then recouped by continuation of cess beyond five years. He stated that the other decisions including the possibility of market borrowing for payment of compensation was part of the Minutes of the Meeting of the Council (held on 3rd and 4th January 2017) and need not be incorporated in the Law. The Council agreed to this suggestion.”

He stated that the then Hon'ble Chairperson of the GST Council assured that compensation to States shall be paid for 5 years in full. Within the stipulated period of 5 years, in case the amount of GST compensation fell short of compensation payable in any bi-monthly period, the GST Council may decide the mode of raising additional sources. In this regard he further referred to para 6.5 of the Minutes of the 10th meeting of the GST Council wherein it is mentioned that on pointing it out by the Hon'ble Minister from Karnataka, the words “such other revenues” in Section 10(1) of the GST (Compensation to States) Act 2017 were replaced with the words “such other amounts”. Thus, there was a commitment for Central Government to provide 100% compensation and how it would be done was for the Council to decide.

35.7 He then referred to the Section 18 of the Constitution (One Hundred and First Amendment) Act 2016 wherein it is mentioned that the Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years. This was supported and brought into active mode through Section 8 of the GST (Compensation to States) Act 2017. These acts and laws and provisions are passed in the Parliament which were enshrined through deliberation in the GST Council. He further referred to Article 293(2) of the Constitution where it is stated that Government of India can give guarantee in respect of a loan raised by the State Government and sums required for this purpose shall be charged on the Consolidated Fund of India. It was GST cess amount which they had all agreed in Agenda Item 9, would be extended beyond June 2022. The GST Compensation Cess was under the GST regime and these Articles did not take into account of the same and thus the ways of meeting of the shortfall for GST compensation was under the purview of GST Council.

35.8 The Hon'ble Minister from Assam stated that for certain matters, the sovereignty lies with the Parliament and the Constitution of India and are out of purview for discussion in the GST Council. He requested the Hon'ble Chairperson to not allow, any decision to be taken, which did not fall within the mandate of the GST Council.

35.9 The Hon'ble Finance Minister of West Bengal put forth his submission that there was a historical context. As was discussed in the 10th meeting of the GST Council held on 18th February 2017 wherein the then Secretary of the GST Council in the presence of the then Hon'ble Union Finance Minister who was chairing the meeting, very clearly said that “...this implied that the Central Government could raise resources by other means for compensation and this could be then recouped by continuation of cess beyond five years...” (as mentioned in para.6.3 of the Minutes of the 10th meeting of the GST Council). In the same spirit after several years, on 14th March 2020, the Hon'ble Union Finance Minister said the same thing, “It

was the solemn commitment to the States that the Centre is duty bound to give compensation to the States". So his first point was that, it was the historical commitment that they were talking about and the matter of trust and faith in a federal system.

35.10 He further stated that the options of borrowing by the States were sent after day-long discussions in the 42nd meeting of the GST Council held on 05-10-2020. The GST Council Secretariat sent "Note regarding GST compensation borrowing option – please find attached note of borrowing options as discussed in the 41st meeting of the GST Council about GST Compensation" and thus it is within the scope of GST Council.

35.11 Then he discussed about Article 279A(11) of the Constitution for establishment of a dispute resolution mechanism within the GST Council. He requested that in a time bound manner, the dispute resolution mechanism may be set up in 7 days, with a request to come to a conclusion and then quickly bring it back to the GST Council. Alternatively, he suggested that the possibility of formation of GoM on the issue may also be explored.

35.12 He suggested that the third option which was that the Government of India may borrow, may be accepted. The Hon'ble Chief Minister of West Bengal had also written to the Hon'ble Prime Minister of India that they would allow indefinite extension of the cess so that when the Government of India borrowed, it did not have to repay from its own resources. The two options proposed require States to borrow from RBI. It may be noted that the Central Government already had such a window with RBI. The Centre could simply borrow and had no risk at all. States cannot borrow because they did not have such a window. He further added that the Secretary Expenditure, Ministry of Finance, Government of India, had clearly said that there was no such window possible for the States.

35.13 The Hon'ble Minister from Goa referred to the special assistance that the Hon'ble Union Finance Minister had provided to the States. Expectations by States were very high but the States could not recognize the fact that in spite of the COVID, the last quarter had shown that economy was picking up. He stated that at least in his State Goa they were concerned that they had no funds for payment towards the ongoing infrastructure work. And when the Centre had come out with this special package, certainly there should be some level of satisfaction. He stated that Goa was also a very small State which came in the planning process much later. He suggested that when certain amount remains pending with the Centre from compensation cess collected, the smaller States may be given preference to release that amount to them.

35.14 He felt that the GST Council may arrive at simple consensus since most of the States had already opted for Option-1. He pleaded that the GST Council had got the spirit to unite as well as had got the spirit of consensus. With the special assistance that had been announced by the Hon'ble Finance Minister, they would be able to keep the expenditure towards infrastructure, committed payments and building something that was necessary for the States. He hoped that all that would help to resolve the problem and by the end of the meeting they would be deciding that matter by consensus and to close that issue once for all.

35.15 The Hon'ble Deputy Chief Minister of Bihar stated that the first question which had been raised by some States was whether the GST Council had the jurisdiction to discuss the borrowing issue. He personally felt that they were stakeholders and in a federal structure they could discuss any issue in this GST Council

but not necessarily take a decision and go for voting on that particular issue. He recalled that earlier the issue of natural gas was discussed even though as on date GST is not levied on it. Similarly the issue of Stamp duty on securities was the second example that was presented to the Council. Third example was regarding CST Act where many States had raised the issue regarding C-Form on petrol and diesel. CST Act is not under the jurisdiction of the GST Council but still it discussed it. He stated that in this fiscal federal body, States could raise issues, they could discuss about the same but as far as voting was concerned, with respect to borrowing issue, it was not within the jurisdiction of the GST Council. It comes under the purview of Article 293 of the Constitution of India and it was between the States and the Centre to decide about the same.

35.16 He said, that in the last meeting, some States were urging for voting on the issue of borrowing. He referred to the Minutes of 20th meeting of the GST Council held on 5th August 2017 regarding amendment to the 'Procedure and Conduct of Business Regulations of the GST Council'. The Chairperson may convene a meeting of the Council through video conferencing but if a proposal under discussion is required to be decided by voting, then it shall be deferred and taken up in the next physical meeting of the Council. So, if some States want voting, the voting cannot take place through video conferencing as voting could only be done in physical meeting. Further, he said that some States suggested for constitution of the GoM. He felt that suggesting for GoM after two months is not proper and it would be difficult even for the GoM also to arrive at a consensus. It would only delay the process as they knew the views of everybody and majority of views were in favour of Option-1. Bihar was absolutely not in favour of constituting the GoM. He further referred to the Attorney General of India's opinion that within the parameters of Article 293, the States could borrow on the strength of the future receipts of the compensation cess. Even if a single State accepts the option and if the Government of India was ready, then other States could not prevent those States who wanted borrowing. He felt that there was no requirement of constituting the GoM and also there was no requirement to resorting to voting and opined that after taking everybody's opinion they should resolve the issue in that meeting.

35.17 The Hon'ble Finance Minister of Kerala stated that in the 42nd meeting of the GST Council held on 05.10.2020, he had distributed a fairly detailed written statement about his position on the issue. He relied upon the response to Question No.3 given by the Attorney General of India wherein it was stated that "this wouldn't permit extension or deferment of the period of 5 years for the payment of compensation to States. By law they had no right to extend it beyond 5 years". Then AGI further stated that "where all States come together, agree for a deferment or extension in regard to the payment of compensation to them, that one could adopt such a course of action". Keeping in view the above response from AGI, the Hon'ble Finance Minister of Kerala was opposed to both the Options suggested by Department of Expenditure, Ministry of Finance, Government of India. According to him, the Option-1 involved deferment of the compensation and there was no guarantee that it would be paid within 5 years. Therefore, he would say that the Attorney General had suggested that it required a consensus and there was no consensus regarding deferment of compensation cess. The Hon'ble Minister also drew attention to the AGI's opinion that "it is for the GST Council to decide on any other source from it may lawfully recommend crediting the necessary amounts to the GST compensation cess fund". The amount so borrowed has to come to the Compensation Fund and Compensation has to be paid from it. The Attorney General of India's opinion made it very clear that it could not be done without the agreement of the Centre. Thus, he again relied upon the Attorney General of India's response to Question No.2 that stated "the GST Council wouldn't be in a position to make

recommendation to which the Central Government was opposed. This has to be kept in mind”. He stated that the Council had sought the opinion of the Attorney General of India on this issue and the discussion in the Council may focus upon the opinion given by the AGI as mentioned above.

35.18 He stated that discussion on any issue does not necessarily mean voting on it. There could be difference of opinion but there is unity in diversity. In the GST Council meetings repeatedly they had said that they should try to have a consensus but not division at every point of time. Therefore, he is in support of Option-3 of borrowing by the Centre and they could discuss this proposal or they could go to Option-4 also, if any. He was against deferment and wanted compensation funds this year. Law was very clear that Compensation had to be paid every two months.

35.19 He also suggested to form a GoM on this issue which may take one more month, then discuss and come to consensus with mutual sense of accommodation. The functioning of the States would not be hindered because there was an accommodation provided in the additional borrowing which was already permitted. So within one month, this GoM could see how they reach an understanding and he promised that he would try to work towards consensus in a spirit of accommodation.

35.20 The Hon’ble Minister from Uttar Pradesh stated that Uttar Pradesh was with the Central Government, and with the decisions taken by the Central Government. His suggestion was for increasing revenue and they could impose cess on some other items too. He requested all to think over items on which they could increase their collection, to robust their mechanism and the items on which they could impose more cess so that their cess collection could increase over time. He completely agreed with the views of the Hon’ble Deputy Chief Minister Bihar that nothing new would come out of the GoM because opinion of all the States had already come.

35.21 The Hon’ble Minister from Punjab stated that Punjab had raised many pertinent questions both in writing and in the previous meetings. As far as Punjab was concerned, their issue was very simple, give them the compensation as per the law or if a pragmatic change was necessary then get the law amended. The word compensation was defined as difference between the projected revenue and the actual revenue. Thus, compensation could not be arbitrarily split into two parts. There was no basis to apply either 7% growth now or 10%. Compensation shall be paid out of the GST Compensation Fund as mentioned in Section 10 of the GST (Compensation to States) Act 2017. Any amount of compensation that comes from sources other than this Fund was not compensation. Thus, unless the Central Government borrowed and credited it to the GST Compensation Fund, it was not compensation. The Section 7 of the Act requires that compensation shall be paid to the States during the transition period which was 5 years. This was clarified in the opinion of the learned Attorney General of India. They needed to take note that in Option-1, a good part of the cess collected would be used to pay the interest on that borrowing of Rs.1.10 lakh crore. According to him, there should be some legal backing for that. The learned Attorney General of India had further pointed out that unless all States agree, the compensation could not be delayed beyond 5 years. Thus, majority voting would not matter unless all States agree.

35.22 He stated that he would not be talking about activating the dispute resolution mechanism because the Hon’ble Finance Minister of West Bengal had already highlighted it. Some Hon’ble Members even suggested that those who were willing to borrow should be allowed to borrow, leaving others to fend for themselves, which is not proper. He had suggested a GoM on the subject to look at the issue with the

calmness and in far greater spirit of accommodation of consensus of all. It would also serve as decent proxy for the dispute resolution mechanism. If the Group could be announced that day, it could give its report within 7 days. He stated that it is proposed to borrow Rs.1.10 lakhs crore. The balance amount that could be borrowed is only Rs.73,000 crores out of which Rs.13,000 crores has already been credited out of provisional IGST settlement. Thus, what is left over to be borrowed was now only of Rs.60,000 crores. This issue can be deliberated in a GoM which could submit its report to the Council. Punjab would rather have consensus on the issue than a split in the Council. He stated that he didn't have mandate from his Cabinet or from his Chief Minister but if they could consider part borrowing by the State and the balance borrowing by the Government of India, he was sure this third option would be acceptable to most of the States and if a GoM could be constituted, it would break the deadlock.

35.23 The Hon'ble Minister from Karnataka thanked the Hon'ble Chairperson for giving them the GST compensation as per all the States' demand from the Compensation fund collections, which reflected the earnest commitment towards helping the States in dire need. Centre was trying to arrive at consensus in the whole issue and they could understand the position of the Union Finance Minister and the Ministry of Finance in the given economic crisis. The Central Government had proposed extension of levy of cess which was agreed by all the States and welcomed by all the States. Thirdly, he stated that, the Centre even considered States request to reduce the growth from 10% to 7%. That was the accommodation by the Government of India. That showed the true spirit of coming to a consensus and everybody agreed to that. So all States had agreed that compensation would be paid in full, they had agreed that it would be through other means that are provided by the law i.e. by borrowing and they had agreed that there would be more amount available for the loans, they had agreed that the entire things would be paid through this compensation cess so there will be no burden on the States or on the Centre. So, these broad parameters had been agreed upon.

35.24 He stated that it had been very clear that the question of compensation had to be addressed immediately. The question was not only that compensation had to be paid; it had to be paid immediately. Further any improvement in terms of efficiency, in terms of broadening the tax net, in terms of procedure, in terms of ultimately increasing the revenue that could be thought over but at the same time, at present, States were in the dire need of money. So, his only humble suggestion was to allow them to operate Option 1.

35.25 The Hon'ble Minister from Karnataka earnestly requested not to stop their right to take loan and put that funds in the development activities of States. As most of the senior Members said there was no question of voting on it and if there was a GoM, it should be for further reforms rather than delaying the present options which they had already chosen. Therefore, they may be allowed to operate their options.

35.26 The Hon'ble Minister from Tamil Nadu stated that he was thankful to the Hon'ble Chairperson for taking initiative to come to a consensus on the matter of GST compensation to States. The background note that the Ministry of Finance had circulated at the 41st meeting of the GST Council held on 27.8.2020, there it had been specifically stated that the GST Council had to decide other modes of making good that shortfall. His Hon'ble Chief Minister had also written to the Hon'ble Prime Minister on that issue. Since, the Government of India appeared unwilling to borrow, they had no option other than to choose one of the two options offered. The Government of Tamil Nadu was conscious that reaching a common meeting

ground was the need of the hour amidst this COVID-19 pandemic. It was in this spirit that they had agreed to Option-1 in the previous meeting. He looked forward to early resolution of that issue so that the States get the fund that they so urgently needed for reviving the economy during this COVID-19 crisis.

35.27 The Hon'ble Minister from Telangana completely agreed with the views expressed by the Hon'ble Minister from Chhattisgarh regarding the aspect of borrowing to meet compensation requirement not falling within the ambit of Article 293 of the Constitution. Apart from which it might also be noted that Section 7(2) of the GST (Compensation to States) Act 2017 mandated release of compensation to States every two months in case of shortfall in revenue. This compensation shall be released from the GST Compensation Fund. Borrowing mentioned in Option-1 and Option-2 fell under 'such other amounts' as per Section 10(1) of the GST (Compensation to States) Act 2017. Hence, the discussion regarding the borrowing under Option-1 and Option-2 was very much within the framework of the GST Council. He added that as pointed out by his colleague, the Hon'ble Minister from Punjab, the Centre could also re-think to settle the issue at the earliest in a consensual manner as Option-1 was now revised to Rs.1.10 lac crores and Option-2 stood at Rs.1.83 lakhs crores and the gap was only around Rs.73,000 crores, out of which, the Chairperson was kind enough to release some amount since the last meeting of the GST Council. Hence, under Option-1, if the amount is revised to Rs.1.80 lakhs crores, consensus among States would be easy, and requested the Hon'ble chairperson to kindly consider the request at the earliest.

35.28 The Hon'ble Minister from Jharkhand stated that he was in agreement with what had been stated by the Hon'ble Members from Chhattisgarh, West Bengal and Punjab. When GST Act was framed, it was an Act of faith for them and they trusted in it. Jharkhand got its 70% indirect tax share subsumed in GST. Today they just had 30% and it was known that Jharkhand was extremely backward and poor State. It is difficult for the State to manage with 30% of the taxes of the erstwhile regime. They depended on GST share and GST compensation which was promised to be paid to them at 14% growth rate. He stated that both Option-1 and Option-2 were not acceptable to them. They are in favour of Option-3 by which they mean that the Government of India should borrow and give the amount to States. He is in agreement with the views expressed by the Hon'ble Member from West Bengal on provision of dispute resolution mechanism under Article 279A. He is in agreement with the views expressed by the Hon'ble member from Punjab about formation of a GoM on this issue. He noted that compensation amount of around Rs.3300 crores was due to Jharkhand, out of which the Hon'ble Chairperson had sanctioned Rs.318 crores. He thanked her for that and hoped that remaining compensation amount would also be released soon. He stated that decision needed to be taken early so that a poor State like Jharkhand could be benefitted and they could carry on with their welfare activities.

35.29 The Hon'ble Minister from Andhra Pradesh while appreciating the revision from 10% to 7%, he once again requested for a study to be done to arrive at more realistic figures closer to the actual that would have been. In view of the increasing cesses and surcharges which were affecting the resources of divisible pool directly reflecting on the transfer to States, he requested the Centre to be a little more magnanimous. Keeping in view the fact that this was a peculiar situation, it was imperative that the Centre and States come forward to arrive at consensus. He agreed with his counterpart from Karnataka where he had mentioned that most of the essential issues were almost agreed upon. He agreed with his counterparts from Bihar, Kerala & Karnataka where they had expressed that they could sit together and do a little more of the deliberation in order to arrive at consensus but in view of the situation where all the States were severely

starving for finances and resources to meet the regular expenditure as well as additional COVID expenditure, he requested Hon'ble Chairperson to provide some sort of temporary relief until such time that in a month or two where either by deliberation or by taking view point from various States in writing, a study could be made and more or less like majority of States were expressing their views of having a consensus only. So, with the spirit of federalism and the patience that everybody had faced this challenge, he requested the Hon'ble Chairperson to provide some immediate relief and go forward for deliberation to arrive a consensus.

35.30 The Hon'ble Minister from Rajasthan stated that, as provided in the Constitution and the GST (Compensation to States) Act 2017, the States were not getting compensation due to them. As mentioned by the Hon'ble Members from Punjab, Kerala, West Bengal and Jharkhand, whenever there was a problem in federal structure then the Central Government should come forward to resolve the problem of the State Governments. He believed that the Central Govt should borrow from RBI because they had window system and whoever borrowed, fiscal deficit would anyway be impacted. An amount of Rs.7,300 crore was due for Rajasthan till September 2020 as compensation from the Central Government. He supported the suggestion that if there was a dispute, the provisions of dispute resolution mechanism can be activated. He proposed the GoM option to give time of 7 days, GoMs would sit, reach at consensus and would take decision. Whatever decision it would be, at least States would feel that they were heard and decision was taken on consensus. He would not go for borrowing as it was the responsibility of the Central Government to pay compensation to States and reminded that the Central Government had guaranteed to pay it which was very much mentioned in the law.

35.31 The Hon'ble Minister from Himachal Pradesh said that they had opted for Option-1 and decision on Option-1 should be taken soon. Small States like them were facing lot of problems. He requested that as per their calculation his loan amount comes around Rs.1700 crores and that should be made available to them at the earliest.

35.32 The Hon'ble Deputy Chief Minister of Haryana stated that as Haryana had already chosen Option-1, he requested the Council, at least for the States who had chosen Option-1, to at least get their share of compensation because he thought it was the need of the hour. He is not in favour of formation of GoM. He requested the Council to unanimously approve Option-1 for the liquidity for the States to come up.

35.33 The Hon'ble Deputy Chief Minister of Tripura stated that he is in agreement with the Hon'ble Deputy Chief Minister of Haryana and the Hon'ble Deputy Chief Minister of Bihar that they should be allowed to borrow. He stated that the North-Eastern States were very small States and they were burdened with financial difficulties. So he pleaded with the Hon'ble Union Finance Minister not to delay any further and allow them to exercise Option 1.

35.34 The Hon'ble Minister from Meghalaya reiterated their stand and said that Meghalaya decided to opt for Option-1. He informed that he would stand by that option. He also thanked the Govt. of India for having considered the suggestions put forward by Meghalaya and requested to place their choice of Option-1 on record.

35.35 The Hon'ble Deputy Chief Minister of Gujarat stated that Gujarat had already made their stand clear in the last meeting that they would choose Option-1. He said that it would help all the States to receive funds needed urgently for going forward with their plans and fostering economic activities which would help people in that difficult situation. He also expressed that if it was not possible to reach a consensus amongst all the Hon'ble Finance Ministers of States, then it would be difficult to do so even if the GoM was formed and it would delay the matter. He proposed that the Government of India should initiate the process of giving loans through RBI to the 21 States that already gave their consent for Option-1. He said that the States which did not agree with Option-1 could discuss with the Hon'ble Finance Minister of India about other options available and it would not be appropriate to stop other States from getting loans for the sake of a few States. He opined that in the present situation, this matter should not be delayed any further and it was the responsibility of all the State Governments along with the Central Government to help the States' people and the matter needed a quick resolution. He also suggested that the amount of loan that the States would get should be based on the formula of net GST revenue and not gross GST income.

35.36 The Advisor to Hon'ble Lieutenant Governor of Jammu and Kashmir stated that they opted for Option-1 in view of their current financial resources and need of funds for the Govt. of J&K. He requested for the Council's consideration that Option-1 might be implemented on priority since J&K needed finances urgently.

35.37 The Hon'ble Chief Minister of Puducherry, while referring to the package and interest free loans for 50 years for the States especially for the North-Eastern States and other States based on the formula for devolution of funds under Central Finance Commission, pointed out that Puducherry and Delhi had been deprived of these package and loans as they did not come under the purview of the Central Finance Commission. He felt that the Central Government could borrow without certain limitations whereas States cannot borrow without the permission of the Centre. He further suggested that in addition to all the options considered so far, he proposed another option in which the Government of India can allow the GST Council to borrow. He mentioned that according to Article 293 of the Constitution of India, the Central Government can take a decision in the matter so that the issue could be resolved by the GST Council being authorized by the Central Government to borrow and disburse the funds to the States.

35.38 The Hon'ble Minister from Chhattisgarh sought clarification from the Hon'ble Chairperson on the points viz. (a) He mentioned that in the last meeting, the Finance Secretary had announced that the GST Council had decided that States could take a loan. The Hon'ble Minister asked whether the GST Council was within its rights to ask the States to take a loan. (b) Under Article 293, when an amount is borrowed by the Central Government the security was to be of the Consolidated Fund of India. Similarly, when the State Government borrowed, the security was to be the Consolidated Fund of the State or India. He asked, in the present proposal whether the security would be on the Consolidated Fund of the State or the GST Compensation Fund. (c) He further sought a clarification / guidance if the GST Council decides that States had to borrow, then do States have a choice whether to take loan or not.

35.39 The Hon'ble Finance Minister of Assam referred to the deliberations of the 10th meeting of the GST Council where the then Revenue Secretary had mentioned about market borrowing. He pointed out that the said meeting took place on 18th February 2017. However, the GST (Compensation to States) Act 2017 was passed in the Parliament on 12th April 2017. That meant whatever had been discussed in the

Council, even after that, the Parliament in its wisdom decided on 12th April 2017 to discuss about cess only in order to raise compensation. He stated that the question of borrowing which had been mentioned on the 18th February 2017 meeting was not reflected in the GST Compensation Act passed on 12th April 2017.

36.1 The Secretary clarified the issue raised by the Hon'ble Finance Minister of Punjab, by referring to the opinion given by the Attorney General of India that the levy of the Compensation Cess could be extended beyond five years. On the reference made by Hon'ble Member to the opinion of the Attorney General of India that unless and until all States agrees it could not be extended, Secretary clarified that what the Attorney General of India meant was that under the current Act, the compensation entitlement would be only for five years. However, actual levy and collection could go beyond five years if the Council recommended. That would not permit the extension or deferment of the period of five years for the entitlement of compensation to the States. In his opinion, therefore, AG has stated that only if the Council agrees to deferment or extension in regard to the payment of compensation to them (States), one could adopt such course of action. In the month of August 2020, the Attorney General of India has further clarified that extending the levy and collection of the cess beyond five years under Section 8(1) of the Act can be done on the recommendation of the GST Council which would require the decision by three fourths majority of the weighted vote. Since all States were represented in the GST Council, that could only be achieved if the requisite number of States supported such recommendations. That was clarified by the Attorney General of India that 'all States' meant 'requisite number of States that supported such recommendations'. In Agenda Item 9, the Council had recommended the levy of cess beyond five years.

36.2 On the issues raised by the Hon'ble Finance Minister of Chhattisgarh that if the borrowing was done then, whether the borrowing would be done on the strength of the Consolidation Funds of States, and also whether the States could be permitted to borrow, the Secretary clarified by drawing the kind attention of the Council to the opinion in the month of June 2020 by Attorney General of India. In the question No.4, the AGI was asked 'Can the States borrow on the future receipts of the compensation fund to meet the compensation gap either fully or partially?' The Secretary quoted the Attorney General of India's reply that 'this query can be answered with the reference to Article 292 and 293 of the Constitution. The entitlement of a State to borrow is set out in Article 293(1). And the Article 293(3) states that States can borrow on the basis of the Consolidation Funds of States'. The Secretary further quoted the Attorney General of India that 'Limitation on such right is found in clause (3), which prohibits a State from raising any loan, without the consent of the Government of India, if there is still outstanding any part of a loan which has been made to the State by the Government of India. Clause (2) of Article 292 authorised the Parliament to make loan to a State, subject to any limit which may have been fixed by law made by the Parliament. Thus, it is within these parameters that a State can borrow, even on the strength of future receipts from the compensation fund.'

36.3 The Hon'ble Minister from Chhattisgarh reiterated the contentions as already stated in above paras. About Article 293 which envisages or stipulates that security would be of the Consolidated Fund of State whereas the compensation cess fund does not have any specific share of the State. The Hon'ble Minister from Chhattisgarh further mentioned that the Compensation Cess would come after end June 2022, it was not known today, when and how much amount would come and in which time frame. Article 293 was an entirely different provision and it had no inclusion of compensation cess and the Consolidated Fund of a particular State has no fixed amount.

36.4 The Secretary clarified that the compensation cess goes to the States and it becomes the part of the Consolidated Fund of State and that was exactly the reason why the Attorney General said that under Article 293(1) States can borrow. As regards apprehension of Hon'ble Minister from Chhattisgarh that Compensation Fund was uncertain in comparison to CGST and SGST, Secretary mentioned that in this meeting itself they had approved Agenda Item 9 i.e. the GST Council approved that the levy of the compensation cess shall be extended to meet the entire gap. So, once Compensation Cess got extended, it was not an uncertain revenue and it becomes a certain source of revenue. Therefore, on the strength of that compensation fund, the loan or borrowing could be done under Article 293(1). The Hon'ble Minister from Chhattisgarh replied that the amount was uncertain for sure. If the collections of Compensation Cess were lower, amount would be lower, but the percentage of CGST and SGST are fixed.

36.5 The Hon'ble Minister from Odisha said that the law was elastic not fixed and GST Act or Compensation Act were by-product of the Constitution. He agreed with the submissions made by the Secretary to the Council that similar to a State budget, compensation was an estimate and estimate had already been made.

36.6 The Hon'ble Finance Minister of Kerala stated that it was possible to make an estimate of what would be the compensation for a State and it was complicated for States which was so simple and straight for the Centre to borrow. The Council had decided to extend the compensation cess but not to defer the compensation of the current year to future as it would require a decision of the Council and not a proposal of Option-1.

36.7 The Hon'ble Finance Minister of Tamil Nadu stated that Option-1 might be agreed upon by consensus. He proposed that a meeting of officers might be organized to sort out the modalities of borrowing of the loan and mode of repayment through cess based Compensation Fund, etc.

36.8 The Hon'ble Finance Minister of Assam stated that he wanted to add few lines to the opinion given by the learned Attorney General of India. He said that the Attorney General had clearly pointed out that the entitlement of a State to borrow would emerge from the authority the Constitution had given under Article 293(1) read with Article 292 and Article 293. He reiterated that the Council had no jurisdiction to advise the Hon'ble Union Finance Minister as and when she wanted to exercise her authority under these two Articles as the jurisdiction of GST Council did not extend to that.

37 The Hon'ble Chairperson mentioned with regard to the issues mentioned by the Hon'ble Minister from Chhattisgarh, that in continuation of the clarifications given by the Secretary to the Council, the Joint Secretary (DoR) would elaborate with regard to the estimates of compensation to States.

37.1 The Joint Secretary (DoR) mentioned that the figures were already shared with the States after meeting of the Finance Secretary and the Expenditure Secretary with the State Secretaries on various aspects of the borrowing options. The basis of calculation was also shared where it was said that the SGST with respect to the previous years' collection at 10% would be recalculated on 7%. The calculation was done for each State and S.No.22 showed the figure for Chhattisgarh. He stated that calculations would be redone at 7% for all States and would be communicated to all the States.

38. The Hon'ble Chairperson clarified that compensation to the States would be given only for the period pertaining to the first 5 years but the levy of compensation cess can be extended beyond 5 years in order to make up for the shortage. She stated that this is as per the existing law and this was clarified by the Attorney General of India. She informed that exercising the powers that were vested in the Council, Members had collectively agreed to extend the collection of cess beyond 5 years in the last meeting held on 05.10.2020. She asked the Secretary to the Council to read out the relevant portion from the opinion given by the Attorney General in this regard. The Secretary to the Council referred to the paragraph 2 of the answer given by the Attorney General of India to question No.(iii) on this issue.

39. The Hon'ble Deputy Chief Minister of Gujarat referred to the clarification sought by the Hon'ble Finance Minister of Chhattisgarh, and stated that if compensation cess collections increased, then the compensation to States would also decline. He further clarified that if in 2021, the market performs better and sales increases, compensation to States requirement would automatically be lower. Therefore, in his opinion, compensation to States was not fixed and it would decrease with an increase in economic activity. He referred to the Hon'ble Finance Minister of Odisha pointing out that it was elastic in nature. He said that the accounting procedures were regular exercises that could be done any time but Option-1 should be agreed upon and the matter should be resolved quickly by taking a decision.

39.1 The Hon'ble Finance Minister of Telangana reiterated his points of view and requested the Hon'ble Chairperson to take a decision. He expressed that Council should come to a decision and that should be implemented by all the States. Whether some States would accept or not, but collectively the Council needed to take a final decision, he emphasized.

39.2 The Hon'ble State Minister of Technical Education of Rajasthan requested the Centre to take loan and distribute to States.

39.3 The Hon'ble Finance Minister of Goa expressed that in the past also, whenever such a thing had happened and opinions had been divided, it was left to the wisdom of the Chairperson. He wanted to leave the decision to the Hon'ble Chairperson and he requested his fellow Ministers to agree to the final decision.

40. The Secretary to the Council answered the queries raised by the Hon'ble Finance Ministers of Chhattisgarh and the hon'ble State Minister of Technical Education of Rajasthan as to why the Centre could not borrow under Article 292. He stated that the Department of Expenditure circulated a note on Option-1 and Option-2 and also mentioned the background of those options. He said that ultimately the aim was that States should get the money on account of compensation. Since there was not enough collection of cess, the borrowing arrangement was being worked out by the Department of Expenditure and the Department of Economic Affairs. The borrowing decision by the Central Government was not taken in the Council but was taken by the aforementioned Departments based on their own constraints. He mentioned that after having considered all the constraints, they had worked out a solution where the entire borrowing would be tied up.

41. The Hon'ble Chairperson thanked all the Ministers for having gone through two extended days of discussion on the matter. She stated that there was absolutely no doubt that the GST collections have suffered and these are the things that everybody knows. She also said that however much all of the Members

had spoken, she did not see them having a dispute. She expressed that although there might be differences of opinion, they were not fundamentally denying one another's position. She stated that compensation and compensation in full was payable and there was no question about it. However, it was everybody's knowledge that compensation cess had not been yielding adequately. She requested everyone to look at how various views have been resolved in the past and have trust and confidence. She reminded that this was an extraordinary situation and the Members of the Council, including some who were in the Empowered Committee before the Council was formed, would not have foreseen a pandemic of this nature. Therefore, it was not only a problem for the States but the problem was for all of them.

42. While referring to the discussion as to why the Centre could not borrow, she explained that the Centre's borrowing beyond the calendar actually would adversely impact interest rates in the market and not only impact the Centre's case of borrowing but also of States as well as for the private sector. The impact would not be the same if the States were to borrow. She assured that even if the States borrow, the Government of India would work with the RBI to ensure that the States are able to raise the amount at equitable and fair rate. She explained that a balanced approach was followed after consulting State-level officials.

43. She explained that since the compensation cess had been extended to cover the entire shortfall in the compensation, she assured that full compensation would be released and other resources of the States would not be touched for the remaining loan that was being borrowed. Therefore, States need not have any apprehension that the burden would fall upon them. She appealed to the States to reach a solution quickly so that fund could reach them which they could spend on pandemic, development expenditure and other contingent expenditure of the States. She said that even if a consensus could not be reached, she would want the Centre to be engaged with the States outside the broader consensus to devise ways that could be mutually acceptable.

44. She stated that at some time she would like to sit with all the Ministers to discuss about improving the rates per se so that the cess collection could be improved. If she had to voice the views of the States which had chosen an option, it would not be proper for the Council to say to those States to keep waiting till everybody arrived at a consensus. She emphasized consensus was something all of them, including herself would honour. She questioned if she was unable to arrive at a consensus, did it mean she would ask the States to wait as much as time they would take to arrive at a consensus. She said States had got the collection of cess coming to them and if they wanted to go ahead and do something, should the Council take a view that till a consensus is arrived at, no State could go on with the borrowing. So, in order to voice everybody's views, she would only say that although a consensus on how to go about borrowing could not be reached, her humble appeal would be that the need of the hour is that money should go to States so that they could start spending.

45. The Hon'ble Finance Minister of West Bengal wanted to know from the Hon'ble Finance Minister of India about the conclusion. He appealed to the Hon'ble Chairperson that it would be solved if the Central Government agrees to borrow.

46. The Hon'ble Finance Minister of Assam stated that they had understood what the Hon'ble Finance Minister of India said. If any State wanted to borrow it could go ahead and other States should allow that. This was what he understood and he was grateful for that.

46.1 The Hon'ble Finance Minister of Kerala commented that at the end of the deliberations, two contentious issues are still not clear. One issue was to finalize whether the Central Government would borrow or individual States. The other issue was about the amount to be borrowed. He was totally against deferring part amount and how much to defer was something that was to be stated more significantly.

46.2 The Hon'ble Minister of Chhattisgarh thanked the Hon'ble Finance Minister of India for the complete openness she exhibited in bringing the facts and discussions in the Council. He congratulated her openness not only to listen and reach a consensus. He understood from the conclusion given by the Hon'ble Finance Minister of India that the issue was open under Article 293(1) and 293(2) and that nobody could stop anyone from borrowing.

47. The Hon'ble Chairperson responded that she had already explained the constraints for the Central Government borrowing the amount. She stated that there is no dispute but a difference of opinion on the approach. She further stated that while there was no consensus, she would urge all to be fair to one another. She stated that India was on a revival path and they could not have the Council deny the Indians an immediate catalytic effect required for the economy. She added that we needed the money to go down to the people, so that there is quick recovery. She hoped that revenue collections would probably be adequate next year. She again humbly appealed to all States to work out something that would benefit all states immediately.

48. After the above concluding remarks by the Chairperson of the Council, the Hon'ble Finance Ministers of West Bengal, Gujarat, Assam and Karnataka expressed their gratitude to the Hon'ble Finance Minister of India and appealed to her for doing the needful which would serve best the needs of the States.

Agenda Item 10: Review of Revenue position

49. The Council took note of the Revenue position.

Agenda Item 11: Enabling UPI and IMPS as a payment option for payments of Goods & Services Tax

50. The Secretary asked JS, DoR to take up Agenda Item 11. The JS, DoR briefed the Council that as on date, three or four modes of payment are available for GST payment. He emphasized that in the past few years digital payments through Unified Payment Interface (UPI) had seen a historic rise, so the proposal was to allow payment of GST through UPI in addition to the existing modes of payment. He highlighted that in this regard GSTN had already done test runs and the interface was ready, and if the Council approved it could be made functional.

50.1 The Secretary to the GST council added that this would greatly facilitate the taxpayers as currently only certain banks and certain modes of payment were available for payment of GST. The GST payments through UPI would provide taxpayers the facility to do business with banks that are not authorized to collect

GST with an instant and inter-operable payment option. In view of the reasons explained above, he submitted to the Council that GSTN may be permitted to allow UPI and IMPS as an option for GST payments.

51. For **Agenda Item 11**, the Council approved the proposal for including UPI and IMPS as an option for GST payment apart from the existing ones.

Agenda Item 12: Status report of creation of GRC Zone-wise (CBIC) and States / UTs.

52. The Secretary introduced the agenda and stated that the GST Council in its 38th meeting held on 18.12.2019 had decided that a structured grievance redressal mechanism should be established for the taxpayers under GST to tackle grievances of taxpayers on GST related issues of specific / general nature. The GST Council accordingly approved constitution of 'Grievance Redressal Committee' (GRC) at CBIC Zonal / State level consisting of both Central Tax and State Tax officers, representatives of trade and industry and other GST stakeholders.

52.1 Office Memoranda F.No.820/GRC/GSTC/2019 dt. 30.12.2019 and 07.02.2020 were issued by this GST Council Secretariat for constitution of GRC at CBIC Zonal / State level in accordance with CBIC letter F.No.20/10/16/2018-GST(Pt.I) dated 24.12.2019.

52.2 The present position of constitution of GRC on the basis of orders constituting Zonal / State level GRC which have been received in the GSTC Secretariat, was submitted to the GST Council. The details of constitution of these GRCs are being uploaded regularly on the GST Council website <http://www.gstcouncil.gov.in/grievance-redressal-committees-central-zone-state-level> under sub-menu "Public Grievance Redressal Committee (GRC)" under menu "Help" for creating awareness amongst the trade.

52.3 All State / UTs / CBIC Zones have constituted the GRCs, except the following 06 States / UTs / CBIC Zones which have not yet constituted GRC. The GST Council Secretariat reminded them vide OM dated 02.06.2020, 20.07.2020 24.08.2020 and 16.09.2020.

S. No.	State / UT	CBIC Zone	Status of constitution of GRC
1.	Andaman and Nicobar Islands	Kolkata	Pending
2.	Dadra Nagar Haveli, Daman and Diu	Vadodara	Pending
3.	Gujarat	Ahmedabad	Pending
4.	Haryana	Panchkula	Pending
5.	Puducherry	Chennai	Pending
6.	Tamil Nadu		Pending

It was requested that the above mentioned 06 States / UTs / CBIC Zones may constitute GRC and copy of orders of constitution of GRC may be sent on priority to the GST Council Secretariat.

52.4 The GSTN created a specific portal for uploading the grievances received in these meetings, for the purpose of escalating the same to the appropriate authority. The CBIC Zones / States / UTs have been requested to take Login credentials for the specific portal where the GRC is constituted.

52.5 The latest status of the constitution of GRC at Zonal / State level for redressal of grievance of taxpayers on GST related issues was placed before the GST Council for information.

53. For **Agenda item 12**, the GST Council took note of the latest status of the constitution of Grievance Redressal Committee at Zonal / State level for redressal of grievance of taxpayers on GST related issues.

Agenda Item 13: Performance Report of the NAA (National Anti-profiteering Authority) for the 1st quarter (April to June, 2020)

54. The Secretary introduced the Agenda Item and stated that in terms of provisions of clause (iv) of Rule 127 of the CGST Rules 2017, National Anti- Profiteering Authority (NAA) is required to furnish a performance report to the GST Council by 10th day of the close of each quarter. He placed the Quarterly Performance Report of NAA for the 1st quarter of the financial year 2020-2021 i.e. for the period from 01.04.2020 to 30.06.2020, before the GST Council, as under:

Opening Balance	No. of Investigation Reports received from DGAP during the quarter	Disposal of Cases (during Quarter)				Closing Balance
		Total Disposal during quarter	No. of cases Where Profiteering established	No. of cases Where Profiteering not established	No. of cases referred back to DGAP	
66	21	21	14	01	06	66

54.1 The NAA reported that due to Corona pandemic outbreak, the orders in cases where in the limitation was expiring between 20.03.2020 and 29.03.2020 might not be passed within a period of 06 months from the date of receipt of the report from the DGAP due to force majeure. Accordingly, the orders were passed in terms of the Notification No.35/2020-Central Tax dated 03.04.2020 issued by the Govt. of India, Ministry of Finance (Department of Revenue), CBIC under Section 168A of the CGST Act, 2017 as amended vide the Notification No.55/2020-Central Tax dated 27.06.2020. The NAA also reported that the hearings scheduled from 01.04.2020 to 31.05.2020 could not be held due to extended lockdowns in Delhi till 31.05.2020. Thereafter, personal hearing has been accorded only on the specific request by the interested parties preferably through video conferencing.

55 For **Agenda item 13**, the Council took note of the Quarterly Performance Report of the National Anti-Profiteering Authority for the 1st quarter of the financial year 2020-2021 i.e. for the period from 01.04.2020 to 30.06.2020.

Agenda Item 14(i): Minutes of the Meetings of GoM on IGST Settlement held on 22.09.2020 & 01.10.2020

56. The Secretary, GST Council taking up Agenda Item 14(i) briefed the Council that a GoM under the Chairmanship of the Hon'ble Deputy CM of Bihar was constituted which held meetings on the issue of IGST settlement. The report of the GoM had been circulated to all the Hon'ble Ministers of the GST Council. The Secretary submitted that the recommendations of the GoM were as under:

- (a) Centre should disburse net amount of Rs.24,400 crore due to States / UTs on account of apportionment of the entire year-end IGST balance available as on 31st March, 2018;
- (b) Before initiating recovery of the excess Compensation amount, Centre should consult the States from which recovery is to be made;
- (c) IGST settlement data arising on account of annual returns filed by the taxpayers for FY 2017-18, may be referred to the Law Committee for examination and recommendation; and
- (d) The matter would be placed before the 42nd meeting of the GST Council to be held on 5th October 2020.

The Hon'ble Chairperson invited comments of the Hon'ble Ministers on the same.

56.1 The Hon'ble Minister from West Bengal stated that he has no issue with the recommendations of GoM. But, he said that he would like to bring to the attention of the Chairperson that Rs.1,76,688 crores were received for IGST in 2017-18. As per set procedure, half of it, that is Rs.88,344 crores, has gone to the States and an equal amount remained with the Centre in the Consolidated Fund of India. As a second step, of the IGST amount received in the CFI, 42% of that should have been devolved to the States and thus a total amount of Rs.1,25,000 crores should have been devolved to the States. He said that miscalculation of IGST has resulted in shortfall of IGST devolved to the States and the compensation amount of Rs.33,000 crores was released in the earlier meeting. He said that CAG had made a very strong observation on this and it reflected poorly on the GST Council.

56.2 The Hon'ble Minister of Assam stated that GST Council was not the right forum to discuss the report of CAG as the CAG report would go to the Parliament and the Public Accounts Committee would discuss it. He advised to restrict the discussions to the report of GoM on IGST settlement.

56.3 The Hon'ble Minister from Telangana submitted that he would like to bring up an issue other than the Agenda being discussed. One was the issue of ineligible, reversed and lapsed IGST ITC not being settled to the States on monthly basis. In this regard when the settlement reports pertaining to annual returns filed upto 24-9-2020 were run by the GSTN, it was noticed that an amount of Rs.1,000 crores was due to State of Telangana which may be settled at the earliest. Secondly, him being a Member of the GoM, the GoM has unanimously agreed to the recommendations made in the report. As per the report, he requested that an amount of Rs.25,058 crores which was transferred to the CFI, may now be devolved to the States.

56.4 The Hon'ble Minister from Madhya Pradesh submitted that an IGST recovery of Rs.1,612 crores was due from the State and it was requested that in light of the shortage of GST and VAT revenues and the increased requirements due to the corona pandemic, the State had opted for Option-1 and that this amount may be settled with the compensation dues accruing to the State either through payments in form of instalments required to be made after a period of 5 years or may be with the dues accruing for FY 2021-22.

56.5 The Hon'ble Minister from Chhattisgarh, on the issue of IGST stated that the matter was brought up in the Council and then referred to GoM on IGST settlement ably led by the Hon'ble Deputy CM of Bihar that reached a unanimous decision. He also discussed about Compensation to States, loan to be taken and related issues. He also sought whether certain guidelines could be framed on Members of the Council interacting with the Media on the GST related issues being discussed in the Council meetings.

56.6 The Hon'ble Minister from Tamil Nadu requested the Hon'ble Chairperson that the payment of IGST settlement dues as recommended by the GoM should be made in one instalment and this month itself.

56.7 The Hon'ble Minister of Karnataka stated that as per the GoM's second recommendation that before initiating recovery of the excess Compensation amount, the Centre should consult the States from which recovery was to be made. He also mentioned that considering the hardships on finance front presently, it should not be recovered immediately and may either be settled at one time after five years or it could be done in instalments.

56.8 The Hon'ble CM of Puducherry stated that he had been attending meetings of the Council right from 2017 and it was through deliberations and broad consensus that decisions were being arrived at. He requested the Hon'ble Chairperson that each state had its typical problems and the Hon'ble Ministers represent the will of the people of the State. Centre and State had to work together in the spirit of cooperative federalism.

56.9 The Hon'ble Minister from Assam agreed with the views expressed by the Hon'ble CM of Puducherry and suggested that if any code of conduct is being finalized, then it shall be for all Members of the GST Council.

56.10 The Hon'ble Minister from Chhattisgarh requested the Chairperson to clarify what should be the stand of the Ministers of the Council in the Media and when the Council was not meeting, were they to keep silent. So if a public issue came forward, should they not express themselves in the public.

56.11 The Hon'ble Minister of Karnataka stated that more focus was required on the Agenda, and the Hon'ble Chairperson should take a call and sought greater clarity on the Compensation issue.

56.12 The Hon'ble Chairperson stated with regard to the issue of IGST settlement, she did not want to go back to the problem as to how it happened but she pointed that after she took over as the Chairperson, GST Council in 2019, some of these issues that had been festering the GST Council were (i) IGST issue related to a particular State with regard to fixing of base year revenue, (ii) the IGST settlement issue concerning all States, and (iii) the Compensation Cess issue that had been credited to CFI and had not been transferred

to public account. She stated that all the three issues were settled by following proper process within a period of 12 months. The issue of IGST Settlement concerning all States was looked into by the GoM on IGST settlement, headed by Sh. Sushil Modi, and the recommendations of the GoM are placed today before the GST Council. She stated that as per the recommendations of the GoM, the Centre would be disbursing net amount of Rs.24,400 crores due to States on account of apportionment of the entire year-end IGST balance available as on 31st March, 2018. Further, she assured that the entire IGST settlement amount of Rs.24,400 crore would be released within a week.

56.13 The Hon'ble Chairperson acknowledged the desperate financial need of States as they were front-liners in the fight against Covid. She said that in spite of Compensation Cess collections being only Rs.96,000 crores last year, the Central Government had released compensation of Rs.1,60,000 crores. Further, she clarified that on the issue of mechanism for recovery of excess IGST from States, it was not presently being pressed and could be recovered gradually.

56.14 The Hon'ble Chairperson further stated that she was grateful that the Hon'ble Finance Ministers of the States chose to write a personal letter thanking her. In response, she thanked all the Hon'ble Finance Ministers of the States for being positive about the resolution of each of these issues.

56.15 The Hon'ble Chairperson further stated that she had always been willing to hear every Minister who wished to speak and she had never asked any Minister to cut short or conclude. She has also assured that she was not going to prepare any code of conduct. She stated each one of them were very senior, experienced and managing their respective State's affairs during these challenging times. She stated that till today, there was never a meeting where it had been felt that a code of conduct should be formed and every meeting had gone with its due share of interaction and sharing of information.

57. For **Agenda 14(i)** the Council approved the recommendation of the GoM on IGST Settlement.
Agenda Item 14(ii): Exemption from GST on launch of satellites of Indian private enterprises, by ISRO, Antrix and NSIL.

58. The Secretary introduced the Agenda Item 14(ii) regarding exemption of levy of GST on satellite launch services supplied by ISRO, Antrix Corporation Ltd. and New Space India Limited (NSIL) to Indian private enterprises. He mentioned that, recently certain Indian startups engaged in manufacturing and launch of nano / micro satellites opted for launch of their satellites by foreign space companies instead of ISRO, Antrix Corporation Ltd., or NSIL, the premier Indian agencies engaged in the activity of launching of satellites. One of the reasons for this was the GST applicable on the service of launch of satellite by an Indian Space agency such as Antrix or NSIL to an Indian service recipient.

58.1 According to the provisions of GST law, supply of satellite launch services by Antrix Corporation Ltd. or New Space India Limited (NSIL) to international customers against payment in foreign exchange constituted export of service and was zero-rated. However, supply of satellite launch services by ISRO, Antrix or NSIL to a person located in India was taxable. This position had been clarified vide Circular No.2/1/2017-IGST dated 29.9.2017.

58.2 The Council agreed that the satellite launch services supplied by ISRO, Antrix Corporation Ltd or NSIL may be exempted from GST.

59. For **Agenda Item 14(ii)**, the GST Council recommended that the satellite launch services supplied by ISRO, Antrix Corporation Ltd or NSIL be exempted from payment of GST.

60. After detailed discussion on the Agenda Item 9A on 12th October 2020, the Secretary to the Council thanked the Hon'ble Union Finance Minister, the Chief Minister, the Union Minister of State (Finance), the Deputy Chief Ministers, all the Hon'ble Members of the Council, and other participants of the meeting. With this, he announced the closure of the meeting.

Annexure-1			
List of Hon'ble Ministers who attended the 42nd meeting of the GST Council held on 05th October, 2020			
Sl No.	Centre/State	Name of Hon'ble Minister	Charge
1	Govt of India	Ms. Nirmala Sitharaman	Union Finance Minister
2	Govt of India	Shri Anurag Singh Thakur	Minister of State (Finance)
3	Andhra Pradesh	Shri Buggana Rajendranath	Minister for Finance, Planning and Legislative Affairs
4	Arunachal Pradesh	Shri Chowna Mein	Deputy Chief Minister
5	Assam	Dr.Himanta Biswa Sarma	Finance Minister
6	Bihar	Shri Sushil Kumar Modi	Deputy Chief Minister
7	Chhattisgarh	Shri T.S. Singh Deo	Minister, Commercial Tax
8	Delhi	Shri Manish Sisodia	Deputy Chief Minister
9	Goa	Shri Mauvin Godinho	Minister for Transport and Panchayat Raj, Housing, Protocol and Legislative Affairs
10	Gujarat	Shri Nitinbhai Patel	Deputy Chief Minister
11	Haryana	Shri Dushyant Chautala	Deputy Chief Minister
12	Himachal Pradesh	Shri Bikram Singh	Minister for Industries
13	Jammu and Kashmir	Shri K. K. Sharma	Advisor to Lt. Governor
14	Karnataka	Shri Basavaraj Bommai	Minister for Home Affairs
15	Kerala	Dr. T. M. Thomas Isaac	Minister for Finance & Coir
16	Madhya Pradesh	Shri Jagdish Devda	Minister for Finance and Commercial Taxes
17	Maharashtra	Shri Jayant Patil	Minister for Water Resource
18	Meghalaya	Shri James K. Sangma	Minister for Taxation
19	Manipur	Shri Yumnam Joykumar Singh	Deputy Chief Minister
20	Mizoram	Shri Lalchamliana	Minister for Taxation, Home, Disaster Management & Rehabilitation
21	Puducherry	Shri V. Narayanasamy	Chief Minister
22	Punjab	Shri Manpreet Singh Badal	Finance Minister
23	Odisha	Shri Niranjan Pujari	Minister, Finance & Excise

24	Rajasthan	Shri Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development & Housing, Law and Legal Affairs and Parliamentary Affairs
25	Sikkim	Shri B.S. Panth	Minister for Tourism & Industries
26	Tamil Nadu	Shri D. Jayakumar	Minister for Fisheries and Personnel & Administrative Reforms
27	Telangana	Shri T. Harish Rao	Finance Minister
28	Tripura	Shri Jishnu Dev Varma	Deputy Chief Minister
29	Uttarakhand	Shri Subodh Uniyal	Minister for Agriculture, Agricultural Marketing, Agricultural Processing, Agricultural Education, Garden and Fruit Industries, Silk Development
30	Uttar Pradesh	Shri Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs, Medical Education
31	West Bengal	Dr. Amit Mitra	Finance Minister

Annexure-2 List of Hon'ble Ministers who attended the 42nd meeting of the GST Council held on 12th October, 2020			
Sl.No	Centre/State	Name of Hon'ble Minister	Charge
1	Govt of India	Ms. Nirmala Sitharaman	Union Finance Minister
2	Govt of India	Shri Anurag Singh Thakur	Minister of State (Finance)
3	Andhra Pradesh	Shri Buggana Rajendranath	Finance Minister
4	Arunachal Pradesh	Shri Chowna Mein	Deputy Chief Minister
5	Assam	Dr. Himanta Biswa Sarma	Finance Minister
6	Bihar	Shri Sushil Kumar Modi	Deputy Chief Minister
7	Chhattisgarh	Shri T.S. Singh Deo	Minister, Commercial Tax
8	Delhi	Shri Manish Sisodia	Deputy Chief Minister
9	Goa	Shri Mauvin Godinho	Minister for Transport and Panchayati Raj, Housing, Protocol and Legislative Affairs
10	Gujarat	Shri Nitinbhai Patel	Deputy Chief Minister (Finance)
11	Haryana	Shri Dushyant Chautala	Deputy Chief Minister
12	Himachal Pradesh	Shri Bikram Singh	Minister for Industries
13	Jammu and Kashmir	Shri K. K. Sharma	Advisor to Lt. Governor
14	Jharkhand	Dr. Rameshwar Oraon	Minister for Planning cum Finance, Commercial Taxes, Food, Public Distribution & Consumer Affairs.
15	Karnataka	Shri Basavaraj Bommai	Minister for Home Affairs
16	Kerala	Dr. T. M. Thomas Isaac	Finance Minister
17	Madhya Pradesh	Shri Jagdish Devda	Minister for Finance and Commercial Taxes
18	Manipur	Shri Yumnam Joykumar Singh	Deputy Chief Minister (Finance in-charge)
19	Meghalaya	Shri James K. Sangma	Minister for Taxation

20	Odisha	Shri Niranjan Pujari	Minister, Finance & Excise
21	Puducherry	Shri V. Narayanasamy	Chief Minister
22	Punjab	Shri Manpreet Singh Badal	Finance Minister
23	Rajasthan	Shri Subhash Garg	Minister for Technical Education, Sanskrit Education, Medical & Health Ayurved, ESI & DIPR
24	Sikkim	Shri B.S. Panth	Minister for Commerce & Industries, Tourism and Civil Aviation
25	Tamil Nadu	Shri D. Jayakumar	Minister for Fisheries and Personnel & Administrative Reforms
26	Telangana	Shri T. Harish Rao	Finance Minister
27	Tripura	Shri Jishnu Dev Varma	Deputy Chief Minister
28	Uttarakhand	Shri Subodh Uniyal	Minister for Agriculture, Agricultural Marketing, Agricultural Processing, Agricultural Education, Garden and Fruit Industries, Silk Development
29	Uttar Pradesh	Shri Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs, Medical Education
30	West Bengal	Dr. Amit Mitra	Finance Minister

Annexure 3

List of officials who attended the 42nd meeting of the GST Council held on 05th October, 2020			
Sl No	State/Centre	Name of the Officer	Charge
1	Govt. of India	Dr. A B Pandey	Finance Secretary
2	Govt. of India	Shri M. Ajit Kumar	Chairman, CBIC
3	Govt. of India	Shri Sandeep M Bhatnagar	Member(Investigation & Customs), CBIC
4	Govt. of India	Shri Vivek Johri	Member (GST, IT, Tax Policy), CBIC
5	Govt. of India	Shri Ajay Jain	Member (Legal, CX & ST), CBIC
6	Govt. of India	Shri Dhruva Kumar Singh	CCA
7	Govt. of India	Shri Anil Kumar Jha	Additional Secretary, DoR
8	Govt of India	Shri Ritvik Pandey	Joint Secretary, DoR
9	GSTN	Shri Manish Kumar Sinha	Executive Vice President
10	Govt. of India	Shri G.D. Lohani	Joint Secretary, TRU I, DoR
11	Govt. of India	Shri Yogendra Garg	Pr. Commissioner (GST), CBIC
12	Govt. of India	Shri Vipul Bansal	PS to Union Finance Minister
13	GST Council	Shri Amitabh Kumar	Joint Secretary
14	GST Council	Shri S.K. Rahman	Joint Secretary
15	GST Council	Ms Ashima Bansal	Joint Secretary
16	Govt. of India	Shri Rajesh Malhotra	DG (M&C)
17	Govt. of India	Shri Astik Sinha	PS to MoS (Finance)
18	GST Council	Shri Rajesh Agarwal	Director
19	GST Council	Shri G.S. Sinha	Director

20	GST Council	Shri Jagmohan	Director
21	GST Council	Ms. Ujjaini Datta	Director
22	Govt. of India	Shri N Gandhi Kumar	Director, DoR
23	Govt. of India	Shri Amaresh Kumar	Addl. Comm., GST Policy Wing
24	Govt of India	Ms Nisha Gupta	Joint Commissioner, GST Policy Wing
25	Govt of India	Shri Nimba Ram	Joint Commissioner, GST Policy Wing
26	Govt of India	Shri Rakesh Dahiya	OSD, TRU-II, CBIC
27	Govt of India	Shri Gaurav Singh	Deputy Secretary (TRU)
28	Govt. of India	Shri Rahul Raja	OSD to Chairman, CBIC
29	Govt of India	Shri Vikash Kumar	DC, GST Policy Wing
30	Govt of India	Shri Kumar Asim Anand	DC, GST Policy Wing
31	Govt of India	Dr. Vikash Shukla	Media Advisor to Revenue Secretary
32	Govt of India	Shri Harsh Singh	OSD, TRU-II, CBIC
33	Govt of India	Ms. Rajni Sharma	OSD, GST Policy Wing
34	Govt of India	Ms. Rachna	OSD, TRU-II, CBIC
35	Govt of India	Shri Shikhar Pant	OSD, TRU-I, CBIC
36	Govt of India	Shri Aman Mittal	Assistant Comnr., GST Policy Wing
37	GST Council	Shri Arjun Meena	Under Secretary
38	GST Council	Shri Nitin Deepak Agarwal	Under Secretary
39	GST Council	Shri Mahesh Singarapu	Under Secretary

40	GST Council	Shri Krishna Koundinya	Under Secretary
41	GST Council	Shri Naveen Agrawal	Under Secretary
42	GST Council	Shri Karan Choudhary	Under Secretary
43	GST Council	Shri SaribSahran	Superintendent
44	GST Council	Ms Chanchal Soni	Superintendent
45	GST Council	Shri Abhishek Kumar	Superintendent
46	GST Council	Shri Rakesh Joshi	Inspector
47	GST Council	Shri Pankaj Bharadwaj	Inspector
48	GST Council	Shri Vijay Malik	Inspector
49	Andhra Pradesh	Dr Rajath Bhargava	Special Chief Secretary, Revenue
50	Andhra Pradesh	Shri Peeyush Kumar	Chief Commissioner of State Tax
51	Andhra Pradesh	Shri D. Venkateswara Rao	OSD to Special Chief Secretary
52	Andhra Pradesh	Shri K. Ravishankar	Commissioner State Tax GST (FAC)
53	Andhra Pradesh	Sri. J. V. M Sarma	Joint Commissioner State Tax, GST
54	Arunachal Pradesh	Shri Anirudh Singh	Secretary
55	Arunachal Pradesh	Shri Ando Pangkam	Deputy Commissioner
56	Arunachal Pradesh	Shri KenmiZirdo	Superintendent
57	Arunachal Pradesh	Shri TayemNamoh	Inspector
58	Assam	Shri Anurag Goel	Commissioner of Taxes
59	Assam	Shri Shakeel Saadullah	Joint Commissioner of Taxes
60	Assam	Shri BedabrataSaika	Inspector of Taxes

61	Bihar	Dr Pratima	State Tax Commissioner cum Secretary
62	Bihar	Shri Arun Kumar Mishra	Special Secretary
63	Chhattisgarh	Ms Maninder Kaur Dwivedi	Principal Secretary, Commercial Tax
64	Chhattisgarh	Ms RanuSahu	Commissioner, Commercial Tax
65	Delhi	Shri Sandeep Kumar	Secretary, Finance
66	Delhi	Shri Vivek Pandey	Commissioner, State Tax
67	Delhi	Shri Anand Kumar Tiwari	Additional Commissioner, State Tax
68	Delhi	Shri C. Arvind	Secretary to Dy CM
69	Goa	Shri Hemant Kumar	Commissioner, State Tax
70	Gujarat	Shri Pankaj Joshi	Additional Chief Secretary, Finance
71	Gujarat	Shri J. P. Gupta	Chief Commissioner, State Tax
72	Gujarat	Shri Milind Torawane	Secretary (Economic Affairs)
73	Haryana	Shri Anurag Rastogi	Principal Secretary, Excise & Taxation
74	Haryana	Shri Shekhar Vidhyarthi	Excise & Taxation Commissioner
75	Haryana	Shri Rajeev Chaudhary	Joint Excise and Taxation Commissioner
76	Himachal Pradesh	Shri Jagdish Chander Sharma	Principal Secretary (Excise & Taxation)
77	Himachal Pradesh	Shri Rohan Chand Thakur	Commissioner of State Tax and Excise
78	Himachal Pradesh	Shri Rakesh Sharma	Additional Commissioner of State Tax and Excise
79	Jammu and Kashmir	Dr. Arun Kumar Mehta	Financial Commissioner, Finance
80	Jammu and Kashmir	Shri P.K. Bhat	Commissioner, State Taxes

81	Jammu and Kashmir	Shri Waseem Raja	Assistant Commissioner, State Taxes
82	Jharkhand	Ms Vandana Dadel	Secretary, Commercial Tax
83	Jharkhand	Ms Akanksha Ranjan	Commissioner, CTD
84	Jharkhand	Shri Santosh Kumar Vatsa	Special Secretary, CTD
85	Jharkhand	Shri Brajesh Kumar	State Tax Officer
86	Karnataka	Shri M.S. Srikar	Commissioner, CT
87	Karnataka	Shri Padmakar Kulkarni	Additional Commissioner
88	Karnataka	Dr.Raviprasad	Additional Commissioner
89	Kerala	Shri Rajesh Kumar Singh	Additional Chief Secretary (Finance)
90	Kerala	Shri Anand Singh	Commissioner, State Tax
91	Kerala	Dr. Karthikeyan	Special Commissioner, State Tax
92	Kerala	Shri Abraham Renn	Additional Commissioner, State Tax
93	Madhya Pradesh	Ms Dipali Rastogi	Principal Secretary, Commercial Taxes
94	Madhya Pradesh	Shri Raghwendra Kumar Singh	Commissioner, Commercial Taxes
95	Madhya Pradesh	Shri Sudip Gupta	Joint Commissioner, Commercial Taxes
96	Maharashtra	Shri Manoj Saunik	Additional Chief Secretary, Finance
97	Maharashtra	Shri RajgopalDevara	Principal Secretary, Financial Reforms
98	Maharashtra	Shri Sanjeev Kumar	Commissioner, State Tax
99	Maharashtra	Shri Kiran Shinde	Deputy Commissioner, State Tax
100	Manipur	Shri Charchit Gaur	Commissioner of Taxes
101	Manipur	Shri YumnamIndrakumar Singh	Assistant Commissioner of Taxes

102	Meghalaya	Smt S. A. Synrem	Commissioner & Secretary, Excise, Registration, Taxation & Stamps
103	Meghalaya	Shri L. Khongsit	Additional Commissioner of Taxes
104	Meghalaya	Shri K. War	Deputy Commissioner of Taxes
105	Mizoram	Shri VanlalChhuanga	Commissioner & Secretary, Taxation Department
106	Mizoram	Shri HK Lalhawngliana	Joint Commissioner, State Tax
107	Mizoram	Shri Lalthansanga	Joint Commissioner, State Tax
108	Nagaland	Shri KesonyuYhome	Finance Secretary & Commissioner of State Taxes
109	Nagaland	Shri Y Mhathung Murry	Additional Commissioner of State Taxes
110	Nagaland	Shri WochamoOdyuo	Additional Commissioner of State Taxes
111	Odisha	Shri Ashok K. K. Meena	Principal Secretary, Finance
112	Odisha	Shri Sushil Kumar Lohani	Commissioner, CT & GST
113	Odisha	Shri N.K.Rautry	Special Secretary, Finance
114	Puducherry	Shri Shurbir Singh	Secretary (Finance)
115	Puducherry	Shri L. Kumar	Commissioner (ST)
116	Puducherry	Shri. K. Sridhar	Deputy Commissioner (ST)
117	Punjab	Shri V. K. Garg	Advisor (Financial Resources) to Chief Minister
118	Punjab	Shri A. VenuPrashad	Financial Commissioner (Taxation)
119	Punjab	Shri Nilkanth S. Avhad	Commissioner of State Taxes
120	Punjab	Shri Ravneet Khurana	Additional Commissioner (Audit)

121	Rajasthan	Dr. Prithvi Raj	Secretary, Finance (Revenue)
122	Rajasthan	Shri Abhishek Bhagotia	Chief Commissioner, State Taxes
123	Rajasthan	Shri Ketan Sharma	Special Commissioner (GST)
124	Sikkim	Shri Jigme Dorjee Bhutia	Secretary cum Commissioner, CT
125	Sikkim	Shri V.P. Pathak	Additional Chief Secretary, Finance
126	Sikkim	Shri Kumar Bardewa	Director (Budget), Finance
127	Sikkim	Shri Bikash Diyali	Deputy Director, CTD
128	Tamil Nadu	Shri S. Krishnan	Additional Chief Secretary, Finance
129	Tamil Nadu	Shri M. A. Siddique	Principal Secretary/Commissioner, Commercial taxes
130	Tamil Nadu	Dr.Beela Rajesh	Secretary, Commercial Taxes & Registration
131	Telangana	Shri Somesh Kumar	Chief Secretary
132	Telangana	Ms Neetu Prasad	Commissioner, CT
133	Telangana	Shri Laxminarayan Jannu	Additional CCT
134	Telangana	Shri N. Sai Kishore	Joint CCT
135	Tripura	SmtTanushree Deb Barma	Secretary, Finance
136	Tripura	Dr. Vishal Kumar	Chief Commissioner of State Tax
137	Tripura	Dr. Sudip Bhowmik	Deputy Commissioner of Taxes
138	Tripura	Shri Badal Baidya	Assistant Commissioner of Taxes
139	Tripura	Shri Ashish Barman	Nodal Officer, GST
140	Uttarakhand	SmtSowjanya	Secretary, Finance
141	Uttarakhand	Shri Anil Singh	Additional Commissioner, State Tax

142	Uttarakhand	Shri Anurag Mishra	Joint Commissioner, State Tax
143	Uttarakhand	Shri Pramod Joshi	Joint Commissioner, State Tax
144	Uttarakhand	Shri S.S.Tiruwa	Deputy Commissioner, State Tax
145	Uttarakhand	Shri Ranjeet Singh Negi	Assistant Commissioner, State Taxes
146	Uttar Pradesh	Shri Alok Sinha	Additional Chief Secretary, Commercial Tax
147	Uttar Pradesh	Ms Amrita Soni	Commissioner, Commercial Tax
148	Uttar Pradesh	Shri Sanjay Kumar Pathak	Joint Commissioner(GST), Commercial Tax HQ
149	Uttar Pradesh	Shri Anil Kumar Kannojiya	Deputy Commissioner(GST, Commercial Tax HQ
150	Uttar Pradesh	Shri Paritosh Mishra	Assistant Commissioner(TRU), Commercial Tax HQ
151	Uttar Pradesh	Ms Nidhi Srivastava	Assistant Commissioner(GST, Commercial Tax HQ
152	West Bengal	Shri H K Dwivedi	Additional Chief Secretary, Finance
153	West Bengal	Shri Manoj Pant	Finance Secretary
154	West Bengal	Shri Smaraki Mahapatra	Secretary, Finance
155	West Bengal	Shri Devi Prasad Karanam	Commissioner, CT
156	West Bengal	Shri Khalid Aizaz Anwar	Head, GST PPU

Annexure 4			
Officials who attended the 42nd meeting of the GST Council (continuation) held on 12.10.2020			
Sl No	Centre/State	Name of the Officer	Charge
1	Govt. of India	Dr. A B Pandey	Finance Secretary
2	Govt. of India	Shri M. Ajit Kumar	Chairman, CBIC
3	Govt. of India	Shri Sandeep M Bhatnagar	Member(Investigation & Customs), CBIC
4	Govt. of India	Shri Vivek Johiri	Member (GST, IT, Tax Policy), CBIC
5	Govt. of India	Shri Anil Kumar Jha	Additional Secretary, DoR
6	Govt of India	Shri Ritvik Pandey	Joint Secretary, DoR
7	Govt. of India	Shri G.D. Lohani	Joint Secretary, TRU I, DoR
8	Govt. of India	Shri Yogendra Garg	Pr. Commissioner (GST), CBIC
9	Govt. of India	Shri Vipul Bansal	PS to Union Finance Minister
10	GST Council	Shri Amitabh Kumar	Joint Secretary
11	GST Council	Shri S.K. Rahman	Joint Secretary
12	GST Council	Ms Ashima Bansal	Joint Secretary
13	Govt. of India	Shri Rajesh Malhotra	DG (M&C)
14	Govt. of India	Shri Astik Sinha	PS to MoS (Finance)
15	GST Council	Shri Rajesh Agarwal	Director
16	GST Council	Shri G.S. Sinha	Director
17	GST Council	Shri Jagmohan	Director
18	GST Council	Ms. Ujjaini Datta	Director
19	Govt. of India	Shri N Gandhi Kumar	Director, DoR
20	Govt. of India	Shri Rahul Raja	OSD to Chairman, CBIC
21	Govt of India	Dr. Vikash Shukla	Media Advisor to Revenue Secretary
22	GST Council	Shri Arjun Meena	Under Secretary
23	GST Council	Shri Nitin Deepak Agarwal	Under Secretary
24	GST Council	Shri Mahesh Singarapu	Under Secretary
25	GST Council	Shri Naveen Agrawal	Under Secretary
26	GST Council	Shri Karan Choudhary	Under Secretary
27	GST Council	Shri Sarib Sahran	Superintendent
28	GST Council	Ms Chanchal Soni	Superintendent
29	GST Council	Shri Abhishek Kumar	Superintendent
30	GST Council	Shri Rakesh Joshi	Inspector
31	GST Council	Shri Pankaj Bharadwaj	Inspector

32	GST Council	Shri Vijay Malik	Inspector
33	Andhra Pradesh	Dr Rajath Bhargava	Special Chief Secretary, Revenue
34	Andhra Pradesh	Shri Peeyush Kumar	Chief Commissioner of State Tax
35	Andhra Pradesh	Shri K. Ravishankar	Commissioner State Tax GST (FAC)
36	Andhra Pradesh	Sri. J. V. M Sarma	Joint Commissioner State Tax, GST
37	Arunachal Pradesh	Shri Anirudh Singh	Secretary, Tax and Excise
38	Arunachal Pradesh	Shri Ando Pangkam	DC (Legal)
39	Arunachal Pradesh	Shri Kenmi Zirido	ST GST Cell
40	Arunachal Pradesh	Shri T. Jamoh	Inspector
41	Assam	Shri Anurag Goel	Commissioner of Taxes
42	Assam	Shri Md. Shakeel Saadullah	Joint Commissioner of Taxes
43	Assam	Shri Bedabrata Saikia	Inspector of Taxes
44	Chhattisgarh	Ms Maninder Kaur Dwivedi	Principal Secretary, Commercial Tax
45	Chhattisgarh	Ms Ranu Sahu	Commissioner of State Tax
46	Delhi	Shri Sandeep Kumar	Secretary, Finance
47	Delhi	Shri Vivek Pandey	Commissioner GST, State Tax
48	Delhi	Shri C. Arvind	Secretary to Dy CM
49	Delhi	Shri Anand Kumar Tiwari	Additional Commissioner, State Tax
50	Goa	Shri Shashank Mani Tripathi	Commissioner of Excise
51	Goa	Ms Sarita S. Gadgil	Additional Commissioner, State Tax
52	Gujarat	Shri Pankaj Joshi	Additional Chief Secretary, Finance
53	Gujarat	Shri J. P. Gupta	Chief Commissioner of State Tax
54	Haryana	Shri Anurag Rastogi	Principal Secretary, Excise & Taxation
55	Haryana	Shri Shekhar Vidhyarthi	Excise & Taxation Commissioner
56	Haryana	Shri Rajeev Chaudhary	Joint Excise and Taxation Commissioner
57	Jammu and Kashmir	Dr. Arun Kumar Mehta	Financial Commissioner, Finance
58	Jammu and Kashmir	Shri P.K. Bhat	Commissioner, State Taxes
59	Jammu and Kashmir	Shri Waseem Raja	Assistant Commissioner, State Taxes
60	Jharkhand	Ms Vandana Dadel	Secretary, Commercial Tax
61	Jharkhand	Shri Santosh Kumar Vatsa	Special Secretary, CTD

62	Jharkhand	Ms Akanksha Ranjan	Commissioner, CTD
63	Jharkhand	Shri Brajesh Kumar	State Tax Officer
64	Kerala	Shri Rajesh Kumar Singh	Additional Chief Secretary (Finance)
65	Kerala	Shri Anand Singh	Commissioner of State Tax
66	Kerala	Dr. Karthikeyan	Special Commissioner, State Tax
67	Kerala	Shri Abraham Renn	Additional Commissioner, State Tax
68	Madhya Pradesh	Ms Dipali Rastogi	Principal Secretary, Commercial Taxes
69	Madhya Pradesh	Shri Raghendra Kumar Singh	Commissioner, Commercial Taxes
70	Madhya Pradesh	Shri Sudip Gupta	Joint Commissioner, Commercial Taxes
71	Maharashtra	Shri Manoj Saunik	Additional Chief Secretary, Finance
72	Maharashtra	Shri Rajgopal Devara	Principal Secretary, Financial Reforms
73	Maharashtra	Shri Sanjeev Kumar	Commissioner of State Tax
74	Maharashtra	Shri Kiran Shinde	Deputy Commissioner of State Tax
75	Manipur	Shri Charchit Gaur	Commissioner of Taxes
76	Manipur	Shri Yumnam Indrakumar Singh	Assistant Commissioner of Taxes
77	Meghalaya	Ms S. A. Synrem	Commissioner & Secretary, Excise, Registration, Taxation & Stamps
78	Meghalaya	Shri L. Khongsit	Additional Commissioner of Taxes
79	Meghalaya	Shri K. War	Deputy Commissioner of Taxes
80	Mizoram	Shri Vanlal Chhuanga	Commissioner & Secretary, Taxation Department
81	Mizoram	Shri HK Lalhawngliana	Joint Commissioner, Taxes
82	Mizoram	Shri Hrangthanmawia	ACT
83	Nagaland	Shri Y Mhathung Murry	Additional Commissioner of State Taxes
84	Odisha	Shri Ashok K. K. Meena	Principal Secretary, Finance
85	Odisha	Shri Sushil Kumar Lohani	Commissioner, CT & GST
86	Odisha	Shri N. K. Rautray	Special Secretary, Finance
87	Puducherry	Shri Shurbir Singh	Secretary (Finance)
88	Puducherry	Shri L. Kumar	Commissioner (ST)
89	Puducherry	Shri. K. Sridhar	Deputy Commissioner (ST)
90	Punjab	Shri V. K. Garg	Advisor (Financial Resources) to Chief Minister
91	Punjab	Shri A. Venu Prashad	Financial Commissioner (Taxation)
92	Punjab	Shri Nilkanth S. Avhad	Commissioner of State Taxes
93	Punjab	Shri Ravneet Khurana	Additional Commissioner (Audit)

94	Punjab	Ms Baldeep Kaur	Deputy Commissioner of State Taxes
95	Rajasthan	Shri Niranjan Arya	Additional Chief Secretary (Finance)
96	Rajasthan	Dr. Prithvi Raj	Secretary, Finance (Revenue)
97	Rajasthan	Shri Abhishek Bhagotia	Chief Commissioner, State Taxes
98	Rajasthan	Shri Ketan Sharma	Special Commissioner (GST)
99	Sikkim	Shri V.B. Pathak	Additional Chief Secretary, Finance
100	Sikkim	Shri J. D. Bhutia	Secretary/Commissioner, CT
101	Tamil Nadu	Shri S. Krishnan	Additional Chief Secretary, Finance
102	Tamil Nadu	Shri M. A. Siddique	Principal Secretary/Commissioner, Commercial taxes
103	Tamil Nadu	Dr.Beela Rajesh	Secretary, Commercial Taxes & Registration
104	Telangana	Shri Somesh Kumar	Chief Secretary
105	Telangana	Ms Neetu Prasad	Commissioner, CT
106	Telangana	Shri Laxminarayan Jannu	Additional CCT
107	Telangana	Shri N. Sai Kishore	Joint CCT
108	Tripura	Dr Vishal Kumar	Chief Commissioner of State Tax
109	Tripura	Dr Sudip Bhowmik	Deputy Commissioner of State Tax
110	Tripura	Shri Badal Baidya	Assistant Commissioner of State Tax
111	Uttarakhand	Shri Ahmed Iqbal	Commissioner of State Tax
112	Uttarakhand	Shri Anil Singh	Additional Commissioner
113	Uttarakhand	Dr Sunita Pandey	Joint Commissioner
114	Uttarakhand	Shri Anurag Mishra	Joint Commissioner
115	Uttarakhand	Shri S. S. Tiruwa	Deputy Commissioner
116	Uttarakhand	Shri Ranjeet Negi	Assistant Commissioner
117	Uttar Pradesh	Shri Alok Sinha	APS/ACS, State Tax
118	Uttar Pradesh	Ms Amrita Soni	Commissioner, Commercial Tax
119	Uttar Pradesh	Shri Sanjay Kumar Pathak	Joint Commissioner(GST), Commercial Tax HQ
120	West Bengal	Shri Manoj Pant	Principal Secretary, Finance
121	West Bengal	Ms Smaraki Mahapatra	Secretary (Budget)
122	West Bengal	Shri Devi Prasad Karanam	Commissioner of State Tax
123	West Bengal	Shri Khalid Aizaz Anwar	Joint Secretary, Finance

Annexure 5



Act/Rules	Notification/Circular/Order Nos.	Description/Remarks
CGST Act/CGST Rules	26 Central Tax Notifications No. 48-73/2020 & 1 Central tax Rate Notification issued	6 Amendments (2020) to CGST Rules, 2017, Giving effect to select provisions of Finance Act 2020, COVID relief Notification, Council Decisions etc.
UTGST Act	Union Territory Tax	1. Notification No. 02/2020 - Union Territory Tax dated 24.06.2020 2. Notification No. 04/2020 - Union Territory Tax (Rate) dated 30.09.2020
IGST Act	Integrated Tax	1. Notification No. 04/2020 - Integrated Tax dated 24.06.2020 2. Notification No. 05/2020 - Integrated Tax dated 24.06.2020 3. Notification No. 04/2020 - Integrated Tax (Rate) dated 30.09.2020
Circulars	CGST Act, 2017	Circular No. 141/11/2020 - GST dated 24.06.2020
Removal of Difficulty Order	CGST Act, 2017	Order No. 01/2020-Central Tax dated 25.06.2020

Agenda 3: GIC decisions post 41st Meeting of GST Council (1/6)

17 GIC decisions by circulation on:

4th June, 2020, 5th June, 2020, 19th June, 2020, 25th June, 2020, 29th June, 2020, 7th July 2020, 22nd July 2020, 23rd July 2020, 4th August 2020, 7th August 2020, 30th August 2020, 14th September 2020, 23rd September 2020, 24th September 2020, 25th September 2020, 29th September 2020 & 30th September 2020

- The important proposals placed before the GIC were regarding
 - (i) data sharing with the office of CAG
 - (ii) revised e-invoice schema
 - (iii) Late fee capping for GSTR-4 and GSTR-10
 - (iv) E-invoice - enabling provision for power to exempt issuance of e-invoice on the recommendation of the Council
 - (v) Extension of Dynamic QR Code on B2C Invoices
 - (vi) One time relaxation in e-invoice provisions for implementation during October 2020
 - (vii) GST exemption on transport of export goods by air and sea which is currently valid till 30.09.2020 was extended till 30.09.2021

Agenda 4: Cases recommended by IT GRC-Time for filing TRAN-1/TRAN-2

- Decisions / Recommendations of the 13th ITGRC (held on 1st September 2020) for information of the Hon'ble Council. (**Page No. 132 of Vol-1 of the Agenda Note**)
 - 26 Cases (including Court Cases) recommended by the IT GRC
 - 20 more cases pending with GSTN as on 21.09.2020
 - In terms of Rule 117(1A) read with Notification 35/2020-Central tax as amended, last date for allowing filing TRAN-1 / TRAN-2 declarations based on IT GRC was 31.08.2020
 - Law Committee considered the issue on 09.09.2020 and took a view that any extension may adversely affect Government stand in Brand Equity SLP
 - Issue placed before the GST Council for appropriate decision keeping in view
 - The cases approved by ITGRC & those pending with GSTN
 - There must be an end date for processing of TRAN-1 cases by GSTN and ITGRC as it is more than 3 years from appointed day and almost 3 years from the 27-12-2017;

Agenda 5: Return Enhancement and Advancement Project (REAP) (1/3)

- In order to smoothen the rollout and to ensure a better uptake of the new return system, the Council in the 39th Meeting held on 14th March, 2020 recommended that the transition in an incremental manner
- The following roadmap was suggested:-
- The tax liability be auto-populated in GSTR-3B from invoice wise details furnished in GSTR-1
- A new statement GSTR-2B to be introduced as an auto-drafted ITC statement on the basis of the GSTR-1s filed by the taxpayers between fixed dates
- The ITC to be auto-populated in GSTR-3B from GSTR-2B shall be- to be editable upto a particular limit
- Quarterly Returns with Monthly payment for small taxpayers (89% of the Taxpayers paying 13% revenue) needs to be revisited

Return Enhancement and Advancement Project (REAP) (2/3)

Item	Description	Date of implementation
Nil filing of GSTR 3B by SMS	To reduce the compliance burden of 20-22 lakh small taxpayers (20 – 22 lac taxpayers)	04-06-2020
Nil filing of GSTR-1 via SMS	To reduce the compliance burden of 20-22 lakh small taxpayers (20 – 22 lac taxpayers)	30-06-2020
Auto-population of liabilities from GSTR-1 to GSTR-3B for Monthly Taxpayer	To eliminate any error and as a help to the taxpayer.	03-09-2020
Documents considered for ITC computation for the month based on Cut-off date (GSTR-2B)	GSTR-2B introduced where irrespective of the date of invoices, all GSTR-1s filed by the 11 th of the month are auto-populated in the month's GSTR-2B. ITC passed on only reported invoices Crucial for auto-population and locking of ITC in GSTR-3B. This also includes IGST paid on imports.	28-08-2020
Enhancement of existing comparison report of auto-drafted and filed values for GSTR-3B	Reports on liability auto-populated on the basis of GSTR-1 and filed by the taxpayer in GSTR-3B along with ITC taken in GSTR3B and that accruing in GSTR2A/2B are shown here month-wise including ITC on imports (IGST paid on import).	21-08-2020
Matching Tool for matching GSTR2B and the Purchase register	This enables taxpayer to find out invoices not uploaded by supplier or invoices where some discrepancies exists vis-à-vis those in purchase register	13-09-2020
Import data as part of GSTR-2A download and GSTR-3B Auto-population	Import data now provided in GSTR-2A/2B- being auto-populated to GSTR-3B.	26-08-2020
Delinking of credit/debit notes with invoices in GSTR-1/GSTR-6	Law was amended to delink credit/debit notes with invoices. This has been provided in GSTR-1	03-09-2020
Providing detail of invoices considered for computation in table 8A of GSTR-9	This is a useful tool for taxpayers to reconcile their GSTR-2A data with credit taken by taxpayers in GSTR-3B.	16-08-2020

Agenda 5: Auto-Population of Returns-REAP (3/3)



- Flow of tax liability from GSTR1 to GSTR3B
- Flow of Input Tax Credit (ITC) from GSTR2B to GSTR3B.
- Flow of IGST paid on import.

Already in place

- Generate liability and ITC and show them to taxpayers.

From Oct 2020

- Auto-populate GSTR1 based in B2B e-invoice reported (first by large taxpayers)
- Later bring more taxpayers

From Dec 2020

- Auto-flow it to GSTR3B and allow editing



Agenda 5: Quarterly Return and Monthly Payment Scheme (QRMP)



- As part of the Return Enhancement and Advancement Project (REAP), a different approach to return system for small taxpayers needs to be adopted
- Proposal is that such taxpayers will have option to file quarterly GSTR-1 and GSTR-3B.
 - Quarterly Filer for Month M1 and M2 :
 - May either file a challan of their self assessed cash liability for the month (net of ITC) or file challan of 35% of their net cash liability filed in their last filed FORM GSTR-3B
 - Quarterly Filer for Month M3:
 - Mandatorily file FORM GSTR-1Q for the entire quarter
 - Mandatorily file FORM GSTR-3B for the entire quarter with complete self-assessed
 - Optional Facility to be provided to quarterly taxpayers to only file their invoices in month M1 and M2. However, return for the same will be file in month M3 only.

Quarterly Return and Monthly Payment Scheme (QRMP)

- QRMP proposed to be available from 01.01.2021-option to be made available from 01.12.2020
- **Proposal:** Principles outlined here are placed for in-principle approval of the GST Council:
 - For month M1 and M2 of the quarter they will file one challan PMT-06 for their liability (net of ITC)
 - Option to estimate tax liability or pay 30 or 35% of the cash paid in last quarter
 - Continuous invoice filing facility (IFF) to be made available in M1 and M2
 - Law Committee will work out the legal framework

Agenda 6: Law Committee Recommendations

6(i): Extension of Existing (GSTR-1 & GSTR-3B) Return System (1/2)

- GSTR 1 extension and GSTR 3B are valid till 30th September 2020 only.
- GST Council in the 39th Meeting decided on incremental approach to new return system by enhancing existing return system
- Return Enhancement and Advancement Project (REAP) to get completed by 1st April 2021
- **Proposal: GSTR 3B and GSTR 1 may be prescribed till 31.03.2020 by which the legal changes would be made**

6(i): Extension of Existing (GSTR-1 & GSTR-3B) Return System (2/2)

- Present law is based on GSTR 1/2/3 design and/or the GST new return design, both of which is not the true play of GST compliance.
- **Proposal: The law relating to GST return may be aligned with GSTR1 and GSTR3B based compliance**
- Also due date of quarterly GSTR-1 needs to be changed so that GSTR 2B in M4 can contain both monthly and quarterly data
- **Proposal: Due date for GSTR-1 for quarterly filers may be made 13th of the month succeeding the quarter from present position of last date of the month succeeding the quarter**

6(ii): Annual Return/Reconciliation Statement for 2019-20

- **Proposal:** Form for Annual Returns (FORM 9/9C) for FY 2019-20: same as for 2018-19 except
 - Filing of details of ITC availed on capital goods &
 - Tables 8A to 8D (ITC Data) -to be made mandatory.
- **Decision Point: Threshold for optional filing of GSTR-9/9C to be decided**
 - LC recommended status quo i.e. GSTR-9 optional for turnover upto Rs. 2 Cr. and GSTR-9C mandatory for turnover above Rs. 5 Cr.
 - 14,51,201 taxpayers would be required to file GSTR-9 and 7,21,808 taxpayers would be required to file GSTR-9C for 2019-20 if same limits as prescribed for 2018-19 are kept
 - It's noteworthy that 2,01,860 i.e. just 1.97% of the taxpayers having Turnover > Rs. 20 Cr. contributed 83.78% Tax in 2019-20
- **Proposal: Clarification regarding GSTR-9A for 2019-20 being optional in view of \annual return being optional for taxpayers having turnover upto Rs. 2 Cr.**

6(iii): GSTR 1 related issues (1/2)

- **GSTR 1 filing before GSTR 3B**
 - GSTR 1 is required to be filed before GSTR 3B but no discipline since GSTR 3B can be filed independently unlike the GSTR 1/2/3 design
 - Perception that non filing of GSTR 1 has no repercussions vis-à-vis the Tax Administration
 - Filing of GSTR-1 before GSTR 3B is required for ensuring matching of credit, auto population of credit and liability in GSTR 3B as proposed under REAP
 - **Proposal:**
 - **Take measures to ensure GSTR 1 filing mandatory before GSTR3B from 01.04.2021**
 - Waive the GSTR-1 late fee if the same is filed before GSTR-3B
 - Blocking of e-way bills to be enabled on system from 01.04.2021 if two consecutive GSTR-1s not filed

Agenda 6(iii): GSTR 1 related issues (2/2)

- GSTR 1 Late Fee and Interest recovery
 - Currently only GSTR 3B late fee is populated in GSTR 3B. Late fee is leviable on GSTR 1. Interest even on net basis is not being paid
 - Arrears of late fee and interest are difficult to collect afterwards and arrears are over Rs. 10000 Cr.
 - Proposal:
 - Populate GSTR-1 late fee in next GSTR 3B and
 - Populate interest for late payment of tax also in next GSTR-3B from 01.04.2021
 - For interest calculation assumption that the entire liability is for the current tax period.
 - Facility to add interest if part of the liability being declared in GSTR 3B pertains to earlier tax periods.

Agenda 6(iv): Change in HSN requirement

- GST council had decided to keep the HSN requirement relaxed for a period of 2-3 years. Further, data quality in Table 12 is also poor and sectoral analysis is very difficult.
 - Proposal:
 - Make 6 digit HSN for goods and 6 digit SAC for services mandatory for taxpayers above Rs. 5 Cr. turnover w.e.f. 01.04.2021
 - Make 4 digit HSN/SAC compulsory on B2B supplies by taxpayers below Rs. 5 Cr. turnover w.e.f. 01.04.2021
 - Power to notify 8 digit HSN on notified class of supplies by all taxpayers
 - Modify GSTR-1 to include Rate in Table 12 to have better sectoral data w.e.f. 01.04.2021

Agenda 6(v): Refund in validated Account

- Introducing concept of Validated account for Refunds
 - Bank account validation for those seeking refund of ITC or IGST
 - Validation based on PAN and Aadhaar used for registration
 - **Proposal:**
 - Refund to be given only in a PAN & Aadhaar linked Bank account of the claimant
 - Aadhaar revalidation at the time of filing refund application

Agenda 6(vi): Amendment in CGST Rules

- **Proposal: Waiver of blocking of e-way bill during COVID period**
 - Waiver of blocking of e-way bill during COVID period from **20.03.2020 to 14.10.2020** - to be given legal backing through a proviso in CGST Rule 138E
 - Blocking to be reinitiated from 15.10.2020 for taxpayers with turnover > Rs. 5 Cr.
- **Proposal: NIL filing of CMP-08 through SMS** from a date to be notified-change in CGST Rule 67
- **Proposal: Change in rule 142(1A)** making communication of demand ascertained by the officer in FORM DRC-01A optional
- **Proposal: Changes in forms-RFD-01, GSTR-5** (non-resident) to include reverse charge liability, **GSTR-5A (OIDAR)** to include place of supply and **Provision for declaring fee** in DRC-1,2,7,8,9,24,25 & ASMT-16

6(vii): Inclusion of GST Laws in Economic Offences (Inapplicability of Limitation) Act, 1974

- Offences under GST Laws subject to general Limitation under Chapter XXXVI of Cr. PC
- Existing Laws were listed in the Schedule to the Economic Offences (Inapplicability of Limitation) Act, 1974
- Proposal: GST Laws also to be included in Schedule to GST Laws in Economic Offences (Inapplicability of Limitation) Act, 1974 so as to exclude from said limitation
- Similar Acts exist in States also (Karnataka, Maharashtra etc.)
- Proposal: SGST Act to be included in the Schedule of respective Acts or if such an Act is not there, then proposal is to insert proviso to Section 134

Thank You

Agenda Item 2 – Deemed Ratification of Notifications and Circulars by the GST Council

In the 22nd meeting of the GST Council held at New Delhi on 06th October, 2017, it was decided that the notifications, Circulars and Orders which are being issued by the Central Government with the approval of the competent authority shall be forwarded to the GST Council Secretariat, through email, for information and deemed ratification by the GST Council. Accordingly, in the 42nd meeting held on 05.10.2020 and 12.10.2020, the GST Council had ratified all the Notifications, Circulars, and Orders issued up to 30.09.2020.

2. In this respect, the following Notifications and Circulars issued after 30.09.2020 till 18.05.2021 under the GST laws by the Central Government, as available on www.cbic.gov.in, are placed before the Council for information and ratification: -

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
Notification under CGST Act/CGST Rules	Central Tax	1. Notification No. 73/2020-Central Tax dated 01.10.2020	Seeks to notify a special procedure for taxpayers for issuance of e-invoices in the period 01.10.2020 - 31.10.2020.
		2. Notification No. 74/2020-Central Tax dated 15.10.2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 for the quarters October, 2020 to December, 2020 and January, 2021 to March, 2021 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.
		3. Notification No. 75/2020-Central Tax dated 15.10.2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from October, 2020 to March, 2021.
		4. Notification No. 76/2020-Central Tax dated 15.10.2020	Seeks to prescribe return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for October, 2020 to March, 2021.
		5. Notification No. 77/2020-Central Tax dated 15.10.2020	Seeks to make filing of annual return under section 44 (1) of CGST Act for F.Y. 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date.
		6. Notification No. 78/2020-Central Tax dated 15.10.2020	Seeks to notify the number of HSN digits required on tax invoice

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
		7. Notification No. 79/2020-Central Tax dated 15.10.2020	Seeks to make the Twelfth amendment (2020) to the CGST Rules.2017.
		8. Notification No. 80/2020-Central Tax dated 28.10.2020	Seeks to amend notification no. 41/2020-Central Tax dated 05.05.2020 to extend due date of return under Section 44 of CGST Act, 2017 till 31.12.2020.
		9. Notification No. 81/2020-Central Tax dated 10.11.2020	Seeks to notify amendment carried out in sub-section (1), (2) and (7) of section 39 vide Finance (No.2) Act, 2019.
		10. Notification No. 82/2020-Central Tax dated 10.11.2020	Seeks to make the Thirteenth amendment (2020) to the CGST Rules, 2017
		11. Notification No. 83/2020-Central Tax dated 10.11.2020	Seeks to extend the due date for FORM GSTR-1
		12. Notification No. 84/2020-Central Tax dated 10.11.2020	Seeks to notify class of persons under proviso to section 39(1) of CGST Act, 2017.
		13. Notification No. 85/2020-Central Tax dated 10.11.2020	Seeks to notify special procedure for making payment of 35% as tax liability in first two month
		14. Notification No. 86/2020-Central Tax dated 10.11.2020	Seeks to rescind Notification 76/2020-Central tax dated 15.08.2020.
		15. Notification No. 87/2020-Central Tax dated 10.11.2020	Seeks to extend the due date for furnishing of FORM ITC-04 for the period July- September 2020 till 30th November, 2020.
		16. Notification No. 88/2020-Central Tax dated 10.11.2020	Seeks to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 100 Cr from 01st January 2021.
		17. Notification No. 89/2020-Central Tax dated 29.11.2020	Seeks to waive penalty payable for noncompliance of the provisions of notification No.14/2020 – Central Tax, dated the 21st March, 2020.

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
		18. Notification No. 90/2020-Central Tax dated 01.12.2020	Seeks to make amendment to Notification no. 12/2017-Central Tax dated 28.06.2017.
		19. Notification No. 91/2020-Central Tax dated 14.12.2020	Seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.
		20. Notification No. 92/2020-Central Tax dated 22.12.2020	Seeks to bring into force Sections 119,120,121,122,123,124,126,127 and 131 of Finance Act, 2020(12 of 2020).
		21. Notification No. 93/2020-Central Tax dated 22.12.2020	Seeks to waive late fee for FORM GSTR-4 filing in UT of Ladakh for Financial year 2019-20.
		22. Notification No. 94/2020-Central Tax dated 22.12.2020	Seeks to make the Fourteenth amendment (2020) to the CGST Rules, 2017.
		23. Notification No. 95/2020-Central Tax dated 30.12.2020	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 28.02.2021.
		24. Notification No. 01/2021-Central Tax dated 01.01.2021	Seeks to make amendment (2021) to CGST Rules, 2017.
		25. Notification No. 02/2021-Central Tax dated 12.01.2021	Notifying amendment to jurisdiction of Central Tax officers.
		26. Notification No. 03/2021-Central Tax dated 23.02.2021	Seeks to notify persons to whom provisions of sub-section (6B) or sub-section (6C) of section 25 of CGST Act, 2017 will not apply.
		27. Notification No. 04/2021-Central Tax dated 28.02.2021	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 31.03.2021.
		28. Notification No. 05/2021-Central Tax dated 08.03.2021	Seeks to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 50 crores from 01 st April 2021.

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
		29. Notification No. 06/2021-Central Tax dated 30.03.2021	Seeks to waive penalty payable for non-compliance of provisions of Notification No. 14/2020 dated 21st March 2020.
		30. Notification No. 07/2021-Central Tax dated 27.04.2021	Seeks to make second amendment (2021) to CGST Rules, 2017.
		31. Notification No. 08/2021-Central Tax dated 01.05.2021	Seeks to provide relief by lowering of interest rate for the month of March and April, 2021.
		32. Notification No. 09/2021-Central Tax dated 01.05.2021	Seeks to amend notification no. 76/2018-Central Tax dated 31.12.2018 in order to provide waiver of late fees for specified taxpayers and specified tax periods.
		33. Notification No. 10/2021-Central Tax dated 01.05.2021	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.05.2021.
		34. Notification No. 11/2021-Central Tax dated 01.05.2021	Seeks to extend the due date for furnishing of FORM ITC-04 for the period Jan-March, 2021 till 31st May, 2021.
		35. Notification No. 12/2021-Central Tax dated 01.05.2021	Seeks to extend the due date of furnishing FORM GSTR-1 for the month of April, 2021.
		36. Notification No. 13/2021-Central Tax dated 01.05.2021	Seeks to make third amendment (2021) to CGST Rules, 2017.
		37. Notification No. 14/2021-Central Tax dated 01.05.2021	Seeks to extend specified compliances falling between 15.04.2021 to 30.05.2021 till 31.05.2021 in exercise of powers under section 168A of CGST Act, 2017.
		38. Notification No. 15/2021-Central Tax dated 18.05.2021	Seeks to make fourth amendment (2021) to CGST Rules, 2017.
	Central Tax (Rate)	1. Notification No. 05/2020-Central Tax (Rate), dated 16.10.2020	To amend notification No. 12/2017- Central Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42 nd meeting held on 05.10.2020.

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
Notifications under UTGST Act	Union Territory Tax	1. Notification No. 01/2021-Union Territory Tax dated 01.05.2021.	Seeks to provide relief by lowering of interest rate for the month of March and April, 2021.
	Union Territory Tax (Rate)	1. Notification No. 05/2020-Union Territory Tax (Rate), dated 16.10.2020	To amend notification No. 12/ 2017- Union Territory Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42 nd meeting held on 05.10.2020.
Notifications under IGST Act	Integrated Tax	1. Notification No. 06/2020 - Integrated Tax dated 15.10.2020	Seeks to notify the number of HSN digits required on tax invoice.
		2. Notification No. 01/2021 – Integrated Tax dated 01.05.2021	Seeks to provide relief by lowering of interest rate for the month of March and April, 2021
	Integrated Tax (Rate)	1. Notification No. 05/2020-Integrated Tax (Rate), dated 16.10.2020	To amend notification No. 9/ 2017- Integrated Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42 nd meeting held on 05.10.2020.
Circulars under CGST Act, 2017		1. Circular No. 142/12/2020-GST dated 09.10.2020	Clarification of issues relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017, cumulatively for the months of February, 2020 to August, 2020.
		2. Circular No. 143/13/2020-GST dated 10.11.2020	Clarification regarding the provisions relating to Quarterly Return Monthly Payment (QRMP) Scheme
		3. Circular No. 144/14/2020-GST dated 15.12.2020	Waiver from recording of UIN on the invoices for the months of April, 2020 to March, 2021.
		4. Circular No. 145/01/2021-GST dated 11.02.2021	Standard Operating Procedure (SOP) for implementation of the provision of suspension of registrations under sub-rule (2A) of rule 21A of CGST Rules, 2017.

Act/Rules	Type	Notification/Circular/Order Nos.	Description/Subject
		5. Circular No. 146/02/2021-GST dated 23.02.2021	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21 st March, 2020.
		6. Circular No. 147/03/2021-GST dated 12.03.2021	Seeks to clarify certain refund related issues.
		7. Circular No. 148/04/2021-GST dated 18.05.2021	Seeks to prescribe Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration under section 30 of the CGST Act, 2017 and rule 23 of the CGST Rules, 2017.

3. The GST Council may grant deemed ratification to the Notifications and Circulars as detailed above.

Agenda Item 3: Decisions of the GST Implementation Committee (GIC) for information of the GST Council.

The GST Implementation Committee (GIC) took certain decisions between 9th September 2020 and 1st May 2021. Due to the urgency involved and due to prevailing Covid-19 situations most of the decisions were taken after obtaining approval by circulation amongst GIC members. There were only three meetings of GIC viz. the 36th meeting held on 03rd November 2020, the 37th GIC meeting held on 15th December 2020 and the 38th GIC meeting held on 12th January 2021. The details of the decisions taken are given below:

Decisions of GIC by circulation on 14 September 2020

Agenda Note 1: Reduction in late fee for non-filing of FORM GSTR-4 for the quarterly tax periods from July 2017 to March 2019 & FORM GSTR 10 - One-time amnesty to clean up pendency in return filing in GST regime

2.1 In the Agenda Note it had been mentioned that based on the recommendations of the GST Council, waiver/reduction in late fee for not furnishing FORM GSTR-3B for tax periods July 2017 to January 2020 has been provided vide Notification No.52/2020 -Central Tax dated 24.06.2020. It provides for:

- i. Zero late fee for taxpayers, who did not have any tax liability for the said tax periods and are thus required to file NIL return;
- ii. A late fee of fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for non-filing of returns as currently applicable subject to a maximum of Rs 500/- (Rs. 250/- each for CGST & SGST) per return as against ceiling of Rs. 10000/- (Rs. 5000/- each for CGST & SGST) at present by taxpayers other than those having NIL liability; subject to the condition that the returns are filed between 01.07.2020 to 30.09.2020

2.2 It is stated that representations have been received from trade & industry seeking similar waiver/reduction of late fee for delay in filing return in FORM GSTR-4 by composition taxpayers. The filing percentage of FORM GSTR-4, as on 18th August 2020, is as below:

Quarter ending	Eligibility	Filed	%age of Filing
Sep'17	11,41,565	10,22,994	89.61%
Dec'17	17,24,344	15,33,819	88.95%
Mar'18	19,31,061	15,91,018	82.39%
Jun'18	17,66,630	15,69,195	88.82%
Sep'18	17,74,379	15,34,021	86.45%
Dec'18	17,57,919	14,92,068	84.88%
Mar'19	17,52,540	14,38,572	82.08%

2.3 It is noted that in the past late fee waiver of **GSTR-3B** and **GSTR-4** have been given together, GST Council may deliberate whether in view of such high percentage of **GSTR-4** filing, late fee waiver/capping at Rs. 500 is required at this stage. A request on these lines has been received from Tax Bar Association, Amravati, Maharashtra, and multiple such requests have been made through social media platforms also.

2.4 It is further noted that representations have also been received seeking waiver/reduction in late fee in furnishing **FORM GSTR-10** (final return). Under section 45, every registered person who is required to furnish a return under sub-section (1) of section 39 and whose registration has been cancelled shall furnish a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, in **FORM GSTR-10**. For delay in filing final return in **FORM GSTR-10** also, a late fee is levied under section 47 amounting to one hundred rupees every day for each of CGST and SGST subject to a maximum amount of five thousand rupees for each tax thus applicable late fee is Rs. 200 per day, subject to a maximum of Rs. 10,000.

2.5 These requests were deliberated by the Law Committee in its meeting held on 02.09.2020, wherein following has been recommended:

- late fee for non-filing of **FORM GSTR-4** for 2017-18 and 2018-19 be capped to a maximum of Rs 500/- (Rs. 250/- each for CGST & SGST) per return and completely waived for taxpayers filing NIL **FORM GSTR-4**, subject to the condition that the returns are filed between 20.09.2020 to 31.10.2020;
- late fee for non-filing of **FORM GSTR-10** (Final Return) be capped to a maximum of Rs 500/- (Rs. 250/- each for CGST & SGST), subject to the condition that the returns are filed between 20.09.2020 to 31.12.2020.

Agenda Note 2: One time extension for the time limit under Section 31(7) of the CGST Act 2017 for the purpose of Re-import of goods exported on consignment basis

3.1 In the said Agenda Note reference was invited to representations received from Gems and Jewellery Export Promotion Council [GJEPC] requesting an extension of time for issue of invoice in respect of consignment exports/sales on approval basis, specially where such goods were sent abroad and where it hasn't been possible to get the same back within prescribed time limits due to non-availability of regular flights. The related provisions are contained in sub-section (7) of section 31 of the CGST Act 2017. The same is reproduced hereunder:

“(7) Notwithstanding anything contained in sub-section (1), where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.

Explanation.—For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.”.

3.2 It is noted that GJEPC has represented that due to the current situation of outbreak of COVID-19 pandemic, import and export activities are disrupted everywhere, and it has become practically impossible to re-import the goods sent on consignment/approval basis within the stipulated period of six months. A Similar challenge is being faced in respect of goods sent locally on approval basis, which are not sold. The compliance related relaxation provided by the Government under section 168A of the CGST Act has

excluded section 31 from its ambit, and therefore they have requested that compliances relating to section 31(7) may be relaxed starting from 1st February, 2020.

3.3 It is further submitted that notification No. 35/2020-Central Tax, dated 03.04.2020, which was issued under section 168A of the CGST Act to provide an extension in the due date of compliances due to the Covid-19 pandemic, contained an exclusion clause wherein, inter-alia, Chapter IV (time and value of supply) and section 31 are excluded. Accordingly, if any goods sent on approval for sale basis are not returned within a period of six months, then the invoice shall be issued on completion of six months from the date of removal. Further, the lockdown, resulting in restriction in movement of persons / goods was ordered by the Government with effect from 20th March, 2020.

3.4 The issue was deliberated by the Law Committee in its meeting held on 19.08.2020 and 02.09.2020. The Law Committee recommended that the relaxation in compliances under section 31(7) be restricted to goods which have been sent out of India for sale on approval basis, and the said relaxation may not be extended to goods sent on approval basis within India. The Law Committee further recommended that the relaxation may be provided to all goods and may not be limited to Gems and Jewellery alone. The Law Committee has recommended extension of compliances under section 31(7) till 31.10.2020

3.5. The proposals were put before the GIC and the GIC approved the proposals.

Decisions of GIC by circulation on 23 September 2020

Agenda Note 1: GST exemption on transport of goods by air which is currently valid till 30.09.2020 may be extended till 30.09.2021.

4.1 In the Agenda Note it had been mentioned that Air Cargo Agents Association of India has requested that GST exemption on transport of goods by air which is currently valid till 30.09.2020 may be extended till 30.09.2021.

4.2 The services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India are currently exempt from GST till 30.09.2020 [entry 19A & 19B of notification No. 12/2017-CT(R) refer]. Upon the recommendation of the 25th GST Council held on 18.01.2018 the exemptions were initially given on 25.01.2018 valid till 30.09.2018 in view of the reported delays faced by exporters in getting refund of GST paid on the transport of export goods.

4.3 The validity of the exemptions was subsequently extended twice by one year on each occasion as recommended by the 28th and 37th GST Council Meetings and the same are currently valid till 30.09.2020.

4.4 Keeping in view the present situation, post Covid, withdrawal of this exemption at this stage would cause hardship to exporters in terms of cash flow with no significant gains to revenue as the GST so collected shall have to be refunded to exporters, being as it relates to exports. Further, civil aviation sector is going through rough patch and airlines have defaulted in payment of GST. Hence, at this stage it would be appropriate to extend the exemption by another year, i.e. upto 30th September 2021. As such there is no revenue implication of the proposal as the services are creditable and the exporter is entitled to take refund of GST paid on them.

4.5 Therefore, an agenda note was circulated to the Fitment Committee on 10.09.2020 for comments on the proposal to extend GST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India by one more year upto 30th September, 2021. All member-states of the fitment committee have expressed their concurrence to the proposal.

4.5.1 Maharashtra while approving the proposal has stated as under:

“This exemption has been extended twice in the past. As explained aforesaid if there is no revenue implication then it is the considerate view of the State Tax Department that instead of extending the exemption benefit every year, we should grant permanent exemption on such services.”

4.6 Exporters are entitled to refund of GST paid on export freight. As such there is no loss on account of the said exemption. However, this does affect the cash flow and interest income of the Government. Moreover, it is always desirable in a VAT system to keep exemptions to the minimum and ensure integrity of the ITC chain. Therefore, it is proposed that for the time being, on account of the unprecedented situation due to Covid, we may extend the exemption by one more year upto 30.09.2021.

4.7 Since the present exemptions were expiring on 30.09.2020 and the next GST Council meeting was scheduled on 05.10.2020, it was proposed that GIC may recommend extension of the exemptions in question by one year, i.e. upto 30.09.2021.

4.8. The proposal was put before the GIC and the GIC approved the proposal.

Agenda Note 2: E-invoice: Enabling provision for power to exempt issuance of e-invoice on the recommendation of the Council and related issues.

5.1 In the said Agenda Note, reference was invited to Sub-rule (4) and (5) of rule 48 of the Central Goods and Services Tax Act, 2017 (CGST Act) which prescribe for issuance of e-invoice. The same are reproduces hereunder:

*“(4)The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in **FORM GST INV-01** after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.*

(5)Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.”

5.2 GSTN has conducted various webinars on the e-invoice and has presented various issues raised by the stakeholders before the Law committee. One of the concerns raised was that in the existing rule there is no provision of exemption from e-invoice if there is interruption on account of internet connectivity or some other reasons.

5.3 The issue was deliberated in the Law Committee in its meeting held on 19.08.2020. It was discussed that the temporary glitches like internet connectivity, power failure etc. would not be a cause of concern for taxpayers as the details of the invoices can be submitted on IRP portal within 24 hours. The concern is when there are issues related to natural calamities like flood, cyclone etc. where the disruption is for a longer period. Law Committee recommended to have provision in the rule to cater to such situations and accordingly recommended to insert a proviso to sub-rule (4) of rule 48 whereby Government may issue notification to exempt such class of registered person from e-invoicing for specified time period. The draft proviso proposed to be inserted is as below:

“Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.”.

5.4 It was further mentioned that notification under sub-rule (4) of rule 48 was issued vide notification No. 13/2020-Central Tax, dated 21.03.2020, to specify the class of taxpayers required to issue e-invoice. It was amended vide notification No. 61/2020 - Central Tax, dated the 30.07.2020. The notification as amended is reproduced as below:

*“In exercise of the powers conferred by sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017(hereinafter referred as said rules), the Government on the recommendations of the Council, and in supersession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 70/2019-Central Tax, dated the 13th December, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 926(E), dated the 13th December, 2019, except as respects things done or omitted to be done before such supersession, hereby notifies registered person, other than a Special Economic Zone unit and those referred to in sub-rules (2), (3), (4) and (4A) of rule 54 of the said rules, whose **aggregate turnover in a financial year** exceeds five hundred crore rupees, as a class of registered person who shall prepare invoice and other prescribed documents, in terms of sub-rule (4) of rule 48 of the said rules **in respect of supply of goods or services or both to a registered person.***

2. This notification shall come into force from the 1st October, 2020.”

5.5 While discussing various doubts raised by taxpayers during webinars conducted by GSTN, the following issues have been noticed in the notification No 13/2020-CT which were deliberated in the Law committee:

- i. The Eligibility i.e. “aggregate turnover in a financial year” will include present financial year also and hence is a dynamic concept. This will be difficult to monitor, and therefore, Law Committee recommended that “aggregate turnover in a financial year” may be substituted with “aggregate turnover in any preceding financial year since 2017-18”. Therefore, notification may be amended to this effect.

ii.E-invoice is required for supply of goods or services or both to a registered person i.e. for B2B transactions. Law committee has recommended **export invoice** may be explicitly be mentioned in the notification itself. Accordingly, notification may be amended to this effect.

5.6 Accordingly, it was proposed to amend the said Notification. The proposed draft amendment in the notification is shown (in red) as below:

*“In exercise of the powers conferred by sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017(hereinafter referred as said rules), the Government on the recommendations of the Council, and in supersession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 70/2019-Central Tax, dated the 13th December, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 926(E), dated the 13th December, 2019, except as respects things done or omitted to be done before such supersession, hereby notifies registered person, other than a Special Economic Zone unit and those referred to in sub-rules (2), (3), (4) and (4A) of rule 54 of the said rules, whose aggregate turnover in ~~a financial year~~ **any preceding financial year since 2017-18** exceeds five hundred crore rupees, as a class of registered person who shall prepare invoice and other prescribed documents, in terms of sub-rule (4) of rule 48 of the said rules in respect of supply of goods or services or both to a registered person **or for exports**”.*

5.7. The proposals were put before the GIC and the GIC approved the proposals.

Agenda Note 3: Extension of due date for filing Annual Return for Financial Year 2018-19.

6.1 In the Agenda Note it had been mentioned that the last date for filing Annual returns specified under section 44 of the CGST Act for the Financial year **2018-19** was extended till **30th September, 2020** vide Notification No. 41/2020 – Central Tax dated 5th May, 2020.

6.2 An agenda note was placed before the Law Committee in its meeting held on 17th September, 2020 regarding extension of due dates for filing of Annual Return for Financial Year 2018-19. A comparison of the Annual Return filing data (as on 17.09.2020) for Financial Years 2017-18 and 2018-19 is detailed in the table below:

GSTR – 9 (as on 17.09.2020)		FY 2017-18	FY 2018-19
	Eligibility	92,58,899	92,58,899*
	Returns Filed	42,86,584	514167
	Return Filing %	46.30%	5.55%

6.3 It was observed from the relevant data that for the FY 2017-18, as on 17.09.2020, approximately 46.3% of the eligible taxpayers have furnished their Annual Return. Further, the return filing percentage of the FY 2018-19, as on 17.09.2020, was comparatively very low, 5.55 % of eligible taxpayers i.e. only

5,14,167 taxpayers have furnished their Annual Returns in FORM GSTR-9. As detailed above, the due date for furnishing Annual Return for FY 2018-19 is **30th September, 2020**.

6.4 The Law Committee in its meeting held on 17th September, 2020 (via Video Conferencing) deliberated on the issue of extension of due dates for filing of Annual Return for the Financial Year 2018-19. Considering the low annual return filing percentage for the Financial Year, 2018-19, the Law Committee recommended that the due date for filing of Annual Return for Financial Year 2018-19 may further be extended to **31st October, 2020**.

6.5 The proposals were put before the GIC and the GIC approved the proposals.

6.6 On 23-10-2020 a proposal was moved by the Principal Commissioner, GST Policy Wing, CBIC, that:

“Madam/Sir,

In view of the challenges faced by taxpayers and tax auditors in furnishing Annual Return and Reconciliation Statement for 2018-19 in FORM GSTR 9 and GSTR 9C due to pandemic related lockdown in various parts of the country since March 2020, it is proposed to extend the due date further beyond 31st October 2020 to 31st December 2020. Request your concurrence asap.

Regards

Yogendra Garg”

6.7 All the Members of GIC concurred with the proposal to extend the due date further upto 31-12-2020. Due to urgency, a Press release in this regard was issued on 24-10-2020.

6.8 The proposal was reduced to writing and formal approval of the Competent Authority was taken on 27-10-2020.

6.9 The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation- 25 September 2020

Agenda Note: Rules amendments for the smooth implementation of e-invoice.

7.1 In the Agenda Note it has been mentioned that Under rule 48(4) of CGST Rules, 2017, it has been prescribed that supplier before issuance of an invoice will send certain specified particulars of it included in Form INV-01 to Invoice Reference Portal (IRP) and will obtain Invoice Reference Number (IRN), for the invoice.

7.2 When the rule for e-way bill was framed, under 138A(2) of CGST Rules, 2017 it was envisaged that there will be a portal on which any invoice would get reported, and an IRN for that invoice will be generated. In such case, no physical copy of such reported invoice will be required to be carried along with conveyance during movement, and such IRN will be valid only for 30 days from the day it was reported. However, with the burgeon of rule 48(4), the formulation of rule 138A(2) itself has become infructuous. Therefore, the sub rule (2) of rule 138A may be redrafted in order to remove contradiction with rule 48(4) and the requirement of carrying physical copy of invoice issued in a manner prescribed under rule 48(4) of the said rule may be waived off.

7.3 In case invoice is issued in a manner prescribed under rule 48(4) of said rule, the notified supplier gets IRN after uploading certain specified particulars of it in Form INV-01 to Invoice Reference Portal (IRP). During the Law Committee meeting held on 19.08.2020, it was recommended that rule 138A(2) may be redrafted in view of the QR code, having embedded IRN in it so that in lieu of the physical copy of the such invoice, producing QR code for verification shall be sufficient. Draft approved by the Law Committee for the rule 138A(2) is as follows:

'In case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.'

7.4 It was proposed that rule 138A(2) may be substituted as proposed above.

7.5 Further, During the Law Committee meeting on 13.08.2020 FAQs on e-invoice were discussed, wherein it was learnt that IRN is a unique 64-character hash, typically it looks like e.g.

35054cc24d97033afc24f49ec4444dbab81f542c555f9d30359dc75794e06bbe

Hence manual feeding of the same in machine for the purpose of printing of the same on the invoice or for verification may lead to human errors. Therefore, Law Committee vide FAQ no. 35 had recommended that printing of QR code may be made mandatory in place of IRN in case of e-invoice.

7.6 Rule 46 of CGST Rules, 2017 prescribes all particulars which are required to be included on the invoice. In view of the above, it was proposed that a clause (r) may be inserted in rule 46 below clause (q) for the same. Draft for clause (r) is as follows:

(r) Quick Reference code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48.

7.7. The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation- 29 September 2020

Agenda Note: Date extension for the implementation of Quick Response (QR) Code in B2C invoice.

8.1 In the Agenda Note it has been mentioned that vide notification No. 72/2019-Central Tax dated 13.12.2019 it was notified that every registered person whose aggregate turnover exceeds ₹ 500 Crores in a financial year, is mandatorily required to capture a Quick Response ('QR') code on every tax invoice issued to unregistered customers, i.e. for B2C supplies, along with other mandatory fields required on such tax invoices with effect from 1st April, 2020.

8.2 For the smooth implementation of QR code, National Payment Corporation of India (NPCI) was required to come up with detailed guidelines for QR code generation. NPCI was also mandated to create awareness among the trade about the implementation of QR code in B2C invoices. It has been brought to the notice that NPCI hasn't had an adequate engagement in this regard with the trade. In view of the above on the recommendations of GST Council in its 39th meeting held on 13-14th March 2020 the date of

implementation of QR code was deferred till 01st October 2020 vide issuance of notification no. 14/2020-Central Tax dated 21st March 2020 in this effect. This issue had been discussed with NPCI and also in the GST Core Group meeting multiple times.

8.3 As the trade had still been representing, as directed by the Finance Secretary a meeting was taken by the Chairman CBIC with NPCI and Banks on 23.09.2020. NPCI informed that:

(i) The technology/APIs for the same were to be shared by NPCI which they have shared with respective banks way back on 14th February 2020;

(ii) The Banks need to integrate and send on software for this purpose which they are not willing in the absence of MDR;

(iii) The requirement to generate a dynamic QR code by the POS machine of the supplier is software updation and alignment between the acquirer's bank software, payee bank software and NPCI software.

(iv) Till date, only Axis Bank had started the integration and certification with NPCI and, no other bank had completed the certification process with NPCI.

8.4 NPCI further informed that the integration process might take 30 days' time and the process of QR code for B2C invoice can be implemented even if 10 banks are onboard.

8.5 Almost all the bankers present in the meeting informed that they had initiated the process but that they would take time to complete the integration and certification process. Punjab National Bank informed that they would initiate the process after their merger process gets completed sometimes in December 2020.

8.6 It also came out in the meeting that changes would also need to be made in the third-party UPI applications used by the consumers for making payments. As such, it came out that the rolling out of dynamic QR code on the B2C invoices would take some more time- at least 2 months at the bare minimum.

8.7 The issue was earlier discussed in the Law committee held on 13th August 2020, and the committee had recommended the deferment of the same. In view of the above, it was felt that the date of implementation of QR code on B2C invoices might be deferred by at least two more months i.e. **till 1st December 2020.**

8.8 Furthermore, Notification No. 72/2019-Central Tax dated 13.12.2019 was issued to specify the class of taxpayers required to issue QR Code. It was amended vide notification No. 14/2020 - Central Tax, dated the 30.07.2020. The notification as amended is reproduced as below:

*".....hereby notifies that an invoice issued by a registered person, whose aggregate **turnover in a financial year** exceeds five hundred crore rupees, other than those referred to in sub-rules (2), (3), (4) and (4A) of rule 54 of said rules, and registered person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017, to an unregistered person (hereinafter referred to as B2C invoice), shall have Dynamic Quick Response (QR) code*

Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

2. *This notification shall come into force from the 1st day of October, 2020.*”

8.9 While discussing various doubts raised by taxpayers during webinars conducted by GSTN in the context on e-invoice, it was deliberated in the Law committee that the Eligibility i.e. “aggregate turnover in a financial year” will include present financial year also and hence is a dynamic concept. This will be difficult to monitor, and therefore, Law Committee recommended that “aggregate turnover in a financial year” may be substituted with “aggregate turnover in any preceding financial year since 2017-18”. Therefore, the notification may be amended to this effect.

8.10 The proposal was put before the GIC and the GIC approved the proposal.

Decision by Circulation – 09 October 2020

Agenda Note 1: Clarification relating to application of sub-rule (4) of rule 36 of CGST Rules, 2017 for the months of February 2020 to August, 2020.

9.1 In the Agenda Note it has been mentioned that vide Circular No. 123/42/2019 – GST dated 11th November, 2019, various issues relating to implementation of sub-rule (4) of rule 36 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) regarding availment of input tax credit (ITC) in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act) were clarified.

9.2 Considering the situation prevailing in view of measures taken to contain the spread of COVID-19 pandemic, it had been specified, vide notification No. 30/2020-CT, dated 03.04.2020, that the condition made under rule 36(4) of the CGST Rules shall apply cumulatively for the tax period February, March, April, May, June, July and August, 2020 and that the return in **FORM GSTR-3B** for the tax period September, 2020 should be furnished with the cumulative adjustment of input tax credit for the said months.

9.3 To ensure uniformity in the implementation of the said provisions across the field formations, it was proposed to issue a Circular to clarify various issues arising out of implementation of the said Notification. It was proposed to re-iterate that the clarifications issued earlier vide Circular No. 123/42/2019 – GST dated 11.11.2019 shall still remain applicable, except for the cumulative application as prescribed in proviso to sub-rule (4) of rule 36 of the CGST Rules. Accordingly, all the taxpayers should be advised to ascertain the details of invoices uploaded by their suppliers under sub-section (1) of section 37 of the CGST Act for the periods of February, March, April, May, June, July and August, 2020, till the due date of furnishing of the statement in FORM GSTR-1 for the month of September, 2020 as reflected in GSTR-2As.

9.4 Taxpayers may also be advised to reconcile the ITC availed in their FORM GSTR-3Bs for the period February 2020 to August, 2020 with the details of invoices uploaded by their suppliers for the said months, till the due date of furnishing **FORM GSTR-1** for the month of September, 2020. The cumulative

amount of ITC availed for the said months in **FORM GSTR-3B** should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act, till the due date of furnishing of the statements in **FORM GSTR-1** for the month of September 2020.

9.5 It was also proposed to clarify that availability of 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act does not mean that the total credit can exceed the tax amount as reflected in the total invoices for the supplies received by the taxpayer i.e. the maximum credit available in terms of provisions of Section 16 of the CGST Act. Also the excess ITC availed arising out of reconciliation during this period, if any, shall be required to be reversed in Table 4(B)(2) of FORM GSTR-3B, for the month of September, 2020. Failure to reverse such excess availed ITC on account of cumulative application of sub-rule (4) of rule 36 of the CGST Rules would be treated as availment of ineligible ITC during the month of September, 2020.

9.6 The proposal was put before the GIC and the GIC approved the proposal.

Agenda Note 2: Annual Return (GSTR-9) and Reconciliation Statement (GSTR 9C) for FY 2018-19

10.1 In the Agenda Note it has been mentioned that vide Notification No. 69/2020 – Central Tax, dated 30.09.2020, the due date for furnishing of the Annual return for the FY 2018-19 had been extended till 31.10.2020.

10.2 Certain representations have been received stating that the auto populated GSTR 9 for the year 2018-19 (Tables 4, 5, 6 and 7) also includes the data for FY 2017-18. However, this information for FY 2017-18 had already been furnished by the taxpayers in the annual return (GSTR9) filed for FY 2017-18 and there was no mechanism to show the split of two years (2017-18 & 2018-19) in FORM GSTR-9 for 2018-19.

10.3 In this regard, it was proposed to clarify through issuance of a press release that the taxpayers are required to report only the values pertaining to Financial Year 2018-19 in the annual return for FY 2018-19 and that values pertaining to Financial Year 2017-18, which might have already been reported or adjusted, were to be ignored. No adverse view should be taken in cases where there are variations in returns for taxpayers who have already filed their **GSTR-9** of Financial Year 2018-19 by including the details of supplies and ITC pertaining to Financial Year 2017-18 in the Annual return for FY 2018-19. It was also proposed to emphasize that furnishing of the Annual return in FORMGSTR-9/9A is mandatory only for taxpayers with aggregate annual turnover above Rs. 2 Cr. while reconciliation statement in FORM GSTR-9C is to be furnished only by the registered persons having aggregate turnover above Rs. 5 Cr.

10.4 The proposal to issue the press release was placed before the GIC and the GIC approved the proposal.

Decisions and Minutes of the 36th GIC Meeting held on 03rd November 2020

11. The 36th Meeting of the GST Implementation Committee (GIC) was held via Cisco WebEx on 03rd November 2020 from 11:00 am onwards

12. The agenda items were circulated through email among Members of GIC, were discussed and decisions taken are as under:

Agenda Item 1: Quarterly Return and Monthly Payment Scheme

13.1 The proposal before the GIC for approval was based on the recommendation of the GST Council. In its 42nd meeting held on 5th October 2020, the GST Council had recommended a Quarterly Return and Monthly Payment Scheme for registered persons having turnover up to Rs.5 Crore, with a slightly modified approach based on existing return system itself. It was recommended that the scheme be implemented with effect from **01.01.2021**. As approved by the council earlier in this regard, under the proposed approach also such registered persons will have option to file quarterly **GSTR-1** and **GSTR-3B**. Payment of tax for month M1 and M2 of the quarter will be through normal challan PMT-06 representing their liability (net of ITC) for the month.

13.2 Agenda note was placed before the GIC for deliberation and approval of Rules, Notifications and Circular for implementation of the recommendations of the GST Council. It was proposed to issue Rules, Circular and notifications at an early date so that all the taxpayers were informed well in advance before the scheme gets rolled out. Any feedback received, within the contours of the scheme, could then be deliberated and resolved before 1st January 2021.

13.3 **Decision:** The GIC approved the five draft Notifications and draft amendments to Rules dealing with return subject to vetting by Ministry of Law & Justice. GIC also approved the draft Circular on Quarterly Return and Monthly Payment Scheme.

Agenda Item No.2: Agenda for mandatorily furnishing HSN Code at 8-digit level in invoice and Form GSTR-1 for 32 scheduled chemicals of Chemical Weapon Convention

14.1 The proposal before the GIC for approval was based on the recommendation of the Law Committee meeting held on 25.06.2020 that mandate 8-digit HSN Code for all categories of notified supplies for all classes of taxpayers both in invoice and in **FORM GSTR-1**. Further, GST Council in its 42nd meeting held on 05.10.2020 recommended to amend proviso to rule 46 of the CGST Rules, 2017 to seek HSN Code for a class of supplies irrespective of turnover in the invoice. The said amendment was done vide Notification No. 79/2020-Central Tax dated 15.10.2020.

14.2 In view of the above it was proposed to –

- (i) issue a notification under proviso of rule 46 to notify that for the said chemicals, HSN Code at 8-digit level shall be provided in the invoice.
- (ii) amend instruction no. 16 & 17 of **FORM GSTR-1** so as to make HSN code at 8-digit level made mandatory for the supply of said chemicals.

14.3 **Decision:** The GIC, approved to:

- (i) issue a notification under proviso of Rule 46 of CGST Rules 2017 to notify that for the said chemicals, HSN Code at 8-digit level shall be provided in the invoice, and

(ii) amend concerned instruction in Form GSTR-1 so as to make HSN code at 8-digit level made mandatory for the supply of said chemicals.

Agenda Item No.3: Extension of due date for filing Form GST ITC-04 for the July 2020-September 2020.

15.1 The proposal before the GIC for approval was that GSTN has *vide* email dated 25th October, 2020 informed that the taxpayers are not able to file their quarterly statement **GST ITC-04** under rule 45 of the CGST Rules 2017, for furnishing details of goods sent for job work, received back or supplied from the premises of job worker etc for the quarter **July, 2020 - September 2020** which was due date on **25th October, 2020**.

15.2 Hence, in view of above, it was proposed that the **due date for filing of FORM ITC-04** for the July- September 2020 may be extended till **30th November 2020** so that taxpayers are able to file the said statement. Accordingly, the approval of GIC was sought for the proposal above.

15.3 **Decision:** The GIC approved the proposal and the Draft Notification for extension of the due date for filing of Form ITC-04 for the Quarter July-September 2020, to 30th November 2020.

Agenda Item No.4: Roll out second phase of e-invoicing for the taxpayers having aggregate turnover exceeding Rs.100 crores from 01st January 2021.

16.1 In the agenda note before GIC, it was mentioned that e-invoicing for B2B supplies by taxpayers having aggregate turnover above Rs 500 crore in any of the preceding financial years from 2017-18 onwards, with few exemptions, has already been mandated with effect from 1st October 2020 *vide* Notification no. 13/2020-Central Tax dated 21st March, 2020 read with Notification 61/2020-Central Tax, dated 30th July, 2020.

16.2 It was proposed that from 01st January 2021 second phase of e-invoicing may be rolled out for the taxpayers having aggregate annual turnover exceeding Rs. 100 Cr. in any of the preceding financial years from 2017-18 onwards. It was further proposed that a press release may be issued to inform taxpayers of next phase well in advance.

16.3 The proposal was put before the GIC and the GIC approved the proposal.

Decision by Circulation – 29 November 2020

Agenda Note: Waiver of penalty for issuing invoice without dynamic QR Code from 01.12.2020 to 31.03.2021.

18.1 In the Agenda Note it has been mentioned that *vide* notification No. 72/2019-Central Tax dated 13.12.2019 it was notified that every registered person whose aggregate turnover exceeds 500 Crores in a financial year, was mandatorily required to capture a Quick Response ('QR') code on every tax invoice issued to unregistered customers, i.e. for B2C supplies, along with other mandatory fields required on such tax invoices with effect from 1st April 2020.

18.2 It was further stated that the requirement of issuing invoice having QR code emanates from the sixth proviso to rule 46, which reads as below:

“Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response(QR) Code.”

18.3 Accordingly, notification No 14/2020-Central Tax, dated 21st March 2020 had been issued which requires dynamic QR code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f 01.12.2020. Non-issuance of B2C invoice with QR code by the said class of registered person u/s 125 of the CGST Act, 2017 would result in a general penalty up to twenty-five thousand rupees. However, the Government has the power to waive the penalty under section 128 of the CGST Act, 2017 that reads as stated below:

“128. The Government may, by notification, waive in part or full, any penalty referred to in section 122 or section 123 or section 125 or any late fee referred to in section 47 for such class of taxpayers and under such mitigating circumstances as may be specified therein on the recommendations of the Council.”

18.4 Accordingly, it was proposed that:

(i) The date of implementation of dynamic QR code on B2C invoice may not be extended from 01.12.2020

(ii) The penalty payable under section 125 of the CGST Act, 2017 for non-compliance of the provisions of the notification No. 14/2020- Central Tax, dated 21st March 2020 as amended may be waived for the period from 01.12.2020 to 31.03.2021, subject to the condition that the said persons comply with the provisions of the said notification from 01.04.2021.

18.5 The proposal was put before the GIC and the GIC approved the proposal.

Decision by Circulation – 04 December 2020

Agenda Note: Waiver of Recording of UIN for Foreign Diplomatic Missions/UN Organizations

19.1 In the Agenda Note it had been mentioned that section 55 of the CGST Act, 2017 read with Rule 95 of the CGST Rules, 2017 provides special status to Foreign Diplomatic Missions/UN organizations, whereby UIN entities were granted UIN which was different from GSTIN. Refund for the Foreign Diplomatic Missions/UN Organizations was given to them for the tax paid by them on their purchases based on the terms of reciprocity which were specific to countries. UIN entities provide a statement of invoices while filing quarterly returns in their FORM GSTR-11. It was stated that recording of UIN on the invoice was a necessary condition under Rule 46 of the CGST Rules, 2017.

19.2 Further, it was stated that in the past it had been reported that many of the retailers/vendors to Foreign Diplomatic Missions/UN Organizations had been declining supply of goods or services to Foreign Diplomatic Missions/UN organizations on the premise that such UIN is not a valid GSTIN and therefore cannot be recorded in their invoices. Due to this non-compliance, UIN entities weren't eligible for a refund as per Section 55 of CGST Act, 2017. In order to facilitate refunds to Foreign Diplomatic missions/UN Organizations, a waiver of non-recording of UINs on invoices issued by the retailers/other suppliers, has been given earlier from time to time. The latest waiver was extended till 31st March 2020 issued vide

corrigendum dated 06.09.2019 to the circular no 63/37/2018-GST dated 14.09.2018 with adequate safeguards.

19.3 Besides, it was also stated that the matter was discussed with MEA on 6th October 2020 with Retailers Association of India (RAI) & MEA on 8th October 2020 in a joint meeting. In the said meeting, RAI had informed that since the format of UIN & GSTIN was different and the latter had prefixed alphanumeric arrangement, the retailers, in general, were not able to accommodate UIN format in their systems. RAI requested that UIN format could also be changed on the lines with GSTIN format. Further MEA suggested for issuance of Sub-UIN to only those diplomats/consular who hold a diplomatic card which was issued by MEA.

19.4 Also, it was mentioned that the refund claims from the period April 2020 onwards, involving invoices without having UIN, were put on hold. The same grievances were also informed by MEA in the recent meeting. Therefore, it was proposed that a waiver from the recording of UIN on invoices may be given for one more year from 1st April 2020 to 31st March 2021 with the adequate safeguard that the hard copy of invoice submitted for a claim of refund shall be attested by the authorised representative of Foreign Diplomatic missions/UN Organizations.

19.5 It was further mentioned that a draft circular regarding the above matter was placed before the Law Committee in its meeting on 11.11.2020. The draft circular was recommended by LC for extension of the waiver of the recording of UIN for Foreign Diplomatic Missions/UN Organizations from 1st April 2020 to 31st March 2021 with the adequate safeguard as mentioned above. LC also observed that GSTN might subsequently undertake discussion with MEA to find a solution on the above stated matter.

19.6 The proposal was put before the GIC and the GIC approved the proposal.

Decision by Circulation – 07 December 2020

Agenda Note: Extension of Due Dates for Compliances and Actions in Respect of Anti-Profiteering Measures under GST

20.1 In the Agenda Note it had been mentioned that a reference dated 24.11.2020 has been received from the Chairman, National Anti-Profiteering Authority (GST) on the above subject wherein it has been said that there had been a delay in granting Personal Hearing (PH) to parties being investigated for profiteering on account of COVID-19 pandemic. Due to Pan-India restrictions on the movement and non-availability of video-conferencing infrastructure or know-how with the parties concerned, PH could not be held in around 60 cases. Also, the parties were not able to share the data summoned by the DGAP (Directorate General of Anti-profiteering) for investigation due to closure of the offices of the parties or the absence of requisite staff at their disposal. Accordingly, NAA has requested to grant a further extension from the current deadline of 30.11.2020 to 31.03.2021) in respect of statutory deadlines under anti-profiteering law.

20.2 In this regard, reference was invited to notification No. 35/2020 – Central Tax dated 03.04.2020 as amended by notification No. 55/2020 – Central Tax dated 27.06.2020 and further amended by notification No. 65/2020 – Central Tax dated 01.09.2020 *vide* which any time limit for completion or compliance of any action, by any authority or by any person, under section 171 of the GST Act, which falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020 was extended up to the 30th day of November, 2020.

20.3 It was further mentioned that the provisions related to anti-profiteering measures were contained in section 171 of the CGST Act read with rules 122 to 137 of the CGST Rules. Sub-rule (6) of rule 129 deals with the timelines of initiation and conduct of proceedings and specifies that investigation should be completed within a period of six months from the receipt of the reference, which might be extended by a period of three months.

20.4 Further, it was also stated that if the request for an extension was granted, it would require the issuance of notification in exercise of powers conferred by section 168A of the CGST Act, 2017 in order to carry out the following changes to the proviso to clause (i) of the first para of notification No. 35/2020 – Central Tax dated 03.04.2020 read with Notification No.65/2020-CT dated 01-09-2020:

“where, any time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under section 171 of the said Act, which falls during the period from the 20th day of March, 2020 to the 30th day of March, 2021, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended up to the 31st day of March, 2021.”.

20.5 The proposal was put before the GIC and the GIC approved the proposal.

Decision in the 37th Meeting of GIC – 15 December 2020

Agenda item 1: Notifying provisions of the Finance Act, 2020 relating to amendment of various sections of the CGST Act.

21.1 The proposal before the GIC for approval was that *vide* the Finance Act, 2020 (No. 12 of 2020), various sections of the CGST Act and Section 25 of Integrated Goods and Services Tax Act, 2017 (IGST Act) had been amended. A specific reference was invited to sub-section (2) of section 1 of the Finance Act, 2020, along with corrigenda, which states that sections 118 to 131 and 134 of the Finance Act, 2020 shall come into force on such date as the Central Government may appoint by way of a notification in the official Gazette. The Sections 118, 125, 128, 129 and 130 of the Finance Act, 2020 have already been enacted. In view of the same, it was proposed that the following remaining provisions of the Finance Act, 2020 (No. 12 of 2020) may be notified with effect from 01.01.2021:

S.No.	Finance Act 2020 section	CGST/ IGST Act 2017 section	Purpose of Amendment and reason for carrying out the amendment
1.	119	10 of CGST	Clauses (b), (c) and (d) of sub-section (2) of the section 10 of the CGST Act is amended to harmonize the conditions for eligibility for the Composition scheme under sub-section (1) and sub-section (2A) of section 10 of the CGST Act
2.	120	16 of CGST	Sub section (4) of the section 16 of the CGST Act is amended to delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit.

S.No.	Finance Act 2020 section	CGST/IGST Act 2017 section	Purpose of Amendment and reason for carrying out the amendment
3.	121	29 of CGST	Clause (c) of sub-section (1) of section 29 of the CGST Act is amended to provide for cancellation of registration which has been obtained voluntarily under sub-section (3) of section 25.
4.	122	30 of CGST	A proviso to sub-section 1 of section 30 of the CGST Act is inserted to empower the jurisdictional tax authorities to extend the date for application of revocation of cancellation of registration in deserving cases.
5.	123	31 of CGST	Section 31 of the CGST Act is amended to provide enabling provision to prescribe the manner of issuance of invoices in case of supply of taxable services.
6.	124	51 of CGST	Section 51 of the CGST Act is amended to remove the requirement of issuance of TDS certificate by the deductor; and to omit the corresponding provision of late fees for delay in issuance of TDS certificate.
7.	126	122 of CGST	Section 122 of the CGST Act is amended by inserting a new sub-section to make the beneficiary of the transactions of passing on or availing fraudulent Input Tax Credit liable for penalty similar to the penalty leviable on the person who commits such specified offences.
8.	127	132 of CGST	Section 132 of the CGST Act is amended to make the offence of fraudulent availment of input tax credit without an invoice or bill a cognizable and non-bailable offence; and to make any person who commits, or causes the commission, or retains the benefit of transactions arising out of specified offences liable for punishment.
9.	131	Schedule II	Entries at 4(a) & 4(b) in Schedule II of the CGST Act are amended w.e.f. 01.07.2017 to make provision for omission of supplies relating to transfer of business assets made without any consideration from Schedule II of the said Act.

The enactment of the corresponding amendments was still pending as on 15-12-2020 only with 3 States namely West Bengal, Arunachal Pradesh & Nagaland.

21.2 **Decision:** It was decided that the provisions of Finance Act, 2020 (No. 12 of 2020) as enumerated in paragraph 3 above be notified with effect from 01.01.2021.

22. Remaining three States, if they did the amendment later than the given date, would be requested to do it with retrospective effect so that the date of implementation remains 01.01.2021.

Agenda Item No.2: Agenda note for the approval of the GIC regarding Waiver of Late Fee for FORM GSTR-4 filing in UT Ladakh for the Financial Year 2019-20

23.1 The proposal before the GIC for approval was that late fee in delay in furnishing return in **FORMGSTR-4** for the registered person having principal place of business in Union Territory of Ladakh may be waived for the period 01st November 2020 to 31st December 2020. Implementation of the decision would require issuance of notification for waiver of late fee in filing **FORMGSTR-4** return to the taxpayers for Financial Year 2019-20.

23.2 **Decision:** GIC approved the waiver of Late Fee for delay in furnishing **FORM GSTR-4** for the registered persons having principal place of business in UT of Ladakh for the Financial Year 2019-20 for the period 01st November 2020 to 31st December 2020 and approved issuance of notification to this effect

Agenda Item No.3: Proposal for amendment in CGST Rules, 2017

24. The proposal before the GIC for approval was that Law Committee (LC), in its various meetings had deliberated upon several issues and recommended changes in various provisions viz. Rule 8, 9, 21, 21A, 22, 36, 59, 86B, 138, 138E of the Central Goods and Services Tax Rules, 2017. These changes were primarily arising out of following two Agenda Notes placed before the Law Committee stated as under:

- (a) Agenda note on countermeasures against fake invoices
- (b) Agenda Note brought by UP on provisions of e-way Bill

25.1 Amendment to rule 8:

25.1.1 The proposal before the GIC for approval was that in case the applicant had opted for Aadhaar authentication, he must undergo biometric-based Aadhaar authentication at one of the Facilitation Centres notified by the Commissioner. In case the applicant has not opted for Aadhaar authentication, the application must be followed by taking biometric information and verification of such other KYC documents, as notified, at verification centres. This verification process may also include taking photograph and verification of the original copy of the documents uploaded with the application in **FORM GST REG-01. The amendment shall come into effect from a date to be notified.**

25.1.2 **Decision:** The GIC agreed to the Amendments in Rule 8 for in person verification as proposed and the same to be made effective from a date to be notified.

25.2 Amendment to rule 9:

25.2.1 The proposal before the GIC for approval was that even in cases where a person successfully undergoes authentication of Aadhaar number, physical verification may be carried out in certain cases with the approval of an officer, authorized by the Commissioner. Thus, in Rule 9 the proposal for Amendment of (a) Sub-rule (1): 7 working days in place of 3 working days (b) Proviso to Rule 9(1): the word “only” to be deleted (c) Sub-rule (2): 30 days in place of to 21 days, and (d) Sub-rule (5): both 7 working days and 30 days in place of the earlier versions, was submitted to GIC.

25.2.2 The proposal was put before the GIC and the GIC approved the proposal.

25.3 **Amendment to rule 21:**

25.3.1 The proposal before the GIC for approval was that the registration to be also liable for cancellation in cases where input tax credit was availed in violation of Section 16 of Central Goods and Services Tax Act, 2017. Further, it was proposed that in cases where the details of outward supplies in FORM GSTR-1 were in excess than the outward supplies declared in FORM GSTR-3B, for one or more tax periods, such cases may be added to the grounds of cancellation of registration. It was proposed that violation of provision of the proposed rule 86B shall also be a ground for cancellation of registration

25.3.2 **Decision:** The Members of GIC agreed to the Amendments in Rule 21 as proposed

25.4 **Amendment to rule 21A and 22:**

25.4.1 The proposal before the GIC for approval was that Rule 21A may be amended by inserting sub-rule (2A) which would provide certain additional grounds for suspension of registration. It was proposed that where on comparison of the returns furnished by a registered person under Section 39 with: -

(a) the details of outward supplies furnished in **FORM GSTR-1**; or

(b) the details of inward supplies derived based on the details of outward suppliers furnished by his suppliers in their **FORM GSTR-1** or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences his registration shall be suspended. However, the suspension of registration issued under this rule may be revoked by the proper officer in case the difference is justified by the person.

25.4.2 During the period when the registration is suspended under this rule, it was proposed that no refund be sanctioned to the taxpayer whose registration was suspended. Moreover, suspension needed to be immediate to prevent passing on of fake input tax credit. Since Rule 22 for cancellation of registration already provided adequate safeguard in form of requirement of issuance of a notice to the person before registration is cancelled, opportunity to be heard may not be given before suspension.

25.4.3 It was further proposed that since Rule 21A is proposed to be amended as discussed above, suitable consequential amendment is required in Rule 22 which lists the procedure for cancellation of registration.

25.4.4 **Decision:** GIC approved the Amendments to Rule 21A and Rule 22 as proposed.

25.5 **Amendment to Rule 36:**

25.5.1 The proposal before the GIC for approval was that limit of 10 percent in Rule 36(4) may further be reduced to 5 percent w.e.f. 01.01.2021. Further, consequent to the implementation of QRMP scheme and facility of IFF with effect from 01.01.2021, reference to IFF has also been proposed to be incorporated in this rule.

25.5.2 **Decision:** GIC approved the amendments to Rule 36 as proposed.

25.6 Amendment to Rule 59:

25.6.1 The proposal before the GIC for approval was that a registered person shall not be allowed to furnish **FORM GSTR-1**, if he had not furnished the return in **FORM GSTR-3B** for preceding two months. This was one of the spike rules proposed by GSTN in the Law Committee which was agreed by the Committee members. Similar restriction was proposed to be placed on taxpayers filing quarterly return, with a deviation that restriction on furnishing details of outward supplies in **FORM GSTR-1** shall be imposed if return in **FORM GSTR 3B** was not filed by the taxpayer for the preceding one tax period. It was also proposed to have this restriction for taxpayers covered under rule 86B if he does not file return for preceding tax period.

25.6.2 **Decision:** GIC approved the amendments to Rule 59 as proposed.

25.7 Insertion of Rule 86B:

25.7.1 The proposal before the GIC for approval was that a registered person shall not use the amount available in electronic credit ledger to discharge his liability towards output tax in excess of **ninety-nine per cent** of such tax liability, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds **fifty lakh rupees**. However, if the said person or specified number of partners / directors etc paid more than one lakh rupees as income tax in each of the last two financial years or person had received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilized input tax credit on zero rated supply or on account of inverted duty structure or had discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively upto the said month in the current Financial Year, he shall be exempted. Further, Government Department, Public Sector Undertaking; a local authority; statutory body were also exempted.

25.7.2 **Decision:** GIC approved the proposal, subject to approvals from West Bengal and Haryana, who sought time till 18th December 2020. Subsequently, both the States also accorded their approval to the proposed rule 86B.

25.8 Amendments to Rule 138E and 138 (10):

25.8.1 The Commissioner, GSTPW stated that the amendments as proposed in rule 21A would have a consequential amendment in rule 138E relating to restriction on furnishing of information in PART A of FORM GST EWB-01 during the period of suspension of registration, as recommended by the Law Committee.

25.8.2 Further, he added that various issues and suggestions regarding validity period of E-Way bill had been brought before the LC by Uttar Pradesh to plug the revenue leakages in the GST regime. It had been observed that the validity provided under the Rule 138(1) was very wide and it was possible that a single set of documents and e-way bill may be used for more than one time for transportation of goods. It was noticed by the officers of UP Govt. that in number of cases, a vehicle was intercepted using same invoice and e-way bill, multiple times due to validity of e-way bills being of larger number of days, in view of present provision of validity being one day for every 100 KM. Accordingly, they have recommended amendment in rule 138 (10) of CGST Rules to change the provisions related to validity of e-way bill.

25.8.3 The proposal before the GIC for approval was that Rule 138E & 138(10) may be amended as shown in red.

Sl. No.	Distance	Validity period
1.	Upto 100 200 km.	One day in cases other than Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship
2.	For every 100 200 km. or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship
3.	Upto 20 km	One day in case of Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship
4.	For every 20 km. or part thereof thereafter	One additional day in case of Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship:

25.8.4 **Decision:** GIC approved the amendments to Rule 138E and Rule 138 (10) as proposed.

Decision by Circulation – 22 December 2020

26.1 In the Agenda Note it has been mentioned that the last date for filing Annual returns specified under section 44 of the CGST Act for the financial year 2019-20 is 31st December 2020, while the last date for filing Annual Returns pertaining to the Financial year 2018-19, as extended vide Notification No. 80/2020-Central tax dated 28th October 2020 is also 31st December 2020.

26.2 The said return / FORM GSTR-9 for the year 2019-20 was amended vide notification No.79/2020-Central Tax, dated 15th October 2020. GSTN has informed that the amended GSTR-9 for 2019-20 has been made available on the portal and it would be accessible to all taxpayers by the night of 14.12.2020. It was therefore desired that the last date for the Annual Return for 2019-20 be extended by at least 2-3 months.

26.3 It was further stated that the Law Committee in its meeting held on 14th December 2020 deliberated on the issue of extension of due date for filing of Annual Return for the Financial Year 2019-20 and had recommended that the last date for filing of the Annual Return for 2019-20 be extended to 31.03.2021. Revised proposal was placed before the GIC to extend the due date of filing the Annual return for FY 2019-20 from 31.12.2020 to 28.02.2021 and the same was approved.

26.4 The proposal was put before the GIC and the GIC approved the proposal.

Decisions and Minutes of the 38th GIC Meeting held on 12 Jan 2021

The 38th Meeting of the GST Implementation Committee (GIC) was held via WebEx on 12 January 2021 from 03:00PM onwards.

27. The agenda items circulated through email among Members of GIC, were discussed and decisions taken are as under:

Agenda 1: Suspension of Registration on Basis of changes Introduced vide Notification No.-94/2020-Central Tax

28.1 The proposal before the GIC for approval was that vide Notification No.-94/2020-Central Tax dated 22.12.2020 Sub-Rule (2A) had been inserted in Rule 21A of the Central Goods and Services Tax Rules, 2017 (CGST Rules, 2017) where in it is mentioned that on comparison of returns or such other analysis, as may be carried out on the recommendations of the Council ,show significant differences or anomalies then registration shall be suspended.

28.2 It was further stated that keeping in view the number of GSTINs and administrative capacity to handle the numbers it was proposed that to start with, GSTINs having certain risk parameters may be suspended centrally through the GST portal under sub rule (2A) of Rule 21A of CGST Rules, 2017

29. **Decision:** The proposal was agreed and it was decided that suspension of GSTINs on certain risk parameters may be done in phased manner with a gap of about 10-14 days. It was also agreed upon that the specific risk parameters based on which the GSTINs registrations are suspended may be kept confidential and may not be placed in public domain.

Agenda Item 2: Proposal for amendments in the Return Related Provisions of the CGST Act, 2017 as Recommended by the GST Council.

30.1 The proposal before the GIC was that the original design of return involved an elaborate process of filing of GSTR-1, 2 & 3 in a sequence which also envisaged inter-linking with back-and-forth flow of invoices. The return related sections viz. Section 37 to 43 of the CGST Act, 2017 was drafted accordingly. However, the return system and linkage could not be established, and GSTR-1-2-3 model were kept in abeyance. Instead, as an interim measure, FORM GSTR-1 and a summary return in FORM GSTR-3B was introduced

30.2 Subsequently, a new return system was envisaged (ANX-1 / ANX-II and RET-01). Section 43A was also inserted into the CGST Act vide CGST Amendment Act, 2018. However, Section 43A has not been notified yet.

30.3 It was further stated that in the 42nd meeting of the GST Council, it was recommended that the present system of GSTR-1 / 3B return filing to be continued and the GST laws may be amended to make the GSTR-1 / 3B return filing system as the default return filing system. The recommendation of the Council, as communicated through the draft minutes, is stated below:

“12. For Agenda 6 the Council took the following decisions:

(iii) Granted in principle approval to make legal changes to replace GSTR-1/2/3 related provisions with the present GSTR-1 / 3B return filing system.

iv. Empowered the Law Committee to deliberate upon the amendments required in the GST Acts and Rules accordingly.”

Accordingly, various provisions that require amendment have been examined by the Law Committee in its meeting held on 16th, 23rd, and 30th December 2020 and has recommended amendment in various provisions of the Act. The same were placed before GIC . The drafting of provisions would be finalized in consultation with the Union Ministry of Law and Justice.

30.4 **Decision:** The members of the GIC agreed with the amendments on merit but suggested that the proposed law amendments may be submitted to the GST Council in its next meeting for approval.

Decision by Circulation- 13 January 2021

Subject: Standard Operating Procedure (SOP) for implementation of the provision of suspension of registrations under sub-rule (2A) of rule 21A of CGST Rules, 2017

31.1 In the agenda note it was stated that vide notification No. 94/2020- Central Tax, dated 22.12.2020, sub-rule (2A) has been inserted to rule 21A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) which provides for immediate suspension of registration of a person, as a measure to safeguard the interest of revenue, on observance of such discrepancies / anomalies which indicate violation of the provisions of Act and Rules made thereunder; and that continuation of such registration poses immediate threat to revenue.

31.2 Sub-rule (2A) of Rule 21A is reproduced hereunder:

“(2A) Where, a comparison of the returns furnished by a registered person under section 39 with

(a) the details of outward supplies furnished in **FORM GSTR-1**; or

(b) the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their **FORM GSTR-1**,

or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in **FORM GST REG-31**, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.”;

31.3 Till the time an independent functionality for **FORM REG-31** is developed on the portal, in order to ensure uniformity in the implementation of the provisions of above rule across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017, provided certain guidelines for implementation of the provision of suspension of registrations under the said rule.

31.4 On the recommendation of the Council, the registration of specified taxpayers shall be suspended, and system generated intimation for suspension and notice for cancellation of registration in **FORM GST REG-31**, containing the reasons of suspension, shall be sent to such taxpayers on their registered e-mail address. Till the time functionality for FORM REG-31 is made available on portal, such notice/intimation shall be made available to the taxpayer on their dashboard on common portal in **FORM GST REG-17**. The taxpayers will be able to view the notice in the “View/Notice and Order” tab post login.

31.5 The taxpayers, whose registrations are suspended under the above provisions, would be required to furnish reply to the jurisdictional tax officer within thirty days from the receipt of such notice / intimation, explaining the discrepancies/anomalies, if any, and shall furnish the details of compliances made or/and the reasons as to why their registration shouldn't be cancelled:

- a. The said person would be required to reply to the jurisdictional officer against the notice for cancellation of registration sent to them, in **FORM GST REG-18** online through Common Portal withing the time limit of thirty days from the receipt of notice/ intimation.
- b. In case the intimation for suspension and notice for cancellation of registration is issued on ground of non -filing of returns, the said person can file all the due returns and submit the response. Similarly, in other scenarios as specified under **FORM GST REG-31**, they may meet the requirements and submit the reply.

31.6 Post issuance of **FORM GST REG-31** via email, the list of such taxpayers would be sent to the concerned Nodal officers of the CBIC/ States. Also, the system generated notice can be viewed by the jurisdictional proper officers on their Dashboard for suitable actions. Upon receipt of reply from the said person or on expiry of thirty days (reply period), a task would be created in the dashboard of the concerned proper officer under “**Suo moto cancellation proceeding**”.

31.7 Proper officer, post examination of the response received from the said person, may pass an order either for dropping the proceedings for suspension/ cancellation of registration in **FORM GST REG-20** or for cancellation of registration in **FORM GST REG-19**. Based on the action taken by the proper officer, the GSTIN status would be changed to “Active” or “Cancelled Suo-moto” as the case maybe

31.8 Till the time independent functionality for **FORM GST REG-31** is fully ready, it is advised that if the proper officer considers it appropriate to drop a proceeding anytime after the issuance of **FORM GST REG-31**, he may advise the said person to furnish his reply on the common portal in **FORM GST REG-18**.

31.9 It is advised that in case the proper officer is prima-facie satisfied with the reply of the said person, he may revoke the suspension by passing an order in **FORM GST REG-20**. Post such revocation, if need be, the proper officer can continue with the detailed verification of the documents and recovery of short payment of tax, if any. Further, in such cases, after detailed verification or otherwise, if the proper officer finds that the registration of the said person is liable for cancellation, he

can again initiate the proceeding of cancellation of registration by issuing notice in **FORM GST REG-17**.

31.10 The proposals were put before the GIC and the GIC approved the proposals.

Decision by Circulation – 19 January 2021

Agenda: Corrigendum to Circular No. 125/44/2019-GST dated 18th November, 2019 issued vide F. No. CBEC/20/16/4/2018-GST

32. In the Agenda note it has been stated that various representations have been received from the field formations and the trade/industry relating to refunds which need to be immediately addressed to ensure the uniformity in the implementation of the provisions of law across field formations. The various issues raised are enumerated as under:

33. Clarification in respect of refund claim by recipient of Deemed Export Supply

33.1 It was further mentioned that representations have been received in respect of difficulties being faced by the recipients of the deemed export supplies in claiming refund of tax paid in respect of such supplies since the system is not allowing them to file refund claim under the aforesaid category unless the claimed amount is debited in the electronic credit ledger.

33.2 Para 41 of Circular No. 125/44/2019 – GST dated 18/11/2019 has placed a condition that the recipient of deemed export supplies for obtaining the refund of tax paid on such supplies shall submit an undertaking that he has not availed ITC on invoices for which refund has been claimed. Thus, the recipient of deemed export supplies cannot avail ITC on such supplies but when they proceed to file refund on the portal, the system asks them to debit the amount so claimed from their electronic credit ledger.

33.3 The 3rd proviso to Rule 89(1) of CGST Rules, 2017 allows for refund of tax paid in case of a deemed export supply to the recipient of the deemed export supplies or the supplier of deemed export supplies. The said proviso is reproduced as under:

“Provided also that in respect of supplies regarded as deemed exports, the application may be filed by, -

(a) the recipient of deemed export supplies; or

(b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund”

From the above, it can be seen that there is no restriction on recipient of deemed export supplies in availing ITC of the tax paid on such supplies when the recipient files for refund claim.

33.4 Therefore, it was proposed that the Circular No. 125/44/2019-GST date 18.11.2019 may be modified to remove the said condition from the undertaking that no ITC has been availed on such invoices. The issue was discussed in the meeting of the Law Committee held on 30.09.2020 wherein the Law Committee has recommended the following:

- I) For Short term, the condition prescribed in para 41 regarding non-availment of ITC by the recipient of deemed export supplies may be deleted.

- II) However, the Law Committee proposed that this issue needs to be re-examined for sanction of refund to recipients under Section 55 in the long-term and the detailed proposal for refund on deemed exports to be placed before Law Committee.

33.5 Accordingly, the proposal was to remove the said condition of submission of an undertaking by recipient of deemed export supply regarding the non-availment of ITC on the invoices pertaining to deemed export supplies as approved by the Law Committee as a short-term measure. A detailed proposal for refund of deemed export supplies under Section 55 of the CGST Act 2017 would be prepared and placed before the Law Committee in due course.

34. The proposal was put before the GIC and the GIC approved the proposal.

Extension of relaxation for filing refund claim in cases where zero-rated supplies has been wrongly declared in Table 3.1(a).

35.1 Para 26 of Circular No. 125/44/2019-GST dated 18th November 2019 gave a clarification in relation to cases where taxpayers had inadvertently entered the details of export of services or zero-rated supplies to a Special Economic Zone Unit/Developer in table 3.1(a) instead of table 3.1(b) of FORM GSTR-3B of the relevant period and were unable to claim refund of the integrated tax paid on the same through FORM GST RFD-01A. This was because of a validation check placed on the common portal which prevented the value of refund of integrated tax/cess in FORM GST RFD-01A from being more than the amount of integrated tax/cess declared in table 3.1(b) of FORM GSTR-3B. The said Circular clarified that for the tax periods from 01.07.2017 to 30.06.2019, such registered persons shall be allowed to file the refund application in FORM GST RFD-01A on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the tables 3.1(a), 3.1(b) and 3.1(c) of FORM GSTR-3B filed for the corresponding tax period.

35.2 Since the clarification issued vide the above Circular was valid only from 01.07.2017 to 30.06.2019, taxpayers who committed these errors in subsequent periods were not able to file the refund applications in FORM GST RFD-01A/ FORM GST RFD-01. The issue was discussed in the meeting of the Law Committee held on 30.09.2020 wherein it was recommended that the said facility may be extended in respect of periods till 31.03.2021.

35.3 The proposal was put before the GIC and the GIC approved the proposal.

Amendment of Annexure-A of the Circular No.125/44/2019-GST dated 18-11-2019.

36. Requirement of submission of Certificate provided under Clause (b) of sub-section (4) of Section 54

36.1 Sub-section (4) of Section 54 provides for the documents which shall be provided with the refund application. Sub-section (4) of Section 54 is reproduced, as under:

“(4) The application shall be accompanied by—

(a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and

(b) such documentary or other evidence (including the documents referred to in section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected

from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person:

Provided that where the amount claimed as refund is less than two lakh rupees, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.”

36.2 Sub-section (8) of Section 54 of CGST Act 2017 provides for the cases where the refund amount would be paid to the applicant, instead of being credited to the Consumer Welfare Fund, the same is reproduced, as under:

“(8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—

(a) [refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports;]

(b) refund of unutilised input tax credit under sub-section (3);

(c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;

(d) refund of tax in pursuance of section 77;

(e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or

(f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.”

36.3 Rule 89 of CGST Rules 2017 provides for manner and procedure for filing application for refund except for refund of integrated tax paid on goods exported outside India. As per the provisos of clause (l) and (m) of sub-rule (2) of rule 89, the declaration or certificate regarding incidence of tax has not been passed on to any other person is not required in claims covered under the clause (a), (b), (c), (d) and (f) of Section 54 (8) of CGST Act 2017. Clause (l) and (m) of Rule 89 (2) is reproduced as under:

“(l) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees:

Provided that a declaration is not required to be furnished in respect of the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54;

(m) a Certificate in Annexure 2 of FORM GST RFD-01 issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

Provided that a certificate is not required to be furnished in respect of cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of subsection (8) of section 54;”

36.4 From the above, it can be seen that the requirement for furnishing the said declaration is not required in cases of exports, Zero-rated supplies, Advances, inverted duty structure, payment under wrong head etc. However, representations have been received from the trade/industry wherein they have informed that the claims pertaining to refund of unutilised ITC on account inverted duty structure has been rejected on account of non-submission of the declaration/ certificate prescribed under clause (l)/ (m) of Rule 89 (2) as the said requirement of submission of the said declaration/certificate has been specified in the Annexure A of the Circular No. 125/44/2019-GST dated 18.11.2019 which specifies the List of all statements/declarations/undertakings/certificates and other supporting documents to be provided along with the refund application.

36.5 On perusal of the facts stated above, it appears that the requirement of said declaration/certificate in the cases relating to inverted duty has been wrongly mentioned and if approved, the same may be corrected by removing the said requirement.

37. Requirement for uploading copy of GSTR 2A.

Representations are being received from the trade stating that they are not able to upload GSTR-2A in the limited space 5 MB for each document (Maximum 10 documents of 5 MB each can be uploaded) provided on the portal. However, the refund sanctioning authority is not processing the refund until the copy of GSTR-2A is uploaded. Further, in cases where GSTR-2A is of size bigger than 5 MB, it creates an option for manual interface. Further, it has been learnt that GSTR-2A has been made visible to the refund sanctioning authority. Therefore, there appears no need for seeking copy of GSTR-2A for the claimant.

38. Requirement for furnishing the statement of invoices pertaining to missing invoices.

38.1 In view of the clarification issued vide Circular No. 135/5/2020-GST dt 31.03.2020 vide which refund has been restricted to the amount of ITC reflected in the GSTR-2A, it is proposed to remove the condition of requirement for uploading missing invoices. However, in case of refund on account of inverted duty structure or unutilised ITC, requirement for uploading the details of the inward supplies may be continued as the said statement provides the information regarding the nature of inward supply i.e. whether it is input, input services or capital goods.

38.2 Further, it was observed that undertaking as per second and third proviso of sub-section (3) of Section 54 has been prescribed even in cases pertaining to refund of tax paid on the zero-rated supplies. However, the refund under sub-section (3) of Section 54 is pertaining to refund of unutilised ITC. Therefore, it was proposed to remove the requirement of such undertakings in case of refund of tax paid on zero-rated supplies.

39. Accordingly, it was proposed that the Annexure- A of Circular 125/44/2019-GST dated 18.11.2019, may be amended to the extent of corrections mentioned in above paras. Incorporating the proposed amendments, the amended Annexure 'A' was placed before the officers. The issue was discussed in the meeting of the Law Committee held on 30.12.2020 wherein it was approved.

40. **Decision:** The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 5 February 2021

Agenda: Implementation of Phase 2 of Aadhaar Authentication in Registration under GST

41.1 In the agenda note it was stated that in the 36th & 37th GST Council Meeting, it was recommended that in order to ensure that registration under GST is given only to genuine tax-payers, registration would be granted on the basis of Aadhaar authentication. Accordingly, in the first phase, with effect from 21.08.2020, Aadhaar authentication while applying for new registration of following category of taxpayers has been implemented in the first phase:

- (a) Proprietor, in case of proprietorships business;
- (b) Managing/authorized partner in partnerships firms;
- (c) Karta in case of HUF; and
- (d) Authorized signatory of all kind of constitution of business.

42.2 Accordingly, notification No 16/2020, 17/2020, 18/2020 and 19/2020 all dated 23rd March 2020, were issued. Subsequently, notification No. 62/2020 dated 20th August, 2020 was also issued specifying the effective date of starting Aadhaar authentication for the above category of taxpayers w.e.f. 21st August, 2020.

42.3 In the second phase of implementation, it is proposed that Aadhaar authentication for registration would be applicable for all the new applicants seeking registration through **FORM REG-01** (regular & composition Taxpayers), except-

- (a) Govt departments,
- (b) Local authorities,
- (c) Statutory Body,
- (d) PSUs,

42.4 It is also proposed that Aadhaar authentication would be required to be done for primary Authorized Signatory and one person out of Promoter / Partner (1+1).

42.5 In the second phase of implementation, GSTN has also developed a functionality to upload E-KYC documents in case applicants select “NO” option for Aadhaar Authentication. When applicant selects “No” option for Aadhaar authentication, the E-KYC document upload option will be enabled for those applicants, who have selected from ‘Promotor/Partners tab’ and the ‘Primary Authorized Signatory’ (based on 1+1 rule) for e-KYC document upload. Below list of documents can be uploaded as part of E-KYC documents:

- Aadhaar Enrolment Number
- Passport
- EPIC (Voter ID Card)
- KYC Form
- Certificate issued by Competent authority
- Others (as specified)

Uploading the documents would be optional for the taxpayers and processing of registration application would be done in the same manner as in the case of applicants who have not opted for Aadhaar authentication.

42.6 The issue was deliberated by the Law Committee in its meeting dated 14.12.2020 and it was recommended to issue a notification under section 25(6D) of the CGST Act, amending notification No.17/2020 -CT dated 23.03.2020.

42.7 The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 11 February 2021

Agenda: Proposal to Settle an Additional IGST Amount of Rs. 48,000 crores on an Ad Hoc Basis.

43.1 In the Agenda Note it has been mentioned that depending on the amount of IGST remaining to be apportioned, provisional settlement was being done from time to time on an ad-hoc basis. Accordingly, Rs. 35,000 crore was apportioned in February, 2018, Rs. 50,000 crore was apportioned in June, 2018, Rs.12000 crore in August, 2018, Rs. 30,000 crore was apportioned in October,2018, Rs. 18,000 crore was apportioned in December,2018, Rs. 20,000 crore was apportioned in March,2019, Rs.12,000 crore was apportioned in April,2019, Rs. 15,000 crore was apportioned in June'19 and Rs. 6,000 in March'20. These amounts were settled in a ratio of 50:50 to Centre and States and the amount apportioned to States was divided in the ratio of subsumed/ protected revenue.

43.2 It was further stated that based on the collection of IGST upto 31st December 2020, net of refunds and the settlement of IGST during the period, it is proposed to do provisional settlement of Rs. 48,000 crore by appropriating 50% of it to Centre and 50% of it to States. This would reduce the revenue gap of States and the subsequent requirement of Compensation to States.

43.3 The proposal was put before the GIC and the GIC approved the proposal.

Agenda: Issuance of FAQs for Clarifications on Dynamic Quick Response (QR) Code in B2C invoice

44.1 In the Agenda note it was stated that vide notification no. 31/2019 - Central Tax dated 28 June 2019, the sixth proviso was inserted to rule 46 of the Central Goods and Services Tax Rules, 2017 (CGST Rule, 2017), namely: -

“Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response (QR) code”.

44.2 It was further stated that the requirements regarding Dynamic QR Code on GST invoices were prescribed vide Notification No. 14/2020-Central Tax, dated 21 March 2020.

44.3 The objective behind providing a QR Code payment method was to promote the Digital India campaign launched by the Government along with providing measures of ease of doing business. Though this facility empowers the consumers to use digital payment methods, it also brings challenges related to updation / modification in technological /system requirements by banks and suppliers (vendors).

44.4 Besides, it was also mentioned that as per the amendment done vide Notification No. 71/2020-Central Tax, dated 30.09.2020, to the parent Notification No.14/2020-CT dated 21-03-2020, the Dynamic QR Code was implemented from 1st December 2020. But to provide adequate time to trade to

fulfil the requirements and to banks to bring the necessary technological changes, the Government vide Notification No. 89/2020-Central tax, dated 29.11.2020, waived the amount of penalty payable by any registered person under section 125 of the said Act for non-compliance of the provisions of Notification No.14/2020 – Central Tax, dated 21.03.2020, between the period from the 1st December 2020 to the 31st March 2021, subject to the condition that the said person complies with the provisions of the said notification from the 01st April 2021.

44.5 Further, it was also stated that various representations had been received from trade regarding the challenges in the implementation of Dynamic QR Code as per the Notification No. 14/2020-Central Tax dated 21 March 2020 as amended. Trade and Associations have sought clarity regarding various compliance requirements vis-à-vis the implementation of Dynamic QR Code. The issues raised in these representations have been discussed with all stakeholders in consultation with the National Payment Corporation of India (NPCI). A few of the major doubts raised are as follows:

- (a) To whom the notification No 14/2020-Central Tax dated 21 March 2020 is applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?
- (b) What parameters/ details are required to be captured in the Quick Response (QR) Code?
- (c) If a supplier provides/ displays Dynamic QR Code, but the customer opts to make the payment without using Dynamic QR Code, then will the cross-reference of such payment, made without the use of Dynamic QR Code, on the invoice, be considered as compliance of Dynamic QR Code on the invoice?
- (d) If the supplier makes available to customers an electronic mode of payment like UPI Collect, UPI Intent or similar other modes of payments, through mobile applications or computer-based applications, where though Dynamic QR Code is not displayed, but the details of the merchant as well as the transaction are displayed/ captured otherwise, how the requirement of Dynamic QR Code as per this notification can be complied with?
- (e) Is generation/ printing of Dynamic- QR on B2C invoices mandatory for pre-paid, i.e. where advance payment has been made before issuance of the invoice?
- (f) Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with Dynamic QR Code?

44.6 It was also stated that all the issues raised as mentioned above, were discussed in Law Committee meeting held on 28.01.2021 and the Law Committee has approved the draft Circular containing FAQs related to Dynamic QR Code.

44.7 **Decision:** The proposal along with the draft Circular was put before the GIC and the GIC approved the same.

GIC Decision by Circulation 12 February 2021

Agenda: Issuance of Clarification Regarding the Calculation of Adjusted Total turnover under sub-rule (4) of Rule 89 of CGST Rules, 2017

45.1 In the Agenda note it was stated that the definition of '*Turnover of zero-rated supply of goods*' specified under sub-rule (4) of Rule 89 of the CGST Rules 2017 was amended vide Notification No.16/2020-Central Tax dated 23.03.2020, and the same is stated as under:

“Turnover of zero-rated supply of goods” means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;”.

45.2 However, the State of Maharashtra raised the issue that there was a need to clarify as to whether the restriction on value of zero-rated supply of goods to 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, as per the amended definition of ‘Turnover of zero-rated supply of goods’ would also apply in “Adjusted Total Turnover” in the formula given under sub-rule (4) of Rule 89 of CGST Rules, 2017 for calculation of admissible refund amount. In this regard, it was of the view that the turnover of zero-rated supplies taken for calculation of refund amount (as per the amended definition) should form part of Adjusted Total Turnover and not the ‘Turnover of zero-rated supply of goods’ as per books of account.

45.3 The said Agenda Note was examined by GSTPW, CBIC and it was submitted that sub-rule (4) of Rule 89 prescribes the formula for computing the refund of unutilised ITC payable on account of zero-rated supplies made without payment of tax. The formula prescribed under Rule 89 (4) is reproduced below, as under:

“Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover”

45.4 Further, Adjusted Total Turnover has been defined in clause (E) of sub-rule (4) of Rule 89 as under:

“Adjusted Total Turnover” means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services, excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any,

during the relevant period;”

45.5 “Turnover in State or turnover in Union Territory” as referred to in the definition of adjusted total turnover in sub-rule (4) of Rule 89 has been defined under sub-section (112) of Section 2 of CGST Act 2017, as:

“Turnover in State or turnover in Union territory” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess”

45.6 It was further stated that on the examination of the above provisions, it was noticed that “adjusted total turnover” includes “turnover in a state or union territory”, as defined in Section 2(112) of CGST Act. As per Section 2(112), “turnover in a state or union territory” includes turnover/ value of export/ zero-rated supplies of goods. The definition of “Turnover of zero-rated supply of goods” has been amended vide Notification No.16/2020-Central Tax dated 23.03.2020, as detailed above. It emerges from the above that the same value of zero-rated/ export supply of goods, as calculated as per amended definition of “Turnover of zero-rated supply of goods”, needs to be taken into consideration while calculating “turnover in a state or a union territory”, and accordingly, in “adjusted total turnover” for the purpose of sub-rule (4) of Rule 89. Thus, it emerged that the restriction of 150% of the value of like goods as applied in “turnover of zero-rated supply of goods” would also apply to the value of “Adjusted Total Turnover” in Rule 89 (4) of the CGST Rules, 2017.

45.7 Accordingly, concurring with the recommendations of the State of Maharashtra it was recommended that the said issue may be clarified through a circular. The said Agenda was placed before the Law Committee in its meeting held on 28.01.2021 wherein the Law Committee approved the said draft circular.

45.8 **Decision:** The proposal, along with draft circular was put before the GIC and the GIC approved the same.

GIC Decision by Circulation 16 February 2021

Agenda: Deferring e-Wallet Scheme and Extending Duty Exemption on the imports made by the holders of Advance Authorization holders (AA) / Export Promotion Capital Goods (EPCG) licenses and EOUs

46.1 In the Agenda note the Directorate General of Export Promotion (DGEP), CBIC stated that the GST Council in its meeting held on 06 October 2017 had approved proposal to prevent the cash blockage of the exporter due to upfront payment of GST on inputs, raw materials etc. One component of the solution was to exempt the IGST and Compensation Cess payable on the imports up to 31.03.2018 made by the holders of Advance Authorization holders (AA)/ Export Promotion Capital Goods (EPCG) licenses and Export Oriented Units (EOUs).

46.2 Further, it was decided as a long-term solution to implement the e-wallet scheme so that exporter could pay the GST by using the amount in their e-wallet. A group of Officers on e-Wallet Group was constituted, on 16.12.2017 that was chaired by the Chairman, GSTN and included officers of the Central and State Governments to give recommendations on e-Wallet scheme. While work was going on the proposed e-Wallet scheme, the exemptions were extended from time to time and are presently valid up to 31.03.2021.

46.3 It was further stated that over a period of time since the implementation of GST, various measures have already been taken. These include, declaration of supplies made to EOU/AA/EPCG holder as deemed export supplies thus making either supplier or receiver to get the refund of GST, making merchant exporters receive supplies at a nominal rate of 0.1% of GST, enabling online system for claim of the ITC refund as well as disbursement of refund by the single refund disbursing authority etc. Implementation of all these measures along with continuation of exemption from IGST, cess, etc on imports made under AA/EPCG/EOU scheme, seem to suggest that they have largely resolved the issue of cash blockage and achieved the objective what e-wallet was envisaged to achieve without any extra burden on IT system and any additional legal/administrative requirement.

46.4 It was also as stated that on the overall analysis of additional compliance requirements by suppliers and exporters with little indications of commensurate gains, it was felt expedient to discontinue pursuing the e-wallet scheme and continue with the present scheme of exemption from IGST, cess, etc. on imports by AA/EPCG/EOU scheme. Further, at present, tax exemptions on imports under AA/EPCG/EOU scheme are expiring on 31.03.2021, which is causing uncertainty to exporters. The trade was also habituated to the system of exemptions which have been repeatedly extended from time to time. Creating a new system of e-wallet could be disruptive, which is not desirable when a post-COVID recovery has become a priority. In this background, proposals were submitted to GIC for approval of the following:

- a. Discontinue the pursuance of e-wallet scheme.
- b. Continuing the present exemption from the IGST and cess on the imports made under AA/EPCG/EOU schemes

46.5 In this regard, all the Members of GIC have approved the proposals. Gujarat vide email dated 17-02-2021 has sought additional data on total import of goods made by the taxpayers under AA/EPCG/EOU schemes, duty foregone and cases booked, if any. The DGEP replied vide OM dated 26-02-2021 to the above comments of Gujarat with additional data sought.

46.6 Gujarat concurred with the proposal vide email dated 09-03-2021. However, they have also sent a note highlighting the issues pertaining to refund of tax on account of deemed export. They requested to address these issues while extending exemption benefits to AA/EPCG/EOU scheme. As these issues are on GST policy & procedures, the same have been forwarded to GST Policy Wing, CBIC. Thus, all GIC members including Gujarat have agreed to the proposals.

46.7 **Decision:** The proposal was put before the GIC and the GIC approved the proposal with following remarks:

“Exemption from payment of IGST, Cess etc. on imports under AA/EPCG/EOU schemes, which is to expire on 31.03.21, may be continued up to 31.3.22. In the meantime, technical issues related to e-wallet may be looked into separately.”

GIC Decision by Circulation 22 February 2021

Agenda: Roll out of third phase of e-invoicing with effect from 1st April 2021

47.1 In the Agenda note it was mentioned that Government may start working on enabling the taxpayers with aggregate annual turnover of Rs. 50 to 100 Crores for e-invoice scheme.

47.2 In this regard, it was submitted that w.e.f. 1st October 2020 first phase of e-invoicing was rolled out for the taxpayers having aggregate turnover exceeding Rs. 500 Cr in any preceding financial year from 2017-18 onwards. Further, from 1st January 2021 second phase of e-invoicing was rolled out for the taxpayers having aggregate turnover exceeding Rs. 100 Cr in any preceding financial year from 2017-18 onwards. The updated figures as received from the NIC are stated as under:

Number of GSTINs generating IRN, up to 21-02-21.

Taxpayers having AATO > Rs. 500 Crore				
	Number enabled (a)	Registered and Generating IRNs (b)	Registered, but not generating IRNs (c)	Not Registered [a-(b+c)]
GSTINs	52307	31587	14337	6383
PANs	6971	5302	1259	410

Taxpayers having AATO between Rs. 100 - 500 Crore				
	Number enabled	Registered and Generating IRNs	Registered, but not generating IRNs	Not Registered
GSTINs	81756	42003	26892	13766
PANs	31582	20200	8793	2740

47.3 The total number of e-invoices generated by taxpayers were also mentioned as under:

	Total number of IRNs generated till 31.01.2021	Average IRNs per day
Taxpayers having AATO > Rs. 500 Crore	22,64,96,765	18,41,437
Taxpayers having AATO between Rs. 100 - 500 Crore	1,58,94,860	5,12,737
TOTAL	24,23,91,625	19,70,663

47.4 Besides, it was highlighted that data has been received from GSTN related to number of taxpayers along with their turnover and these are stated as under:

Turnover range	Count of Taxpayers
0 -1.5 Cr	57,58,919
1.5 -5 Cr	9,87,107
5-20 Cr	4,72,235
20-50 Cr	1,05,931

Turnover range	Count of Taxpayers
50-100 Cr	33,869

47.5 Furthermore, it was stated that E-invoice has been one of the major reforms taken by the Government which is beneficial for both tax administration as well as trade. Therefore, a proposal was placed before the Law Committee for implementation of third phase of e-invoicing for taxpayers having aggregate turnover between Rs.20 to Rs.100 crores, from 01.04.2021. For implementing the next phase w.e.f. 01.04.2021 the eligible taxpayers would be required to acquire the utility for generation of IRNs, but their integration would allow GSTR-1s to be auto-populated for this segment too. Also, implementation date is proposed to be 01.04.2021 which would provide sufficient time to the taxpayers to make necessary IT changes and NIC can enable the specified taxpayers on sandbox for testing.

47.6 It was mentioned that the issue was deliberated by the Law Committee in its meeting held on 10.02.2021 wherein NIC was also present. Based on inputs from NIC, Law Committee decided that the taxpayers with aggregate turnover between Rs.50 crores to 100 crores be brought in mandatory e-invoicing w.e.f. 01.04.2021. Further, sandbox testing facility for these taxpayers would be provided by NIC at the earliest. Accordingly, it was proposed that taxpayers with aggregate turnover exceeding Rs. 50 Cr in any preceding financial year from 2017-18 onwards may be brought under the ambit of e-invoice in the third phase w.e.f. 01.04.2021.

47.7 Decision: The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 27 February 2021

Agenda: Extension of due date for filing Annual Return for Financial Year 2019-20.

48.1 In the Agenda note it was mentioned that the time limit for furnishing of the Annual returns specified under Section 44 of the CGST Act 2017 read with Rule 80 of the CGST Rules 2017 for the Financial Year **2019-20** was originally 31st December 2020, which **was extended to 28.02.2021** vide Notification No. 95/2020-CT dated 30.12.2020 on the ground that the amended form was made available on the portal w.e.f 10.12.2020.

48.2 It was further stated that vide Notification No. 47/2019-CT, dated 09.10.2019 read with Notification No.77/2020-CT, dated 15.10.2020, furnishing of the annual return **FORM GSTR-9** for FY 2019-20 was made optional for registered person having aggregate turnover up to Rs. 2 Crore. Similarly, registered person having aggregate turnover up to Rs. 5 Crore are not required to furnish reconciliation statement **FORM GSTR-9C**. Total number of GSTR-9 and GSTR-9C filed up to 26th February 2021 for Financial Years 2018-19 and 2019-20 are detailed in the table below: -

		2018-19	2019-20
GSTR-9	Persons liable to file GSTR-9	18,27,308	16,41,578
	Out of such persons, number of Persons who have filed GSTR-9.	11,78,976	5,04,117
	Total filing of GSTR-9	23,75,958	11,24,763
	% filed out of persons who were liable to file GSTR-9	64.51	30.71
	Persons liable to file GSTR-9C	10,27,322	8,86,914

GSTR-9C	Out of such persons, number of Persons who have filed GSTR-9C.	6,13,485	1,88,092
	Total filing of GSTR-9C	6,78,221	2,04,184
	% filed out of persons who were liable to file GSTR-9C	59.72	21.21

48.3 It was further mentioned that the relevant data that for FY 2019-20, the return filing percentage was still to reach 50% of the numbers of FY 2018-19. Further, return filing percentage of the FY 2019-20, as on 26.02.2021, is comparatively very low, as only 30.7% of eligible taxpayers i.e., only 5,04,117 taxpayers have furnished their Annual Returns in **FORM GSTR-9** and only 21.21% of eligible taxpayers i.e., only 1,88,092 taxpayers have furnished their Annual Returns in **FORM GSTR-9C**.

48.4 Further, it was added that in FY 2018-19, the original due date for filing annual return was 31.12.2019, which was extended 6 times to make the final due date as 31.12.2020 due to several reasons including the hardships faced due to lock-down period in COVID-19.

48.5 Lastly, it was stated that several representations had been received from various stakeholders, including trade association and tax practitioners, for further extension of due date of GSTR-9 and GSTR-9C beyond 28.02.2021, on the ground that they have not had sufficient time to prepare and file these returns owing to their pre-occupation with the filing of annual returns for 2018-19 (for which the due date was 31.12.2020) and various income tax returns, with the last date for some of them being 15 February 2021. Accordingly, it was proposed that the due date for furnishing of the annual returns specified under Section 44 of the CGST Act 2017 read with Rule 80 of the CGST Rules 2017 for the financial year **2019-20** may be extended by one month i.e., till 31.03.2021.

48.6 **Decision:** The proposal was put before the GIC and the GIC approved the proposal to extend the due date of annual return for FY 2019-20 till 31-03-2021..

GIC Decision by Circulation 24 March 2021

Agenda: Waiver of Penalty for Issuing Invoice without Dynamic QR Code

49.1 In the agenda note it was stated that notification No. 14/2020-Central Tax, dated 21st March 2020, as amended by notification no. 71/2020-Central Tax dated 30th September 2020, entails the need for the dynamic QR code on B2C invoice issued by taxpayers having aggregate turnover more than Rs.500 crore w.e.f. 01.12.2020.

49.2 The GST Policy Wing, CBIC, stated that based on various interactions with banks and trade bodies, it was noticed that banks and payment service providers were not in a ready state to roll out the facility for the dynamic QR code w.e.f. 01.12.2020. Accordingly, to facilitate the transition for implementation of scheme of Dynamic QR Code, the penalty payable under Section 125 of the CGST Act, 2017 for non-compliance of the provisions regarding Dynamic QR Code, was waived vide notification no. 89/2020 -CT dated 29th November 2020, for the period from 01.12.2020 to 31.03.2021, subject to the condition that the said persons comply with the provisions of the said notification from 01.04.2021.

49.3 Meanwhile, to address various queries/issues represented by the trade, Circular number 146/02/2021-GST dated 23-02-2021 was issued, which clarified several queries raised by the trade. Further, the GST Policy Wing, CBIC has stated that to review the progress made by the banks, the

Member (GST), CBIC conducted review meetings with National Payments Corporation of India (NPCI) and Banks on 20th January 2021 and 18th March 2021. During the recent review meeting held on 18th March 2021, the progress of all the banks was individually reviewed. As per feedback provided by the banks, most of the banks are in advanced stage of development and certification process for Dynamic QR Code and would be able to go live and release their application by end of March 2021.

49.4 It was further stated that during this period, the GST Policy Wing has also engaged with various trade associations like NASSCOM, USISPF, Retailers Association of India (RAI), ASSOCHAM and other major retailers / e-commerce operators wherein it was highlighted by various trade bodies during these interactions that the banks are yet to release their applications and the technical specifications to be followed by the taxpayer/merchant's software to interact with the bank's applications. The banks would be able to share the details and specifications with merchants and third-party payment operators only after the banks finalize their application and specifications. Thus, merchants are dependent on their banks to initiate making changes in their systems to integrate with bank applications and they would require time to make changes in their systems after receiving the technical specifications from banks to go live with their own software/systems to implement the Dynamic QR Code scheme. As per feedback from trade bodies, they would need at least three more months to be fully compliant with the requirement of dynamic QR code at their end.

49.5 Accordingly, it was proposed that: the penalty payable under Section 125 of the CGST Act, 2017 for non-compliance of the provisions of notification No.14/2020 – Central Tax, dated the 21st March 2020 as amended, may be waived further for the period from 01.04.2021 to 30.06.2021, subject to the condition that the said persons comply with the provisions of the said notification from 01.07.2021.

49.6 **Decision:** The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 27 March 2021

Agenda: Proposal to Settle an Additional IGST Amount of 28,000 Crore on an Ad-hoc Basis.

50.1 In the Agenda Note it has been mentioned that depending on the amount of IGST remaining yet to be apportioned, provisional settlement was being done from time to time on an ad-hoc basis. It was further mentioned the amount apportioned till now and the same is given in the table below:

Sl No.	Month	Amount Apportioned (In Crore)
1.	February- 2018	35000
2.	June- 2018	50000
3.	August- 2018	12000
4.	October- 2018	30000
5.	December- 2018	18000
6.	March- 2019	20000
7.	April- 2019	12000
8.	June- 2019	15000
9.	March- 2020	6000

Sl No.	Month	Amount Apportioned (In Crore)
10.	February 2021	48000

These amounts were settled in a ratio of 50:50 to Centre and States and the amount apportioned to States was divided in the ratio of subsumed/ protected revenue.

50.2 It was also stated that based on the collection of IGST upto 25th March 2021 and considering the expected IGST collections from the remaining six days of the month, net of refunds and the settlement of IGST during the period, it was proposed to do provisional settlement of Rs. 28,000 crore, out of which 50% of it to Centre and 50% of it to States. This would reduce the revenue gap of States and UTs and also the required Compensation to States.

50.3 **Decision:** The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 2 April 2021

Agenda1: Reduction in late fee for FORM GSTR-3B for months from July 2017 to February 2021- Amnesty to clean up pendency in return filing in GST regime.

51.1 In the Agenda note it was mentioned that various references have been received from taxpayers, tax practitioners and associations such as CAIT regarding waiver of late fee imposed due to not furnishing of **FORM GSTR-3B**. It has been represented that taxpayers, particularly, the small taxpayers, could not furnish their returns, especially during COVID times, due to lack of knowledge, lack of funds and other difficulties faced during lockdown. It has also been submitted that most of such small taxpayers had very minimal tax liabilities, even, including NIL tax liability. It has been further represented that that due to non-furnishing of returns, interest and late fees have been piling up and have now reached a sizeable amount, which in some cases is more than the tax amount itself, which has become a major deterrent for such taxpayers in filing their pending returns.

51.2 It was further stated that, it is noteworthy that sub-section (10) of section 39 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) provides that,

“A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.”

Thus, taxpayers are not allowed to furnish subsequent returns.

51.3 Further, Section 47 of the CGST Act provides for levy of late fees for non-furnishing of **FORM GSTR-1, FORM GSTR-3** or **FORM GSTR-4** of one hundred rupees per day. Presently, late fees for delay in furnishing of these forms by the due date is twenty rupees per day (Rs. 10/- under CGST Act plus Rs 10/- under SGST Act) for NIL filers and fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for others. This late fee is subject to a maximum amount of Rs. 10000/- per return (Rs. 5000/- under CGST Act plus Rs. 5000/- under SGST Act).

51.4 It was also mentioned that waiver of **entire late fee** for non-furnishing of **FORM GSTR-3B** for the tax period July 2017 to September 2018 was allowed for the taxpayers who furnished **FORM GSTR-3B** during the period 22.12.2018 to 31.03.2019 vide notification No. 76/2018-Central Tax, dated 31.12.2018.

51.5 Further, an amnesty scheme by way of reduction in late fee for tax period from July 2017 to July 2020 was again provided vide notification No. 52/2020 – Central Tax, dated 24.06.2020 and 57/2020-

Central Tax, dated 30.06.2020. The late fee was capped at Rs. **500 per return** (Rs. 250 CGST + Rs. 250 SGST) and was made **Nil for NIL filers**, subject to condition that the returns are filed between 01.07.2020 to 30.09.2020. (For February 2020 to July 2020, the amnesty scheme was applicable if the returns are filed up to 30.09.2020)

51.6 It was also stated that it was important to note that besides other concerted efforts by tax administration like handholding of taxpayers and close monitoring of return filing during the filing cycle, these amnesty schemes had also played a significant role in improving return filing compliance, which has increased from 55% to 65% approx. earlier to 85% to 90% now. The data suggests that still there was a gap of approximately 10-12 lakhs returns per month which are yet to be furnished in **FORM GSTR-3B**, one of the reasons being the sizeable amount of late fee.

51.7 In order to alleviate the burden of accumulated late fee on businesses, particularly MSMEs, and to allow them to furnish their pending tax returns henceforth, the following proposals for reduction in late fees for not furnishing **FORM GSTR-3B** for tax periods from July 2017 to February 2021 were made: -

i. late fee may be capped to a maximum of **Rs 500/- (Rs. 250/- each for CGST & SGST) per return** for taxpayers, who did not have any tax liability for the said tax periods and are thus required to file **NIL** return.

ii. late fee may be capped to a maximum of **Rs 1000/- (Rs. 500/- each for CGST & SGST) per return** for taxpayers other than those covered in clause (i)

51.8 Further, it was proposed that such reduction/ capping in late fee should be kept conditional and would apply only if the returns are filled during a specified period i.e., from 15.04.2021 to 30.06.2021.

51.9 **Decision:** Though, GIC approved the proposal, however, in view of the resurgence of Covid and consequential lock-down in many places of the country, it was decided that the above said proposal be kept in abeyance for the time being.

Agenda item 2: Amendment in Central Goods & Services Tax Rules, 2017 to provide for withholding of refund, release of withheld refund and withdrawal of refund claim and notifying FORMs thereof-

52. **Withholding of refund and Release of withheld refund**

52.1 In the agenda note it was mentioned that both partial and complete adjustment of refund against any outstanding demand need to be carried out in **FORM GST RFD-06**, rather than having a separate form (**Part A of FORM GST RFD-07**) for complete adjustment.

52.2 Sub-rule (1) of Rule 92 of CGST Rules, 2017 states that:

“92. Order sanctioning refund.-(1)Where, upon examination of the application, the proper officer is satisfied that a refund under sub-section (5) of section 54 is due and payable to the applicant, he shall make an order in FORM GST RFD-06 sanctioning the amount of refund to which the applicant is entitled, mentioning therein the amount, if any, refunded to him on a provisional basis under sub-section (6) of section 54, amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable: Provided that in cases where the amount of refund is completely adjusted against any outstanding demand under the Act or under any existing law, an order giving details of the adjustment shall be issued in Part A of FORM GST RFD-07.”

Thus, the rule, in its present form, clearly states that when amount of refund is completely adjusted against any outstanding demand under the Act or under any existing law, order has to be passed in **Part A of FORM GST RFD-07**.

52.3 However, the current practice, both on the system and in the field, is to use **FORM GST RFD-06** for both partial and complete adjustment of refund. Considering that the said practice is working without any operational challenges, there does not appear a need for a separate form (**Part A of FORM GST RFD-07**) in case when amount of refund is completely adjusted against any outstanding demand as the same can be done through **FORM GST RFD-06**.

52.4 Accordingly, the **Law Committee, in its meeting held on 7th November 2019** recommended the following:

- a) Both partial and complete adjustment of refund against any outstanding demand should be carried out in **FORM GST RFD-06**, rather than having separate form (**Part A of FORM GST RFD-07**) for complete adjustment.
- b) Further, **FORM GST RFD-07** to be amended to provide that Part A thereof shall be for withholding and Part B for release of the amount withheld.

52.5 Accordingly, GSTN designed the new format for Part A of FORM GST RFD-07 for withholding of refund and Part B of FORM GST RFD-07 for release of refund which were placed before the Law Committee in its meeting held on 12th December 2019 wherein the Law Committee approved the new format. It has been now informed by the GSTN that the amended FORM GST RFD-07 (PART-A for withholding of refund and Part B for release of withheld refund) have been developed and have been deployed and therefore, the same needs to be notified.

52.6 However, it was observed that there is a need to have provision for release of withheld refund in the CGST Rules, similar to the provisions which provide for withholding of refund. Accordingly, a proposal for amendments in Rule 92 and Rule 96 of the CGST Rules to provide for release of withheld refund was placed before the **Law Committee on 17.03.2021** wherein it was approved.

53. Withdrawal of refund:

53.1 In the agenda note it was further mentioned that GSTN had placed an agenda note before the **Law Committee in the meeting held on 12.12.2019** wherein they had submitted that even though, the facility to preview the refund application is available to the taxpayer before finally submitting the refund applications, taxpayers are still making mistakes in the refund application. Further, there is no functionality available on the portal to correct any mistakes made in the refund application after the submission of the refund application and once the application has been rejected by the tax officer on account of the mistakes made in the refund application, the system does not allow filing the refund application again, for the same tax period, even after correcting such a mistake and the only resort available with the taxpayer in such cases is to file an appeal against the rejection. However, the appeal route is more tedious and time consuming.

53.2 In view of the aforesaid facts, the GSTN proposed to introduce a functionality for withdrawal of refund application, if the taxpayer has committed any error or has filed the refund application by mistake. Accordingly, GSTN designed a format i.e., **FORM GST RFD-01W** in which the taxpayer would be able to file request for withdrawal of refund claim even if the refund application has been

acknowledged. However, the taxpayer would not be able to withdraw the application if the officer has issued RFD-04/05/06/07/08 against the said application.

53.3 The said agenda was placed before the Law Committee in the meeting held on 12.12.2019 wherein GSTN sought approval for introduction of the facility and the format i.e., FORM GST RFD-01W and to seek clarification whether the system should block further processing of the refund application after submission of RFD-01W by the taxpayer or should it wait for the approval of the refund processing officer. The Law Committee in the said meeting approved the introduction of the facility for withdrawal of refund and the format of the said FORM GST RFD-01W with the comment that the taxpayer would be allowed to withdraw the refund claim only in cases where no action, other than acknowledgment, has been taken. Further, the Law Committee in its meeting held on 17.03.2021 approved a proposal to amend Rule 90 of CGST Rules, 2017 to provide for withdrawal of refund application by filing FORM GST RFD-01W.

53.4 **Decision:** GIC approved the proposal for amendment in Central Goods & Services Tax Rules, 2017 to provide for withholding of refund, release of withheld refund and withdrawal of refund claim and notifying amendment in FORMs.

Agenda item 3: Amendments required in CGST Rules, 2017 in consequence of notifying the provisions of Finance Act, 2020 with effect from 01.01.2021 vide Notification No. 92/2020-Central Tax dated 22.12.2020.

54.1 In the agenda note it was mentioned that specified provisions of the Finance Act, 2020, relating to the amendment in the CGST Act, have been notified with effect from 01.01.2021 vide, notification No. 92/2020-Central Tax dated 22.12.2020. The CGST Rules corresponding to the relevant sections have been analysed and it has been observed that amendment as carried out in section 30 of the CGST Act, 2017 requires a consequential amendment in Rule 23 and **FORM GST REG-21** of the CGST Rules

54.2 In section 30 of the CGST Act, which is regarding “Revocation of cancellation of registration”, a proviso to sub-section (1) of section 30 of the CGST Act has been inserted *vide* Finance Act, 2020 to provide for extension of time limit for applying for revocation of cancellation of registration on sufficient cause being shown, by:

(a) the Additional or Joint Commissioner, as the case may be, for a period not exceeding thirty days.

(b) the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a) above.

54.3 In view of the aforementioned amendment, amendment was proposed in Rule 23 which provides for a detailed procedure for revocation of cancellation of registration and **FORM GST REG-21** of the CGST Rules. It is proposed that in respect of the time limit provided for filing an application for revocation of cancellation of registration, in **FORM GST REG-21**, the provision for extension of time by the Additional Commissioner or the Joint Commissioner or Commissioner, as per amended Section 30 of the CGST Act 2017, be included in the rule and the FORM.

54.4 Further, till the time an independent functionality for extension of time limit for applying in **FORM GST REG-21** is developed on the GSTN portal, it is proposed to issue a Standard Operating Procedure (SOP) for implementation of the amended provisions of section 30 of the CGST Act.

54.5 The issue was placed before the Law Committee in its meeting dated 17.03.2021 and the Law Committee has recommended for amendment in the said rule and issuance of the proposed SOP. Accordingly, Agenda note (along with draft notification and SOP) was placed before the GIC for approval of the proposal for amendment in Rule 23, **FORM REG-21** and issuance of SOP.

54.6 **Decision:** The GIC approved the proposal along with draft Notification and SoP.

GIC Decision by Circulation 20 April 2021

Agenda: Amendment of Rule 26(1) to Allow Corporates to Furnish FORM GSTR-1/IFF and FORM GSTR-3B Using Electronic Verification Code (EVC).

55.1 In the Agenda note it was mentioned that proviso to sub-rule (1) of rule 26 of CGST Rules, 2017 provides that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall furnish the documents or application verified through digital signature certificate (DSC). In this context, various stakeholders had represented that due to the restrictions imposed in view of COVID-19 pandemic, they are facing difficulties in accessing or using their Digital Signature (DSC). Accordingly, it was being requested that they be allowed to furnish the documents or applications through Electronic Verification Code (EVC).

55.2 It was further stated that the relaxation on similar lines was also provided last year in respect of filing of GSTR-3B and GSRT-1 in view of the COVID 19 related restrictions and difficulties. Notification No. 48/2020- Central Tax dated 19.06.2020 inserted the following provisos in rule 26 in sub-rule (1):

“Provided further that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 21st day of April 2020 to the 30th day of September 2020, also be allowed to furnish the return under section 39 in FORM GSTR-3B verified through electronic verification code (EVC).

Provided also that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 27th day of May 2020 to the 30th day of September 2020, also be allowed to furnish the details of outward supplies under section 37 in FORM GSTR-1 verified through electronic verification code (EVC).”

55.3 It was also mentioned that in view of the recent restrictions imposed in various states for containment of COVID-19, similar relaxation might be provided in respect of the furnishing of GSTR-3B and GSTR-1/ IFF. Accordingly, the following proviso was proposed to be inserted in sub-rule (1) of rule 26 of CGST Rules, 2017 after the third proviso: -

“Provided also that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 27th day of April 2021 to the 31st day of May 2021, also be allowed to furnish the return under section 39 in FORM GSTR-3B and the details of outward supplies under section 37 in FORM GSTR-1 or using IFF, verified through electronic verification code (EVC).”

55.4 **Decision:** The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 26 April 2021

Agenda: Amendment in Rule 138E of CGST Rules, 2017 Which Provides for Blocking of e-way Bill in Respect of Supplies Made by a Defaulting Registered Person.

56.1 In the Agenda note it was mentioned that as per Rule 138E of CGST Rules 2017, the E-Way Bill generation facility by *a consignor, consignee, transporter, an e-commerce operator or a courier agency*) in respect of a registered person, whether as a supplier or a recipient, is liable to be restricted, in case the said registered person fails to file their GSTR-3B returns for a consecutive period of two tax periods or more or CMP-08 statements for two consecutive quarters or more. The biggest concern for a taxpayer with this new system is that if the recipient of goods has not filed the returns for more than two months, and EWB facility in respect of such recipient is blocked in terms of provisions of Rule 138E, then the supplier will not be able to generate EWB in respect of any supply to such recipient. The GST Policy Wing, CBIC has stated that representations have been received claiming that in such a case, for the mistake of the recipient, the supplier's business is made to suffer.

56.2 It was also stated that the suppliers had already manufactured goods as per the order received from the recipient and therefore, blocking of e-way bill for their supply to the defaulting recipient may adversely affect the business of suppliers and cause loss to them even though they may be fully compliant with the provisions of GST laws. The supplier cannot deliver goods without an e-way bill and if the goods are transported by them to such recipient (in respect of whom generation of e-way bill is blocked) without an e-way bill, then such movement of goods will be in contravention of provisions of CGST Act and Rules. Such goods may be liable to detention/ seizure during movement and may be liable to penal action as per the provisions of the CGST Act/ Rules.

Preventing supply of goods by suppliers to such defaulting recipients adversely affects the business of the compliant supplier, which may not be the intention while introducing the said provision of blocking of e-way bill under Rule 138E of CGST Rules, 2017. The GST Policy Wing, CBIC has stated that it was represented that issuance of e-way bill by the compliant supplier might not be blocked, in respect of supply made to such recipient who had defaulted in furnishing two consecutive returns, as per Rule 138E of CGST Rules, 2017. This would ensure that business of suppliers is not adversely affected and they are able to generate e-way bills in respect of supplies to such defaulting recipients and make their supplies.

56.3 It was further stated that the intention of this rule was not to penalize the supplier for the default of the recipient. The intention was also not to prevent other suppliers from doing their business with the defaulter recipient since it affects the supplier's business who themselves may be compliant with the provisions of law. The rationale of the rule was to prevent those taxpayers, who do not file the returns for two or more tax periods, from making further supplies and from generating e-way bill for the said supplies to be made by them, as it would be to the detriment to government's revenue. Therefore, the GST Policy Wing, CBIC has proposed that rule 138E may be suitably amended to prescribe blocking of e-way bill only in respect of supplies made by the person who fails to file their GSTR-3B returns for a consecutive period of two tax periods or more or CMP-08 returns for two consecutive quarters or more, and **not** in respect of supplies made to such defaulting taxpayer as recipient.

56.4 The issue was discussed in Law Committee meeting held on 16.04.2021. Law Committee, in the said meeting has approved the following change/amendment (in red) in Rule 138E as mentioned below: -

"138E. Restriction on furnishing of information in PART A of FORM GST EWB-01.- Notwithstanding anything contained in sub-rule (1) of rule 138, no person (including a consignor, consignee,

transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of *any outward movement of goods of a registered person, whether as a supplier or a recipient*, who, —

(a) being a person paying tax under section 10[or availing the benefit of notification of the Government of India, Ministry of Finance, Department of Revenue No. 02/2019– Central Tax (Rate), dated the 7th March, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 189, dated the 7th March, 2019,], has not furnished the [statement in FORM GST CMP-08] for two consecutive [quarters]; or

(b) being a person other than a person specified in clause (a), has not furnished the returns for a consecutive period of [two tax periods]:

Provided that the Commissioner may, on receipt of an application from a registered person in FORM GST EWB-05, on sufficient cause being shown and for reasons to be recorded in writing, by order, [in FORM GST EWB-06 allow furnishing of the said information in PART A of FORM GST EWB 01, subject to such conditions and restrictions as may be specified by him:

Provided further that no order rejecting the request of such person to furnish the information in PART A of FORM GST EWB 01 under the first proviso shall be passed without affording the said person a reasonable opportunity of being heard:

Provided also that the permission granted or rejected by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be granted or, as the case may be, rejected by the Commissioner.

(c) being a person other than a person specified in clause (a), has not furnished the statement of outward supplies for any two months or quarters, as the case may be.

(d) being a person, whose registration has been suspended under the provisions of sub-rule (1) or sub-rule (2) or sub-rule (2A) of rule 21A.

Explanation: – For the purposes of this rule, the expression “Commissioner“ shall mean the jurisdictional Commissioner in respect of the persons specified in clauses (a) and (b).”

56.5 Decision: GIC approved amendment in Rule 138E of CGST Rules, 2017 as proposed in the agenda note.

Agenda Note 2: Regarding Excluding the Time Period between Filing of Original Refund Application to Issuance of Deficiency Memo for Computation of Time for Filing Refund Under Sub-section (1) of Section 54.

57.1 In the agenda note it was stated that sub-section (1) of Section 54 provides the time frame within which a claim for refund can be filed by any person. The sub-section (1) of section 54 is reproduced as under:

“(1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed.”

On perusal of the above provision, it can be observed that time limit of two years from the relevant date has been provided for making application of refund under GST. Relevant date for different categories of refund has been defined in Explanation (2) under Section 54 of the CGST Act, 2017.

57.2 Further, sub-rule (3) of Rule 90 provides that in case any deficiencies were noticed in the refund application, the proper officer should communicate the same to the applicant in FORM GST RFD-03 through the common portal. The rule also provides that in such case, the applicant would be required to file fresh refund application for refund after rectification of such deficiencies. Accordingly, system had been designed in such a way that on issuance of deficiency memo in FORM GST RFD-03 in respect of any refund application, any amount debited from the electronic credit ledger/electronic cash ledger at the time of filing refund application, gets re-credited to the respective ledger requiring the taxpayer to debit the amount again while filing a fresh refund application after correction of deficiencies.

57.3 The GST Policy Wing, CBIC has further stated that instances had been brought to notice wherein, due to issuance of deficiency memo in FORM GST RFD-03, the time period of 2 years provided under sub section (1) of section 54 of CGST Act 2017 from the relevant date for filing a fresh application of refund after rectification of deficiencies has already elapsed due to time taken by the proper officer for issuance of deficiency memo in FORM GST RFD-03 in respect of the original refund application. The fresh refund application, filed post rectification of deficiencies, after stipulated period of 2 years from the relevant date, was rejected by the proper officer on the grounds of time bar. The taxpayers feel aggrieved in such cases as they would not be able to get any relief from the Appellate authority, as the provisions of Law and Rules were clear that any claim filed after rectification of deficiencies was treated as a fresh refund claim and the time bar aspect for such claims had to be ascertained in terms of sub-section (1) of section 54 of CGST Act 2017.

Petitions have been filed in High Courts for seeking relief in this regard requesting to consider the date of filing of first/original application for the purpose of sub-section (1) of Section 54.

57.4 In this regard, it was stated that the taxpayer should not be unfairly made to face adverse consequences due to time taken in issuance or wrong issuance of deficiency memo, if any, on the part of the proper officer; and therefore, a refund claim, filed after rectification of deficiency, should not become time barred under the provisions of sub—section (1) of section 54 of CGST Act 2017, merely because of this. It was, therefore, proposed that the time period from the date of filing of original refund claim to the date of issuance of Deficiency Memo in FORM GST RFD-03 might not be taken into consideration and be excluded for the purpose of computation of time period of 2 years as provided in sub-section (1) of Section 54 of CGST Act, 2017, in respect of any fresh refund claim filed after rectification of deficiencies.

57.5 Further, GSTN had developed a functionality for Model II States/UTs wherein the details of deficiency memo issued would be displayed to the tax officers, while processing the subsequent fresh refund applications, if filed by the taxpayer for the same period. Thus, the proper officer could easily calculate whether the claim is hit by the limitation of time by excluding the time taken for issuance of deficiency memo, in respect of original refund application, from the time period between the relevant date and date of filing of the fresh claim and accordingly, pass a speaking order.

57.6 Accordingly, it was proposed to insert the following proviso after sub-rule (3) of Rule 90 of CGST Rules 2017:

“Provided that the time period, starting from the date of filing of the refund claim in FORM GST RFD-01 by the applicant to the date of communication of the deficiencies in FORM GST RFD-03 by the proper officer, shall not be taken into consideration for determining the limitation of time under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies.”

57.7 The said agenda for amendment of CGST rules for insertion of proviso after sub-rule (3) of Rule 90 was placed before the Law Committee in meeting held on 16.04.2021, wherein it was approved.

58. The proposal was put before the GIC and the GIC approved the proposal.

GIC Decision by Circulation 29 April 2021

Agenda: Relief Measures to taxpayers from Various Compliances in GST due to Lockdown / Restrictions Imposed for Containment of COVID

59.1 In the agenda note it was stated that in light of the recent unprecedented surge of cases of COVID-19 and crisis due to this pandemic being faced all over the country, a number of states have taken and announced lockdown/ various restrictions on movement of people and working of offices of private and government establishments, affecting trade and industry also. In Mumbai, for instance, curfew has been imposed from night of 14th April 2021 till morning of 1st May 2021 and private offices have been asked to remain closed while Government offices have been directed to manage with 15% attendance of staff. Similarly, Delhi had imposed curfew from the night of 19th April 2021 to morning of 3rd May 2021 with severe restrictions on non-essential business and services. Other states like Uttarakhand, Karnataka, Rajasthan, Chhattisgarh, Madhya Pradesh, Haryana, UP and many other States have also imposed such restrictions in various parts of the states. Some other states had imposed weekend curfews and night curfews in their states. All these measures, along with the severity of COVID 19 in various parts of the country, had adversely affected functioning of trade and industry throughout the country, including difficulties in time bound statutory compliances under various provisions of GST laws.

59.2 In view of prevailing situation, the GST Policy Wing of CBIC has stated that a number of representations were received from various trade associations, tax practitioners' associations and some state governments like Maharashtra, Bihar, Rajasthan, UP etc, highlighting the need for various relief measures in this period of crisis for taxpayers relating to statutory and regulatory compliances in GST, including extension of due dates.

59.3 It was further stated in the agenda note that in view of the challenges faced by taxpayers in meeting the compliance requirements because of lockdown/ restrictions imposed due to COVID-19 pandemic during early phase of Year 2020, various relief measures relating to statutory and regulatory compliance under GST were taken in the **year 2020**. However, this year, the nature of lockdown and its extent is different because of which the measures proposed now are at variance with last year. For instance, none of the States appear to have placed any restrictions on the movement of goods during the second wave unlike a complete lockdown in the initial phase in 2020. E-way bill data also does not show a fall in the number or value of bills generated during April 2021 vis-a-vis April 2019 (treating April 2020 as an atypical period). As such, there does not appear to be a need to extend the validity of e-way bills as was done in 2020.

59.4 Keeping above factors in mind, the following measures for providing relief to the taxpayers in GST related compliances are proposed:

59.5 FORM GSTR-3B

For registered persons having aggregate turnover above Rs. 5 Crore

- i. A lower rate of interest @ 9% for first 15 days after the due date of filing return in **FORM GSTR-3B** for the tax period March, 2021 and April, 2021 may be notified. Rate of interest for delay in payment of GST is otherwise notified as 18% per annum.
- ii. Waiver of late fee for delay in furnishing returns in **FORM GSTR-3B** for the tax periods March, 2021 and April, 2021 may be provided for 15 days from the due date of furnishing **FORM GSTR-3B**.

For registered persons having aggregate turnover up to Rs. 5 Crore

- i. For the tax periods March, 2021 and April, 2021 (for the taxpayers opting to file monthly returns) / Jan-March, 2021 (for taxpayers filing quarterly returns under QRMP scheme), NIL rate of interest for first 15 days from the due date of furnishing the return in **FORM GSTR-3B** and reduced rate of interest @9% thereafter till further 15 days may be notified. Rate of interest for delay in payment of GST is otherwise notified as 18% per annum.
- ii. Waiver of late fee for delay in furnishing returns in **FORM GSTR-3B** for the tax period March, 2021 and April, 2021 (for taxpayers filing monthly returns) / Jan-March, 2021 (for taxpayers filing quarterly returns under QRMP scheme) may be provided for 30 days from the due date of furnishing **FORM GSTR-3B**.
- iii. Waiver of interest for 15 days for taxpayers filing delayed **PMT-06** Challan (for payment of tax liability) and reduced rate of interest of 9% thereafter for 15 days further, from due date of filing **PMT-06** challan (which is 25th May 2021) for the month of April, 2021 may be notified for QRMP taxpayers filing quarterly returns.

59.6 For registered persons who had opted to pay tax under the Composition scheme.

- i. **FORM GSTR-4:** Due date may be extended from 30th April, 2021 to 31st May, 2021.
- ii. **FORM CMP-08:** NIL rate of interest for first 15 days from the due date of payment of self-assessed tax and 9% for the next 15 days, for the quarter ending 31st March, 2020. The due date was 18th April, 2021.

59.7 **FORM ITC-04:** It is the statement filed by taxpayers who send the goods on job work. The due date of furnishing **FORM ITC-04** for QE March, 2021 is 25th April. It is proposed that the same may be extended till 31st May, 2021.

59.8 **FORM GSTR-1/ IFF:** Due date of furnishing **GSTR-1/ IFF** for the month of March 2021 (due in April) was already over before lockdown restrictions in the states were imposed and accordingly, extension is not required for the same for March 2021. However, it is proposed that due date of filing **GSTR-1** and **IFF** for the month of April (due in May) may be extended by 15 days.

Consequently, **the restriction on availment of credit** by taxpayers over and above those declared by their suppliers in their **GSTR-1**, **under Rule 36(4)** for tax period April 2021 may be deferred and may be applied commutatively in the return for tax period May 2021.

59.9 Extension in statutory time limits **under section 168A**

59.9.1 It was proposed that any time limit for completion or compliance of any action, by any authority or by any person, under the GST Act, which falls during the period from the 15th April, 2021 to the 30th May, 2021 (with suitable exemptions as provided last year vide Notification 35/2020-Central Tax) may be extended upto the 31st May, 2021, as per the powers granted under section 168A of the CGST Act 2017, invoking force majeure, due to pandemic. Also, no extension of validity of e-way bills is being proposed this year, unlike last year, as per reasons discussed in Para 59.3 above.

59.9.2 Further, it was noted that while section 25 pertaining to GST registration might be exempted from the extension of time limit under Section 168A (as done last year), adequate time might be provided to the officer to verify the application for registration under rule 9 of CGST Rules so as to avoid **deemed registration** during the time period ranging from 1st May, 2021 to 31st May 2021. Hence, it was proposed that where any time limit for completion of any action, by any authority, has been specified in, or prescribed or notified under under rule 9 of the Central Goods and Services Tax Rules, 2017, which falls during the period from the 1st May, 2021 to the 31st May, 2021, the same may be extended up to the 15th June, 2021.

59.9.3 In the year 2020, vide Notification No. 46/2020 issued under section 168A, officers were allowed **additional time limit for issuance of the refund order** upto fifteen days after the receipt of reply to the notice from the registered person or 30th day of June, 2020, whichever is later. Such provision was required since the taxpayers were provided extension till 30th June, 2020 to reply to the notice for rejection of refund application (whether in part or full) as per extension of time lines under Section 168A as per Notification No. 35/2020. In cases where the taxpayers submitted the reply on or just before the due date, it left little time with officers to scrutinise the reply since the due date for issuance of order was also to be 30th June 2020 in many cases due to the said notification. A similar provision might be provided this year also wherein officers to be allowed additional time limit for issuance of the refund order up to fifteen days after the receipt of reply to the notice from the registered person or 31st May, 2021, whichever is later.

60. **Decision:** The proposal was put before the GIC and the GIC approved the proposal along with the draft Notifications.

GIC Decision by Circulation 1 May 2021

Agenda: Reduction in IGST Rate for Oxygen Concentrators Imported for Personal Use

61.1 In the agenda note it was stated that Heading 9804 of the Tariff covers all goods imported for personal use. The present applicable IGST rate, item wise for this heading (9804) is stated as under:

i. 5 % Rate Schedule

S. No	Heading	Description	Rate
263	9804	Drugs or medicines including their salts and esters and diagnostic test kits specified at S.No.180 above and Formulations specified at S.No.181 above, intended for personal use.	(2.5% +2.5%)

ii. **12% Rate Schedule**

S. No	Heading	Description	Rate
241	9804	Other Drugs and Medicines intended for personal use	(6%+6%)

iii. **28% Rate Schedule**

S. No	Heading	Description	Rate
227	9804	All goods intended for personal use	(14%+14%)

61.2 It was further stated that as per the above rate structure, the import of Oxygen Concentrators for personal use (say through courier mode), gets classified under HSN code 9804 and attracts GST at the rate of 28% (i.e., rate as applicable to all dutiable goods imported for personal use). The commercial/general imports of Oxygen Concentrators fall under HSN code 9019 and attract GST rate of 12%. Thus, personal imports of oxygen concentrator are attracting a higher rate of IGST of 28% as compared to general imports thereof which attracts IGST at the rate of 12%. Keeping in mind the surge in COVID-19 cases in the wake of second wave of the pandemic in recent weeks, Government have already exempted specified medical equipment for Oxygen therapy of COVID patients, including 'Oxygen Concentrators' from Basic Customs Duty and Health Cess on 24 April, 2021. On 30.4.2021, DGFT have also issued a notification to allow imports of this item for personal use under Heading No.98.04.

In view of unprecedented situation and the sudden hike in the demand for this item in the country, a large number of representations have been received seeking relief from IGST on personal imports of oxygen concentrators on par with their general imports.

61.3 It was also highlighted that the request merits consideration in the circumstances of exceptional and grave nature. Normally, rate related issues are examined by the Fitment Committee for making recommendation to the Council for taking a view by the Council on GST rates. However, in the present extraordinary circumstances, it is not feasible to do so in view of time constraints and pressing situation.

It is also to mention that the Council has vested in the Finance Minister the power to consider ad-hoc IGST concessions, which are then later placed before the Council for information. The concession being demanded is quite genuine and needs immediate consideration. Hence in the circumstances of exceptional nature, it has been felt that matter may be placed before the GIC for considering a short term relief (up to 30.6.2021) by way of a concessional rate of IGST of 12% on personal imports of concentrators under heading 9804. The change will only bring parity between all kinds of imports of oxygen concentrators.

61.4 Accordingly, the following proposal was placed before the GIC for immediate consideration:

Proposal: To reduce IGST on oxygen concentrator imported for personal use, falling under heading 9804, from 28% to 12% to bring the rate at par with commercial imports of ‘oxygen concentrators’. The concessional rate of IGST on such imports shall apply up to 30th June 2021.

62. The proposal was put before the GIC and the GIC approved the proposal.

Agenda Item 4: Status report of creation of GRC Zone-wise (CBIC) and States/UTs as on 15.05.2021

Reference invited to the 38th GST Council meeting held on 18.12.2019, which approved constitution of Grievance Redressal Committee at Zonal/State level consisting of both Central tax and State tax officers, representation of trade and Industry and other GST stake holders for establishing a mechanism to tackle grievances of tax payers.

2. In view of the above decision, an order regarding constitution of Grievance Redressal Committee was issued by the CBIC vide F. No. 20/10/16/2018-GST (Pt. 1) dated 24.12.2019.

3. Accordingly, OM dated 30.12.2019 was issued by GSTC Secretariat for constitution of Grievance Redressal Committee at Zonal/State level. Reminder was also sent to the remaining States/Zones vide OM dated 02.06.2020, 20.07.2020, 24.08.2020, 16.09.2020, 09.10.2020 and 31.12.2020. Reminder mails were also sent on 05.04.2021 and 15.05.2021.

4. As resulting above, following GRC by the State/Centre level have already been constituted.

Sl. No.	State/UTs	Centre	State/Centre level GRC
1.	Jammu and Kashmir	Chandigarh	Order No. 02/2020 dt. 23.01.2020
2.	Himachal Pradesh		Order No. 04/2020 dt. 23.01.2020
3.	Punjab		Order No. 03/2020 dt. 23.01.2020
4.	Chandigarh		Order No. 01/2020 dt. 23.01.2020
5.	Ladakh		Order No. 02/2020 dt. 23.01.2020
6.	Andhra Pradesh	Vishakhapatnam	Order No. 01/2020 dt. 31.01.2020
7.	Arunachal Pradesh	Guwahati	Order No. 02/2020 dt. 11.03.2020
8.	Assam		Order No. 01/2020 dt. 11.03.2020
9.	Manipur		Order No. 03/2020 dt. 11.03.2020
10.	Meghalaya		Order No. 04/2020 dt. 11.03.2020
11.	Mizoram		Order No. 05/2020 dt. 11.03.2020
12.	Nagaland		Order No. 06/2020 dt. 11.03.2020
13.	Tripura		Order No. 07/2020 dt. 11.03.2020
14.	Bihar	Ranchi	Order No. 01/2020 dt. 21.02.2020
15.	Jharkhand		Order No. 02/2020 dt. 21.02.2020
16.	Chhattisgarh	Bhopal	Order No. NIL dt. 20.01.2020
17.	Madhya Pradesh		Order No. NIL dt. 20.01.2020
18.	Delhi	Delhi	Order No. 01/2020 dt. 10.06.2020

Sl. No.	State/UTs	Centre	State/Centre level GRC
19.	Goa	Pune	Order No. 01/2020 dt. 15.01.2020
20.	Karnataka	Bangalore	Order No. 01/2020 dt. 10.01.2020
21.	Kerala	Thiruvananthapuram	Order No. 01/2020 dt. 10.02.2020
22.	Lakshadweep		Order No. 01/2020 dt. 03.07.2020
23.	Maharashtra	Mumbai	Order No. 04/2020 dt. 10.01.2020
24.		Pune	Order No. 02/2020 dt. 15.01.2020
25.		Nagpur	Order No. 01/2020 dt. 28.01.2020
26.	Odisha	Bhubaneshwar	Order No. NIL dt. 05.03.2020
27.	Rajasthan	Jaipur	Order No. 01/2020 dt. 16.01.2020
28.	Sikkim	Kolkata	Order No. 33/2020 dt. 20.02.2020
29.	West Bengal		Order No. 62/2020 dt. 29.05.2020
30.	Telangana	Hyderabad	Order No. 01/2020 dt. 29.01.2020
31.	Uttar Pradesh	Meerut	Order No. 01/2020 dt. 01.02.2020
32.		Lucknow	Order No. 01/2020 dt. 27.02.2020
33.	Uttarakhand	Meerut	Order No. 01/2020 dt. 01.02.2020
34.	Vadodara	Vadodara	Order No. NIL dt. 05.02.2020
35.	Dadra Nagar Haveli		Order No. NIL dt. 29.07.2020
36.	Daman and Diu		Order No. NIL dt. 29.07.2020
37.	Puducherry	Chennai	Order No. NIL dt. 18.08.2020
38.	Tamil Nadu		Order No. 01/2020 dt. 18.08.2020
39.	Andaman and Nicobar Islands	Kolkata	Order No. 70/2020 dt. 15.06.2020

5. Following State/Centre has still to constitute GRC which have been requested vide this office reminder OMs.

Sl. No.	State/UTs	Centre	State/Centre level GRC
1.	Gujarat	Ahmedabad	Pending
2.	Haryana	Panchkula	Pending

6. It is also informed that GSTN has created a specific portal for uploading the grievances received in these meetings, for the purpose of escalating the same to the appropriate authority. The CBIC Zones/States/UTs are requested to take login credentials from GSTN for the aforesaid portal.

7. The latest status of the above **constitution of Grievance Redressal Committee at Zonal/State level for redressal of grievance of taxpayers on GST related issues** is placed before the 43rd meeting of the GST Council scheduled on 28.05.2021 for information.

Agenda Item 5 – Performance Report of the NAA (National Anti-profiteering Authority) for the 2nd quarter (July,2020 to September,2020), 3rd quarter (October 2020 to December 2020) and 4th quarter (January 2021 to March 2021) for the information of the Council

In terms of provisions of clause (iv) of Rule 127 of the CGST Rules 2017, National Anti-Profiteering Authority (NAA) is required to furnish a performance report to the GST Council by 10th of the closing of each quarter. Anti-profiteering provisions are contained under Section 171 of the CGST Act, 2017 which empowers NAA to determine as to whether benefit of reduced rate of tax or the Input Tax Credit (ITC) has been passed on to the recipient by way of commensurate reduction in the prices and in case of failure, NAA may order reduction in prices, commensurate benefit to recipient, impose penalty and cancel registration, in suitable cases.

2. Anti-profiteering mechanism under GST is a multi-tier mechanism. The methodology of examination of the complaints to determine profiteering is asunder:

- i. State Level Screening Committee (SLSC) examines State level complaint and recommends to the Standing Committee (SC);
- ii. SC, in addition to complaints recommended by SLSC, also receives complaint directly in respect of suppliers having pan India or presence in more than one State/UT;
- iii. SC examines and sends recommendation to the DG, Anti-profiteering (DGAP);
- iv. DGAP then completes investigation, within a period of 3 months, and furnishes a report of its findings to NAA;
- v. Based on the report from DGAP, NAA determines all aspects relating to profiteering, passes its order regarding reduction in prices; return of amount to recipient; imposition of penalty; and cancellation of registration.

3. Accordingly, the performance report of anti-profiteering for the 2nd quarter (July to September, 2020, 3rd quarter (October to December, 2020) and 4th quarter (January to March, 2021) of Financial Year 2020-21 at various levels, is as under:

3.1 Performance of **National Anti-Profiteering Authority:**

Opening Balance	No. of Investigation Reports received from DGAP during the quarter	Disposal of Cases (during Quarter)				Closing Balance
		Total Disposal during quarter	No. of cases Where Profiteering established	No. of cases Where Profiteering not established	No. of cases referred back to DGAP	
Quarter 1 st July, 2020 to 30 th September, 2020						
66	20	14	12	1	1	72
Quarter 1 st October, 2020 to 31 st December, 2020						
72	41	34	15	2	17	79
Quarter 1 st January, 2021 to 31 st March, 2021						
79	50	2	1	0	1	127

3.2 Performance of **DG (Anti-profiteering)**:

Opening Balance (No. of cases)	Receipt	Disposal	Mode of disposal of cases		Closing Balance (No. of cases)
			Report to NAA confirming profiteering	Report to NAA for closure action	
Quarter 1 st July, 2020 to 30 th September, 2020					
116	15	19	13	6	112
Quarter 1 st October, 2020 to 31 st December, 2020					
112	50	38	34	4	124
Quarter 1 st January, 2021 to 31 st March, 2021					
124	14	55	42	13	83

3.3 Performance report of the **Standing Committee** on Anti-profiteering:

Opening Balance (No. of cases)	Receipt	Disposal	Closing Balance (No. of cases)
Quarter 1 st July, 2020 to 30 th September, 2020			
31	180	160	51
Quarter 1 st October, 2020 to 31 st December, 2020			
51	137	94	94
Quarter 1 st January, 2021 to 31 st March, 2021			
94	351	188	257

3.4 Performance report from the **State Level Screening Committee**:

Opening Balance (No. of cases)	Receipt	Disposal		Closing Balance (No. of cases)
		Cases referred to Standing Committee	Cases Rejected	
Quarter 1 st July, 2020 to 30 th September, 2020				
18	70	34	24	30
Quarter 1 st October, 2020 to 31 st December, 2020				
30	83	46	7	60

Quarter 1st January, 2021 to 31st March, 2021

62*	129	46	110	35
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*In earlier report (Qtr. Ending December 2020) Odisha was not included since Report was not received from Odisha. Now Odisha is included in this report so the total Closing Balance of Quarter ending December 2020 and Opening Balance of Quarter ending March 2021 differ by 2.

Note: A detailed performance of each State Level Screening Committee is enclosed at Annexure “A” (Quarter ending September, 2020), Annexure “B” (Quarter ending December, 2020) and Annexure “C” (Quarter ending March, 2021).

4. During these quarters NAA has undertaken the following activities/initiatives-

- i. Vide DO letter dated 20.10.2020, the Chief Secretary/Special Chief Secretary, Govt. of Telangana was requested for establishment of a permanent secretariat and appointment of a Nodal officer of the Telangana State Level Screening Committee on Anti-profiteering for quick disposal of pending complaints.
- ii. Vide D.O. letter dated 26.10.2020, the Secretary, Deptt. of Public Sector Enterprises, Ministry of heavy industries & public enterprises, Govt. of India was requested to sensitise all the CMDs/MDs of all PSUs/PSEs to oversee whether the rate reduction and ITC benefit have been passed on by the contractors/vendors to PSUs/PSEs with the implementation of GST.
- iii. Vide D.O. letter dated 26.10.2020, the Secretary, Deptt. of Expenditure, Ministry of Finance, Govt. of India was requested to sensitise all the Additional Secretaries/Joint Secretaries (Financial Advisors) of all Central Govt. Departments and associated offices to oversee whether the rate reduction and ITC benefit have been passed on by the contractors/vendors to all such departments and offices with the implementation of GST.
- iv. Vide D.O. letter dated 03.11.2020, the Revenue Secretary, Ministry of Finance, Govt. of India was intimated regarding aforesaid DOs.
- v. Sh. J. C. Chauhan, Technical Member has superannuated from the Authority on 13.12.2020 on attaining the age of 65 years.
- vi. Vide order No. 235/2020 dated 29.12.2020, Sh. Navneet Goel, IRS (C&IT) has been appointed as Technical Member in the Authority for a period of two years from the date of assumption of the post or till the Authority exists or until further orders, whichever is earlier.
- vii. Due to the prevalent pandemic of COVID-19 in the country, the orders in cases wherein the limitation period was expiring between 20.03.2020 and 29.11.2020 might not be passed within a period of 6 months as per the provisions of Rule 133(1) of the CGST Rules, 2017 from the date of receipt of the Report from the DGAP under Rule 129(6) of the above Rules due to force majeure.
- viii. In the wake of corona pandemic outbreak, for the period from 01.10.2020 to 31.12.2020, the personal hearings have been accorded only on the specific request by the interested parties preferably through video conferencing.

- ix. Due to the prevalent pandemic of Covid-19, the orders in cases where the limitation period was expiring between 20.03.2020 and 31.03.2021 might not be passed within a period of 6 months as per the provisions of Rule 133(1) of the CGST Rules, 2017 from the date of receipt of Report from the DGAP. Therefore, only 03 Orders were passed by the Authority unanimously during this quarter. Details of which are as under: -
- a. 01 final order involving profiteering of Rs. 78 lakhs were passed.
 - b. 01 order was passed to refer the matter back to the DGAP for re-investigation under Rule 133(4)
 - c. 01 Penalty order was passed.
- x. Vide D.O. letter dated 04.01.2021, the Revenue Secretary was requested to take up the matter of expeditious constitution of the Consumer welfare fund for four States i.e. Uttar Pradesh, NCT of Delhi, Chhattisgarh and Arunachal Pradesh.
- xi. Vide D.O. letter dated 04.01.2021, the Revenue Secretary was requested to take up the matter of designation of the Commissioner of State Tax of Delhi or the Pr. Chief Commissioner/Chief Commissioner of Central Tax Delhi zone as the Nodal Member of the Standing committee on Anti-Profiteering at the level of GST Council.
- xii. Sh. Navneet Goel, IRS (C&IT) has joined the NAA as Technical Member for a period of two years in the F/N of 11.01.2021. Since the workload has now increased manifold due to increase in cases and complaints, vide D.O. letter dated 15.01.2021, the Revenue Secretary was requested to nominate two more Technical Members.
- xiii. The Chairman, NAA along with Technical Members of NAA has held review meeting in the months of January and February, 2021 with Members of Screening Committees of the States/UTs regarding various pending issues like complaints, compliance of orders, constitution of the Screening Committees and appointments of Nodal Officers etc.
- xiv. In the wake of corona pandemic outbreak, for the period from 01.01.2021 to 31.03.2021, the personal hearings have been accorded only on the specific request by the interested parties preferably through video conference.

5. Accordingly, the quarterly performance report of the National Anti-Profiteering Authority for the period from July, 2020 to March, 2021 is placed before the GST Council.

Annexure-A

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
1	Andhra Pradesh	✓	0	0	0	0	0
2	Arunachal Pradesh	✓	0	0	0	0	0
3	Assam	✓	0	0	0	0	0
4	Bihar	✓	1	10	2	5	4
5	Chhattisgarh	X					
6	Goa	X					
7	Gujarat	✓	4	0	1	3	0
8	Haryana	✓	0	19	19	0	0
9	Himachal Pradesh	✓	0	0	0	0	0
10	Jammu and Kashmir	✓	0	0	0	0	0
11	Jharkhand	✓	2	0	2	0	0
12	Karnataka	✓	1	2	2	0	1
13	Kerala	✓	0	0	0	0	0
14	Madhya Pradesh	✓	2	1	0	1	2
15	Maharashtra	✓	0	5	5	0	0
16	Manipur	✓	0	0	0	0	0
17	Meghalaya	✓	0	0	0	0	0
18	Mizoram	✓	0	0	0	0	0
19	Nagaland	✓	0	0	0	0	0
20	NCT of Delhi	✓	7	26	0	15	18
21	Odisha	X					
22	Puducherry	✓	0	0	0	0	0
23	Punjab	X					
24	Rajasthan	✓	0	0	0	0	0
25	Sikkim	✓	0	0	0	0	0
26	Tamil Nadu	✓	0	2	0	0	2

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
27	Telangana	✓	0	0	0	0	0
28	Tripura	✓	0	0	0	0	0
29	Uttar Pradesh	✓	0	4	1	0	3
30	Uttarakhand	✓	0	0	0	0	0
31	West Bengal	✓	1	1	2	0	0
		27	18	70	34	24	30

Annexure-B

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
1	Andhra Pradesh	✓	0	0	0	0	0
2	Arunachal Pradesh	✓	0	0	0	0	0
3	Assam	✓	0	0	0	0	0
4	Bihar	✓	4	0	1	3	0
5	Chhattisgarh	X					
6	Goa	✓	0	0	0	0	0
7	Gujarat	✓	0	0	0	0	0
8	Haryana	✓	0	30	30	0	0
9	Himachal Pradesh	✓	0	0	0	0	0
10	Jammu and Kashmir	X					
11	Jharkhand	✓	0	1	0	0	1
12	Karnataka	✓	1	2	1	1	1
13	Kerala	X					
14	Madhya Pradesh	✓	2	1	1	1	1
15	Maharashtra	✓	0	5	4	0	1
16	Manipur	✓	0	0	0	0	0
17	Meghalaya	✓	0	0	0	0	0
18	Mizoram	✓	0	0	0	0	0
19	Nagaland	✓	0	0	0	0	0
20	NCT of Delhi	✓	18	33	0	0	51
21	Odisha	X					
22	Puducherry	✓	0	0	0	0	0
23	Punjab	X					
24	Rajasthan	✓	0	0	0	0	0
25	Sikkim	✓	0	0	0	0	0
26	Tamil Nadu	✓	2	0	2	0	0

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
27	Telangana	✓	0	7	3	2	2
28	Tripura	✓	0	0	0	0	0
29	Uttar Pradesh	✓	3	4	4	0	3
30	Uttarakhand	✓	0	0	0	0	0
31	West Bengal	✓	0	0	0	0	0
		26	30	83	46	7	60

Annexure-C

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
1	Andhra Pradesh	X					
2	Arunachal Pradesh	✓	0	0	0	0	0
3	Assam	✓	0	0	0	0	0
4	Bihar	X					
5	Chhattisgarh	X					
6	Goa	X					
7	Gujarat	✓	0	2	2	0	0
8	Haryana	X					
9	Himachal Pradesh	✓	0	0	0	0	0
10	Jammu and Kashmir	X					
11	Jharkhand	✓	1	0	1	0	0
12	Karnataka	✓	1	2	3	0	0
13	Kerala	X					
14	Madhya Pradesh	✓	1	2	0	1	2
15	Maharashtra	✓	1	19	19	0	1
16	Manipur	✓	0	0	0	0	0
17	Meghalaya	✓	0	0	0	0	0
18	Mizoram	✓	0	0	0	0	0
19	Nagaland	✓	0	0	0	0	0
20	NCT of Delhi	✓	51	51	1	76	25
21	Odisha*	✓	2	0	0	2	0
22	Puducherry	X					
23	Punjab	X					
24	Rajasthan	✓	0	0	0	0	0
25	Sikkim	✓	0	0	0	0	0
26	Tamil Nadu	✓	0	1	0	0	1
27	Telangana	✓	2	37	8	31	0

Performance Report of the State Level Screening Committee for Quarter (January - March 2021)							
S.No.	States	Received/Not Received	Opening Balance	Receipt	Disposal		Closing Balance
					Standing Committee	Rejected	
28	Tripura	✓	0	0	0	0	0
29	Uttar Pradesh	✓	3	10	12	0	1
30	Uttarakhand	✓	0	0	0	0	0
31	West Bengal	✓	0	5	0	0	5
		22	62	129	46	110	35

* In earlier report (Qtr. Ending December 2020) Odisha was not included since Report was not received from Odisha. Now Odisha is included in this report so the total Closing Balance of Quarter ending December 2020 and Opening Balance of Quarter ending March 2021 differ by 2.

Confidential



Agenda for 43rd Meeting of the GST Council

28th May 2021

Volume – 2





GST Council Secretariat

New Delhi

Dated: 16th May 2021

Notice for the 43rd Meeting of the GST Council Scheduled on 28th May 2021

The undersigned is directed to refer to the subject cited above and convey that the 43rd Meeting of the GST Council would convene on **28th May 2021 (Friday)** through Video Conference. The schedule of the meeting is as follows:

28th May 2021 (Monday) : 1100 Hours onwards

2. Please convey the invitation to the Hon'ble Members of the GST Council to attend the Meeting.

(-Sd-)

(Tarun Bajaj)

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, Union Territories (with legislature) of Delhi, Puducherry and Jammu and Kashmir with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State/UT Government as a Member of the GST Council about the above said meeting.
4. Chairman, CBIC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.
5. Chairman, GST Network

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8	GSTN related issues for the consideration of the GST Council <ul style="list-style-type: none"> i. Sanction for extension of Project REAP, LEAP and BIFA till 31st March, 2022 on T&M basis with delegation to the Chairman to reduce the Manpower, if required. ii. In principle approval to expand the scope of IRP project for e-invoice registration and IRN issuance on expanding the scope with reduction of the threshold of turnover and providing for multiple IRPs, if needed, iii. Proposal for approval of deputation guidelines and to request the States to provide manpower to GSTN with SGST experience iv. Intimation – the Status update on transfer of share-holding with the States and conversion of Goods and Services Tax Network (GSTN) into 100% Government owned Company. v. Status of Payment by the States and Waiver of Interest on delayed receipt of Advance User Charges (AUC) from a few states and CBIC. 	23-167 23-24 25-28 29-30 31-32 33-34
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Discussion on Agenda Items

Agenda Item 6 – Ad-hoc Exemptions Orders issued under Section 25(2) of Customs Act, 1962 to be placed before the GST Council for information

In the 26th GST Council meeting held on 10th March, 2018, it was decided that all ad hoc exemption orders issued with the approval of Hon'ble Finance Minister as per the guidelines contained in Circular No. 09/2014-Customs dated 19th August, 2014, as was the case prior to the implementation of GST, shall be placed before the GST Council for information.

2. The details of the ad hoc exemption orders issued are as follows:

Order No.	Date	Remarks	ISSUING AUTHORITY
AEO No. 01-A of 2020	10 th September 2020	Request from the Ministry of External Affairs for exemption from payment of Customs Duties for procurement of 04 Special Armoured vehicles. (Annexure-I).	Commissioner Customs & EP CBIC
AEO No. 02 of 2020	05 th October 2020	Request from Shri Gajendra Haldea for exemption from import duties on import of life saving drug Romidepsin for personal use. (Annexure-II).	
AEO No. 01 of 2021	09 th February 2021	Request from Shri Mihir Kamat for seeking exemption from payment of import duty for import of lifesaving drug Zolgensma, for gene replacement therapy, for personal use. (Annexure-III).	
AEO No. 02 of 2021	11 th March 2021	Request from the Ministry of Home Affairs, Government of India for the equipment received on gratis basis for setting up a Cyber Lab at CAPT Bhopal from the United States of America (Annexure-IV).	
AEO No. 03 of 2021	15 th April 2021	Request from Shri Rajdipsinh Rathod for seeking exemption from payment of import duty for import of lifesaving drug Zolgensma, for gene replacement therapy, for personal use. (Annexure-V).	
AEO No. 04 of 2021	3 rd May 2021	Seeks to exempt IGST on imports of specified COVID-19 relief material donated from abroad, up to 30th June, 2021. (Annexure-VI)	JS ,TRU CBIC

3. All these Notifications are issued under sub-section (2) of section 25 of the Customs Act, 1962 (52 of 1962) but the whole of the Integrated Tax leviable thereon under sub-section (7) of section 3 of the said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) is getting exempted . Hence these Notifications issued by CBIC are placed for the information of GST Council.

F. No. 462/03/2020-Cus.V
Ad-hoc Exemption Order no. 01 of 2020
Issued under section 25(2) of the Customs Act, 1962

Government of India
 Ministry of Finance
 Department of Revenue

Room no. 227A, North Block, New Delhi – 110001

Dated 10th September, 2020

To

The Chief Commissioner of Customs (Delhi Zone),
 New Custom House, Near I.G.I. Airport & Cargo Complex,
 New Delhi-110 037.

Subject: Waiver of Customs Duty under Section 25 (2) of Customs Act, 1962 for import of 04 Armored Vehicles by MEA – reg.

Madam,

The undersigned is directed to refer to a request of Ministry of External Affairs (copy enclosed) seeking exemption from payment of Customs Duty in terms of Section 25 (2) of Customs Act, 1962 for import of 04 Special Armored Vehicle.

2. It has been informed by MEA that the 04 vehicles will be used to provide appropriate transport to the visiting Head of State/Head of Government for Bilateral or Multilateral engagements during their State & Official visits to India. The said vehicles are being procured from M/s Daimler Chrysler, Germany for Euro 24,58,166.40. It has been informed that the vehicles are tentatively scheduled to arrive at ICD, Faridabad.

3. Under the circumstances of public interest as mentioned above and in exercise of the powers conferred by sub-section (2) of Section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts the said goods, i.e. 04 Special Armored Vehicles, valued at Euro 24,58,166.40 (EURO Twenty Four Lacs Fifty Eight Thousand and One Hundred Sixty Six and Forty Cents only) as per Annexure from the whole of the duty of Customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975, and, whole of the Integrated Tax and Compensation Cess leviable thereon under section 3 of the Customs Tariff Act, 1975, subject to the conditions that the goods imported

- a) shall be used for the purpose for which it is being imported;
- b) shall not be put to any commercial use;
- c) shall not be sold, gifted, disposed of or used in any manner other than that specified in this order, without prior permission of the Central Board of Indirect Taxes and Customs;
- d) shall be open for inspection by the Customs Officer;

4. An undertaking to comply with the conditions mentioned in Para 3 above shall be given by the Importer before the jurisdictional Commissioner of Customs for claiming benefit of exemption under this order at the time of clearance along with copies of documents pertaining to the import, such as the Bills of Entry, Bills of Lading, Invoices, etc.

 2020


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F. No. 462/03/2020-Cus.V
Ad-hoc Exemption Order no. 01 of 2020
Issued under section 25(2) of the Customs Act, 1962

5. This exemption order does not ipso facto exempt the goods from the requirements under other Acts to be fulfilled at the time of import.
6. Any infringement of conditions of the AEO shall invite further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc.
7. This order shall be valid for goods imported up to 31.10.2020.

Enclosures: Annexure in 13 pages.

Yours faithfully,


(Sanjeet Singh)
10.09.2020
OSD (Cus V)
Telephone = 23095541

Copy to:

- Sh. Manish Saxena, Commissioner of Customs, ICD Patparganj, Gazipur, Delhi 110096
- Sh. Nagesh Singh, Chief of Protocol, Ministry of External Affairs, New Delhi
- Ms Shefali S Andaleeb, Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- Guard File.


(Sanjeet Singh)
10.09.2020
OSD (Cus V)
Telephone = 23095541

(S)

F. No. 461/05/2020-Cus V
Ad-hoc Exemption Order no. 2 of 2020
Issued under section 25(2) of the Customs Act, 1962

Government of India
Ministry of Finance
Department of Revenue

Room no. , North Block, New Delhi – 110001

5th 1st October, 2020

To,
The Chief Commissioner of Customs,
New Custom House,
New Delhi- 110037.

Sir,

Subject: Request for Special Exemption from payment of Customs Duty under Section 25 (2) of Customs Act, 1962 on import of a Gait Walker – reg.

The undersigned is directed to refer to a request received from Mr. Gajendra Haldea, C-1/69, Bapa Nagar, New Delhi, (hereinafter referred to as the applicant) seeking exemption from payment of duty in terms of Section 25 (2) of Customs Act, 1962, for import of a life saving drug Romidepsin for personal use of the applicant who is suffering from a rare form of lymphoma malignancy.

2. He has also informed that the drug Romidepsin has been prescribed to him by his physician and has submitted a certificate from the Directorate General of Health Service that the said drug Romidepsin is a life saving drug (copy enclosed). It has also been informed that since the drug Romidepsin is yet to be approved by Drug Controller General India (DCGI) hence it is not manufactured in India and also not allowed to be imported for commercial purpose. Therefore, import of such drugs is only allowed for personal use on basis of a license issued by DCGI. The applicant has submitted the copy of the license granted by DCGI for import of the drug Romedepsin for his personal use (Copy enclosed).

3. Under circumstances of an exceptional nature as mentioned above and in exercise of the powers conferred by sub-section (2) of Section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts 36 Injections (10 mg per vial) of the drug Romidipsin from the whole of the duty of Customs leviable thereon which is specified in the first schedule to the Customs Tariff Act, 1975, and, whole of the IGST leviable thereon under section 3 of the Customs Tariff Act, 1975, subject to the condition that the imported goods will be used for the applicant and will not be put to other use.

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F. No. 461/05/2020-Cus V
Ad-hoc Exemption Order no. 2 of 2020
Issued under section 25(2) of the Customs Act, 1962

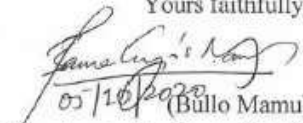
4. An undertaking that the goods covered by this Order will be used solely by the applicant for his personal use and shall not be put to any other use shall be submitted by the applicant to the jurisdictional Commissioner of Customs of the port of import for claiming benefit of exemption under this Order.

5. Any infringement of conditions of this Order should be brought to the notice of the Commissioner of Customs of the port of import for taking further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc.

6. This order is valid for imports made up to 22.12.2020.

Enclosures: As above

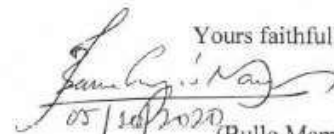
Yours faithfully,


05/10/2020 (Bullo Mamu)
Under Secretary to the Govt. of India

Copy to:

- Mr. Gajendra Haldea, C-1/69, Bapa Nagar, New Delhi.
- Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- ✓ Guard File.

Yours faithfully,


05/10/2020 (Bullo Mamu)
Under Secretary to the Govt. of India

F. No. 461/01/2021-Cus V
Ad-hoc Exemption Order no. 1 of 2021
Issued under section 25(2) of the Customs Act, 1962

Government of India
Ministry of Finance
Department of Revenue

Room no. 227A, North Block, New Delhi – 110001

Dated the 9th February 2021

To,
The Chief Commissioner of Customs,
Mumbai –III
Mumbai

Sir,

Subject: Request for Special Exemption from payment of Customs Duty under Section 25 (2) of Customs Act, 1962 on import of Zolgensma– reg.

The undersigned is directed to refer to a request received from Mr. Mihir Kamat, father of 5 month old Teera Kamat, seeking exemption from payment of duty in terms of Section 25 (2) of Customs Act, 1962, for import of Zolgensma, a drug for gene replacement therapy.

2. He has informed that:

- (i) his daughter, Teera Kamat, has been diagnosed with Spinal Muscular Atrophy, type 1, a severe, rare, early-onset genetic disorder that affects a child's nervous system and eventually kills the baby as the condition progresses. Without this said drug, the child may not live to see her 2nd birthday.
- (ii) they raised money (INR 16 crores) to cover costs for a revolutionary gene replacement therapy, Zolgensma, priced at USD \$2.125 million, to save her life, through crowd funding.
- (iii) they have obtained approval from DGCI to import this life saving medicine for personal use.
- (iv) the drug Zolgensma needs to be imported from USA and as per the doctor's advice and the infant's weight, 27.5 ml of the drug would be required for the treatment.
- (v) The drug is expected to be imported as 1 package with 5 vials of 5.5ml doses of medicine each.

2.1 They have requested for waiving off the customs duties and GST on the import of this lifesaving drug Zolgensma.

3. In view of the exceptional circumstances as mentioned above, the Central Government in exercise of the powers conferred by sub-section (2) of Section 25 of the Customs Act, 1962 (52 of 1962), being satisfied that it is necessary in the public interest so to do, hereby exempts 27.5 ml of Zolgensma (5 vials of 5.5ml doses or as applicable), from the whole of the Integrated Tax leviable thereon under sub-section (7) of section 3 of the Customs Tariff Act, 1975, subject to the

F. No. 461/01/2021-Cus V
Ad-hoc Exemption Order no. 1of 2021
Issued under section 25(2) of the Customs Act, 1962

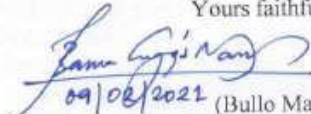
condition that the imported goods will be used for the treatment of Ms. Teera Kamat and will not be put to other use. The said drug is already exempt from payment of BCD under Sl. No. 607 of Notification 50/2017- Customs dated 30th June, 2017, subject to conditions therein.

4. An undertaking that the goods covered by this Order will be used solely for the treatment of Ms. Teera Kamat and shall not be put to any other use shall be submitted by the applicant to the jurisdictional Commissioner of Customs of the port of import for claiming benefit of exemption under this Order.

5. Any infringement of conditions of this Order should be brought to the notice of the Commissioner of Customs of the port of import for taking further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc.

6. This order is valid for imports made up to 08.05.2021

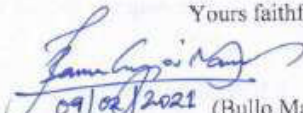
Yours faithfully,


09/06/2021 (Bullo Mamu)
Under Secretary to the Govt. of India

Copy to:

- Mr. Mr. Mihir Kamat, 401/402, Akshay, 20, Amritvan Complex, Goregaon East, Mumbai-400063, Maharashtra.
- Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- Guard File.

Yours faithfully,


09/06/2021 (Bullo Mamu)
Under Secretary to the Govt. of India

F. No. 462/10/2020-Cus V
Ad-hoc Exemption Order no. 2 of 2021
Issued under section 25(2) of the Customs Act, 1962

Government of India
Ministry of Finance
Department of Revenue

Room no. 227A, North Block, New Delhi – 110001

Dated the 11th March 2021

To,
The Principal Commissioner of Customs ACC (Import),
New Custom House, Near I.G.I. Airport,
New Delhi-110037

Sir,

Subject: ATA Course-IN 18 DFEG01, "Digital Forensics Equipment Grant Consultation"
Program – reg.

The undersigned is directed to refer to a request received from Bureau of Police Research & Development (BPR&D) for seeking exemption from payment of duty in terms of Section 25 (2) of Customs Act, 1962, for the equipment received on gratis basis for setting up a Cyber Lab at CAPT Bhopal from the United States of America.

2. It has been informed that:

- (i) Bureau of Police Research & Development is conducting ATA Course-IN 18 DFEG01, "Digital Forensics Equipment Grant Consultation". The program is scheduled from 15.03.2021 to 26.03.2021. The ATA Courses are a regular exercise of BPR&D in collaboration with the United States of America
- (ii) The cost of equipment has been informed as USD 546,440.82 (Rs. 4,10,06,285.23 i.e., Rupees four Crore ten lakh six thousand two hundred eighty-five and paise twenty-three only, as per the rate of exchange of USD to Indian Rupees as on date).
- (iii) The training program is conducted by BPR&D by looking into the growing need of the country to strengthen the Indian Police Forces to meet the formidable challenge from terrorists and disruptive elements in criminal matters. The participants of the program exchange best practices and increase cooperation with Indian Law enforcement to investigate and respond to terrorist incidents.

2.1 Bureau of Police Research & Development has requested for waiving off the customs duties and GST for the equipment received on gratis basis for setting up a Cyber Lab at CAPT Bhopal.

3. In view of the exceptional circumstances as mentioned above, the Central Government in exercise of the powers conferred by sub-section (2) of Section 25 of the Customs Act, 1962 (52 of 1962), being satisfied that it is necessary in the public interest so to do, hereby exempts equipment for setting up a Cyber Lab at CAPT Bhopal, as per Annexure, from the whole of the duty of Customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975, and, whole

F. No. 462/10/2020-Cus V
Ad-hoc Exemption Order no. 2 of 2021
Issued under section 25(2) of the Customs Act, 1962

of the Integrated Tax leviable thereon under Section 3 of the Customs Tariff Act, 1975, subject to the condition that the imported goods:

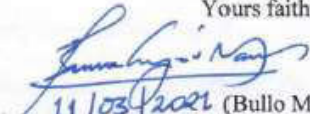
- a) shall be used only for the purpose for which it is being imported;
- b) shall not be put to any commercial use;
- c) shall not be sold, gifted, disposed of or used in any manner other than that specified in this order, without prior permission of the Central Board of Indirect Taxes and Customs; and
- d) shall be open for inspection by the Officer of Customs.

4. An undertaking to comply with the conditions mentioned in Para 3 above shall be submitted by the applicant to the jurisdictional Commissioner of Customs of the port of import for claiming benefit of exemption under this Order.

5. Any infringement of conditions of this Order should be brought to the immediate notice of the Commissioner of Customs of the port of import for taking further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc.

6. This order is valid for imports made up to 10.06.2021

Yours faithfully,

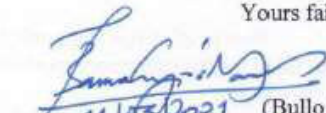

11/03/2021 (Bullo Mamu)
Under Secretary to the Govt. of India

Enclosed: Annexure

Copy to:

- Shri D S Sandhu, Assistant Director (Trg./FC), Bureau of Police Research & Development, New Delhi 110037.
- Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- Guard File.

Yours faithfully,


11/03/2021 (Bullo Mamu)
Under Secretary to the Govt. of India

J20/FC SECTION-HQ BPRD

Annexure

10	EA	Backup Software	Backup Software	\$29.99	\$ 299.90
3	EA	External Hard Drive	8TB	\$173.99	\$ 521.97
1	EA	Printer	Black	\$84.62	\$ 84.62
2	EA	Printer Toner	Extra cartridge	\$62.63	\$ 125.26
3	EA	Wireless Router	Dual-band	\$90.25	\$ 270.75
15	EA	Portable Hub	USB 3.0, 4 port	\$24.22	\$ 363.30
45	EA	External Hard Drive	4 TB	\$103.40	\$ 4,653.00
50	EA	Flash Drives	32 GB	\$12.75	\$ 637.50
5	EA	Charging Station	Desktop USB, 5-Port	\$16.23	\$ 81.15
20	EA	Power Strips	International-compatible Power Strips	\$34.16	\$ 683.20
4	EA	Lab Cases	Hardened Cases to store lab	\$296.99	\$ 1,187.96
50	EA	Evidence Bags - S	Plastic, for smaller digital devices	\$0.52	\$ 26.00
50	EA	Evidence Bags - M	Plastic, for smaller and mid-sized digital devices	\$0.23	\$ 11.50
2	EA	Faraday Bags	Assorted sizes, multipack 20 count	\$37.11	\$ 74.22
2	EA	Digital Image Capture System	ZRT 3 - Fernico - Field Kit Case	\$5,057.60	\$ 10,115.20
30	EA	External Hard Drive	5TB	\$130.67	\$ 3,920.10
Appendix C: Recommended Equipment Grant					
4	EA	Digital Forensics Workstation/Tower	Digital Forensics Workstation/Tower - Intel Core i7 6700K 4.0Ghz	\$8,244.50	\$ 32,978.00
4	EA	Monitor	32-Inch Monitor or Greater with HDMI inputs	\$231.99	\$ 927.96
7	EA	Power Strips	International-compatible Power Strips	\$34.16	\$ 239.12
6	EA	Portable Forensics Workstation Laptop	Mobile Forensics Workstation Forensics Laptop - Intel i7-7700, quad-core	\$2,195.04	\$ 13,170.24
1	EA	Monitor	32-Inch Monitor or greater with HDMI inputs	\$231.99	\$ 231.99
1	EA	Virtual Private Network	5 connections, 1 year	\$92.85	\$ 92.85
2	EA	Magnet Forensics	AXIOM by Magnet Software - Complete, 1 year	\$5,625.00	\$ 11,250.00
2	EA	Guidance Software	Encase Forensics - 1 year	\$3,584.00	\$ 7,168.00
2	EA	Access Data	FTK Forensics - 1 year	\$5,114.00	\$ 10,228.00
6	EA	Hunchly	Hunchly Web Capture Tool - 1 year	\$149.64	\$ 897.84
1	EA	Guidance Software	Tableau Forensic Imager 3	\$2,524.50	\$ 2,524.50
2	EA	Guidance Software	Tableau Forensic USB 3.0 Write-blocker Bridge	\$532.44	\$ 1,064.88
1	EA	Eicomsoft	Eicomsoft Mobile Forensic Bundle	\$3,004.95	\$ 3,004.95
3	EA	Logicube Forensic	Hard Drive Docking Station with USB 3.0	\$21.02	\$ 63.06
2	EA	Data Protection	Commerical Backup Software - Enterprise (3 year)	\$83.62	\$ 167.24
450	EA	External Hard Drive	1TB (for issuance to students est. 1 year supply)	\$47.62	\$ 21,429.00
2	EA	Printer	Black Laser	\$84.62	\$ 169.24
4	EA	Printer Toner	Extra Cartridge	\$62.63	\$ 250.52
2	EA	Wireless Router	Dual-band	\$90.25	\$ 180.50
10	EA	Portable Hub	USB 3.0, 4 port	\$24.22	\$ 242.20
450	EA	Flash Drives	32 GB (granted to students - est. 1 year supply)	\$7.93	\$ 3,568.50
3	EA	USB Charger	Minimum 5-Port	\$26.45	\$ 79.35
4	EA	Lab Cases	Hardened cases to store lab	\$296.99	\$ 1,187.96
10	EA	Faraday Bags	Assorted sizes, multipack 20 count	\$37.11	\$ 371.10
2	EA	Digital Image Capture System	ZRT 3 - Fernico - Field Kit Case	\$5,057.60	\$ 10,115.20
150	EA	External Hard Drive	5TB	\$130.67	\$ 19,600.50
5	EA	Digital Forensics Workstation/Tower (2020 Specifications)	Digital Forensics Workstation/Tower (Minimum Specs) - Intel Core i9-7900X 10 Core 3.3GHz	\$12,691.42	\$ 63,457.10
10	EA	Monitor	32-Inch Monitor or greater with HDMI Inputs	\$231.99	\$ 2,319.90
12	EA	Digital Forensics Workstation/Tower (2020 Specifications)	Digital Forensics/Portable (Minimum Specs) - Intel i9-9900, 8-core - 15 inch	\$5,287.21	\$ 63,446.52
12	EA	Laptop Case	Sized to fit mobile forensic laptop	\$18.85	\$ 226.20

2020/FC SECTION-HQ BPRD

30	EA	Hard Disk/SD/Micro Docking Station	Hard Disk/SD/MicroSD USB 3.0 Docking Station	\$245.56	\$ 7,366.80
8	EA	Charging Bay	Multiple Device charging station with stand,	\$69.85	\$ 558.80
2	EA	Magnet Forensics	AXIOM with Cloud (3 year)	\$22,969.45	\$ 45,938.90
2	EA	Magnet Forensics	AXIOM by Magnet Software SMS (2 year)	\$2,117.00	\$ 4,234.00
2	EA	Guidance Software	EnCase Forensics (1 year)	\$3,594.00	\$ 7,188.00
4	EA	Guidance Software	EnCase Forensics (addl 2 year)	\$1,800.00	\$ 7,200.00
2	EA	Access Data	FTK Forensics (1 year)	\$5,114.00	\$ 10,228.00
4	EA	Access Data	FTK Forensics (ADDL 2 Year)	\$2,368.92	\$ 9,475.68
5	EA	Hunch.ly	OSINT Software for Law Enforcement (3 year)	\$2,048.20	\$ 10,241.00
2	EA	Guidance Software	Tableau Forensic TX-1 Forensic Imager	\$3,491.99	\$ 6,983.98
2	EA	Guidance Software	Ultimate Forensic Write Protection Kit II Mobile	\$3,174.44	\$ 6,348.88
13	EA	Guidance Software	Tableau Forensic USB 3.0 Write-blocker Bridge	\$532.44	\$ 6,921.72
2	EA	MSAB	XRY Logical & Physical (1 year)	\$8,986.67	\$ 17,973.34
2	EA	MSAB	XRY Logical & Physical (ADDL 2 year)	\$6,880.25	\$ 13,760.50
2	EA	MSAB	PinPoint (1 year)	\$2,111.71	\$ 4,223.42
2	EA	MSAB	Pinpoint YR (ADDL 2 year)	\$2,106.42	\$ 4,212.84
4	EA	Apple Macbook Pro	Macbook	\$2,962.74	\$ 11,850.96
4	EA	Laptop cCase	Sized to fit Apple MacBook Pro	\$18.85	\$ 75.40
2	EA	Projector	3300 Lumens (minimum)	\$391.63	\$ 783.26
10	PAK	Evidence Bags - M	Antistatic Resealable Bag, medium ((24x21) cm or	\$14.81	\$ 148.10
10	EA	Evidence Bags - S	Antistatic Resealable Bag, small ((15x20) cm or	\$14.81	\$ 148.10
14	EA	Adapter Cable	HDMI Input to DVI Output-6FT	\$7.40	\$ 103.60
2	EA	Business Switch	16 Port Business Switch with PoE	\$325.13	\$ 650.26
20	EA	Ethernet Cable	50 FT, 550MHZ, 10 Gigabit Cable	\$12.74	\$ 254.80
20	EA	Ethernet Cable	26 FT, 550MHZ, 10 Gigabit Cable	\$9.15	\$ 183.00
20	EA	Ethernet Cable	12 FT, 550MHZ, 10 Gigabit Cable	\$7.88	\$ 157.60
25	EA	Plug Adapter	3 pack Travel Adapter (Type G)	\$15.87	\$ 396.75
2	EA	Drone	HS100 Quadcopter	\$179.93	\$ 359.86
15	EA	Portable Charger	2200mAH External Battery 3 Port	\$38.10	\$ 571.50
6	EA	Universal Charger	90W variable Output USB-C Charger Power	\$31.74	\$ 190.44
4	EA	USB Hub	USB Multiport Adapter - Mac Compatible	\$27.51	\$ 110.04
2	EA	Label Maker	Brother PT-450 and Tape Pack	\$66.67	\$ 133.34
2	EA	Label Tape	Brother P-Touch Laminated 2 pack 1/2"	\$24.13	\$ 48.26
5	EA	Tool Kit	67pc Auto Mechanic Tool Kit	\$47.62	\$ 238.10
2	EA	Screwdriver Set	64 in 1 Screwdriver, 56 bits for Electronics	\$23.28	\$ 46.56
2	EA	Mac Forensics Software	Blackbag - MacQuisition (3 year)	\$3,069.65	\$ 6,139.30
4	EA	Oxygen Software	License Oxygen Detective (3 year)	\$11,953.64	\$ 47,814.56
1	EA	Sumuri Software	Recon Lab Full forensic suite (3 year)	\$4,444.64	\$ 4,444.64
1	EA	X-Ways Forensics	X-Ways Labe full forensic (3 year)	\$4,434.06	\$ 4,434.06
2	EA	Elcomsoft	Elcomsoft Password Recovery bundle - Forensic	\$5,287.21	\$ 10,574.42
				\$ 546,440.82	

F. No. 461/01/2021-Cus V
Ad-hoc Exemption Order no. 3 of 2021
Issued under section 25(2) of the Customs Act, 1962

Government of India
Ministry of Finance
Department of Revenue

Room no. 49, North Block, New Delhi – 110001

Dated the 15th April 2021

To,
The Chief Commissioner of Customs,
Mumbai –III
Mumbai.

Sir,

Subject: Request for Special Exemption from payment of Customs Duty under Section 25 (2) of Customs Act, 1962 on import of Zolgensma– reg.

The undersigned is directed to refer to a request received from Mr. Rajdipsinh Rathod, father of 4-month-old Dhairyarajsinh Rathod, seeking exemption from payment of duty in terms of Section 25 (2) of Customs Act, 1962, for import of Zolgensma, a drug for gene replacement therapy.

2. He has informed that:

- (i) his son, Dhairyarajsinh Rathod, has been diagnosed with Spinal Muscular Atrophy, type 1, a severe, rare, early-onset genetic disorder that affects a child's nervous system and eventually kills the baby as the condition progresses.
- (ii) they raised money (INR 16 crores) to cover costs for a revolutionary gene replacement therapy, Zolgensma, priced at USD \$2.125 million, to save his life, through crowd funding.
- (iii) they have obtained approval from DGCI to import this life saving medicine for personal use.
- (iv) the drug Zolgensma needs to be imported from USA and as per the doctor's advice and the infant's weight, 35.8 ml of the drug would be required for the treatment.
- (v) The drug is expected to be imported as 1 package with 35.8 ml dose of medicine.

2.1 They have requested for waiving off the customs duties and GST on the import of this lifesaving drug Zolgensma.

3. In view of the exceptional circumstances as mentioned above, the Central Government in exercise of the powers conferred by sub-section (2) of Section 25 of the Customs Act, 1962 (52 of 1962), being satisfied that it is necessary in the public interest so to do, hereby exempts 35.8 ml of Zolgensma, from the whole of the Integrated Tax leviable thereon under sub-section (7) of section 3 of the Customs Tariff Act, 1975, subject to the condition that the imported goods will be used for the treatment of Mr. Dhairyarajsinh Rathod and will not be put to other use. The said drug is

F. No. 461/01/2021-Cus V
Ad-hoc Exemption Order no. 3 of 2021
Issued under section 25(2) of the Customs Act, 1962

already exempt from payment of BCD under Sl. No. 607 of Notification 50/2017- Customs dated 30th June, 2017, subject to conditions therein.

4. An undertaking that the goods covered by this Order will be used solely for the treatment of Mr. Dhairyarajsinh Rathod and shall not be put to any other use shall be submitted by the applicant to the jurisdictional Commissioner of Customs of the port of import for claiming benefit of exemption under this Order.
5. Any infringement of conditions of this Order should be brought to the notice of the Commissioner of Customs of the port of import for taking further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc.
6. This order is valid for imports made up to 14.07.2021.

Yours faithfully,


15/7/21
(Tamsunaro Jamir)

Additional Commissioner

Copy to:

- Mr. Rajdipsinh Rathod C- 768 Ishwarbaugh Society, Near Panchdev Mandir, Vimal Char Rasta, Arbudanagar, Odhav, Ahmedabad Pincode - 382415.
- Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- Guard File.


15/7/21
(Tamsunaro Jamir)

Additional Commissioner

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Ad hoc Exemption Order No. 4/2021-Customs

New Delhi, the 3rd May, 2021

G.S.R. (E)....- In exercise of the powers conferred by sub-section (2) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, under exceptional circumstances prevailing due to the COVID-19 pandemic, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description as specified in the notifications listed in the Appendix below, falling within the Chapter, heading, sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the said notifications, when imported into India, from the whole of the integrated tax leviable thereon under sub-section (7) of section 3 of the said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), subject to the conditions specified in the Annexure to this exemption order.

2. This exemption order shall remain in force upto and inclusive of the 30th day of June, 2021 and shall also apply to goods which are pending for clearance on the date of issue of this order.

Appendix

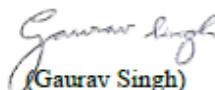
S.No.	Notification
1.	Notification No. 27/2021-Customs, dated the 20 th April, 2021 [G.S.R. 284(E), dated the 20 th April, 2021]
2.	Notification No. 28/2021-Customs, dated the 24 th April, 2021 [G.S.R. 286(E), dated the 24 th April, 2021]

Annexure

Condition No.	Condition
1.	The said goods are imported free of cost for the purpose of Covid relief by a State Government or, any entity, relief agency or statutory body, authorised in this regard by any State Government.

2.	The said goods are received from abroad for free distribution in India for the purpose of Covid relief.
3.	Before clearance of the goods, the importer produces to the Deputy or Assistant Commissioner of Customs, as the case may be, a certificate from a nodal authority, appointed by a State Government, that the imported goods are meant for free distribution for Covid relief, by the State Government, or the entity, relief agency or statutory body, as specified in such certificate.
4.	The importer produces before the Deputy or Assistant Commissioner of Customs, as the case may be, at the port of import within a period of six months from the date of importation, or within such extended period not exceeding nine months from the said date as that Deputy or Assistant Commissioner of Customs may allow, a statement containing details of goods distributed free of cost duly certified by the said nodal authority of the State Government.

[F.No. CBIC-190354/2/2021-TO(TRU-I)-CBEC]


(Gaurav Singh)

Deputy Secretary to the Government of India

Agenda Item 7 – Status of the GoM on IGST Settlement

The GoM on IGST Settlement was formed vide O.M. of even no. dated 07-12-2019. The GoM after its meeting held on 01-10-2020, has recommended that

- (a) Centre should disburse net amount of Rs. 24,400 crore due to States / UTs on account of apportionment of the entire year-end IGST balance available as on 31st March, 2018;
- (b) Before initiating recovery of the excess Compensation amount, Centre should consult the States from which recovery is to be made;
- (c) IGST settlement data arising on account of annual returns filed by the taxpayers for FY 2017-18, may be referred to the Law Committee for examination and recommendation; and
- (d) The matter would be placed before the 42nd meeting of the GST Council to be held on 5th October 2020.

2. These recommendations were placed before the GST council in its 42nd Meeting on 05.10.2020 and were discussed in detail.

3. In view of the above, since the Terms of Reference of the GoM have been fulfilled, it is proposed to formally close the GoM on IGST settlement. Thus, a formal announcement is being made in this regard.

Agenda Item 8 – GSTN related issues

Agenda Item 8(i)– Sanction for extension of Project REAP, LEAP and BIFA till 31st March, 2022 on T&M basis with delegation to the Chairman to reduce the Manpower, if required.

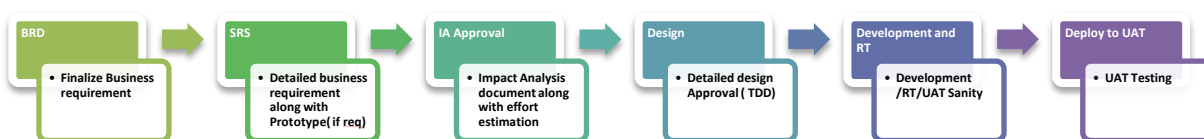
Background

The proposal for Software development under actual identified manpower utilization, commonly known as Time and Material (T&M) basis, to implement the changes identified under the Roadmap for Incremental Improvements to the existing Returns was also placed before the GST Council in its 39th meeting held on 14th March 2020. Subsequently, Council approved the proposal of incremental enhancement of existing Returns on a T&M basis starting to carry out development.

2. To expedite the delivery of Change Requests, as per decision taken in 39th GST Council dated 14-Mar-20 were taken up Returns related Changes on T&M basis under the name REAP. After commencement of REAP, it has been observed that during the development the lead time to start development has significantly decreased and the preparation, review and approval of prerequisite Techno-Functional Document (TFD) etc. have been significantly improved contributing to faster deployment of CRs. To leverage benefit of the faster execution the T&M model for other sets of critical CRs for Registration, Back office and Front office modules, GSTN got deployed another team in T&M model under LEAP Project.

3. The main difference in T&M model and normal CR model is that in T&M model payment is calculated in terms of man-days of resources identified which are deployed exclusively for the project. It is for GSTN to closely monitor the running of the project and ensure that the manpower is fully utilised. At present GST, which is fast evolving law, needs this agile mode of IT development under T&M model. GSTN is now experienced enough to use T&M model of development and deliver projects faster. In CR model payment is made for individual CR and effort is estimated for each step in the development and payment is made for effort in the development. Huge time gets spent on estimation of efforts and then designing with to and fro movement between GSTN and Infosys till agreement is arrived at the effort estimation. This has been shown in the schematic diagram below –

Current Process as per Change Management involves six stages and intermediate negotiations.



Change Management which includes TFD under T&M involves 4 stages and needs close monitoring of project implementation.



4. **Approval obtained in the 42nd meeting of GST Council** : Subsequently in the 42nd GST Council meeting and based on the experience of successfully implementing some of the elements of

REAP project, proposal was brought before the GST Council. After taking note of improved efficiency of service delivery under T&M project, GST Council approved the following. Critical IT developments as per the approved manpower (resource count approved was 136.5) shall be carried out using T&M model and such sanction shall be valid till 30th of June, 2021.

5. There is still a significant inflow of change requirements with the expectation of quick turnaround time accordingly it is proposed to extend the above sanction as per the following proposal. Further requirement for development under BIFA is also being received on regular basis for the States and Centre. Therefore, the development under BIFA is also proposed to be carried out under T&M. It may be noted that T&M method of execution of project does not mean additional manpower to be deployed; rather it is an alternative method of executing change which does not entail higher expenditure but provides better turnaround time for critical changes. This aspect has been explained with example in the 42nd GST Council. Thus it is proposed to take approval of an upper ceiling of manpower of 200 under T&M project and then delegate the details to be worked out to GSTN, including the reduction as and when the projects start getting completed with the approval of Chairman, GSTN.

6. **Proposal:** Accordingly, the matter is placed before the GST Council for:

- i. Approval of resource deployment as sanctioned in 42nd GST Council meeting for development and implementation of New Requirements/Change Request in GST System to continue till 31st of March, 2022. This would mean an extension of 9 months.
- ii. BIFA project would also be covered under the above model of project execution. Also any other critical requirement directed by the Govt or Law Committee would be taken up under T&M model with their approval. The deployment of resources, will be based on the actual requirement of work at a given point of time and shall be kept at a minimum.
- iii. Maximum number of resources to be deployed at any given point of time shall not exceed 200 and all payments would be made based on actual deployment of manpower.

Agenda Item 8(ii)– In principle approval to expand the scope of IRP project for e-invoice registration and IRN issuance on expanding the scope with reduction of the threshold of turnover and providing for multiple IRPs, if needed

The GST Council in its 35th meeting of June 2019 had decided to put in place an e-invoice registration mechanism on real time basis, (initially on trial for small tax payer base), and subsequently to be made mandatory for all tax payers. Considering the huge number of invoices that would need to be registered once all businesses became part of the mandate, the Govt. of India had visualized that more than one IRPs would be required and hence **notified a total of 10 IRPs** that would provide e-invoice registration services to tax payers. The Govt. of India decision on establishing 10 IRPs (along with their domain URLs) was published vide notification (no. 69/2019 dated 13th December 2019). Thus, in addition to NIC, who would begin the e-invoice registration system, other IRPs were also visualized to be providing e-invoice registration for the businesses in the GST regime.

2. The e-invoice system was expected to provide the following multiple benefits for the GST eco system, which are listed as follows:

- a. It was planned that a mature e-invoice system would result in the GSTR1 of the seller getting populated directly on its generation, and it would correspondingly be visible in the GSTR2A of the buyer, thus facilitating the GST return generation process for tax payers.
- b. The e-invoice system would gradually eliminate paper / physical invoices, bringing electronic efficiency.
- c. The uniqueness of the invoices being validated through the e-invoice system could later result in sunset of the E-Way Bill system.
- d. The combination of the above would enable larger degree of control on evasion of taxes and may also lead to auto preparation of the return of the seller and buyer.
- e. In the subsequent phases, the direct communication and exchange of e-invoices amongst the sellers and buyers would lead to larger efficiency in financial system and thus facilitate trade.
- f. The e-invoice could also result in a single instrument of trade amongst more environments to be used to digitize the financial eco-system and reduce turn-around times for transactions. Thus e-invoice as an digital instrument would become the central pillar for the financial trade systems across the country.

3. The Govt. of India, vide its notification no. 61/2020 dated 30th July 2020 mandated the rollout of registration of all invoices of tax payers above a turnover of INR 500 crore per annum from 01st October 2020. The e-invoice system began functioning from the defined date and from 01st January 2021, the threshold was brought down to AATO of INR 100. crores (GoI notification no. 88/2020 dated 10th November 2020) and to AATO of 50 crores from 01st April 2021. Following table gives the gist of data related to the numbers involved in this regard -

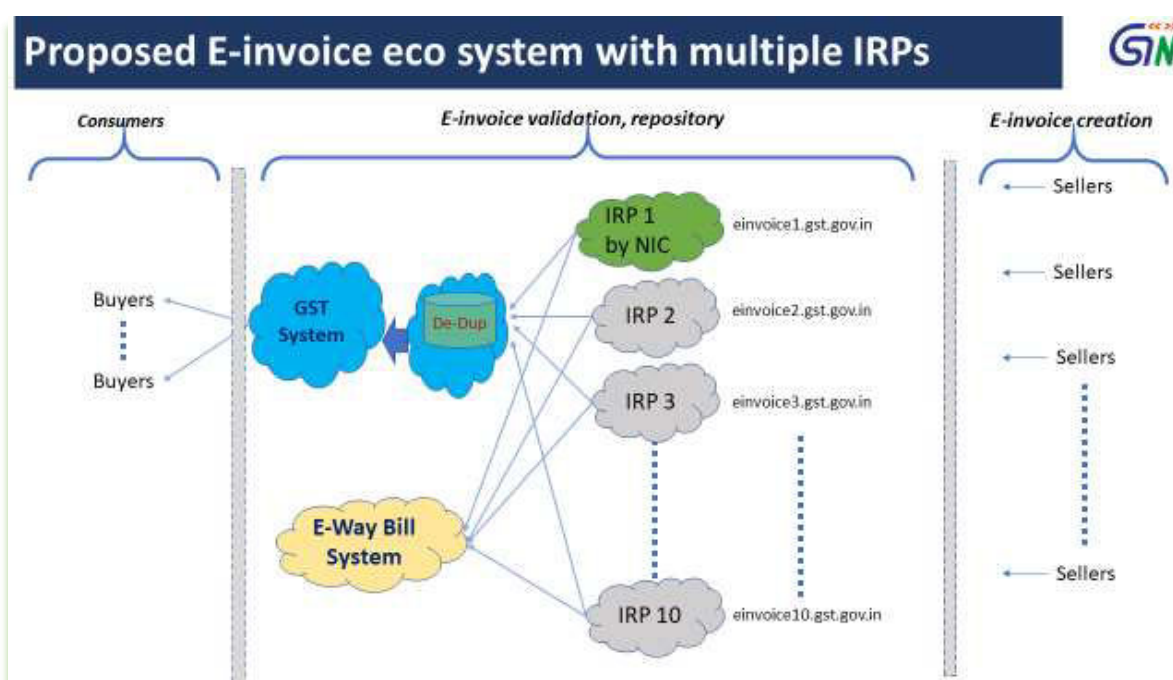
Turnover PAN wise (For TO 19-20 data used)	Number of PANs eligible to generate e-invoice	No. of GSTINs eligible to generate e-Invoice	% age of number of Total B2B Invoices Reported in GST-R1	% of value (ITC would be similar) of B2B supplies of these GSTINs	e- invoice launched from	No of GSTINs generated e-invoice in Mar-21*/Apr-21**	Number of invoices generated in Mar-21*/ Apr-21**
500 Cr. plus	6,938	53,523	22.26%	41.24%	1 st Oct, 2020	33,573*	6,24,11,777*
100-500 Cr.	33,359	91,583	8.80%	15.32%	1 st Jan, 2021	46,508*	2,06,25,294*
50-100 Cr.	51,200	95,461	6.86%	9.98%	1 st April, 2021	38,186**	85,03,764**
25-50 Cr.	68,703	96,455	5.56%	5.55%	To be decided	Not implemented	
10-25 Cr.	2,10,034	2,53,348	10.14%	7.12%			
5-10 Cr.	3,02,470	3,38,356	9.02%	4.90%			
1.5-5 Cr.	9,98,801	10,65,521	17.36%	7.69%			
Below 1.5 Cr.	68,76,061	70,52,503	20.01%	8.20%			
TOTAL	85,47,566	90,46,750	100.00%	100.00%		118,267	9,15,40,835

4. Therefore, while the IRP has been functional since 1st October 2020 and businesses upto AATO of 50 crores have been using it, there are challenges that have been observed in the working of the IRP as on date. Some of these challenges are mentioned below:-

- Having just one IRP is a single point of failure for business continuity in the country since invoices are declared invalid till IRN is provided (i.e., the business transaction can be performed only once the e-invoice has been registered at the IRP). The seller cannot issue the invoice to the buyer if it has not been registered at the IRP.
- The handling of higher e-invoice volumes, as the threshold is reduced further, will need more IRPs, once the mandate for all taxpayers in GST is made compulsory.

- c. It is evident that with decrease in the threshold and increase of count of tax payers who will be mandated to prepare e-invoices, more IRPs (as per Govt. of India vision) will need to be in place to be able to meet the Govt. of India mandate of e-invoicing.

5. In view of the above, it is now proposed to seek the approval of the GST Council to establish upto 4 more IRPs in addition to the current IRP being operated by NIC. The proposal is to allow select, credible, capable and established companies from the financial technology domain who have been part of the GST journey to be given the opportunity to establish the Invoice registration portals (IRP) for e-invoice registration. The proposal can be schematically be shown as follows -



6. GSTN would govern these private IRPs while they provide the e-invoice registration services to businesses to register e-invoices efficiently and promptly free of cost. The placement and deployment of additional IRPs is also expected to pave the way for subsequently registering B2C invoices, as the additional capacity would be provided by these additional IRPs. These additional IRPs would be mandated to provide the IRN (e-invoice registration) as a basic service, without cost. However, the IRPs may offer additional over the top (OTT) services, on a chargeable basis, to their business clients. The advantages visualized with the addition of more IRPs are as follows:

- a. The risk of a single point of failure will be mitigated and business continuity will not suffer (as was seen when the NIC system went down in the past months) and alternative IRPs would be available to the taxpayer to issue invoices.
- b. The threshold mandate for e-invoicing can be brought down to include all businesses in a shorter time frame. Getting invoices digitized would lead to better compliance.
- c. It would be feasible to expand to B2C invoices also at a later date as this is a scalable model and at a later date even more IRPs can be added. This would provide impetus to the digitization of the complete trade between sellers and buyers even at retail level.

- d. Multiple IRPs will be able to provide competition in the eco system of e-invoicing and help it evolve and thus for the tax payers more services will be on offer by the IRPs to the taxpayers, which currently are not available with NIC running the single IRP.
- e. The tax payers are expected to have choice between various IRP services with the availability of more than one IRP, thus opening up the sector and adding efficiency by competition.

7. Therefore, the following proposal is placed before the Council for approval:

- a. The Council may like to approve selection and establishment of new IRPs (preferably 3 to 5) to provide e-invoice registration services.
- b. The existing IRP-1 of NIC shall be strengthened to have a full-fledged DR center also as at present GST system is working with only one IRP on e-way bill system.
- c. The financial model for the same shall be worked out by GSTN based on industry practice and need for adequate IRPs to achieve scalability in a short period of time
- d. These IRPs will be selected by GSTN and will be required to mandatorily provide free e-invoice registration services to the businesses.
- e. The IRPs may provide over the top (OTT) services to their clients on a chargeable basis, to be determined by the market forces. This model was adopted for GSPs also.
- f. GSTN would provide a de-duplication check amongst the multiple IRPs (e.g. through SIMPoL designed by GSTN) to ensure that there is no registration of duplicate invoices across all businesses in any one financial year.
- g. GSTN would also provide the e-invoice download facility for the sellers' counterparties (buyers) centrally through the GST System for seamless availability of invoices and GSTN acting as a single source of truth.

Agenda Item 8(iii)– Proposal for approval of deputation guidelines and to request the States to provide manpower to GSTN with SGST experience.

Background

Goods and Services Tax Network (GSTN) is undergoing transition to a 100% Government Owned Company. Under this process it is required to maintain the existing framework of technical expertise and law implementation efficiency under GSTN to spearhead the entire exercise for smooth and effective implementation and governance of GST System.

2. In the past, GSTN followed the practice of onboarding officers from the Government departments on deputation basis with due approval of the Board/Chairman, GSTN depending on the grades. The CEO and other senior officers on deputation were hired after due approval of DoPT and the ACC. The senior level officers recruited from the market were hired directly with the approval of the Board.

3. However, in view of the changes, when 100% ownership is being transferred to the Government, it was required to have appropriate Recruitment guidelines, replacing corresponding sections in the HR Manual of GSTN, for each post in order to onboard the officers and hire the technical resources as per the manpower requirements of GSTN.

4. Owing to the unique status of GSTN and its manpower requirements, rank and work experience were required to be aligned in such a way that the officers with adequate experience and seniority become available for deputation on those posts in GSTN. These changes have been carried out suitably in consultation with the Department of Revenue and new deputation guidelines prepared.

5. It may be mentioned that a total of 147 positions (excluding 45 positions proposed to be retained at the levels of Secretarial Support, Technical Support and MTS which are purely outsourced to agencies) approved for GSTN have been retained in the present Recruitment Guidelines and no change/increase in manpower has been incorporated.

6. The Recruitment Guidelines was approved by the Board of GSTN in its 44th Board meeting held on 11th January 2021. The minutes of the 44th GSTN Board meeting is attached as **Annexure-I** for reference.

7. The Recruitment Guidelines, duly approved by the Board of GSTN, was approved by the Hon'ble Finance Minister. The approved Recruitment Guidelines is enclosed as **Annexure-II**. Hereafter, except for Board level of GSTN which includes CEO, approval of ACC would be needed; all deputation approval would be granted by the Ministry of Finance, Govt of India or State Govt. and GSTN as applicable for the rank under consideration.

8. Under the new Recruitment Guidelines, the officers shall be placed at the disposal of GSTN on deputation basis by the appointing authorities in the parent cadre of the officers, once selection has been made by the GSTN. The process of screening, selection and approval has been clearly provided in the deputation guidelines removing any ambiguity. This will fast track the deputation process of officers.

9. The terms of deputation (except the rank at which pay will be fixed as per the proposed Recruitment Rules in line with Central Government Rules) including allowances such as HRA, PLI, health cover etc. shall continue as they presently are in view of the decision of the GST Council dated

4th May 2018 and Union Cabinet dated 26th September 2018, which allows GSTN to continue with the existing terms of deputation for 5 years to complete transition to a Government Company.

10. The GST Council may also request the states in India to provide manpower with SGST experience to the Goods and Services Tax Network (GSTN) as and when deputation demands are sent by GSTN to the States through the GST Council.

11. The following is placed before the GST Council for perusal and kind approval:

- i. The Recruitment Guidelines along with its Annexures, are placed before the GST Council for kind perusal and approval.
- ii. The GST Council may also request the States to provide manpower with SGST experience to the Goods and Services Tax Network (GSTN) as and when deputation demands are sent by GSTN to the States through the GST Council.

Agenda Item 8(iv)– Intimation – the Status update on transfer of share-holding with the States and conversion of Goods And Services Tax Network (GSTN) into 100% Government owned Company

The GST Council in its 27th Meeting held on 4th May, 2018 decided that GSTN will be converted into a 100% Government-owned entity by transferring 51% equity shares held by the Non-Government institutions to the Centre and states equally. The Union Cabinet in its Meeting held on 26th September, 2018 approved the proposal to convert GSTN into a fully-owned Government Company with 50% equity of the Company to be held by the Central Government and the balance 50% to be held by States and Union Territories.

2. Further, the GST Council in its 31st Meeting held on 22nd December, 2018 and the Department of Revenue (DOR), Government of India vide its Letter No. S-31011/5/2018-ST-1-DoR dated 17th January, 2019 both have approved the revised shareholding pattern of GSTN as per (**Annexure-III**).

3. For conversion of GSTN into 100% Government owned company, there are many steps and procedure involved and same have been mentioned with their present status as per attached ROC/MCA Compliance Check List/Action Plan as (**Annexure-IV**).

4. In order to facilitate the above decision and consequent to the approval as accorded by the shareholders of GSTN in their Extra-Ordinary General Meeting (EGM) held on 21st June, 2019, the Empowered Committee of State Finance Ministers (EC) & all Non- Government Institutions have already offered their entire existing shareholding in GSTN through Share Transfer Notice for Sale/Transfer to Centre, State Governments & Union Territories accordingly in order to convert GSTN into a 100% Government-owned entity and hence this will result into change of share capital/ownership structure of GSTN.

5. Pursuant to Share Transfer Notices issued by the EC & Non- Government Institutions, the respective Transferees (Centre and States) have acknowledged the receipt of the above Share Transfer Notices and communicated their acceptance through Purchase Notices to the respective Transferor(s) as per the requirement.

6. Post acceptance of the offer to purchase the share, Centre, State Governments & Union Territories have also paid share purchase consideration to the respective Transferor(s) accordingly as per (**Annexure-V**).

7. The following States/UTs are yet to execute Securities Transfer Form in the prescribed form i.e. (Form SH-4) along with necessary documents as per the requirement of the Companies Act, 2013:

S No.	Government	S No.	Government
1	Rajasthan	10	Goa
2	Sikkim	11	Kerala
3	Andhra Pradesh	12	Manipur
4	Bihar	13	Delhi
5	Himachal Pradesh	14	Jharkhand

6	Mizoram	15	Uttar Pradesh
7	Arunachal Pradesh	16	Chhattisgarh
8	Haryana	17	Madhya Pradesh
9	Assam	18.	---

Proposal:

8. Accordingly, States/UTs as listed above are requested to execute Securities Transfer Form in the prescribed form i.e. (Form SH-4) along with necessary documents as per the requirement of the Companies Act, 2013 and submit the same to GSTN in order to expedite the matter of conversion of GSTN.

Agenda Item 8(v)– Status of Payment by the States and Waiver of Interest on delayed receipt of Advance User Charges (AUC) from a few states and CBIC.

Background

As per the Revenue Model of GSTN approved by the Empowered Committee of State Finance Ministers (EC) in its meeting held on 30th August 2016 (**Annexure-VI**), the GST System Project is being implemented by GSTN as per approval of the Cabinet and the cost incurred on the project (Capex and Opex) along with GSTN's own expenses is to be shared equally by the Centre and States in the form of User Charges to be remitted by them in two (2) instalments on a half-yearly basis by 1st March and 1st September of the year.

2. Further, as per Para iii (b) of the Revenue Model “Any Government that fails to pay the Advance User Charges (AUC) before the due date will pay the defaulted amount together with interest at the rate at which GSTN borrows money from the banks for this purpose”.

Status of Payment of AUC as on 10th May 2021

3. As per the approved Revenue Model, GSTN had raised demand for the payment of AUC to the Central and State Governments for the FY 2017-18, 2018-19, 2019-20 and 2020-21. The status of AUC demanded and received (as on date) is given below:

(Rs. in Crores)

Financial Year	Amount demanded	Amount received	Amount Pending	Pending States
2017-18	572.09	572.09	0	NA
2018-19	520.61	520.61	0	NA
2019-20	185.10	184.37	0.72	Andhra Pradesh - 0.34 Arunachal Pradesh - 0.26 Sikkim - 0.07 Others - 0.05
2020-21	540.53	527.73	12.80	As per Annexure –VII

Waiver of Interest on late payment of AUC for FY 2017-18, 2018-19 and 2019-20

4. The GST Council in its 35th meeting of 21st June 2019 had approved the waiver of interest on delayed payment of AUC only till 31st July 2019 and any delayed payment received on or after 1st August 2019 will attract Interest as per the approved Revenue Model of GSTN. The interest on delayed payment for FY 2019-20 will be levied on or after 1st September 2019.

5. However, some of the States and CBIC remit the amount of AUC for FY 2017-18, 2018-19 and 2019-20 after expiry of waiver period i.e. 31st July 2019 for FY 2018-19 and 31st August 2019 for FY 2019-20. The details of Interest payable of Rs.11.50 Crores by the Central and some State Governments for delay in remitting the AUC are placed at **Annexure-VII**.

Extension of Payment of Advance User Charges for FY 2020-21:

6. The GST Council in its 42nd meeting held on 5th and 12th Oct. 2020 had approved the extension of payment of AUC of FY 2020-21 till 31st March 2021 on the basis of request made by few States as there was delay in taking the approval of release in fund due to COVID Pandemic and thus any payment received till 31st March 2021 will not attract Interest as per the approved Revenue Model of GSTN.

7. However, some of the States and CBIC would remit the amount of AUC for FY 2020-21 after expiry of extension period i.e. 31st March 2021. The details of Interest payable of Rs.0.13 Crores by the State Governments for delay in remitting the amount of AUC or for amount yet to be paid by State Governments are placed at **Annexure-VII**.

Proposal

8. Keeping into consideration the above for waiver off the interest amount and extension of time limit for payment of AUC, the following is proposed for the kind consideration and approval of the Council:

- i. The interest payable for default in payment amounting to Rs.11.63 Crores due to delayed payment of AUC till 10th May 2021 may be waived off.
- ii. The time limit of payment of full or partial outstanding amount of AUC for FY 2020-21 and earlier years may be extended till 31st December, 2021 without levy of interest on delayed payment.

MINUTE BOOK

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GOODS AND SERVICES TAX NETWORK

CIN: U72200DL2013NPL249988

Registered & Corporate Office:

Worldmark-1, East Wing, 4th Floor, Aerocity, New Delhi 110037.

Tel: 011-49111200; Fax 011-49111210

www.gstn.org.in

MINUTES OF THE 44TH BOARD MEETING OF GOODS AND SERVICES TAX NETWORK (GSTN) HAVING ITS CORPORATE & REGISTERED OFFICE AT WORLD MARK -1, EAST WING, 4TH FLOOR, AEROCITY, NEW DELHI-110037 HELD ON MONDAY, 11TH JANUARY, 2021 AT 3:00 PM THROUGH VIRTUAL PLATFORM.

Directors Present

(Meeting commenced at 3:00 pm and concluded at 4:30 pm)

S. No.	Names	Designation
1.	Dr. Ajay Bhushan Pandey Chairman, GSTN & Finance Secretary, DOR, Ministry of Finance, GOI	In Chair
2.	Dr. Rajeev Ranjan, Erstwhile Special Secretary, GST Council Secretariat	Director
3.	Shri Manoj Saunlik Additional Chief Secretary (Finance, Public Works Department), Maharashtra Government	Director
4.	Shri Alok Sinha Agriculture Production Commissioner & Additional Chief Secretary, State Tax Department, Govt. of Uttar Pradesh	Director
5.	Shri R. Chandrashekhar, (Retd. IAS) Ex-President, NASSCOM	Director
6.	Shri Ajay Kumar Gupta Senior General Manager, ICICI Bank Ltd	Director

Special Invitees:

S. No.	Names	Designation
1.	Shri Manish Kumar Sinha Officiating CEO & EVP(Services), GSTN	Special Invitee

CHAIRMAN'S
INITIALS

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In Attendance:

S. No.	Names	Designation
1.	Shri Pankaj Sharma Company Secretary & CCO, GSTN	VP-CS & CCO

Quorum

Shri Pankaj Sharma, Company Secretary confirmed to the Chairman that requisite quorum is present.

ITEM NO 1

Leave of Absence

Shri Pankaj Sharma, Company Secretary informed the Board that a request for Leave of Absence was received from Shri Anil Kumar Jha, Ms Meera Swarup, Shri Nitin K Jage and Shri Anand Sinha, Directors of the Company. The Board considered the same and granted them Leave of Absence from attending this meeting.

ITEM NO 2

Taking note of the Minutes of 43rd Board Meeting of GSTN

The Draft Minutes of the 43rd Board Meeting held on 26th November, 2020 were circulated to Directors on 11th December, 2020 for their comments/suggestions. No comment was received from any member of the Board. Accordingly, the Signed Minutes were circulated on 8th January, 2021 and the same were noted by the Board.

ITEM NO 3

Action Taken Report

The Action Taken Report as placed before the Board on the decisions taken in the 43rd Board Meeting held on 26th November, 2020 was noted by the Board.

CHAIRMAN'S
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MINUTE BOOK

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ITEM NO 4

Recruitment Guidelines for onboarding officers on deputation in GSTN and consolidation of existing guidelines for recruitment of market recruits

1. Shri Manish Kumar Sinha, Officiating CEO & EVP (Services) introduced this agenda item and presented before the Board a brief Presentation on the cited subject. He informed the Board that Goods and Services Tax Network (GSTN) is undergoing transition to a 100% Government Owned Company. The process of transition would require the expertise of a full time Chief Executive Officer and also other senior officers on deputation in GSTN to spearhead the entire exercise smoothly and effectively at management levels.
2. He further informed the Board that there are certain changes in the existing guidelines which would have to be made especially in respect of the posts which can be filled both from deputation and market as the years of experience required should be examined, if they need to be kept similar for both categories. The sanctioned manpower as approved by GSTN board in the 20th Board Meeting has been consolidated for market hires and no change/increase in manpower is proposed. These guidelines may be called the guidelines for Goods and Services Tax Network on Recruitment on deputation and from market and they shall come into force on the date decided by the Board of GSTN for its implementation and shall be effective prospectively.
3. Shri Sinha apprised the Board that till date, GSTN has been following the practice of onboarding Officers from the Government on deputation with due approval of the Board and the practice of preparing Recruitment Guidelines was not required as ACC approval was obtained for each case. However, due to conversion of GSTN into a fully owned Government Company, there is a need for preparation of Recruitment Guidelines for each post in order to onboard Officers in GSTN from the Government on deputation and get it approved from the Ministry of Finance for appointing officers on deputation in GSTN.
4. Further, it is noteworthy to mention that HR Manual of GSTN contains most of the details required for onboarding officers from the Government on deputation. But the same has now been presented in a structured manner as per the Recruitment Guidelines format adopted in Government. This has been suggested informally by the Department of Personnel and Training (DoPT). Rank and experience shall have to be aligned in such a way that officers with adequate experience and seniority become available for deputation with GSTN. These have been carried out in consultation with the Department of Revenue. The Recruitment Guidelines were placed before the Board.
5. He further informed the Board that the requirement of manpower in GSTN shall be met from three sources namely:
 - a) Market Recruitment,
 - b) Deputation of Officers from the Central Government, State Governments and the Public Sector Undertakings, and
 - c) For the levels below Assistant Managers viz Secretarial Support, Technical Support and MTS, outsourcing shall be the primary means of acquiring manpower.

CHAIRMAN'S
INITIALS

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6. The Manpower shall be hired either directly or through third party sourcing where the entire service which are in the nature of office support and can be outsourced such as cleaning, security and cafeteria services. Such services shall be outsourced as such.

7. Shri Manish Kumar further stated that the total number of positions sanctioned for GSTN taking all these together is 147 and the breakup of the same was placed before the Board. The present working strength against the same is 103 as per details placed before the Board. Out of the total number of positions of 147; 32 positions can be filled exclusively on deputation and 6 positions (including the CEO) can be filled either on deputation or from the market. Hence, a total of 38 positions is the maximum number (26% of positions) out of the 147 positions that can be filled by deputation. At present it is proposed to preserve this character of GSTN. Further, the Board has also authorised 45 posts of secretarial support, technical support and MTS staff for GSTN which are purely outsourced manpower from third party agencies against which the working strength is 28.

8. It was also mentioned that a total of 147 positions (excluding 45 positions proposed to be retained at the levels of Secretarial Support, Technical Support and MTS which are purely outsourced to agencies) approved for GSTN have been retained in the present proposal and no change/increase in manpower is proposed. The present proposal of proposed sanctioned manpower does not entail increasing the strength of the GSTN. The Board agreed with the proposal.

9. Shri Sinha further appraised the Board that the post of EVP (Support) is proposed to be downgraded to SVP (Support) as of now from deputation route. It was further informed that a suggestion has been received that three fourths of the organization shall consist of market recruits and therefore, the post of SVP (Support) should be an either/or position i.e. either from market or from deputation and not on deputation route only.

The Chairman and other members of the Board appreciated the proposal to hire SVP (Support) position on either/or basis in order to support the unique functioning of GSTN. The Board approved the said proposal with the direction that the total positions to be filled exclusively on deputation would reduce to 31 and the positions which can be filled either from deputation or from the market shall increase to 7.

10. It was discussed that at present Chairman of GSTN is appointed by the Government for the tenure as may be decided by the Government. It was proposed that in the absence of a regular Chairman, the Secretary (Revenue) to the Government of India shall officiate as the Chairman. The rank of Chairman appointed in GSTN shall be equivalent to that of Secretary to Government of India. The approval of the shareholders shall be obtained for appropriate changes to Articles of Association of GSTN on the above changes.

Shri Sinha also informed the Board that similar practice is being followed in GST Council. The Chairman stated that in case Secretary (Revenue) is being given additional task of Chairman, GSTN, in that case the approval from the Finance Minister would be required. The Board approved the said proposal.

11. It was discussed that the Recruitment Guidelines also contain the criteria and selection process for CEO both on deputation and from the market. For officers on deputation, the same has been aligned with the prevailing practice in SPVs created for technological implementation in the Government. For market recruits they have

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been preserved in their present form as was approved by the Board with some alignment done vis-à-vis criteria for deputation.

12. The chronological steps to be taken for selection of CEO was proposed as follows:

- i. Approval of the Recruitment guidelines by the Board (only for the first time);
- ii. Approval of the Recruitment guidelines by the Hon'ble Finance Minister (only for the first time);
- iii. Issue of Advertisement;
- iv. Screening by the Screening Committee;
- v. Selection of the candidate for appointment by the Selection Committee;
- vi. Approval of the Candidate by the GSTN Board;
- vii. Forwarding of proposal for obtaining approval of Ministry of Finance and Appointments Committee of the Cabinet (in case of selection of Government Official on deputation) - which shall be processed by the Department of Revenue.

The Office of the Senior Vice President (Support), GSTN shall act as a secretariat for the process of appointment at various grades assisted by the HR division of GSTN.

Shri Sinha informed the Board that this was the present practice being followed by GSTN for selection of CEO and is being re-iterated. The Board agreed on the above proposal.

13. The Constitution of Screening Committee, Selection Committee and steps involved in selection of CEO was proposed as follows:

- (i) Screening Committee comprising of (a) Chairman, GSTN, (b) Additional Secretary, Revenue Headquarters, (c) One representative from the State Government, and (d) one expert in Information Technology identified by the Additional Secretary (Revenue Headquarters).
- (ii) Selection Committee comprising of (a) Chairman, GSTN, (b) Additional Secretary (Revenue Headquarters), (c) one Independent Director of GSTN, (d) One representative from the State Government, and (e) Member (GST) of CBIC. Any other person deemed fit by the Committee could be co-opted in the Committee with the approval of the Chairman, GSTN.

The appointment shall be made after due approval of the Board of GSTN and approval of the Government in case of deputationists to be processed by Department of Revenue.

A suggestion came from Shri R Chandrashekhar, Director that one technology expert shall be part of both the Screening Committee and Selection Committee. The Board was in agreement that one expert in Information Technology shall be part of both the Screening Committee and Selection Committee. The Board of GSTN would give a Panel of Experts with the order of preference for approval for the Government to choose one expert to be member of these Committees. The Board also approved the qualifications criteria for recruitment of CEO from Deputation as proposed. The Board also proposed the qualification criteria for recruitment of CEO from Market as proposed but retained the earlier number of years of experience at 18. Similarly JDs for all ranks have been consolidated and re-produced for market hires, the Board agreed on the same as well.

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14. While approving the composition of the Screening Committee and Selection Committee for recruitment of EVP (Technology) as proposed, the Board stated that two Technical Experts approved by the Board of GSTN shall form part of both these Committees.

15. Shri Manish Kumar Sinha, Officiating CEO & EVP (Services) placed before the Board the proposal regarding tenure of CEO as 3 years extendable for a further period of 2 years with the approval of the Government and the Board. The incumbent would also be eligible for re-appointment.

Shri Manoj Saunik, Director suggested that the tenure of CEO should be 5 years and further extendable for further period of 2 years with age limit of 56 years. This idea was well supported by Shri Alok Sinha, Shri R Chandrashekhar, Dr. Rajeev Ranjan and Shri Ajay Kumar Gupta, Directors. The Chairman was also in agreement of the same and suggested that if at all there is a need to relax this rule, it may be done in future. Therefore, the Board approved the tenure of CEO as 5 years extendable for a further period of 2 years with the approval of the Government and the Board and the incumbent would be eligible for re-appointment.

16. The Board also approved the proposal of tenure for deputation as proposed below:-

- a) The tenure of EVP and SVP on deputation shall be 5 years extendable for a period of 2 years, 1 year at a time, (total 7 = 5+1+1) with the approval of the Board and the government and/or the parent department.
- b) The tenure for all other officers on deputation shall be for a period of 4 years extendable for a period of 2 years once and one more year thereafter (total 7 = 4+2+1) with the approval of Chairman and the parent cadre.

17. The proposal for tenure of Market Recruits was placed before the Board as under:

- a) The maximum tenure for all market recruits shall not be more than 5 years in any case and a fresh process of appointment shall be initiated thereafter in which the existing executive can also be a candidate.
- b) This does not change the present practice to give a notice of 3 months at will for termination of service by either GSTN or the employee.
- c) This provision of tenure for all market recruits will apply prospectively and not to the existing executives on the payroll of GSTN. Transition of existing executives to be separately worked out. Shri Sinha further informed the Board that this provision will not apply in relation to any of the existing employees because the conditions of employment cannot be changed after joining of Executives.

Shri R Chandrashekhar, Director suggested that if the maximum tenure is kept at 5 years in that case GSTN as an organization will become unattractive to prospective employees. We need to think very carefully while fixing the tenure of the market recruits. In case all the posts are advertised mandatorily, that can be unsettling in various levels of organization and even this does not happen in private organisations. Dr Rajeev Ranjan, Director also suggested that such a provision will be a disincentive if we are wanting to have good people from market/private sector. So it's better to have either a longer duration such as 5+2+1 years. Posts should be advertised only after we reject the present incumbent. Shri Manoj Saunik, Director suggested that tenure of 5+2 is sufficient according to him. The Chairman then

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raised a query as to what is the current practice being followed in GSTN. To this Shri Manish Kumar Sinha, Officiating CEO & EVP (Services) replied that for the existing employees point (c) above, there are 48 executives who joined initially with open ended contracts and no term is specified and on this a separate agenda will be worked out and same will be presented to the Board. He further stated that for the last three years GSTN is not giving any open contracts and all recruitments are being done through NISG route and those contracts have term of three years and contracts will undergo review and not advertisement.

The Board discussed the matter at length and was in agreement that the proposal of fixing the maximum tenure for all market recruits is of utmost importance and the Board would like more information and to study the issue before taking a decision on this subject. The Chairman further suggested that relevant market study of practice being adopted by similarly placed organisations may be done on the subject. The Board further agreed that this proposal of fixing the maximum tenure for all market recruits should be placed again before the Board for taking the decision by the Board post relevant study of practice adopted by similarly placed organisations.

In view of the above, the present practice of on boarding of personnel from the market in GSTN through third party route to continue on a fixed term basis for three years extendable by two years (total 5 years) after detailed internal review of the performance of the employee. This shall be continued while recruiting from the market till a fresh policy on this is finalised by the Board of GSTN.

18. The Board also approved the proposal as placed before the Board on achieving organizational efficiency that the competent authority of GSTN to approve changes regarding rank of selection, job description and shifting of position, recruitment on deputation from State Govt., and retired officers as consultants.

19. The Board also approved the proposal on power to relax by Board of GSTN as presented before the Board and same is mentioned hereunder:

"Where the Board of the GSTN is of the opinion that it is necessary or expedient so to do, it may, by order, for the reasons to be recorded in writing, relax any of the provisions of these guidelines with respect to any class or category of persons. The provisions relating to deputation of officers shall be relaxed in consultation with the Government."

20. The terms of deputation (except the rank at which pay will be fixed as per the proposed Recruitment Guidelines in line with Central Government Rules) including allowances such as HRA, PLI, health cover etc. shall remain as they presently are in view of the decision of the GST Council dated 4th May 2018 and Union Cabinet dated 26th September 2018 which allows GSTN to continue with the existing terms of deputation for 5 years to complete transition to a Government Company.

The Board was in agreement with the above proposal. Also the Board suggested that it should be explicitly clarified that the perks and allowances to attract officers on deputation such as HRA and PLI should continue in view of decision of the GST Council dated 4th May 2018 and Union Cabinet Note dated 26th September 2018 and extension for the above policy should be taken well in advance before the present decision for five years (2018-2023) expires. The relevant extracts of decision of the GST Council and Union Cabinet Note are enclosed as Annexure.

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21. The Job descriptions of market recruits, as prepared by the consultants Ernst & Young, was approved by the Board of GSTN in June 2014. The approvals of the Board of GSTN in respect of recruitment of market recruits has been consolidated in this Recruitment guidelines and therefore, no new approval in respect of market recruits is sought. However, in case of any conflict between the JDs and the schedules, provisions of the schedules would prevail and the modifications shall be done in the respective job descriptions. This would make the Recruitment guidelines self-contained and comprehensive for future use.
22. Shri Sinha further informed the Board that, it is therefore, proposed that the guidelines for functioning of the organisation on issues relating to recruitment on deputation and to consolidate existing guidelines for recruitment of market recruits in GSTN, prepared in consultation with the Department of Revenue, along with the Schedules and Annexures thereto may be adopted by the Board. It may be mentioned that a total of 147 positions (excluding 45 positions proposed to be retained at the levels of Secretarial Support, Technical Support and MTS which are purely outsourced to agencies) approved for GSTN have been retained in the present proposal and no change/increase in manpower is proposed. The present proposal does not entail increasing the strength of the GSTN.
23. Once the above Recruitment Guidelines are approved for adoption by the Board of GSTN, the same shall be submitted to the Hon'ble Finance Minister for approval.
24. Thereafter, the Department of Revenue, Ministry of Finance would be the authority for according approval for appointments of Government officials or PSU executives in GSTN on deputation basis upto the level of Executive Vice President starting from Assistant Manager. The need to approach the DoPT for appointments in GSTN upto the level of Executive Vice President would not arise henceforth. The appointing authority in the parent cadre would be able to place the services of officers at the disposal of GSTN once the selection has been made and conveyed to the appointing authority.
25. This new procedure would be fast and efficient and would make onboarding of Officers from the Government on deputation easy as the need to obtain approval of Appointments Committee of the Cabinet through Department of Personnel and Training would come to an end upto the level of Executive Vice President in GSTN.
26. It was further informed to the Board that the guidelines for functioning of the organisation on issues relating to recruitment on deputation and the existing guidelines for recruitment of market recruits was approved by the Board of GSTN, and therefore, the powers to propose altering the same including for consolidation of the same, also lies with the Board. As GSTN is now becoming a Government Company, approval of the Hon'ble Finance Minister would be necessary for the Recruitment Guidelines for officers on deputation after the approval of the Board.
27. The Board considered the proposal and approved the Recruitment Guidelines with suitable modification(s) as approved by the Board hereinabove. The Board approved Recruitment Guidelines alongwith its annexures and schedules is attached as (Annexure-1) for functioning of the organisation on issues relating to recruitment on deputation and to consolidate existing guidelines for recruitment of Market Recruits.

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Vote of Thanks.

There being no other Agenda Item, the Board Meeting concluded with a vote of thanks to the Chair.

Date: 22/01/2021

Place: New Delhi

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Annexure to Board Minutes

GST Council Decision dated 4th May, 2018

15. For Agenda Item 6, the Council in principle approved the following:
 1. Allow GSTN Board for initiating the acquisition of entire 51% of equity amounting to Rs 5.1 crore held by Private Companies/ Non-Governmental Institutions and thereafter to be held equally by the Centre and the State Governments.
 2. Change in composition of the GSTN Board by inducting four Directors each from the Centre and the States; three other independent Directors nominated by the Board of Directors, Chairman and the CEO.
 3. Reviewing Article of Association and Bye laws of GSTN by GSTN Board and incorporate suitable changes as per the provisions of the Companies Act, 2013. Restructured GSTN to continue to hold the assets and liabilities of the Company and inform lenders accordingly.
 4. As regards human resources, allowing:
 - a. subject to the GSTN Board's decision, existing regular employees to be continued, on the same terms and conditions on which they were appointed,
 - b. existing employees on deputation to be continued on the same terms and conditions till the completion of their tenure,
 - c. new employees on deputation continue to be hired on the terms and conditions similar to those being used by GSTN,
 - d. flexibility to GSTN for hiring people through contract on the terms and conditions similar to those being used currently by GSTN while hiring technical manpower.
 5. Flexible hiring and appropriate remuneration policy may be evolved by GSTN Board considering criticality of the IT manpower, prevailing market compensation, etc. and placed before the GST Council for its approval from time to time.
 6. The proposal to the Union Cabinet may ensure sufficient flexibility to GSTN in HR matters.
 7. Allowing continuation of existing mechanism of payment of the operating charges to GSTN through user charges of restructured GSTN by CBIC and the States.

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Union Cabinet Decision dated 26th Sept., 2018

- (i) Acquisition of entire 51% of equity held by the Non-Governmental Institutions in GSTN equally by the Centre and the States governments and allow GSTN Board to initiate process for acquisition of equity held by the private Companies.
- (ii) Allow change in the existing composition of the Board of GSTN by inducting three Directors from the Centre and the States and three other Independent Directors to be nominated by the Board of Directors and one Chairman and the CEO. Thus, the total number of Directors is 11.
- (iii) Review Article of Association and Bye laws of GSTN by GSTN Board and incorporate suitable changes as per the provisions of the Companies Act, 2013. Restructured GSTN will hold the assets and liabilities of the Company and inform lenders accordingly.
- (iv) Since the current staff are hired on market driven salaries as regular employees of GSTN, their continuation at the current terms and conditions may not be possible after change in the ownership structure of GSTN. Therefore, for ensuring continuity of operation without any disruption, existing regular employees may be allowed to be continued for a period up to 5 years on the same terms and conditions on which they were appointed. For these five years, GSTN may be given the flexibility of hiring people through contract on the terms and conditions similar to those used by GSTN earlier while hiring regular employees.
- (v) The existing employees on deputation may be continued on the same terms and conditions till the completion of their tenure. Also, for the next five years, new employees on deputation will be continued to be hired on the terms and conditions similar to those earlier used by GSTN.
- (vi) Flexible hiring and appropriate remuneration policy may be evolved by GSTN considering criticality of the IT manpower, prevailing market compensation etc. and placed before the GST council for its approval in due course.
- (vii) Allow continuation of existing mechanism of payment of the operating charges to GSTN through user charges of restructured GSTN by CBIC and the States.

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Annexure-1 Recruitment Guidelines

Goods and Services Tax Network (Recruitment Guidelines approved by the Board of GSTN)

Resolution on Recruitment Procedure in GSTN

New Delhi, dated the 11th January 2021

The Board of GSTN in exercise of the powers conferred upon it hereby resolves to make the following guidelines for functioning of the organisation on issues relating to recruitment on deputation and to consolidate existing guidelines for recruitment of market recruits.

(Manish Kumar Sinha)
Officiating CEO and EVP, GSTN

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Goods and Services Tax Network [Recruitment Guidelines approved by the Board of GSTN]

Resolution on Recruitment Procedure in GSTN

New Delhi, dated the 11th January 2021

1. Short title and commencement. -

(i) These guidelines may be called the guidelines for Goods and Services Tax Network on Recruitment on deputation and from market.

(ii) They shall come into force on the date decided by the Board of GSTN for its implementation and shall be effective prospectively.

2. Sourcing of manpower in GSTN -

(i) The requirement of manpower in GSTN shall be met from three sources namely-

(a) Market Recruitment

(b) Deputation of Officers from the Central Government, State Governments and the Public Sector Undertakings, and

(c) For the levels below Assistant Managers viz. Secretarial Support, Technical Support and MTS, outsourcing shall be the primary means of acquiring manpower.

(ii) No manpower shall be hired either directly or through third party sourcing where the entire service which are in the nature of office support and can be outsourced such as cleaning, security and cafeteria services. Such services shall be outsourced as such.

3. Sanctioned Strength -

The proposed total sanctioned strength of manpower for GSTN excluding the completely outsourced services such as cleaning, security, cafeteria services, Cleaning, Security and Cafeteria Services shall be 147 as detailed in *Annexure-I* attached hereto. The total of 147 positions (excluding 45 positions at the levels of Secretarial Support, Technical Support and MTS which are proposed to be retained and are purely outsourced to agencies and the number is only indicative of the size of manpower required from such outsourced services) approved for GSTN have been retained in the present proposal and no change/increase in manpower is proposed. Out of the total number of positions of 147, 31 positions can be filled exclusively on deputation and 7 positions (including the CEO) can be filled either on deputation or from the market. Hence, a total of 38 positions is the maximum number (26% of positions) out of the 147 positions that can be filled by deputation.

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4. Number of posts, classification and level in pay matrix. -

The number of posts, their classification and level in the pay matrix/market-based salaries are specified in columns (2) to (4) of the Schedules I to IV annexed to these guidelines.

5. Screening and selection process. -

There shall be Screening and Selection for recruitment of all positions in GSTN as provided in **Annexure II**. Further, the procedure to be followed for screening and selection of the candidates for various positions is also detailed in **Annexure II**.

6. Method of recruitment, age-limit and qualifications, etc.-

i) The Chairman of GSTN shall be appointed by the Government for the tenure as may be decided by the Government and in the absence of a regular Chairman, the Secretary (Revenue) to the Government of India shall officiate as the Chairman. The rank of Chairman appointed in GSTN shall be equivalent to that of Secretary to Government of India.

ii) The method of recruitment for all the other posts, with age-limit, qualifications and other matters relating thereto are also detailed in the Schedules. The same are specified in columns (5) to (13) of the Schedules I to IV annexed to these guidelines.

iii) All fresh appointment in GSTN from market shall be done based on the provisions of the Schedules after their approval by the Board.

iv) All fresh appointment in GSTN on deputation shall be done based on the provisions of the Schedules after their approval by the Board and the Government and pay fixation (excluding allowances) done as per the Central Government Rules.

v) The officers to be appointed from the State government should belong to the grades as mentioned in the schedules I & II to these guidelines. The officers selected from state governments shall be given an option to retain the scale in their parent cadre or to switch to scale in the Central Government. Once the option is exercised the same shall be final & binding on the officer for all purposes of his employment.

In case the pay scales of any State Government are not similar to the Central Government pay scales, the pay of the officer in GSTN shall be fixed at the same amount that he was drawing in his parent department or the next higher amount if the amount he was drawing does not exist in the Central Government Pay scales at the level in which the officer is appointed. However, all officers from the State Government shall be appointed in GSTN only if they fulfil the rank requirements as specified in the Schedules I & II of these guidelines.

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7. Tenure-

i) **Tenure of CEO:** The tenure of CEO shall be 5 years extendable for a further period of 2 years with the approval of the Government and the Board.

ii) Tenure of deputation:

a) **Tenure of EVP and SVP on deputation:** The tenure of EVP and SVP on deputation shall be 5 years extendable for a period of 2 years, 1 year at a time, (total 7 = 5+1+1) with the approval of the Board and the government and/or the parent department.

b) **Tenure below SVP on deputation:** The tenure for all other officers on deputation shall be for a period of 4 years extendable for a period of 2 years once and one more year thereafter (total 7 = 4+2+1) with the approval of Chairman and the parent cadre.

iii) Tenure of market recruits:

a) The tenure in respect of market recruits for all levels shall be decided on a case to case basis by the Chairman, GSTN from the level of Vice President upto Executive Vice President and by the Chief Executive Officer, GSTN for levels below Vice Presidents. In cases where the appointment needs approval of the Board, the same shall be placed before the Board with the proposal for the appointment.

b) The process being presently followed in on boarding personnel from the market in GSTN is to recruit through third party such as National Institute for Smart Government (NISG) on a fixed term contract basis for three years extendable by two years (total 5 years) after detailed internal review of the performance of the employee. This shall be continued while recruiting from the market till a fresh policy on this is finalised by the Board of GSTN.

c) This does not change the present practice to give a notice of 3 months at will for termination of service by either GSTN or the employee.

d) The superannuation age for market recruits in GSTN shall be 60 (Sixty) years.

8. Disqualification. -

i) No person,-

(a) who has entered into or contracted a marriage with a person having a spouse living; or

(b) who having a spouse living, has entered into or contracted a marriage with any person,

shall be eligible for appointment to the said posts:

Provided that the Board or the Competent Authority of GSTN, as the case may be, may, if satisfied that such marriage is permissible under the personal law applicable

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to such person and the other party to the marriage and that there are other grounds for so doing, exempt any person from the operation of this rule.

9. Organization flexibility:

f) For achieving organizational efficiency the competent authority of GSTN to approve changes regarding rank of selection, job description and shifting of position as mentioned below shall be -

- a) Chairman, GSTN from the level of Vice President upto Executive Vice President
- b) Chief Executive Officer for levels below Vice Presidents.

Explanation: Rank of selection, job description and shifting of positions shall have following meaning:

a) **Rank of selection for market recruits** - In order to select the right candidates from the market while hiring, the selection committee may hire the candidate one level up or down the existing vacancy provided the necessary criteria for selection are being satisfied by the candidate (viz desired experience, educational qualification etc). This flexibility shall not apply for candidates selected on deputation where the rank of deputationists shall be granted as provided in **Schedule I & II** to the **Rule 4** above.

b) **Job descriptions (JD)** - For various posts, there are an approved set of description of roles for various positions. These are called job descriptions (JD). The job description repository shall be updated on a periodic basis to incorporate any changes/modifications required in order to meet the functional requirements of the job with the passage of time with approval of the authority as stated above.

c) **Shifting of positions within and across verticals** - There would be flexibility to inter-change/modify the positions within the same level/grade based on the functional requirements within the sanctioned strength. The positions may be changed/modified within or across verticals depending upon the functional requirements while advertising for the positions.

10. Selection of Retired Personnel as consultants- GSTN needs experienced tax officials who have rendered their service in Indirect Tax Wing in the Central Government or the State Governments. In case of non-availability of serving officers, GSTN can induct retired officers on fixed term contracts for such periods as is necessary to complete the specific project for which the officer is inducted. Following general guidelines shall apply in such appointments -

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- (a) The maximum age of such officers at the time of selection shall be 62 years and the maximum age till when they can provide service would be 65 years.
- (b) All such appointments would need the approval of the Board
- (c) Such appointments can be made only in the rank of Vice President or Assistant Vice President. No appointment at levels higher than Vice President shall be made.
- (d) The appointments of retired officers and ranks given to them shall be based on the levels held by them at the time of their retirement corresponding to the ranks mentioned for serving officers in Schedules I & II to these guidelines.
- (e) Their salaries would be fixed within the salary ranges decided for personnel hired on market recruitment in GSTN.

Note: These limitations shall not be applicable where a retired officer is appointed on a regular post advertised with relaxed age criteria for the retired Govt officials.

11. Power to relax. – Where the Board of the GSTN is of the opinion that it is necessary or expedient so to do, it may, by order, for the reasons to be recorded in writing, relax any of the provisions of these guidelines with respect to any class or category of persons. The provisions relating to deputation of officers shall be relaxed in consultation with the Government.

12. Power to rectify errors – The job descriptions (JDs) being used in respect of all posts have been summarised in **Column 11** of the schedules I to IV of these guidelines based on existing job description repository and in case of any conflict between the JDs and the schedules, provisions of the schedules would prevail and the modifications shall be done in the respective job descriptions. The job descriptions of all the positions mentioned in schedules I to IV of the guidelines are attached at **Annexure III**.

13. Saving – All existing decisions of the Board and Management taken prior to the date on which these guidelines become operational shall continue to apply notwithstanding any conflict with the present guidelines provided that specific decision taken in relation to any of the past decisions to overrule the past decision shall lead to the new specific decision prevailing.

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Annexure- I to Recruitment Guidelines

Proposed Sanctioned Strength				
Position	FTE or Outsourced	Deputation	Either Market Or Deputation	Total
CEO	-	-	1	1
EVP	1	1		2
SVP	9	4	3	16
VP	7	5	1	13
AVP	30	8	2	40
SM	18	9	-	27
Mgr	16	3	-	19
AM	28	1	-	29
Total	109	31	7	147
Outsourced only:				
Secretarial Support	15	-	-	15
Technical Support	15	-	-	15
MTS	15	-	-	15
Cleaning, Security & Cafeteria Services	As per need			As per need

Note: The services of Secretarial support, Technical Support, MTS, Cleaning, Security & Cafeteria Services are fully outsourced to agencies and the number of Secretarial Support, Technical Support and MTS is indicative of the size of manpower required from such outsourced services.

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Annexure II to Recruitment Guidelines

Screening and Selection Committee for Recruitment in GSTN

There shall be Screening and Selection for recruitment of all positions in GSTN. The procedure to be followed in this regard for various positions is as detailed below:

Name of the Post	Composition of Screening Committee	Composition of Selection Committee	Remarks
Chief Executive Officer	(a) Chairman, GSTN, (b) Additional Secretary, Revenue Headquarters, (c) One representative from the State Government, and (d) one expert in Information Technology. The Board of GSTN would give a panel of experts with order of preference for the Government to choose one expert to be member of the Committee.	(a) Chairman, GSTN, (b) Additional Secretary (Revenue Headquarters), (c) one Independent Director of GSTN, (d) One representative from the State Government, and (e) Member (GST) of CBIC. (f) one expert in Information Technology. The expert selected by the Government in the Screening Committee would also be a part of this Committee.	The appointment shall be made after due approval of the Board of GSTN and approval of the Government in case of deputationists to be processed by Department of Revenue.

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Executive Vice President	<p>i) Chief Executive Officer, GSTN</p> <p>ii) Executive Vice President of the Concerned Division</p> <p>iii) Senior Vice President (Support)</p> <p>iv) Two Technical Experts to be approved by the Board of GSTN.</p>	<p>*HR Committee of GSTN comprising Chairman, GSTN, Additional Secretary, Revenue Headquarters, One Independent Director, GSTN and Joint Secretary, GST Council Headquarters and</p> <p>two Technical Experts as approved by the Board of GSTN.</p> <p>*HR Committee also includes CEO, GSTN.</p>	<p>The appointment shall be made after due approval of the Board of GSTN and approval of the Government in case of deputationists to be processed by Department of Revenue.</p>
Senior Vice President	<p>i) Chief Executive Officer, GSTN</p> <p>ii) Executive Vice President of the Concerned Division</p> <p>iii) Executive Vice President (Support)</p>	<p>*HR Committee of GSTN comprising Chairman, GSTN, Additional Secretary, Revenue Headquarters, Independent Director, GSTN and Joint Secretary, GST</p>	<p>The appointment shall be made after due approval of the Board of GSTN and approval of the Government in case of deputationists to be</p>

CHAIRMAN'S INITIALS

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MINUTE BOOK

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		Council Headquarters. *HR Committee also includes CEO, GSTN.	processed by Department of Revenue.
Vice President	i) Vice President (HR), GSTN ii) Unit Head (SVP/VP) of the concerned division.	i) Chairman, GSTN ii) CEO, GSTN iii) EVP, GSTN of the concerned Division iv) EVP (Support), GSTN	The appointment shall be made after due approval of the Chairman, GSTN and the approval of the Government in case of deputation.
Assistant Vice President	i) Vice President (HR), GSTN ii) Unit Head (SVP/VP) of the concerned division.	i) Chairman, GSTN ii) CEO, GSTN iii) EVP, GSTN of the concerned Division iv) EVP (Support), GSTN	The appointment shall be made after due approval of the Chairman, GSTN and the approval of the Government in case of deputation.
Senior Manager	i) Vice President (HR), GSTN ii) Unit Head (SVP/VP) of the concerned division.	i) Chairman, GSTN ii) CEO, GSTN iii) EVP, GSTN of the concerned Division	The appointment shall be made after due approval of the Chairman, GSTN and the

CHAIRMAN'S INITIALS

3 *[Signature]*

MINUTE BOOK

		iv)EVP (Support), GSTN	approval of the Government in case of deputation.
Manager	i)Vice President (HR), GSTN ii)Unit Head (SVP/VP) of the concerned division.	i)Chairman, GSTN ii)CEO, GSTN iii)EVP, GSTN of the concerned Division iv)EVP (Support), GSTN	The appointment shall be made after due approval of the Chairman, GSTN and the approval of the Government in case of deputation.
Assistant Manager	i)Unit Head (SVP/VP), GSTN ii)Sr. Manager (HR), GSTN	i)EVP (Support), GSTN ii)Unit Head (SVP/VP), GSTN iii)VP (HR), GSTN	The appointment shall be made after due approval of the Chairman, GSTN and the approval of the Government in case of deputation.

CHAIRMAN'S INITIALS

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Annexure-II

**Goods and Services Tax Network
(Recruitment Guidelines approved by the Board of GSTN)**

Resolution on Recruitment Procedure in GSTN

New Delhi, dated the 11th January 2021

The Board of GSTN in exercise of the powers conferred upon it hereby resolves to make the following guidelines for functioning of the organisation on issues relating to recruitment on deputation and to consolidate existing guidelines for recruitment of market recruits.

(Manish Kumar Sinha)
Officiating CEO and EVP, GSTN

Goods and Services Tax Network
[Recruitment Guidelines approved by the Board of GSTN]

Resolution on Recruitment Procedure in GSTN

New Delhi, dated the 11th January 2021

1. **Short title and commencement. –**
 - (i) These guidelines may be called the guidelines for Goods and Services Tax Network on Recruitment on deputation and from market.
 - (ii) They shall come into force on the date decided by the Board of GSTN for its implementation and shall be effective prospectively.
2. **Sourcing of manpower in GSTN –**
 - (i) The requirement of manpower in GSTN shall be met from three sources namely-
 - (a) Market Recruitment
 - (b) Deputation of Officers from the Central Government, State Governments and the Public Sector Undertakings, and
 - (c) For the levels below Assistant Managers viz. Secretarial Support, Technical Support and MTS, outsourcing shall be the primary means of acquiring manpower.
 - (ii) No manpower shall be hired either directly or through third party sourcing where the entire service which are in the nature of office support and can be outsourced such as cleaning, security and cafeteria services. Such services shall be outsourced as such.

3. Sanctioned Strength –

The proposed total sanctioned strength of manpower for GSTN excluding the completely outsourced services such as cleaning, security, cafeteria services, Cleaning, Security and Cafeteria Services shall be 147 as detailed in *Annexure-I* attached hereto. The total of 147 positions (excluding 45 positions at the levels of Secretarial Support, Technical Support and MTS which are proposed to be retained and are purely outsourced to agencies and the number is only indicative of the size of manpower required from such outsourced services) approved for GSTN have been retained in the present proposal and no change/increase in manpower is proposed. Out of the total number of positions of 147, 31 positions can be filled exclusively on deputation and 7 positions (including the CEO) can be filled either on deputation or from the market. Hence, a total of 38 positions is the maximum number (26% of positions) out of the 147 positions that can be filled by deputation.

4. Number of posts, classification and level in pay matrix. –

The number of posts, their classification and level in the pay matrix/market-based salaries are specified in columns (2) to (4) of the Schedules I to IV annexed to these guidelines.

5. Screening and selection process. –

There shall be Screening and Selection for recruitment of all positions in GSTN as provided in *Annexure II*. Further, the procedure to be followed for screening and selection of the candidates for various positions is also detailed in *Annexure II*.

6. Method of recruitment, age-limit and qualifications, etc.-

i) The Chairman of GSTN shall be appointed by the Government for the tenure as may be decided by the Government and in the absence of a regular Chairman, the Secretary (Revenue) to the Government of India shall officiate as the Chairman. The rank of Chairman appointed in GSTN shall be equivalent to that of Secretary to Government of India.

ii) The method of recruitment for all the other posts, with age-limit, qualifications and other matters relating thereto are also detailed in the Schedules. The same are specified in columns (5) to (13) of the Schedules I to IV annexed to these guidelines.

- iii) All fresh appointment in GSTN from market shall be done based on the provisions of the Schedules after their approval by the Board.
- iv) All fresh appointment in GSTN on deputation shall be done based on the provisions of the Schedules after their approval by the Board and the Government and pay fixation (excluding allowances) done as per the Central Government Rules.
- v) The officers to be appointed from the State government should belong to the grades as mentioned in the schedules I & II to these guidelines. The officers selected from state governments shall be given an option to retain the scale in their parent cadre or to switch to scale in the Central Government. Once the option is exercised the same shall be final & binding on the officer for all purposes of his employment.

In case the pay scales of any State Government are not similar to the Central Government pay scales, the pay of the officer in GSTN shall be fixed at the same amount that he was drawing in his parent department or the next higher amount if the amount he was drawing does not exist in the Central Government Pay scales at the level in which the officer is appointed. However, all officers from the State Government shall be appointed in GSTN only if they fulfil the rank requirements as specified in the Schedules I & II of these guidelines.

7. Tenure-

- i) **Tenure of CEO:** The tenure of CEO shall be 5 years extendable for a further period of 2 years with the approval of the Government and the Board.
- ii) **Tenure of deputation:**
 - a) **Tenure of EVP and SVP on deputation:** The tenure of EVP and SVP on deputation shall be 5 years extendable for a period of 2 years, 1 year at a time, (total 7 = 5+1+1) with the approval of the Board and the government and/or the parent department.
 - b) **Tenure below SVP on deputation:** The tenure for all other officers on deputation shall be for a period of 4 years extendable for a period of 2 years once and one more year thereafter (total 7 = 4+2+1) with the approval of Chairman and the parent cadre.
- iii) **Tenure of market recruits:**
 - a) The tenure in respect of market recruits for all levels shall be decided on a case to case basis by the Chairman, GSTN from the level of Vice

President upto Executive Vice President and by the Chief Executive Officer, GSTN for levels below Vice Presidents. In cases where the appointment needs approval of the Board, the same shall be placed before the Board with the proposal for the appointment.

- b) The process being presently followed in on boarding personnel from the market in GSTN is to recruit through third party such as National Institute for Smart Government (NISG) on a fixed term contract basis for three years extendable by two years (total 5 years) after detailed internal review of the performance of the employee. This shall be continued while recruiting from the market till a fresh policy on this is finalised by the Board of GSTN.
- c) This does not change the present practice to give a notice of 3 months at will for termination of service by either GSTN or the employee.
- d) The superannuation age for market recruits in GSTN shall be 60 (Sixty) years.

8. Disqualification. –

- i) No person,-
 - (a) who has entered into or contracted a marriage with a person having a spouse living; or
 - (b) who having a spouse living, has entered into or contracted a marriage with any person,

shall be eligible for appointment to the said posts:

Provided that the Board or the Competent Authority of GSTN, as the case may be, may, if satisfied that such marriage is permissible under the personal law applicable to such person and the other party to the marriage and that there are other grounds for so doing, exempt any person from the operation of this rule.

9. Organization flexibility:

- i) For achieving organizational efficiency the competent authority of GSTN to approve changes regarding rank of selection, job description and shifting of position as mentioned below shall be –
 - a) Chairman, GSTN from the level of Vice President upto Executive Vice President

- b) Chief Executive Officer for levels below Vice Presidents.

Explanation: Rank of selection, job description and shifting of positions shall have following meaning:

- a) **Rank of selection for market recruits** – In order to select the right candidates from the market while hiring, the selection committee may hire the candidate one level up or down the existing vacancy provided the necessary criteria for selection are being satisfied by the candidate (viz desired experience, educational qualification etc). This flexibility shall not apply for candidates selected on deputation where the rank of deputationists shall be granted as provided in **Schedule I & II** to the **Rule 4** above.

- b) **Job descriptions (JD)** – For various posts, there are an approved set of description of roles for various positions. These are called job descriptions (JD).The job description repository shall be updated on a periodic basis to incorporate any changes/modifications required in order to meet the functional requirements of the job with the passage of time with approval of the authority as stated above.

- c) **Shifting of positions within and across verticals** – There would be flexibility to inter-change/modify the positions within the same level/grade based on the functional requirements within the sanctioned strength. The positions may be changed/modified within or across verticals depending upon the functional requirements while advertising for the positions.

10. Selection of Retired Personnel as consultants– GSTN needs experienced tax officials who have rendered their service in Indirect Tax Wing in the Central Government or the State Governments. In case of non-availability of serving officers, GSTN can induct retired officers on fixed term contracts for such periods as is necessary to complete the specific project for which the officer is inducted. Following general guidelines shall apply in such appointments -

- (a) The maximum age of such officers at the time of selection shall be 62 years and the maximum age till when they can provide service would be 65 years.
- (b) All such appointments would need the approval of the Board

- (c) Such appointments can be made only in the rank of Vice President or Assistant Vice President. No appointment at levels higher than Vice President shall be made.
- (d) The appointments of retired officers and ranks given to them shall be based on the levels held by them at the time of their retirement corresponding to the ranks mentioned for serving officers in Schedules I & II to these guidelines.
- (e) Their salaries would be fixed within the salary ranges decided for personnel hired on market recruitment in GSTN.

Note: These limitations shall not be applicable where a retired officer is appointed on a regular post advertised with relaxed age criteria for the retired Govt officials.

11. **Power to relax.** – Where the Board of the GSTN is of the opinion that it is necessary or expedient so to do, it may, by order, for the reasons to be recorded in writing, relax any of the provisions of these guidelines with respect to any class or category of persons. The provisions relating to deputation of officers shall be relaxed in consultation with the Government.
12. **Power to rectify errors** – The job descriptions (JDs) being used in respect of all posts have been summarised in **Column 11** of the schedules I to IV of these guidelines based on existing job description repository and in case of any conflict between the JDs and the schedules, provisions of the schedules would prevail and the modifications shall be done in the respective job descriptions. The job descriptions of all the positions mentioned in schedules I to IV of the guidelines are attached at **Annexure III**.
13. **Saving** – All existing decisions of the Board and Management taken prior to the date on which these guidelines become operational shall continue to apply notwithstanding any conflict with the present guidelines provided that specific decision taken in relation to any of the past decisions to overrule the past decision shall lead to the new specific decision prevailing.

Annexure-IIA

Sl. No.	Name of post.	Number of post	Classification. Deputation/Market. (Level,Grade)	Level in the pay matrix. Deputation	Whether selection post or non-selection post and procedure thereof.	Age-limit for direct recruits from market.	Education al and other qualificati ons required for direct recruits.	Whether age and education al qualificati ons prescribe d for direct recruits will apply in the case of promotees .	Period of probati on, if any.	Method of recruitm ent whether by direct recruitm ent or by promoti on or deputati on or absorpti on and percenta ge of the vacancie s to be filled by various methods.	In case of recruitment by promotion or deputation or absorption, grade from which promotion or deputation or absorption is to be made. (Deputation) Officers of the Central or State Govt. or UT or Autonomous bodies shall be selected based on the following criteria:	If a Departme ntal Promotion Committe e exists what is its compositio n.	Circumsta nces in which Union Public Service Commissio n is to be consulted in making recruitmen t.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Executive Vice President (EVP), Services	1	L2, G2	Level 14 & allowanc es as decided by Board	As per Screening & Selection Committee recommendat ions and with due approval of Board of GSTN	Not Applica ble	Not Applicable	Not Applicable	Not Applica ble	Deputatio n	Deputation Criteria (i) (a) holding analogous posts at level 14 on regular basis in the parent cadre or department; or (b) having five years experience in Level-13 on regular basis in the parent cadre or department; AND (ii) Overall 18 years of service at Group 'A' level in Government.	Not Applicable	Not Applicable

											Desirable:- Possessing 8 years or more of experience in taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six as on the closing date of receipt of applications.		
2	Senior Vice President (SVP), Common Portal	1	L3,G3	Level 13 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Board of GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i) (a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having four years experience in Level-12 on regular basis in the parent cadre or department; AND(ii) Overall 13 years of service at Group 'A' level in Government.Desirable:- Possessing 5 years or more of experience in taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable

3	Senior Vice President (SVP), Value Added Services	1	L3,G3	Level 13 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Board of GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i) (a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having four years experience in Level-12 on regular basis in the parent cadre or department; AND (ii) Overall 13 years of service at Group 'A' level in Government. Desirable:- Possessing 5 years or more of experience in taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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4	Senior Vice President (SVP), (Services)	1	L3,G3	Level 13 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Board of GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i) (a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having four years experience in Level-12 on regular basis in the parent cadre or department; AND(ii) Overall 13 years of service at Group 'A' level in Government.Desirable:- Possessing 5 years or more of experience in taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
5	Senior Vice President (SVP), (BIFA)	1	L3,G3	Level 13 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Board of GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i) (a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having four years experience in Level-12 on regular basis in the parent cadre or department; AND (ii) Overall 13 years of service at Group 'A' level in Government.	Not Applicable	Not Applicable

											<p>Desirable:-</p> <p>(i) Post Graduate degree in Economics/Statistics/Mathematics from a recognised University or equivalent.</p> <p>(ii) Possessing 5 years or more of experience in taxation/Finance /business process automation or IT/Business Intelligence. Experience of working in the domain of GST would be desirable but not necessary.</p> <p>(iii) Experience in tax analytics/tax enforcement would be preferred.</p> <p>Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.</p>		
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6	Vice President (BIFA)	3	L3,G4	Level 12 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i)(a) holding analogous posts at level 12 on regular basis in the parent cadre or department; or (b) having four years experience in Level-11 on regular basis in the parent cadre or department; AND(ii) Overall 9 years of service at Group 'A' level in Government.Desirable:-(i) Possessing 5 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. (ii) Experience in tax analytics/tax enforcement would be preferred.Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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7	Vice President (VP), Services	2	L3,G4	Level 12 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i)(a) holding analogous posts at level 12 on regular basis in the parent cadre or department; or (b) having four years experience in Level-11 on regular basis in the parent cadre or department; AND (ii) Overall 9 years of service at Group 'A' level in Government. Desirable:- Possessing 5 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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8	Assistant Vice President (AVP), (Services)	8	L4,G5	Level 11 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i) (a) holding analogous posts at level 11 on regular basis in the parent cadre or department; or(b) having 5 years experience in Level-10 on regular basis in the parent cadre or department for directly recruited Group 'A' Officers or(c) having 20 years in government service and serving in Level-10 on regular basis in the parent cadre or department for officers promoted from Group 'B' to Group 'A'.Desirable:-Possessing 5 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
											Note: The levels from AVP and above shall be sourced from Group'A' Officers only.		
9	Senior Manager (SM), BIFA	3	L4,G6	Level 10 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman,	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i)(a) holding analogous posts at level 10 on regular basis in the parent cadre or department; or (b) having five years	Not Applicable	Not Applicable

					GSTN.						<p>experience in Level-9 on regular basis in the parent cadre or department;</p> <p>AND</p> <p>(ii) Overall 15 years of service at Group 'B' level in Government. or</p> <p>Desirable:-</p> <p>(i) Graduate degree in Mathematics/Statistics/Economics from a recognised University or equivalent.</p> <p>(ii) Possessing 4 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.</p> <p>(iii) Experience in tax analytics/tax enforcement would be preferred.</p> <p>Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.</p>		
											<p>Note: Group 'B' Officials irrespective of their levels will be onboarded only upto the level of SM.</p>		

10	Senior Manager (SM), (Services)	5	L4,G6	Level 10 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i)(a) holding analogous posts at level 10 on regular basis in the parent cadre or department; or(b) having five years experience in Level-9 on regular basis in the parent cadre or department; AND(ii) Overall 15 years of service at Group 'B' level in Government.Desirable:- Possessing 4 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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11	Senior Manager (SM), HR-Deputation	1	L4,G6	Level 10 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i)(a) holding analogous posts at level 10 on regular basis in the parent cadre or department; or (b) having five years experience in Level-9 on regular basis in the parent cadre or department; AND (ii) Overall 15 years of service at Group 'B' level in Government. Desirable:- Possessing 4 years or more of experience in Administration of any Government department. Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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12	Manager (Mgr),(Services)	3	L5,G7	Level 9 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:-(i)(a) holding analogous posts at level 9 on regular basis in the parent cadre or department;(b) having five years experience in Level-8 on regular basis in the parent cadre or department; AND(ii) Overall 10 years of service at Group 'B' level in Government.Desirable:- (ii) Possessing 3 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary.Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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13	Assistant Manager (AM), (Services)	1	L5,G8	Level 8 & allowances as decided by Board	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	Deputation Criteria:- (i)(a) holding analogous posts at level 8 on regular basis in the parent cadre or department; or (b) having five years experience in Level-7 on regular basis in the parent cadre or department; AND (ii) Overall 5 years of service at Group 'B' level in Government. Desirable:- Possessing 3 years or more of experience in Taxation/Finance/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	Not Applicable	Not Applicable
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Schedule- II															
Sl. No.	Name of post.	Number of Post	Classification. Deputation/Market	Level in the pay matrix. Deputation	Fixed Term Employment/Outsourced (CTC range including allowances & PLI) Note: To be aligned with market as required for market recruits from time to time.	Whether selection post or non-selection post and procedure thereof.	Age-limit for direct recruits.	Educational and other qualifications required for direct recruits.	Whether age and educational qualifications prescribed for direct recruits will apply in the case of promotions.	Period of probation, if any.	Method of recruitment whether by direct recruitment or by promotion or by deputation or absorption and percentage of the vacancies to be filled by various methods.	In case of recruitment by promotion or deputation or absorption, from which promotion or deputation or absorption is to be made. (Deputation) Officers of the Central or State Govt. or UT or Autonomous bodies shall be selected based on the following criteria:	In case of recruitment by promotion or deputation or absorption, grade from which promotion or deputation or absorption is to be made. (Market Recruitment) Persons working in the Private Sector shall be selected based on following criteria:	If a Departmental Promotion Committee exists what is its composition.	Circumstances in which Union Public Service Commission is to be consulted in making recruitment.
	1	2	3	4A	4B	5	6	7	8	9	10	11A	11B	12	13
1	Chief Executive Officer (CEO)	1	L1,G1	Pay at Level 15 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by the Board of GSTN.	As per Screening & Selection Committee recommendations and with due approval of the	As detailed in Column 11 (b)	As detailed in Column 11 (b)	Not Applicable	Not Applicable	Deputation or Market Recruitment	Deputation Criteria: (i)(a) holding analogous posts at level 15 on regular basis in the parent cadre or department; or (b) having five	Selection Criteria: Essential:- (i) Graduate degree in Engineering and/or degree or diploma in Management	Not Applicable	Not Applicable

						Board of GSTN and approval of the Government to be processed by the Department of Revenue.						<p>years experience in Level-14 on regular basis in the parent cadre or department;</p> <p>AND</p> <p>(ii) Overall 25 years of experience at Group 'A' level in Government.</p> <p>Desirable:- Possessing 10 years or more of experience in Taxation/Finance/business process automation or IT. and experience of working in the domain of GST.</p> <p>Note 1 - The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.</p> <p>Note 2 - The period of appointment shall be three</p>	<p>from a recognised University or equivalent.</p> <p>(ii) Minimum work experience of 18 (Eighteen) years in an organisation specializing in large scale IT transaction processing in taxation automation/financial services/government sector serving large cross-section of retail and business users, of which at least 5 (five) years should have been spent as part of the top management team (Chief Technology Officer, Managing Director/Executive</p>		
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												years extendable by another two years with the approval of Board and the Government.	director or equivalent). Desirable: (i) Experience of heading an organization (company, society or trust). (ii) Experience of managing a multi-stakeholder driven organization and a demonstrated ability to both lead and build the capabilities of a driven, bright and diverse team. (iii) Ability to think strategically, anticipate future consequences and trends and incorporate them into the organization plan. (iv) High		
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													level of business acumen, including successful P&L management and the ability to balance the delivery of the programs within the approved budget. (v) Capacity for managing and leading people: A team builder who has experience in scaling up organization, has the ability to connect staff both on an individual level and in large groups. Note 1 - The Maximum age-limit for appointment from the market shall be not exceeding fifty four years as on		
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													the closing date of receipt of applications. Note 2 - The period of appointment shall be five years extendable by another two years with the approval of Board and Government.		
2	Senior Vice President (SVP), (Support)	1	L3,G3	Level 13 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	As detailed in Column 11 (b)	As envisaged in Column 11 (b)	Not Applicable	Not Applicable	Deputation or Market Recruitment	Deputation Criteria:- (i) (a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having five years experience in Level-12 on regular basis in the parent cadre or department; AND (ii) Overall 13 years of service at Group 'A' level in Government. Desirable:- Possessing 8	Selection Criteria: (i) MBA/ Post graduate/ Similar degree or diploma with an experience of total 15-18 years in the support functions (preferably finance and administration) (ii) At least 5 years as Head of Finance / Administration of a large public/ private sector	Not Applicable	Not Applicable

												<p>years or more of experience in Finance and Administration. A degree in Law would be preferable but not mandatory.</p> <p>Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.</p>	<p>organisation in India is required Generalist experience of approx. 10- 12 years across multiple support functions (i.e. Admin, Legal, Finance, HR, IT etc) in a large public sector/ private sector/ ministry/ department of central or state government is preferred</p> <p>Note .- The Maximum age-limit for appointment from the market shall be not exceeding Forty five years as on the closing date of receipt of applications.</p>		
3	Senior Vice President	1	L3,G3	Level 13 & allowanc	As per the prevailing market rate & to	As per Selection Committee	As detaile d in	As envisAs detailed	Not Applicab le	Not Applicab le	Deputat ion or Market	Deputation Criteria:	Selection Criteria: Role holder	Not Applicab le	Not Applicabl e

	(SVP), Outreach and Capabilit y Building			es as decided by Board	be negotiated with candidate and approved by Chairman, GSTN.	recommen dations and with due approval of Board.	Colum n 11 (b)	in Column 11 (b)			Recruit ment	(i) (a)nholding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having four years experience in Level-12 on regular basis in the parent cadre or department; AND (ii) Overall 13 years of service at Group 'A' level in Government. Desirable:- Possessing 5 years or more of experience in Taxation/Financ e/business process automation or IT. Experience of working in the domain of GST would be desirable but not necessary. Around 5-8 years of experience in Information & Broadcasting Ministry/ Related functions for an	to be sourced from private sector with experience of 15-18 years and Post Graduate in Human Resource Management / Change Management / Any similar degree/ diploma Around 5-8 years of experience in Training and Change Management for a private sector candidate is preferred Note .- The Maximum age-limit for appointment from the market shall be not exceeding Forty five years as on the closing date of receipt of applications.		
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												official on deputation is preferred			
												Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.			
4	Senior Vice President (SVP), Finance	1	L3,G3	Level 13 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	As detailed in Column 11 (b)	As envisaged in Column 11 (b)	Not Applicable	Not Applicable	Deputation or Market Recruitment	Deputation Criteria: (i)(a) holding analogous posts at level 13 on regular basis in the parent cadre or department; or (b) having five years experience in Level-12 on regular basis in the parent cadre or department; AND (ii) Overall 13 years of service at Group 'A' level in Government. Desirable:- Possessing 5 years or more of	Selection Criteria: Essential: • For candidates from the private sector: Minimum work experience of 15-18 years in an organisation specializing in large scale IT transaction processing in financial services/government sector serving large cross-section of retail and business users, of	Not Applicable	Not Applicable

												<p>experience in Finance and Administration. A CA or ICWA would be preferable but not mandatory.</p> <p>Note .- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.</p>	<p>which at least 5 (five) years should have been spent as part of the top management team.</p> <ul style="list-style-type: none"> • Experience of heading the Finance of an organization (company, society or trust). • Experience of managing a multi-stakeholder driven organization and a demonstrated ability to both lead and build the capabilities of a driven, bright and diverse team. • Ability to think strategically, anticipate future consequences and trends and incorporate them into the 		
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													<p>organization plan.</p> <ul style="list-style-type: none"> • High level of business acumen, including successful P&L management and the ability to balance the delivery of the programs within the approved budget. • Capacity for managing and leading people: A team builder who has experience in scaling up organization, has the ability to connect staff both on an individual level and in large groups. <p>Note .- The Maximum age-limit for appointment from the market shall be not exceeding Forty five</p>		
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													years as on the closing date of receipt of applications.		
5	Vice President (VP), OSD to Chairman	1	L3,G4	Level 12 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Deputation	<p>Deputation Criteria:</p> <p>(i) (a) holding analogous posts at level 12 on regular basis in the parent cadre or department; or</p> <p>(b) having four years experience in Level-11 on regular basis in the parent cadre or department;</p> <p>AND</p> <p>(ii) Overall 9 years of service at Group 'A' level in Government.</p> <p>Desirable:- Possessing 5 years or more of experience in working as OSD to Senior Levels in the Government preferably in Taxation/Finance/business process automation or IT and</p>	Selection Criteria: To be decided by Chairman, GSTN	Not Applicable	Not Applicable

												experience of working in the domain of GST. Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.			
6	Assistant Vice President (AVP), Administration	1	L4,G5	Level 11 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	As detailed in Column 11 (b)	As detailed in Column 11 (b)	Not Applicable	Not Applicable	Deputation or Market Recruitment	Deputation Criteria: (i) (a) holding analogous posts at level 11 on regular basis in the parent cadre or department; or (b) having four years experience in Level-10 on regular basis in the parent cadre or department; AND (ii) Overall 5 years of service at Group 'A' level in Government. Desirable:- Possessing 5 years or more of experience in	Selection Criteria: Any Graduate/ Post Graduate degree / diploma (Full time/Part Time) with 10- 14 years of experience in Admin department in a large private/ public sector organization Understanding of contractual matters, documentation etc Knowledge of	Not Applicable	Not Applicable

												Administration. Note.- The Maximum age-limit for appointment by deputation shall be not exceeding fifty-six years as on the closing date of receipt of applications.	administrati on services and alternative agencies / service providers; Statutory compliances applicable to Administrati on function; vendor evaluation and selection and vendor database management .		
7	Assistant Vice President (AVP), Network & Outreach	1	L4,G5	Level 11 & allowances as decided by Board	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of	As detailed in Column 11 (b)	As detailed in Column 11 (b)	Not Applicable	Not Applicable	Deputation or Market Recruitment	Deputation Criteria: (i) (a) holding analogous posts at level 11 on regular basis in the parent cadre or department;	Selection Criteria: Role holder to be sourced from private sector with experience of 10- 14	Not Applicable	Not Applicable

						Chairman, GSTN.						<p>or (b) having five years experience in Level-10 (Grade-A) on regular basis in the parent cadre or department for directly recruited Group 'A' Officers or (c) having 20 years in government service and serving in Level-10 on regular basis in the parent cadre or department for officers promoted from Group 'B'.</p> <p>Desirable:- Possessing 5 years or more of experience in Taxation/Finance/business process automation or IT and experience of working in the domain of GST.</p> <p>Note.- The Maximum age-limit for appointment by deputation shall be not</p>	<p>years in Marketing/ Mass Communication/ Corporate Communication and MBA/ PG/ Any other similar degree or diploma in Mass Communication/ Marketing</p>		
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												exceeding fifty- six years as on the closing date of receipt of applications.			
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Schedule - III													
Sl. No.	Name of post.	Number of Post	Classification . Deputation/ Market (Level/Grade)	Pay for Fixed Term Employment/ Outsourced (CTC range including allowances & PLI) Note: To be aligned with market as required for market recruits from time to time.	Whether selection post or non-selection post and procedure thereof.	Age-limit for direct recruits from market.	Educational and other qualifications required for direct recruits.	Whether age and educational qualifications prescribed for direct recruits will apply in the case of promotees.	Period of probation , if any.	Method of recruitment whether by direct recruitment or by promotion or by deputation or absorption and percentage of the vacancies to be filled by various methods.	In case of recruitment by promotion or deputation or absorption, grade from which promotion or deputation or absorption is to be made. (Market Recruitment)	If a Departmental Promotion Committee exists what is its composition.	Circumstances in which Union Public Service Commission is to be consulted in making recruitment.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Executive Vice President (EVP), Technology	1	L2,G2	As per the prevailing market rate & to be negotiated with candidate and approved by Board.	As per Screening & Selection Committee recommendations and with due approval of Board	Maximum Age Limit below 48 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.Tech (IT)/ BEdegree in IT / MCA while M.Tech/ MBA is desirable with 18 years of experience</p> <p>► Minimum 14-15 years of experience in the IT function of a large organization , out of which minimum 3 years as CTO/CIO</p> <p>► Around 10 years as technology head in an organisationwhich specializes in large scale transaction processing in financial services/government sector or in delivery of large scale IT and IT enabled services in India or abroad</p> <p>► Proven record of leading a large team consisting of IT/Technology experts</p> <p>► Proven record of designing and</p>	Not Applicable	Not Applicable

											<p>implementing technology specific systems and solutions across multiple areas of a single organization</p> <p>► Expertise in the area of architecture, IT governance, IT operations and IT Outsourcing, IT contract structuring and monitoring</p> <p>► Understanding of technology trends and practices like Cloud Computing, Service Oriented Architecture, Distributed Computing, etc.</p> <p>► Knowledge and experience of IT/Technology governance and operations</p> <p>► Comprehensive knowledge of hardware, software, application, and systems engineering</p> <p>► Experience in setting up the IT/Technology function of a Start-Up Organization is preferred</p> <p>Excellent leadership skills, interpersonal skills and communication skills are desired</p>		
2	Senior Vice President (SVP), Software Development	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.Tech (IT)/ BE degree in IT / MCA while M.Tech/ Masters Degree/ Diploma in IT is desirable with 15- 18 years of experience of working with top IT companies in software development and maintenance</p> <p>► Minimum 6 years of</p>	Not Applicable	Not Applicable

											<p>experience in Programme Manager or above positions</p> <ul style="list-style-type: none"> ▶ At least 5 years of experience in performing a leadership role in a reputed IT company ▶ Experience in database application scope definition and implementation ▶ Proven record of designing and implementing technology specific systems and applications across multiple areas of a single organization ▶ Expert knowledge and demonstrated experience in software throughout the software development lifecycle. ▶ Experience in leading and managing teams executing software development, testing & implementation. ▶ Knowledge of latest software development technologies, platforms, programming languages, standards, tools, products etc. is critical. ▶ Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ▶ Experience in adopting the structured implementation based on proven methodologies and 		
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											models ► Experience in tracking the project/program risk identification, mitigation in a structured way ► Experience in implementing the portfolio or program management tools and adoption of the same Experience in Vendor management, change management in designing the structure and/or executing those programs in an organization		
3	Senior Vice President (SVP), IT Infra	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► B.Tech (IT)/ BEdegree in IT / MCA while M.Tech/ Masters Degree/ Diploma in IT is desirable with 15- 18 years of experience working with top IT companies in IT Infrastructure management and implementation/Managing IT infrastructure of a reputed organization having large IT setup ► Minimum 6years of experience in in Programme Manager or above positions ► Experience in supervising system configuration, software installation and upgrades of operating systems acting as web servers and application servers ► Experience in optimizing system availability, security, and performance of data centers.	Not Applicable	Not Applicable

											<ul style="list-style-type: none"> ▶ Experience in monitoring system performance and capacity; provide input for needed expansion or alternative configurations to support additional storage, database capacity, or web server capacity needs ▶ Experience in adopting Enterprise Architecture frameworks such as TOGAF or FEAF ▶ Experience in building enterprise infrastructure architecture covering backend storage platforms, servers, user-end infrastructure network etc., ▶ Experience in Hardware, configuration, integration, and support ▶ Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ▶ Experience in tracking the project/program risk identification, mitigation in a structured way ▶ Experience in implementing the portfolio or program management tools and adoption of the same ▶ Experience in Vendor 		
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											management, change management in designing the structure and/or executing those programs in an organization Experience of ITIL based service delivery and management		
4	Senior Vice President (SVP), CISO	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Masters in Technology/ MS (IT)with CISSP/CISA/CISM/Technology Risk Management with 15-18 years of experience in information security or related field out of which atleast 2 years experience of working as CISO in a reputed organisation ► Experience in administering information security, business continuity and disaster recovery programs ► Working knowledge of and experience in the policy and regulatory environment ► Experience in administering an information security programme ► Knowledge of information security solutions such as firewalls, identity and access control, IPS/IDS and host based solutions, cryptography solutions, CA's, key management systems, URL filtering, e-mail security, and end-point protection solutions such as anti 	Not Applicable	Not Applicable

											malware/firewalls ► Experience in DR Management including creation and maintenance of DR plans, manage DR compliance testing, conduct DR procedure reviews and DR strategy reviews, co-ordinate the production, maintenance and testing of Business Continuity plans for the teams that need them Knowledge of common information security management frameworks, such as ISO/IEC 27001, ITIL, COBIT		
5	Senior Vice President (SVP), Systems and Service Engineering	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Bachelors/Masters in IT/ECE or Masters / Bachelors in Computer Applications or relevant experience in the domain of IT operations with more than 18 years. ► Must have led large teams handling complex and internet scale system. A minimum of 6 years of experience is expected in leading and managing teams. ► Candidates with techno-managerial experience may be desirable ► 12-14 years of experience in designing and maintaining IT function of large organisations ► Extensive knowledge of any flavor of Unix/Unix Based	Not Applicable	Not Applicable

											<p>Systems and applications</p> <ul style="list-style-type: none"> ► Good knowledge of system administration and Infrastructure architecture design principles ► An excellent knack of troubleshooting issues arising out of Network, System or application. ► Strong fundamentals of OSI model and TCP/IP stack on Systems ► Extensive experience on handling OpenSource Software systems like OpenLdap, WebServers (Apache, nGnix, etc) ► Experience of leading a agile and responsive team consisting of IT/Technology software and hardware professionals ► Experience of implementing IT specific systems and solution across functions. ► Good understanding of financials of IT Systems 		
6	Senior Vice President (SVP), Customer Service	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► MBA with 15- 18 years of experience in IT/ITES service delivery and management/ Helpdesk operations out of which at least 3 years as head of helpdesk functions in a reputed organization. ITIL Intermediate certification preferred ► Experience of 5 years 	Not Applicable	Not Applicable

											in ITIL based service delivery and management At least 5 years of experience in supervising/ handling customer services, overseeing the overall performance and service levels of the customer services team, taking care of escalations. Experience of setting up and leading the Customer Relations/ Operations function in a start-up organization with at least 100 employees is preferred		
7	Senior Vice President (SVP), Enterprise Architect	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► The applicant should be a B.E./B.Tech in Computer Science/IT from a reputed institute.</p> <p>► Masters degree in Computer Science and/or A Ph.D in Computer Science from an acclaimed university will be preferred.</p> <p>Experience :</p> <p>► Should have a minimum of 15 years in the IT industry with at least 10 years into large scale systems architecture and implementation</p> <p>► Strong technical experience with respect to high performance architecture covering security, integrations and scalability</p> <p>► Experience in building large scale</p>	Not Applicable	Not Applicable

											<p>transactional systems that can support 100's of millions of transactions</p> <ul style="list-style-type: none"> ► Proven experience in building online-offline systems with high level of data integrity ► In-depth hand-on experience in designing and building component layered IT systems using broad technologies such as Java, RDBMS, XML, HTML, Mobile, NoSQL systems, among others <p>Preferred :</p> <ul style="list-style-type: none"> ► Candidates with hand-on experience in multiple IT domains in areas of Application development, Databases, IT Infrastructure etc. ► End-to-end understanding of the software development process including payment gateways. Experience in leading banks, payment systems companies and gateways would be an added preference. ► Experience of building systems that are API based, loosely coupled, and highly automatable. ► Handled similar roles as Chief Technology Officer/Technical Director or equivalent for at least three years. 		
8	Senior	1	L3,G3	As per the	As per Selection	Maximu	As mentioned	Not	Not	Market	► Bachelors/Masters	Not	Not Applicable

	Vice President (SVP), Operations & Maintenance			prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	in Column 11	Applicable	Applicable	Recruitment	Degree/Diploma in IT/ECE / Masters Degree/Diploma in Computer Applications with around 15-18 years of experience in the IT function of large organisations ► Experience of leading a large team consisting of IT/Technology software and hardware experts ► Experience of designing and implementing technology specific systems and solutions across multiple areas of a single organisation ► Experience in the IT Function of a Start-Up Organisation/ providing IT Consulting services to a Start-Up Organisation is preferred ► Solid understanding of financial aspects relating to the technical aspects Experience in management and maintenance of large databases, ensuring their optimisation as regards to performance, consistency, integrity and security.	Applicable	
9	Senior Vice President (SVP), Procurement & Contracts	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► MBA with around 15- 18 years of experience in Procurement and contracts function across Service Industries like Financial services, e-Governance Services, Banking, IT Consultancy services,	Not Applicable	Not Applicable

											<p>Business Analyst in IT Companies.</p> <p>► At least 3- 5 years of experience in Bid Management Processes like preparation of RFP (defining scope of work, technical and financial evaluation criteria, service level matrices, milestones, deliverables, payment terms etc.), handling pre bid meetings, selection of vendors, drafting contracts etc.</p> <p>► Understanding of contractual matters, documentation and legal issues of procurement</p> <p>► Knowledge of statutory compliances applicable to procurement function</p> <p>Knowledge of vendor evaluation and selection and vendor database management</p>		
10	Senior Vice President (SVP), BIFA Head	1	L3,G3	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 45 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>PG in Economics/ Statistics/ Mathematics OR MS in IT/Information Systems/MBA is desirable with at least 14 years of experience</p> <p>➤ Minimum of 8 years of experience in Business Intelligence/risk analysis and risk management/fraud management in BFSI, Tax Administration, e-commerce or Telecom sector</p> <p>➤ Experience in deriving insight using</p>	Not Applicable	Not Applicable

											big data analytics ➤ Experience in the field of AI and Machine Learning including experience with deep learning models.		
11	Vice President (VP), Data Center	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	▶ B.Tech (IT)/ BE degree in IT / MCA while M.Tech/ MBA is desirable with 12- 16 years of experience working with top companies in IT infrastructure management and implementation/ managing IT infrastructure of a reputed organization having large IT setup ▶ 8- 10 years of experience in the design and implementation of large-scale, multi-tiered, heterogeneous IT infrastructure/Data Centre with experience in setting up two Data Center facilities. ▶ Expert understanding of leading SAN storage technologies and network server platforms ▶ Experience in building enterprise infrastructure architecture covering backend storage platforms, servers, user-end infrastructure network etc., ▶ Experience in Hardware, configuration, integration, and support ▶ Detailed knowledge of Data Center	Not Applicable	Not Applicable

											technologies with experience in deploying different kinds of hardware platforms, storage platforms in a 2/3-way data center scenario ► Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ► Experience in adopting the structured implementation based on proven methodologies and models ► Experience in tracking the project/program risk identification, mitigation in a structured way ► Experience in implementing the portfolio or program management tools and adoption of the same ► Experience in Vendor management, change management in designing the structure and/or executing those programs in an organization		
12	Vice President (VP), CS & CCO	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Essential: The candidate should be a qualified Company Secretary. Desirable: Candidates who are qualified Chartered Accountants would be given preference. 12-16 years of relevant experience as a	Not Applicable	Not Applicable

											Company Secretary in a large private/public sector company in India. Knowledge of Companies Act and of various other relevant statutes/laws applicable to companies, Government policies, Rules, Regulations, Notifications, Directives, Guidelines etc.		
13	Vice President (VP), Legal	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>Bachelor of Law (LLB) degree/diploma Around 12- 16 years of relevant experience in drafting and vetting of contracts and agreements, litigation management, internal policy development to ensure compliance to all statutory and regulatory requirements, overseeing and evaluating the compliance related matters of the organisation.</p> <p>Knowledge of various relevant statutes, Government policies, regulations and directives, and company policies and guidelines. Excellent knowledge of all legal aspects relating to various laws- Labour Laws etc., and the procedures in respect of Civil and Criminal Matters</p> <p>Excellent knowledge of Cyber Laws in India, International Laws relating to Information</p>	Not Applicable	Not Applicable

											Technology, protection of IPRs Note :- The Maximum age-limit for appointment from the market shall be not exceeding Forty one years as on the closing date of receipt of applications.		
14	Vice President (VP), HR & Training	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► MBA/ PG Diploma in Human Resources / Any similar degree or diploma in HR with around 12- 16 years of experience across various domains of the HR function in a large private/ public sector organization</p> <p>► 4-5 years of experience in specialist HR roles</p> <p>► Experience of designing and conducting human resource management and organization development interventions in large organisations</p> <p>► Experience in Handling recruitment, Managing day to day human resource operations, Organising internal training and development activities of the employees, Managing employee benefit programs, Preparing, updating, and implementing human resource policies and procedures, Maintaining employee records</p> <p>Experience of setting up and leading the HR</p>	Not Applicable	Not Applicable

											Function in a start-up organization with over 100 employees is preferred.		
15	Vice President (VP), Software Architect	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► Should have experience of working on popular Hadoop distribution platforms like Apache, Cloudera, HortonWorks etc.</p> <p>► B.E/ B.Tech/ M.Tech with at least 10+ years of experience, 4 years as a Data Architect of which 3 years should be as a Big Data Architect.</p> <p>► Should have sound knowledge of various MDM and ELT/ETL tools and data design.</p> <p>► Should have prior experience in handling specialized and complex architectural issues involving applications working on Data of petabytes scale. Should have very strong fundamentals of data structures and algorithms.</p>	Not Applicable	Not Applicable
16	Vice President (VP), Program & Project Management	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.E./B.Tech/ME/M.Tech/MCA/MSc in Electronics/IT/Computer Science or equivalent/MBA (Project Management) with minimum 10 years of relevant experience.</p> <p>► Preferred Certifications: PMP/Prince-2, PMI-ACP/CSM.</p> <p>► Total 12 – 16 years of experience in IT with at least 3 years' experience in managing</p>	Not Applicable	Not Applicable

											<p>large, complex and technically diverse successful IT projects.</p> <ul style="list-style-type: none"> ► Technical experience in at least two key technology domains. ► Candidates with hands-on experience in multiple IT domains. ► Experience of handling multiple vendors under large commercial contracts ► Excellent communication skills in English, both written and spoken. ► Preferred experience of handling large IT Project under Managed Services Mode under SLAs. 		
17	Vice President (VP), Delivery Manager	1	L3,G4	As per the prevailing market rate & to be negotiated with candidate and approved by Chairman, GSTN.	As per Selection Committee recommendations and with due approval of Board.	Maximum Age Limit 41 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> • 12 to 16 year of experience with BE/B.Tech / M.Tech (IT/Electronics and Communication, Computer Science) / MBA IT/Electronics and Communication/MCA or equivalent • Certification in any of the following is preferred - PMP/PRINCE2/SAFE®/CSM/ACP • Minimum 3 years of experience as a Delivery Manager/ Project Manager in the field of Fraud Analytics. • Experience with Taxation/BFSI/Telecom will be a plus. • Experience in UNIX environment is a must • Experience of scripting 	Not Applicable	Not Applicable

											languages like Python, PERL or SHELL • Experience of working in State/ Centre Commercial Tax Department/ Treasuries • Must be an expert agile practitioner and thorough with Project/Delivery. PMP /PRINCE2/SAFE@/CS M/ACP certification is a plus • Must be well versed with at least one Project Management tool like MS Project, JIRA etc.		
18	Assistant Vice President (AVP), Data Analysis	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	B.E./ B.Tech / MCA certified professional or equivalent with certifications in OEM technologies Overall experience of 9 years of in the field of analytics. Strong programming experience in either Python or R . Should have sound knowledge of NoSQL Big Data systems like Hbase, Mongo, Cassandra Excellent understanding of machine learning techniques and algorithms. Experience with common data science toolkits (SciPy, Numpy, Pandas etc). Good applied statistics skills, such as distribution, statistical testing, regression etc. Data Oriented personality.	Not Applicable	Not Applicable
19	Assistant	4	L4,G5	As per the	As per Selection	Maximum	As mentioned	Not	Not	Market	► B.Tech (IT)/ BE	Not	Not Applicable

	nt Vice Presid ent (AVP), Busine ss Applic ations			prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	Committee recommendation s and with due approval of Chairman, GSTN.	m Age Limit 39 years	in Column 11	Applicable	Applicable	Recruitment	degree in IT / MCA while M.Tech/ Masters Degree/ Diploma in IT is desirable with 10- 14 years of experience working with top IT companies in software development and maintenance ▶ Minimum 5 years of experience in Project Manager or above positions ▶ Expert knowledge and demonstrated experience in software throughout the software development lifecycle ▶ Experience in managing the complex IT project that involves packaged application implementation coupled with custom application development ▶ Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ▶ Experience in adopting the structured implementation based on proven methodologies and models ▶ Experience in tracking the project/program risk identification, mitigation in a structured way ▶ Experience in implementing the portfolio or program management tools and	Applicable	
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											adoption of the same Experience in Vendor management, change management in designing the structure and/or executing those programs in an organization		
20	Assistant Vice President (AVP), R&D Business	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► CA/ CS/ MBA Finance with 10- 14 years of experience in Service Industries like Financial services, e-Governance Services, Banking, IT Consultancy services</p> <p>► Around 6-8 years of experience in functioning of various tax administration and other regulatory bodies in the Indirect Taxation Space with additional exposure to the data analytics</p>	Not Applicable	Not Applicable
21	Assistant Vice President (AVP), Application Support & QA	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.Tech/ BE/ MS degree in IT / MCA while MS/ MBA is desirable with 10- 14 years of experience</p> <p>► Minimum 6-8 years of experience as a Tester</p> <p>► Experience in creating or developing testing strategies for custom application development as well as packaged application implementation</p> <p>► Experience in IT Application testing, working within the IT development lifecycle and automated testing</p> <p>► Experience in creation of test plans and specifications and production of test</p>	Not Applicable	Not Applicable

											<p>scenarios and scripts</p> <p>► Should have experience in different testing techniques like Whitebox Testing, Blackbox testing, Non-functional testing, Regression testing etc.,</p> <p>► Experience in executing the test cases using any tools like Rational Functional Test Manager etc.,</p> <p>► Should have experience in any one of the industry standard testing tools for automation of testing wherever possible</p>		
22	Assistant Vice President (AVP), Network Engineering	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>• B.E./ B.Tech / MCA certified professional or equivalent with certifications in OEM technologies</p> <p>The applicant should have 10+ years of experiences.</p> <p>Hands on experience on at least 6 years on core network devices</p> <p>Certifications in OEM's network devices/ technologies is preferred</p> <p>Certification in CCNP or equivalent. CCIE certificate holders will get added advantage</p> <p>Hands on knowledge in Cisco Nexus and ASR line of products and its configurations</p> <p>Hands on knowledge in HP Network (Routers/Switches) products and its configurations, Global and Server load balancers, WAN</p>	Not Applicable	Not Applicable

											optimisers, VPN product configurations Knowledge on Check point, Palo Alto, Fortigate firewall product configurations would be added advantage Working knowledge of IPSEC with implementation experience Communicate technical issues to technical and non-technical audience		
23	Assistant Vice President (AVP), Security-IT Infra	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.Tech (IT)/ BE degree in IT / MCA while M.Tech/ MBA is desirable with 10- 14 years of experience working with top companies in IT infrastructure management and implementation/ managing IT infrastructure of a reputed organization having large IT setup</p> <p>► 6- 8 years of CCSP/CISSP or equivalent experience in the design and implementation of large-scale, multi-tiered, heterogeneous IT infrastructures/Data Centres with around 4 years of experience in information security or related field.</p> <p>► Knowledge of building enterprise security architecture from business architecture and user requirements and organization policies</p>	Not Applicable	Not Applicable

											<ul style="list-style-type: none"> ▶ Experience in building security solutions at different layers of IT systems like Application, Network, Infrastructure in a unified way ▶ Experience in developing information security solutions such as firewalls, identity and access control, IPS/IDS and host based solutions, cryptography solutions, key management systems, URL filtering, e-mail security, and end-point protection solutions such as anti malware/firewalls ▶ Experience in building enterprise infrastructure architecture covering backend storage platforms, servers, user-end infrastructure network etc., ▶ Experience in Hardware, configuration, integration, and support ▶ Knowledge of UNIX, AIX, Linux, Cisco Network IDS, Cisco Host-based IDS, eTrust Access Control, ESM, and IDS. DES encryption, Digital Certificates, SSL, VPN, IPSec, TCP/IP, DNS and web security architecture, MySQL, subversion, SpamAssassin/other spam tools ▶ Experience in responding and assisting 		
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											<p>in the coordination effort to remediate security alerts and respond to information security related incidents</p> <ul style="list-style-type: none"> ► Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ► Experience in adopting the structured implementation based on proven methodologies and models ► Experience in tracking the project/program risk identification, mitigation in a structured way 		
24	Assistant Vice President (AVP), Enterprise Tools Monitoring	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► BCA / B.E.(Computers) with around 10- 14 years of experience in handling internal IT operations for a large private/ public sector organization</p> <p>Experience in running internal IT department, strategizing the activities and corresponding budgets and managing end to end activities pertinent to IT Hardware & Software, Network topology and Security Systems, Process Mapping and Testing Methods & Techniques, Backup and Disaster Recovery Mechanisms, Mailing & Database Solutions and Web-</p>	Not Applicable	Not Applicable

											portals, IT Helpdesk operations etc.		
25	Assistant Vice President (AVP), Disaster Recovery	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► BE/B.Tech in IT with 10- 14 years of experience in IT organization with at least 4 years of experience in Disaster Recovery role ► Certifications - Certified Information Systems Security Professional (CISSP) or Certified Information Security Manager (CISM) ► At least 2-3 years of experience in DR Management including creation and maintenance of DR plans, manage DR compliance testing, manage the risk register of DR issues <p>Knowledge of aspects of physical security and facility management in the DC/DR facility of an organization.</p>	Not Applicable	Not Applicable
26	Assistant Vice President (AVP), Data Center	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Min. B. E. / B.Tech (IT) / MCA with 10- 14 years of experience ► 6- 8 years of experience in the design and implementation of large-scale, multi-tiered, heterogeneous IT infrastructures / Data Centres ► Expert understanding of leading Compute, SAN storage technologies and networking and Security platforms ► Experience in building enterprise 	Not Applicable	Not Applicable

											<p>infrastructure architecture covering backend storage platforms, servers, user-end infrastructure network etc.,</p> <p>► Experience with Hardware and Operating System design, configuration, integration, and support</p> <p>► Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation</p> <p>► Experience in implementing the portfolio or program management tools and adoption of the same</p> <p>► Experience in Vendor management, change management in designing the structure and/or executing those programs in an organization.</p>		
27	Assistant Vice President (AVP), Helpdesk-Business	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► Any graduate with around 10- 14 years of work experience</p> <p>► Minimum 6-8 years' experience in customer care/ call center</p> <p>► Experience in managing pool help desk personnel and experience in doing help-desk resource planning</p> <p>Experience in coordinating with vendors in resolving customer issues/ grievances</p>	Not Applicable	Not Applicable

28	Assistant Vice President (AVP), Helpdesk-Technical	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► MBA with 10-14 years of experience in IT/ITES service delivery and management/ Helpdesk operations in a reputed organization. ITIL Foundation certification preferred ► Experience of 3 years in ITIL based service delivery and management ► At least 3 years of experience in supervising/ handling customer services, overseeing the overall performance and service levels of the customer services team, taking care of escalations. 	Not Applicable	Not Applicable
29	Assistant Vice President (AVP), Project Manager	2	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>The applicant should be a B.E./B.Tech/MCA/MB A(IT).</p> <ul style="list-style-type: none"> ► Preferred Certifications: PMP/Prince-2, PMI-ACP/CSM ► Total 9 – 14 years of experience in IT with atleast 3 years' experience in managing large, complex and technically diverse successful IT projects ► Technical experience in atleast two key technology domains. ► Candidates with hands-on experience in multiple IT domains 	Not Applicable	Not Applicable
30	Assistant Vice President (AVP),	1	L4,G5	As per the prevailing market rate & to be negotiated	As per Selection Committee recommendations and with due approval of	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► B.Tech (IT)/ MS degree in IT / MCA while MS/ Masters Degree/ Diploma in Applications is 	Not Applicable	Not Applicable

	Audit & Qualit y			with candidate and approved by CEO, GSTN.	Chairman, GSTN.						desirable with 10- 14 years of experience ▶ Minimum 6-8 years of experience in the IT function of a large organization or Consulting to a large organization ▶ Experience in adopting Enterprise Architecture frameworks such as TOGAF or FEAF ▶ Expert knowledge and demonstrated experience in software throughout the software development lifecycle ▶ Experience in managing the complex IT project that involves packaged application implementation coupled with custom application development ▶ Experience in using industry standards, technology standards and architecture frameworks in building the architecture blueprints and their implementation ▶ Experience in adopting the structured implementation based on proven methodologies and models ▶ Experience in tracking the project/program risk identification, mitigation in a structured way ▶ Experience in implementing the portfolio or program management tools and		
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											adoption of the same Experience in Vendor management, change management in designing the structure and/or executing those programs in an organization		
31	Assistant Vice President (AVP), Business Analyst	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>Basic Qualifications:</p> <p>Experience of 10+ years as an Indirect Tax Consultant or Financial Auditor with focus on Indirect Tax fraud detection. Min Graduate, preferably a CA.</p> <p>Core Skills:</p> <ul style="list-style-type: none"> • Expert in Indirect Tax – esp GST • Knowledge of GST Tax compliance & key parameters • Knowledge of Financial frauds within the Indirect tax system • Ability to handle numbers and detect patterns • Ability to work with young data engineers & data scientists – convert business problem into data problems • Ability to work with and extract meaningful information from Tax officers within regards to Tax fraud strategies and methods 	Not Applicable	Not Applicable
32	Assistant Vice President (AVP), Product Manager	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO,	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> • 10 to 14 years of experience with Bachelors/master's in engineering/Management/CA • At least 3-4 years of experience as a Product Manager in the field of 	Not Applicable	Not Applicable

	er			GSTN.							<ul style="list-style-type: none"> • Data Analytics • Sound knowledge of agile methodologies and experience in managing agile development of IT Products • Person should have experience in designing product with great UI/UX and good knowledge of “Human-centered design” • Strong Analytical, decision-making and creative problem-solving skills • Domain Knowledge/Experience in finance and Taxation will be a plus 		
33	Assistant Vice President (AVP), Big Data Architect	1	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>Should have 10+ years experience of working on popular Hadoop distribution platforms like Apache, Cloudera, HortonWorks etc.</p> <p>► B.E/ B.Tech/ M.Tech with at least 10+ years of experience, 4 years as a Data Architect of which 3 years should be as a Big Data Architect.</p> <p>► Should have sound knowledge of various MDM and ELT/ETL tools and data design.</p> <p>► Should have prior experience in handling specialized and complex architectural issues involving applications working on Data of petabytes scale.</p> <p>► Should have very strong fundamentals of data structures and algorithms.</p>	Not Applicable	Not Applicable
34	Assistant	2	L4,G5	As per the	As per Selection	Maximum	As mentioned	Not	Not	Market	B/E./B.Tech/ME/M.Tec	Not	Not Applicable

	nt Vice President (AVP), Software Architect			prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	Committee recommendations and with due approval of Chairman	m Age Limit below 39 years	in Column 11	Applicable	Applicable	Recruitment	h/MCA in Electronics/IT/Computer Science or equivalent years relevant experience with min. 10 ► Good experience in developing massive scale application in a highly distributed environment ► Min.8 years' experience in hands on development for application using any programming language. ► Min 3 years in developing internet scale web facing consumer oriented application in high concurrency environment ► Certifications like TOGAF 9.x are desirable. ► Excellent communication skills in English, both written and spoken	Applicable	
35	Assistant Vice President (AVP), Data Scientist	8	L4,G5	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman	Maximum Age Limit below 39 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► 8+ years experience with Bachelors/Masters in Computer Science/ Engineering/ Statistics/ Mathematics with at least 2 years of experience in analytics and data sciences. ► Must have prior experience in executing statistical modelling, machine learning and Artificial Intelligence. ► Should be well versed with at least two of the following: R, Python, SAS, Hive, SQL, Pig, Spark, and	Not Applicable	Not Applicable

											<p>Hadoop.</p> <p>► Prior experience in working on at least 1 large scale projects related to fraud management/ risk management systems in BFSI sector will be added advantage.</p> <p>Prior experience in handling projects related to Indirect tax domain will be a plus.</p>		
36	Senior Manager (SM), Application Support & QA	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B.Tech/ BE/ MS degree in IT / MCA while MS/ MBA is desirable with 9- 11 years of experience</p> <p>► Minimum 2-4 years of experience as a Tester</p> <p>► Experience in creating or developing testing strategies for custom application development as well as packaged application implementation</p> <p>► Experience in IT Application testing, working within the IT development lifecycle and automated testing</p> <p>► Experience in creation of test plans and specifications and production of test scenarios and scripts</p> <p>► Should have experience in different testing techniques like Whitebox Testing, Blackbox testing, Non-functional testing, Regression testing etc.,</p> <p>► Experience in executing the test cases using any tools like Rational Functional Test</p>	Not Applicable	Not Applicable

											Manager etc., Should have experience in any one of the industry standard testing tools for automation of testing wherever possible.		
37	Senior Manager (SM), IT Ops	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Bachelors/Master in Engineering or Computer Applications or relevant with 9-11 Years of Experience. ► Hands on experience of 5 years with Data Center Technologies Network, Servers, Storage and Security. ► Must be cloud certified Professional (AWS/Microsoft/Google) anyone. ► CCNA Trained/Certified preferred. ► DevOps Trained/Certified preferred. ► Must be certified in ITIL basic and preferably be a practitioner in Service operations ► Knowledge of any flavor of Unix/Unix Based Systems and applications ► Knowledge of system administration and Infrastructure architecture design principles ► Should have experience in troubleshooting issues arising out of Network, Systems or applications. ► Strong fundamentals of OSI model and 	Not Applicable	Not Applicable

											TCP/IP stack on Systems ► Experience on handling OpenSource Software systems like OpenLdap, WebServers (Apache, nGnix, etc) ► Experience of being part of agile and responsive team consisting of IT/Technology software and hardware professionals will be beneficial Experience of implementing IT specific systems and solutions across IT functions.		
38	Senior Manager (SM), Payroll	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Graduate/ Post-graduate degree/diploma in Finance with around 8- 12 Years of experience in Finance domain with at least 3- 4 years of managing payroll team in a large private/ public sector organization. Knowledge of automated financial and accounting reporting systems is preferred.	Not Applicable	Not Applicable
39	Senior Manager (SM), Finance	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Degree in Finance with around 8- 12 years of experience in a Finance & Accounting role in a large private/ public sector organization ► In depth understanding of financial statements, accounting, budgeting, cost control principles and standards ► Experience of	Not Applicable	Not Applicable

											preparing financial reports, statements and projections, managing expenditure and cash management Experience of creation of documentation pertinent to taxation, investment & budgeting and financial statements.		
40	Senior Manager (SM), Legal	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Bachelor of Law (LLB)/ Any equivalent degree/diploma with around 8- 12 years of relevant experience ► Knowledge of various relevant statutes, Government policies, regulations and directives, and company policies and guidelines ► Excellent knowledge of all legal aspects relating to various laws- Labor Laws etc., and the procedures in respect of Civil and Criminal Matters Drafting skills for legal documents, Memorandum of Settlements, Memorandum of Understanding, Power of Attorneys etc. 	Not Applicable	Not Applicable
41	Senior Manager (SM), Data Analysis & Operations	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Graduate in Electronics/IT/Computer Science/Physics/Commerce or equivalent with min. 7 years' relevant experience ► Good experience with Excel, MySQL, PHP/Python ► Good experience in Data Visualization using Excel, PHP or Python ► Good Knowledge in 	Not Applicable	Not Applicable

											Data Cubes, Data analysis for decision making Min. 2 years of experience in handling terabyte scale & complex data sets.		
42	Senior Manager (Advisor), Corporate Communication	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Around 10 - 15 years of experience in social media and digital branding management functions in the private sector or similar experience in the Information and Public Relations Departments of Central and State Government/PSUs. A proven track record in developing and implementing Communications and Social Media strategies (Proactive and Reactive) while working with a diverse range of stakeholders within a large, complex and issues-rich environment. Demonstrated ability to use social media as a communications tool. Experience in the production of Social media content and digital landscapes. Highly proactive and creative approach to sourcing content and strong attention to detail. Proven ability to work under pressure, prioritise and meet competing deadlines. Proven ability to deliver effective PR activities across a variety of platforms and a track	Not Applicable	Not Applicable

											record in driving proactive social media coverage and responding to emerging and crisis media situations and acting as a corporate spokesperson. Outstanding written, verbal and interpersonal communication skills and ability to communicate with influence and clarity. Stakeholder management, liaison and engagement skills. Education and Experience of working in Information Technology environment besides media and communications would be preferable. Note - The Maximum age-limit for appointment from the market shall be not exceeding Thirty Five years as on the closing date of receipt of applications.		
43	Senior Manager (SM), PR & Media Adviser	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► Graduate in English Literature/ Mass communication</p> <p>► Around 8- 12 years of experience in Corporate Communications/ PR Function/Marketing Function in large Indian organization or in a Client Servicing role in a leading Communications agency</p> <p>► Extensive knowledge of the principles, practices and techniques</p>	Not Applicable	Not Applicable

											of oral and written communications ► Strong editing and proofreading skills ► Experience of working in a Start Up with more than 100 people in Media/ Event Management or Advertising is preferred ► Design and launch internal communication initiatives such as newsletters, web casts, communication network meetings, etc. to involve, engage and inform the internal stakeholders ► Develop, manage and update the content on the company website and Intranet to ensure that it is useful for the stakeholders, content is up-to-date, accurate and consistent with the branding guidelines		
44	Senior Manager (SM), Administration	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Any Graduate/ Post Graduate degree / diploma (Full time/Part Time) with 10- 14 years of experience in admin department in a large private/ public sector organization Understanding of contractual matters, documentation etc Knowledge of administration services and alternative agencies / service providers; Statutory compliances applicable to Administration function; vendor evaluation and selection and vendor	Not Applicable	Not Applicable

											database management.		
45	Senior Manager (SM), Learning & Development	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► MBA/ PG Diploma in Human Resource / Any similar degree or diploma in HR with around 8- 12 years of experience across various domains of the HR function At least 3- 4 years' experience in leadership roles in designing and conducting L&D interventions in large organizations	Not Applicable	Not Applicable
46	Senior Manager (SM), HR Operations	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Degree or diploma in HR with around 8- 12 years of experience across various domains of the HR functions namely HR Operations, employee life-cycle management, employee joining and exit management, compensation benefits, annual increment exercise, employee service, HRMS management, HR MIS and analytics.	Not Applicable	Not Applicable
47	Senior Manager (SM), Recruitment	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► MBA/ PG Diploma in Human Resources / Any similar degree or diploma in HR with 8-12 years of experience across various domains of the HR function in a large private/ public sector organization ► At least 4- 5 years' experience in leadership roles in recruitment Experience of designing recruitment strategies and conducting senior level interviews in large	Not Applicable	Not Applicable

											organizations.		
48	Senior Manager (SM), Strategy & MIS	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► PG in Economics/ Statistics/ Mathematics with 8- 12 years of experience in working in Service Industries like Financial services, e-Governance Services, Banking, IT Consultancy services, Business Analyst in IT Companies.</p> <p>► Exposure to Business Intelligence for at least 5 years</p> <p>At least 2 years of experience in data Management, data cleaning and normalisation, Statistical Analysis and Data modelling.</p>	Not Applicable	Not Applicable
49	Senior Manager (SM), Storage & Backup	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>*Should have minimum 7-11 years working experience as field backup engineer installing backup software (Hitachi Data Protection Suite, Powered by CommVault) and Tape Libraries (Quantum) at different projects. This job moreover is a co-ordination job to achieve the below objectives with the Managed Service Provider</p> <p>*Certification in Hitachi/Commvault backup platforms will be preferred.</p> <p>*Support the project management functions for setting up backup infrastructure using Hitachi and Quantum solutions and do the co-</p>	Not Applicable	Not Applicable

											<p>ordination for setting up offsite and onsite back up of data across sites to ensure zero data loss and faultless restoration.</p> <p>*Monitoring of all backups. Incident management for all issues and backup failure.</p> <p>*Good understanding on VTL configurations and backup techniques.</p> <p>Handle the complete suite of Hitachi VTL products, other platform backup's products available at Data Centre including tape libraries from Quantum and other vendors.</p> <p>*The resource would support the BoM review of the technical bid and Validate products from multiple OEMs, their compliances, completeness and sufficiency with respect to GSTN tender requirements.</p> <p>*Change requirements review and best practises implementation.</p> <p>*Identify gaps, vis--vis GSTN tender, ensure all components are identified for integration with existing infrastructure.</p>		
50	Senior Manager (SM), Billing	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO,	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► Thorough knowledge of system of billing and collection of dues from State Governments / UTs and Central Government;</p> <p>► Thorough knowledge of account of earnings</p>	Not Applicable	Not Applicable

				GSTN.							<p>and expenses including payment of applicable taxes;</p> <ul style="list-style-type: none"> ► Knowledge of banking transactions; ► Ability to conceptualize work flow, develop plans and implementation thereof; ► Knowledge of preparation of invoices / Proforma Invoices to various stake holders; and ► Preparation and analysis of accounts receivable on monthly basis <p>The candidates having knowledge of procedure of sanction of expenditure by Government Authorities and knowledge of Government accountal system will be preferred</p> <p>Qualification/Experience</p> <p>For Central/State Government Employees: Candidate should be AO/Sr. AO with 3 years of experience; and For Private Sector Professionals: Candidate should be CA/ICWA with 10 years of post-qualification experience.</p>		
51	Senior Manager (SM), UI/UX Expert	2	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► BE/ B.Tech/ MCA/ MSc (IT) B. Design, M. Design, PG diploma in Web Design from Government recognized institutions. ► Should have a total of 7-9 years experience with 3-4 years of 	Not Applicable	Not Applicable

											<p>experience in UI/UX, Data Visualization in designing for IT/ software development / IT System projects / Website Development / Mobile Application Development.</p> <ul style="list-style-type: none"> ▶ Knowledge of wireframe tools ▶ Web application development experience in any 2 of the following HTML5, CSS3, .LESS, Angular 4+, Python, Django, Flask, Java Script ▶ Clear understanding of the communication between the frontend layer and the backend layer ▶ Experience of working with flexbox design model is a plus ▶ Strong analytical, problem solving, and programming ability ▶ Strong oral and written communication skills ▶ Up-to-date knowledge of design software like Adobe Illustrator and Photoshop ▶ Proven work experience as a UI/UX Designer or similar role ▶ Portfolio of design projects ▶ Knowledge of wireframe tools (e.g. Wireframe.cc and InVision, Adobe Suite etc.) ▶ Up-to-date knowledge of design 		
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											software like Adobe Illustrator and Photoshop ► Team spirit; strong communication skills to collaborate with various stakeholders ► Good time-management skills ► Good to have understanding of HTML-5 and Javascript/JSP		
52	Senior Manager (Admn.)	1	L4,G6	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 35 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Any Graduate/ Post Graduate degree / diploma (Full time/Part Time) with 8- 12 years of experience in admin department in a large private/ public sector organization OR ► Hands on experience of administration services (like travel, concierges, event management etc) and managing day to day working of alternative agencies / service providers ► Persons retired from the Government who have hands on working experience in the rules and regulations of Government Organisations would be preferred.	Not Applicable	Not Applicable
53	Manager (Legal)	2	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Ø BALLB/LLB/LLM with 3-5 years of experience in managing litigation matters Ø Strong drafting skills and processing of matters on file. Ø Strong verbal and written communication skills.	Not Applicable	Not Applicable

											Ø Through knowledge of Court procedures and related Laws. Ø Experience of handling litigation matters pertaining to Government Departments/PSUs/Autonomous Bodies/Authorities. Ø IT Skills: Proficiency in MS Word, Excel and Power Point.		
54	Manager (Mgr) Project Management	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Ø Bachelors/Masters in IT/ECE or Masters / Bachelors in Computer Applications or equivalent degree Ø Should have excellent communication skills Ø Should have good working knowledge of Advanced Excel (Pivot Table, Charts and Dashboard), Power Point and Word. Ø Well-versed in VBA-MACRO for excel automation Ø He / She will be playing the role of project manager.	Not Applicable	Not Applicable
55	Manager (Mgr), Quality Engineering	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► B.Tech/ BE / MCA / M.Sc. (Computer) or equivalent Degree with 5-7 years of experience ► Hands on minimum 2-3 years of experience as a functional Tester for ETL/Data warehouse for OLTP/OLAP applications ► Experience in creating or developing testing strategies for custom application development as well as packaged application	Not Applicable	Not Applicable

											<p>implementation</p> <ul style="list-style-type: none"> ► Experience in creation of test plans and specifications and production of test scenarios and scripts ► Should have experience in different testing techniques like White box Testing, Black box testing, Non-functional testing, Regression testing etc., ► Understanding of core Business Intelligence/ Data warehousing technology: RDBMS/Big Data, Web, Client/ Server, OLAP, SQL etc. 		
56	Manager (Mgr), Software Development	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► B. Tech/ B.E. / MCA with min. 7-9 years of IT experience of which 4-5 years should be in software development and maintenance at functional cum technical levels ► Should be able to design IT Applications ► Strong experience in object oriented programming using any of the platforms (Java/Python/ Angular JS/ .Net/PHP) is a must. ► Hands on experience in open source technologies, deployment methodologies and frameworks / Code Review ► Knowledge of developer testing using 	Not Applicable	Not Applicable

											jUNIT/TestNG framework. ► Should have worked on any RDBMS / Big Data Technologies ► Expert knowledge and demonstrated experience in software development throughout the software development lifecycle ► Experience in developing medium/large IT software project		
57	Manager (Mgr), IT Operations	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Bachelors/Master in Engineering or Computer Applications or relevant with 9-11 Years of Experience. ► Hands on experience of 5 years with Data Center Technologies Network, Servers, Storage and Security. ► Must be cloud certified Professional (AWS/Microsoft/Google) anyone. ► CCNA Trained/Certified preferred. ► DevOps Trained/Certified preferred. ► Must be certified in ITIL basic and preferably be a practitioner in Service operations ► Knowledge of any flavor of Unix/Unix Based Systems and applications ► Knowledge of system administration and	Not Applicable	Not Applicable

											<p>Infrastructure architecture design principles</p> <ul style="list-style-type: none"> ► Should have experience in troubleshooting issues arising out of Network, Systems or applications. ► Strong fundamentals of OSI model and TCP/IP stack on Systems ► Experience on handling OpenSource Software systems like OpenLdap, WebServers (Apache, nGnix, etc) ► Experience of being part of agile and responsive team consisting of IT/Technology software and hardware professionals will be benefit <p>Experience of implementing IT specific systems and solutions across IT functions</p>		
58	Manager (Mgr), Network & Security	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> • Science Graduate / B.E./ B.Tech / BCA / MCA professional with a minimum of 4 years experience in Network and IT Security. • Preferably with certifications in OEM's network devices / technologies. • Thorough hands on experience on at least 2 Security technologies such as NGFW, SIEM, SOC monitoring etc. • Overall experience of 7+ years in this relevant role. 	Not Applicable	Not Applicable

											<ul style="list-style-type: none"> Should be able to: • Mentor technical staff (System integrator/ within GSTN/ of OEM). • Ability to adapt and follow the processes and guidelines • Possess an impeccable work ethic and a high degree of integrity • Good Analytical & Problem Solving skills. 		
59	Manager (Mgr), Procurement & Contracts	2	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>Graduate in any discipline with around 3-7 years of experience in procurement and contracts functions in any medium to large organisation especially service industries like financial services, e-Governance services, IT Consultancy services etc. and experience of Logistics and Supply Chain Management.</p> <p>► Preference would be given to candidates who have rich experience of procurement function in Government companies/PSUs.</p> <p>► Thorough knowledge and exposure to procurement procedures and rules followed by Government companies/PSUs and also of GFRs, CVC Guidelines etc.</p> <p>► Exposure and knowledge of processes of RFP, EOI, Competitive Bidding, Rate Contracts,</p>	Not Applicable	Not Applicable

											Reverse Auction, Government e-Procurement, GEM, Vendor Development etc. will be desirable. ► Good knowledge of legal nuances associated with Contract Management and Vendor Management. ► Thorough knowledge and experience of various methods of procurement and expertise in tender preparation and evaluation of bids through various established methodologies including QCBS. ► Good Knowledge of statutory compliances applicable to the procurement function. ► Strong communication, drafting and presentation skills.		
60	Manager (Mgr), PS to Chairman	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	To be decided by Chairman.	Not Applicable	Not Applicable
61	Manager (Mgr), Tax Payer Profiling	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable
62	Manager	1	L5,G7	As per the	As per Selection	Maximum	As mentioned	Not	Not	Market	Graduation Degree from	Not	Not Applicable

	er (Mgr), Backend Services			prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	Committee recommendations and with due approval of Chairman, GSTN.	m Age Limit 33 years	in Column 11	Applicable	Applicable	Recruitment	a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Applicable	
63	Manager (Mgr), PA to CEO	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable
64	Manager (Mgr), Network Security	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> • B.E./ B.Tech professional with 6 years of experience. • Preferably certifications in OEM's network devices / technologies. Hands on experience of at least 3 years on core network devices such as CISCO routers, Switches and terminologies like BGP, OSPF, EIGRP, MPLS and Switching technologies like VTP, VLAN, STP, HSRP etc. Hands on experience on and Certification in CCNA or equivalent. CCNP certificate holders will get added advantage Hands on knowledge in Cisco Nexus and ASR line of products and its configurations Hands on knowledge in HP Network (Routers/Switches) products and its	Not Applicable	Not Applicable

											configurations, Global and Server load balancers, WAN optimisers, VPN product configurations Knowledge on Check point, Paulo Alto, Fortigate firewall product configurations would be added advantage Working knowledge of IPSEC with implementation experience. Communicate technical issues to technical and non-technical audience		
65	Manager (Mgr), System Admin	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► 5 to 7 Years of experience.</p> <p>Bachelors/Masters/MCA in Engineering with 3-4 years of experience as a System Administrator.</p> <p>► Expert knowledge of Linux/Unix based OS.</p> <p>► Should be comfortable finding his/her way around a Linux/Unix OS. Very comfortable with /proc and /sys pseudo filesystems. Deep understanding of how and OS/Computer Program works.</p> <p>► Experience with automation related standard and protocols like PXE, IPMI and UEFI.</p> <p>► Experience working on config management tools like Puppet, Chef, Ansible, Salt etc.</p> <p>► Exceptional troubleshooting skills on all the OSI layers.</p>	Not Applicable	Not Applicable

											<ul style="list-style-type: none"> ► Experience on Server build automation tools like Foreman, etc. ► Hands on knowledge of iptables/ipfilter, DNS, DHCP, LDAP ► Expert level skills on Shell and one high level language like Python/Ruby. 		
66	Manager (Mgr), Database Admin	1	L5,G7	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 33 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► Bachelors/Masters in Engineering with 3-4 years of experience as a Database Administrator ► Knowledge of 'relational database management systems' (RDBMS), 'object oriented database management systems' (OODBMS) and XML database management systems ► Experience with database software / web applications ► Excellent troubleshooting skills on Linux Environment ► Python/Shell scripting skills to automate day to day tasks ► Should be very comfortable in MySQL replication concepts and MySQL clusters ► Knowledge of NoSQL databases would be a plus. 	Not Applicable	Not Applicable
67	Assistant Manager (AM), SVP Strategy	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO,	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable

68	Assistant Manager (AM), Compliance	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	The candidate should possess Company Secretary and LLB Qualifications with 5- 7 Years of experience. Hands-on experience in ensuring compliance to provisions of companies Act and related rules, other laws and regulations as may be applicable to the company. Experience in interacting with the compliance auditors.	Not Applicable	Not Applicable
69	Assistant Manager (AM), Finance	2	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	B.Com/M.Com with around 3 - 7 years of experience in a Finance & Accounting role in a large private/ public sector organization. ► In depth understanding of financial statements, accounting, budgeting, cost control principles and standards. ► Experience of preparing financial reports, statements and projections, managing expenditure and cash management. Experience of creation of documentation pertinent to taxation, investment & budgeting and financial statements.	Not Applicable	Not Applicable
70	Assistant Manager (AM), Accounts	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO,	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► CA or equivalent Degree in Accounts with around 3 - 7 years of experience in a Finance & Accounting role in a large private/ public sector organization. ► In depth	Not Applicable	Not Applicable

				GSTN.							understanding of financial statements, accounting, budgeting, cost control principles and standards. ► Experience of preparing financial reports, statements and projections, managing expenditure and cash management. Experience of creation of documentation pertinent to taxation, investment & budgeting and financial statements.		
71	Assistant Manager (AM), Chairman's Office	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	To be decided by Chairman.	Not Applicable	Not Applicable
72	Assistant Manager (AM), Billing	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable
73	Assistant Manager (AM), SVP IT Security	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable
74	Assistant Manager (AM),	1	L5,G8	As per the prevailing market rate & to be negotiated	As per Selection Committee recommendations and with due approval of	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► Graduate / MBA with around 3-4 years of experience in Procurement and contracts function across	Not Applicable	Not Applicable

	Procurement & Contracts			with candidate and approved by CEO, GSTN.	Chairman, GSTN.						Service Industries like Financial services, e-Governance Services, Banking, IT Consultancy services, Business Analyst in IT Companies. ► Experience should be in tender preparation and evaluations of bids including vendor management. ► Understanding of procurement process followed in Government organisations / PSU's ► Knowledge of statutory compliances applicable to procurement function		
75	Assistant Manager (AM) to functional heads and OSD to CEO,	4	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	Graduation Degree from a recognised institution with a minimum work experience of 2 years. As per requirement of the Reporting Manager.	Not Applicable	Not Applicable
76	Assistant Manager (AM), Software Development	1	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	► B. Tech/ B.E. / MCA with min. 4-6 years of IT experience in software development and maintenance at functional cum technical levels ► Minimum 2 years of experience as an individual contributor ► Strong experience in object oriented programming using any of the platforms (Java/.Net/PHP) is a	Not Applicable	Not Applicable

											<p>must.</p> <ul style="list-style-type: none"> ▶ Hands on experience in open source technologies, deployment methodologies and frameworks. ▶ Knowledge of developer testing using jUNIT/TestNG framework. ▶ Expert knowledge and demonstrated experience in software development throughout the software development lifecycle <p>Experience in developing medium/large IT software project</p>		
77	Assistant Manager (AM), Dev Ops	2	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>Basic Qualifications: Experience of 3-6 years as a DevOps Engineer. Graduate within STEM field.</p> <p>Core Skills:</p> <ul style="list-style-type: none"> - Experience in Linux Systems administration - Experience in managing public cloud, specifically AWS - Experience in leading End-to-end DevOps projects with modern tools encompassing both Applications and Infrastructure - Basic knowledge of scripting and automation using languages like Bash, Python, PowerShell - Basic Knowledge of CI tools like Jenkins and building end to end CI/CD pipelines for 	Not Applicable	Not Applicable

											<ul style="list-style-type: none"> projects - Good to have CM tools of following : Ansible, Chef, Saltstack - Experience in monitoring/ analytics tools like Nagios/ DataDog and logging tools like LogStash/ SumoLogic - Knowledge on managing version control tool like Git - Good analytical, troubleshooting and debugging skills. - Good to have experience/knowledge on K8 ecosystem 		
78	Assistant Manager (AM), Developer	2	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► B. Tech/ B.E. / MCA Knowledge in software development. ► Must have Knowledge in Python and knowledge of Java will be an advantage. ► Must have knowledge on T-SQL(Transaction SQL) ► Familiarity with event-driven programming in Python/Java ► Strong understanding of programming concept, data structure and algorithms ► Knowledge of web services, micro services, API ► Knowledge of databases, SQL/NoSQL ► Knowledge of statistics/machine learning packages such as scikit-learn, numpy, pandas, Tensor flow etc. ► Strong knowledge in 	Not Applicable	Not Applicable

											Python, with knowledge of web framework such as Django, Flask, Spring /Strut etc. depending technology stack.		
79	Assistant Manager (AM), Quality Engineer	2	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman, GSTN.	Maximum Age Limit 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<p>► B. Tech/ B.E. / MCA with min. 5-7 years of experience in software development and maintenance at functional cum technical levels</p> <p>► Minimum 2 years of experience as an individual contributor</p> <p>► Strong experience in object oriented programming using any of the platforms (Java/Python/ Angular JS/ .Net/PHP) is a must.</p> <p>► Hands on experience in open source technologies, deployment methodologies and frameworks.</p> <p>► Knowledge of developer testing using jUNIT/TestNG framework.</p> <p>► Expert knowledge and demonstrated experience in software development throughout the software development lifecycle</p> <p>► Experience in developing medium/large IT software project</p>	Not Applicable	Not Applicable
80	Assistant	5	L5,G8	As per the prevailing	As per Selection Committee	Maximum Age	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	B.Tech/Masters in Engineering with the	Not Applicable	Not Applicable

	Manager (AM), Software (from Premium Institutes)			market rate & to be negotiated with candidate and approved by CEO, GSTN.	recommendations and with due approval of Chairman/CEO	Limit below 30 years					<p>knowledge of Dev Ops</p> <ul style="list-style-type: none"> ► knowledge of Linux/Unix based OS. Should be comfortable finding his/her way around a Linux/Unix OS. Very comfortable with /proc and /sys pseudo file systems. Deep understanding of how and OS/Computer Program works ► Experience with automation related standard and protocols like PXE, IPMI and UEFI ► Knowledge with relational DB (Postgres, MySQL, etc.), NoSQL DB (Redis, Cassandra, etc.) and Time Series DB (OpenTSDB, Kairos, DalmatinerDB etc.) ► Knowledge of Large scale monitoring infrastructure (Icinga, Prometheus etc.), Log aggregators like (flume, Fluentd, Splunk, logstash) and Elasticsearch/Splunk ► Knowledge on config management tools like Puppet, Chef, Ansible, Salt etc. ► Should be able to read tcpdump, strace/dtrace/ ltrace output, crash dumps like the back of his hand ► Exceptional troubleshooting skills on all the OSI layers. If not, should be able to learn it in a few hours 		
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											<ul style="list-style-type: none"> ► Expert level skills on Shell and one high level language like Python/Ruby/C ► Should have built at least a basic fronted using Flask/Django/Rails framework 		
81	Assistant Manager (AM), Software Development	3	L5,G8	As per the prevailing market rate & to be negotiated with candidate and approved by CEO, GSTN.	As per Selection Committee recommendations and with due approval of Chairman/CEO	Maximum Age Limit below 30 years	As mentioned in Column 11	Not Applicable	Not Applicable	Market Recruitment	<ul style="list-style-type: none"> ► B. Tech/ B.E. / MCA with min. 5-7 years of experience in software development and maintenance at functional cum technical levels ► Minimum 2 years of experience as an individual contributor ► Strong experience in object oriented programming using any of the platforms (Java/Python/ Angular JS/ .Net/PHP) is a must. ► Hands on experience in open source technologies, deployment methodologies and frameworks. ► Knowledge of developer testing using jUNIT/TestNG framework. ► Expert knowledge and demonstrated experience in software development throughout the software development lifecycle ► Experience in developing medium/large IT software project 	Not Applicable	Not Applicable

Schedule - IV													
Sl. No.	Name of post.	Number of post.	Classification. Deputation/Market	Pay (Outsourced)	Whether selection post or non-selection post and procedure thereof.	Age-limit for direct recruits from market.	Educational and other qualifications required for direct recruits.	Whether age and educational qualifications prescribed for direct recruits will apply in the case of promotees.	Period of probation, if any.	Method of recruitment whether by direct recruitment or by promotion or by deputation or absorption and percentage of the vacancies to be filled by various methods.	In case of recruitment by promotion or deputation or absorption, grade from which promotion or deputation or absorption is to be made. (Market Recruitment)	If a Departmental Promotion Committee exists what is its composition.	Circumstances in which Union Public Service Commission is to be consulted in making recruitment.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Secretarial Support	15	Outsourced	Rs. 25,000/- to 50,000/- per month	Not Applicable	Not Applicable	As mentioned in Column 11	Not Applicable	Not Applicable	Outsourced	Any Graduate/Diploma with atleast 2 years of experience. Good working knowledge of Computers (MS Office, Excel, Word and Powerpoint). Knowledge of Shorthand and Typing will be preferred. Good communication skills (English and Hindi).	Not Applicable	Not Applicable
2	Technical Support	15	Outsourced	Rs. 25,000/- to 50,000/- per month	Not Applicable	Not Applicable	As mentioned in Column 11	Not Applicable	Not Applicable	Outsourced	Any Graduate/Diploma with atleast 3 years of experience. Good working knowledge of Computers (MS Office, Excel,	Not Applicable	Not Applicable

											Word and Powerpoint) and use of IT equipment support or should have experience of software development and support. Good communication skills (English and Hindi).		
3	M.T.S.	15	Outsourced	As per minimum wages of State Government.	Not Applicable	Not Applicable	As mentioned in Column 11	Not Applicable	Not Applicable	Outsourced	Matriculate with one year of experience of multitasking.	Not Applicable	Not Applicable
4	Cleaning, Security & Cafeteria Services	As per need	Outsourced	As per minimum wages of State Government.	Not Applicable	Not Applicable	As mentioned in Column 11	Not Applicable	Not Applicable	Outsourced			
Note: The services of Secretarial Support, Technical Support, MTS, Cleaning, Security & Cafeteria Services are fully outsourced to agencies and the number of Secretarial Support, Technical Support and MTS are indicative of the size of manpower required from such outsourced services.													

**GOODS AND SERVICES TAX NETWORK
PROPOSED NEW SHAREHOLDING STRUCTURE**

Annexure

Sl. No	Name of Subscribers	Ledger Folio Number	No. of shares allotted	Paid-up Capital
1	2	3	4	5
1	Member (System) (on behalf of President of India)	E-001	50,00,000	5,00,00,000
2	Govt. of Punjab	E-008	1,61,290	16,12,900
3	Govt. of Gujarat	E-009	1,61,290	16,12,900
4	Govt. of Odisha	E-010	1,61,290	16,12,900
5	Govt. of Tamil Nadu	E-011	1,61,290	16,12,900
6	Govt. of Jammu & Kashmir	E-012	1,61,290	16,12,900
7	Govt. of Maharashtra	E-013	1,61,300*	16,13,000
8	Govt. of Rajasthan	E-014	1,61,290	16,12,900
9	Govt. of Sikkim	E-015	1,61,290	16,12,900
10	Govt. of Karnataka	E-016	1,61,290	16,12,900
11	Govt. of Andhra Pradesh	E-017	1,61,290	16,12,900
12	Govt. of Meghalaya	E-018	1,61,290	16,12,900
13	Govt. of Bihar	E-019	1,61,290	16,12,900
14	Govt. of Nagaland	E-020	1,61,290	16,12,900
15	Govt. of Himachal Pradesh	E-021	1,61,290	16,12,900
16	Union Territory of Puducherry	E-022	1,61,290	16,12,900
17	Govt. of Mizoram	E-023	1,61,290	16,12,900
18	Govt. of Uttarakhand	E-024	1,61,290	16,12,900
19	Govt. of Haryana	E-025	1,61,290	16,12,900

20	Govt. of Assam	E-026	1,61,290	16,12,900
21	Govt. of Goa	E-027	1,61,290	16,12,900
22	Govt. of Kerala	E-028	1,61,290	16,12,900
23	Govt. of Manipur	E-029	1,61,290	16,12,900
24	Govt. of Tripura	E-030	1,61,290	16,12,900
25	Govt. of West Bengal	E-031	1,61,290	16,12,900
26	Govt. of Delhi	E-032	1,61,290	16,12,900
27	Govt. of Jharkhand	E-033	1,61,290	16,12,900
28	Govt. of Uttar Pradesh	E-034	1,61,290	16,12,900
29	Govt. of Chhattisgarh	E-035	1,61,290	16,12,900
30	Govt. of Madhya Pradesh	E-036	1,61,290	16,12,900
31	Govt. of Arunachal Pradesh	E-037	1,61,290	16,12,900
32	Govt. of Telangana		1,61,290	16,12,900
	Total		1,00,00,000	10,00,00,000

** The State of Maharashtra has been given additionally 10 shares extra, being on top amongst states in GST collection.*

Annex-1

Status of conversion of GSTN into 100% Govt. Owned Entity**ROC/MCA Compliance Check List/ Action Plan**

Cause of Action: Decision of GST Council's to increase Government Ownership in GSTN to 100% (50% with Union Government and 50% jointly with State Governments). (4th May, 2018)

Follow up Steps:

S. No.	Steps	Responsibility with	Status/tentative Timelines
1.	Decision of Union Cabinet to increase Government Ownership in GSTN to 100% (50% with Union government and 50% jointly with State Governments).	DOR	Completed (26 th Sept, 2018)
2.	GSTN to review the provisions of existing AOA in order to insert the enabling provisions to facilitate the transfer of shares from Non- Govt. Institutions to Union Government and State Governments and incorporate suitable changes as per the provisions of the Companies Act, 2013 as per decision of GST Council and Union Cabinet.	GSTN	Completed (5 th Dec., 2018)
3.	GSTN to review the provisions of existing MOA in order to incorporate suitable changes as per the provisions of the Companies Act, 2013 as per decision of GST Council and Union Cabinet.	GSTN	Completed (5 th Dec., 2018)
4.	Obtain In-principle approval(s) from GST Council/DoR on the modified AOA & MOA.	GSTC Secretariat/DOR	Completed (22 nd Dec, 2018 GSTC)(7 th Jan, 2019 DOR)
5.	On receipt of In-principle approvals from GST Council/DoR, GSTN to convene Board Meeting to approve the proposal including changes to be made in MOA & AOA.	GSTN	Completed (28 th Feb, 2019)
6.	To make an application with ROC/MCA e-Form GNL-1 for approval on alteration of MOA & AOA of GSTN under Section 8, 13 and 14 of the Companies Act, 2013.	GSTN	Completed (7 th March, 2019)
7.	Obtain approval from ROC/MCA on alteration of MOA & AOA of GSTN under Section 8, 13 and 14 of the Companies Act, 2013.	GSTN	Completed (22 nd March, 2019)
8.	The exact number of shares to be acquired by the each Centre/States/UTs from Non-Government Institutions.	GSTC Secretariat/DOR	Completed (22 nd Dec, 2018 GSTC) (7 th Jan, 2019 DOR)
9.	Obtain request Letters from Non-Govt. Institutions for split of share certificates in the desired denominations.	Non- Govt. Institutions	Completed (11 th Feb, 2019)

10.	GSTN to convene Board Meeting to approve the following proposals: a) In-principle approval for transfer of shares from EC & Non-Government Institutions to Centre, State Governments & UTs. b) In-principle approval for change of ownership structure. c) Approve notice of calling General Meeting of shareholders for approval on alteration of MOA & AOA, transfer of shares and change of ownership. d) Approve the split of share certificates of Non-Govt. Institutions in the desired proportion in compliance of Section 46 of the Companies Act, 2013 read with Companies Share Capital & Debentures, Rules, 2014.	GSTN	Completed (17th May, 2019)
11.	GSTN to convene General Meeting of shareholders to approve the following proposals: a) In-principle approval for transfer of shares from EC & Non-Government Institutions to Centre, State Governments & UTs. b) In-principle approval for change of ownership structure. c) Approval of Alteration in MOA & AOA.	GSTN	Completed (21st June, 2019)
12.	Pass Special Resolution(s) at General Meeting for approval of Alteration in MOA & AOA, transfer of shares, change of ownership structure of GSTN.	GSTN	Completed (21st June, 2019)
13.	File e-Form MGT-14 (Filing of Resolutions and agreements to the Registrar under Section 117) with the Registrar along with the requisite filing within 30 days of passing the special resolution, along with given documents.	GSTN	Completed (24th June, 2019)
14.	Obtain approval from ROC/MCA for e-Form MGT-14.	GSTN	Completed (24th June, 2019)
15.	Consideration shall be paid by the Centre/States/UTs to the Non-Government Institutions basis shares to be acquired.	Centre/States/UTs /Non- Govt. Institutions.	Completed (March 2021)
16.	Obtain duly executed (by Centre/States/UTs/Non- Govt. Institutions) instrument of transfer of shares in the prescribed form i.e. SH-4 with transfer fees from Non-Government Institutions in favour of Centre/States/UTs and executed Shareholders Agreement in desired manner to make shareholding 50:50 (Centre & States/UTs).	Centre/States/UTs /Non- Govt. Institutions.	(In process)
17.	GSTN to convene Board Meeting to approve the following proposals: a) To register the transfer of shares from EC & Non-Government Institutions to Centre, State Governments & UTs in the desired shareholding	GSTN/ GST Council Secretariat	The Board Meeting of GSTN will convened post completion of the above exercise no.16.

	and issuance of share certificates to Centre, State Governments & UTs (Transferees). b) To reconstitute the Board (Appointment & Resignation of Board Members). c) To adopt altered AOA applicable for Govt. Company.		
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Annexure-V

Details of Share Transfer of GSTIN												
S. No.	Transferee	Transferor's Share certificate Number	Distinctive Number of Shares to be transferred (Lower Limit)	Distinctive Number of Shares to be transferred (Upper Limit)	Non Government Institution/EC (Transferor)	No. of shares to be acquired	New Share certificate number	Consideration payable for shares @ Rs. 10 each to Non-Government Institutions	Aggregate consideration payable for shares @ Rs. 10 each to Non-Government Institutions	Transfer Duty to be paid on share transfer form (SH-4) by Government @ 0.15%	Aggregate Transfer Duty to be paid on share transfer form (SH-4) by Government @ 0.15%	Status of Consideration Payment (as on 10.05.2011)
1	Government of India	7	2,81,501	3,25,000	NSE Investments Limited	32,500	N/A	3,25,000		812.50		Paid
		16	8,06,787	9,71,429		64,643	N/A	6,46,430		1,616.08		
		38	56,14,694	61,30,611		5,15,918	N/A	51,59,180		12,897.95		
		44	86,65,062	90,52,000		3,86,939	N/A	38,69,390	1,00,00,000	9,673.48	25,000.00	
		5	2,34,251	2,60,000	LIC Housing Finance Limited	35,750	N/A	3,57,500		893.75		Paid
		14	7,70,097	8,42,143		71,107	N/A	7,11,070		1,777.68		
		36	45,31,266	50,80,775		5,67,510	N/A	56,75,100		14,187.75		
		40	70,78,612	75,04,244		4,25,633	N/A	42,56,330	1,10,00,000	10,640.85	27,500.00	
		3	1,59,251	1,61,750	HDFC Limited	32,500	N/A	3,25,000		812.50		Paid
		12	6,41,751	7,06,393		64,643	N/A	6,46,430		1,616.08		
		34	34,99,430	38,52,286		3,52,857	57	35,28,570	45,00,000	8,821.45	11,250.00	
		34	38,52,287	39,34,576		82,290	58	8,22,900	8,22,900	2,057.25	2,057.25	
2	Government of Punjab	34	39,34,577	40,15,347	HDFC Limited	80,771	59	8,07,710	8,07,710	2,019.28	2,019.28	Paid
3	Government of Gujarat	41	75,84,245	75,85,763		1,519	60	15,190	15,190	37.98	37.98	Paid
4	Government of Odisha	41	75,85,764	75,88,053		82,290	61	8,22,900	8,22,900	2,057.25	2,057.25	Paid
5	Government of Tamil Nadu	41	75,88,054	76,70,343		82,290	62	8,22,900	8,22,900	2,057.25	2,057.25	Paid
6	Government of Jammu & Kashmir	41	76,70,344	77,52,633	HDFC Bank Limited	82,290	63	8,22,900	8,22,900	2,057.25	2,057.25	Paid
7	Government of Maharashtra	41	77,52,634	78,34,933		82,300	64	8,23,000	8,23,000	2,057.50	2,057.50	Paid
8	Government of Rajasthan	41	78,34,934	78,91,183		56,250	65	5,62,500	5,62,500	1,406.25	1,406.25	Paid
9	Government of Sikkim	4	1,91,751	2,17,790		26,040	66	2,60,400	2,60,400	651.00	651.00	Paid
		4	2,17,791	2,34,250	HDFC Bank Limited	6,460	67	64,600	64,600	1,615.50	1,615.50	Paid
		13	7,06,394	7,71,036		64,643	68	6,46,430	6,46,430	1,616.08	1,616.08	Paid
10	Government of Karnataka	35	40,15,348	40,36,534		11,187	69	1,11,870	1,11,870	279.68	279.68	Paid
		35	40,36,535	41,08,824		82,290	70	8,22,900	8,22,900	2,057.25	2,057.25	Paid
		35	41,08,825	41,91,114		82,290	71	8,22,900	8,22,900	2,057.25	2,057.25	Paid
12	Government of Meghalaya	35	41,91,115	42,73,404		82,290	72	8,22,900	8,22,900	2,057.25	2,057.25	Paid
13	Government of Bihar	35	42,73,405	43,55,694	ICICI Bank Limited	82,290	73	8,22,900	8,22,900	2,057.25	2,057.25	Paid
14	Government of Nagaland	35	43,55,695	44,37,984		82,290	74	8,22,900	8,22,900	2,057.25	2,057.25	Paid
15	Government of Himachal Pradesh	35	44,37,985	45,20,274		82,290	75	8,22,900	8,22,900	2,057.25	2,057.25	Paid
16	Union Territory of Puducherry	35	45,20,275	45,31,265		10,991	76	1,09,910	1,09,910	274.78	274.78	Paid
		42	78,91,184	79,62,482	ICICI Bank Limited	71,289	77	7,12,890	7,12,890	1,782.48	1,782.48	Paid
		42	79,62,483	80,44,772		82,290	78	8,22,900	8,22,900	2,057.25	2,057.25	Paid
17	Government of Mizoram	42	80,44,773	81,27,062		82,290	79	8,22,900	8,22,900	2,057.25	2,057.25	Paid
18	Government of Uttarakhand	42	81,27,063	82,09,352	ICICI Bank Limited	82,290	80	8,22,900	8,22,900	2,057.25	2,057.25	Paid
19	Government of Haryana	42	82,09,353	82,78,122		68,770	81	6,87,700	6,87,700	1,719.25	1,719.25	Paid
20	Government of Assam	6	2,60,001	2,73,520		13,520	82	1,35,200	1,35,200	338.00	338.00	Paid
		6	2,73,521	2,82,500		18,980	83	1,89,800	1,89,800	474.50	474.50	Paid
		15	8,42,144	9,05,453	ICICI Bank Limited	69,310	84	6,93,100	6,93,100	1,782.75	1,782.75	Paid
21	Government of Goa	15	9,05,454	9,06,786		1,333	85	13,330	13,330	33.33	33.33	Paid
22	Government of Kerala	37	50,98,776	51,79,733		80,957	86	8,09,570	8,09,570	2,023.93	2,023.93	Paid
		37	51,79,733	52,62,022		82,290	87	8,22,900	8,22,900	2,057.25	2,057.25	Paid
		37	52,62,023	53,44,312	ICICI Bank Limited	82,290	88	8,22,900	8,22,900	2,057.25	2,057.25	Paid
24	Government of Tripura	37	53,44,313	54,26,602		82,290	89	8,22,900	8,22,900	2,057.25	2,057.25	Paid
25	Government of West Bengal	37	54,26,603	55,08,892		82,290	90	8,22,900	8,22,900	2,057.25	2,057.25	Paid
26	Government of Delhi	37	55,08,893	55,91,182		82,290	91	8,22,900	8,22,900	2,057.25	2,057.25	Paid
27	Government of Jharkhand	37	55,91,183	56,74,493	ICICI Bank Limited	23,511	92	2,35,110	2,35,110	587.78	587.78	Paid
28	Government of Uttar Pradesh	43	82,78,123	83,36,901		58,779	93	5,87,790	5,87,790	1,469.48	1,469.48	Paid
		43	83,36,902	84,19,191		82,290	94	8,22,900	8,22,900	2,057.25	2,057.25	Paid
		43	84,19,192	85,01,481		82,290	95	8,22,900	8,22,900	2,057.25	2,057.25	Paid
30	Government of Madhya Pradesh	43	85,01,482	85,83,771		82,290	96	8,22,900	8,22,900	2,057.25	2,057.25	Paid
31	Government of Arunachal Pradesh	43	85,83,772	86,65,061	ICICI Bank Limited	81,290	97	8,12,900	8,12,900	2,032.25	2,032.25	Paid
32	Government of Telangana	43										Paid
TOTAL						51,00,000		5,10,00,000.00	5,10,00,000	1,27,500.00	1,27,500.00	

33	Government of Telangana	2	79,626	1,59,250	Empowered Committee	79,625		1,96,250.00	79,625.00	1,999.43		Paid
34	Government of Telangana	9	4,83,376	4,83,750	Empowered Committee	375		2,750.00	2,750.00	9.38	1,000.00	

Annexure-VI**REVISED REVENUE MODEL OF GSTN****i. Sharing of User Charges Between Centre and States**

The GST System infrastructure managed by GSTN will be used by taxpayers, tax administrations, banks, etc. but the user charges will be paid entirely by the Central Government and the State Governments in equal proportion i.e. 50:50 on behalf of all users. The State share will be apportioned to individual States in proportion to the number of dealers in the State. For calculating individual State's share for the first year, the number of dealers in the State under VAT, as communicated by all the States to GSTN in May 2015, will be used. For the second and subsequent years, the total number of dealers in the State as on 1st October of the previous year will be taken.

ii. Pre-operative Expenses

GSTN will raise a term loan from a commercial bank to meet the pre-operative expenses. The amount of loan repayment (principal + Interest) will be included in the calculation of user charges payable by the Central and State Governments.

iii. Operating Expenses

- a. On 1st October every year, GSTN will raise bills for advance payment of user charges for the next year and send them to the Central and the State Governments.
- b. The respective Governments will make payment to GSTN before 1st March of the FY in which the bills for advance user charges are raised. Any Government that fails to pay the advance user charges before 1st March will pay the defaulted amount together with interest @ 12% per annum for the period of delay.
- c. The total amount of user charge for the next year will be equal to the sum of the following components:
 1. Operating expense payments to be made to the Managed Service Provider next year (as per contract) ;
 2. Payment actually made to the MSP for changes in software up to 1st October
 3. Payment made up to 1st October for undertaking new activity based on new requirements;

4. GSTN's own estimated annual operational expenditure for next year;
 5. Depreciation amount as per Company Law (equal to one fifth of the capitalized value of Pre-operative Expenses before Go Live);
 6. Amount of loan installments (principal + interest) payable to the bank next year; and
 7. Guarantee fee payable to the GoI next year.
- d. The Central Government will pay 50% of the total amount mentioned in para 5(iii) (c) above and the State Governments will pay the balance 50% in proportion to number of dealers in each State.
 - e. After GST operations begin, GSTN will raise the following user charge bills every month:

1. Bills for the use of GST Portal and Services (the Front End)

- i. For this purpose, the monthly per dealer user charge will be calculated by subtracting expenses on backend system as per contract from total amount of user charges as defined in para 5(iii)(c) above and dividing this amount by two (since this expense is to be shared equally by the Central and State Govts) and further dividing the amount so obtained by total number of dealers divided further by 12 (12 months of a year).
- ii. Bill for the Central Govt will be raised by multiplying per dealer monthly charges as derived in sub-para 5(iii) (e) (1) (i) above with the total number of GST dealers as on the last day of the month.
- iii. Bill for each State Govt will be raised by multiplying per dealer monthly charges as derived in sub-para 5(iii) (e) (1) (i) with the number of GST dealers in that state as on the last day of the month.

2. Bills for the use of Back End of GST System

- i. For this purpose, the monthly per dealer user charge will be calculated by dividing total expenses on backend system as per contract by 12 (number of months in a year) and further dividing it by total number of dealers in Model-2 states.
- ii. Bill for each Model 2 state will be raised by multiplying

monthly per dealer user charge as derived in sub-para 5(iii)(e)(2)(i) above with the number of GST dealers in that state as on the last day of the month.

- f. The amount of these bills will be set off against the advance user charges paid by the respective Government in the manner indicated below:
 - 1. If the advance user charges paid by a Government exceeds the total amount of the bills for the year, the excess amount will be adjusted against the advance payment to be made by that Government for the next year.
 - 2. If the advance user charges paid by a Government is less than the total amount of the bills for the year, the amount of shortfall will be paid by that Government by 30th April of the following year.

iv. Working Capital Credit from Bank

- a. GSTN will obtain working capital credit limit from a commercial bank and avail credit under this arrangement as and when necessary in order to meet the shortfall in advance user charge receipts.
- b. If the total amount of advance user charges received from the Central and the State Governments gets exhausted any time during the course of a year, GSTN will draw working capital credit from the Bank to defray its operational expenses. In such an eventuality, GSTN will raise bills to the Central and the State Governments for additional contributions to repay the loan raised from Bank.

Annexure-VII

Goods and Services Tax Network						
Status of Advance User Charges for the Financial Year 2020-21						
Sl. No.	CENTRE/STATE/ UT	User Charges to be Collected	Date of Collection	Amount Collected	TDS	Balance
(a)	Andhra Pradesh	4,55,00,000				9,10,00,000
(b)	Arunachal Pradesh	21,00,000				42,00,000
(c)	Goa	32,00,000				64,00,000
(d)	Himachal Pradesh	1,45,00,000				1,45,00,000
(e)	Jharkhand	2,47,00,000	29-Mar-21	1,93,04,168		53,95,832
(f)	Mizoram	6,00,000				6,00,000
(g)	Tripura	4,00,000				4,00,000
(h)	Daman & Diu	10,00,000				20,00,000
(i)	Dadra & Nagar Haveli	14,00,000				28,00,000
(j)	Andaman & Nicobar	7,00,000				7,00,000
(k)	Lakshadweep	50,000	3-Apr-21	50,000		-
Total		31,50,000		50,000	-	12,79,95,832

Agenda Item 9A – Issues recommended by the Law Committee for the consideration of the GST Council

Agenda Item 9A (i) - Rationalization of late fee imposed under section 47 of the CGST Act

Reference is drawn to sub-section (1) of section 47 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) which provides for levy of late fee for failure to file returns by the due date. The same is reproduced hereunder:

47. Levy of late fee- (1) Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.

Similarly, late fee is levied under corresponding provision of the SGST/UTGST Acts. Accordingly, a taxpayer is liable to pay late fee of Rs. 200 per day (subject to maximum of Rs 10,000) for failure to furnish returns such as **FORM GSTR-1, FORM GSTR-3B, FORM GSTR-4 and FORM GSTR-10.**

2. In this context, reference is drawn to the following notifications where the late fee payable under section 47 for delay in furnishing **FORM GSTR-1, FORM GSTR-3B and FORM GSTR-4** were reduced:

S.No.	Notification	Remarks
1	76/2018-CT, dt. 31.12.2018	Late fee reduced to twenty rupees per day (Rs. 10/- under CGST Act plus Rs 10/- under SGST Act) for tax payers having nil tax liability and fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for others; for GSTR-3B
2	4/2018-CT, dt. 23.01.2018	Late fee reduced to twenty rupees per day (Rs. 10/- under CGST Act plus Rs 10/- under SGST Act) for persons having NIL outward supplies and fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for others; for GSTR-1
3	73/2017-CT, dt. 29.12.2018	Late fee reduced to twenty rupees per day (Rs. 10/- under CGST Act plus Rs 10/- under SGST Act) for taxpayers having nil tax liability and fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for others; for GSTR-4

It may be noted that vide above referred notifications, the late fee payable per day has been reduced. However, it has not reduced the upper cap of late fee which still remains as Rs. 10,000/- per return.

3.1. A number of representations have been received from various trade bodies and associations from all over the country highlighting the problem being faced by small taxpayers, having nil or very small tax liability, who are forced to pay a high amount of late fee (even higher than their tax liability), due to the higher amount of capping of the late fee. Requests/ suggestions have been made to rationalize the late fee by correlating the same with the turnover/ tax liability of the taxpayers. In view of this, it is pertinent to analyze the impact of late fee on businesses with varied turnover. Accordingly, data of the late fee collected, turnover wise, has been called from GSTN. The late fee collected vis-à-vis turnover for the FY 2019-20 is tabulated as below:

Based on PAN level AATO of 2019-20 (Rs. in crores)

Turnover (1)	Total no. of Returns filed late (2)	%age out of total returns filed late (3)	Liability involved in returns filed late (4)	%age out of the total liability in returns filed late (5)	Paid by ITC (6)	Paid by Cash (7)	Late fee paid (8)	Late fee vis- a-vis cash liability (9)	%age out of total late fee (10)
Upto 1.50 Cr.	1,87,24,079	75.75%	76,975.49	10.59%	55,144.12	21,831.36	2,641.03	12.1%	75.38%
1.5 to 5.00 Cr.	33,77,212	13.66%	93,510.72	12.87%	74,391.74	19,118.99	501.00	2.6%	14.30%
5cr_above	26,16,199	10.58%	5,56,202.59	76.54%	4,56,603.88	99,598.70	361.73	0.36%	10.32%
Grand Total	2,47,17,490		7,26,689		5,86,140	1,40,549	3,504	2.5%	

3.2 The perusal of the above table appears to indicate the following:

- As observed from column no. 9, the taxpayers having less AATO, who have furnished the return late, have on an average paid a larger proportion of late fee as percentage of their cash GST liability. For taxpayers having AATO upto Rs 1.5 crore, this percentage comes to as high as 12.1%, whereas for taxpayers above AATO of Rs 5 crore, the same is only 0.36%.
- As observed from column no. 10, 75% of total late fee is collected from taxpayers having AATO upto Rs 1.5 crores, whereas perusal of column no. 5 shows that total tax liability of such taxpayers having AATO upto Rs 1.5 crore, and filing returns late, was only 10.59% of the total liability for the returns filed late.
- It appears from the above that in respect of small taxpayers, the burden of late fee is much higher, not commensurate to their turnover, and in some cases, it would also be more than the tax amount itself. This may become a major deterrent for such taxpayers in filing their due returns, due to inability to pay such high late fee, much higher than their tax liabilities itself.
- As such, even the taxpayers filing nil returns are subjected to the same capping of late fee as those with much higher liabilities to declare. This has been a constant grievance of taxpayers as causing huge strain on small taxpayers.

4. It may be pertinent to mention here that in the income tax, the provision of late fee is linked to the income of the person and is not a flat rate of late fee for all the return filers. The late fee is capped at Rs 1000 for persons having income less than Rs 5 lakhs and is Rs. 5000/Rs.10,000 in case of others.

5.1. Accordingly, it is felt that there is a need to rationalize the maximum late fee under section 47 of the CGST Act also by linking it with the turnover of the taxpayer. For simplicity of implementation, we may consider AATO of preceding financial year as the criteria for capping the late fee levied under section 47. Besides, there is a need to give a differential treatment to taxpayers having nil tax liability in GSTR-3B/4 or nil outward supplies in GSTR-1, regarding capping of late fee. In any case, the taxpayers will still have sufficient incentive to file returns timely as delay in filing returns also has interest repercussions. It is, therefore, proposed that the late fee for delay in furnishing of **FORM GSTR-3B** and **FORM GSTR-1** may be capped, per return, as below:

- (i) For taxpayers having nil tax liability in GSTR-3B or nil outward supplies in GSTR-1, the late fee may be capped at Rs 500 (Rs 250 CGST + Rs 250 SGST), irrespective of the AATO.
- (ii) For other taxpayers:
 - a. For taxpayers having AATO in preceding year upto Rs 1.5 crore, late fee may be capped to a maximum of Rs 2000 (1000 CGST+1000 SGST);
 - b. For taxpayers having AATO in preceding year between Rs 1.5 crore to Rs 5 crore, late fee may be capped to a maximum of Rs 5000 (2500 CGST+2500 SGST);
 - c. For taxpayers having AATO in preceding year above Rs 5 crores, late fee may be capped to a maximum of Rs 10000 (5000 CGST+5000 SGST).

5.2. The late fee under section 47 for delay in furnishing **FORM GSTR-4** may also be capped to Rs 500 (Rs 250 CGST + Rs 250 SGST), if tax liability is nil in the return, and Rs 2000 (Rs 1000 CGST + Rs 1000 SGST) for other taxpayers, as their turnover is also upto Rs 1.5 crores.

5.3 The Law Committee has also deliberated on rationalization of late fee for **FORM GSTR-7**. Law Committee observed that the late fee payable for delayed furnishing of return in **FORM GSTR 7** by a registered person required to deduct tax at source in terms of the provisions of section 51 of the CGST/SGST Act as required under sub-section (3) of section 39 has remained to be Rs.200/- per day subject to a maximum of Rs.10, 000/-. Accordingly, the Law Committee recommended rationalization of late fee for **FORM GSTR-7** also as below:

- a. Late fee payable for delayed furnishing of **FORM GSTR-7** may be reduced to Rs.50/- per day (Rs. 25/- under the CGST Act plus Rs 25/- under the SGST Act)
- b. The maximum late fee for delayed furnishing of **FORM GSTR-7** may be capped to a maximum of Rs 2000/- (Rs. 1, 000/- under the CGST Act plus Rs 1, 000/- under the SGST Act)

6. The matter was deliberated in the Law Committee in its meeting dated 16.04.2021 and 12.05.2021 and it has recommended the aforementioned proposal to be made applicable for prospective tax periods.

7. Accordingly, the issue is placed before the GST Council for deliberation and approval.

Agenda Item 9A (ii) - Annual Return for Financial Year 2020-21

Based on the recommendations of the Council, vide Notification No. 56/2019 – Central Tax dated 14th November, 2019, the Annual returns **FORM GSTR 9 & 9C** were simplified for the Financial years 2017-18 & 2018-19 under GST by making few entries optional. Further, vide Notification No. 79/2020 - Central Tax dated 15th October, 2020, the Annual returns i.e. **FORM GSTR 9 & 9C** were simplified for the Financial Year 2019-20 as well by making few entries/tables optional. In addition, following relaxations have also been provided in filing of annual return based on the recommendations of the Council:

- i. The filing of annual return in **FORM GSTR-9/9A** was made optional for taxpayers having aggregate annual turnover less than rupees 2 Crore rupees for the Financial Year 2017-18, 2018-19 and 2019-20;
- ii. The threshold of aggregate annual turnover for filing of reconciliation statement in **FORM GSTR-9C** for the financial year 2018-19 and 2019-20 was increased from Rupees 2 Crore to Rupees 5 Crore vide amendment in rule 80.

2.1 It may be noted that based on the recommendations of the Council, certain amendment in the requirement for filing annual return have been carried out in the Finance Act, 2021:

- a Vide Section 110 of the Finance Act, 2021, sub-section (5) of section 35 of the CGST Act is omitted to remove the mandatory requirement of getting annual accounts audited and reconciliation statement submitted by specified professional; and
- b Vide Section 111 of the Finance Act, 2021; section 44 of the CGST Act is substituted to provide for filing of the annual return which may include submission of reconciliation statement on self-certification basis. It further provides for the Commissioner to exempt a class of taxpayers from the requirement of filing the annual return
These changes will come into effect from the date when the same will be notified by the Government.

2.2 As seen in para 2.1, through the Finance Act 2021, the provisions for certification of Reconciliation Statement in FORM GSTR-9C, along with Annual Return, by chartered accountants has been done away with, replacing it with self-certification by the taxpayer. For the **FY 2020-21, the due date of filing annual return is 31.12.2021. Accordingly, it would be appropriate to notify the amended provision of the Act early, so that the certification requirement by CAs is not required for FY 2020-21 itself.** This will facilitate a large number of taxpayers in this year itself. If we wait for all states/ UTs, then we will be able to notify it only by 1.1.2022, by which time last date of filing annual return for FY 2020-21 will be over and the said amendment will not be able to apply for Annual return for FY 2020-21. **In case, the said amendment is notified by the central govt. early, States would be required to amend their respective SGST Act retrospectively to match the dates.**

2.3 Though, it is desirable to have a single annual return which may include reconciliation statement as envisaged in the amendment carried out in section 44 of the CGST Act, it would require time to develop and notify such FORM. In the meantime, we may consider notifying the existing FORM GSTR 9 and GSTR 9C for Annual Return for FY 2020-21 with minimal changes required to implement the said change. Further, for FY 2021-22, we may consider having a single Form for Annual Return by merging GSTR 9 and GSTR 9C and simplifying the same to facilitate the taxpayers and improve compliance. This would help the taxpayers to file the annual return for 2020-21 in same

manner as was done for 2019-20 and at the same time, the mandatory requirement of getting the accounts reconciled by professionals would be done away.

3. Accordingly, in order to notify the existing FORMs for the year 2020-21, following is proposed:

- a Rule 80 of the CGST Rules, 2017 need to be amended accordingly so that the new provisions in respect of annual audit of accounts and submission of reconciliation statement can be implemented with effect from the financial year 2020-21. (**Annexure A**)
- b Format for **FORM GSTR-9** may be continued as was there for FY 2019-20. The Tables in FORM GSTR-9 which were optional to be continued. (**Annexure B**).
- c The exemption from filing annual return may be continued as below:
 - i. The filing of annual return in **FORM GSTR-9** may be made optional for taxpayers having aggregate annual turnover less than rupees 2 Crore rupees for the Financial Year 2020-21;
 - ii. The filing of annual return in **FORM GSTR-9A** by composition dealers may be made optional for the Financial Year 2020-21;
 - iii. The threshold of aggregate annual turnover for filing of reconciliation statement in **FORM GSTR-9C** for the financial year 2020-21 may be kept as Rupees 5 Crore
- d Format for **FORM GSTR-9C** to be modified to incorporate the provision of self-certification instead of professional certificate. Tables in **FORM GSTR-9C** which were optional to be continued. Further, few tables of **FORM GSTR-9C** has rate of taxes hard coded which does not include 7.5% and few other rates. Revised format to be notified is enclosed as **Annexure C**.

4. The issue was deliberated by the Law Committee in its meeting dated 19.05.2021. The Law Committee recommended the proposal at para 3 above.

5. The issue is placed before the GST Council for deliberation and approval.

Amending CGST Rules in accordance with Finance Act, 2021

The Finance Act, 2021 has removed the mandatory requirement of getting annual accounts audited and submitting reconciliation statement, besides enabling filing of the annual return on self-certification basis. The relevant sections of the Finance Act, 2021 are as under:

110. In section 35 of the Central Goods and Services Tax Act, sub-section (5) shall be omitted.

111. For section 44 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:-

“44. 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 which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:

Provided further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”.

2. In light of the above, Rule 80 of the CGST Rules, 2017 may be amended as below:

80. Annual return.- (1) Every registered person, other than those referred to in the second proviso to section 44, 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 for every financial year as specified under section 44 electronically in **FORM GSTR-9** on or before the thirty-first day of December following the end of such financial year 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**.*

*Provided further that every registered person, other than those referred to in the second proviso to section 44, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement as specified under section 44 in **FORM GSTR-9C** along with the annual return.*

(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**.

Alternate draft

80. Annual return.- (1) Every registered person, other than those referred to in the second proviso to section 44, 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 for every financial year as specified under section 44 electronically in **FORM GSTR-9** on or before the thirty-first day of December following the end of such financial year 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, other than those referred to in the second proviso to section 44, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement as specified under section 44 in **FORM GSTR-9C** along with the annual return referred in sub-rule (1), on or before the thirty-first day of December following the end of such financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

[Draft to be finalised in consultation with Ministry of Law and Justice]

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Annexure B

Format for **FORM GSTR-9** may be continued as was there for FY 2019-20. The Tables in FORM GSTR-9 which were optional to be continued: -

Table No.	Recommendations
4I to 4L	<p>It was recommended that these fields be made optional. Therefore, the taxpayer has an option to either file 4B to 4E through net of credit notes/ debit notes or report such details separately in 4I to 4L.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, registered person was given this option. The same relaxation may be continued for FY 2020-21.</p>
5D, 5E and 5F	<p>It was recommended that the taxpayer may be given an option to either separately report his supplies across exempted, nil rated and Non-GST supply or fill consolidated information in the “exempted” field only.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, registered person was given this option. The same relaxation may be continued for FY 2020-21.</p>
5H to 5K	<p>It was recommended that these fields be made optional. Therefore, the taxpayer has an option to either file 5A to 5F through net of credit notes/ debit notes or report such details separately in 5H to 5K.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, registered person was given this option. The same relaxation may be continued for FY 2020-21.</p>
6B, 6C, 6D and 6E	<p>A. It was decided that the breakup of ITC for inputs, capital goods and input services should be made optional. Therefore, the taxpayer may enter the breakup of credit or report their entire ITC under the “inputs” row only.</p> <p>B. It was also decided that the taxpayer may be given an option to either report rows 6C and 6D separately or report the entire figure of 6C and 6D in row 6D only.</p> <p>Proposal:</p> <p>For F.Y. 2017-18 and 2018-19, both the options A and B as stated above were given to the taxpayers. However, for FY 2019-20, the taxpayer was given option B while the option A was modified in a way that the taxpayer could report the breakup of ITC as capital goods and have an option to either report the breakup of remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only.</p> <p>The relaxation as provided in FY 2019-20 may be continued for FY 2020-21.</p>
7A to 7E	<p>It was recommended that the taxpayer may be given an option to either file his information on reversals separately in Table 7A to 7E or report the entire reversals under Table 7H. However, reversals on account of TRAN-1 credit (table 7F) and TRAN-2 (table 7G) credit may be kept mandatory and are to be reported separately.</p>

	<p>However, in case the taxpayer has availed the ITC in his FORM GSTR-3B, net of reversal, in table 4A, then in such cases 7A to 7E may be filed as 0.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the registered person had an option to either fill his information on reversals separately in Table 7A to 7E or report the entire amount of reversal under Table 7H only. However, reversals on account of TRAN-1 credit (table 7F) and TRAN-2 (table 7G) credit were to be mandatorily reported.</p> <p>The same may be deliberated in the Law Committee for FY 2020-21. GSTN may provide data on how many taxpayers file details of reversal under rule 42 & 43 in GSTR-3B.</p>
8D	<p>Since the fields 8A and 8B of the table are auto populated and the taxpayers are facing issues in matching the same with the corresponding FORM GSTR-2A (due to its dynamic nature), it may be made optional for the taxpayers to either fill in entries 8A to 8D in FORM GSTR-9 or they may upload the details for the entries 8A to 8D duly signed, in pdf format in FORM GSTR-9C (without the CA certification). The remaining entries of the table 8 (from 8E onwards) are required to be filled in the FORM GSTR-9 itself.</p> <p>Proposal:</p> <p>An option to upload the details for entries in table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without CA certification) was given for previous years.</p> <p>The option to upload the details for entries in table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without CA certification) may also be continued for 2020-21.</p>
12 and 13	<p>It was recommended that table 12 and 13 may be made optional for taxpayers as this information is not essential for the tax administration in the year 2017-18 and 2018-19.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. The same may be continued for FY 2020-21.</p>
15	<p>It was recommended that tax administration already has all the data on refund and demands for the taxpayers. Therefore, Table 15 may be made optional for the taxpayers.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. The same relaxation may be continued for FY 2020-21</p>
16A, 16B and 16C	<p>It was discussed that most of the taxpayers have reported that information required in table 16A has not been maintained for FY 2017-18 and 2018-19. Therefore, it was recommended that the same be made optional for both the years.</p> <p>For table 16B, it was further discussed that the compliance for deemed supply under section 143 has already been waived off through waiver of a requirement of furnishing declaration in FORM GST ITC-04 for 2017-18 and 2018-19. Also supplies are to be reported as normal taxable supplies under table 4. Therefore, the same may be made</p>

	<p>optional.</p> <p>For table 16C, it was discussed that goods which are sent on approval basis and not returned are to be reported as normal taxable supplies under table 4. Therefore, the same may be made optional.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. The same relaxation may be continued for FY 2020-21</p>
17	<p>It was informed that the trade is feeling constrained in giving 6-digit SAC/HSN code as shown in drop down menu. It was further informed that GSTN's current master did not allow for entering a 2-digit HSN code. This was basically due to the difference in design between table 12 of FORM GSTR-1 and Table 17/18 of FORM GSTR-9. Accordingly, it was recommended that table 17 may be made optional for FY 2017-18 and FY 2018-19.</p> <p>Proposal:</p> <p>At present, this table is optional for taxpayers having annual turnover upto Rs 1.50 crores. For taxpayers having annual turnover above 1.5 crores but upto 5 crores, it is mandatory to report HSN code at 2 digits' level, while for those having over 5 crores annual turnover, it is mandatory to report HSN code at 4 digits' level. However, for FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill this table. The same relaxation may be continued for FY 2020-21.</p>
18	<p>Trade and industry have widely represented that filing of HSN level information on inputs has been a challenge for them. Search reporting of data requires an assessment of the supplier's invoice. Further, if a bigger taxpayer receives a supply from a smaller taxpayer then in such cases he may have to report the SSN at 4-8 digit, whereas, the invoice by the supplier will have no exception or a 2 digit HSN code. Accordingly, it was recommended that the table 18 may be made optional for FY 2017-18 and 2018-19.</p> <p>Proposal:</p> <p>At present, this table is optional for taxpayers having annual turnover upto Rs 1.50 crores. For taxpayers having annual turnover above 1.5 crores but upto 5 crores, it is mandatory to report HSN code at 2 digits' level, while for those having over 5 crores annual turnover, it is mandatory to report HSN code at 4 digits' level. However, for FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill this table. The same relaxation may be continued for FY 2020-21.</p>

FORM GSTR-9C

See rule 80(3)

PART – A - Reconciliation Statement

Pt. I	Basic Details		
1	Financial Year		
2	GSTIN		
3A	Legal Name	< Auto>	
3B	Trade Name (if any)	<Auto>	
4	Are you liable to audit under any Act?		<<Please specify>>
		(Amount in ₹ in all tables)	
Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)		
5	Reconciliation of Gross Turnover		
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)		
B	Unbilled revenue at the beginning of Financial Year	(+)	
C	Unadjusted advances at the end of the Financial Year	(+)	
D	Deemed Supply under Schedule I	(+)	
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(-)	
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)	
G	Turnover from April 2017 to June 2017	(-)	
H	Unbilled revenue at the end of Financial Year	(-)	
I	Unadjusted Advances at the beginning of the Financial Year	(-)	
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)	
K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)	
L	Turnover for the period under composition scheme	(-)	
M	Adjustments in turnover under section 15 and rules thereunder	(+/-)	

N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)	
O	Adjustments in turnover due to reasons not listed above	(+/-)	
P	Annual turnover after adjustments as above		<Auto>
Q	Turnover as declared in Annual Return (GSTR9)		
R	Un-Reconciled turnover (Q - P)		AT1
6	Reasons for Un - Reconciled difference in Annual Gross Turnover		
A	Reason 1	<<Text>>	
B	Reason 2	<<Text>>	
C	Reason 3	<<Text>>	
7	Reconciliation of Taxable Turnover		
A	Annual turnover after adjustments (from 5P above)		<Auto>
B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover		
C	Zero rated supplies without payment of tax		
D	Supplies on which tax is to be paid by the recipient on reverse charge basis		
E	Taxable turnover as per adjustments above (A-B-C-D)		<Auto>
F	Taxable turnover as per liability declared in Annual Return (GSTR9)		
G	Unreconciled taxable turnover (F-E)		AT 2
8	Reasons for Un - Reconciled difference in taxable turnover		
A	Reason 1	<<Text>>	
B	Reason 2	<<Text>>	
C	Reason 3	<<Text>>	
Pt. III	Reconciliation of tax paid		
9	Reconciliation of rate wise liability and amount payable thereon		
			Tax payable
	Description	Taxable Value	Central tax State tax / UT tax Integrated Tax Cess, if applicable
	1	2	3 4 5 6
A	5%		
B	5% (RC)		
C	12%		

D	12% (RC)					
	18%					
	18% (RC)					
	28%					
	28% (RC)					
	3%					
	0.25%					
	0.10%					
	Others					
	Interest					
	Late Fee					
	Penalty					
	Others					
P	Total amount to be paid as per tables above		<Auto>	<Auto>	<Auto>	<Auto>
	Total amount paid as declared in Annual Return (GSTR 9)					
	Un-reconciled payment of amount (PT1)					
10	Reasons for un-reconciled payment of amount					
A	Reason 1	<<Text>>				
B	Reason 2	<<Text>>				
C	Reason 3	<<Text>>				
11	Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)					
			To be paid through Cash			
	Description	Taxable Value	Central tax	State tax	Integrated tax	Cess, if

				/ UT tax		applicable
	1	2	3	4	5	6
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Others					
	Interest					
	Late Fee					
	Penalty					
	Others (please specify)					
Pt. IV	Reconciliation of Input Tax Credit (ITC)					
12	Reconciliation of Net Input Tax Credit (ITC)					
A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)					
B	ITC booked in earlier Financial Years claimed in current Financial Year				(+)	
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years				(-)	
D	ITC availed as per audited financial statements or books of account					<Auto>
E	ITC claimed in Annual Return (GSTR9)					
F	Un-reconciled ITC					ITC 1
13	Reasons for un-reconciled difference in ITC					
A	Reason 1	<<Text>>				
B	Reason 2	<<Text>>				
C	Reason 3	<<Text>>				

14	Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account			
	Description	Value	Amount of Total ITC	Amount of eligible ITC availed
	1	2	3	4
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed			<<Auto>>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC (ITC			

	2)					
15	Reasons for un - reconciled difference in ITC					
A	Reason 1	<<Text>>				
B	Reason 2	<<Text>>				
C	Reason 3	<<Text>>				
16	Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)					
	Description	Amount Payable				
	Central Tax					
	State/UT Tax					
	Integrated Tax					
	Cess					
	Interest					
	Penalty					
Pt. V	Auditor's recommendation on additional Liability due to non-reconciliation					
			To be paid through Cash			
	Description	Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Others					
	Input Tax Credit					
	Interest					
	Late Fee					
	Penalty					

Any other amount paid for supplies not included in Annual Return (GSTR 9)					
Erroneous refund to be paid back					
Outstanding demands to be settled					
Other (Pl. specify)					

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.~~

~~**(Signature and stamp/Seal of the Auditor)~~

~~Place:~~

~~Name of the signatory~~

~~Membership No.....~~

~~Date:~~

~~Full address~~

Verification of registered person:

I hereby solemnly affirm and declare that the information given herein above is true and correct and nothing has been concealed there from. ~~I hereby solemnly affirm and declare that~~ I am uploading ~~the~~ this self-certified reconciliation statement in **FORM GSTR-9C** ~~prepared and duly signed by the Auditor and nothing has been tampered or altered by me in the statement.~~ I am also uploading other statements, as applicable, including financial statement, profit and loss account and balance sheet etc.

Signature

Place:

Date:

Name of Authorized Signatory

Instructions: –

1. Terms used:
(a) GSTIN: Goods and Services Tax Identification Number
2. It is mandatory to file all your **FORMGSTR-1, FORM GSTR-3B and FORM GSTR -9** for the [current financial year]¹ before filing this return. [For FY 2017-18,]² The details for the period between July 2017 to March 2018 are to be provided in this statement for the financial year 2017-18. The reconciliation statement is to be filed for every GSTIN separately.
3. The reference to current financial year in this statement is the financial year for which the reconciliation statement is being filed for.
4. Part II consists of reconciliation of the annual turnover declared in the audited Annual Financial Statement with the turnover as declared in the Annual Return furnished in **FORM GSTR-9** for this GSTIN. The instructions to fill this part are as follows: -
5. Part III consists of reconciliation of the tax payable as per declaration in the reconciliation statement and the actual tax paid as declared in Annual Return (GSTR9-). The instructions to fill this part are as follows: -
6. Part IV consists of reconciliation of Input Tax Credit (ITC). The instructions to fill Part IV are as under: -
7. Part V consists of the ~~auditor's recommendation on~~ the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. ~~The auditor shall also recommend if there is any other amount to be paid for supplies not included in the Annual Return.~~ Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demands which is ~~recommended~~ to be settled by the ~~auditor taxpayer~~ shall be declared in this Table.
8. Towards the end of the return, taxpayers shall be given an option to pay any additional liability declared in this form, through **FORM DRC-03**. Taxpayers shall select "Reconciliation Statement" in the drop down provided in **FORM DRC-03**. It may be noted that such liability shall be paid through electronic cash ledger only.

[PART – B- CERTIFICATION]

I. ~~Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by the person who had conducted the audit:~~

¹ Substituted for "FY 2017-18" vide Notf no. 56/2019 – CT dt. 14.11.2019

² Inserted vide Notf no. 56/2019 – CT dt. 14.11.2019

~~* I/we have examined the—~~

~~(a) balance sheet as on~~

~~(b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on, and~~

~~(c) the cash flow statement (if available) for the period beginning fromto ending on,
—attached herewith, of M/s (Name), (Address),
.....(GSTIN).~~

~~2. Based on our audit I/we report that the said registered person—~~

~~*has maintained the books of accounts, records and documents as required by the
IGST/CGST/ <<>> GST Act, 2017 and the rules/notifications made/issued thereunder~~

~~*has not maintained the following accounts/records/documents as required by the
IGST/CGST/ <<>> GST Act, 2017 and the rules/notifications made/issued thereunder:~~

~~1.~~

~~2.~~

~~3.~~

~~3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any:~~

~~.....~~

~~.....~~

~~3. (b) *I/we further report that,—~~

~~(A) *I/we have obtained all the information and explanations which, to the best of *my/our
knowledge and belief, were necessary for the purpose of the audit/ information and explanations
which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were
not provided/partially provided to us.~~

~~(B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so
far as appears from *my/ our examination of the books.~~

~~(C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the
cash flow Statement (if available) are *in agreement/not in agreement with the books of account
maintained at the Principal place of business atand **
.....additional place of business within the State.~~

~~4. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and
Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST Act is
annexed herewith in Form No. GSTR-9C.~~

~~5. In *my/our opinion and to the best of *my/our information and according to explanations given to
*me/us, the particulars given in the said Form No.GSTR-9C are true and fair subject to following
observations/qualifications, if any:~~

~~(a)~~

~~(b)~~

~~(c)~~

.....
.....
*(Signature and stamp/Seal of the Auditor)

Place:

Name of the signatory

Membership No.....

Date:

Full address

II. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by a person other than the person who had conducted the audit of the accounts:

~~*I/we report that the audit of the books of accounts and the financial statements of M/s. (Name and address of the assessee with GSTIN) was conducted by M/s. (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of theAct, and *I/we annex hereto a copy of their audit report dated along with a copy of each of :-~~

~~(a) balance sheet as on~~

~~(b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on,~~

~~(c) the cash flow statement (if available) for the period beginning fromto ending on, and~~

~~(d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.~~

~~2. I/we report that the said registered person —~~

~~*has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>> GST Act, 2017 and the rules/notifications made/issued thereunder~~

~~*has not maintained the following accounts/records/documents as required by the IGST/CGST/ <<>> GST Act, 2017 and the rules/notifications made/issued thereunder:~~

~~1.~~

~~2.~~

~~3.~~

~~3. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST Act is annexed herewith in Form No.GSTR-9C.~~

~~4. In *my/our opinion and to the best of *my/our information and according to examination of books of account including other relevant documents and explanations given to *me/us, the particulars given in the said Form No.9C are true and fair subject to the following observations/qualifications, if any:~~

(a)

(b)

(c)

.....

~~**(Signature and stamp/Seal of the Auditor)~~

~~Place:~~

~~Name of the signatory~~

~~Membership No.....~~

~~Date:~~

~~Full address]³~~

³Substituted vide Notf no. 56/2019 – CT dt. 14.11.2019

The Tables in FORM GSTR-9C which were optional in 2019-20 may be continued for 2020-21 as well:

Table No.	Decision
5B to 5N	<p>It was recommended that a number of big companies which have a presence in multiple States face a lot of challenges in reporting State wise unbilled revenue, unadjusted advances, deemed supply details, etc. It was discussed that from an indirect tax administration point of view, this data may not be required. In fact, this table was to act as a pointer of the adjustments that taxpayers need to make to derive GST turnover from income tax / audited financial turnover.</p> <p>Since, filing this data was a challenge, it was recommended that taxpayers may be given an option to either file the data row wise or directly report all adjustments through table 5O (adjustment tab).</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. If there were any adjustments to be reported, the same could be reported in Table 5O. The same relaxations may be continued for FY 2020-21.</p>
Table 12B and 12C	<p>It was discussed that the rationale of inserting Table 12 was to reconcile the input tax credit reported in the audited financial statement with the input tax credit taken in the GST returns.</p> <p>Generally, adjustments in Table 12B and 12C are not maintained separately by the taxpayers. Therefore, these fields may be made optional.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. The same relaxation may be continued for FY 2020-21.</p>
Table 14	<p>Trade and industry have widely represented that neither the internal accounts nor the audited financial statements when date maintaining of expense bear wise input tax credit.</p> <p>Since, this data is not be maintained, it was decided that the table may be made</p>

	<p>optional for the taxpayers.</p> <p>Proposal:</p> <p>For FY 2017-18, 2018-19 and 2019-20, the taxpayer was given an option not to fill these tables. The same relaxation may be continued for FY 2020-21.</p>
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Agenda Item 9A (iii) - Proposal of amendments in the return related provisions of the CGST Act, 2017

The original design of return involved an elaborate process of filing of GSTR-1, 2 & 3 in a sequence which also envisaged inter-linking with back and forth flow of invoices. The return related sections viz. section 37 to 43 of the CGST Act, 2017 was drafted accordingly. However, the return system and linkage could not be established and GSTR-1-2-3 model were kept in abeyance. Instead, as an interim measure, a summary return in **FORM GSTR-3B** was introduced, along with the statement of outward supplies in **FORM GSTR-1**.

2. Subsequently, a new return system was envisaged (ANX-1/ ANX-II and RET-01). Section 43A was also inserted into the CGST Act vide CGST Amendment Act, 2018. However, section 43A has not been notified yet.

3. It may be recalled that in the 42nd GST Council meeting held in October 2020, it was recommended that the present system of GSTR-1/3B return filing to be continued and the GST laws may be amended to make the GSTR-1/3B return filing system as the default return filing system. The recommendation of the Council, as communicated through the minutes, is as below:

“12. For Agenda 6 the Council took the following decisions:

(iii) Granted in principle approval to make legal changes to replace GSTR-1/2/3 related provisions with the present GSTR-1/3B return filing system.

iv. Empowered the Law Committee to deliberate upon the amendments required in the GST Acts and Rules accordingly.”

Accordingly, various provisions of CGST Act 2017 that require amendment have been examined by the Law Committee in its meetings held on 16th, 23rd, 30th December, 2020 and 19th May, 2021. The Law Committee has recommended amendment in various provisions of the Act. The details of the sections which require amendments are as below:

TABLE -1

S.No.	Section proposed for amendment	Amendment proposed, along with rationale
1	Section 37 – Furnishing details of outward supplies	<ul style="list-style-type: none">i. Sub section 1 to be amended to provide for conditions and restrictions through Rules for filing GSTR1 and for passing on of credit to the buyers in GSTR 2A/2B.ii. Proviso to sub section 1 to be omitted and relevant consequential amendments: The requirement that furnishing shall not be allowed from the 11th to the 15th of the month needs to be done away with. This non-allowance was to allow for freezing of data before the 2- way communication, envisaged under GSTR1/2/3 scheme.iii. Sub-section 2: Needs to be omitted as the 2-way communication is proposed to be done away with.iv. New sub-section 4: to provide for making GSTR-1 sequential.

2	Section 38 – Furnishing details of inward supplies	<p>i. The present sub-sections to be omitted in entirety as there is no requirement of furnishing details of inward supplies by the taxpayer.</p> <p>ii. The new section to provide that details of inward supplies shall be made available to the recipients in a prescribed manner. This is essentially an enabling provision to provide for GSTR-2B. The requirement of reversal of input tax credit arises from Chapter V, and is, therefore, not required to be mentioned under this section.</p> <p>iii. Further, provision to implement spike rules is incorporated in sub-section (2)</p>
3	Section 39 – Furnishing of returns	<p>i. Sub-section 5: The due date for furnishing return for Non-resident taxpayer (NRTP) is proposed to be made 13th of the month. This is in line with the proposed dates on which GSTR-2B picks up data in the System.</p> <p>ii. First proviso to sub-section 7: To provide that for monthly payments by quarterly taxpayers (QRMP taxpayers), government may prescribe that instead of self-assessed tax, a prescribed amount may be paid. This is currently being covered by a special procedure.</p> <p>iii. Sub-section 10: Making furnishing of GSTR-1 mandatory before filing of return in Form GSTR-3B.</p>
4	Section 41 – Claim of Input tax credit and provisional acceptance thereof	<p>i. Sub-section 1: Amendment to do away with the word “claim” and bring in the concept of availment; and also, to remove the concept of provisional availment of ITC in this section. The concept of provisional availment was there in GSTR-1/2/3 model.</p> <p>ii. Sub-section 2: May be removed as the said requirement is already flowing from section 49.</p>
5	Section 42 – Matching, reversal and reclaim of input tax credit	In view of the removal of the provisional ITC availment, as proposed in amendment to section 41 above and the proposed [and Council recommended] amendment to section 16 (2) which envisages that ITC shall be available on a supply only when the same has been declared/communicated by the supplier in his GSTR-1, the existing section 42 may be omitted as a whole.
6	Section 43 – Matching, reversal and reclaim of reduction in output tax liability	The existing section 43 may be omitted as a whole as the concept of 2-way communication proposed in earlier GSTR1/2/3 model is proposed to be done away with and liability to be determined on self-assessment basis. Further, Credit note and duplication related checks have already been incorporated in the GSTR-2B statement.

7	Section 43A – Procedure for furnishing return and availing input tax credit	The proposed section may be omitted as whole. Relevant provisions of section 43A have been incorporated at suitable places in the above amendments. Provisions related to spike rules would be covered under proposed amendments in section 37 and 38.
8	Section 47 – Levy of late fee	i.. Section 47 pertains to the levy of late fee. Section 52 read with Rule 67 of the CGST Rules, 2017 requires registered person to collect tax collected at source and furnish GSTR-8 to submit statement of supplies through an e-commerce operator. There is presently no late fee for late filing of GSTR-8. Amendment is proposed in Section 47 to include Section 52 in sub section (1) of section 47 so that late fee shall be levied in case registered persons do not file GSTR-8 by the due date.

4. In addition to above, **consequential amendments** are also proposed in some other sections, as detailed below:

TABLE-2

S.No	Section proposed for amendment	Amendment proposed, along with rationale
9	Section 29: Cancellation of Registration	The frequency for persons filing return under section 10 has been made annual. Accordingly, clause (b) of sub-section (2) of section 29 has lost significance as the earlier return filing frequency was quarterly. Similarly, return filing frequency for small taxpayers (under QRMP scheme) has been changed from monthly to quarterly. Therefore, the period under clause (c) may also require flexibility, which may not be there if the same is governed by the existing clause.
10	Section 49: Payment of tax, interest, penalty and other amounts	Government has notified rule 86B mandating restriction in utilization of ITC in specified cases. Law Committee has recommended that it would be appropriate if a provision under section 49 is made for such scenarios.
11	Section 16, 37, 39 ,34 and 52	1. Rectification of particulars in details of outward supplies under section 37 is presently linked with <u>furnishing of return</u> for September month of next financial year. Rectification of particulars under section 39 is linked with <u>due date of furnishing</u> of return for September month of next financial year. ITC under section 16 is barred in respect of any invoice or debit note after <u>the due date of furnishing</u> of the return under section 39 for the month of September of the next financial year. Similar time limits have been made under

		<p>Section 34(2) and section 52(6).</p> <p>2. Law Committee has recommended that a fixed date 30th November of the next financial year be fixed for all of these compliances, as it serves two purposes:</p> <p>a. In the portal, after the cut-off date no amendment would be permitted.</p> <p>b. It provides one more month to taxpayer to amend their returns.</p>
12	Section 50: Interest on delayed payment of tax.	<p>After the proposed amendment in section 37-43, it is proposed to have explicit provision for charging interest on ineligible ITC availed and utilized (net cash liability). Therefore, amendment is proposed in sub-section (3) of section 50.</p>
13	Section 54 - Refund of tax	<p>GSTR-1, 2 & 3 return system envisaged refund of excess cash ledger through return under section 39. However, as the GSTR-1, 2 & 3 return system could not be operationalised and instead GSTR-1, 2B & 3B system is being followed where for claiming the refund of excess balance in cash ledger, the registered person is required to file for an application of refund under FORM GST RFD-01.</p> <p>Consequent to the amendment proposed in section 37 to 43, it is proposed that proviso to sub-section (1) of Section 54 of the CGST Act, may be amended to allow for refund of any balance in the electronic cash ledger in such form and manner as may be prescribed.</p>

5. A detailed broadsheet containing the proposed amendments (in red) along with the rationale has been prepared and is placed at **Annexure-A** to this Agenda Note. The proposed changes would require amendment in Law. In principle approval to amend the GST laws to make the GSTR-1/3B return filing system as the default return filing system has already been given by the GST Council in 42nd meeting, as detailed in Para 3 above. The proposal for law Amendment was placed before GIC for deliberations and was also approved by the GIC with recommendation that amendment proposal be placed before the GST Council.

6. Accordingly, agenda note along with the detailed amendment proposal is placed before the GST Council for approval please.

PROPOSAL FOR AMENDMENT IN CGST ACT**Table 1**

Sl. No.	Section	Rational for amendment	Suggested formulation
1.	16	<p>i. One of the key objectives of the GSTR-1/2/3 system was to provide for matching of invoices between the supplier and the recipient i.e. there shall be no credit existing in the system which has not been declared in the respective returns of the supplier and recipient as per section 16 (2) (c) and 16(2) (d) of the CGST Act 2017.</p> <p>ii. Available data suggests that the percentage of filing of return in FORM GSTR-1 (details of outward supplies) is far lesser as compared to filing of return in FORM GSTR-3B, through which input tax credit is availed. Further, due to poor filing of FORM GSTR-1, there are large gaps between credit available under FORM GSTR-2A and self-assessed credit under FORM GSTR-3B. Further, reasonable restriction had already been imposed on self-assessed input tax credit (ITC) availed in FORM GSTR-3B on the basis of credit reflected in FORM GSTR-2A/2B in terms of Rule 36(4). It provides that credit availed in GSTR-3B cannot exceed the credit reflected in GSTR-2A by 20%, w.e.f. 09.10.2019; and which was further reduced to 10% from w.e.f 01.01.20202 and 5% w.e.f. 01.01.2021.</p> <p>iii. The portion in blue (clause (aa)) has already been inserted vide the Finance Act, 2021</p>	<p>16.</p> <p>...</p> <p>(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—</p> <p>(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;</p> <p>(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;</p> <p>(b) he has received the goods or services or both.</p> <p><i>Explanation.</i>— For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services—</p> <p>(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;</p> <p>(ii) where the services are provided by the supplier to any person</p>

		<p>iv. Thereafter, amendment has been proposed in section 38, which, inter-alia, provides that details of outward supplies furnished by the suppliers that are to be communicated to the recipients may be restricted in specified cases. Accordingly, it is proposed to provide in law that the recipient shall not be eligible for ITC corresponding to such details which have not been communicated for which clause (e) is proposed to be added in section 16(2).</p> <p>v. Rectification of particulars in details of outward supplies under section 37 is presently linked with <u>furnishing of return</u> for September month. Rectification of particulars under section 39 is linked with <u>due date of furnishing</u> of return for September month. ITC under section 16 is barred in respect of any invoice or debit note after <u>the due date of furnishing</u> of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains.</p> <p>Law Committee has recommended that a fixed date 30th November be fixed for the same as it serves two purposes:</p> <p>a. In the portal, after the cut-off date no amendment would be permitted.</p> <p>b. It provides one more month to taxpayer to amend their returns.</p>	<p>on the direction of and on account of such registered person;</p> <p>(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and</p> <p>(d) he has furnished the return under section 39;; and</p> <p>(e) input tax credit in respect of the said supply has not been restricted in the details communicated to such registered person under section 38:</p> <p>Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:</p> <p>Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed:</p> <p>Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon</p> <p>(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for</p>
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			supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier
2.	37	<p>i. Sub section 1 to be amended to provide for conditions and restrictions through Rules for filing GSTR1 and for passing on of credit to the buyers in GSTR 2A/2B.</p> <p>ii. Proviso to sub section 1 to be omitted and relevant consequential amendments: The requirement that not furnishing shall not be allowed from the 11th to the 15th of the month needs to be done away with. This non-allowance was to allow for freezing of data before the 2 way communication.</p> <p>iii. Sub-section 2: Needs to be omitted as the 2-way communication is proposed to be done away with.</p> <p>iv. New sub-sections 4: to provide for making GSTR-1 sequential.</p> <p>v. Rectification of particulars in details of outward supplies under section 37 is presently linked with <u>furnishing of return</u> for September month. Rectification of particulars under section 39 is linked with <u>due date of furnishing</u> of return for September month. ITC under section 16 is barred in respect of any invoice or debit note after <u>the due date of furnishing</u> of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains.</p> <p>Law Committee has recommended that a fixed date 30th</p>	<p>(1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically, <u>subject to such conditions and restrictions and</u> in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall, <u>subject to such conditions and restrictions, within such time and in such manner as may be prescribed</u>, be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed:</p> <p>Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:</p> <p>Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:</p> <p>Provided also that any extension of time limit notified by the</p>

		<p>November be fixed for the same as it serves two purposes:</p> <p>a. In the portal, after the cut-off date no amendment would be permitted.</p> <p>b. It provides one more month to taxpayer to amend their returns</p>	<p>Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.</p> <p>(2) Every registered person who has been communicated the details under sub-section (3) of section 38 or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of section 38, shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.</p> <p>(3) Any registered person, who has furnished the details under sub-section (1) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:</p> <p>Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after the due date of furnishing of the return under section 39 for the month of September the thirtieth day of November following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.</p> <p>Provided further that the rectification of error or</p>
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			<p>omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September, 2018 till the due date for furnishing the details under subsection (1) for the month of March, 2019 or for the quarter January, 2019 to March, 2019</p> <p><i>Explanation.</i>—For the purposes of this Chapter, the expression “details of outward supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.</p> <p><u>(4) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him.</u></p> <p><u>Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods.</u></p>
3.	38	<p>i. The present sub-sections to be omitted in entirety as there is no requirement of furnishing details of inward supplies.</p> <p>ii. The new section to provide that details of inward supplies shall be made available to the recipients in a prescribed manner. This is essentially an</p>	<p>Section 38 to be substituted with:</p> <p>38. <u>Communication of details of inward supplies and input tax credit.</u>— (1) <u>The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and such other supplies as may be prescribed, and an auto-drafted</u></p>

		<p>enabling provision to provide for GSTR-2B. the requirement that reversals are required to be carried out arises from Chapter V, and is therefore not required to be mentioned here.</p> <p>iii. Further, provision to implement spike rule is incorporated in sub-section (2)</p>	<p><u>statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.</u></p> <p><u>(2) The auto-drafted statement under sub-section (1) shall consist of:</u></p> <p><u>(a) details of inwards supplies in respect of which credit of input tax may be available to the recipient, and</u></p> <p><u>(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37:</u></p> <p><u>(i) by any registered person within such period of taking registration as may be prescribed; or</u></p> <p><u>(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or</u></p> <p><u>(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or</u></p> <p><u>(iv) by any registered person who, during such period, as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or</u></p> <p><u>(v) by any registered person who has defaulted in discharging his tax liability through the</u></p>
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			<u>electronic cash ledger, in accordance with the provisions of sub-section (12) of section 49; or (vi) by such other class of persons as may be prescribed.</u>
4.	39	<p>i. Sub-section 5: The due date for furnishing return for NRTP proposed to be made 13th of the month. This is in line with the proposed dates on which GSTR-2B picks up data in the System</p> <p>ii. First proviso to sub-section 7: To provide that for monthly payments by quarterly taxpayers, government may prescribe that instead of self-assessed tax, a prescribed amount may be paid. This is currently being covered by a special procedure.</p> <p>iii. Sub-section 10: Making GSTR-1 mandatory before furnishing return in GSTR-3B</p> <p>iv. Rectification of particulars in details of outward supplies under section 37 is presently linked with <u>furnishing of return</u> for September month. Rectification of particulars under section 39 is linked with <u>due date of furnishing</u> of return for September month. ITC under section 16 is barred in respect of any invoice or debit note after <u>the due date of furnishing</u> of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains.</p> <p>Law Committee has recommended that a fixed date 30th November be fixed for the same as it serves two purposes:</p> <p>a. In the portal, after the cut-off date no amendment would be permitted.</p> <p>b. It provides one more month to taxpayer to amend their returns</p>	<p>(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed.</p> <p>Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.</p> <p>(2) A registered person paying tax under the provisions of section 10, shall, for each financial year or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, tax paid and such other particulars in such form and manner, and within such time, as may be prescribed.</p> <p>(3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions</p>

		<p>have been made within ten days after the end of such month.</p> <p>(4) Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.</p> <p>(5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty <u>thirteen</u> days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.</p> <p>(6) The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein:</p> <p style="padding-left: 40px;">Provided that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner.</p> <p>(7) Every registered person who is required to furnish a return under sub-section (1), other than the person referred to in the proviso thereto, or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return:</p> <p style="padding-left: 40px;">Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable</p>
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		<p>and such other particulars during a month, in such form and manner, and within such time, as may be prescribed:</p> <p><u>Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed -,</u></p> <p><u>(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month, or</u></p> <p><u>(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.</u></p> <p>Provided further that every registered person furnishing return under sub-section (2) shall pay to the Government, the tax due taking into account turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, and such other particulars during a quarter, in such form and manner, and within such time, as may be prescribed.</p> <p>(8) Every registered person who is required to furnish a return under sub-section (1) or sub-section (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been made during such tax period.</p> <p>(9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or</p>
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			<p>sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed, subject to payment of interest under this Act:</p> <p>Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter the thirtieth day of November following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.</p> <p>(10) A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods <u>or the details of outward supplies under sub-section (1) of section 37 for the said tax period</u> has not been furnished by him.</p> <p><u>Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods.</u></p>
5.	41	i. Sub-section 1: Amendment to do away with the word claim and bring in the concept of availment and remove the concept of provisional availment of ITC in this section. The concept of provisional availment was there in GSTR-1,2,3	<p>41.—Claim Availment of input tax credit and provisional acceptance thereof.— (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take avail the credit of eligible input tax, as self-assessed, in</p>

		<p>model.</p> <p>ii. Sub-section 2: May be removed as this requirement is already flowing from section 49.</p>	<p>his return and such amount shall be credited on a provisional basis to his electronic credit ledger.</p> <p>(2) The credit referred to in sub-section (1) shall be utilised only for payment of self-assessed output tax as per the return referred to in the said sub-section.</p> <p><u>(2) The credit of input tax availed by a registered person under sub-section (1), in respect of such supplies of goods or services or both the tax payable whereon has not been paid by the supplier shall be reversed, along with applicable interest, by the said person in such manner as may be prescribed:</u></p> <p><u>Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, along with applicable interest, the said registered person shall be entitled to re-claim the amount of credit reversed by him, as aforesaid, in such manner as may be prescribed.</u></p>
6.	42 – Matching, reversal and reclaim of input tax credit	In view of the removal of the provisional ITC availment, as proposed in amendment to section 41 above and the proposed [and Council recommended] amendment to section 16 (2)(a) which envisages that ITC shall be available only when the same has been declared / communicated by the supplier in his GSTR-1, the existing section 42 may be omitted as a whole.	[To be omitted]
7.	43- Matching, reversal and reclaim of reduction in output tax	The existing section 43 may be omitted as a whole as the concept of 2-way communication is being replaced by self-assessment. Further, Credit note and duplication related checks have already been incorporated in the	[To be omitted]

	liability	GSTR-2B statement.	
8.	43A – Procedure for furnishing return and availing input tax credit	The proposed section may be omitted as whole. Relevant provisions have been incorporated at suitable places in the above amendments. Provisions related to spike rules would be covered under proposed amendment in section 37 and 38	[To be omitted]
9.	47 – Levy of late fees	<p>i. Section 52 read with Rule 67 of the CGST Rules, 2017 requires registered person to collect tax collected at source and furnish GSTR-8 to submit statement of supplies through an e-commerce operator.</p> <p>ii. Section 47 is the levy of late fee. Amendment is brought in Section 47 to include Section 52 in sub section (1) so that late fee shall be levied in case registered persons do not file GSTR-8 by the due date.</p>	<p>(1) Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 <u>or section 52</u> by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.</p> <p>(2) Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State or Union territory</p>

Table 2 – Consequential / other amendment

10.	Section 29: Cancellation of Registration	<p>The frequency for persons filing return under section 10 has been made annual. Accordingly, clause (b) has lost significance as the earlier return filing frequency was quarterly. Similarly, it is envisaged that return filing frequency for small taxpayers would be changed from monthly to quarterly. Therefore the period under clause (c) may also require flexibility, which may not be</p>	<p>(1) ..</p> <p>(2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,—</p> <p>(a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or</p> <p>(b) a person paying tax under section 10 has not furnished <u>the return for a financial year beyond three months from the</u></p>
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		there if the same is governed by the said clause.	<p><u>due date of furnishing the said return</u> returns for three consecutive tax periods; or</p> <p>(c) any registered person, other than a person specified in clause (b), has not furnished returns for a such continuous <u>tax</u> period of six months as <u>may be prescribed</u>; or</p> <p>(d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or</p> <p>(e) registration has been obtained by means of fraud, wilful misstatement or suppression of facts:</p> <p>Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard:</p>
11.	Section 34, 37, 39 and 52	<p>1. Rectification of particulars in details of outward supplies under section 37 is presently linked with <u>furnishing of return</u> for September month. Rectification of particulars under section 39 is linked with <u>due date of furnishing</u> of return for September month. ITC under section 16 is barred in respect of any invoice or debit note after <u>the due date of furnishing</u> of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains.</p> <p>2. Law Committee has recommended that a fixed date 30th November be fixed for the same as it serves two purposes:</p> <p>a. In the portal, after the cut-off date no amendment would be</p>	<p>34. Credit and debit notes.— (1) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing such particulars as may be prescribed.</p> <p>(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September <u>thirtieth November</u> following the end of the financial year in which such supply</p>

		<p>permitted.</p> <p>b. It provides one more month to taxpayer to amend their returns.</p>	<p>was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:</p> <p>Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.</p> <p><i>[Amendment to 37 and 39 are mentioned in Sl.no 2 and 4 of this Annexure]</i></p> <p>52. Collection of tax at source:</p> <p>(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:</p> <p>Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September <u>thirtieth day of November</u> following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier</p>
12.	Section 49 - Payment of tax, interest, penalty and other amounts	Government has notified rule 86B mandating restriction in utilization of ITC in specified cases. Law Committee has recommended that it would be appropriate if a provision under section 49 is made for such scenarios.	<p>(4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and restrictions and within such time as may be prescribed.</p> <p><u>(12). Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, prescribe the maximum proportion of</u></p>

			<u>output tax liability under this Act or under the Integrated Goods and Services Tax Act, which may be discharged through the electronic credit ledger, by a registered person or a class of registered person.</u>
13	50- Interest on delayed payment of tax.	<p>After the proposed amendment in section 37-43, it is proposed to have explicit provision for charging interest on ineligible ITC availed and utilized (net cash liability). Therefore, amendment is proposed in sub-section (3) of section 50.</p> <p>The portion shown in blue is amended vide section 112 of the Finance Act, 2021, retrospectively w.e.f. 01.07.2017.</p>	<p>(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council:</p> <p><u>“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.”</u></p> <p>(2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.</p> <p>(3) A taxable person who makes an undue or excess claim of input tax credit under sub-section (10) of section 42 or undue or excess reduction in output tax liability under sub-section (10) of section 43 shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding twenty four per cent., as may be notified by the Government on the recommendations of</p>

			<p>the Council.</p> <p><u>Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent., as may be notified by the Government, on the recommendations of the Council.</u></p>
14	54.- Refund of tax	<p>GSTR-1, 2 & 3 return system envisaged refund of excess cash ledger through return under section 39. However, as the GSTR-1, 2 & 3 return system could not be operationalised and instead GSTR-1, 2B & 3B system is being followed where for claiming the refund of excess balance in cash ledger, the registered person is required to file for an application of refund under FORM GST RFD-01</p> <p>Consequent to the amendment proposed in section 37 to 43, it is proposed that proviso to sub-section (1) of Section 54 of the CGST Act, may be amended to allow for refund of any balance in the electronic cash ledger in such form and manner as may be prescribed.</p>	<p>Refund of tax.— (1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:</p> <p>Provided that 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 the return furnished under section 39 in such <u>form and</u> manner as may be prescribed</p>

Agenda Item 9B - Other issues pertaining to GST laws and procedures for consideration of the GST Council

Agenda Item 9B (i) - Reduction in late fee for FORM GSTR-3B for months from July, 2017 to April, 2021- Amnesty to clean up pendency in return filing in GST regime

Various references have been received from taxpayers, tax practitioners and associations such as CAIT regarding waiver of late fee in respect of the past returns in **FORM GSTR-3B, which could not be furnished till now due to various reasons**. Multiple tweets have also been received on social media on the issue. It has been represented that taxpayers, particularly, the small taxpayers, could not furnish their returns, especially during COVID times, due to lack of knowledge, lack of funds and other difficulties faced during lockdown. It has also been submitted that most of such small taxpayers had very minimal tax liabilities, even, including NIL tax liability. It has been further represented that that due to non-furnishing of returns, interest and late fees have been piling up and have now reached a sizeable amount, which in some cases is more than the tax amount itself, which has become a major deterrent for such taxpayers in filing their pending returns.

2. In this regard, it is noteworthy that sub-section (10) of section 39 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) provides that, *“A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.”* Thus, taxpayers are not allowed to furnish subsequent returns.

3.1 Further, Section 47 of the CGST Act provides for levy of late fees for non-furnishing of **FORM GSTR-1, FORM GSTR-3B or FORM GSTR-4** of one hundred rupees per day. Presently, late fees for delay in furnishing of these forms by the due date is twenty rupees per day (Rs. 10/- under CGST Act plus Rs 10/- under SGST Act) for NIL filers and fifty rupees per day (Rs. 25/- under CGST Act plus Rs 25/- under SGST Act) for others. This late fee is subject to a maximum amount of Rs. 10000/- per return (Rs. 5000/- under CGST Act plus Rs. 5000/- under SGST Act).

3.2 It is pertinent to mention that waiver of **entire late fee** for non-furnishing of **FORM GSTR-3B** for the tax period July, 2017 to September, 2018 was allowed for the taxpayers who furnished **FORM GSTR-3B** during the period 22.12.2018 to 31.03.2019 vide notification No. 76/2018-Central Tax, dated 31.12.2018.

3.3 Further, an amnesty scheme by way of reduction in late fee for tax period from July, 2017 to July, 2020 was again provided vide notification No. 52/2020 – Central Tax, dated 24.06.2020 and 57/2020-Central Tax, dated 30.06.2020. The late fee was capped at Rs. **500 per return** (Rs. 250 CGST + Rs. 250 SGST) and was made **Nil for NIL filers**, subject to condition that the returns were filed between 01.07.2020 to 30.09.2020. (For February 2020 to July 2020, the amnesty scheme was applicable if the returns were filed upto 30.09.2020)

4. It is important to note that besides other concerted efforts by tax administration like hand-holding of taxpayers and close monitoring of return filing during the filing cycle, these amnesty schemes have also played a significant role in improving return filing compliance, which has increased from 55% to 65% approx. earlier to 85% to 90% now. The data suggests that still there is a gap of approximately 10-12 lakhs returns per month which are yet to be furnished in **FORM GSTR-3B**, one of the reasons being the sizeable amount of late fee.

5. In order to alleviate the burden of accumulated late fee on businesses, particularly MSMEs, and to allow them to furnish their pending tax returns henceforth, the following proposals for

reduction in late fees for not furnishing **FORM GSTR-3B** for tax periods from July, 2017 to April, 2021 may be considered: -

- i. late fee may be capped to a maximum of **Rs 500/- (Rs. 250/- each for CGST & SGST) per return** for taxpayers, who did not have any tax liability for the said tax periods and are thus required to file **NIL** return;
- ii. late fee may be capped to a maximum of **Rs 1000/- (Rs. 500/- each for CGST & SGST) per return** for taxpayers other than those covered in clause (i);

It is proposed that the such reduction/ capping in late fee should be kept conditional, and proposed to be applied only if the returns are filed during a specified period i.e. from 01.06.2021 (or from a date recommended by GST Council) to 31.08.2021.

6. The proposal was deliberated and approved by the GIC members for the tax periods from July, 2017 to February, 2021. However, in view of the outbreak of second wave of COVID-19, the recommendation of GIC could not be implemented. Government has provided various relief measures for taxpayers which include reduction in rate of interest for delayed tax payment, waiver of late fee for delayed filing of **FORM GSTR-3B**, extension of due dates of filing **FORM GSTR-1**, IFF, **FORM GSTR-4** and **FORM ITC-04**, relaxation in rule 36(4), etc. and therefore, it was decided that the said proposal will be taken up subsequently.

7. Accordingly, the revised proposal for conditional reduction of late fees for **FORM GSTR-3B**, as proposed in para 5, is placed before the GST Council for deliberation and approval.

Agenda Item 9B (ii) - Notifying section 112 of the Finance Act, 2021 relating to amendment in section 50 of the CGST Act

Vide the Finance Act, 2021, various sections of the Central Goods and Services Tax Act, 2017 (CGST Act) and Integrated Goods and Services Tax Act, 2017 (IGST Act) has been amended. A specific reference is invited to sub-section (2) of section 1 of the Finance Act, 2021, which states that sections 108 to 123 of the Finance Act, 2021 shall come into force on such date as the Central Government may appoint by way of a notification in the official Gazette.

2. Vide section 112 of the Finance Act, 2021, **section 50 of the CGST Act has been amended retrospectively w.e.f. 01.07.2017 to provide for charging interest on net cash liability.** It is also informed that w.e.f. 01.09.2020, the present provision allows charging interest on net cash liability on prospective basis. This retrospective amendment made through section 112 of the Finance Act 2021 may be notified early to remove any ambiguity on the issue from the date of implementation of GST, i.e. 01.07.2017 and close pending cases and litigations on this issue.

3. **Accordingly, it is proposed that provision of section 112 of the Finance Act, 2021 regarding retrospective amendment of Section 50 of CGST Act may be notified at the earliest.** Since the amendment is retrospective in nature (w.e.f. 01.07.2017), the States will also be required to amend the corresponding provision in SGST Acts retrospectively w.e.f. 01.07.2017. Therefore, notifying the provision of section 112 of the Finance Act, 2021 will not have any ambiguity on the issue.

4. Further, a date may be decided in the Council, by which time the corresponding amendment in SGST Acts, relating to all other amendments done through the Finance Act, 2021, may be carried out by all the States.

5. Accordingly, the agenda note is placed before the Council for deliberation please.

Agenda Item 9B (iii) - Proposal for converting quarterly return and monthly payment (QRMP) Scheme to quarterly return and quarterly payment (QRQP) scheme

It may be recalled that GST Council, in its 42nd meeting held on 5th October, 2020, had recommended a Quarterly Return and Monthly Payment (QRMP) Scheme for registered persons having turnover up to Rs. 5 crore, with a slightly modified approach based on existing return system itself. Accordingly, the same has been implemented with effect from **01.01.2021** for taxpayers with turnover up to Rs. 5 crores who have been given an option to file returns on quarterly basis, instead of monthly return. The payment of tax for the first two months of the quarter may be done on self-assessment basis, net of available ITC or by making payment of 35% of tax liability paid in cash in the return for last quarter /100% of tax liability paid in cash in the return for last month. Further, for ease in making payment of tax under this scheme during first two months of the quarter, the system provides a facility of auto-generated challan to the taxpayers. The scheme also provides an optional IFF facility to such quarterly taxpayers to furnish the details of such B2B invoices on monthly basis which the buyers require for availing input tax credit. The scheme has reduced the number of returns to be filed in a year from 24 (12 **GSTR-1** and 12 **GSTR-3B**) earlier to 8 (4 **GSTR-1** and 4 **GSTR-3B**) now for such taxpayers.

2.1 The QRMP scheme is available to approximately 89 % of the total tax base. The data available for first quarter of the scheme has been analysed and is tabulated as below:

Table-1 (Adoption of QRMP Scheme)

Description	No. of GSTIN	%age of total
Eligible for QRMP	90,92,954	100%
Opted for QRMP	35,53,400	39%
Not opted for QRMP	55,39,554	61%

Table-2 (Change of Option by Tax payers)

QRMP - Frequency Change (As on 10th May 2021)	
Frequency Change	No. of GSTINs
Monthly to Quarterly	1,66,646
Quarterly to Monthly	6,34,874

2.2 Analysis of data shown in Table 1 and 2 above suggests the following:

- Though there are 90,92,954 taxpayers eligible for QRMP scheme, only 35,53,400 taxpayers have opted for QRMP scheme. **Therefore, only 39% of eligible taxpayers have opted for QRMP scheme.**
- As per trend observed during the period upto 10th May, 2021, a larger number of taxpayers are **opting out of the QRMP scheme, in comparison to those who are opting in for the QRMP scheme.**

3. There is a feedback from the taxpayers that the said scheme does not provide them much relief as they have to pay tax on monthly basis. Though an option of payment of tax liability for M1

and M2 of the quarter by making payment of 35%/ 100 % of the cash liability paid in last quarterly/ monthly return respectively, through a system generated challan, has been provided on the GST portal, however, a large number of taxpayers still choose to pay tax on self-assessment basis after calculating their actual liability for each month, net of ITC. It is claimed by the trade that such payment of tax liability every month, in effect, amounts to filing returns on monthly basis only, and that burden of tax compliances is not substantially reduced for them by this scheme of quarterly return and monthly payment

4. Considering the feedback received from the stakeholders, it is felt that if the requirement of monthly payment of tax liability during M1 and M2 of the quarter is done away with and instead, **if the tax liability for the quarter is made payable through quarterly return itself**, then it will resolve the issue of monthly calculation of tax liability, net of ITC, by the taxpayers during first two months of the quarter. The calculation of net tax liability on self-assessment basis, in such a case, will be required to be done only on quarterly basis by the taxpayers filing quarterly return. This will address the issue raised by the QRMP taxpayers. **Quarterly filing of return, along with quarterly payment of tax**, would provide substantial relief to small taxpayers and will reduce their tax compliance burden significantly, as they would be required to do their major tax compliances on quarter basis only, including assessment of their tax liability and filing of returns.

5. As regard the issue of revenue involved in deferring the requirement of payment of tax liability for first two months of the quarter to the third month of the quarter, the data of revenue collected from the taxpayers under QRMP scheme during January-March 2021 is given in the Table 3 below:

Table-3 (QRMP Payments)

(Amount in Rs in Crores)

Month	CGST	SGST	IGST	CESS	Total
Jan-21	1,404	1,583	908	25	3,919
Feb-21	1,396	1,564	887	21	3,868
Mar-21	2,410	2,946	1,541	28	6,925
TOTAL	5,210	6,092	3,336	74	14,712

5.1 Perusal of the data given in Table 3 above indicates that the total GST collections from taxpayers, who were in QRMP scheme, during the first quarter of its operation, viz. January-March, 2021 is **Rs. 14,712 Crores**. During these three months, the total GST collections were **Rs. 3,78,429 Crores** (Rs. 1,13,143 Crores for January, 2021, Rs 1,23,902 Crores for February, 2021 and Rs 1,41,384 Crores for March, 2021). **Accordingly, on an average, the taxpayers who are under QRMP scheme are contributing about 4% of total revenue. It is also seen that during the first two months, i.e. January and February 2021, the revenue recovered from QRMP taxpayers was only to the extent of Rs 3919 Crores and 3868 Crores respectively only, even less than 4% of the total revenue collected for the said months.**

5.2 Therefore, **converting this Quarterly Return and Monthly Payment (QRMP) scheme to Quarterly Return and Quarterly Payment (QRQP)**, by requiring tax liability for the quarter to be discharged on quarterly basis along with quarterly return, will only defer the collection of less than 4% of tax to the third month of the quarter. However, it will provide substantial relief to small taxpayers. **Accordingly, it is proposed to convert the present QRMP scheme to QRQP scheme.**

6. The proposal at para 5.2 above is placed before the GST Council for deliberation and for in-principal approval. The detailed modalities of the scheme will be worked out by Law Committee as per decision of the Council.

Agenda Item 10 – Seeking concurrence for levy of COVID Cess on power and pharmaceutical sector in Sikkim

A proposal along with detailed note on mobilizing additional resources has been received from the Hon'ble Chief Minister of Sikkim seeking concurrence of the Council to impose 'COVID Cess' in Sikkim. The proposal states that the corona pandemic and its impact on overall economy and resources together with additional expenditure commitments has significantly altered all the parameters of revenue and expenditure necessitating some relook at the assessments made earlier in February. Sikkim has mentioned that their assessment of resources indicates that their revenue receipts during current year may have shortfall of around 30% from base estimates as outlined in the Budget for 2020-21.

2. It is further mentioned in the proposal that since rate of growth GDP is expected to nearly halve (or even less) compared to the Budget estimates of 10 per cent, there may be a significant shortfall in flow of resources from Centre, both by way of transfer of taxes from the divisible pool and also by way of grants. Since three fourths of the State's revenue consists of tax transfers and grants in aid from the Centre, a decline in these resources would have significant impact on State's revenue. Given that the expenditure commitments would see an increase over and above what has been budgeted for 2020-21 and a significant revenue shortfall would be inevitable, there is need to identify possible resource generating options.

3. The proposal states that the concerns and commitments of protecting the livelihood opportunities have raised the requirements for resources. Besides fiscal support from Centre, State need to augment their own resources, particularly from organized manufacturing industry dominated by the pharmaceutical units and the hydroelectric sector. It is further mentioned in the proposal that the structure of economy of Sikkim is significantly different from the rest of the country. Manufacturing and power sector contribute nearly 55-57 per cent gross value added in the State. Within manufacturing, there has a dominance of pharmaceutical companies in Sikkim. Pharmaceutical is one of the sectors which has not been adversely affected during this period of lockdown.

4. Based on the data available for 2017-18, Annual Survey of Industries, it is estimated that revenue of Rs. 164 crore may accrue to the State by imposing COVID cess on pharmaceutical sector at the rate of 1% of the turnover. A 1% COVID cess for a specified period may not in any way affect the profitability and competitiveness of this sector. Similarly, overall generation of revenue for State from COVID Cess on power section is estimated to be around Rs. 95 crore in one year, if levied at 0.1% per unit. This cess is a nominal, self-liquidating after the specified period and is unlikely to affect the users. Sikkim has hydro power and significant hydro power generation. These sectors, which will be the few of the least affected sectors, could provide additional resources. Accordingly, Govt. of Sikkim has requested GST Council's concurrence for imposing a COVID Cess on their output for current year and subsequent two years, upto 2022-23.

5. Accordingly, it is proposed by the State:

- (a) that a 'COVID Cess' at the rate of 1 per cent of the turnover of pharmaceutical sector (excluding the unorganised sector) is imposed for the current year and subsequent two years, up to 2022-23.

(b) that a 'COVID Cess' of Rs. 0.1 per unit of power generated is imposed for the current year and subsequent years, up to 2022-23.

6. In this regard, it is submitted that Article 279A (4)(f) allows the Union and State to raise additional resources during any natural calamity or disaster. The Article was inserted through the 101st Constitutional Amendment Act, 2016. Article 279A(4)(f) specifies that the GST Council shall make recommendations to the Union and States on "any special rate or rates for a specified period to raise additional resources during any natural calamity or disaster"

7. The similar request was received from Govt. of Kerala after the 2018 floods in the Kerala. Accordingly, the issue was discussed in the GST Council and GoM was constituted under the Chairmanship of Shri Sushil Kumar Modi, Dy CM, Bihar, to examine the request of Kerala, GoM, after several rounds of meeting, has recommended to the Council that Kerala be allowed to levy 1% cess for two years to fund rehabilitation work in the state hit by floods.

8. In view of background stated above, it is submitted that as per Article 279A (4)(f), GST Council can make recommendations to Union and the States on "any special rate or rates for a specified period to raise additional resources during any natural calamity or disaster. Accordingly, the matter may also be placed before GST Council for further discussion and approval.

Encl – Annexure-I



GOVERNMENT OF SIKKIM

PREM SINGH TAMANG (GOLAY)
CHIEF MINISTER
SIKKIM

D.O.No. 345.../CMO/2020

Dated: 16th October, 2020

Dy. No. 1525 342 PM/VIP/2020

19 OCT 2020

Respected Smt. Nirmala Sithakaman Ji,

We are indeed grateful to you, Madam for being considerate to the fiscal constraints and need for additional resources by the States, which is all the more precarious for Sikkim as our dependency on transfers of resources from Centre is quite significant.

We are also grateful for your initiative in accommodating the request of the States in the GST Council for compensating the States of the revenue shortfall IN GST collections that has arisen due to the impact of COVID on economy. COVID has been an exogenous factor which could never have been anticipated and included in assessment of revenue and revenue gap. Madam, we fully share your concern and your commitments consistent with the principles of Cooperative Federalism that the new system of Nationwide GST had conceived and was rightly amplified by the first Chair Person of the Council, Hon'ble Shri Arun Jaitleyji.

Madam, your letter has provided the required clarity as to how the resources for compensating the States for the shortfall in GST collection in the current year would be raised. We appreciate the Centre for agreeing to raise the required resources through borrowings by the Government of India and its back to back transfer to the States. This will indeed be the most economical way of raising resources from the point of view of entire economy. Since servicing of principle and interest thereon will be from the Compensation Cess, the mechanism will not put any additional burden on the finances of the State. I also welcome the approval of Ministry of Finance for allowing additional borrowing to the extent of 0.5 per cent of GSDP of the State as unconditional borrowing to supplement the resource gap that will arise because of shortfall in GST collections.

Madam, you have very rightly mentioned the economic impact of pandemic on finances of both the Union and the States and the need for safeguarding lives and livelihoods. Both of these require additional expenditure of both revenue and capital nature. But, during the time of fiscal stress, as we are witnessing now, there are shortfalls in meeting our commitments on both revenue and capital expenditure with capital expenditure becoming the first causality. Madam, you have indeed been leading

Contd.....

Chief Minister's Office, Tashiling Secretariat, Gangtok - 737101, Sikkim
Phone No: 03592-201093 | Fax: 03592-201087 | Email: cm-skim@nic.in

Note on Mobilizing Additional Resources

Sikkim presented its Budget for 2020-21 in February. However Corona pandemic and its impact on overall economy and resources together with additional expenditure commitments has significantly altered all the parameters of revenue and expenditure necessitating some relook at our assessments made earlier in February. A snapshot of revenue and expenditure assessment at the time of the presentation of Budget 2020-21 is summarised below (Table 1)

Table 1: Revenue, Expenditure & Fiscal Liabilities of Sikkim (Rs in Crore)

	2018-19 (Actual)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
State GST+ Compensation cess	460.8	650.0	660.0	650.0
State Excise	183.1	237.0	237.0	248.1
Taxes on Sales & Trade	188.2	200.0	200.0	220.0
Other State Taxes	65.9	133.2	133.2	123.8
Total State Taxes	898.0	1,220.2	1,230.2	1,241.9
Non Tax Revenue of State	657.8	704.5	734.6	710.7
Central Tax Transfers	2,789.6	2,969.5	2,407.7	3,042.6
Grants in Aid from Centre	1,575.0	2,503.2	2,668.6	2,978.1
Total Revenue	5,920.4	7,397.4	7,041.1	7,973.2
Revenue Expenditure	5,226.6	7,129.1	6,961.3	7,343.6
Salary, Interest & Pensions	3,437.6	4,937.9	4,737.9	4,491.7
Capital Expenditure (including loans)	1,337.9	1,122.2	1,291.6	1,675.7
Revenue Surplus	693.8	268.4	79.8	629.6
Fiscal Deficit	642.3	853.0	1,211.0	1,046.0
Outstanding Debt& other liabilities	6,335.1	7,114.1	7,546.1	8,592.0
Outstanding Guarantees	3,455.0	3,455.0	3,651.5	3,651.5
As per cent to GSDP				
Revenue Receipt	22.1	26.0	23.0	22.9
Revenue Surplus	2.6	0.9	0.3	1.8
Fiscal Deficit	2.4	3.0	4.3	3.0
Debt, Other Liabilities& Guarantees	36.6	37.2	36.6	35.1

Source: Sikkim Budget 2020-21

2. While the State has assumed a very moderate growth of just 1 per cent in its own tax revenue, overall revenue growth of a little over 13 per cent is an increase in its allocation from central taxes, particularly the Corporation tax. Buoyancy of overall revenue receipt is just 1, and these were expected to grow more or less consistent with the growth of State's Gross Domestic Product (GSDP) during 2020-21. The continuous lockdown of major sectors of economy and an expectation of a moderate overall GDP growth, with in the State and also for the country, it is necessary to scale down the assessment of fiscal parameters and GSDP growth considerably. Alternate estimates, notwithstanding a projected V shaped recovery post lockdown, suggest overall economic growth ranging from negative to a barely positive 4 per cent. In case of Sikkim, major

sectors of trade, transport and tourism have very badly been affected due to lockdown and a moderate recovery is expected only in the second half of the current fiscal.

3. Since rate of growth GDP is expected to nearly halve (or even less) compared to the Budget estimates of 10 per cent, there may be a significant shortfall in flow of resources from Centre, both by way of transfer of taxes from the divisible pool and also by way of grants. Since three fourths of the State's revenue consists of tax transfers and grants in aid from the Centre, a decline in these resources would have significant impact on State's revenue. Reducing expenditure is unlikely both because of an increase in livelihood support measures but also because more than 60 per cent of total revenue expenditure consists of interest payment, salary and pensions. Based on alternate scenario of revenue receipts and revenue expenditure, it would be evident that the current estimated revenue surplus could disappear and fiscal deficit could go beyond the current limit (including the relaxation available under escape clause). Table 2 summarizes the fiscal situation of the State based on two alternate assessments of revenue and expenditure.

Table 2: Fiscal Situation of the State- Simulated Scenarios

	Base line Scenario	Moderately Adverse Scenario#	Adverse Scenario##	Base line Scenario	Moderately Adverse Scenario	Adverse Scenario
	(Rs in crore)			As per cent to GDP		
Total Revenue	7,973.2	7,175.9	6,777.2	22.9	22.1	21.6
Revenue Expenditure	7,343.6	7,710.8	8,078.0	21.1	23.7	25.8
Revenue Surplus	629.6	-534.9	-1,300.7	1.8	-1.6	-4.2
Fiscal Deficit	1,046.0	2,210.5	2,976.3	3.0	6.8	9.5
GSDP	34,790	32,530	31,500			

In Moderately adverse scenario, revenue decline by 10 per cent and revenue expenditure increase by 5 per cent

In Adverse scenario, revenue decline by 15 per cent and revenue expenditure increase by 10 per cent

4. Fortunately, Sikkim is one of the least affected States from the pandemic. But that has partly been due to advance action taken by the State and a continued lockdown, which in fact began earlier than the national lockdown. Further, it has already announced restrictions on tourists and related activities until September. The State has also witnessed a significant decline in its economic activities and moderation may persist until atleast the second quarter. Given that the expenditure commitments would see an increase over and above what has been budgeted for 2020-21 and a significant revenue shortfall would be inevitable, there is need to identify possible resource generating options. This note looks at some such possible options for augmenting State's resources to tide over the uncertainties and increased obligations.

Levy of a Corona cess of organized manufacturing

5. The structure of economy of Sikkim is significantly different from the rest of the country. Manufacturing and power sector contribute nearly 55-57 per cent gross value added in the State. While no firm growth figures are available for 2019-20 and 2020-21, overall growth of these two sectors of Sikkim may see a relatively smaller moderation. Though overall economic growth may see a significant deceleration in growth, particularly from the trade, transport, tourism and hospitality sectors, utilities (covering power generation and others) and manufacturing may provide some cushion. A snapshot of the current economic sectoral structure is indicated in Table 3.

Table 3: Gross Value Added and Domestic Product of Sikkim (Rs in crore)

S.No.	Item	2014-15	2015-16	2016-17	2017-18	2018-19
A	GSVA at basic prices	14,845	17,243	19,596	22,059	25,148
1	Agriculture, forestry and fishing	1,398	1,557	1,904	2,434	2,904
2	Mining and quarrying	13	16	17	17	19
3	Manufacturing	5,866	7,039	8,676	9,548	11,091
4	Electricity & other utility services	2,153	2,450	2,561	2,901	3,253
5	Construction	776	967	900	1,042	1,136
6	Services	4,639	5,213	5,538	6,116	6,745
B	Gross State Domestic Product	15,407	18,034	20,687	23,495	26,786
C	Per Capita GSDP (Rs.)	243,392	281,780	319,740	359,807	405,842
D	Share of dominant sectors					
1	Manufacturing	39.5	40.8	44.3	43.3	44.1
2	Electricity & other utility services	14.5	14.2	13.1	13.2	12.9
E	Rate of Growth					
1	Gross State Domestic Product	11.1	17.1	14.7	13.6	14.0
2	Manufacturing	11.3	20.0	23.3	10.1	16.2
3	Electricity & other utility services	16.9	13.8	4.5	13.3	12.1

Source: MOSPI and DESME (Sikkim)

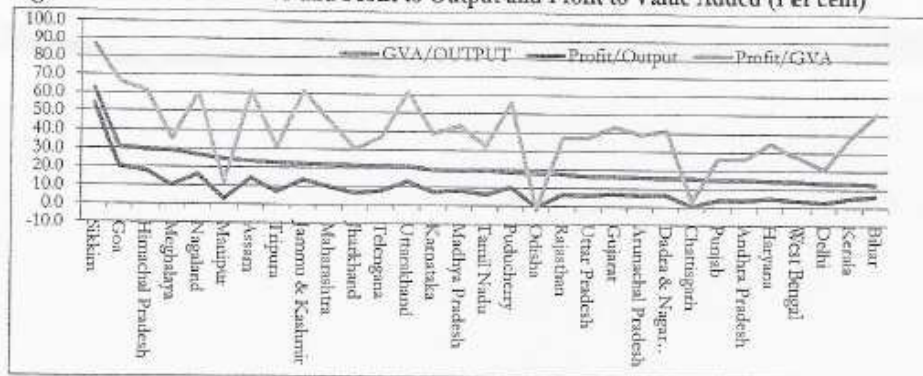
6. Sikkim embarked on a programme "Going for Organic Farming in Sikkim" in May 2003. It put a complete ban on use of chemical fertilizers and pesticides. Cost of production in organic farming is usually high and increase in yield and income of the farmers will take time to get sustained. There has hardly been any central initiative for compensating the farmers in Sikkim for their eco friendly initiative. It has not even been eligible for subsidy on fertilizers as revenue forgone. Currently, on an average for each hectare of gross sown area around Rs. 3,500 accrues as fertilizer subsidy. Efforts of the Government have resulted in getting organic farming more successful, but the sector is still not in a position to provide any additional revenue support.

7. Industrial performance in Sikkim considerably benefited from North East Industrial and Investment Policy (NEIIP), which provided a tax free regime to industries in this area. The benefits were in addition to the transport subsidy which neutralized the disadvantages arising due to remote locations of these areas and the connectivity constraints. The industrial performance during the last 10 years have been impressive despite some inherent constraints of small local market, connectivity, limited credit support, mainly because of the institutional arrangements which regularly interacted with stakeholders and addressed their concerns. Notwithstanding its poor overall ranking in Ease of Doing Business, Sikkim has remained a business friendly location. It has not only been able attract investment but ensure that intentions are quickly converted into projects and come on stream as quickly as possible. One measure of effectiveness of pro active policy and the way the intentions of investment are followed is to look at the implementation record of investment intentions filed. During 2015-2017, Sikkim received investment intentions amounting to Rs. 911 crore. During the same period the value of investment that actually materialized was Rs. 636 crore. The ratio of intentions fructifying was 69.8 per cent as against an all States average of 22.4 per cent during the same period. Better pollution free environment, abundant power supply and a supportive State

together with an Industrial Policy which provided the tax free regime to industries has made certain manufacturing to prosper and be the most profitable in country (Fig 1 and Table 4).

8. Overall organised manufacturing in India has generally been resource intensive as reflected in a very low ratio of gross value added to output, which has averaged around 20 per cent between 1990-2018. Resource intensity has actually increased in recent years. Sikkim is significantly different in this respect. The ratio of gross value added to output in organised manufacturing at 62.2 per cent in Sikkim is the highest in the country. Sikkim also tops in ratio of profit to output and profit to gross value added.

Fig 1: Ratio of Value Added and Profit to Output and Profit to Value Added (Per cent)



Source: MOSPI- Annual Survey of Industries, 2017-18

9. Interstate comparison of performance parameters of manufacturing (ASI manufacturing which cover all manufacturing establishments employing 10 or more workers) places Sikkim almost at top.

Table 4: Organised Manufacturing Sector- Some Performance Indicators (per cent)

Characteristics	As ratio to Output				As ratio to GVA		
	GVA	Profit	Fuel Use	Interest	Profit	Emoluments	Interest
All India	18.2	7.1	4.3	2.0	39.3	28.5	11.0
Sikkim	62.2	53.8	1.2	0.1	86.5	5.9	0.1
Himachal Pradesh	29.5	18.0	4.0	1.8	61.2	18.8	6.1
Assam	23.4	14.3	3.7	0.8	61.1	18.2	3.4
Maharashtra	21.6	9.8	3.2	1.5	45.4	29.1	6.9
Uttarakhand	21.1	12.9	2.5	1.2	61.4	19.4	5.6
Karnataka	19.3	7.5	2.7	1.4	39.0	32.5	7.3
Uttar Pradesh	16.4	6.1	4.6	2.0	37.4	31.5	12.2
Gujarat	16.2	7.0	4.3	2.2	43.3	23.0	13.6
West Bengal	14.2	3.9	4.8	2.0	27.4	33.8	14.2
Delhi	13.5	2.8	2.1	1.4	20.8	46.7	10.1
Bihar	12.7	6.4	3.2	1.2	50.4	21.6	9.1

Source: MOSPI- Annual Survey of Industries, 2017-18

10. With in manufacturing, there has a dominance of pharma companies in Sikkim. In 2017-18, the share of pharma sector in overall organized manufacturing was 90 per cent or more in fixed capital, invested capital, total output, gross value added and profits. These units together employed over 80 per cent of total persons engaged in organized manufacturing and 88 per cent total employee compensation (Table 5). The sector has also been profitable to its entrepreneurs. The ratio of gross value added to output at 64.4 per cent has been the highest. The sector has generated over Rs. 9,000 crore in profit during 2017-18, with a ratio of profit to output at 55.8 per cent.

Table 5: Organised Manufacturing in Sikkim- Performance Parameters (Rs in Crore)

	All Factories	Food & Beverages	Paper & Paper Products	Chemical Products	Pharma- ceuticals	Plastics	Others
Operating Factories (No)	78	20	5	3	31	4	15
Fixed Capital	7052.2	136.2	24.4	30.9	6717.2	41.5	101.9
Invested Capital	8908.7	219.0	35.7	68.0	8314.8	46.1	225.2
Net Interest Paid	15.6	-4.6	0.8	1.6	17.6	0.4	-0.1
Total Output	18360.4	662.7	93.4	231.2	16394.5	45.5	933.0
Gross Value Added (GVA)	11416.4	237.3	45.7	93.0	10560.2	7.1	473.1
Profit	9876.6	175.0	37.2	80.9	9144.0	-1.0	440.3
Employee compensation	734.0	51.5	5.5	6.4	648.5	3.7	18.6
Performance Ratios (in per cent)							
GVA/OUTPUT	62.2	35.8	49.0	40.2	64.4	15.5	50.7
Profit/Output	53.8	26.4	39.9	35.0	55.8	-2.1	47.2
Profit/GVA	86.5	73.8	81.4	87.0	86.6	-13.6	93.1
EC/GVA	6.4	21.7	11.9	6.8	6.1	51.8	3.9

Source: MOSPI- Annual Survey of Industries, 2017-18

11. High profitability of this sector has to a considerable extent due to their tax free status and State policies which has been conducive their growth, including the environment, the sustenance of which costs the State a lot. In view of this it may be appropriate to seek their support and cooperation in this time of fiscal need. Further, pharma is one the sectors which has not been adversely affected during this period of lockdown. It is proposed that a corona cess at the rate of 1 per cent of the turnover of pharma sector (excluding the unorganized sector) is imposed for a period until September 2021. Based on the data available for 2017-18, from Annual Survey of Industries, it is estimated that revenue of Rs. 164 crore may accrue to the State. It is possible to extend this cess to all organized manufacturing. While no recent data is available for ASI manufacturing, pharma and food sector has not been the least affected sectors. Assuming a normal growth in output of around 10 per cent, overall turnover of organized manufacturing may cross Rs 20,000 crore. A 1 per cent corona cess for a specified period may not in any way affect the profitability and competitiveness of this sector.

Levy of a Corona cess on power generation

12. Sikkim has hydro power potential and significant hydro power generation. Hydro power is clean, renewable and less polluting way of power generation. Significant investment has been made in power generation. Hydro power generation activities are in Central sector, State sector and private sector. Overall generation of hydro power by the existing units in Sikkim has averaged about 9500 million units during last three years (Table 6).

Table 6: Hydro Power Generation in Sikkim

Sector	Location	Installed Capacity	Designed Energy	2018-19	2019-20	2020-21
		MW	MU	Production/Target (MU)		
Central Sector NHPC	Rangit	60	338.6	349	340	345
	Teesta-V	510	2572.7	2701	2680	2700
State Sector	Teesta- III	1200	5214.0	4258	5213	5300
Private Sector	Jorethang loop	96	459.0	410	437	408
	Tashiding	97	425.1	424	435	421
	Chuzachen	110	537.8	417	500	500
	Dilochu	96	431.0	462	450	460
	Rongnichu					22
Sikkim Total		2169	9978.2	9022	10055	10156

Source: Central Electricity Authority-Annual Reports

13. It is proposed that a corona cess of Rs. 0.1 per unit of power generated is imposed until September 2021. Overall generation of revenue for State from this cess is estimated to be around Rs. 95 crore in one year. This cess is a nominal, self liquidating after the specified period and is unlikely to affect the users.

Confidential



Agenda for 43rd Meeting of the GST Council

28th May 2021

Volume – 3





GST Council Secretariat

New Delhi

Dated: 16th May 2021

Notice for the 43rd Meeting of the GST Council Scheduled on 28th May 2021

The undersigned is directed to refer to the subject cited above and convey that the 43rd Meeting of the GST Council would convene on **28th May 2021 (Friday)** through Video Conference. The schedule of the meeting is as follows:

28th May 2021(Monday) : 1100 Hours onwards

2. Please convey the invitation to the Hon'ble Members of the GST Council to attend the Meeting.

(-Sd-)

(Tarun Bajaj)

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, Union Territories (with legislature) of Delhi, Puducherry and Jammu and Kashmir with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State/UT Government as a Member of the GST Council about the above said meeting.
4. Chairman, CBIC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.
5. Chairman, GST Network

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Discussion on Agenda Items

Agenda Item 6 -Ad-hoc Exemptions Orders issued under Section 25(2) of Customs Act, 1962 to be placed before the GST Council for information

Ad hoc IGST Exemption Order No. 4/2021-Customs dated 03.05.2021 for specified imported goods when donated for COVID-19 relief subject to conditions

In continuation of Agenda Item No.6 given in Vol-II, the following information is furnished: Amidst the surging second wave of the COVID-19 pandemic, requests were received for exempting COVID-19 relief material donated from abroad, meant for free distribution, from IGST. Certain COVID related goods such as Remdesivir injection and its API, specified diagnostic markers, medical oxygen, oxygen concentrators and other oxygen storage and transportation equipment, and COVID-19 vaccines had already been exempted from BCD and/or Health cess for limited period, vide Customs notification No. 27/2021-Customs dated 20.04.2021, as amended, and No. 28/2021-Customs dated 24.04.2021.

2. In view of the prevailing situation, Ad hoc exemption Order No. 4/2021-Customs dated 3.5.2021 has been issued granting exemption from IGST on those goods for COVID-19 relief imported free of cost for free distribution, till 30th June, 2021, which are covered under the above mentioned Customs notifications. This exemption Order is anticipated to ease the tax incidence on donated COVID-19 relief material meant for free distribution in the country.

3. During the 26th GST council meeting held on 10.3.2018, the Union Finance Minister was vested with the authority to grant ad hoc exemption under section 25(2) of the Customs Act, 1962, from IGST on imports of goods and services or both under circumstances of an exceptional nature to be stated in such order. It was also decided that each such ad hoc exemption order would be placed before the Council after issue of such order.

4. In the instant case, in the circumstances of exceptional and grave nature, an exemption order covering imports of specified COVID-19 relief material received free of cost from outside India and meant for free distribution was issued, exempting IGST on such imports for a limited period (upto 30.6.2021), subject to certain safeguards, vide Ad hoc exemption Order No. 4/2021-Customs dated 3.5.2021 (copy enclosed). This Order satisfies the ingredients of ad hoc exemptions and is in the spirit of the approval of the GST Council empowering the Union Finance Minister to issue an ad hoc exemption from IGST. The Central Government has also exempted basic customs duty. Consequently, the specified goods listed in the **Annexure-I**, covered by adhoc exemption order shall not attract any Customs duty and IGST. As stated above, IGST exemption applies upto 30.6.2021.

5. The Ad hoc Exemption Order is placed before the GST Council as Annexure-VI at pp.20-21 of Volume-I of the Agenda Note, for information.

Annexure-I

List of goods covered by IGST exemption under Ad hoc Exemption Order No. 4/2021-Customs dated 03.05.2021

S.No.	Chapter or heading or sub-heading or tariff item	Description of goods
(1)	(2)	(3)
1.	29	Remdesivir Active Pharmaceutical Ingredients.
2.	29	Beta Cyclodextrin (SBEB CD) used in manufacture of Remdesivir, subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.
3.	30	Injection Remdesivir.
4.	3822, 3002	Inflammatory Diagnostic (marker) kits, namely- IL6, D-Dimer, CRP(C-Reactive Protein), LDH (Lactate De-Hydrogenase), Ferritin, Pro Calcitonin (PCT) and blood gas reagents.
5.	9019 20, 9804	Oxygen concentrator including flow meter, regulator, connectors and tubings.
6.	2804 40	Medical Oxygen
7.	8421 39	Vacuum Pressure Swing Absorption (VPSA) and Pressure Swing Absorption (PSA) oxygen plants, Cryogenic oxygen Air Separation Units (ASUs) producing liquid/gaseous oxygen.
8.	7311	Oxygen canister.
9.	9018	Oxygen filling systems.
10.	7311	Oxygen storage tanks
11.	9018	Oxygen generator
12.	7311	ISO containers for Shipping Oxygen
13.	7311, 8418 or 8419	Cryogenic road transport tanks for Oxygen
14.	7311, 8418 or 8419	Oxygen cylinders including cryogenic cylinders and tanks
15.	Any Chapter	Parts of goods at S.No.1 and 3 to 10 above, used in the manufacture of equipment related to the production, transportation, distribution or storage of Oxygen, subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

16.	9019	Any other device from which oxygen can be generated
17.	9018 or 9019	Ventilators, including ventilator with compressors; all accessories and tubings; humidifiers; viral filters (should be able to function as high flow device and come with nasal canula).
18.	9018	High flow nasal canula device with all attachments; nasal canula for use with the device.
19.	6506 99 00	Helmets for use with non-invasive ventilation.
20.	9019	Non-invasive ventilation oronasal masks for ICU ventilators.
21.	9019	Non-invasive ventilation nasal masks for ICU ventilators.
22.	3002	COVID-19 vaccine.

Agenda Item 9A(iv) - Proposal to exempt government departments/entities, governmental authorities/local authorities from the requirement to issue e-invoice

In terms of Notification No. 13/2020 – CT dated 21.03.2020, as amended, provisions related to issuance of e-invoice in respect of B2B supplies were rolled out, in phases, as below:

- a. w.e.f. 01st October, 2020 first phase of e-invoicing was rolled out for the taxpayers having aggregate turnover exceeding Rs. 500 Cr in any preceding financial year from 2017-18 onwards;
- b. w.e.f. 01st January 2021 second phase of e-invoicing was rolled out for the taxpayers having aggregate turnover exceeding Rs. 100 Cr in any preceding financial year from 2017-18 onwards; and
- c. w.e.f. 01st April 2021 third phase of e-invoicing was rolled out for the taxpayers having aggregate turnover exceeding Rs. 50 Cr in any preceding financial year from 2017-18 onwards.

2. In terms of the aforesaid notification, the following registered persons are exempted from issuance of e-invoice, even if their aggregate turnover exceeds Rs 50 crores:

- a. Special Economic Zone Units
- b. Insurers
- c. Banking companies or financial institutions, including a non-banking financial company (NBFC)
- d. Goods Transport Agency (GTA) supplying services in relation to transportation of goods by road in a goods carriage
- e. Suppliers of passenger transportation service
- f. Suppliers of services by way of admission to exhibition of cinematograph films in multiplex screens
- g. Persons registered in terms of rule 14 of CGST Rules (OIDAR)

3. A reference was received from Government of West Bengal to exempt Government departments and local authorities from the requirement of issuance of e-invoice for reducing compliance burden of said entities. Accordingly, the issue was deliberated by the Law Committee in its meeting held on 17.03.2021. Law Committee has recommended exempting Government departments and local authorities from the requirement of issuance of e-invoice.

4.1 The impact of proposed exemption has also been analysed in terms of total B2B invoices issued by Government departments and Local authorities vis-à-vis total B2B invoices issued and percentage of input tax credit (ITC) passed on such invoices. The data, for number of such GSTINs based on turnover for FY 2019-20 and for value of B2B supplies and ITC passed by such entities for a sample month of December, 2020, is tabulated below:

Table-1 (No. of GSTINs)

Turnover Slab on F.Y 2019-20	No. of GSTIN			%age of Rest of All against total	%age of GOV+LOC against total
	Governm ent	Local Bodies	Rest of all		
50 to 100 Cr	38	10	31810	99.85%	0.15%
100 to 500 Cr	62	32	26836	99.65%	0.35%
Above 500 Cr	48	17	7016	99.08%	0.92%
Grand Total	148	59	65662	99.69%	0.31%

Table-2 (B2B Supply Value)

(Amounts in Cr.)

Turnover Slab on F.Y 2019-20	B2B Supply Value			%age of Rest of All against total	%age of GOV+LOC against total
	Governm ent	Local Bodies	Rest of all		
50 to 100 Cr	164.71	7.25	1,68,244.82	99.9%	0.1%
100 to 500 Cr	601.91	226.48	3,80,320.77	99.78%	0.22%
Above 500 Cr	13,914.54	647.45	7,23,300.89	98.02%	1.98%
Grand Total	14,681.16	881.18	1271866.47	98.8%	1.2%

Table-3 (ITC Flow)

(Amounts in Cr.)

Turnover Slab on F.Y 2019-20	ITC Flow			%age of Rest of All against total	%age of GOV+LOC against total
	Governm ent	Local Bodies	Rest of all		
50 to 100 Cr	20.48	1.27	22,360.22	99.9%	0.1%
100 to 500 Cr	70.05	36.20	53,534.87	99.8%	0.2%
Above 500 Cr	849.38	102.82	1,05,430.23	99.1%	0.9%
Grand Total	939.91	140.29	1,81,325.32	99.41%	0.59%

- 4.2 Analysis of data shown in Table 1, 2 and 3 above suggests the following:
- a. Out of total GSTINs required to issue e-invoice, number of GSTINs for government departments and local authorities constitute only 0.31%.
 - b. Value of B2B Supply made by such government departments and local authorities is 1.2% of all B2B supplies.
 - c. ITC passed through B2B invoices by such government departments and local authorities is 0.59% of total ITC flow.
- 4.3 Thus considering that contribution of government departments and local authorities to value of B2B supplies as well as ITC flow is a miniscule percentage i.e. 1.2% of value of total B2B supplies and 0.59% of total ITC flow respectively, the proposal to grant exemption to government departments and local authorities from requirement of issuance of e-invoice, as recommended by Law Committee in its meeting dated 17.03.2021, may be considered.
5. The issue is placed before the GST Council for deliberation and approval.

Agenda Item 11: Issues recommended by the Fitment Committee for the consideration of the GST Council

Agenda Item 11(i): Covid-19 related recommendations

This agenda note deals with representations/recommendations received from States, Ministries and other stake holders (trade and individuals) seeking reduction/exemption in GST rates on items being used for Covid-19 relief. These representations/recommendations can be broadly classified under two categories as under, -

- A. Requests for enhancement of the scope of Ad hoc Exemption Order No. 04/2021-Customs dated 03.05.2021 for Covid-19 relief goods received from abroad; and
- B. Requests for reduction in GST rates on Covid-19 related drugs, vaccines and other goods/equipment.

In certain cases, petition for relief has been directly filed before the Hon'ble High Courts, mostly relating to personal import of concentrator.

2. These issues have been considered in detail by the Fitment Committee and are summarised below, -

A. Requests for enhancement of the scope of Ad hoc Exemption Order No. 04/2021-Customs dated 03.05.2021

2.1 Amidst the surging second wave of the COVID-19 pandemic, requests have been received for exempting COVID-19 relief material donated from abroad and meant for free distribution, from customs duties, including IGST. In view of the exceptional circumstances, an Ad Hoc Exemption Order No. 4/2021-Customs dated 3.5.2021 was issued granting exemption from IGST on those goods for COVID-19 relief imported free of cost for free distribution, till 30th June, 2021. The Basic Customs Duty (BCD) and Health Cess has also been exempted on these items vide separate notifications.

2.2 In this regard, representations have been received from various States, Ministries and other offices of Centre as well as other stakeholders to extend the IGST exemption to goods specified in the Ad hoc Exemption Order No. 04/2021-Customs dated 03.05.2021, when these are imported, -

- (a) at own cost by UN and its agencies, especially WHO, UNICEF and UNDP for free distribution to States and other agencies;
- (b) at own cost by donor organisations based in India, whether governmental, non-governmental or purely private, for free distribution or donation to government; and
- (c) by corporates by their Corporate Social Responsibility (CSR) funds, for free distribution either to State or any hospitals/facilities involved in Covid-19 management.

2.3 The above representations were discussed in the Fitment Committee and the Committee was of the view that there was merit in extending the IGST exemption to import of the specified Covid relief material by any entity, at its own cost, for free distribution or donation to government or hospitals/facilities involved in Covid-19 management, subject to such conditions as may be prescribed to prevent misuse of this exemption. This exemption may terminate on the same date as Ad hoc exemption terminates (30.6.2021). The proposal for consideration of the Council is that exemption

from IGST be granted to import by any person if such goods are supplied to Central or State Government or to any not-for-profit hospital/facility involved in Covid 19 management. The condition of this exemption may be that the (i) importer shall submit a letter from the donee that the importer shall be donating the imported goods to them, and (ii) the importer shall, within 3 months from imports, submit a letter from donee that imported goods were received by them.

B. Requests for reduction in GST rates on Covid-19 related drugs, vaccines and other goods/equipment

3.1 Representations have also been received from various stakeholders for reduction in GST rates on specified goods being used in Covid-19 relief in the current wave of the pandemic. These requests are broadly related to reduction in GST Rates on, -

- (a) Covid-19 Vaccine;
- (b) Covid-19 related drugs and medicines; and
- (c) Other goods/equipment being used for Covid management and relief.

3.2 While examining these views, the Fitment Committee was broadly of the view that while there is need for providing relief by way of GST concessions for identified Covid-19 relief items, certain aspect relevant to decision making need consideration, which are as follows:

- (i) Relief may be considered only by way of rate reduction
- (ii) Upfront exemption to manufactured goods is not desirable as exemption adversely impact domestic manufacturing
- (iii) The general lowest rate of GST is 5%. Therefore, on merit 5% rate be considered where concession is to be considered. Any special lower rate may not be opted for considering 5% is a nominal rate, it the lowest standard rate that applies to other lifesaving medicines.
- (iv) The purchase of goods by Government may not require exemption as cost is paid by the Governments. Tax also goes to Government.
- (v) GST concessions should essentially be considered on those items which are critical and are procured by patients.
- (vi) Zero rating of items for domestic consumption is not permissible in law.

3.3 Further, the Fitment Committee also took note of the Writ Petitions being filed in various High Courts of the country seeking IGST exemption on personal imports of Oxygen Concentrators (received as gifts).

3.4 The proposal for reduction in IGST rate on Oxygen Concentrators and other critical goods and equipment for Covid-19 was discussed in detail and the recommendation thereon are mentioned in para 3.7 below.

Covid-19 Vaccine

3.5 With regard to Covid-19 Vaccine, the Committee was of the view that such vaccines are already in the lowest GST rate slab of 5%. These are almost entirely being procured by the Centre and State governments and being provided free of cost. GST paid would ultimately accrue to Centre and the States itself. On the other hand, granting complete exemption would result in increased cost of production because the domestic manufacturers of Covid-19 vaccines would not be able to take Input Tax Credit (ITC) on tax paid on their input goods and services. Accordingly, the Fitment Committee was of the view that Covid-19 vaccines may continue at 5% rate.

Covid-19 related drugs and medicines

3.6 With regard to Covid-19 related drugs and medicines, including anti-body cocktails, the Fitment Committee noted that most of the drugs being used in Covid-19 management are already at a concessional rate of 12% or 5%. Further, the Covid-19 treatment protocol was also undergoing changes based on new learnings and studies on efficacy of drugs and medicines being used. That being so, the committee while in principle arriving at a view that the GST rate on such Covid-19 related drugs and medicines should be lower, it may not be feasible to identify any particular drug that is meant for Covid cure. Committee also observed that recently Remdesivir has also been removed by WHO from official medical list. If, Ministry of Health and Family Welfare, later recommends any medicine specifically the same may be examined for GST concession.

Other goods/equipment being used for Covid management

3.7 The Fitment Committee also discussed the representations on reduction in Other goods/equipment being used for Covid management and relief and recommendations of the Committee in this regard are as under, -

S. No.	Description of Goods	Present GST Rate (%)	GST Rate recommended by Fitment Committee (%)	Comments
A. Recommendation of Fitment Committee for change in GST rate on Goods				
1.	Medical Grade Oxygen	12%	5% till 31.07.2021	<ul style="list-style-type: none">Keeping into account the present situation, Fitment Committee took a view to reduce GST on Medical Oxygen, Oxygen Concentrators and other oxygen generating equipment to 5% until 31st July, 2021.Full exemption from GST is not recommended as that would result in increased cost of production of these goods because their domestic manufacturers would not be able to take ITC on tax paid on their input goods and services.
2.	Oxygen Concentrators/generator	12%	5% till 31.07.2021	
3.	Pulse Oximeters including personal imports	12%	5% till 31.07.2021	

S. No.	Description of Goods	Present GST Rate (%)	GST Rate recommended by Fitment Committee (%)	Comments
				GST Rate to 5% until 31 st July, 2021.
4.	Covid Testing Kits	12%	5% till 31.08.2021	<ul style="list-style-type: none"> Owing to the increased demand for Covid-19 testing during the current wave of the pandemic, the Fitment Committee was of the view that the GST rate on such testing kits be reduced to 5% till 31.08.2021.
B. Items where no change of GST Rate proposed by Fitment Committee				
1.	PPE Kits	5%	No change	<ul style="list-style-type: none"> PPE Kit and mask are already at 5%. There is substantial production of these goods in the country. Hand sanitizer is a common use item. Even soap is at 18%. Masses use soap. Ventilators is not an item for procurement by an individual. It is not as critical and short supply as oxygen concentrator. 12% is a reasonable rate as applies to all medical equipment and hence it may continue at 12% Full exemption from GST is not recommended as that would result in increased cost of production of these goods because their domestic manufacturers would not be able to take ITC on tax paid on their input goods and services
2.	N95 masks/ triple layer masks, Surgical masks	5%	No change	
3.	Ventilators	12%	No change	
4.	Hand sanitizers	18%	No change	
5.	Temperature check equipment	18%	No change	
6.	Ambulances	28%	No change	<ul style="list-style-type: none"> The Fitment Committee did not recommend any change in GST rate as a

S. No.	Description of Goods	Present GST Rate (%)	GST Rate recommended by Fitment Committee (%)	Comments
				majority these ambulances are modified after clearance as normal vehicles. <ul style="list-style-type: none"> Ambulances are for institutional sale.
7.	Portable Hospital Units	18%	No change	<ul style="list-style-type: none"> The Fitment Committee was of the view that such Portable Hospital Units have very limited use in the context of Covid-19 management. The Fitment Committee accordingly did not recommend any change in GST rate on these goods.
8.	Raw materials for manufacture of Covid Testing Kits	Applicable Rate	No change	<ul style="list-style-type: none"> The Fitment Committee was of the view that these are goods are in the nature of inputs and the GST paid on such goods is available as ITC to the buyers thereof. Accordingly, the Fitment Committee did not recommend any change in GST rate on these goods.
9.	RT PCR machines	18%	No change	
10.	RNA extraction machines	18%	No change	
11.	Genome sequencing kits and machines	12% / 18%	No change	
12.	Specified Inflammatory Diagnostic Kit namely D-Dimer, IL-6, Ferritin and LDH	12%	No change	<ul style="list-style-type: none"> The Fitment Committee was of the view that these diagnostic kits are used for diagnosis of diseases other than Covid-19 also. Accordingly, the Fitment Committee did not recommend any change in GST rate on these goods.

3.8 It is also to mention that in a petition filed before the Hon'ble Delhi High Court (WP No. 16554/2021) the Hon'ble Delhi High Court, vide order dated 21.5.2021, has given relief and has interpreted that exemption is available to the petitioner from IGST, on personal import of concentrator as gift, vide an entry 607A of notification 50/2017-Cus. This entry was inserted on the recommendation of GST Council (23rd meeting held on 10.11.2017.). Said entry 607A provides

exemption for lifesaving drugs and medicines for personal use, supplied free of cost by overseas supplier' subject to the similar condition of certification by prescribed medical authorities. In the process, Hon'ble Court has also waived of the condition as prescribed as being impractical and inefficacious and replaced the requirement of certification by medical authority in each case by a self-certification by the importer. Court has stated that drugs include oxygen concentrator and therefore covered under this exemption. It may be mentioned that Court was apprised the GST Council shall be looking at the issues of General exemption from GST on COVID relief items. Hon'ble Council shall be updated of action taken in the matter during the meeting of the Council.

Agenda Item 11(ii): Other recommendations of the Fitment Committee related to changes in rates on goods or issuance of clarifications related to goods

Recommendations made by the Fitment Committee for making changes in GST rates or for issuance of clarification in relations to goods

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
1.	Diethylcarbamazine tablet (DEC) supplied to WHO, India by SEZ unit	30	12%	Nil	<ol style="list-style-type: none"> 1. Diethylcarbamazine tablet (DEC) is a part of treatment regime recommended by World Health Organization (WHO) and is used in the Mass Drug Administration to eliminate Lymphatic Filariasis (LF) as a Public Health problem through its Global Programme to Eliminate Lymphatic Filariasis (an endemic disease). India is also a beneficiary of this programme. It is estimated that 51 million people globally (2018) suffer from this deadly disease, with major share in India. 2. World Health Organization (WHO) has been supporting the LF elimination programme in India by providing drugs, diagnostics and technical support. 3. There is only one company located in an SEZ unit which is the sole donor of this medicine to WHO India 4. In normal course, free supplies when made in the domestic tariff area, no GST is attracted. However, in this particular case the supplier is located in SEZ. 5. As per section 30 of the SEZ Act, 2005, supplies to Domestic Tariff Area from SEZ are chargeable to duties and tax as is leviable on such goods when imported. Hence, even though, the SEZ supply to WHO is free of cost (donation) but being on par with imports, it attracts GST of 12% (as applies to the said medicine). 6. The company has paid GST on donations made to WHO and has put on hold further supplies unless the matter has been sorted. Ministry of Health and Family Welfare has also recommended early resolution of the issue.

					7. Fitment Committee considering the importance of this medicine, and also realising that domestic units when making exempted or gift supplies are also required to reverse Input tax credit, felt that instead of exempting the supply, it would be appropriate to reduce the GST rate on this item from 12% to 5% on Diethylcarbamazine tablet (DEC).
2.	All goods (although specific case pertains to Re-imported aircraft parts)		As applicable	Clarificatory amendment	<ol style="list-style-type: none"> 1. Briefly, the issue is that re-import of goods sent abroad for repair attracts customs duty and IGST on a value equal to the repair value, insurance and freight. 2. The method of valuation and exemption to the value in excess of repair, insurance and freight cost has been provided through notification No. 45/2017-Cus. 3. In fact the issue of 5% imports on imports of such repaired items for civil aviation industry has been discussed at length in the context of Ministry of Civil Aviation and industry request that credit of this tax is not eligible to them as ITC in view of the restriction imposed on them for taking ITC on input goods. In other words, industry has been fully aware that this levy is attracted. 4. However, the CESTAT in the case of Interglobe Aviation Limited vs. Commissioner of Customs, IGI Airport, New Delhi vide its order No. 51226 – 51571/2020 has taken a view that no IGST shall be chargeable on such imports, including on the value of repair, insurance and transport taking technical view on the relevant notification, which has existed since 1996 and was continued in GST, merely citing a reason that while in the preamble, IGST has been mentioned but at other places in the notification, IGST has not been mentioned (but only duties of customs has been mentioned- which is a continuation from Pre-GST regime). Accordingly, it has taken

					<p>a view that the intention is to exempt IGST.</p> <p>5. The intention has clearly been to impose customs duty and IGST on re-import of goods on a value that represents the cost of repair, insurance and freight. In the pre-GST period also, reimport attracted basic customs duty and additional duty equal to excise and the special additional duty of customs in lieu of VAT. As stated above, the pre-GST dispensation was carry forwarded to GST and in place of additional duty of Customs, IGST was duly replaced in the preamble of the notification, while the phrase, “duty of customs” continued as is at the entry level.</p> <p>6. The judgment has been challenged in the Hon’ble Supreme Court.</p> <p>7. In the above background, it would be appropriate if the issue is explicitly clarified, and if required clarificatory amendment be made in the notification in consultation with Law Ministry, along with detailed clarification.</p> <p>8. The Fitment Committee agreed with the proposal and recommends that the decision of the GST Council that re-import of goods sent abroad for repair attracts IGST on a value equal to the repair value, insurance and freight, may be explicitly clarified, making the intention clear, in the light of discussion that has taken place in the Council meetings on the issue.</p>
3.	Parts of the Sprinklers/Drip irrigation system supplied separately if	8424	12%	Clarification / Amendment	<p>1. The issue of GST on sprinkler system including lateral has been discussed in past in the Council. Initially, GST rate on nozzles for sprinkler system was prescribed at 12%.</p> <p>2. Subsequently, in 24th GST council meeting, dated 16th December, 2017, the Hon’ble Minister from Karnataka suggested that rate of tax on the components specifically used for micro irrigation works should be</p>

					<p>brought down from 18% to 12%. The council referred the matter to the fitment committee.</p> <p>3. In 25th GST council meeting, dated 18th January, 2018, the fitment committee recommended concessional 12% GST for micro irrigation systems, namely, sprinklers, drip irrigation system, including laterals, falling under heading 8424. This recommendation was approved by the Council.</p> <p>4. The entry 195B was inserted under Schedule II of notification no. 1/2017- Central Tax (Rate), dated 28th June, 2017. This entry read as below “195B (heading 8424) Sprinklers; drip irrigation system including laterals; mechanical sprayers-12%” Nozzles for sprinkler system (falling under heading 8524) also attract GST of 12% vide entry 195AA.</p> <p>5. However, recently, doubts were raised whether the parts of the sprinklers/drip irrigation system would attract 12% or 18% GST rate, if supplied separately rather than along with the sprinkler/drip irrigation systems.</p> <p>6. To remove these doubts, Fitment Committee recommends issuance of clarification to the effect that the parts of the sprinklers/drip irrigation system falling under heading 8424 (laterals and nozzles) attract GST rate of 12%, whether these are supplied separately or along with sprinklers/drip irrigation system. Other parts and components, falling under headings other than 8424, attract the GST rate as applicable for that respective heading.</p>
4.	Toy balloons made up of natural rubber latex	9503	5%	Clarification / Amendment	<p>1. Ambiguity over the classification of ‘toy balloons made of natural rubber latex’ arose because of the substitution of S. No. 259A of the notification Nos.1/2017- Central Tax (Rate), dated the 28th June, 2017 vide Notification No.</p>

					<p>41/2017- Central Tax (Rate), dated 14th November 2017.</p> <ol style="list-style-type: none"> 2. According to above entry, 'toy balloons made of natural rubber latex' is classifiable under heading 4016 or 9503. 3. However, clause (h) of HSN Explanatory notes to heading 4016 clearly specifies that the said heading does not cover "Toy, games and sports requisites and parts thereof of Chapter 95". 4. Also, clause (vii) under section (D) HSN Explanatory notes to heading 9503 clearly specifies that the said CTH includes 'toy balloons'. 5. Therefore, entries against S. No. 259A of the notification No.1/2017-Central Tax (Rate), dated the 28th June, 2017 needs to be modified to make it applicable for heading 9503 only. 6. Suitable changes in the Customs side have already been done in the Union Budget 2021-22. 7. Fitment committee recommends to issue necessary clarification/ amendment to the notification No. 1/2017-Central Tax (Rate), dated the 28th June, 2017 to provide that 'toy balloons' are classifiable under heading 9503.
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Issues not recommended for change in GST Rate and Issues deferred by the Fitment Committee for further examination in relation to goods

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
1.	Fortified Rice Kernel (Premix)	1904	18%	Rate reduction	<p>1. Fortified rice kernel (premix) is produced at substantive value addition over normal rice. Fortified Rice Kernel (FRK) is a reconstituted rice grain made from rice flour, vitamins, and minerals using hot extrusion technology. Thus, FRK is a value-add product. So exempting it would not be appropriate.</p> <p>2. Fitment Committee deferred the issue on the grounds that the matter will be examined when Fortified rice becomes part of the Public distribution system.</p> <p>3. Also Fitment required that more information be collected from the Department as regards estimated volumes, pricing, input costs, and value addition in the manufacture of fortified rice kernel for taking a view.</p>
2.	Branded Pulses and Food Grains		5%	Nil	<p>1. The GST Council discussed rate on food grains put up in unit container and bearing a brand name in great detail and recommended 5% GST rate on the same.</p> <p>2. Subsequently, to check tax avoidance certain changes were made in the provision, including that if a dealer foregoes an actionable claim against his brand name, no GST will apply.</p> <p>3. There is adequate protection in GST for</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					<p>small suppliers. Such small suppliers are covered under turnover threshold exemption from GST. Further, small suppliers can opt for the composition scheme and pay tax at the rate of 1% of the turnover. This limit for the composition scheme has been increased by GST Council to Rs 1.5 Crore.</p> <p>4. Presently, due to the rate differential between branded and unbranded food items, the small and medium enterprises get some advantage and thus are benefitted.</p> <p>5. Branded food is sold at a premium over the unbranded food items.</p> <p>6. The issue of rate reduction on branded pulses and food grains was placed before the GST Council in its 31st and 37th meetings, but was not recommended by the Council.</p> <p>7. Fitment Committee accordingly, deferred the issue and desired more information be collected in the matter.</p>
3.	Oil used for lighting divine lamps generally called as Deepam Oil	1515/3307		5%	<p>1. Normally, lamp (Pooja) oil is classified under HS 15180040 and accordingly attracts 12% GST.</p> <p>2. In case of edible oils, 5% GST is leviable on those vegetable oils which are not chemically modified attract 5% GST.</p> <p>3. Therefore this issues requires more information regarding deepam oil that is said to be classified under heading 3307 and attract higher GST rate</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
4.	Baker's Yeast	21021020	12%	5%	<ol style="list-style-type: none"> 1. Baker's yeast is a commercial preparation consisting of dried cells of one or more strains of the fungus <i>Saccharomyces cerevisiae</i>, used as a leavening in baking. It is produced on industrial scale. It is already at concessional GST rate of 12%. 2. The GST rate has been fixed on the pre-GST tax incidence on these goods. 3. Further, all goods in [HS 2102] attract 12% GST. 4. The request to reduce GST on baker's yeast has already been put before the GST Council (28th, 31st and 37th meeting) and has not been recommended. 5. Fitment Committee deferred the issue to deliberate further on the issue.
5.	Scented sweet supari	21069030	18%	5%	<ol style="list-style-type: none"> 1. Pre-GST supari attracted Central Excise duty at the rate of 12.5%. The weighted average VAT rate was around 5%. Therefore, based on the pre-GST tax incidence the rate for supari was kept at 18%. 2. Reducing the GST rates on betel nuts (supari) would reduce protection to the domestic supplier's vis-à-vis the imports. 3. The request to reduce GST on scented sweet supari has already been put before the GST Council (31st and 37th meeting) and has not been recommended. 4. Fitment Committee deferred the issue to deliberate further on the issue

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
6.	De-oiled Rice Bran (DORB)	2306	Nil	5%	<ol style="list-style-type: none"> 1. Rice Bran was initially at Nil rate. The GST Council in its 25th Meeting held on 18.01.2018 decided to levy 5% GST on Rice Bran and Nil GST on De-Oiled Rice Bran. 2. This issue was further discussed in the GST Council in its 26th Meeting held on 10.03.2018. 3. However, as mention by the Department of Food has mentioned, Rice Bran is now being sold as de-oiled rice bran. This is causing revenue loss on one hand and reduced availability of rice bran for oil extraction. 4. Levy of 5% duty on De-oiled-Rice Bran will put it at par with other inputs to cattle feed such as oil meal cakes (other than cotton oil cake) and will also simplify the input chain. 5. Fitment Committee felt that this issue would have ramifications for the agriculture sector and recommended that the matter may be deferred for assessing the implication in detail with further inputs.
7.	Unmanufactured Tobacco	2401	28% + compensation cess 65%/71%	5%	<ol style="list-style-type: none"> 1. GST Council has recommended highest tax rate of 28% on unmanufactured tobacco (except tobacco leaves on which tax rate is 5%) 2. This is in consonance with the policy to tax tobacco and tobacco products at the highest rate as they are sin goods. 3. Further, burden of tax is not on farmers as tax on tobacco leave is 5%

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					under RCM. 4. As this would have significant revenue implications, the Fitment Committee deferred the issue.
8.	Smokeless tobacco products	2403 99	28% + compensation cess at varying rates	Requested to study the impact of GST rates which leads to evasion of tax on tobacco products	1. The GST Compensation cess rates on smokeless tobacco products were fixed based on the pre-GST tax incidence of tobacco products as recommended by the GST Council. 2. The request was to conduct a study of the impact of GST rates on the extent of evasion of GST. 3. Fitment Committee deferred the issue till the study is conducted.
9.	COVID cess on Tobacco product	24	Nil	Not specified	1. As per Article 279(A)(4)(f) of the Constitution of India, the GST Council may recommend any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster. 2. However, this requires detailed examination and further information as to implication of imposition cesses to the revenue. 3. Further, Fitment may not be in a position to take a view on any new cess.
10.	Raw Tobacco Leaves	2401		Clarification is needed on the tax rate on the sale of "Raw Tobacco Leaves"	1. The issue requires further elaboration as to what is the exact issue for clarification. 2. Accordingly, fitment deferred the issue.
11.	Lime Stone (Calcareous Building stone) whether rough	2515 20 90	18%	5%	1. Napa stone is a variety of dimensional limestone. 2. At the time of initiation of GST, polished Napa

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
	slabs or polished slabs (Polished Napa Stone)				<p>stone tiles attracted 28% GST based on pre-GST tax incidence. Subsequently during the 22nd GST Council meeting held on 6th October, 2017, the GST Council recommended reduction in GST rates on polished Napa stone from 28% to 18%. Subsequently the issue was discussed in the 25th GST Council meeting held on 18th January, 2018, wherein the Council did not agree to the request on the grounds that 18% GST is applicable on types of flooring materials and an ad valorem rate will ensure lower tax in absolute terms on low priced items.</p> <p>3. In the 28th GST Council meeting held on 21st July, 2018 it was decided to reduce GST rates on Kota stone and similar stones (except marble and granite) other than ready to use mirror polished stones. The entry in the notification was drafted in consultation with the State of Rajasthan and Andhra Pradesh.</p> <p>4. Currently all polished stone tiles; including other similarly place stones like Kota stone as well as ceramic tiles attract 18% GST rates.</p> <p>5. Fitment Committee desired that GST Council has taken a conscious view and this issue has been deliberated at length.</p> <p>6. It desired that additional information may be</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					collected from states about production volumes, revenue implication, other stones similarly placed etc.
12.	Inclusion of ATF and Natural Gas under GST	2710/2711	-	-	<ol style="list-style-type: none"> 1. As per Article 279 A (5) of the Constitution, the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). As per the section 9(2) of the CGST Act,2017, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council has not made any recommendation for inclusion of petroleum crude under GST. 2. The Council shall take a view on the issue at opportune time.
13.	Oncology medicine	30	12%	Nil	<ol style="list-style-type: none"> 1. As per serial number 180 of Schedule –I of notification No. 1/2017-Central Tax (Rate), certain drugs, including few used in cancer treatment, attract reduced GST rate of 5%. 2. Most APIs for medicines under Chapter-29 attract GST at rate of 18% and blanket exemption to oncology medicines will further aggravate duty inversion. 3. The request for oncology medicines is too generic for implementation and requests for specific medicines may be

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					considered as and when received. 4. Fitment Committee observed that such concessions should be granted only on the recommendations of the Ministry of Health and Family Welfare or Department of Pharmaceuticals and accordingly deferred the issue.
14.	Medicines & Pharmaceutical Preparations	29/30	12%	5%	1. As per serial number 180 of Schedule –I of notification No. 1/2017-Central Tax (Rate), certain specified drugs attract reduced GST rate of 5%. 2. The request for reduction in GST for ‘medicinal and pharmaceutical preparations’ is too generic for implementation and requests for specific medicines/ pharmaceutical preparations may be considered as and when received. 3. Fitment Committee observed that such concessions should be granted only on the recommendations of the Ministry of Health and Family Welfare or Department of Pharmaceuticals and accordingly deferred the issue.
15.	Waste, paring and scrap of polyurethanes	3915 90 63	5%	18%	1. The justification given for rate change is that under the guise of waste, paring and scrap of polyurethanes, fresh sheet are being supplied. This is leading to tax evasion. 2. The GST rate on ‘waste,

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					<p>parings or scrap, of plastics' under CTH 3915 was reduced to 5% from 18% vide S. No. 187A introduced by notification No. 34/2017-C.T (rate) dated 13.10.2017 as per decision taken in 22nd Meeting of GST Council held on 06.10.2017.</p> <p>3. The matter of mis-classification of virgin/fresh goods as waste to avail lower GST rate is an enforcement issue.</p> <p>4. This issue may require general examination of different kind of scrap which are at 5%, and are industrial inputs for goods attracting higher rates, for taking a conscious view. And require examination in some detail.</p> <p>5. Fitment Committee deferred the matter for further examination.</p>
16.	Products of Handloom weavers Association	Any Chapter	5%	Nil	<p>1. Reducing GST to Nil will result in blockage of input tax credits and increased cost for such domestic manufacturers and will not benefit consumer.</p> <p>2. Fitment Committee deferred the matter for further examination and desired that further information for examination of this issue be collected.</p>
17.	Raw silk & other silk weaving materials	50	5%/Nil	Nil	<p>1. Reduction in GST Rate to Nil may not help.</p> <p>2. It increases the cost for manufacturer as his ITC gets blocked.</p> <p>3. Raw Silk is already at nil rate.</p> <p>4. Fitment Committee</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					deferred the matter for further examination.
18.	Agricultural machinery / implements	8432 / 8433 / 8436	12%	5%	<p>1. The issue was discussed during the 37th GST Council Meeting. The Council did not recommend reducing GST rate on agricultural machinery from 12% to 5% based on following reasons:</p> <p>a. Raw materials for these machineries such as iron steel, plastic, and other metals, in general, attract 18% GST. Reduction in GST from existing 12% to 5% will deepen the duty inversion.</p> <p>b. Lowering rate from GST rate will lead to cascading of input taxes and lower GST rate will result in refund of accumulated ITC with associated carrying cost.</p> <p>c. Lowering rate from GST on manufactured goods will result in negative protection to domestic manufacturers vis-a-vis imports.</p> <p>2. Fitment Committee deferred the matter.</p>
20.	Fountain Pens, Stylograph Pens Parts and components of writing instruments covered under HSN 9608 60 and 9608 91	9608	18%	12%	<p>1. 31st GST Council Meeting did not recommend reduction in GST rate on Fountain pens and stylograph pens as these pens attract GST @18 % based on pre-GST tax incidence [12.5% GST + 4%-5% VAT].</p> <p>2. Whereas all other Pens falling under Heading</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					<p>9608 are subject to a concessional GST @12%.</p> <p>3. This issue would require more information for examination</p> <p>4. Fitment Committee deferred the matter.</p>
21.	Lithium ion batteries used in electric vehicles and on battery charging service	8507 60 00	18%	Reduce	<p>1. GST Council in its 28th Meeting had recommended reduction of GST rate on lithium-ion batteries from 28% to 18%.</p> <p>2. Other batteries still attract GST at the rate of 28%.</p> <p>3. In addition, Lithium ion batteries for EV are an input and the manufacturer of the EV is eligible for complete ITC and refund of accumulated credit.</p> <p>4. Issue was deferred.</p>
22.	UPS Systems sold along with batteries as integral part	8507 or 8504	28% or 18%	Clarification needed whether to classify the subject goods under 8507 or 8504	<p>1. Fitment Committee felt that exact issue with details and implication be prepared for further discussion.</p> <p>2. Accordingly deferred the issues while noting that UPS system attract 28% as per existing rates.</p>
23.	Parts of pre-used motor vehicles	8708	28%	5%	<p>1. Broadly the fitment's view was that:</p> <p>a. In GST regime, end use based exemption is not feasible and also not desirable.</p> <p>b. Creating more than one rate for same category of goods is also prone to misuse.</p> <p>c. Further, schemes are being designed in order to promote the domestic manufacturing of these parts in India and reducing rate to</p>

S. No.	Description	HSN	Present GST rate	Requested GST rate	Comments
					5% will act against the concept of localisation as lower GST will incentivise the imports.
24.	Branded Fortified Rice	1006	5%	Nil	<ol style="list-style-type: none"> 1. Branded rice fortified with Fortified Rice Kernels (FRK) attracts 5% GST rate, on par with other branded goods. 2. The issue of exemption of fortified staples has been placed before the GST Council in its 37th meeting and was not recommended by the GST Council. 3. Further, specific exemption to Fortified staples will be difficult to implement and may lead to leakages and misclassification. 4. Fitment Committee does not recommend any reduction in present GST rate.

Agenda Item 11(iii): Recommendations of the Fitment Committee on Services

A. Actionable

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
1.	To clarify that supply of food in Schools and Anganwadis by a section 12AA Registered Charitable Institution with the support from government, in the form of grant and subsidy, is not a supply under GST Laws.	<p>The AkshayaPatra Foundation is a charitable trust providing food to nearly 18 lakh students in 16856 government schools and Anganwadis without any consideration either in monetary or non-monetary nature from the students or schools.</p> <p>The input costs are funded by government grants and corporate donations. The charitable activities are affected due to lack of clarity on whether output services are taxable or not.</p> <p>Rajasthan Advance Ruling Authority in its order dated 9th January 2019 held that such grants received from government are a consideration for supplying the charitable activity. Because of the ruling, there is an uncertainty in the taxability of charitable feeding services.</p>	<p>Recommendation:</p> <p>Clarification may be issued by way of a circular that (a) services supplied to an educational institution by way of serving of food including mid- day meals under any midday meals scheme sponsored by the Central Government, State Government or Union territory is exempt from levy of GST irrespective of its funding from government grants or corporate donations, and (b) that educational institutions as defined in the notification include anganwadis as they provide pre-school education.</p> <p>AkshayaPatra Foundation is a charitable trust registered under section 12AA of IT Act which is providing food to students in government schools and Anganwadis identified by the Government. The trust enters into agreement with the Government and Government provides financial support in the form of grant to meet the conversion cost of food. Further, it also receives donation from corporate/ private bodies to meet the cost of running centralized kitchen and distribution of food.</p> <p>From the representation it is seen that in the case of the Mid-day meal scheme, Government has specified the recipients, i.e. the school and anganwadis. Vide sl. No. 66 clause (b)(ii), services provided to an educational institution, by way of catering, including any midday meals scheme sponsored by the Central Government, State Government or Union territory is exempt from levy of GST. Serving of food in schools covered under MDM Scheme would be exempt</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>irrespective of its funding from government grant or corporate donation.</p> <p>Anganwadis also provide preschool education apart from other facilities and activities for mother and child. Therefore, explanation may be inserted in definition of educational institution that "pre-school education includes education at anganwadis.</p> <p>The definition of consideration provided in clause (b) of section 2(31) in relation to supply of goods or services or both includes the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government.</p> <p>Fitment may examine for issuance of clarification in the matter.</p>
2.	<p>i. To clarify whether GST exemption is available on the entrance fee collected by NBE from candidates towards conduct of all India entrance examination for admission to <u>Diplomat National Board (DNB) and Fellow of National Board (FNB)</u> courses offered by hospitals/ medical colleges.</p> <p>ii. To clarify whether GST exemption is available on registration fee collected by NBE from candidates for conduct of NEET-PG, NEET-MDS examinations for admission to MBBS and PG courses offered by hospitals/ medical colleges.</p>	<p>The National Board of Examinations (NBE) is an autonomous organization established by Ministry of Health & Family Welfare (MoH&FW). The Board is entrusted with the task of conducting uniform and high standard post graduate level examination for admission to DNB and FNB medical courses. The governing body of the Board is nominated by MoH&FW and published in Gazette of India from time to time.</p> <p>2. The NBE, inter alia, is responsible for (i) conduct of examinations for admission to Diplomat National Board (DNB) and Fellow of National Board (FNB) courses, (ii) develop patterns of teaching in PG medical education in all its</p>	<p>Recommendation:</p> <p>Clarification may be issued that, -</p> <p>(a) NBE provides services of conducting examinations for admission to Diplomat National Board (DNB) and Fellow of National Board (FNB) courses, prescribes courses and curricula for PG medical studies, holds examinations and grant degrees, diplomas and other academic distinctions. Various fees collected by NBE as an educational board towards conduct of examination for students of DNB/ FNB and conduct of entrance examinations, such as registration fee, counseling fee, reevaluation fee for answer sheets evaluation/ research thesis reassessment, issuance of board certificate etc. are</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
	<p>iii. To clarify whether GST exemption is available on registration fee collected by NBE from candidates for conduct of Foreign Medical Graduate Examination (FMGE) screening test towards registration of candidates who have obtained medical qualification from outside India with State Medical Councils and Medical councils of India.</p> <p>iv. To clarify whether GST exemption is available on fees collected by NBE from hospitals/ medical colleges towards granting accreditation or renewal of accreditation.</p> <p>v. To accord NBE the status of an Educational Institute and its courses be exempted from GST like IIMs.</p> <p>vi. Pending decision on the proposal above, it is requested to exempt NBE from payment of GST upto 31.03.2020</p>	<p>branches, (iii) prescribe courses and curricula for PG studies, (iv) hold examinations and grant degrees, diplomas and other academic distinctions and (v) grant accreditation to various courses of medical science.</p> <p>3 MoH&FW has recognised the Diplomat National Board (DNB) and Fellow of National Board (FNB) courses offered by various hospitals/ medical colleges as medical qualification.</p> <p>4 The Board is a self-financing organization solely depends on the examination fee/ registration fee collected from candidates and accreditation fee collected from medical colleges. Annual account of NBE is audited by C&AG of India and placed before the parliament.</p> <p>5 NBE has stated that since all the above activities are mandated by Government of India and the entrance examinations it conduct leads to award of degrees (MD/ MS) recognized by Medical council of India, for the purpose of GST, they are educational institutions and its services provided to students/ candidates are exempt from GST.</p> <p>6 Currently NBE is conducting the following entrance examinations,</p> <p>i. NEET-PG(National Eligibility cum Entrance Test – Post Graduate),</p> <p>ii. NEET-SS (National Eligibility cum Entrance Test – Superspecialty),</p>	<p>exempt from GST in view of explanation 3(iv) and sl. No. 66 (aa) of the notification No. 12/ 2017 CTR. Service provided by similar other central or state educational Boards for conduct of examinations including entrance examination shall accordingly be exempt.</p> <p>(b) Various input services such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc. provided by IT firms or printing/ publishing firms to NBE relating to conduct of DNB, FNB and NEET- PG entrance examinations for student and final examination leading to DNB/ FNB degree is also exempt from GST [sl. No. 66 (b)(iv) refers]</p> <p>(c) Service of conduct of Foreign Medical Graduate Examination is not an entrance examination, nor is it is an examination as part of an educational curriculum. The registration fee collected from candidates towards Foreign Medical Graduate Examination (FMGE) screening test is not exempt from GST.</p> <p>(d) Fees collected by NBE from hospitals/ medical colleges towards granting accreditation or renewal of accreditation are not exempt and taxable @ 18% of GST.</p> <p>NBE is involved in (i) selection of candidates through all India entrance examination; (ii) conducting Final all India DNB/FNB examination; (iii) eventual award of DNB/FNB</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>iii. NEET-MDS(National Eligibility cum Entrance Test – Masters of Dental Surgery),</p> <p>iv. FET (Fellowship Entrance Test),</p> <p>v. PDCET (DNB Post Diploma Centralized Entrance Test)</p> <p>7. In regards, exemption for the courses run by NBE and awarding of DNB, NBE states that it is providing education as part of curriculum for obtaining a qualification recognized by law. It further adds that since all the educational activities of NBE is related to long duration courses (more than 1 year) which ultimately culminated into award of degree/ qualification recognized by law for time being in force. For this well equipped centers have been identified and accredited by the NBE.</p> <p>8. The NBE has stated in its letter dated 25.08.2020 that the provisional liability on account of these services is around Rs. 106 crores.</p>	<p>qualification. The education is imparted by the accredited hospitals/institute. Since, NBE is not directly responsible for providing education services to students as a part of a curriculum for obtaining a qualification recognised by any law, it is not an educational institution as defined in clause 2(y) of notification No. 12/ 2017- CTR.</p> <p>2.It may be noted that, vide explanation 3(iv) of the notification No. 12/ 2017 CTR, “Central and State Educational Boards” are treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students. Therefore, it would be logical to say that NBE is an ‘Educational Institution’ only for limited purpose of providing services by way of conduct of examination to the students.</p> <p>GST on various activities and services undertaken by Educational Institution:</p> <p>Presently, in GST law, vide sl. No. 66 of the notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017, following services are exempt from GST.</p> <p>Services provided -</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;</p> <p>Similarly, services provided to an educational institution, by way of, services relating to admission to, or conduct of examination is also exempt from GST [sl. No. 66 (b)(iv)].</p> <p><u>Exempted output services:</u></p> <p>1. According to explanation 3(iv) of notification 12/2017-CT(R), various</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>fees collected by NBE as an educational board towards conduct of examination for students of DNB/ FNB and conduct of entrance examinations, such as registration fee, counseling fee, reevaluation fee for answer sheets evaluation/ research thesis reassessment, issuance of board certificate etc. would be exempt from GST. [sl. No. 66 (aa) refers].</p> <p><u>Exempted input services:</u></p> <p>2. Various input services such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc. provided by IT firms or printing/ publishing firms to NBE relating to conduct of DNB, FNB and NEET-PG entrance examinations for potential candidates and final examination leading to DNB/ FNB degree is also exempt from GST [sl. No. 66 (b)(iv) refers].</p> <p><u>Taxable output services:</u></p> <p>3. So far as the service of conduct of Foreign Medical Graduate Examination is concerned, it is not an entrance examination, neither it is an examination as part of an educational curriculum. It is merely a screening test, which allows them to practice medicine in India as qualified medical practitioners. The registration fee collected from candidates towards Foreign Medical Graduate Examination (FMGE) screening test does not</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>appear exempt, thereby appears taxable under GST.</p> <p>4. Accreditation service: Accreditation service is neither a service of education nor provided by an educational institution to its students, faculty and staff. This service is provided to colleges/ institutions or any centers to ensure that the standards of the courses, training facility are maintained upto a certain level. By getting accreditation from a testing/ certifying agency, the recipient organization acquires kind of brand name. During service tax regime, the accreditation service was taxable. The status quo has also been maintained in GST regime. Therefore, fees collected by NBE from hospitals/ medical colleges towards granting accreditation or renewal of accreditation are not exempt and taxable @ 18% of GST.</p> <p>Fitment may take a view for issuance of clarification.</p>
3.	<p>(a) In case of construction of residential complex service, the condition that the tax @ 1% or 5% as the case may be shall be paid only in cash and not through credit may be modified to the extent that the land owner promoter may use the credit of tax charged to him by the developer promoter for payment of tax on apartments booked by him. Otherwise, the credit allowed to the land owner promoter of the tax charged from him by the developer promoter shall become meaningless.</p> <p>(b) to amend Notification No. 06/2019-Central Tax</p>	<p>(a) The land owner-promoter is eligible to take input tax credit of tax charged from him by the developer-promoter. However, as per first proviso applicable to entries at items (i) to (id) against Sl. No. 3 of notification No. 11/2017- CTR dated 28.06.2017, promoter is required to pay GST through debit to Electronic Cash Ledger.</p> <p>(b) As per the Notification No. 6/2019-CTR, the developer-promoter is required to pay GST at the time of issuance of completion certificate. However, the land owner-promoter may be required to pay GST in</p>	<p>Recommendation:</p> <p>Condition of entry 3 in notification No. 11/2017- CTR, dated 28.06.2019 may be amended appropriately to (a) make it explicitly clear that the land owner promoter is eligible to use the credit of tax charged to him by the developer promoter for payment of tax on apartments booked by the land owner-promoter in such project; and (b) the liability of promoter to pay central tax on supply of development rights, FSI or lease of land to him or on supply of construction service against consideration in the form of TDR or FSI shall arise on or before the date of issuance of completion certificate for the project.</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
	(Rate) dated 29th March, 2019 so as to provide that the liability of promoter to pay central tax on supply of development rights, FSI or lease of land to him or on supply of construction service against consideration in the form of TDR or FSI shall arise on or before the date of issuance of completion certificate for the project	<p>accordance with the provisions of Time of Supply earlier that issuance of completion certificate i.e. before the day on which developer-promoter would pay GST in respect of supply of construction service to land owner-promoter. In such circumstances, which is bound to happen in almost all cases, the land owner-promoter will have to pay GST in cash at the time of supply and avail credit subsequently. It may also result in permanent non-utilization of such input tax credit.</p> <p><u>According to State of Gujarat</u>, it is generally found that land owner-promoters may be farmers of middle class and may not be engaged in any business activity. Input tax credit (ITC) may remain unutilized if an appropriate amendment is not made as there is least possibility to adjust these ITC against other output tax liability. This being their one-time business activity.</p>	<p>Residential complex construction service provided by a developer to a person buying under construction houses attract a GST of 5% /1% (affordable housing.). However, this tax is to be paid in cash. The service provider is not entitled to ITC except that a land owner can take ITC of tax charged by the developer on the flats he transfers to the landowner in lieu of development rights/FSI subject to the condition that landowner further sells the houses to customer at under construction stage and pays GST on it. This is to ensure that there is no multiple taxation on flats.</p> <p>However, such land owners are finding it difficult to take and utilize this ITC for the reason that (i) condition of this levy while prescribing payment of tax in cash does not specifically state whether this ITC can be utilized, and (ii) the developer is required to pay tax on construction in lieu of development right/FSI at the time of issuance of completion certificate. But by the time developer may pay tax on construction service provided to land owner, the landowner may have supplied the flat further and may have become liable to pay tax. If land owner is doing only one project, he cannot use the ITC so received after extinguishing his liability</p> <p>It is proposed that these difficulties be removed.</p> <p>(a) For the purpose, notification No. 11/2017-CTR, dated 28.06.2019 it may be additionally be stated in the fourth proviso that “notwithstanding anything contained in the first proviso, the land owner promoter shall be eligible to use the credit of tax charged to him by the developer promoter for</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>payment of tax on apartments booked by the land owner- promoter in such project.”</p> <p>(b) To address this issue, the fitment Committee made recommendation as above. This ensures that developer pay tax earlier than the period in which he gets completion certificate.</p>
4.	<p>(i) To reduce GST on ship repair services from 18% to 5% in line with MRO for aircrafts.</p> <p>(ii) To consider repair of foreign ships/ vessels in India as export of service and zero-rated.</p> <p>(iii) To reduce GST on all inputs and input services used directly in repair of ships to 5%.</p>	<p>(i) The current rate of 18% creates working capital/ bottom line impact for shipping sector as a whole.</p> <p>(ii) GST on Aircraft MRO has been reduced to 5% with effect from 01.04.2020. Domestic ship repair industry is a similarly placed industry, should also be considered for a reduced rate of 5%.</p> <p>(iii) The tax rate in Sri Lanka and Singapore is Zero. UAE has raised the rate from 0 to 5% in 2017. GST rate should be rationalized in line with competing countries.</p> <p>(iv) No GST is applicable when ships come to India exclusively for repairs and go back without being put to any use in India. However, foreign ships/ vessels do not come to India only for the purpose of repair. They use the window between transportation of goods for seeking repair services. They may carry cargo within and out of India after repairs. PoS in such cases is the place where the service is being performed, i.e. India. Therefore, GST @ 18%</p>	<p>Recommendation: As has been done for civil aviation sector,</p> <p>(a) GST on MRO services in respect of ships may be reduced from 18% to 5% with full ITC.</p> <p>(b) PoS of B2B supply of MRO Services in respect of ships/ vessels may be changed to location of recipient of service, by way of issuing a notification under section 13(13) of the IGST Act.</p> <p>1. Ship repair services supplied by ship repair units in India to Indian shipping lines attract GST @ 18%. As regards repair of foreign flag vessels by ship repair units located in India, the same qualifies as export of service only if the ships are imported into India exclusively for repairs, which is uncommon. Shipping lines generally get MRO done during the window available between commercial voyages. Place of supply of Maintenance, Repair and Overhaul (MRO) services of ships carried out during their routine voyages with cargo is the place where the service is performed, that is, in India and therefore taxable even though such services are supplied to a foreign shipping line and paid for in foreign exchange.</p> <p>2. The aircraft MROs faced identical issue. On similar request received from MoCA, GST Council in its 39th Meeting held</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>is attracted despite payment for such repair in foreign exchange.</p> <p>Therefore, it may be clarified that in case of repair of foreign ships, PoS would be the location of service recipient and shall be zero rated.</p>	<p>on 14.3.2020 had recommended in respect of aircraft MRO as under:</p> <p>“To reduce GST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC and to change the place of supply for B2B MRO Services to location of recipient”</p> <p>2.1 Above recommendation of the Council with respect to MRO of aircraft and aircraft engines and other parts was implemented vide notification No. 2/2020-CT(R) dated 26.03.2020 and 2/2020-IT dated 26.03.2020.</p> <p>2.2 Ministry of Civil Aviation has stated, post these changes in GST, that it has helped in developing MRO industry in India.</p> <p>3. It is proposed that in order to address the issue raised by the Ministry of Shipping, the same course of action be adopted as was adopted for aircraft MRO. Accordingly,</p> <ul style="list-style-type: none"> • GST on MRO services in respect of ships may be reduced from 18% to 5% with full ITC. • PoS of B2B supply of MRO Services in respect of ships/ vessels may be changed to location of recipient of service, by way of issuing a notification under section 13(13) of the IGST Act.
5.	Request to clarify that no service is provided by Govt. to the Govt. organisations in guaranteeing loans taken by them as Govt. organisations undertake functions entrusted by the Govt. and loan/credit is taken by them for fulfilment of the said	<p>HSVP is a Govt. authority constituted under the Haryana ShehriVikasPradhikaran Act, 1977 for undertaking development of urban areas of the Haryana state.</p> <p>Activities undertaken by HSVP for development of urban areas is exempted from</p>	<p>Recommendation:</p> <p>It may be clarified that service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by PSU from banks and financial institutions is specifically exempt under entry No. 34A of Notification no. 12/2017-CT (R) dated 28.06.2017.</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
	functions.	<p>GST vide entry 4 of Not. No. 12/2017- CT (R) dt. 28.06.2017, which exempts "Services by governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution".</p> <p>The state govt. provides guarantee to the financial institutions for taking loan/additional credit limit. As per the State Govt. policy, HSVP has to deposit 2% of the loan amount with the Govt. against the state guarantee given to it.</p> <p>Govt. provides guarantee to HSVP for taking loan/credit facility from financial institution to carry out the Govt. function of development of urban areas. This is a function entrusted to Municipality, which is exempt from GST vide entry 4 as quoted above.</p> <p>Thus, no GST is leviable on the guarantee provided by Town planning dept. to HSVP.</p> <p>However, the Revenue authorities are contending that service provided to business entities are taxable under RCM. Hence, fee paid by HSVP to Govt. is liable to GST under reverse charge.</p>	<p>HSVP is a statutory body constituted under the Haryana Shehri Vikas Pradhikaran Act, 1977, as a body corporate, for undertaking urban development and local development.</p> <p>Entry no. 34A of Notification no. 12/2017-CT (R) dated 28.06.2017 exempts from GST, services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.</p> <p>Thus, service supplied by Haryana Govt. to HSVP by way of guaranteeing loans taken by HSVP from banks and financial institutions is exempt under the said entry. The same may be clarified to HSVP.</p>
6.	Exemption to The Hybrid Annuity Model Project SPV from GST output tax liability.	1. In HAM Project, NHAI contributes 40% of the Bid Project Cost during construction phase and balance construction cost, invested by private operators is paid back to the concessionaire in 30 defined installments along with	<p>Recommendation:</p> <p>Clarification may be issued by way of a circular that entry 23A of notification No. 12/2017-CT(R) does not exempt annuity paid for construction of roads. It only exempts services provided by way of access to a road or bridge on</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>interest as may be applicable. The payments made towards balance construction are paid as Annuities. Annuity payment is exempted from GST as per entry 23A, which is now also confirmed by the appellate bench, vide order no RAJ/AAAR/06/2018-19 dated 12.2.2019. However, the following decision in the said order is being contested by the HAM Developers.</p> <p>a) That ONLY 40% of input tax credit used in the construction phase is available to the concessionaire.</p> <p>b) Full ITC of the GST paid on the inputs and input services used in the O&M phase is available to the concessionaires.</p> <p>2. Industries want to have 100% ITC, so that no cash out go is there from the SPV, as sufficient ITC is available it is utilized against GST. The un-utilized portion of the ITC can be potentially utilized during the O&M phase, which may be remote. Eventually, as it is not refundable, it is written off in the books of the SPV as a cost over the O&M period in case of non-utilization.</p> <p>3. HAM projects are at disadvantageous position vis-à-vis EPC and BOT Projects. The input tax credit provisions are clear in both EPC as well as BOT projects. In EPC projects, 100% ITC is available to the contractors during construction. In BOT projects, whole of the project is developed and managed by the Private Partner (referred as Concessionaire).</p>	<p>payment of annuity for it.</p> <p>1 The entry 23A of notification No. 12/2017-CT(R) provides exemption to any service provided for access of road on payment of annuity. This entry reads as below:</p> <p><i>“Service by way of access to a road or a bridge on payment of annuity”.</i></p> <p>2. However, the service being provided by the concessionaire to NHAI is construction service (for which the contract is entered into) covered under service code 995421 - General construction services of highways, streets, roads railways, airfield runways, bridges and tunnels.</p> <p>3. The said entry 23A of the notification No. 12/2017-CT(R) exempts service by way of access to a road or a bridge on payment of annuity. Entry 23 exempts service of access provided in lieu of toll. However, cases where charges are paid, in lump sum or in form of an Annuity, by the Government department or PSU for seeking access to road/bridge for general public were not covered by entry 23. This led to a situation where the toll charges, in form of Annuity, being offset by the Government or PSU, in public interest, to the concessionaire were subjected to GST and consequently it was recommended by the GST Council in its 22nd meeting to exempt service by way of access to road or bridge where payment were in the form of annuity. The Council thus recommended exemption to only such annuities, which are charged for providing access to a road or bridge and otherwise the activity is at par with the activity for which toll is charged.</p> <p>4. In the case referred to in the reference, AAAR vide its order</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>dated 12.02.2019 had held that the annuity payments received by the petitioner are exempt, however, only 50% of ITC of the inputs and input services used in the construction phase shall be available to the petitioner as the annuity is not taxable. The AAAR did not go into the aspect that for the purposes of exemption annuity should have been in lieu of access to the road and not in lieu of construction of road.</p> <p>5. It would be appropriate if clarification is issued that exemption is available to only such annuities, which are charged for providing access to a road or bridge (at par with toll).</p> <p>6. Fitment Committee may examine and take a view.</p>
7.	Clarify that providing service of crushing of wheat into fortified Atta to District Controller, Food and Supplies, Government of West Bengal, for further distribution to intended beneficiaries under PDS scheme is exempt from GST.	The millers have entered into an agreement with the District Controller, Food and Supplies, Government of West Bengal. According to the agreement, 5kg by-products out of 100 kg wheat (1% refraction for cleaning and 4% for de-branning), is allowed to be retained by the flour mills. The petitioners' premises have been searched by DGGI while making enquiries as to the appropriate payment of GST on the service provided by the petitioners. The millers have requested to issue a clarification that crushing of wheat into flour for PDS falls under the ambit of entry 3A of the Notification no. 12/2017- CT (Rate) dated 28.06.2017, which exempts composite supply of goods and services, in which the value of supply of goods constitutes not more than 25 per cent. of the value of the	<p>Recommendation:</p> <p>A clarification may be issued that,-</p> <p>(a) supply of service by way of milling of wheat into flour (fortified or otherwise) or of paddy into rice to Central Government, State Government, Union territory, local authority, a Governmental authority or a Government Entity for distribution of such flour or rice under PDS would be exempt under entry 3A of the Notification No. 12/2017- CT (Rate) dated 28.06.2017 provided value of goods in the composite supply of goods and services does not exceed 25% of the value of the composite supply. Value of goods supplied in composite service is a matter of fact.</p> <p>(b) In case the supply of</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>said composite supply, provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution;</p> <p>DGGI has argued that the value of goods involved in this case is more than 25%, hence exemption under S, No, 3A would not be available.</p> <p>Similarly, the A.P. State Civil Supplies Corporation Ltd. has made similar request in case of Custom milling of rice. It has been stated that since both the products, paddy and rice, are exempt there is no point in levying any tax on job work in relation to such products.</p> <p>They have further stated that if the service of custom milling is taxable, then valuation of the by-products will be a major concern.</p>	<p>service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl 3 of notification No. 12/2017-CT® because it is not a pure supply of service or under 3A because the value of goods in the composite supply exceeds 25%, then if the said supply is provided to a registered person, including a person registered only for the purpose of deduction of tax under section 51 of CGST Act , shall be entitled to the 5% GST rate applicable to job work services in relation to food and food products.</p> <p>1. The entry at Sl. No. 3A of Notification No. 12/2017-Central Tax (Rate) exempts <i>“composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution”</i>.</p> <p>2. It is clear from above that for the exemption to apply, both conditions i.e. (i) value of supply of goods not exceeding 25% of the total value of composite supply, and(ii) that the activity in question is in relation to any function</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>entrusted to a Panchayat or Municipality are satisfied.</p> <p>3 As regards the proportion of value of supply of goods in the total value of composite supply, it is a question of fact and shall vary from case to case.</p> <p>4. The question that needs to be answered is whether the exemption would be available where the value of goods in the composite supply of milling of wheat into flour or paddy into rice for distribution by the State Government under PDS does not exceed 25%.</p> <p>5. West Bengal has conveyed vide D.O. letter dated 21.02.2021 that "milling services provided by millers to the Government for the purpose of distribution of fortified atta through Public Distribution System has been exempted under Sl. No. 3A of Notification No. 12/2017-Central Tax (rate) dated 28.06.2017. The supply has been provided to the Government of West Bengal for the purpose of distribution through PDS. This is covered vide entry no. 28 of the Eleventh schedule appended to Article 243G of the Constitution of India".</p> <p>6. It appears that the activity of milling of wheat into flour or paddy into rice carried out by milling units for the State Government for distribution by it under Public Distribution System is an activity in relation to the function of "public distribution system", which is one of the functions entrusted to a Panchayat or Municipality under Article 243 G or Article 243 W of the Constitution, and</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
			<p>thus eligible for exemption under Sl. No. 3 A of Notification No. 12/2017-CT (R) dated 28-6-2017 provided value of goods in the composite supply of milling of wheat into flour or paddy into rice does not exceed 25%.<i>[Public Distribution specifically figures at entry 28 of the 11th Schedule to the constitution, which lists the activities that may be entrusted to a Panchayat under Article 243 G of the Constitution.]</i></p> <p>7. Hence. such services shall be exempt where the value of goods supplied by the miller while providing services of milling does not exceed 25% of the total value.</p> <p>8 Other possible entry admissible in such cases is entry 26 of notification No. 11/2017-CT, which <i>inter alia</i> prescribes a rate of 5% on job work service provided in relation to food items. Job work as defined in the CGST Act : <i>"Section 2(68)-job work means any treatment or process undertaken by a person on goods belonging to another registered person and the expression —job worker shall be construed accordingly"</i>; Therefore, in case recipient of service is a registered person, the miller would be entitled to claim 5% rate.</p> <p>9. Fitment Committee may examine for making recommendation to the Council.</p>
8.	Clarification regarding rate of tax applicable on construction services provided to a Government Company in relation to construction of a Ropeway on turnkey basis.	1. BSTDC was established in the year 1980 for the development of tourism in the State of Bihar and for commercialization of Tourist Resources available with the State. To achieve this objective various tourist	<p>Recommendation:</p> <p>Clarification may be issued that service provided to State Tourism Development Corporation Ltd. by way of construction of a ropeway are not eligible for the concessional rate (of 12%</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>infrastructure like Tourist Bungalow, Cafeteria, Restaurant, Transportation facilities and Ropeway are provided at various tourists spots by Bihar State Tourism Development Corporation.</p> <p>2. It has been informed that BSTDC has entered into an agreement with RITES Ltd. for construction, by the latter, of a ropeway on turnkey basis in Nalanda. In this context BSTDC has raised a query with CTD, Bihar as to whether GST would be leviable at the rate of 12% (6%CGST + 6%SGST) or at the rate of 18% (9%CGST + 9%SGST) in respect of the construction service being provided.</p> <p>3. In this context the following issue has been raised:- "Whether the service referred item (vi) of serial number 3 of rate notification number 11/2017 or it would fall under item (xii) of serial number 3 of rate notification number 11/2017).</p> <p>4. Item (vi) of serial number 3 of rate notification number 11/2017 reads as follows:- "Composite supply of works contract as defined in clause (119) of section 2 of the Bihar Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above provided to the Central Government, State Government, Union Territory, a local authority, a Governmental Authority or a Government Entity by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of —</p>	<p>GST)under entry No. 3 (vi) of Notification No. 11/2017- CT (R) dt. 28.06.2017 and the same shall attract GST at the rate of 18% (9%CGST + 9%SGST) as the ropeway is not a civil structure or any original work meant predominantly for use other than for commerce, industry, business or profession. Accordingly supply of construction services to the Government entity for any construction which is for its business or profession etc shall not be covered by said entry.</p> <p>It appears that the activities of BSTDC stand excluded from the scope of item (vi) of serial number 3 of rate notification number 11/2017 dated 28.06.2017, since the exclusion from "business" is limited only to Central/State Government or a Local Authority, in which they are engaged as public authority. It does not extend to a Governmental Authority or a Government Entity, even though the main provision accommodates all of Central/State Government or a Local Authority or a Governmental Authority or a Government Entity;</p> <p>2.That the constructed civil structure (viz. the ropeway) would be used by BSTDC for furthering the cause of tourism which is in the nature of "business" as defined in section 2(17) of the CGST/BGST Act, 2017.</p> <p>3. Fitment Committee may issue clarification that GST would be leviable at the rate of 18% (9%CGST + 9%SGST) in respect of the construction service being provided by RITEs to the BSTDC.</p>

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		<p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or (c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Bihar Goods and Services Tax Act, 2017 (Bihar Act 12 of 2017).</p> <p>Explanation. – For the purposes of this item the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities."</p> <p>5. It may be noted:- (a) that BSTDC is a "Government Entity" within the meaning assigned to the said expression by para 4(x) of the impugned notification and reads as follows:- (x) —Government Entity means an authority or a board or any other body including a society, trust, corporation,—</p> <p>(i) set up by an Act of Parliament or State Legislature; or</p> <p>(ii) established by any Government, with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority;</p> <p>(b) that the service being</p>	

Sl. No.	Proposal	Justification	Comments and Fitment Committee's recommendation
		provided by RITES Ltd. to BSTDC (a "Government Entity") is a composite supply of works contract wherein a civil structure (viz. a ropeway) would be constructed and that such a structure does not fall within items (i), (ia), (ib), (ic), (id), (ie) or (if) of serial number 3 of the impugned notification; (c) that the aforesaid service would fall under the said item (vi) if the resultant civil structure is used for any purpose other than trade, industry or business/profession; (d) that the substantive provision of the said item number (vi) indicates that such services provided to BSTDC in respect of the construction of ropeway are covered by this entry if only BSTDC were not to use the ropeway for business/industry; (e) that, however, in terms of the Explanation to the said item number (vi) of said serial number 3 the activities/transactions undertaken by Central/State Government or a Local Authority in which such Government/Authority is engaged as a public authority would not constitute "business" for the purposes of this.	

B. Non-Actionable

Sl. No.	Proposal	Justification	Comments
1.	Request for Service Tax/GST exemption from Insurance Regulatory and Development of	CAG has raised an issue of not collecting Service Tax/GST on the services provided by IRDAI to intermediaries, during transaction audit for the FY	Recommendation: May not be accepted. Exemptions should be kept to the minimum possible and existing exemptions

Sl. No.	Proposal	Justification	Comments
	India (IRDAI) on all the services provided, instead of not specifically provided to 'the insurers'.	2018-19. The existing exemptions in Service Tax (vide notification No. 9/2016-ST, dated 1.3.2016) and GST (vide notification No. 12/2017-CTR dated 28.06.2017) provide for exemption on the services provided to 'insurers' alone.	<p>should not be expanded.</p> <p>1. Service Tax exemption was given on the services of IRDAI to insurers alone vide Sl. No. 50 of Notification No. 25/2012-S.T. w.e.f. 01.07.2012 as amended by Notification No. No.9/2016-Service Tax, dated 1.3.2016 as below: - <i>50. Services provided by Insurance Regulatory and Development Authority of India (IRDA) to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999);</i></p> <p>2. The above exemption was carried forward in the GST regime vide Sl. No. 32 of notification No. 12/2017-CTR dated 28.06.2017. In GST also, the exemption entry reads similar to the exemption entry in Service Tax i.e. <i>Services provided by the Insurance Regulatory and Development Authority of India to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999).</i></p> <p>3. The word "intermediary or insurance intermediary" includes insurance brokers, reinsurance brokers, insurance consultants, surveyors and loss assessors as per Section 2(f) of IRDAI Act, 1999.</p> <p>4. The existing exemptions in Service Tax and GST applies to services provided by IRDAI to insurers only but does not exempt other output services provided by IRDAI viz. services provided to insurance intermediaries etc.</p> <p>5. GST exemption is available to all the services by the RBI (vide Sl. No. 26 of notification No.</p>

Sl. No.	Proposal	Justification	Comments
			<p>12/2017-CTR) and services provided by the SEBI by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market (vide Sl. No. 33 of notification No. 12/2017-CTR). IRDA has on this ground claimed exemption for all services provided by it.</p> <p>6. It is to mention here that insurance agent may not be able to utilize the ITC of tax charged by IRDA for the reason that their main service, i.e., service provided to insurer is under reverse charge.</p> <p>7. Fitment Committee may take a view.</p>
2.	Request to waive GST on service charges payable by Indian emigrants to the registered Recruiting Agents (RAs). Further, it has been requested to grant GST moratorium on payments made by RAs for a period of 18 months to tide over the crisis situation due to COVID-19	Job-seekers, less educated workers and unemployed Indians take the help of Registered Recruiting Agents (RAs) for getting employment abroad as these RAs have the authentic information about different vacancies in foreign countries. To provide regulatory framework in respect of emigration of Indian workers and to safeguard the interests of Indian workers, Government issues Registration Certificate to eligible entities. This is to help aspiring emigrants not to fall prey to any kind of duping by unscrupulous elements. The Government also authorized the RAs not to charge amount more than RS. 30000/- excluding GST. Now emigrants have to pay GST to RAs for their service when an emigrant emigrates through them. This is an additional burden on poor emigrants, who are bringing valuable foreign remittances to India.	<p>Recommendation:</p> <p>May not be accepted.</p> <p>The services of recruitment agencies were taxable in Service Tax regime at standard rate of 15%. They are taxed in GST also at the standard rate of 18%. In the present case, exempting services of registered recruitment agents will block their ITC. As a result, GST paid on goods and services for setting up the office and other facilities would be a burden on them.</p> <p>Further, acceding to request for exemption to such services in one case would lead to similar requests. As such proliferation of exemptions in GST, except absolutely deserving cases, may not be desirable.</p>
3.	GST be eliminated on management fees or extend the deemed export status for	IVCA has submitted that investment management fee is the biggest expenditure for the AIF industry. Typically, such	<p>Recommendation:</p> <p>Request may not be accepted.</p>

Sl. No.	Proposal	Justification	Comments
	services rendered to AIFs.	<p>investment management fees constitute 2-3% of the value of the assets managed in an AIF per year. While management fees charged to VC/PE fund located in an offshore jurisdiction is exempt from GST, the management fees charged to an onshore fund located in India/ AIF attracts GST@18%. Since an AIF is only a pooling vehicle for investments and does not provide any service, there is no output GST liability and it is not able to utilize input tax credit of GST. Thus, this incremental GST becomes an additional cost for the foreign investors in the AIF and acts as an impediment to onshoring of funds into India via AIFs.</p> <p>2 Further, it is submitted that the impediments to onshoring from an income tax perspective has been addressed and a beneficial treatment from a Foreign Direct Investment (FDI) perspective has already been instituted. Thus, the economic and taxation policy should now address the GST challenge described above which is posing an impediment to onshoring of VCPE funds from overseas jurisdictions due to the incremental GST costs. A suitable clarification be issued under the GST regulations to elucidate the pass-through mechanism on the following bases:</p> <p>(a) The investors to the AIF are considered as the recipients as they bear the cost of fund management services; while the AIF only functionally uses such fund management for the making the investment;</p> <p>(b) The services provided by the Fund Manager are treated to be rendered to the investors who are ultimately liable to be pay</p>	<p>As per regulation 2(b)of the said Regulations, AIF means any fund established or incorporated in India as a trust, company, LLP or body corporate which is a privately pooled investment vehicle and which collects funds from domestic and foreign investors for making investments as per the defined investment policy for benefit of investors.</p> <p>2. Under Regulation 2(q) of the said Regulations, a “Manager” has been defined as any person or entity who is <u>appointed by the AIF</u> to manage its investments and may also be same as the sponsor of the Fund.</p> <p>3. As per Regulation 11 of SEBI (AIF) Regulations, 2012, <u>AIFs shall raise funds by issue of information memorandum or placement memorandum</u>, by whatever name called. Such placement memorandums shall contain all material information about the AIF and the Manager, <u>fees and all other expenses proposed to be charged</u>, the terms and conditions on which the Manager offers investment services, and such other information as may be necessary for the investor to take an informed decision on whether to invest in the AIF.</p> <p>4. It is clear from the above provisions of the regulations that the AIF and the Manager appointed by AIF are two distinct legal persons.</p> <p>5. The manager appointed by AIF supplies services to AIF of managing the funds pooled in it by the foreign and domestic investors. The manager charges management fee for its services. Since both manager and AIF are located in India, the place of supply of the services supplied by manager to AIF is governed</p>

Sl. No.	Proposal	Justification	Comments
		<p>for such services; and</p> <p>(c) The place of supply for the services provided</p> <p>by the Indian Fund Managers is the location of the investors investing in such AIF.</p> <p>3. It is also submitted that the Fund Managers providing the services should be accorded a proportionate export benefit on the fund management fees charged on foreign investments being pooled in the AIF upon meeting the specified conditions. The Fund Manager would need to raise tax invoices as prescribed under the GST law on the offshore investors (being the recipient of services) for claiming this export benefit. The quarterly declaration of foreign and domestic investments made by the AIF to the Securities and Exchange Board of India (SEBI) can be a basis to assess this. A similar approach has been adopted in various countries (especially Singapore), including via offering outright exemptions.</p> <p>4. Parliamentary Standing Committee on Finance in its 12th Report has recommended that the asset management services provided to foreign investors should be treated as an export service and should not be subjected to GST.</p>	<p>by section 13(2) of IGST Act i.e. the place of location of the recipient of the services i.e. the location of AIF. Since the place of supply of the services supplied by manager to AIFs in the taxable territory, it is taxable.</p> <p>6. The AIF could avail ITC of tax so paid by the fund manager.</p> <p>7. Any service provided by AIF to Foreign Investor would be export of service as investor is located outside India. Therefore, in the instant case if AIF bills to foreign investor they could claim zero rating,</p> <p>8. Hence services provided by Fund manager to AIF are taxable. The request for treating this transaction (Fund manager to AIF) as pass through, and not imposing tax, may not be feasible in the context of GST levy.</p> <p>9. Earlier, the request of IVCA to reduce GST to 5% from 18% on services of investment manager to an AIF to the extent of foreign investment was rejected by GST Council in its 37th meeting held on 20.09.2020.</p>

C. Deferred

The following points were deferred by Fitment Committee for examinations as it was felt that these would require further information and inputs. Also, there are a number of issues which are similar. Therefore, a comprehensive examination of such issues, with detailed inputs would be required.

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
1.	<p>(a) It may be clarified as whether the phrase “work entrusted to it by Government” means general work mandate of the government entity or a specific work entrusted to the entity with funding for that work, and if later is the meaning of the phrase then what will be the treatment when funding by the Government is partial.</p> <p>A similar question has arisen in case of works contract service procured by BSF from private construction companies.</p>	<p>A State PSU has been mandated by Government of Odisha to create power transmission infrastructure in the state. The PSU claims that it is their mandate to create infrastructure and they are eligible for 12% GST on all inward supplies/ procurements, irrespective of whether funding is by Government or not.</p>
	<p>(b) Request to clarify whether AIIMS, New Delhi is a Government Entity and thus entitled to procure WCS at concessional rate of 12% under notification No. 11/2017-CTR, Sl. No. 3 (vi)?</p>	
2.	<p>Request to clarify whether IIM Ahmedabad is (a) a Governmental Authority or (b) a Government Entity or (c) both and whether as a GA/ GE, it is entitled to procure pure services and composite supply of goods and services (where goods constitute not more than 25%) without payment of GST under notification No. 12/2017-CTR, Sl. No. 3 and 3A?</p> <p>VNIT Nagpur and Kandla Port Trust have also filed applications for advance ruling on the same issue. All these organizations are of view that they are Government Authority/ Government entity. The basis of this contention is that they have been <i>set up to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.</i></p>	<p>Government Entity has been defined to mean an authority or a board or any other body including a society, trust, corporation, -</p> <p>(i) set up by an Act of Parliament or State Legislature; or</p> <p>(ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.</p> <p>Indian Institute of Management, Ahmedabad is established under IIM Act, 2017 which empowers it to attain standards of global excellence in management, management research and allied areas of knowledge. Amongst other the objective of IIM is to provide management education of high quality and to promote allied areas of knowledge as well as interdisciplinary studies. Powers and functions of the institute is vested under section 7 of the Act.</p> <p>Board of Governors of each IIM is the principal executive body and the Board shall in the exercise of its power and discharge of its functions under IIM Act, 2017 is accountable to the Central Government.</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		Therefore, IIM Ahmedabad is of the view that they are Governmental authority as well as Government entity and all the concessional benefits prescribed for a government entity are available to them.
3.	<p>Law Committee has referred that matter to Fitment Committee to</p> <p>(a) To prescribe End-use certification system / form for notification number 12/2017-CT (Rate) [entry no. 3], which exempts pure services provided to Government, Local Authority in relation to Municipality functions.</p>	<p>Under notification number 12/2017-CT (Rate) [entry no. 3], “pure services” provided to the Government or Local Authority or a Government authority by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or to a Municipality under Article 243W of the Constitution are exempt from levy of GST.</p> <p>Law Committee has decided that the expression “in relation to” has a wide meaning and therefore the exemption would cover all services such as advertisement in the print media for floating a tender for laying water pipeline, contract for counting the number of trees, survey of number of people living below the poverty line, services by consulting engineers, project management consultants for mono-rails, metro rails, roads etc.,</p> <p>As the suppliers of services to the Panchayat or Municipality are not in a position to know whether the services supplied are really in relation to a function entrusted to a Panchayat or Municipality, some sort of end-use certification system / form be devised which will be issued by the Panchayat / Municipality inter-alia declaring that the services supplied to them are in relation to a function entrusted under the Constitution as referred to above.</p>
	<p>(b) Request to clarify that the service of hiring manpower for providing services of Health, Public Garden, Promotion of education etc. which are the functions entrusted to Municipality under Article 243W of the Constitution.</p>	<p>“Pure services” provided to the Government or Local Authority or a Government authority by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or to a Municipality under Article 243W of the Constitution are exempt from levy of GST.</p> <p>‘Cantonment Board’ is a local municipal authority, defined under Section 10(2) of the Cantonment Act, 2006.</p> <p>They hire various manpower for providing</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>various services in relation to functions entrusted to Municipality under Article 243W of the Constitution such as they hire contractual Doctors, lab attendants, pharmacists, staff nurses etc. for providing health services; mali, chowkidars for providing public gardens; contractual teachers, safaiwala etc. for promoting education; electrician, helpers etc. for providing street lighting.</p> <p>All these functions are delegated to municipality and the services of manpower is received to fulfill these functions by the Cantonment.</p>
	<p>(c) To clarify that the services provided by the implementing agency, i.e. CSC-SPV, provided to MoSPI that activity of “Enumeration & Supervision” is exempt from GST under exemption entry 3 of notification No. 12/2017-CT(R) dated 28.06.2017.</p>	<p>The Ministry of Statistics and Programme Implementation (MoSPI) has engaged the CSC e-Governance Services India Ltd, a Special Purpose Vehicle (hereinafter referred as CSC-SPV) of the Ministry of Electronics and Information Technology, as implementing agency for the conduct of 7th Economic Census (EC).</p> <p>Economic Census is a periodic exercise undertaken to measure the spread and penetration of the economic activities across the country through door to door survey in prescribed questionnaire form.</p> <p>The activities to be carried out by the implementing agency along with approved cost for each of the components are as under:</p> <ol style="list-style-type: none"> 1. Enumeration & Supervision (through door to door visit throughout country). 2. Training and assessment of the Enumerators & Supervisors engaged in field work of EC. 3. Deployment of manpower to assist MoSPI and State/UT Governments in 7th EC activities. 4. Helpdesk and Call-centre support. 5. Awareness and sensitization 6. Project Management Charges (@ 8% of project cost) <p>With respect to tax liability admissible on the</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		aforementioned components, the implementing agency has informed that the collection of data and supervision component is not liable to draw tax under GST as per notification No.12/2017- Central Tax (Rate) New Delhi dated 28th June, 2017 (Sl. No. 3).
	(d) To clarify that the services of spatial planning study, provided by the institutes to Ministry of Panchayati Raj is exempt from GST under exemption entry 3 of notification No. 12/2017-CT(R) dated 28.06.2017.	<p>The Ministry of Panchayati Raj, in collaboration with 16 architecture as well as engineering institutes has taken up the initiative for Gram Panchayat Spatial Development Planning on pilot basis.</p> <p>The proposed study seeks to set out a framework as to how a particular area in the panchayat can be developed taking into account available resources. It seeks to promote decentralized planning with strengthening of local identity to create a framework for future policy decisions.</p> <p>As the ongoing spatial planning study seeks to enable panchayats to function as institutions of self-government in accordance with Article 243G of the Constitution.</p>
4.	To exempt GST on National Permit Fee paid on the vehicles for granting National Permits for goods carriage	<p>National Permit fee is not a consideration for any service provided and is actually in the nature of a tax.</p> <p>The fee deposited in the National Permit account is distributed on pro rata basis among all states and Union Territories shows that the same is not consideration for any service provided by any state Government /UT for grant of National Permit.</p>
5.	<p>To exempt GST on the following facilities provided to the members and ex-members of the Legislative Assembly, Secretariat, at Bengaluru</p> <ol style="list-style-type: none"> Accommodation at Legislators Home Complex at nominal rent Conveyance within BBMP agglomeration limits with nominal rate per km Health Club for exclusive use of members and ex-members at nominal rate Commercial Establishments for essential needs of members like 	Hon'ble Home Minister and GST Council Member from Karnataka State in his note dated: 02-02-2021 has informed that the above facilities are provided by Karnataka Legislative Assembly Secretariat to their Hon'ble Members and ex-members to effectively discharge their constitutional duties and responsibilities as public representative and therefore collecting GST from them does not arise and requested to consider the proposal of exempting income earned by Karnataka Legislative Assembly Secretariat by excluding the above facilities provided to Hon'ble members and ex-members from the ambit of GST with retrospective effect.

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
	laundry, Bookshops, Railway/ KSRTC reservation counters, hotel, bakery given to private parties on rent	<p>The Government is not considered to cover the Legislature as the Parliament and Legislative Assemblies and Council have their own secretariat and are providing services. Services provided by Government (Executive) and the Judiciary are exempted whereas the services provided by Legislature Secretariats are not specifically exempted.</p> <p>Further, the main issue relates to transportation services provided – whether it amounts to renting of vehicles or transportation of passengers.</p>
6.	To exempt GST on entry fee for regional language films screened on single screen.	<p>The Karnataka Film Chamber and Commerce Industry have raised the issue of exemption of GST on regional language films like Kannada, Kodava, Tulu, Konkani and Banjara films in Karnataka. These films were exempted from payment of Entertainment tax prior to the introduction of GST.</p> <p>Representatives of the film industry have informed that due to the Covid-19 pandemic and consequent lock down, the survival of the film industry has become difficult and has requested regional films screened in single screen theatres to be exempted from GST.</p>
7.	To clarify about liability of GST on Man Power Supply Services received by Panchayats, Municipalities and Local Bodies	<p>Notification No 12/2017 Central Tax-Rate dated: 28-06-2017 exempts certain services from the levy of central tax and similar notifications are issued by the state. Entry No. 3 of the said notification reads as under:</p> <p><i>“3.Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union Territory or local authority or a Governmental Authority by way of any activity in relation to any function entrusted to a Panchayat, under Article 243 G of Constitution or in relation to any function entrusted to Municipality under Article 243-W of Constitution.”</i></p> <p>In this regard any pure service related to those functions entrusted to a panchayat</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>under Article 243 G of Constitution and those entrusted to Municipality under Article 243-W of Constitution are exempted.</p> <p>Many of Panchayats, Municipalities and Local Bodies are Obtaining Manpower like Computer Operators and office Personnel who are not directly related to service are received by these bodies. Such services has held not to be directly related to the functions entrusted to Panchayat under Article 243 G of Constitution and those entrusted to Municipality under Article 243-W of Constitution and hence tax was collected from such local bodies and Government Departments by the Contractors.</p> <p>In view of the above a clarification may be issued on the scope of the words “ in relation to” in the interest of uniformity across the country</p>
8.	Services provided by Central Government or State Government or Governmental Authority by way of granting of long term lease (exceeding 30 years) should be exempted from GST.	<p>Upfront amount paid towards granting long term lease of industrial plots has been exempt since 01.06.2007 and same has been carried forward from Service Tax regime to GST with significant expansion of scope. The scope of the exemption was expanded to include long term lease of plots supplied by entities having 50% or more ownership of Central Government, State Government or Union Territory in an industrial or financial business area. Subsequently, the scope of the exemption was further expanded and it has included financial business area.</p> <p>2. During 2nd Meeting of the Group of Ministers (GoM) on boosting Real Estate Sector held on 21.11.2019, the issue to exempt GST on long term lease of land by private / semi-private bodies for setting industrial parks was discussed. The Government of Punjab has requested to exempt GST on long term lease of land by private entities for industrial purpose.</p> <p>3. After detailed deliberations, Hon’ble members of the GoM recommended that:</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>(i) Service by way of grant of long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations / Undertakings or any other entity having 20% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, may be exempt from GST.</p> <p>(ii) GST @ 5% may be levied on long term lease of land (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by a *private person or entity, or an entity having less than 20% ownership of the Government. Similar safeguards as at sl. no. (ii) and (iii) above shall apply to this clause as well.</p> <p>4. The recommendations made by GoM were discussed in the 38th GST Council meeting held on 18th December, 2019 at New Delhi. The first recommendation has been accepted. The second proposal relating to rate of GST on long term lease of land of industrial plots or plots for development of infrastructure for financial business, provided by a private person or entity, was referred to the Fitment Committee.</p> <p>5. During the deliberations in the GoM and GST Council, it was believed that the services provided by the Central State Government or State Government or Local Authority or Governmental authority in form of long term lease of land of industrial plots or plots for development of infrastructure for financial business are already exempted in GST because in such cases ownership of</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>Government is 100%.</p> <p>[Note:</p> <p>(i) Initially, as per amendment made in entry No. 41 vide notification No. 32/2017 – Central Tax (Rate) dt 13.10.2017, supply of services by way of “Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50 per cent. or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area.</p> <p>(ii) Subsequently, this limit of 50% is reduced to 20% vide Notification No. 28 /2019- Central Tax (Rate) New Delhi, the 31st December, 2019 w.e.f. 1/1/2020.</p> <p>(iii) Therefore, it is firm view that where the ownership of Government is 100%, no tax is leviable.]</p> <p>6. Recently Gujarat Authority for Advance Ruling held that one time long term lease premium payable/paid by the Jinmangal Corporation to Ahmedabad Urban Development Authority is taxable supply and is liable to pay tax under Reverse Charge Mechanism in accordance to Section 9(3) of the CGST Act in light of notification No. 13/2017 as amended by 05/2019.</p>

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>7. In this regard:</p> <p>(a) it may be clarified that tax shall not be leviable on services provided by the Central State Government or State Government or Local Authority or Governmental authority in form of long term lease of land of industrial plots or plots for development of infrastructure for financial business; or (b) the issue may be deliberated afresh in light of following legal arguments.</p> <p><u>Legal position:</u></p> <p>At present, tax liability under the GST Act on services by way of granting long-term lease transactions above 30 Years (HSN 9972) under different scenario is enclosed in “Annexure”. Looking to the above scenario, services provided by Central Government or State Government or Governmental Authority by way of granting Long term lease is taxable in GST Regime. Reasons for granting exemption: Generally, instead of selling the immovable property directly to industrial units or developers, Government transfers the immovable property in the following manner:</p> <ol style="list-style-type: none"> Transfer of the property by way of long term lease Transfer the property by way of long term lease by any authority constituted by the Government (e.g. Ahmedabad Urban Development Authority) Transfer the property by way of long term lease by the Industrial Development Corporation constituted by the Government (e.g. Gujarat Industrial Development Corporation). Such authority charges amount (i.e. upfront amount or lease premium) as per the prevailing market rate at time of entering into lease agreement and subsequent lease rental charges are notional. If the immovable property is sold by any person, there is no tax liability as such transactions are outside the purview of GST (As per entry 5 of Schedule III).

Sl. No.	Proposal	Justification for request- Issues deferred by the Fitment Committee for further discussion
		<p>As stated above, the Government doesn't sell the immovable property and instead transfers the property to industrial unit or other business entity (including promoter) through long term lease. Such transactions cannot be not covered under Notification 14/2017 (Rate) dated 28th June, 2017 as such activities are not in relation to a function entrusted to a Panchayat under article 243G of the Constitution or to a Municipality under article 243W of the Constitution and therefore are taxable. Tax liability arises on such transactions under RCM on the recipient, which makes such transactions unviable. There is no level playing field between sales of land by any person viz-a-viz long term lease of land by the Government or Governmental Authority. Therefore, levying tax on such transactions seems unfair and not justifiable.</p> <p><u>Proposal:</u> Therefore, it is proposed to exempt services provided by Central Government or State Government or Governmental Authority by way of granting of long term lease exceeding 30 years</p>

Agenda Item 11(iv): Issues placed before the Council in pursuance of directions of the Court - GST rates on assistive devices

This agenda note is regarding the applicable GST rate on the supplies relating to disability aids and equipment used by persons with disability, consequent to the Order dated 26-10-2020 of Hon'ble Supreme Court of India in the matter of Nipun Malhotra Vs. Union of India [Writ Petition (Civil) No.725 of 2017]).

Background

2.1 Briefly stated, under GST regime, a concessional rate of 5% has been prescribed on goods used by the persons with disability [vide S.No. 256 and 257 of the Schedule I of notification No. 1/2017-Central Tax (Rate) dated 28th June, 2017]. These items are being subjected to the concessional rate of 5% in order to allow the suppliers of these to avail the Input Tax Credit (ITC) and get the refund of accumulated ITC on account of inverted duty structure. In case, these goods were to be exempted, the suppliers of the said goods would not be allowed to avail the ITC and the tax paid by such suppliers on the inputs would become a part of the cost of the final supplies to consumers.

2.2 The issue of taxation of the goods used by the persons with disability was discussed in the 14th GST Council held on 18th and 19th May, 2017 wherein it was discussed that the said items may not be exempted because in that case these items will not be eligible for ITC. Subsequently, the request to exempt GST on assistive devices has considered by the council in its meetings held on 11th June, 2017, 22nd December, 2018, and 20th September, 2019 and it has been decided not to change the tax rate on such devices so as to enable refund of accumulated input tax credit to the manufacturers. Therefore, it was a conscious decision of the GST Council to keep these items in 5% GST bracket.

Writ Petition

3.1 Subsequently, a Writ Petition (Civil) No. 725/2017 has been filed by Shri Nipun Malhotra challenging the imposition of 5% GST on assistive devices for the disabled *inter alia* on the grounds that the imposed GST has the effect of dividing the society amongst the disabled and the able by placing a tax burden on the disabled. This levy violates fundamental right, is at deviation from international practice. Accordingly, it has been pleaded that said tax violated the Fundamental Rights of the disabled.

3.2 The issues raised by the petitioner in his petition was examined in detail and a counter affidavit was filed by the Union Government in the matter. It was apprised by the Union Government to the Hon'ble Court that the extent and rate of taxation is an executive function. If the competence of the legislature stands established, the quantum of tax, conditions of taxation form a part of competence of the legislature. The levy of GST at the lowest rate of 5% was defended on the ground that 5% GST rate enable manufacturer to utilize input tax credit and in case of overflow take refund thereof. Exemption would break ITC chain and thus blockage of ITC. The GST law does not allow refund of accumulated ITC on exempted goods for domestic consumption. Hon'ble Court was also apprised of international practices which vary from country to country. A few impose GST at lower rates while other exempt and a few zero rate certain supplies for physically handicap. Learned Attorney General appeared on behalf of Union of India.

3.3 However, Hon'ble Court in its Order dated 26.10.2020 in the present case has made GST Council as a necessary party in the matter. Court has further directed the petitioner to file a

representation to the GST Council seeking the abolishment of the levy of 5% GST on the goods used by the persons with disability.

3.4 Subsequently, the petitioner has filed a representation dated 25th November, 2020 seeking abolition of the 5% GST imposed on the items used by the persons with disability. The copy of the representation dated 25-11-2020 is placed for consideration of the Council as **Volume-4** of the detailed Agenda Notes.

Ground relied by the Petitioner in the representation dated 25.11.2020

4 Petitioner has stated the following grounds for abolition of the 5% GST on the items used by the persons with disability: -

- (i) The levy of 5% GST on the Disability aids and equipment is incorrectly stated as “beneficial” for the end disabled user by the Respondent No. 1 i.e. Union of India. This argument vests on the false and misleading assumption that the levy of 5% GST allows for the reduction of cost of these products of the end disabled-user in domestic markets as the manufacturers are able to claim Input Tax Credit (ITC) on the inputs used to manufacture these products. This “benefit” is wrongly referenced to a “zero-tax regime”. This so because the benefit accrued from such an ITC accrues only to the manufacturer and not to the disabled consumer.
- (ii) The levy of 5% GST on disability aids and equipment violates the fundamental rights of the person with disability as envisaged under Article 14, 15, 19, 21 and 21A of the Constitution. The Hon’ble SC has in the cases of Jindal Stainless Steel V State of Haryana [(2017) 12 SCC 1], Aashirwad Films v Union of India [(2007) 6 SCC 624] and Indian Express Newspaper v Union of India [(1985) 1 SCC 641] held that the levy of taxes which violate the fundamental rights of a class of persons to be unconstitutional.

Fitment Committee Recommendation

5.1 Fitment Committee discussed this issue at length. The Committee observed that, tax policy in general and indirect tax concessions in particular, do not appear to be the right instrument to provide relief in the instant case. Indirect tax concessions, especially full exemptions, usually result in duty inversions that blocks input tax credits which may lead to increase in costs of the goods required by the beneficiaries. Besides, a minimum level of GST helps in encouraging domestic manufacturing of these items thereby reducing the dependence on international market for these crucial goods. Committee also felt that zero rating for domestic consumption is not permissible in law. As such the goods are at lower rate slab of 5% and this rate has been consciously recommended by the Council. This tax does not impinge on the fundamental right. In fact, the council has consciously kept the GST rate on these items at low rate of 5%. The Committee also noted that there are many schemes which are being run by the Department of Empowerment of Persons with Disabilities (Divyangjan) to empower persons with disabilities (list attached as ‘**Annexure-I**’). Therefore, the Fitment Committee was of the opinion that, instead of tax policy, support through public expenditure, especially in the form of direct subsidy to the beneficiaries and disabled friendly infrastructure creation, was the most effective policy option to provide assistance and relief to the persons with disabilities.

5.2 In the view of above, fitment committee felt that present rate structure on these items merits continuation.

Representation to be placed before GST Council

6. The matter is placed before the GST Council for a decision as directed by Hon'ble Supreme Court vide aforesaid order dated 26.10.2020.

**Schemes being run by the Department of Empowerment of Persons with Disabilities
(Divyangjan)**

1. Deendayal Disabled Rehabilitation Scheme (DDRS)
2. District Disability Rehabilitation Centers (DDRCs)
3. Assistance to Disabled Persons for Purchase/Fitting of Aids/Appliances (ADIP)
4. Scheme for Implementation of Rights of Persons with Disabilities Act, 2016 (SIPDA)
5. Accessible India Campaign / Sugamya Bharat Abhiyan
6. Scheme for Awareness Generation and Publicity
7. Research on Disability Related Technology, Products and Issues
8. Unique Disability ID Project (UDID)
9. Incentive Scheme for providing employment to Persons with Disabilities (PwDs) in the private sector
10. In-Service Training and Sensitization of key Functionaries of Central and State Government, Local Bodies and other Service
11. Scheme of “Support for Establishment/ Modernization/ Capacity Augmentation of Braille Presses”
12. State Spinal Injury Centre
13. Scheme for Financial Assistance to Colleges for Deaf in Five Regions of the country Providers
14. Scholarship Schemes
15. Scheme for providing Financial Assistance under the National Fund for Persons with Disabilities
16. Exhibitions/workshops to showcase the products including paintings, handicraft, etc. made by the PwDs.
17. Support persons with benchmark disabilities who have excelled in sports/ fine arts/music/dance/film/theatre/literature at the State level to participate in the National and International events.
18. Support certain exclusive needs of persons with high support needs as recommended by the Assessment Boards on specific recommendation by the States on a case-to-case basis.
19. Indian Spinal Injury Centre (ISIC)
20. The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities
21. National Handicapped Finance and Development Corporation (NHFDC)
22. National Awards for the Empowerment of Persons with Disabilities.

**Agenda Item 11(v): Issues placed before the Council in pursuance of directions of the Court -
Exclusion of ice cream from composition levy**

The agenda note is regarding the direction of Hon'ble High Court of Delhi in the matter of Writ Petition No. 5252/2019, M/s Del Small Ice Cream Manufacturers Welfare's Association Vs. Union of India wherein petitioner had challenged exclusion of Ice Cream from the ambit of composition levy under section 10 of the CGST Act. Hon'ble Court after consideration of issue has directed that matter be placed before Council for a re-look by the Council.

Background

2. Briefly stated, the composition levy covers prescribed on all goods except those notified by the government (section 10(2)(e) of CGST Act 2017). The exclusions from Composition Scheme were deliberated in the GST Council in the 17th Meeting held on 18.06.2017 and is recorded as per Agenda Item 3. After due deliberations above, the Council recommended that the manufacturers of Ice Cream and other edible ice, whether or not containing cocoa [HS 2105 00 00] (along with manufacturers of Pan Masala and Tobacco products). Exclusion of ice cream was made on the grounds that major input for ice cream is milk which is exempt, therefore allowing composition levy on ice cream will lead to significant loss of tax revenue.

Writ Petition (Civil) No. 5252/2019

3.1 A Writ Petition (Civil) No. 5252/2019 was filed by M/s Del Small Ice Cream Manufacturers Welfare Association challenging the exclusion of ice cream from the composition levy under Section 10(2)(e) of the CGST Act 2017 *inter alia* on the grounds that the reasoning for exclusion of ice cream is fallacious as ice cream does comprise of large number of other components on which GST is levied.

3.2 Further, the petitioner also contended that the GST Council, in exercise of powers under Section 10(2)(e) of the Act has clubbed ice cream with pan masala and tobacco which are sin goods very unlike ice cream.

3.3 The Hon'ble Court in its Order dated 09.02.2021 in the present case, has made the following observations:

- (i) A reading of Section 10(2) (e) of the Act shows that no parameters, whatever, on the anvil of which the respondent No.2 GST council may recommend for notification, any goods from the benefit of Section 10(1) of the Act, have been prescribed.
- (ii) On the perusal of minutes of 16th and 17th GST Council meeting, the Hon'ble Court has enquired whether any study has been done by the respondent No.2 GST Council, of the tax effect of extending benefit of Section 10(1) to small scale manufactures of other similar goods and services. The perusal of minutes also shows that the reason as emanating from the 17th meeting viz. of the taxation effect, on benefit of Section 10(1) being permitted to be given to ice cream, being enormous.
- (iii) The court has passed the following direction: -
 - 22. *Only direction which can be issued in this petition is, to direct the respondent no. 2 GST Council to reconsider the exclusion of small scale manufacturers of ice cream from the benefit of Section 10(1) of the Act, including on the aforesaid two parameters i.e. the components used in the ice cream and the GST payable thereon and other similar goods having similar tax effect continuing enjoy the benefit. We direct accordingly.*
 - 23. *The respondent no. 2 GST Council to take up the aforesaid aspect in its next meeting and to take a decision thereon at the earliest, keeping in view that the ice cream season has just begun, and preferably within three months of today.*

3.4 Accordingly, the copy of the Order dated 09-02-2021 is placed for consideration of the Council in **Volume-4** of the Detailed Agenda Notes. Consequent to this order by Hon'ble High Court, the two issues under consideration are as under:

- (a) The components used in the ice cream and the GST payable thereon.
- (b) Other similar goods having similar tax effect continuing enjoy the benefit.

4. As regards the components used in the ice cream and the GST payable thereon, as per the standard for ice cream, kulfi, chocolate ice cream, etc. issued under Food Safety and Standards (Food Products Standards and Food Additives) Regulations 2011, Ice-Cream, Kulfi, Chocolate Ice Cream or Softy Ice-Cream means the frozen milk (product conforming to the composition specified in entry (i) of sub-item (c) of item 2 (of the said regulations), obtained by freezing a pasteurized mix prepared from milk or other products derived from milk, or both, with or without addition of nutritive sweeteners and other permitted non-dairy ingredients. The said product may contain incorporated air and shall be frozen hard except in case of softy ice-cream where it can be frozen to a soft consistency.

5. Regarding weight-age of these commodities in ice cream manufacturing, as per the inputs provided by GCMMF Ltd (Amul) the breakup for ice cream is as under:

Constitutions/ Inputs	HSN	Weightage in total inputs for that Brand (Value wise)	Input per unit price (Rs per Kg)	Value wise weightage (percentage)	GST Applicable	Total GST paid on inputs for Rs 100 worth of ice cream inputs used.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Milk and Cream	040120, 040150	64.99	81.6	53.7	0%	0
Butter	040510	13.56	181.50	24.9	12%	2.99
Skimmed Milk powder	040210	6	255	15.4	5%	0.77
Food Stabilizer	130220	0.3	162	0.5	18%	0.09
Sugar	170113	15	32.81	5	5%	0.25
Flavor	330210	0.15	263.70	0.4	18%	0.07
Total		100		Rs 100		Rs 4.17

6.1 As detailed above, in case of ice cream, approximate costing calculations show that for every ice-cream manufactured of value Rs 100, Rs 54 worth of milk and cream is used which is exempt from GST which is the primary input. As detailed in column (7) in table above, total tax paid on inputs worth Rs 100 is Rs 4.17 which is less than 5% of the value of inputs. Hence, ice cream dealer is required to pay significant portion of his liability in cash (ITC being low).

6.2 As regards other similar goods (edible, non-essential products), exclusion from Composition Scheme are only a few items, as detailed above.

7. The market size of ice cream in India is estimated to be around Rs 15000 Cr at 2019 data. This market is dominated by Amul and Kwality Walls (together account for 75% of the market). Other big players include Vadilal, Naturals, Havmor, Mother Dairy etc. In addition, there are few local brands that enjoy significant turnover. However, there are many small venders operating locally who may have turnover of upto Rs. 1.5 Cr. They may have smaller share of the market but are large in numbers.

8. In the above background, the order of the Hon'ble High Court was placed before the Fitment Committee for looking into the matter before placing it before the Council.

9. The Fitment Committee examined the issue and was prima facie of the view that exclusion of Ice Cream has been well debated in the Council. Revenue implication of inclusion of Ice Cream under composition has significant implication as it has high value addition. Council has decided this exclusion taking relevant factors into account. Even, aerated water exclusion has been made, while it was earlier covered, w.e.f. Oct 2019 on the ground of revenue implication. The Committee observed that even in pre-GST regime it was excluded from composition in a number of states. Under GST regime, the exclusion has been limited only to ice cream, Aerated drinks, Pan Masala and Tobacco. Therefore, the Committee felt that matter be placed before the Council for consideration. It also felt that there is a need for a detailed study of coverage (inclusions and exclusions) from composition scheme, particularly as regards sectors where there is significant value addition and consumption. In this regards direction of the Council be taken.

Agenda Item 12 : Correction of Inverted Rate Structure on textiles and footwear

The Committee of Officers on Augmentation of Revenue identified 'Inverted Rate Structure' as a significant issue that has led to certain distortions in the GST tax regime and need correction. Inversion in rates causes accumulation of input tax credit with a manufacturer producing the goods. The Fitment Committee examined the issue and made the following recommendations on textiles, footwear, mobile and fertilizers. These items were most affected by inverted rate structure:

- i. GST rate on mobile phones and its parts (falling under Chapter 85) may be increased from 12% to 18%.
- ii. GST rate on Chemical fertilizers may be increased from 5% to 12%.
- iii. GST rate on footwear with value upto Rs.1000/- per pair, may be increased from 5% to 12%.
- iv. Following rate structure on textiles: -
 - a. 5% GST on cotton and other natural fibres (except raw jute, silk and wool) and all-natural fibre yarns.
 - b. 12% GST on manmade fibres
 - c. 12% GST on MMF yarns
 - d. 12% GST on all fabrics
 - e. 12% GST on all garments and made-ups
 - f. 12% GST on dyeing services

2. The above recommendations, were placed before the GST Council in its 39th meeting held on 14th March, 2020. The Council deliberated the issue in detail and accepted the recommendations of the Fitment Committee for increasing the GST rates on mobile phones and parts from 12% to 18% and decided to take up the issue of inverted tax structure on textiles, fertilizers, footwear and others in future meetings of the Council. Further, Council was of the view that other items of inversion may also be taken up for discussion at appropriate time.

3. The issue of Inverted Duty Structure was again taken up by the GST Council in its 40th meeting held on 12th June, 2020 wherein the Council agreed in principle that there is a need for correction of the inverted duty structure but owing to the economic situation due to Covid-19, deferred the issue for a later appropriate time.

4. Inverted rates create distortion in GST, as they are a deviation from the basic philosophy of a value added tax. The adverse implications of inverted rates are as follows:

- (i) A manufacturer suffers cash flow issues in case of inverted rate structure, even if refund of accumulated ITC on inputs is eventually refunded.
- (ii) The accumulated ITC on input services and capital goods is not refundable even if rate structure is inverted. Input services constitute significant portion of cost. Thus, accumulated ITC on input services would be significant. Accumulated ITC on capital goods is a burden for exporters too.
- (iii) Small standalone units suffer more on account of inversion (in comparison to a large composite unit).
- (iv) Inverted rate structure makes import more competitive putting domestic units at disadvantage. While domestic unit suffer the adversities of accumulated ITC, the import simply enjoys lower IGST without any inversion or accumulated ITC.

(v) Inversion disincentives capital investment. Acquisition of capital goods for manufacturer of goods suffering inversion (say fabrics) would lead to hardship for a new unit or a unit undertaking expansion of capacity, as ITC on capital goods accumulates and cannot be adjusted with output tax liability. This has been argued by industry.

(vi) A consumer is also unlikely to gain much on account of lower rate on goods suffering inversion. The embedded taxes become cost and likely to be passed on. Further, as new investment is dissuaded in such sectors, customers choices get restricted and sector remain uncompetitive/inefficient leading to adverse consequences in terms of price and availability of goods.

(vii) Even claiming refund of accumulated ITC on inputs requires effort, cost and often marred with litigation.

(viii) With technological advancement and increasing production, net unit value addition at manufacturer's end falls. Manufacturers have been outsourcing more, including the manpower supply. This makes inversion further acute.

(ix) In absence of any standardised input output norms, the inverted rate structure has also led to making fraudulent refund claim that is accumulated on fake invoice in items like footwear.

(x) Inverted rates also have serious implication to revenue as there has been substantial outgo in refund of accumulated ITC on inputs (no refund is given on input services and capital goods).

Thus, overall, inverted rate structure would make domestic industry less competitive, result is cash flow issues besides accumulation of ITC that sticks to cost, lead to unfair practices, creates disincentive for investment in newer technology and expansion, does not really benefit the consumer much in terms of cost reductions and has serious implication to revenue

5. In view of the above, a proposal for correcting the Inverted Rate Structure on Footwear and Textiles is placed before the Council. As regards fertilizers, taking into account the certain concern were expressed on account of implication to agriculture, it is proposed that Council may take up the issue later.

Footwear:

6. India produces more than 2 billion pairs of different categories of footwear. Over the years the percentage of non-leather footwear has been increasing and at present non-leather footwear constitutes about 60% of the total footwears made. Even in leather footwear as significant constituents (like soles, consumable, embellishments etc.) is of non-leather items. Hence, non-leather inputs, as discussed below are the major constituents of footwear industry. There are nearly 15000 units engaged in manufacturing footwear in India with total turnover of these manufacturing unit is estimated at Rs. 70,000 crores. The value addition in this industry is about 15-20%. With post manufacturing (trading) value addition and imports of footwear, the total domestic consumption estimated to be about Rs 80,000 crore a year (met with domestic supply and imports). As the major constituents of footwear industry attract standard rate (except leather-cost which on an average is about 20% in leather footwear), the inversion in footwear with 5% rate is acute.

7. While pre-GST tax incidence on footwear was significantly higher (ranging from 10% to 29%), the GST Council recommended a lower dual rate structure for footwear with 5% rate on footwear with retail sale price up to Rs. 500 and 18% on other footwears. The Council revisited the rate structure on footwear and concessional rate of 5% was extended up to footwear with retail sale price upto Rs. 1000 with effect from August, 2018. Subsequently, w.e.f. 1.1.2019 further concession was given to footwear and GST rate would apply on the supply value rather than on the basis of retail sale price.

8. This has led to inversion in rate structure, as majority of sale of footwear (about 70% in value term) is at concessional GST rate of 5%. This has also led to a refund of about Rs 2000 crore a year. The major inputs of footwear and their typical share in a footwear are as under:

Parts	Material	GST rate	Proportion in Cost
Shoe Sole	Natural/Synthetic Rubber, Precipitated Silica, Elasto Polymer	18%	25%
Shoe Upper	Leather, Technical Textile, Rubber, Plastic	5%/12%/18%	30%
Chemicals, components, embellishments, other Parts, Consumables and other inputs	Adhesives, [PU, polychloroprene, PVA, Acrylics, Isocyanate], Solvents [MEK], Colors and Pigments, Catalysts etc.	18%	15%
Overheads and other expenditures (Capital goods, input services)		18% on capital goods and input services (other than job work)	25%
Margin			5%

Source: Industry data

9. In general dual rate structure needs to be avoided as it creates distortion and leads to mis-declaration/ evasion of taxes. As such an ad valorem rate ensures that in absolute term the lower segment would suffer lesser tax incidence. Therefore, ideal all footwear should be standard rated. However, considering that the items is a mass consumption goods, at this stage 12% rate for footwear with value upto Rs.1000/- per pair may be conducive to correct inversion.

Textiles:

10. The GST rate structure on all goods of the textile value chain was deliberated at length during the 15th meeting of the GST council held on 03.06.2017 and subsequent GST Council meetings. Based on the Pre-GST tax incidence, the GST Council recommended: -

- (a) 18% GST on Man-made fibres
- (b) 18% rate on MMF filaments and yarns,
- (b) 5% GST on cotton, silk, wool and other natural fibre and yarns
- (c) 5% on raw cotton and other vegetable fibres; nil rate on raw silk, raw wool and raw jute.

(d) 5% on all apparel fabrics including Man-made fibre fabrics with restriction on refund of accumulated ITC at fabric stage.

(e) 12% rate on technical and other fabrics such as narrow fabrics.

11. In pre-GST regime fabrics suffered a much higher tax incidence. While cotton fabric had an incidence of about 9%, MMF fabrics had an incidence of about 13.6%. Therefore, a 5% rate in GST was much lower. Taking this into account Council prescribed the restriction of not allowing refund of accumulated ITC on fabrics. After roll out of GST, the textile industry represented that the rate structure resulted in acute inversion in textile sector particularly at fabric stage. It was also argued that the restriction of not allowing refund of accumulated ITC on fabrics favoured large composite mills while standalone power looms suffered. Accordingly, in stages further relief was extended to textile sector. To begin with GST rate on manmade yarn was reduced to 12%. Thereafter, refund of accumulated ITC was allowed on fabrics with prospective effect from 1.8.2018. Job-work services were also brought down to 5%. However, these changes have not been able to sort out the inversion issues. Yarn continues to suffer significant inversion as value addition from fibre to yarn is not significant. Hence, standalone spinning units suffer. Fabric, particularly made on MMF or blended, continues to have inversion on account of higher tax rate on yarn, input services and capital goods. The adverse impact of inverted rate structure has bearing to ready-made garment segment too on account of accumulated ITC on services and capital goods. Also the cost associated with inversion on fabric becomes a cost that is transferred by fabric manufacturer to readymade garments.

12. On ready-made garments the pre-GST incidence was about 13.2%. Hence, 5% rate in GST is significantly lower.

13. Lower rate of 5% on job-work has led to hardship to dyeing units. Their significant inputs like chemicals and dyes attract GST at the rate of 18%. Further critical input services of effluent treatment attract GST at the rate of 12%. These job workers have been representing for correcting inversion even if it requires increasing rate to 12% of dyeing services.

14. Ministry of Textiles has recommended for correcting inverted rate structure so as to unshackle it from the burden of taxes (accumulated ITC etc). It has been stated that liberating this sector will also substantially increase employment opportunities in the textile industry. The differential rates and slow-refunds of accumulated input tax credit has affected the competitiveness of the industry and has proven to be a deterrent for investment in the sector. Ministry of Textile is of the view that for tax uniformity across the value chain, MMF fibres and yarns need to be brought under a uniform tax slab to take care of inversion in tax structure. This will benefit the spinning and power loom sectors, which in turn will boost the garment sector and create huge job opportunities. An inter-Ministerial Group (IMG) consisting of Ministry of Textiles, Commerce and NITI Aayog has also similar views. The IMG has observed that with implied limitation on growing cotton, manmade fibre base needs to grow at least 5 times in next 5 years.

15. The inversion in rate structure of textile sector has led to a refund of more than Rs 4000 crore. This is anticipated to grow considerably in future considering that in the first year, refund of accumulated ITC was not allowed to fabric units.

16. The volumes of quantity produced and sold for textile sectors broadly are as follows. Cotton yarn - 4200 Mn Kg, man-made fibre and yarn- 3600 Mn Kg, fibre being about 1200 Mn Kgs. (Source DC&PC, Textile Commissioner). In coming years, the man-made segment is anticipated to grow faster than natural fibre segment.

17. General view as regards GST rate structure in textile sector is that the 5% rate on fabrics and lower value garments (Rs 1000 per pc) is an anomaly. Manufactured goods should either have higher or equal rate (in comparison to the rate as applicable to key inputs). However, a divergent view offered was that the output tax rate on mass consumption commodities like garments and fabrics should be viewed from the point of view of the consumer interests and not solely from the view of industry hardships or inversion. On this count any increase in rate of fabric and garment may not be justifiable.

18. The experience since the roll out of GST has been that inverted rate structure has led to significant adverse impact as stated above. It has not really benefitted the consumer either. Lower incidence did not lead to reduction of prices of fabrics or garments. In any case, inversion of tax rate meant that a lot of cost on account of accumulated ITC on services, capital goods and the resource cost for seeking refund of accumulated ITC on input sticks to the cost of fabric and garments. This may be 4-5% considering service and capital goods would at least constitute 20-25% of the input cost. Further, removal of inversion would give boost to the garment sector and with increasing production customer would only benefit. Therefore, increase in tax rates may at the most a marginal effect of garment. Besides, there exists a strong economic justification, as argued by Ministry of Textiles, that refined rate structure will help the sector to grow at faster pace.

19. The dyeing industry has also been severely affected by inversion as the output service attract GST rate of 5% while their significant inputs like dyes attract GST at the rate of 18% and significant services like effluent treatment also attract a GST of 12%. This industry has represented for correction of inversion by raising GST rate on the process of dyeing from 5% to 12%. Once the fabrics rate is calibrated to 12%, it would also be feasible to calibrate the GST rate of dyeing industry. Fitment Committee is also of the view that dual rate on readymade garment and made ups be avoided. RMG and made up, irrespective of value be placed at uniform rate of 12%. Ad valorem rate would ensure that lower rate garment suffer lower tax in absolute terms. As stated, rate calibration shall not have any significant implication to consumer. In long run, as sector grows, it would benefit consumers and economy as streamlining of the tax structure textile industry would be able to grow at a more rapid pace and with increased productions and economies of scale, the costs and prices in this sector would naturally go down.

20. In view of the above discussions, the following rate structure on textiles is proposed: -

- (a) 5% GST on cotton and other natural fibres (except raw jute, silk and wool) and all-natural fibre yarns.
- (b) 12% GST on manmade fibres
- (c) 12% GST on MMF yarns
- (d) 12% GST on all fabrics
- (e) 12% GST on all garments and made-up
- (f) 12% GST on dyeing services

Other items which suffer inversion in rates:

21. In the previous deliberation in the Council on the need for correcting inversion, there has been a general consensus that inverted rate structure need correction to the extent feasible and therefore, other items may be identified. In this regard, it is submitted that certain other sectors where significant inversion exists are renewable energy devices, railway parts (though corrected partially by revision of

GST from 5% to 12%), pharmaceuticals, tractors, machineries liking milling, LEDs, agarbatti, ink, pen, utensils, water pumps etc. These items being at lower rate slabs of 5% and 12 [while their input and input services are at 18%]. The extent of inversion in these items shall be examined by Fitment for making recommendation to the Hon'ble Council for consideration and making recommendation in the future meeting.

Agenda Item 13: Applicability of Goods and Services Tax on Extra Neutral Alcohol (ENA)

Briefly stated, an Agenda Note for GST Council on the taxation of rectified spirit/ Extra Neutral Alcohol (ENA) under GST was considered in the 20th Meeting of GST Council held on 05.08.2017, wherein the Council, had recommended:

- a) For the time being status quo should be maintained regarding taxation of ENA for manufacture of alcoholic liquor for human consumption.
- b) legal opinion of the Attorney General of India may be sought regarding whether within the prevailing constitutional provisions, GST can be levied on supply of ENA for manufacture of alcoholic liquor for human consumption or not?
- c) Representatives of States who wish to participate in briefing to the Ld. AG may also be invited for such briefing on the issue before the Ld. AG and may also be invited to attend the same.

2.1 Accordingly, the issue of applicability of GST on supply of rectified spirit/ Extra Neutral Alcohol (ENA) for manufacture of alcoholic liquor for human consumption was referred to Ld. Attorney General. Further, as desired by the Ld. Attorney General, a number of States had sent detailed notes on applicability of GST on rectified spirit/ Extra Neutral Alcohol (ENA) for manufacture of alcoholic liquor for human consumption. Thereafter, representatives of Tamil Nadu, Karnataka, Haryana, West Bengal, Andhra Pradesh, Rajasthan and Maharashtra also briefed the Ld. Attorney General on the issue. The Ld. Attorney General rendered his opinion on the matter, through Ministry of Law and Justice, as under:

- i. There is no dispute between the Centre and the States as to the levy of GST on industrial alcohol (i.e., denatured ENA), there is divergence of opinion in regard to ENA that is used for manufacture of ‘alcoholic liquor for human consumption.’
- ii. A note containing the views received from the State of West Bengal, objects to the levy of GST on ENA by relying on the judgment of the Supreme Court of India in *Bihar Distillery v. Union of India* (1997) 2 SCC 727. The State contends that no GST can be levied on ENA that is used to manufacture alcoholic liquor for human consumption and the power to regulate and impose taxes on ENA is vested exclusively in the States.
- iii. The representations received from the Government of Tamil Nadu, Rajasthan and Andhra Pradesh also place reliance on the judgment of the Supreme Court in *Bihar Distillery (supra)* to contend that no GST can be levied on ENA.
- iv. At the request of the Ministry of Finance, a conference with the representatives of the States of West Bengal, Karnataka, Andhra Pradesh, Tamil Nadu, Rajasthan and Maharashtra. During the conference, these States have once again placed reliance on the judgment of the Supreme Court in *Bihar Distillery* to submit that the power to levy tax on ENA would vest exclusively with the State Governments and therefore, no GST can be levied.
- v. Even though the judgment of the Supreme Court in *Bihar Distillery (supra)* does hold that the States have the power to control rectified spirit removed for manufacturing potable liquors, thus judgment cannot be used as precedent for the proposition that the States have absolute power to impose taxes on ENA that is used to manufacture ‘alcoholic liquor for human consumption’. This is because:
 - a) The court in *Bihar Distillery* was not concerned with the power of the State to levy Excise under Entry 51. To that extent, the court did not deal with the meaning of the words ‘alcoholic liquor for human consumption’ as used in Entry 51. On the other hand, the Court was only concerned with the regulatory power of the State under Entry 8 of List II.

Entry 8 in its entirety reads – ‘intoxicating liquors, that is to say, the production, manufacture, possession, transport, purchase and sale of intoxication liquors’. Nowhere does Entry 8 use the phrase ‘alcoholic liquor for human consumption’

- b) The meaning of the term ‘alcoholic liquor for human consumption’ has been dealt with categorically in *Synthetics and Chemicals v. State of UP* (1990) 1 SCC 109 (7 judges) and *State of UP v. Modi Distillery* (1995) 5 SCC 753 (3 judges). In *Synthetics*, the Court has held that the expression ‘alcoholic liquor for human consumption’ means that liquor which as it is consumable in the sense capable of being taken by human beings as such as beverage or drinks. In *Modi Distillery*, the Court held that ethyl alcohol (95 per cent) was not an alcoholic liquor for human consumption but could be used as a raw material or input, after processing and substantial dilution, in the production of whisky, gin, country liquor, etc.
- c) The two judge bench of the Court in *Bihar Distillery (supra)* has not referred to the three judge bench decision in *Modi Distillery* where the Court, dealing with the power of the State under Entry 51 List II, clearly held that “by common standards, ethyl alcohol (which had 95 per cent strength) was an industrial alcohol and was not fit for human consumption.”
- d) The Supreme Court has subsequently overruled *Bihar Distillery* on the very question of imposition of excise duty by the State on rectified spirit. In *Deccan Sugar & Abkari Co. Ltd. V. Commissioner of Excise, A.P.*, (1998) 3 SCC 272 the Supreme Court once again dealt with the question of the power of the State to levy Excise duty on rectified spirit and after noticing the judgment in *Bihar Distillery*, the Court referred the matter to a larger bench for consideration of the question whether any excise duty can be levied by the State on the manufactured rectified spirit which may ultimately be used for production of potable liquor. At Para 4 of the judgment, the Court held:

‘4. It is to be kept in view that the aforesaid decision rendered in *Bihar Distillery* case [(1997) 2 SCC 727] by a bench of two learned Judges of this Court was strictly concerned with the question whether the State could cancel licenses given to a distillery manufacturing rectified spirit on the grounds as alleged to be relevant for such cancellation. Therefore, strictly speaking there was no occasion for this Court in *Bihar Distillery* case [(1997) 2 SCC 727] to consider the wider question whether any excise duty can be levied by the State on the manufactured rectified spirit which may ultimately be used for production of potable liquor. Even that apart the aforesaid observations made in *Bihar Distillery* case [(1997) SCC 727] by the Division Bench of this Court prima facie run counter to the scheme of legislative competence as examined by the Constitution Bench of this Court as well as in the three-Judge Bench of this Court in *Modi Distillery* [(1995) 5 SCC 753] . Consequently, in our view these matters are required to be placed for decision before a larger Bench of three learned Judges of this Court for reconsideration of the judgment in *Bihar Distillery* case [(1997) 2 SCC 727]. We therefore direct the Registry to place all these appeals for disposal before a larger Bench of three learned Judges....’
- e) Thereafter, a three judge bench of this Court was constituted. This bench considered the matter on 13th February 2002 and in a judgment reported in (2004) 1 SCC 243 it held that “the state can levy excise duty only on potable liquor fit for human consumption and as rectified spirit does not fall under that category the State Legislature cannot impose any excise duty”.

- f) Lastly, in *State of Bihar v. Industrial Corporation*, (2003) 11 SCC 465, the Supreme Court, while dealing with the question of the power of the State to levy a penalty for loss or wastage of molasses, rejected the argument of the State that molasses were diverted towards manufacturing liquor which is fit for human consumption and held that ‘no penal duty could have been imposed on rectified spirit’. At Para 23 of the judgment, the Court, after referring to *Bihar Distillery (supra)* has held:

“24. How far and to what extent the said observations are correct need not be considered by us but suffice it to point out that this decision had not noticed the earlier decision given by a Bench of three learned Judges in Modi Distillery. Modi Distillery applies on all fours to the facts of the present case and we are bound thereby...”

- vi. ENA typically contains 95% alcohol by volume and as such, is not fit for human consumption. Under Article 246A (1) read with 366 (12A), GST cannot be levied on the ‘supply’ of ‘alcoholic liquor for human consumption’. ENA that is used for the manufacture of alcoholic liquor is not supply for the purpose of human consumption as it is not consumed directly, but goes through a process of manufacture.

2.2 For the reasons mentioned above, Ld. AG is of the opinion that the judgment of the Court in *Bihar Distillery* does not denude the Centre or the States of the power to levy GST on ENA that is used to manufacture ‘alcoholic liquor for human consumption’.

3. The abovementioned opinion of the Ld. Attorney General was circulated among States vide GST Council email dated 16.01.2018.

4. The above issue was discussed in the GST Core Group Meeting held on 1st March, 2018, where it was decided that in view of the opinion of the Ld. Attorney General, the issue may be placed before the GST Council for its considerations and necessary recommendations. The applicability of GST on ENA was also one of the agenda points for discussion for the 26th GST Council meeting. However the same could not be discussed due to the paucity of time.

5. In the interim, further comments have been received from the States of West Bengal, Rajasthan and Uttar Pradesh. Their comments are at the **Annexure-I**.

6. The issue was placed before the GST Council in its 37th meeting held on 20th September, 2019 and it was decided that as the larger issue of applicability of GST on ENA is pending before the Council, in the interim period, status-quo be maintained and the States may go by the decision of GST Council as recorded in the minutes of the 20th meeting of the GST Council meeting held on 5th August 2017.

7. Due to lack of clarity on the issue, divergent practices are being adopted by distilleries, while supplying Extra Neutral Alcohol (ENA). There is divergence in interpretation by States too. Accordingly, there is different tax treatment for ENA in different states. Units paying GST on ENA have been served demand notices for non-payment of VAT, whereas units paying VAT have been served notices for non-payment of GST. During enquiries, it has been observed by Directorate General of GST Intelligence (DGGI) that different practices are being adopted in different States and even within the State of Uttar Pradesh, various distilleries are following different practices, such as:

- a. Some Distilleries are discharging GST on the supplies of ENA. Consequently, they are not paying VAT or State Excise Duty on the supplies of ENA;
- b. Some of the Distilleries are paying VAT or State Excise Duty on the supplies of ENA; and

- c. Some of the Distilleries are neither paying VAT nor State Excise Duty nor are they discharging GST on the supplies of ENA.

7.1 It has also been observed that some distilleries are adopting a dual practice i.e. paying GST @ 18% on ENA cleared to the manufacturers of 'liquor for human consumption', but not paying any GST on similar products namely Grain Neutral Spirits (GNS) etc. when supplying to a bottling unit.

7.2 Further, various writ petitions have also been filed on this issue as well. Illustratively, Writ Petition No. 1031 of 2017 and Writ Petition No. 1031 of 2017 were filed in the High Court of Judicature at Bombay Civil Appellate Jurisdiction on the issue of taxability of ENA.

8. In view of the different practices being followed and difficulty faced by the trade, it is proposed that the GST Council take up the matter for discussion as it has wider revenue implications.

9. Accordingly, the GST Council may like to consider the issue of applicability of GST on rectified spirit / Extra Neutral Alcohol (ENA) for manufacture of alcoholic liquor for human consumption and make recommendations as it considers appropriate for early resolution of this issue.

1. Comments received from the State of West Bengal

The State is of the view that ENA is outside GST. Their views are based on the opinion of Shri Mukul Rohtagi, Senior Counsel who had opined that ENA for potable alcohol is within the purview of the States. Their views are based on the following

- (a) Mr. Rohtagi had relied on the following three case laws:
 - (i) **R.S. Rekhachand Mohta Spinning and Weaving Mills Private Limited vs. State of Maharashtra (1997)** where the Hon'ble Supreme Court held that any entry in the Constitution should be taken in the widest possible construction.
 - (ii) **Hoechst Pharmaceuticals Limited vs. State of Bihar (1983)** judgment of the Hon'ble Supreme Court which speaks of the exclusive nature of the taxation entries in Central List and State List and the fact that there are no taxation entries in the Concurrent List, thereby implying that there is no confusion in the matter of jurisdiction as far as levy of tax is concerned.
 - (iii) **Amrut Distilleries Limited vs. Nandagopalan and Others (2008)** where the two judge bench of the Hon'ble Supreme Court had directed that division bench of the High Court to decide the matter in the light of Bihar Distilleries case. The case was regarding the whether a distillery lies in the exclusive purview of the Centre or the States.
- (b) The Industrial (Development and Regulation) Act, 1951 was amended in the light of the Bihar Distilleries Judgement in 2016, and retained only Fermentation Industries (other than potable alcohol) in the purview of the act. Therefore the Central government itself kept fermentation industries producing potable alcohol (ENA/RS) under the jurisdiction of the state.
- (c) Further, between the judgement of Constitutional bench in the Synthetics and Chemicals vs. State of UP and present, the state has never levied any excise duty on ENA/RS, recognizing that this falls in the jurisdiction of the state.

2. Comments received from the State of Rajasthan

The State is of the view that ENA is outside GST. Their views are as under:

- (a) It is to be noted that taxation entry 8 of list II (state list) does not qualify "alcohol to be fit for human consumption" but uses the phrase "for human consumption" and thus ENA would fall under the State List and thus be outside the purview of GST.
- (b) Where ENA is utilized for manufacture of potable alcohol, the entire credit gets blocked as there is no GST on output. The tax so paid cannot be utilized for the payment of VAT on the final product thereby creating huge cascading effect in the potable alcohol sector, whereas in the earlier regime the credit of VAT paid was available.
- (c) Further, it is to be noted that differential treatment on the basis of end-use will lead to different rates on the same product. This in itself is a huge incentive for tax evasion as the differences in the tax rates will be substantial. Further, monitoring and supervision of end use

of the product will also be difficult. Therefore, it is advised that taxation on ENA should be left entirely in the hands of State Govt. chargeable to VAT.

3. Comments received from the State of Uttar Pradesh

The State is of the view that as per the current law, ENA is not fit for human consumption in its form and hence is chargeable at 18% rate in GST. However, it must be noted that ENA is primarily used in order to produce liquor and this includes manufacture of country liquor. If ENA is kept at 18% rate in GST, country liquor will become exceedingly expensive and this will lead to increase in manufacture and sale of illegal country liquor which can lead to loss of human lives. Hence, it is requested that ENA should be kept at 12% rate in GST.

Agenda Item 14: GST Revenue Augmentation

1. Prior to introduction of GST, Government had appointed a committee to recommend possible tax rates under GST that would be consistent with the existing level of revenue collection of Centre and States, i.e. revenue neutral rate or RNR. The Committee headed by the then Chief Economic Advisor, Dr. Arvind Subramanian, was of the view that the range of RNR should be between 15% and 15.5% (Centre and states combined). This was in the backdrop of a two-rate structure, a standard rate close to RNR at which maximum tax base would be taxed; and a higher, demerit or sin rate. The RNR recommendation was also based on the assumption that on introduction of GST, collection efficiency would move up.
2. In the 3rd and 4th GST Council meeting, the broad principles on the basis of which GST Rates were to be determined were finalised, the most important among those being that the GST rate should be closest to present combined tax incidence (including cascading). In the 14th and 15th GST Council meeting, goods and services were fit in one of the four GST slabs (5%, 12%, 18% and 28%) in addition to the exempted category.
3. Since the introduction of GST, several rate revision and rationalization have been done. Several other factors such as increase in the threshold limit for exemption and changes in composition scheme have impacted GST revenue and there is a widening gap between the projected revenue collection and the fund requirement which calls for measures for revenue augmentation. Broadening of tax base, additional resource mobilization and improved tax compliance will help achieve the desired outcome of revenue augmentation.
4. A Committee of Officers was constituted for the above purpose with terms of reference including *inter-alia*, suggestions of measures for expansion of tax base. States were also requested to provide specific suggestions on GST and compensation cess rates to be levied on various items, review of current exemptions, rate calibration for addressing inverted duty structure, introduction of compliance measures other than those already in existence and any other measures for revenue augmentation.
5. The Committee of Officers so constituted had come out with recommendation suggesting measures for augmenting revenue.
6. A detailed presentation containing recommendations of the revenue Augmentation Committee was made before the GST Council Meeting in its 38th meeting held on 18th December, 2019. Council deliberated on the issue at length. The issue of correction of inverted tax rate was also taken separately in the 39th and the 40th meeting. Council recommended correction of inversion in mobile by raising rates on mobile and specified parts to 18%. On other issues, like rate slabs, pruning of exemptions, review of rates no view was taken and the agenda was deferred for future meetings. Accordingly, it is a pending agenda for examination by the Council and making recommendation.
7. In this meeting it is only put up for information of the Council. A detailed agenda on the matter shall be placed before the Council in its future meeting.

Agenda Item 15: Decisions/recommendations of the 14th meeting of IT Grievance Redressal Committee

The 14th meeting of the IT Grievance Redressal Committee (ITGRC) was held in online mode over WebEx platform on 4th March, 2021 to resolve grievance of the taxpayers arising out of technical problems faced by them on GSTN portal in relation to filing of TRAN-1, TRAN-2 and migration to GST along with a case of non-technical nature.

2. The agenda for the 14th ITGRC meeting had a total of 66 cases pertaining to TRAN-1/Tran-2/migration comprising 43 Nodal officer cases, 22 court cases (including one migration case of M/s Guru Shoes Components) and 1 non-technical case of M/s Veliath Steel Agencies.

- Out of the total cases, the 64 cases of TRAN 1/ TRAN 2 had been categorized broadly reason-wise in two major categories as 'A' and 'B'. Category 'A' includes cases in which the taxpayer could not apparently file TRAN 1/TRAN 2 because of technical glitches and category 'B' includes cases where no technical issues were found from the system logs in filing TRAN 1/TRAN 2 as per the analysis of GSTN.
- In the migration case of M/s Guru Shoes Components, the petitioner had obtained provisional ID but the migration was not completed due to invalid PAN. The Hon'ble HC vide order dated 03.06.2020 directed to allow migration and directed GSTN to permit access to the GST Portal for uploading of returns.
- M/s Veliath Steel Agencies case is a case of transposition of column and is covered as error apparent on face of record as per the decision of the 32nd GSTC meeting which extended the scope of the ITGRC for non-technical issues.

3. Recommendations of the ITGRC

3.1 Summary of ITGRC decisions in court cases

The ITGRC recommended the **5** court cases of **TRAN-1** falling under category A1 and **1** case of **TRAN-2** falling under category A1 The **migration** case of M/s Guru Shoes components (**1**) and **non-technical** issue case of M/s Veliath Steel Industries (**1**) have also been recommended.

The ITGRC rejected the 14 cases of TRAN-1 falling under categories B1/B3, and 1 case of TRAN-2 falling under the category B.

3.2 Summary of ITGRC Decision in Cases forwarded by the nodal officers

The committee decided that both the cases i.e., court cases as well as the nodal officer cases, are at par as long as the parameters applied in the past in the ITGRC meetings are uniform i.e. the assessee had attempted to file the TRAN-1 before the due date and there is a clear evidence of technical glitch faced by the taxpayer post analysis by GSTN, merit acceptance. In this scenario, the **16** cases falling under category A1 out of 43 cases merit acceptance and remaining 27 cases falling under category B1, B2, B3, B4, B8 are liable to be rejected as no technical glitch was noticed by the GSTN in these cases post technical analysis.

3.3 The Committee approved on merit 24 cases (6 court cases (TRAN-1/2) and 1 migration case and 1 non-technical case and 16 nodal officers cases) subject to placing before the GST council. The ITGRC was of the view that they meet the requirements for considering the cases and fall in the four walls, however, as the due date of 31.08.2020 is already over, the same be placed before the GST council for their view and recommendations.

The GSTN has provided the data regarding the date of receipt of said cases by GSTN /nodal officers (**Annexure-B**). It is observed that the nodal officers have received the said 16 cases falling in category A before 31.8.2020.

3.4 Issue regarding reopening of cases already decided by ITGRC

One State raised the issue that various taxpayers, whose TRAN-1 applications have been rejected in previous ITGRC meetings based on technical analysis by the GSTN, are resubmitting their TRAN-1 applications to field nodal officers with fresh set of evidences for technical glitches. The ITGRC stated that the past cases once decided by the ITGRC and approved by the GST Council shall not be reopened.

3.5 Issue regarding cases pending with nodal officers

GSTN requested that clarity is required whether the cases still pending with nodal officers are to be taken up by GSTN for processing as the last date for submitting the declaration electronically has lapsed on 31.08.2020. GSTN also requested to provide clarity whether the nodal officer should stop accepting fresh application from taxpayer in TRAN-1 and TRAN-2 cases.

In this regard, the Committee stated that in regard to the cases pending with the nodal officers as well as with GSTN received after the due date, the GSTN should compile how many of such cases are there. GSTN has informed vide mail dated 19.5.2021 that 4 cases have been received by it from nodal officers. (Annexure C) The date of receipt of these cases by the nodal officers is prior to 31.8.2020.

The Committee further seeks the final decision from GST Council about the further agenda of the ITGRC and whether the cases received after/ before due date by nodal officers and which are still lying with the Nodal Officers or with GSTN, should be considered at all or not by the ITGRC.

4. The recommendations of ITGRC as per attached Minutes of the 14th ITGRC Meeting (**Annexure A**) are placed for information of the Council. The GST council may also give its decision/ directions regarding cases recommended by ITGRC in para 3.3 and in respect of the clarity sought by ITGRC as mentioned in para 3.5 above.

Minutes of the 14th IT Grievance Redressal Committee (ITGRC) meeting dated 04/03/2021 held in online mode over WebEx Platform

The 14th meeting of the IT Grievance Redressal Committee (ITGRC) was held in online mode over WebEx platform on 4th March, 2021 at 11.30 am. The list of Committee officers who attended the meeting is attached as **Annexure-1**.

2. Ms. Ashima Bansal, Joint Secretary, GST Council Secretariat, initiated the proceedings of the meeting with the approval of the Chair. She welcomed the Chairman of the committee, members of the committee and gave a briefing about the agenda of the 14th ITGRC meeting. She informed that 14th ITGRC meeting is being held with the approval of the competent authority in the wake of the pending TRAN-1/TRAN-2 cases involving writ petitions before various High Courts. She further informed that there are **22 court cases** pertaining to TRAN-1, TRAN-2 and Migration which are being presented in the 14th ITGRC for decision. Out of these 22 cases, **19 cases pertain to TRAN-1, 2 cases pertain to TRAN-2 and 1 case pertains to migration (enclosed as Annexure-2)**.

3. She also informed that besides these cases, there is one case pertaining to M/s Veliath Steel Industries, Kerala subsequent to High Court of Kerala decision which is of non-technical nature and would be presented before the ITGRC with the permission of the Chair as per extended scope of the ITGRC approved during the 32nd GST Council meeting. (enclosed as **Annexure-4**).

4. Ms. Ashima Bansal then invited Sh. Dheeraj Rastogi, Executive Vice President, GSTN to carry forward the proceedings and discuss the agenda of the meeting in detail.

5. Sh. Dheeraj Rastogi, Executive Vice President, GSTN made a power point presentation on the background of the ITGRC meetings conducted so far and agenda of the present ITGRC in detail which is summarized in below paragraphs and tables. Shri Dheeraj Rastogi presented a table listing all the cases received by GSTN. They presented 65 cases, out of which 43 cases have been forwarded to them by the nodal officers and 22 cases pertain to court matters.

Brief Background and Updates:

6. **The cases of TRAN-1 / TRAN-2 / TRAN-3/migration cases have been received from the Nodal officers of Centre and the States for consideration by the ITGRC. These cases excluding the court cases were received in two phases i. e.**

(A) **Based on SOP issued by GSTN in pursuance of Circular No. 39/13/2018 dated 3rd April, 2018.:** - A total of **2655** cases of TRAN-1, **213** cases of TRAN-2 and **18** cases of TRAN 3 were received from the Nodal officers of Centre and the States until 31st March, 2019 for consideration by ITGRC. These cases were received from the Nodal Officers either through the email or by post though a few cases have been received in GSTN office even after due date i.e. 31st March, 2019. Further, a few cases, which were received by GSTN Nodal officer containing all the relevant information but were not in the format prescribed in SOP (issued by GSTN in April 2018) have also been placed before ITGRC meetings.

(B) Cases received in terms of Letter F. No. CBEC-20/10/16/2018-GST (Pt. I)/352 dated 04/02/2020 issued by Commissioner, GST and O. M. dated 06/02/2020 issued vide F. No. 71/Expansion-ITGRC/GSTC/2019 : - As per the directions contained in the letter issued by CBIC and the O.M. issued by GSTC, jurisdictional Tax Administrators and Nodal Officers were requested to forward representations of the taxpayers to GSTN where filing/revision of TRAN-1/TRAN-2 could not be done by due date owing to technical glitches on common portal (excluding already approved / not approved cases in ITGRC Meetings), after ascertaining the following:

- i. Whether there appeared to be a demonstrable technical glitch due to which filing could not be completed on the common portal.
- ii. the evidences which may identify the bona fide attempts on the part of the taxpayer for attempting to file TRAN 1 on or before 27.12.2017.

The jurisdictional Nodal officers nominated by Central and States Tax authorities were also required to compile and collate the applications of the taxpayers along with evidences and send the same to GSTN Nodal officer in prescribed template (Excel) at email ID- tran.extscope@gstn.org innot later than **15th February 2020**. However, due to continuing delayed submission by the Nodal officers as well as extension in terms of CBIC vide Notification No. 35/2020-CT dated 03.04.2020 read with Notification No.55/2020-CT dated 27-06-2020, the cases are still being received. As per the instructions, the representations of taxpayers, forwarded by the jurisdictional Nodal Officers, are processed by GSTN for consideration and decision by ITGRC.

Cases forwarded by Nodal Officers

7. **A total of 741 cases were received** from jurisdictional Nodal officers in terms of **clause (B)** above until 13th January, 2021 for consideration by the ITGRC. A summary view of these cases, excluding court cases, is given below:

Sr. No.	Status	Cases forwarded by Nodal Officers
i.	Cases decided by 11 th and 12 th ITGRC	361
ii.	Cases under consideration of 13th ITGRC (Minutes awaited)	47
iii.	Cases being presented before 14th ITGRC	43
iv.	Cases Returned to Nodal Officers due to non-compliance with SOP.	290
v.	Total Cases (i to iv)	741

Sh. Dheeraj Rastogi further informed that **290** cases were returned to jurisdictional Nodal officers due to following reasons:

- a) Some cases were already received and presented before the previous ITGRCS or

- b) Information was not received as per the SOP and the same were returned back or
- c) Incomplete details furnished by the Nodal Officer.

Presently, **43 cases** (attached as **Annexure-3**) of TRAN-1/TRAN-2, processed by GSTN are being presented before the ITGRC for consideration and decision. However, GSTN would like to have a decision on this issue as upto which date the cases have to be processed for consideration by ITGRC.

Court Cases Received through GSTN Nodal Officers and other Sources:

8. A total of 482 writ petitions have been received by GSTN pertaining to TRAN-1/TRAN-2/Migration as on 13.01.2021. These include the court cases received by GSTN Nodal officer at email ID (tran.extscope@gstn.org.in) as well as cases received through other sources. The details of cases received are as below.

- a) 403 Court cases were processed till 12 ITGRC meetings.
- b) 57 Court cases were processed in 13th ITGRC meeting (**Minutes awaited**).
- c) 22 Court cases of TRAN-1/TRAN-2/Migration have been processed at GSTN level and are being presented before 14th ITGRC for decision.

As detailed below, thirteen meetings of ITGRC have been held so far. A total of **3620** TRAN-1/TRAN-2/TRAN-3 cases (**including court cases**) were presented before ITGRC in these meetings. Out of these, **a total of 1260 cases have been approved for filing** TRAN-1/TRAN-2 while 104 cases were placed for decision of 13th ITGRC (**Minutes awaited**). The decisions of ITGRC regarding approval/non-approval of these cases has also been communicated to the jurisdictional Nodal officers for onward transmission to the taxpayers.

The detail of TRAN-1, TRAN-2 & TRAN 3 cases (including court cases) **approved/not approved/withdrawn** up to 13th ITGRC, are given below:

ITGRC Meetings	Meeting Date	Approved	Not Approved	Withdrawn by GSTN	Grand Total
1 st	22.06.2018	122	48		170
2 nd	21.08.2018	213	127		340
3 rd	26.10.2018	70	198		268
4 th	12.02.2019	165	296		461
5 th	05.03.2019	80	144		224
6 th	26.05.2019	172	510		682
7 th	11.06.2019	98	151		249

8 th	13.08.2019	137	352	2	491
9 th	02.12.2019	72	194	13	279
10 th	22.01.2020	11	52		63
11 th	18.03.2020	82	193		275
12 th	26.05.2020	38	80		118
Total		1260	2345	15	3620
13 th	01.09.2020	Minutes Awaited	Minutes Awaited	-	104
Grand Total					3724

Sh. Dheeraj Rastogi further informed that the approved TRAN-1/TRAN-2 cases have been enabled for filing at GST Portal. The taxpayers who have been enabled for filing TRAN-1/TRAN-2 have been informed through e-mails for filing their TRAN-1 and/or TRAN-2 with in-depth procedure of filing. Further, reminders have also been given to those taxpayers who had either not attempted to file TRAN-1/TRAN-2. The taxpayers who failed to file their TRAN-1/TRAN-2 even after reminders, have been contacted telephonically by the Officers of GSTN and guided appropriately for filing of the same.

Proposal by GSTN for 14th ITGRC Meeting

9. Proposal of GSTN for 14th ITGRC meeting:

- (1) As explained above, a total of 43 cases (enclosed as Annexure-3) received from Nodal officers along with 22 court cases after technical examination by GSTN have been presented before 14th ITGRC for decision.
- (2) Presently, total of **22 court cases** pertaining to TRAN-1, TRAN-2 and Migration are being presented in this ITGRC. Out of these 22 cases, **19 cases pertaining to TRAN-1, 2 cases pertaining to TRAN-2 and 1 case pertaining to migration (enclosed as Annexure 2)** are being presented before 14th ITGRC for decision.
- (3) Considering the fact that the taxpayer has made an effort to file a Writ Petition alleging technical glitches, for further examination an email dated 14.09.2020, an email dated 22.10.2020, email dated 28.12.2020 and an email dated 07.01.2020 was sent by GSTN to the taxpayers in cases falling under category "B" for further examination requesting for the following details:
 - i. GSTIN
 - ii. Exact technical glitch faced by you while filing TRAN-1
 - iii. Nature of error noticed

- iv. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The taxpayers were requested to share the above-mentioned details to substantiate their claims by end of day 16.09.2020, 24.10.2020, 30.12.2020 and 09.01.2021 respectively. Replies were received in 11 cases (Sl. Nos. 6, 8, 9, 12, 13, 14, 15, 16, 17, 19 for TRAN-1 cases and case at Sl. No. 2 for TRAN-2 cases). The taxpayers did not share any screen shots evidencing any technical glitches of the GST Portal. The specific details of each case have been provided in detail in Annexure-2.

10. Category-wise analysis of 64 TRAN-1 and TRAN-2 cases received from Nodal officers and court cases and 1 migration case totalling to 65 are given below:

i) The cases where the taxpayers could not file TRAN 1/TRAN-2 because of technical issues:

A1. Processed with error- In this category, the taxpayer have received error message as “Processed with Error”. The taxpayer could not claim transitional credit as the line items requiring declarations of earlier existing law registration were processed with error since the taxpayer had not added them in his registration details. **A total of 16 cases received from Nodal officers and 05 cases received as court cases are falling in this category.**

A5. TRAN-1 filed and error in TRAN-2: - As per Logs TRAN-1 filed successfully. Error recorded in database while attempting to file TRAN-2. **A total of 01 case received as court case is falling in this category.**

Accordingly, 22 cases of TRAN-1/TRAN-2 Type ‘A1’ & ‘A5’ were presented before 14th ITGRC for consideration.

ii) Categories in which no evidence of technical glitches have been found after analysis of System logs: (Total 43 cases)

B1. Cases in which, there are no evidences of error on submission/filing of TRAN1, as per GST System log- As per GST System log, there are no evidences of error or submission/filing of TRAN-1. **A total of 13 cases received from Nodal officers and 13 cases received as court cases are falling in this category.**

B2. Cases in which filing of TRAN-1 Fresh/Revision Attempted with No error/ No valid error reported. - As per GST System logs, the taxpayers have claimed that they tried to save/submit for the first time or for revision of TRAN-1 but analysis of logs show that there is no system error. **A total of 03 cases received from Nodal officers are falling in this category.**

B3. Cases in which TRAN-1 have been filed successfully as per logs with no valid error reported- The taxpayer has successfully filed TRAN-1 and no technical errors have been found in the examined technical logs. **A total of 04 cases received from Nodal officers and 01 cases received as court cases are falling in this category.**

B4. TRAN-1 filed once but credit not received. - Cases where the taxpayer has filed TRAN-1 once and claims that no credit has been posted. No technical issues have been observed in the logs. A total of **04 cases received from Nodal officers** falling in this category.

B8. TRAN-1 filed and TRAN-2 not attempted and no error in logs. -As per Logs TRAN-1 filed successfully. User neither submitted nor filed TRAN-2 and there are no logs of save as well. A total of **03 case received from Nodal officers** and **01** cases received as court case are falling in this category.

Category-wise Summary of Cases sent by Nodal Officers of Centre/States

Category No.	Category	Count of Taxpayers
A1	Processed with error.	16
B1	As per GST system log, there are no evidences of error on submission/filing of TRAN-1.	13
B2	TRAN-1 Fresh/Revision Attempted with No error/ No valid error reported.	03
B3	TRAN-1 Successfully filed as Per Logs with No Valid Error reported.	04
B4	TRAN-1 filed once but credit not received.	04
B8	TRAN-1 filed and TRAN-2 not attempted and no error in logs.	03
	Grand Total	43

Case wise Discussion by ITGRC in matters of Writ Petition:

The Agenda contained Category-wise count of Orders passed in court cases and their current status vis-à-vis the pendency status of the Writ before Hon'ble Court.

Sr.No	Court Order/WPs	Category A (TRAN-1 & TRAN-2)	Category B (TRAN-1& TRAN-2)	Migration	Total
1	Direction to allow filing of TRAN-1/TRAN-2 manually/electronically	0	1	0	1
2	No specific order passed	4	9	0	13
3	Direction to Respondents/Nodal Officer to pass appropriate orders	2	5	1	8

	Total	6	15	1	22
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11. Category A1: Cases where the taxpayer received the error 'Processed with error.' As per GST system logs the taxpayer has attempted to submit first time/fresh or revise TRAN-1 but could not file because of errors.

11.1 W.P. No. 13864/2020 M/s Cotton Impex v. UOI & Ors.

GSTIN/ Provisional ID	State	Constitution of Business
06AAGHM4778M1ZK	Haryana	Proprietorship

(i) **Sh. Dheeraj Rastogi informed that** the Petitioner claims that he is entitled to claim of Rs. 13, 97,013/-on account of excess VAT credit. However, due to technical glitch on the portal, he was not able to claim the same.

(ii) He further informed that GSTN is party in this matter. GSTN vide email dated 08.09.2020 apprised the status of case to the Central Government Standing Counsel and the CGST Commissionerate (Rohtak) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Punjab & Haryana and the next date of hearing has not been updated on the website. No effective order is available on the Court's website.

(iii) He stated that on completion of technical analysis conducted by GSTN, it was observed that the Taxpayer had opened form GST TRAN-1 and attempted to save the data. However, the same was not processed due to a submission error reported due to validation for Registration no. 065442914799 which was invalid. The Registration number was later added in the Petitioner's profile post 27.12.2017. Thus, he submitted that the petitioner's case may be considered as having faced Technical difficulties.

Discussion-

(i) Sh. Anil Kumar Jha, Special Secretary, Revenue raised a query that that when the registration number was added to the taxpayer's profile after the due date of filing the TRAN-1, then how GSTN can consider such a case as a technical glitch within the due date. The EVP, GSTN clarified that in such cases, attempts were made by the taxpayer to file the Tran-1 within the due date and they could not complete the action due to non-updating of profile. Also, that the taxpayer was not prompted by the system to first update the profile and then attempt to file the TRAN-1 thereafter. The Chairman of the ITGRC, Sh. Vivek Johri, Member, CBIC then asked GSTN to inform that whether such cases have been taken up by the GSTN earlier and considered by the ITGRC. Sh. Manish Kumar Sinha, CEO, GSTN informed that such cases have been approved by the previous ITGRCS. Shri Khalid Anwar, Commissioner of Commercial Taxes, West Bengal, also supported that the Portal did not prompt the reason why there was an error in filing the Tran-1 and hence profile could not have been rectified by the taxpayer and he stated that as such cases have been considered positively in the previous ITGRC meetings, such cases should be treated on par now also. Ms. Ashima Bansal, Joint secretary, GSTC Secretariat stated that in this case, the assessee attempted to file the TRAN-1 in contrast to B category cases in which the assessee made no attempt to submit or to file TRAN-1/2 and the attempt to save and submit TRAN-1 was faced with submission error due to a technical issue of non-updation of registration profile. The Chairman proposed that in the interest of being consistent with what ITGRC have done in the past and considering that the system was not indicating the nature and cause of error while filing the TRAN-1, the ITGRC may consider it

as a technical glitch and recommend the matter to the GST council to which the Committee concurred.

(ii) Shri Anil Jha raised a query that whether the cases which were merely pending before the court with no final decision can be taken up by the ITGRC. Shri Manish Kumar Sinha informed that as a matter of practice such cases where decision of the court is pending, have been taken up and recommended in ITGRC. EVP, GSTN clarified that such distinction prior to Aug 2020 was irrelevant as the ITGRC was considering even the cases forwarded by Nodal officers. Hence, both the types of cases were put on par and whenever technical glitch was found, the ITGRC allowed those cases. Post discussion, the view was formed that once it is established that the assessee had attempted to file the TRAN-1/Tran-2 within due date and technical glitch has been confirmed during analysis by GSTN, the cases can be taken up. The Committee concurred with the view.

Decision

In view of the detailed discussion, as above, it was decided that the committee may consider it as a technical glitch and recommend such cases to the GST Council.

11.2 W.P. No. 15168/2020 M/s Medreich Limited v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
36AABCM1458Q1Z1	Telangana	Public Limited Company

(i) Sh. Dheeraj Rastogi informed that this case is similar in nature to the case of M/s Cotton Impex V. Union of India and ors. in W.P. No. 13864/2020 just discussed. He stated that petitioner had submitted TRAN-1 and ARN was also generated. **However, the same was reflecting as filed on the GST portal. The Petitioner then attempted to file revised TRAN-1 but credit was not getting reflected on the Portal.**

(ii) He further stated that GSTN is not a party in this matter. GSTN vide letter dated 04.11.2020 has apprised the status of case to the Principal Chief Commissioner CGST (Hyderabad Zone) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Telangana and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

(iii) It was further informed by him that on completion of technical analysis conducted by GSTN, it was observed that the Taxpayer had filed TRAN-1. However, the same was not processed due to a submission error reported for validation for Registration Nos. AABCM1458QEM009 and AABCM1458QEM011 which were invalid. The Registration number AABCM1458QEM009 was added in the Petitioner's profile before filing of TRAN-1. However, Registration No. AABCM1458QEM011 has not been added to the Petitioner's profile till date. The Petitioner's ITC Ledger has been updated and ARN has also been generated for the respective attempts. The Petitioner has not attempted any revision. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Discussion-

The Committee noticed that this matter was similar in nature to case of M/s Cotton Impex V. Union of India and ors. in W.P. No. 13864/2020 discussed before.

Decision-

It was decided that in the interest of being consistent with the practice by the ITGRC in the past and considering that the system was not prompting the exact nature of technical issue to the taxpayer while filing the TRAN-1 and taxpayer had actually attempted to file the TRAN-1 before the due date, the committee considered it as a technical glitch and recommend the case to the GST Council.

11.3 W.A. No. 788/2020- The Commissioner of GST & CE v. Checkpoint Apparel Labelling Solution Pvt. Ltd.

GSTIN/ Provisional ID	State	Constitution of Business
33AAGCS9485A1ZA	Tamil Nadu	Private Limited Company

(i) Sh. Dheeraj Rastogi informed that the Petitioner has stated that they had uploaded TRAN-1 on 13.09.2017 and received an email stating that the Petitioner had successfully filed TRAN-1 with time stamp 13/09/2017, 19.07 and received ARN AA370913729P. However, the GST Portal showed the same as “Processed with Error” and the Electronic Credit Ledger was not reflecting the CENVAT Credit.

(ii) He further informed that GSTN is a party in this matter. GSTN vide email dated 29.10.2020 has apprised the status of the case to the CGST Commissionerate (Chennai North) in terms of CBIC’s Circular No. 39/13/2018 dated 03.04.2018. The appeal has been disposed by the Hon’ble Madras High Court. The Court vide judgment dated 23.09.2020 which upheld the impugned order dated 14.02.2020 in W.P. No. 3328/2020 directing the Respondents to do the needful to enable the Petitioner to upload the requisite form TRAN-1 in order to avail unutilised credit.

(iii) The Petitioner in this case vide their Letter dated 14.11.2019 addressed to the Commissioner, Chennai North (Principal Nodal Officer for IT Grievances, Chennai Zone), under endorsement to Commissioner of GST & CE, Chennai Outer, had stated that they had faced technical glitches in the GST Common portal while filing Form GST Tran-1 before the due date i.e. 27.12.2017, however they do not have any proof/screenshot having faced technical glitch. The representation regarding TRAN-1 credit was **rejected by Chennai Outer Commissionerate, vide Letter C.No: IV/16/88/2019-GSTST-TRAN1 dated 01.01.2020** as it was not conforming to Board’s Circular No: 39/13/2018 dated 03.04.2018 i.e. there was no technical glitch **and was not forwarded to GSTN**. The same was informed to taxpayer by Chennai Outer Commissionerate vide letter C.No.IV/16/88/2019-GSTSK-TRAN-1 dated 01.01.2020. Against this, the Taxpayer preferred a Writ Petition No: 3328 of 2020 in the Hon’ble Madras High Court and the Hon’ble Madras High Court vide Order dated 14.02.2020 in WP No:3328 of 2020 has directed the respondents to do the needful forthwith to enable the petitioner to upload the requisite forms (TRAN-1/2). However, since the nodal Officer (Chennai Outer Commissionerate) had found that there was no proof for the claims made by the taxpayer for any technical glitches, rejected the request. The department therefore filed Writ Appeal the Division bench of High Court of Madras against the High Order dated 14.02.2020 in WA No. 788/ 2020.

(iv) The Commissionerate approached GSTN vide email dated 15.10.2020 with a request to examine whether the Petitioner had made any attempt to file Form GST TRAN-1 in the portal on or before 27.12.2017 and had actually faced any technical glitches as claimed by them. Technical Analysis in this matter was therefore conducted by GSTN upon receipt of the abovementioned email from Commissionerate.

(v) GSTN has informed that on completion of technical analysis conducted by GSTN, it was observed that the Petitioner had opened form GST TRAN-1 and attempted to file the data on 26th Oct

2017 at 12:34 PM and subsequently on 26th Dec 2017. Subsequently, the Petitioner attempted to file revision which was successfully filed but a submission error was reported for Registration no. AAFCG5452JEM001. The Registration No. AAFCG5452JEM001 has been added to the Petitioner's profile post 27.12.2017. The Petitioner's ITC Ledger has not been updated, but ARN has been generated for the respective attempts. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Discussion and Decision:

Post discussion, the ITGRC approved the proposal of the GSTN being similar to the earlier 2 cases as per technical analysis report and recommended the case for approval by the GST Council.

11.4 WPT 6316/2020-M/s GSR Eco Bricks Private Limited v. Union of India

GSTIN/ Provisional ID	State	Constitution of Business
37AAFCG5452J1ZD	Andhra Pradesh	Private Limited Company

(i) Issue: The Petitioner has stated that they had uploaded TRAN-1 on 13.09.2017 and received an email stating that the Petitioner had successfully filed TRAN-1 with time stamp 13/09/2017, 19.07 and received ARN AA370913729P. However, the GST Portal showed the same as "Processed with Error" and the Electronic Credit Ledger was not reflecting the CENVAT Credit.

(ii) Status: GSTN is a party in this matter. GSTN vide email dated 19.11.2020 has apprised the status of the case to the CGST Commissionerate (Guntur) in terms of CBIC's Circular No. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Andhra Pradesh and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

(iii) On completion of technical analysis conducted by GSTN, it was observed that the Petitioner had opened form GST TRAN-1 and attempted to file the data. However, the same was not processed due as it got stuck on "FRZ". Subsequently, the Petitioner attempted to file revision which was successfully filed but a submission error was reported for Registration no. AAFCG5452JEM001. The Registration No. AAFCG5452JEM001 has been added to the Petitioner's profile post 27.12.2017. The Petitioner's ITC Ledger has not been updated, but ARN has been generated for the respective attempts. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Discussion and Decision:

The ITGRC approved the proposal of the GSTN in view of the technical analysis report and recommended the case for approval by the GST Council.

11.5 WP No. 8583/2020 Genext International v. UOI and Ors.

GSTIN/ Provisional ID	State	Constitution of Business
07AAPFG1341R1ZW	Delhi	Partnership

(i) Sh. Dheeraj Rastogi informed that the Petitioner has claimed that they had filed their Form TRAN-1 for claiming VAT credit of Rs. 4,17,042 and CENVAT credit of Rs. 14,50,716 (total credit of Rs. 18,67,758). However, it was later noticed that the Petitioner's Electronic Cash Ledger was only reflecting VAT credits i.e. 4,17,042 and did not show credits amounting to CENVAT Credit worth Rs. 14,50,716.

(ii) He further informed that the GSTN is not a party in this matter. GSTN vide letter dated 04.12.2020 apprised the status of case to the GST Policy Wing in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The Hon'ble High Court of Delhi has reserved judgment in this case on 21.12.2020. The judgment is not available on the Court's website.

(iii) He further stated that on completion of technical analysis conducted by GSTN, it was observed that the Taxpayer had opened form GST TRAN-1 and attempted to file the data. However, the same was not processed due to a submission error reported for validation for Registration no. AAPFG1341REM001 which was invalid. The Registration number has still not been added in the Petitioner's profile. The Petitioner's ITC Ledger has been updated and ARN has also been generated for the respective attempts. The Petitioner has not attempted any revision. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Discussion and Decision:

The ITGRC approved the proposal of the GSTN as per technical analysis being similar to other 4 cases and recommended the case for approval by the GST Council.

12. Category-B1:-As per GST system log, there are no evidences of error or submission/filing of TRAN-1:

Sh. Dheeraj Rastogi presented the 14 cases of TRAN-1 under category- B1/B3.

12.1 CWP-6585/2020-Bhatia Tyre Works. v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
08ARTPB2446F1ZS	Rajasthan	Proprietorship

Issue: The Petitioner could not file TRAN-1 within the prescribed time due to constant technical difficulties faced by the Petitioner on GST portal. Resultantly Petitioner was also unable to file TRAN-2

Status: GSTN is a party in this matter. GSTN vide letter dated 07.09.2020 shared comments with the CGST Commissionerate (Jaipur) apprising the status of case to the in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Rajasthan at Jaipur and the next date of hearing is 16.04.2021. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1.
- ii. Nature of error noticed.
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. The Petitioner replied vide email dated 16.09.2020 explaining that when they attempted to upload TRAN-1 and TRAN-2

the portal showed them an error of under process. The Petitioner shared details of ticket number 20200316903171 and copy of letter dated 16.09.2019 addressed to the Assistant Commercial Taxes Officer, Circle-A, Commercial Taxes Department, Sri Ganganagar.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.2 W.P. No 3988/2020 M/s. Kalpatru Enterprises through its Proprietor Neeraj Jain v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
07ACRPJ4269P1ZP	Delhi	Proprietorship

Issue: The Petitioner attempted to file TRAN-1 on the GST portal on 21.12.2017, 23.12.2017, 24.12.2017, 26.12.2017 and 27.12.2017 but could not file the same because of technical glitches on the GST Portal which the Petitioner could not understand.

Status: GSTN is a party in this matter. GSTN vide email dated 17.09.2020 apprised the status of case to the CGST Commissionerate (Delhi-North) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. Judgment has been reserved in this matter on 21.12.2021. The copy of the judgment is not available on the website.

Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- Exact technical glitch faced by you while filing TRAN-1.
- Nature of error noticed.
- Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.3 WP No. 14791/2020 M/s Shah Electronics & Home Appliances Pvt. Ltd. v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
36AAECS5488F1Z1	Telangana	Private Limited Company

Issue: The Petitioner was not able to file FORM GST TRAN-01 by 27.12.2017 due to technical glitches and thereafter portal was closed. As a result, the subsequent filing of FORM GST TRAN-2 also could not be filed by the Petitioner.

Status: GSTN is party in this matter. GSTN vide letter dated 17.09.2020 apprised the status of case to the Commissioner of Central Tax (Medchal) and the Assistant Commissioner of Central Tax and GST (Ramgopalpet III Range, Secunderabad Division) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Telangana and the next date of hearing is not available on the website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. The Petitioner responded vide email dated 23.10.2020. The Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal. Further, the exact issue faced by the Petitioner was also not provided.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.4 Writ Tax No. 418/2019 M/s Bhagwan Motors v. UOI & Ors.

GSTIN/ Provisional ID	State	Constitution of Business
09AAHFB9939J1ZT	Uttar Pradesh	Partnership

Issue: The Petitioner made several attempts to file TRAN-1 on the GST Portal till 27.12.2017 however, could not do so because of apparent technical fault in the GST system.

Status: GSTN is a party in this matter. GSTN vide email dated 18.09.2020 shared comments with the CGST Commissionerate (Meerut) apprising the status of case to the in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The Hon'ble High Court of Allahabad vide order dated 04.04.2019 has disposed off the matter with direction to the Assistant Commissioner/Commissioner GST to consider the Petitioner's application and pass appropriate order in accordance with law.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i.Exact technical glitch faced by you while filing TRAN-1.
- ii.Nature of error noticed.
- iii.Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. The Petitioner replied vide email dated 24.10.2020 explaining that they could not log in the portal despite trying several

times during the period 20th December, 2017 and 27th December, 2017. The Petitioner shared a screenshot of his GST Portal Dashboard taken on 12.02.2020 which showed the message *"The filing of declaration in TRAN-1 is not available now as the due date is over"*. This is a valid system message as the due date for filing TRAN-1 is now over. The Petitioner also shared a letter explaining their grievance addressed to the Assistant Commissioner, Goods and Service Tax, Range Saraswa.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.5 WP (C) No. 17174/2020-M/s ValethHightech Composites (P) Ltd. v. STO &Ors

GSTIN/ Provisional ID	State	Constitution of Business
32AAACV1999E1ZC	Kerala	Private Limited Company

Issue: The Petitioner was not able to upload Form TRAN-1 on account of various computer glitches with respect to the website of the department before 27.12.2017.

Status: GSTN is a party in this matter. GSTN vide email dated 23.09.2020 apprised the status of case to the CGST Commissionerate (Kochi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Kerala and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1.
- ii. Nature of error noticed.
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.6 W.P. No. 3427/2020- M/s Jain Medical (Prop.) Manoj Kumar Mehta v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
08ABMPM0042K1ZM	Rajasthan	Proprietorship

Issue: The Petitioner faced technical glitch while filing TRAN-1.

Status: GSTN is a party in this matter. Writ Petition in this matter has not been received by GSTN only GSTIN was received from GST Council Secretariat vide letter in F.No.505/SB Civil Writ No. 3427/20/Jain Medical/GSTC/2020/3593 dated 13.08.2020 wherein GSTN was requested to verify Petitioner's claim of technical glitch while filing TRAN-1. GSTN vide letter dated 23.09.2020 has requested for a copy of the Writ Petition from the Commissioner of Central Taxes (Jaipur) and the Principal Commissioner, CGST (Jaipur). The matter has been disposed off by the Jodhpur Bench of the Hon'ble Rajasthan High judgment dated 19.03.2020 with the following directions:-

"1. The respondents shall permit the petitioner to submit online GST TRAN-1 form, subject to furnishing a proof that he had tried to upload GST TRAN-1 form prior to 27.12.2017 and such attempt failed due to technical fault/glitch on the common portal. Needless to mention that petitioner will be required to submit a certificate/recommendation issued by GST Council in this regard.

2. In case all the three requirements enumerated in para no.12 of the judgment of Jodhpur Truck Pvt. Ltd. (supra) are met/satisfied, the petitioner's online GST TRAN-1 form shall be accepted, of course, if it is filed by 31.03.2020 or extended period (if any).

3. For the purpose aforesaid, the petitioner may submit an application before the GST Council to issue the requisite certificate/recommendation, along with requisite particulars, evidence and a certified copy of the order instant, within a period of 15 days from today. If the petitioner's assertion is found correct, the GST Council shall issue the recommendation/certificate to the petitioner within a period of three weeks from placement of such application and certified copy of this order.

4. In case the GST Council is of the view that petitioner is not entitled for certificate/recommendation, they shall pass an order giving brief reasons and communicate the same to the petitioner assessee.

5. Needless to observe that the petitioner shall be free to take appropriate remedy against such order."

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.7 8240/2020-Macro Furnaces Private Limited, Faridabad v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
06AAACM5608H1ZO	Haryana	Private Limited Company

Issue: The Petitioner has claimed that they could not file form GST TRAN-1 either due to some technical glitches on the GST Portal or lack of knowledge on the part of the Petitioner or pendency of VAT Assessment upto 2017-18, only after completion of which the dealer could assess its Input Tax Credit available to be carried forward.

Status: GSTN is party in this matter. GSTN vide email dated 06.10.2020 apprised the status of case to the CGST Commissionerate (Faridabad) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Punjab &Haryana and the next date of hearing is not updated on the Court's Website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 30.12.2020 sharing a letter addressed to the proper officer explaining that notice of motion has been issued by the Hon'ble High Court in the present case. The Petitioner also shared their GST Registration certificate. However, no screenshots were shared.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.8 W.P. No. 12184/2020 M/s Guru Kripa Lubricant v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
23AEIPJ9886M1ZP	Madhya Pradesh	Proprietorship

Issue: The Petitioner could not file GST TRAN-1 on the common portal as they were facing technical difficulties on the GST Portal. The GST Council vide letter no. F.No.556/W.P. No. 12184 of 2020 /Guru Kripa/GSTC/2020/3802-3805 dated 11.09.2020 has requested that the Petitioner's claim be verified.

Status: GSTN is a party in this matter. GSTN vide letter dated 15.10.2020 shared comments with the CGST Commissionerate (Bhopal) apprising the status of the case in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The Gwalior Bench of the Hon'ble High Court of Madhya Pradesh disposed the Petitioner's case vide order dated 27.08.2020 with directions to the Jurisdictional Commissionerate to pass a reasoned and speaking order within a period of four weeks.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 explaining despite numerous attempts the said TRAN-1 Form could not be uploaded on the common portal. The Petitioner shared a copy of the representations explaining the technical problems to the concerned authorities, a copy of the TRAN-1 for manual filing and a copy of the ticket number generated (G-20200303773449) on the portal. Ticket no. G-20200303773449 raised by the Petitioner on **03.03.2020** and the Petitioner had raised the following issue

"Dear sir subject: - Regarding Tran-1 form when I trying to file my tran-1 form so I got this message that tran1 is not available as the due is over. I also complained for this query in my jurisdiction so I requested to you that please active my Tran-1 form in my GST profile and I also attached my complained copy which done my me to my jurisdiction thank you".

The abovementioned ticket was closed on 13.03.2020 due to no response received on "Awaiting Customer Input", the following message was sent to the Petitioner

"This is in reference to your query; we would like to inform you that we are unable to process your request further due to unavailability of adequate information. We have not received the requisite information even after three reminders. Therefore, we are closing this docket from our end."

It may be noted that GST Portal allowed filing of TRAN-1 till the due date i.e. 27.12.2017.

The petitioner has not shared any screenshots and has relied on the judgements of the Hon'ble Delhi High Court in A.B Pal Electrical Private Ltd. v. Union of India &Ors wherein it is observed by the Court that *"It is not fair to expect that each person who may not have been able to upload the Form GST TRAN-1 should have preserved some evidence of it - such as, by taking a screen shot..."*. The Petitioner has also placed reliance on the judgment of the Hon'ble High Court of Madras in the case of "Tara Exports v. Union of India &Ors. (WP (MD) No. 18532/2018) for the same.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.9 WPT 70/2019-M/s Dhamtari Krishi Kendra v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
22ACMPR1282P1Z3	Chhattisgarh	Proprietorship

Issue: The Petitioner tried to submit form GST TRAN-1 on the common Portal, however, because of the technical glitch faced by the Petitioner it could not be submitted. The Petitioner immediately reported this matter to the authorities in the Department on 26.12.2017.

Status: GSTN is not a party in this matter. GSTN vide email dated 22.10.2020 apprised the status of case to the GST Council Secretariat in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed off vide order dated 17.07.2020. The Court vide order dated 17.07.2020 has directed that "it is expected that the Commissioner, Commercial Tax shall take a decision at the earliest preferably within an outer limit of 60 days from the date of receipt of copy of this order. In the event, if the Commissioner, Commercial Tax makes a reference to the GSTC, it is expected that the Council also, in turn, takes an early decision on the reference made by the Commissioner preferably within a period of 90 days from the date of receipt of reference by the Commissioner."

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 explaining that when their tax consultant tried to login to the common portal but was not able to login and the site was busy. The Petitioner has not shared any screenshots and has stated that due to lack of knowledge, we did not capture any screenshot of the glitch faced and also did not raise any grievance with GSTN or helpdesk.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.10 Writ Tax No. 420/2020 Kamal Agencies v. UOI & Ors

GSTIN/ Provisional ID	State	Constitution of Business
09AMEPK9117A1ZA	Uttar Pradesh	Proprietorship

Issue: The Hon'ble Allahabad High Court vide order dated 01.09.2020 has directed the Additional Commissioner, CGST and Nodal Officer ITGRC to look into the grievance raised by the Petitioner.

Status: The Copy of the Writ Petition is not available. GSTN vide email dated 28.10.2020 requested a copy of the Writ Petition from the CGST Commissionerate (Lucknow) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed by the Hon'ble High Court of

Allahabad vide order dated 01.09.2020 has directing the Additional Commissioner-CGST and Nodal Officer-ITGRC to look into the grievance raised by the Petitioner.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1.
- ii. Nature of error noticed.
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 sharing their GST registration certificate and explained that despite several attempts, due to poor network service of Portal of GSTN for filing TRAN-1, the Applicant failed to open TRAN-1 and were unable to file TRAN-1 on time. The Petitioner has stated that they have made these submissions earlier before the Additional Commissioner, Nodal Officer for IT Grievance Redressal. However, no screenshots have been shared by the Petitioner.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.11 CWP 10593/2020- M/s JDA India Co. v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
08AATHS4942L1Z9	Rajasthan	Hindu Undivided Family

Issue: The Petitioner has claimed that due to various technical glitch/system error on the common portal, the petitioner failed to file FORM GST TRAN-1 on the GST common portal throughout the period during which FORM GST TRAN-1 was available.

Status: GSTN is party in this matter. GSTN vide letter dated 04.12.2020 apprised the status of case to the CGST Commissionerate (Jodhpur) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Rajasthan and the next date of hearing has not been updated on court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- iv. Exact technical glitch faced by you while filing TRAN-1
- v. Nature of error noticed
- vi. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 08.01.2021. The Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal. Further, the exact issue faced by the Petitioner was also not provided. The Petitioner has simply provided that the Common Portal was not working.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.12 WP (C) No. ___/2020-M/s Khemka Marketing

GSTIN/ Provisional ID	State	Constitution of Business
22ABRPA0008N1ZZ	Delhi	Proprietorship

Issue: The Petitioner was not able to file TRAN-1 & TRAN-2 electronically for the reason of law being new and the Petitioner not being well conversant with the functioning of the common portal. Therefore, the Petitioner faced technical glitches/snags while filing the form. The GST Council Secretariat vide letter F.No. 248/TRAN-1 Rep./Khemka/GSTC/2020/4675 dated 13.11.2020 has forwarded GSTN as Respondent No. 3.

Status: GSTN is a party in this matter. GSTN vide email dated 04.12.2020 apprised the status of case to the GST Council Secretariat and the CGST Commissionerate (Ranchi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Delhi and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed.
- iii. shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 10.01.2021 sharing representation 13.02.2020 addressed to the CEO, GSTN. The Petitioner stated that they attempted to file TRAN-1 several times within the stipulated period. However, despite repeated attempts, the same could not be filed due to technical glitches on the GST Portal. The Petitioner states that the portal did not accept the submission and showed the message "error occurred in submit". They further stated that since the Petitioner was unable to connect with the system and submit TRAN-1, the fact of failed attempt at filing the return may not have been even registered in the system. The Petitioner has relied on the judgments passed by the Delhi High Court in W.P. (C) No. 6537/2019 titled A.B. Pal Electricals Pvt. Ltd. v. UOI & Ors. and the judgement of the Madras High Court in W.P. No. 3328/2020 titled Checkpoint Apparel Labelling Solutions India Pvt. Ltd. v. Commr. of GST & Central Excise, Chennai. However, the Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

12.13 WP No. 5402/2020-Vasudev Tracto Rollers v. Nodal Officer &Ors

GSTIN/ Provisional ID	State	Constitution of Business
19AACFV4959M1ZD	West Bengal	Partnership

Issue: The Petitioner has claimed that they could not file Form GST TRAN-1 within due date as the tax consultant of the petitioner had come faced certain technical glitches while filing of form GST TRAN-1 on the common portal.

Status: GSTN is a party in this matter. GSTN vide email dated 11.12.2020 apprised the status of case to the GSTC in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Kolkata and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information: -

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Further the claim of the petitioner is contradictory in itself as on one hand he says that there was message "error occurred in submit" and on the other hand he states that he was unable to connect to the system. Both can't be true at the same time. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

Category B3: Successfully Filed as Per Logs with No Error reported.

12.14 Writ Tax 362/2020-SKJ Metals Company v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
09ACQPJ5004M1Z9	Uttar Pradesh	Proprietorship

Issue: The Petitioner faced technical glitch while filing TRAN-1.

Status: Writ Petition in this matter has not been received by GSTN only GSTIN was received from GSTC Secretariat vide their letter no. 526/W.P. 362 of 2020/SKJ/GSTC/2020/3572 dated 11.08.2020 wherein GSTN was requested to verify Petitioner's claim of technical glitch while filing TRAN-1. GSTN vide letter dated 28.08.2020 apprised the status of case to the GST Council Secretariat and the

concerned CGST Commissionerate (Lucknow Zone) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018 and requested for a copy of the Writ Petition. The same was requested again vide GSTN's email dated 02.09.2020 and letter dated 09.09.2020. The matter is pending before the Hon'ble Allahabad High Court and the next date of hearing has not been updated on Court's Website. The Hon'ble High Court vide interim order dated 07.07.2020 directed the respondents to consider reopening the portal and in the event the same is not feasible the respondents would entertain the GST TRAN-1 of the Petitioner manually and pass orders thereon after due verification of the credits as claimed by the Petitioner.

Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. The Petitioner replied vide email dated 16.09.2020 sharing a manual copy of TRAN-1 and explaining that while filing Form Tran-1 online they were unable to find the exact column where the Customs Duty eligible for Input was to be entered. However, they did not share any screenshot/ticket number.

On completion of technical analysis conducted by GSTN, it was observed in the logs that the Taxpayer has tried to save TRAN-1 which was processed. There were no Error reported in logs and Revision was not attempted by the Taxpayer. During course of submission error related to invalid registration reported for no.09627500834 which has been added before first successful attempt. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

Sh. Dheeraj Rastogi also presented the 2 cases of TRAN-2 under category A1 and B8 as below:

TRAN-2 Court Cases

Category No.	Category	Detailed Description	Count of Taxpayer
A. Category-1	TRAN-1 filed and error in TRAN-2.	As per Logs Tran-1 filed successfully. Error recorded in database but no corresponding error reported in logs.	1
B Category-8	TRAN-1 filed and TRAN-2 not attempted and no error in logs	As per Logs Tran-1 filed successfully. User neither submitted nor filed TRAN-2 and there are no logs of save as well.	1
	Total		2

13. Category A1: TRAN-1 filed and error in TRAN-2.

13.1 W.P. No. 1327/2020 M/s Capital Enterprises v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
21AAOPA1368F1Z6	Orissa	Proprietorship

Issue: The Petitioner successfully filed TRAN-1 on 27.12.2017. While filing TRAN-2 the Petitioner faced technical difficulties which prevented them from uploading TRAN-2. The GST Portal displayed Petitioner the message "Errors encountered while uploading the file."

Status: GSTN is a party in this matter. GSTN vide email dated 08.09.2020 apprised the status of case to the CGST Commissionerate (Bhubaneswar) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed off vide order dated 05.03.2020 with the direction to Respondent no. 4 (DC, Commercial Tax) and 6 (Commissioner of Sales Tax) to take decision on the representation filed by the Petitioner vide Annexures 6 & 9 and pass appropriate order in accordance with law within a period of 3 months from the date of production of certified copy of this order.

On completion of technical analysis conducted by GSTN/, it was observed that the Taxpayer successfully filed GST TRAN-1 successfully on 27/12/2017 and declared values in Table 7B of 7a & 7d. The taxpayer was eligible for filing TRAN-2 and filed the same for period July 2017 and August 2017 on 30/06/18 & 01/07/2018 respectively. However, the same were not processed due to an error reported relating to invalid HSN. There were errors recorded in database but no corresponding error reported in logs. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Discussion and Decision-

The ITGRC approved the proposal of the GSTN in view of the technical analysis report and recommended the case for approval by the GST Council.

14. Category B8: TRAN-1 filed and TRAN-2 not attempted and no error in logs

14.1 WP (C) No. ___/2020-M/s Khemka Marketing

GSTIN/ Provisional ID	State	Constitution of Business
22ABRPA0008N1ZZ	Delhi	Proprietor

Issue: The Petitioner was not able to file TRAN-1 & TRAN-2 electronically for the reason of law being new and the Petitioner not being well conversant with the functioning of the common portal. Therefore, the Petitioner faced technical glitches/snags while filing the form. The GST Council Secretariat vide letter F.No. 248/TRAN-1 Rep./Khemka/GSTC/2020/4675 dated 13.11.2020 has forwarded GSTN as Respondent No. 3.

Status: GSTN is a party in this matter. GSTN vide email dated 04.12.2020 apprised the status of case to the GST Council Secretariat and the CGST Commissionerate (Ranchi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Delhi and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed

- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 10.01.2021 sharing representation 13.02.2020 addressed to the CEO, GSTN. The Petitioner stated that they attempted to file TRAN-1 several times within the stipulated period. However, despite repeated attempts, the same could not be filed due to technical glitches on the GST Portal. The Petitioner states that the portal did not accept the submission and showed the message “error occurred in submit”. They further stated that since the Petitioner was unable to connect with the system and submit TRAN-1, the fact of failed attempt at filing the return may not have been even registered in the system. The Petitioner has relied on the judgments passed by the Delhi High Court in W.P. (C) No. 6537/2019 titled A.B. Pal Electricals Pvt. Ltd. v. UOI &Ors. and the judgement of the Madras High Court in W.P. No. 3328/2020 titled Checkpoint Apparel Labelling Solutions India Pvt. Ltd. v. Commr. of GST & Central Excise, Chennai. However, the Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal

On completion of technical analysis conducted by GSTN/, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner’s case may be considered as not having faced any Technical difficulties.

Discussion and Decision:

The ITGRC concluded that since there is no evidence of any technical glitch after technical analysis by the GSTN, this case is rejected by the ITGRC.

15. MIGRATION CASE

15.1 WP.No.31285 of 2019 - M/s Guru Shoes Components. v. UOI &Ors.

Provisional ID	New GSTIN
34AADFG2604B1Z8	34AADFG2604B2Z7

Issue: -Petitioner received the PID 34AADFG2604B1Z8. The migration of the Petitioner was not completed due to an invalid PAN. In the meantime, the Petitioner had also applied for new registration GSTIN 34AADFG2604B2Z7 with effective date of registration as 22.08.2017. However, the Petitioner could not report the transactions made by him for the period 01.07.2017 to 21.08.2017 in the new registration as the Petitioner had conducted their business on their PID. Therefore, the Petitioner applied for completion of the migration process in August 2018 and again in January 2019 since the Petitioner had already taken a new registration the application was not processed.

The Court vide order dated 3.06.2020 disposed off the Writ Petition with the direction to the appropriate authority to issue the necessary positive recommendations for migration/transition of credit available in the account of the R2 (GSTN) within a period of 4 weeks from the date of receipt of a copy of this order and R2 (GSTN) will, in turn, will in turn within 4 weeks from receipt thereof issue necessary intimation to the Petitioner permitting it to access the portal and upload returns.

The Commissioner, Puducherry Commissionerate (State taxes) has requested to provide a user ID and password to M/s Guru Shoes (PID-34AADFG2604B1Z8) for accessing GST Portal.

Examination of records by GSTN: - The matter has been examined at GSTN's end and it is observed that no migration request for PID 34AADFG2604B1Z8 was received by GSTN. It's relevant to mention here that the process of migration on the GST Portal started on 08.11.2016 and continued till 06.02.2018. Thereafter, another window to complete the migration process was granted to the taxpayers vide notification no. 31/2018-Central Tax dated 06.08.2018. In notification no. 31/2018-Central Tax dated 06.08.2018 the following procedure was prescribed for taxpayers who did not file the complete FORM GST REG 26 but received only a Provisional Identification Number (PID) (hereinafter referred to as "such taxpayers"):

- The details as per abovementioned notification were required to be furnished by the taxpayer to the jurisdictional nodal officer of the Central Government or State Government.
- On receipt of an e-mail from the Goods and Services Tax Network (GSTN), such taxpayers were required to apply for registration by logging onto <https://www.gst.gov.in/> in the "Services" tab and filling up the application in FORM GST REG-01 of the Central Goods and Services Tax Rules, 2017.
- After due approval of the application by the proper officer, such taxpayers received an email from GSTN mentioning the Application Reference Number (ARN), a new GSTIN and a new access token.
- Upon receipt, such taxpayers were required to furnish the following details to GSTN by email, to migration@gstn.org.in:—
New GSTIN;
Access Token for new GSTIN;
ARN of new application;
Old GSTIN (PID).

Upon receipt of the above information from such taxpayers, GSTN was to complete the process of mapping the new GSTIN to the old GSTIN and inform such taxpayers. Such taxpayers were required to log onto the common portal www.gstn.gov.in using the old GSTIN as "First Time Login" for generation of the Registration Certificate. Such taxpayers were deemed to have been registered with effect from the 1st July, 2017.

Further, the last date for applying for migration in terms of Notification. No 31/2018 read with Notification. No 67/2018 dated 31/12/2018 was 28th February 2019.

Discussion and Decision

During the course of discussion, Shri Dheeraj Rastogi stated that the Commissionerate has recommended the migration of the case as per the Court directions and that as per the information gathered, the taxpayer is not willing to claim TRAN-1 credit. The ITGRC concurred with the implementation of the court directions.

16. Category-wise Summary of Cases sent by Nodal Officers of Centre/States

Category No.	Category	Count of Taxpayers
A1	Processed with error.	16
B1	As per GST system log, there are no evidences of error on submission/filing of TRAN1.	13

B2	TRAN-1 Fresh/Revision Attempted with No error/ No valid error reported.	03
B3	TRAN-1 Successfully Filed as Per Logs with No Valid Error reported.	04
B4	TRAN-1 filed once but credit not received.	04
B8	TRAN-1 filed and TRAN-2 not attempted and no error in logs.	03
	Grand Total	43

Discussion and Decision:

The GSTN presented the cases forwarded by the nodal officers as above for the consideration of the ITGRC. The committee opined that both the cases i.e. court cases as well as the nodal officer, cases are at par as long as the parameters applied in the past ITGRC meetings are uniform i.e. the assessee had attempted to file the TRAN-1 before the due date and there is a clear evidence of technical glitch faced by the taxpayer post analysis by GSTN, merit acceptance. In this scenario, the 16 cases falling under category A1 out of 43 cases merit acceptance and remaining 27 cases falling under category B1, B2, B3, B4, B8 are liable to be rejected as no technical glitch was noticed by GSTN in these cases post technical analysis. Thus, technically all these 22 cases (6 court cases and 16 nodal officers cases), the ITGRC approves on merit subject to placing before the GST council. They meet the requirements for considering the cases and fall in the four walls of the criteria set out by ITGRC. However, as they have been received by the GSTN/nodal officers after the cut off date, we may place them before the GST council for their view.

In this connection, the committee asked GSTN to update the list of cases forwarded by the nodal officers in regard to dates on which they were received by the nodal officer in the field and the date on which they were received by the GSTN for processing. Sh. Manish Kumar Sinha, CEO of the GSTN committed to update the list of cases forwarded by the nodal officers in this regard and share with GSTC Secretariat.

17. Additional agenda case of M/S Veliath Steel Agencies as per the Kerala High Court order and covered by the extended scope of ITGRC as per the 32nd meeting of the GSTC.

Ms. Ashima Bansal, JS, GSTC Secretariat presented the non-technical case of rectification of TRAN-I in case of M/s Veliath Steel Agencies as per the Kerala High Court order dated 03.07.2020 in Writ Petition Number 12930/2020. She submitted that it is a case of transposition of column and is covered by the decision of the 32nd GSTC meeting which extended the scope of the ITGRC for non-technical issues. It was proposed with the permission of the chair that this case may also be taken up by the ITGRC.

In this case, the High Court has stated that-

"I am of the view that the 4th respondent has already received such request on consideration of the matter, in case it requires the petitioner or representative, take a call and thereafter, as per the circular and the procedure invoked, would send it to SGST network. The SGST network on consideration of the matter would take a call on request by applying the principles of natural justice...and thereafter would strictly adhere the procedure in the circular for onward transmission to ITGRC."

Accordingly, as there are directions of the High Court and the recommendation of the jurisdictional SGST Commissioner that it is an error apparent on record involving transposition of the column and further the TRAN-I has been filed on time, the conditions pertaining to non technical cases are fulfilled and the case may be considered by ITGRC as per the guidelines. The Committee concurred with the view.

Discussion and decision:

All the committee members agreed that the case should be recommended on merit as per the extended scope of ITGRC approved by the 32nd GST Council meeting.

18. Decision of ITGRC on all Agenda points

18.1 Summary of ITGRC decisions in court cases

The ITGRC recommended the 5 W.P cases of Tran-1 falling under category A1 and one case of Tran-2 falling under category A1 and rejected the 14 cases of Tran-1 falling under categories B1/B3, and one case of Tran-2 falling under the category B8. The ITGRC decided to proceed with the one migration case as per the High Court directions. The Committee directed that the above recommendations of the ITGRC are to be placed before the GST council in the next meeting for acceptance or otherwise.

18.2 Summary of ITGRC Decision in Cases forwarded by the nodal officers

The committee decided that both the cases i.e., court cases as well as the nodal officer cases, are at par as long as the parameters applied in the past in the ITGRC meetings are uniform i.e. the assessee had attempted to file the TRAN-1 before the due date and there is a clear evidence of technical glitch faced by the taxpayer post analysis by GSTN, merit acceptance. In this scenario, the 16 cases falling under category A1 out of 43 cases merit acceptance and remaining 27 cases falling under category B1, B2, B3, B4, B8 are liable to be rejected as no technical glitch was noticed by the GSTN in these cases post technical analysis.

Thus, on technical grounds, all these 22 cases (6 court cases and 16 nodal officers' cases), the ITGRC accepted on merit subject to placing before the GST council. They meet the requirements for considering the cases and fall within the criteria set out by ITGRC. However, as they have been received by the GSTN/nodal officers after the due date, we may place them before the GST council for their view. The committee asked GSTN to update the list of cases forwarded by the nodal officers in regard to dates on which they were received by the nodal officer in the field and the date on which they were received by the GSTN for processing.

The ITGRC decided that the 22 cases falling under the category A1 post analysis by the GSTN (6 Court cases and 16 cases forwarded by the nodal officers) , the ITGRC approves on merit subject to placing before the GST Council for directions.

18.3 Decision in the case of non-technical nature matter of M/s Valiath Steel Agencies, Kerala(Writ Petition Number 12930/2020)

All the committee members decided that it was an error apparent on the face of record and the case is recommended on merit as per the extended scope of ITGRC approved by the 32nd GST Council meeting.

18.4 Additional discussions with the permission of the chair

18.4.1 Haryana State raised the issue that various taxpayers whose Tran-1 applications have been rejected in previous ITGRC meetings based on technical analysis by the GSTN, are resubmitting their

Tran-1 applications to field nodal officers with fresh set of evidences for technical glitches. They sought clarity on treatment of such cases.

Discussion and decision:

The ITGRC decided that the past cases once decided by the ITGRC and approved by the GST Council **shall not be reopened**.

18.4.2 Sh. Dheeraj Rastogi, VP, GSTN requested that a clarity is required whether the cases still pending with nodal officers are to be taken up by GSTN for processing as the last date for opening the portal has lapsed. He also requested to provide clarity whether the nodal officer should stop accepting fresh application from taxpayer in TRAN-1 and TRAN-2 cases.

Discussion and decision-

In this regard, ITGRC stated that in regard to the cases pending with the nodal officers as well as with GSTN received after the due date, the GSTN should compile how many of such cases are there and further decided to request the GSTC Secretariat that while putting up the minutes of this meeting before the GST Council for approval, **the final decision shall be sought from GST Council about the further agenda of the ITGRC and to take a conscious call whether the cases received after due date and which are still lying with the Nodal Officers as well with GSTN should be considered at all or not by the ITGRC.**

18.4.3 Sh. Manish Kumar Sinha, CEO, GSTN mentioned that an additional agenda for **data fixes and proposal for resolution of these data fixes has been moved by the GSTN which is under discussion with GST policy wing and GST Council Secretariat. The same should be taken up in the next meeting to which the Committee concurred.**

Annexure-1

GST Council Secretariat:

1. Mrs Ashima Bansal, Joint Secretary, GSTC

CENTRE:

2. Sh. Vivek Johri, Member, CBIC
3. Sh. Sandeep Kumar, Member and Principal Director General, DG Systems
4. Sh. Anil Kumar Jha, Special/Additional Secretary, DOR

States:

5. Sh. Sidharth Jain, Haryana
6. Sh. Prayag Shah, State Tax, Gujrat
7. Sh. Rasal Dors Soloman J, State Tax, Tamil Nadu
8. Sh. Khalid Anwar, Commissioner, State Tax, West Bengal

Special Invitee:

9. Sh Manish Sinha, CEO, GSTN
10. Sh. Dheeraj Rastogi, VP, GSTN

Writ Petition Cases

TRAN-1

Category No.	Category	Detailed Description	Count of Taxpayer
A. Category-1	Processed with error	Cases where the taxpayer received the error 'Processed with error.' As per GST system logs the taxpayer has attempted to submit first time/fresh or revise TRAN1 but could not file because of errors.	5
B. Category-1	As per GST system log, there are no evidences of error or submission/filing of TRAN-1.	As per logs User neither submitted nor filed the form. No logs of save as well. ITC ledger also not updated. No Valid Error reported.	13
B. Category-3	Successfully Filed as Per Logs with No Valid Error reported.	The Taxpayer has successfully filed TRAN-1 and no technical errors had been found in the examined technical logs.	1
	Total		19

Category A1: Cases where the taxpayer received the error 'Processed with error.' As per GST system logs the taxpayer has attempted to submit first time/fresh or revise TRAN1 but could not file because of errors.

1. W.P. No. 13864/2020 M/s Cotton Impex v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
06AAGHM4778M1ZK	Haryana	Proprietorship

Issue: The Petitioner claims that he is entitled to claim of Rs. 13, 97,013/-on account of excess VAT credit however, due to technical glitch on the portal, he was not able to claim the same.

Status: GSTN is party in this matter. GSTN vide email dated 08.09.2020 apprised the status of case to the Central Government Standing Counsel and the CGST Commissionerate (Rohtak) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Punjab & Haryana and the next date of hearing is 26.11.2020. No effective order is available on the Court's website.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Taxpayer had opened form GST TRAN-1 and attempted to save the data. However, the same was not processed due to a submission error reported for validation for Registration no. 065442914799 which was invalid. The Registration number has been added in the Petitioner's profile post 27.12.2017. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

2. W.P. No. 15168/2020 M/s Medreich Limited v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
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36AABCM1458Q1Z1	Telangana	Public Limited Company
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Issue: The Petitioner submitted TRAN-1 and ARN was also generated. However, the same was reflecting as filed on the GST portal. The Petitioner then attempted to file revised TRAN-1 but it was not getting reflected on the Portal.

Status: GSTN is not a party in this matter. GSTN vide letter dated 04.11.2020 has apprised the status of case to the Principal Chief Commissioner CGST (Hyderabad Zone) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Telangana and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Taxpayer had filed TRAN-1. However, the same was not processed due to a submission error reported for validation for Registration Nos. AABCM1458QEM009 and AABCM1458QEM011 which were invalid. The Registration number AABCM1458QEM009 was added in the Petitioner's profile before filing of TRAN-1. However, Registration No.AABCM1458QEM011 has not been added to the Petitioner's profile till date. The Petitioner's ITC Ledger has been updated and ARN has also been generated for the respective attempts. The Petitioner has not attempted any revision. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

3. W.A. No. 788/2020- The Commissioner of GST & CE v. Checkpoint Apparel Labelling Solution Pvt. Ltd.

GSTIN/ Provisional ID	State	Constitution of Business
33AAGCS9485A1ZA	Tamil Nadu	Private Limited Company

Issue: The Petitioner has stated that they had uploaded TRAN-1 on 13.09.2017 and received an email stating that the Petitioner had successfully filed TRAN-1 with time stamp 13/09/2017, 19.07 and received ARN AA370913729P. However, the GST Portal showed the same as "Processed with Error" and the Electronic Credit Ledger was not reflecting the CENVAT Credit.

Status: GSTN is a party in this matter. GSTN vide email dated 29.10.2020 has apprised the status of the case to the CGST Commissionerate (Chennai North) in terms of CBIC's Circular No. 39/13/2018 dated 03.04.2018. The appeal has been disposed by the Hon'ble Madras High Court. The Court vide judgment dated 23.09.2020 which upheld the impugned order dated 14.02.2020 in W.P. No. 3328/2020 directing the Respondents to do the needful to enable the Petitioner to upload the requisite form TRAN-1 in order to avail unutilised credit.

The Petitioner in this case vide their Letter dated 14.11.2019 addressed to the Commissioner, Chennai North (Principal Nodal Officer for IT Grievances, Chennai Zone), under endorsement to Commissioner of GST & CE, Chennai Outer, had stated that they had faced technical glitches in the GST Common portal while filing Form GST Tran-1 before the due date i.e. 27.12.2017, however they do not have any proof/screenshot having faced technical glitch. The representation regarding TRAN-1 credit was **rejected by Chennai Outer Commissionerate, vide Letter C.No: IV/16/88/2019-GSTST-TRAN1 dated 01.01.2020** as it was not conforming to Board's Circular No: 39/13/2018 dated 03.04.2018 i.e. there was no technical glitch **and was not forwarded to GSTN**. The same was informed to taxpayer by Chennai Outer Commissionerate vide letter C.No.IV/16/88/2019-GSTSK-TRAN-1 dated 01.01.2020. Against this, the Taxpayer preferred a Writ Petition No: 3328 of 2020 in the Hon'ble Madras High Court and the Hon'ble Madras High Court vide Order dated 14.02.2020 in

WP No:3328 of 2020 has directed the respondents to do the needful forthwith to enable the petitioner to upload the requisite forms (TRAN-1/2). However, since the nodal Officer (Chennai Outer Commissionerate) had found that there was no proof for the claims made by the taxpayer for any technical glitches, rejected the request. The department therefore Writ Appeal the Division bench of High Court of Madras against the High Order dated 14.02.2020 in WA No. 788/ 2020.

The Commissionerate approached GSTN vide email dated 15.10.2020 with a request examine whether the Petitioner had made any attempt to file Form GST TRAN-1 in the portal on or before 27.12.2017 and had actually faced any technical glitches as claimed by them. Technical Analysis in this matter was therefore conducted by GSTN upon receipt of the abovementioned email from Commissionerate.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Petitioner had opened form GST TRAN-1 and attempted to file the data on 26th Oct 2017 12:34 PM and subsequently on 26th Dec 2017. Subsequently, the Petitioner attempted to file revision which was successfully filed but a submission error was reported for Registration No. Registration no. AAFCG5452JEM001. The Registration No. AAFCG5452JEM001 has been added to the Petitioner's profile post 27.12.2017. The Petitioner's ITC Ledger has not been updated, but ARN has been generated for the respective attempts. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

4. WPT 6316/2020-M/s GSR Eco Bricks Private Limited v. Union of India

GSTIN/ Provisional ID	State	Constitution of Business
37AAFCG5452J1ZD	Andhra Pradesh	Private Limited Company

Issue: The Petitioner has stated that they had uploaded TRAN-1 on 13.09.2017 and received an email stating that the Petitioner had successfully filed TRAN-1 with time stamp 13/09/2017, 19.07 and received ARN AA370913729P. However, the GST Portal showed the same as "Processed with Error" and the Electronic Credit Ledger was not reflecting the CENVAT Credit.

Status: GSTN is a party in this matter. GSTN vide email dated 19.11.2020 has apprised the status of the case to the CGST Commissionerate (Guntur) in terms of CBIC's Circular No. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Andhra Pradesh and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Petitioner had opened form GST TRAN-1 and attempted to file the data. However, the same was not processed due as it got stuck on "FRZ". Subsequently, the Petitioner attempted to file revision which was successfully filed but a submission error was reported for Registration No. Registration no. AAFCG5452JEM001. The Registration No. AAFCG5452JEM001 has been added to the Petitioner's profile post 27.12.2017. The Petitioner's ITC Ledger has not been updated, but ARN has been generated for the respective attempts. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

5. WP No. 8583/2020 Genext International v. UOI and Ors.

GSTIN/ Provisional ID	State	Constitution of Business
07AAPFG1341R1ZW	Delhi	Partnership

Issue: The Petitioner has claimed that they had filed their Form TRAN-1 for claiming VAT credit of Rs. 4,17,042 and CENVAT credit of Rs. 14,50,716 (total credit of Rs. 18,67,758). However, it was later noticed that the Petitioner's Electronic Cash Ledger was only reflecting VAT credits i.e. 4, 17,042 and did not show credits amounting to CENVAT Credit worth Rs. 14, 50,716.

Status: GSTN is not party in this matter. GSTN vide letter dated 04.12.2020 apprised the status of case to the GST Policy Wing in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The Hon'ble High Court of Delhi has reserved judgment in this case on 21.12.2020. The judgment is not available on the Court's website.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Taxpayer had opened form GST TRAN-1 and attempted to file the data. However, the same was not processed due to a submission error reported for validation for Registration no. AAPFG1341REM001 which was invalid. The Registration number has still not been added in the Petitioner's profile. The Petitioner's ITC Ledger has been updated and ARN has also been generated for the respective attempts. The Petitioner has not attempted any revision. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Category-B1:- As per GST system log, there are no evidences of error or submission/filing of TRAN-1

6. CWP-6585/2020-Bhatia Tyre Works. v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
08ARTPB2446F1ZS	Rajasthan	Proprietorship

Issue: The Petitioner could not file TRAN-1 within the prescribed time due to constant technical difficulties faced by the Petitioner on GST portal. Resultantly Petitioner was also unable to file TRAN-2

Status: GSTN is a party in this matter. GSTN vide letter dated 07.09.2020 shared comments with the CGST Commissionerate (Jaipur) apprising the status of case to the in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Rajasthan at Jaipur and the next date of hearing is 19.09.2020. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. The Petitioner replied vide email dated 16.09.2020 explaining that when they attempted to upload TRAN-1 and TRAN-2 the portal showed them an error of under process. The Petitioner shared details of ticket number 20200316903171 and copy of letter dated 16.09.2019 addressed to the Assistant Commercial Taxes Officer, Circle-A, Commercial Taxes Department, Sri Ganganagar.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

7. W.P. No 3988/2020 M/s. Kalpatru Enterprises through its Proprietor Neeraj Jain v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
07ACRPJ4269P1ZP	Delhi	Proprietorship

Issue: The Petitioner attempted to file TRAN-1 on the GST portal on 21.12.2017, 23.12.2017, 24.12.2017, 26.12.2017 and 27.12.2017 but could not file the same because of technical glitches on the GST Portal which the Petitioner could not understand.

Status: GSTN is a party in this matter. GSTN vide email dated 17.09.2020 apprised the status of case to the CGST Commissionerate (Delhi-North) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Delhi and the next date of hearing is 14.09.2020. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

8. WP No. 14791/2020 M/s Shah Electronics & Home Appliances Pvt. Ltd. v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
36AAECS5488F1Z1	Telangana	Private Limited Company

Issue: The Petitioner was not able to file FORM GST TRAN-01 by 27.12.2017 due to technical glitches and thereafter portal was closed. As a result, the subsequent filing of FORM GST TRAN-2 also could not be filed by the Petitioner.

Status: GSTN is party in this matter. GSTN vide letter dated 17.09.2020 apprised the status of case to the Commissioner of Central Tax (Medchal) and the Assistant Commissioner of Central Tax and GST (Ramgopalpet III Range, Secunderabad Division) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Telangana and the next date of hearing is 02.11.2020. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- iv.Exact technical glitch faced by you while filing TRAN-1
- v.Nature of error noticed
- vi.Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. The Petitioner responded vide email dated 23.10.2020. The Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal. Further, the exact issue faced by the Petitioner was also not provided.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for “save”. ITC ledger has also not been updated. Thus, the Petitioner’s case may be considered as not having faced any Technical difficulties.

9. Writ Tax No. 418/2019 M/s Bhagwan Motors v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
09AAHFB9939J1ZT	Uttar Pradesh	Partnership

Issue: The Petitioner made several attempts to file TRAN-1 on the GST Portal till 27.12.2017 however, could not do so because of apparent technical fault in the GST system.

Status: GSTN is a party in this matter. GSTN vide email dated 18.09.2020 shared comments with the CGST Commissionerate (Meerut) apprising the status of case to the in terms of CBIC’s Circular no. 39/13/2018 dated 03.04.2018. The Hon’ble High Court of Allahabad vide order dated 04.04.2019 has disposed off the matter with direction to the Assistant Commissioner/Commissioner GST to consider the Petitioner’s application and pass appropriate order in accordance with law.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i.Exact technical glitch faced by you while filing TRAN-1
- ii.Nature of error noticed
- iii.Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. The Petitioner replied vide email dated 24.10.2020 explaining that they could not log in into the portal despite trying several times during the period 20th December 2017 and 27th December 2017. The Petitioner shared a screenshot of his GST Portal Dashboard taken on 12.02.2020 which showed the message *“The filing of declaration in TRAN-1 is not available now as the due date is over”*. This is a valid system message as the due date for filing TRAN-1 is now over. The Petitioner also shared a letter explaining their grievance addressed to the Assistant Commissioner, Goods and Service Tax, Range Saraswa.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for “save”. ITC ledger has also not been updated. Thus, the Petitioner’s case may be considered as not having faced any Technical difficulties.

10. WP (C) No. 17174/2020-M/s ValethHightech Composites (P) Ltd. v. STO &Ors

GSTIN/ Provisional ID	State	Constitution of Business
32AAACV1999E1ZC	Kerala	Private Limited Company

Issue: The Petitioner was not able to upload Form TRAN-1 on account of various computer glitches with respect to the website of the department before 27.12.2017.

Status: GSTN is a party in this matter. GSTN vide email dated 23.09.2020 apprised the status of case to the CGST Commissionerate (Kochi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Kerala and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

11. W.P. No. 3427/2020- M/s Jain Medical (Prop.) Manoj Kumar Mehta v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
08ABMPM0042K1ZM	Rajasthan	Proprietorship

Issue: The Petitioner faced technical glitch while filing TRAN-1.

Status: GSTN is a party in this matter. Writ Petition in this matter has not been received by GSTN only GSTIN was received from GST Council Secretariat vide letter in F.No.505/SB Civil Writ No. 3427/20/Jain Medical/GSTC/2020/3593 dated 13.08.2020 wherein GSTN was requested to verify Petitioner's claim of technical glitch while filing TRAN-1. GSTN vide letter dated 23.09.2020 has requested for a copy of the Writ Petition from the Commissioner of Central Taxes (Jaipur) and the Principal Commissioner, CGST (Jaipur). The matter has been disposed off by the Jodhpur Bench of the Hon'ble Rajasthan High Court judgment dated 19.03.2020 with the following directions:-

"1. The respondents shall permit the petitioner to submit online GST TRAN-1 form, subject to furnishing a proof that he had tried to upload GST TRAN-1 form prior to 27.12.2017 and such attempt failed due to technical fault/glitch on the common portal. Needless to mention that petitioner will be required to submit a certificate/recommendation issued by GST Council in this regard.

2. In case all the three requirements enumerated in para no.12 of the judgment of Jodhpur Truck Pvt. Ltd. (supra) are met/satisfied, the petitioner's online GST TRAN-1 form shall be accepted, of course, if it is filed by 31.03.2020 or extended period (if any).

3. For the purpose aforesaid, the petitioner may submit an application before the GST Council to issue the requisite certificate/recommendation, along with requisite particulars, evidence and a certified copy of the order instant, within a period of 15 days from today. If the petitioner's assertion is found correct, the GST Council shall issue the recommendation/certificate to the petitioner within a period of three weeks from placement of such application and certified copy of this order.

4. In case the GST Council is of the view that petitioner is not entitled for certificate/recommendation, they shall pass an order giving brief reasons and communicate the same to the petitioner assessee.

5. Needless to observe that the petitioner shall be free to take appropriate remedy against such order."

Further investigation by GSTN: An email dated 22.10.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 24.10.2020. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. There are no logs for "save". ITC ledger has also not been updated. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

12. 8240/2020-Macro Furnaces Private Limited, Faridabad v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
06AAACM5608H1ZO	Haryana	Private Limited Company

Issue: The Petitioner has claimed that they could not file form GST TRAN-1 either due to some technical glitches on the GST Portal or lack of knowledge on the part of the Petitioner or pendency of VAT Assessment upto 2017-18, only after completion of which the dealer could assess its Input Tax Credit available to be carried forward.

Status: GSTN is party in this matter. GSTN vide email dated 06.10.2020 apprised the status of case to the CGST Commissionerate (Faridabad) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Punjab & Haryana and the next date of hearing is not updated on the Court's Website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 30.12.2020 sharing a letter addressed to the proper officer explaining that notice of motion has been issued by the Hon'ble High Court in the present case. The Petitioner also shared their GST Registration certificate. However, no screenshots were shared.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any technical difficulties

13. W.P. No. 12184/2020 M/s Guru Kripa Lubricant v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
23AEIPJ9886M1ZP	Madhya Pradesh	Proprietorship

Issue: The Petitioner could not file GST TRAN-1 on the common portal as they were facing technical difficulties on the GST Portal. The GST Council vide letter no. F.No.556/W.P. No. 12184 of 2020 /Guru Kripa/GSTC/2020/3802-3805 dated 11.09.2020 has requested that the Petitioner's claim be verified.

Status: GSTN is a party in this matter. GSTN vide letter dated 15.10.2020 shared comments with the CGST Commissionerate (Bhopal) apprising the status of the case in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The Gwalior Bench of the Hon'ble High Court of Madhya Pradesh disposed the Petitioner's case vide order dated 27.08.2020 with directions to the Jurisdictional Commissionerate to pass a reasoned and speaking order within a period of four weeks.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 explaining despite numerous attempts the said TRAN-1 Form could not be uploaded on the common portal. The Petitioner shared a copy of the representations explaining the technical problems to the concerned authorities, a copy of the TRAN-1 for manual filing and a copy of the ticket number generated (G-20200303773449) on the portal. Ticket no. G-20200303773449 raised by the Petitioner on **03.03.2020** and the Petitioner had raised the following issue

*"Dear sir subject: - Regarding Tran-1 form when I trying to file my tran-1 form so I got this message **that tran1 is not available as the due is over.** I also complained for this query in my jurisdiction so I requested to you that please active my Tran-1 form in my GST profile and I also attached my complained copy which done my me to my jurisdiction thank you".*

The abovementioned ticket was closed on 13.03.2020 due to no response received on "Awaiting Customer Input", the following message was sent to the Petitioner

"This is in reference to your query, we would like to inform you that we are unable to process your request further due to unavailability of adequate information. We have not received the requisite information even after three reminders. Therefore, we are closing this docket from our end."

It may be noted that GST Portal allowed filing of TRAN-1 till the due date i.e. 27.12.2017.

The petitioner has not shared any screenshots and has relied on the judgements of the Hon'ble Delhi High Court in A.B Pal Electrical Private Ltd. v. Union of India &Ors wherein it is observed by the Court that *"It is not fair to expect that each person who may not have been able to upload the Form GST TRAN-1 should have preserved some evidence of it - such as, by taking a screen shot..."*. The Petitioner has also placed reliance on the judgment of the Hon'ble High Court of Madras in the case of "Tara Exports v. Union of India &Ors. (WP (MD) No. 18532/2018) for the same.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any technical difficulties.

14. WPT 70/2019-M/s Dhamtari Krishi Kendra v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
22ACMPR1282P1Z3	Chhattisgarh	Proprietorship

Issue: The Petitioner tried to submit form GST TRAN-1 on the common Portal, however, because of the technical glitch faced by the Petitioner it could not be submitted. The Petitioner immediately reported this matter to the authorities in the Department on 26.12.2017.

Status: GSTN is not a party in this matter. GSTN vide email dated 22.10.2020 apprised the status of case to the GST Council Secretariat in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed off vide order dated 17.07.2020. The Court vide order dated 17.07.2020 has directed that "it is expected that the Commissioner, Commercial Tax shall take a decision at the earliest preferably within an outer limit of 60 days from the date of receipt of copy of this order. In the event, if the Commissioner, Commercial Tax makes a reference to the GSTC, it is expected that the Council also, in turn, takes an early decision on the reference made by the Commissioner preferably within a period of 90 days from the date of receipt of reference by the Commissioner."

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 explaining that when their tax consultant tried to login to the common portal but was not able to login and the site was busy. The Petitioner has not shared any screenshots and has stated that due to lack of knowledge, we did not capture any screenshot of the glitch faced and also did not raise any grievance with GSTN or helpdesk.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

15. Writ Tax No. 420/2020 Kamal Agencies v. UOI & Ors

GSTIN/ Provisional ID	State	Constitution of Business
09AMEPK9117A1ZA	Uttar Pradesh	Proprietorship

Issue: The Hon'ble Allahabad High Court vide order dated 01.09.2020 has directed the Additional Commissioner, CGST and Nodal Officer ITGRC to look into the grievance raised by the Petitioner.

Status: The Copy of the Writ Petition is not available. GSTN vide email dated 28.10.2020 requested a copy of the Writ Petition from the CGST Commissionerate (Lucknow) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed by the Hon'ble High Court of Allahabad vide order dated 01.09.2020 has directing the Additional Commissioner-CGST and Nodal Officer-ITGRC to look into the grievance raised by the Petitioner.

Further investigation by GSTN: An email dated 28.12.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1

- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 30.12.2020. The Petitioner replied vide email dated 29.12.2020 sharing their GST registration certificate and explained that despite several attempts, due to poor network service of Portal of GSTN for filing TRAN-1, the Applicant failed to open TRAN-1 and were unable to file TRAN-1 on time. The Petitioner has stated that they have made these submissions earlier before the Additional Commissioner, Nodal Officer for IT Grievance Redressal. However, no screenshots have been shared by the Petitioner.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Petitioner neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

16. CWP 10593/2020- M/s JDA India Co. v. UOI &Ors

GSTIN/ Provisional ID	State	Constitution of Business
08AATHS4942L1Z9	Rajasthan	Hindu Undivided Family

Issue: The Petitioner has claimed that due to various technical glitch/system error on the common portal, the petitioner failed to file FORM GST TRAN-1 on the GST common portal throughout the period during which FORM GST TRAN-1 was available.

Status: GSTN is party in this matter. GSTN vide letter dated 04.12.2020 apprised the status of case to the CGST Commissionerate (Jodhpur) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before Hon'ble High court of Rajasthan and the next date of hearing is 14.01.2021 No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- iv. Exact technical glitch faced by you while filing TRAN-1
- v. Nature of error noticed
- vi. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 08.01.2021. The Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal. Further, the exact issue faced by the Petitioner was also not provided. The Petitioner has simply provided that the Common Portal was not working.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

17. WP (C) No. ___/2020-M/s Khemka Marketing

GSTIN/ Provisional ID	State	Constitution of Business
22ABRPA0008N1ZZ	Delhi	Proprietorship

Issue: The Petitioner was not able to file TRAN-1 & TRAN-2 electronically for the reason of law being new and the Petitioner not being well conversant with the functioning of the common portal. Therefore, the Petitioner faced technical glitches/snags while filing the form. The GST Council

Secretariat vide letter F.No. 248/TRAN-1 Rep./Khemka/GSTC/2020/4675 dated 13.11.2020 has forwarded GSTN as Respondent No. 3.

Status: GSTN is a party in this matter. GSTN vide email dated 04.12.2020 apprised the status of case to the GST Council Secretariat and the CGST Commissionerate (Ranchi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Delhi and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 10.01.2021 sharing representation 13.02.2020 addressed to the CEO, GSTN. The Petitioner stated that they attempted to file TRAN-1 several times within the stipulated period. However, despite repeated attempts, the same could not be filed due to technical glitches on the GST Portal. The Petitioner states that the portal did not accept the submission and showed the message "error occurred in submit". They further stated that since the Petitioner was unable to connect with the system and submit TRAN-1, the fact of failed attempt at filing the return may not have been even registered in the system. The Petitioner has relied on the judgments passed by the Delhi High Court in W.P. (C) No. 6537/2019 titled A.B. Pal Electricals Pvt. Ltd. v. UOI & Ors. and the judgement of the Madras High Court in W.P. No. 3328/2020 titled Checkpoint Apparel Labelling Solutions India Pvt. Ltd. v. Commr. of GST & Central Excise, Chennai. However, the Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties

18. WP No. 5402/2020-Vasudev Tracto Rollers v. Nodal Officer & Ors

GSTIN/ Provisional ID	State	Constitution of Business
19AACFV4959M1ZD	West Bengal	Partnership

Issue: The Petitioner has claimed that they could not file Form GST TRAN-1 within due date as the tax consultant of the petitioner had come faced certain technical glitches while filing of form GST TRAN-1 on the common portal.

Status: GSTN is a party in this matter. GSTN vide email dated 11.12.2020 apprised the status of case to the GSTC in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Kolkata and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed

- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. However, no reply was received from the Petitioner.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

Category B3: Successfully Filed as Per Logs with No Error reported. Successfully Filed as Per Logs with No Error reported.

19. Writ Tax 362/2020-SKJ Metals Company v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
09ACQPJ5004M1Z9	Uttar Pradesh	Proprietorship

Issue: The Petitioner faced technical glitch while filing TRAN-1.

Status: Writ Petition in this matter has not been received by GSTN only GSTIN was received from GSTC Secretariat vide their letter no. 526/W.P. 362 of 2020/SKJ/GSTC/2020/3572 dated 11.08.2020 wherein GSTN was requested to verify Petitioner's claim of technical glitch while filing TRAN-1. GSTN vide letter dated 28.08.2020 apprised the status of case to the GST Council Secretariat and the concerned CGST Commissionerate (Lucknow Zone) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018 and requested for a copy of the Writ Petition. The same was requested again vide GSTN's email dated 02.09.2020 and letter dated 09.09.2020. The matter is pending before the Hon'ble Allahabad High Court and the next date of hearing has not been updated on Court's Website. The Hon'ble High Court vide interim order dated 07.07.2020 directed the respondents to consider reopening the portal and in the event the same is not feasible the respondents would entertain the GST TRAN-1 of the Petitioner manually and pass orders thereon after due verification of the credits as claimed by the Petitioner.

Further investigation by GSTN: Further investigation by GSTN: An email dated 14.09.2020 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 16.09.2020. The Petitioner replied vide email dated 16.09.2020 sharing a manual copy of TRAN-1 and explaining that while filing Form Tran-1 online they were unable to find the exact column where the Customs Duty eligible for Input was to be entered. However, they did not share any screenshot/ticket number.

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer has tried to save TRAN-1 which was processed. There were no Error reported in logs and Revision was not attempted by the Taxpayer. During course of submission error related to invalid registration reported for no.09627500834 which has been added before first successful attempt. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

TRAN-2

Category No.	Category	Detailed Description	Count of Taxpayer
A. Category-1	TRAN-1 filed and error in TRAN-2.	As per Logs Tran-1 filed successfully. Error recorded in database but no corresponding error reported in logs.	1
B Category-8	TRAN-1 filed and TRAN-2 not attempted and no error in logs	As per Logs Tran-1 filed successfully. User neither submitted nor filed TRAN-2 and there are no logs of save as well.	1
	Total		2

Category A1: TRAN-1 filed and error in TRAN-2.

20. W.P. No. 1327/2020 M/s Capital Enterprises v. UOI &Ors.

GSTIN/ Provisional ID	State	Constitution of Business
21AAOPA1368F1Z6	Orissa	Proprietorship

Issue: The Petitioner successfully filed TRAN-1 on 27.12.2017. While filing TRAN-2 the Petitioner faced technical difficulties which prevented them from uploading TRAN-2. The GST Portal displayed Petitioner the message "Errors encountered while uploading the file."

Status: GSTN is a party in this matter. GSTN vide email dated 08.09.2020 apprised the status of case to the CGST Commissionerate (Bhubaneswar) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter has been disposed off vide order dated 05.03.2020 with the direction to Respondent no. 4 (DC, Commercial Tax) and 6 (Commissioner of Sales Tax) to take decision on the representation filed by the Petitioner vide Annexures 6 & 9 and pass appropriate order in accordance with law within a period of 3 months from the date of production of certified copy of this order.

On completion of technical analysis conducted by GSTN/Infosys, it was observed that the Taxpayer successfully filed GST TRAN-1 successfully on 27/12/2017 and declared values in Table 7B of 7a & 7d. The taxpayer was eligible for filing TRAN-2 and filed the same for period July 2017 and August 2017 on 30/06/18 & 01/07/2018 respectively. However, the same were not processed due to an error reported relating to invalid HSN. There were errors recorded in database but no corresponding error reported in logs. Thus, the Petitioner's case may be considered as having faced Technical difficulties.

Category B8: TRAN-1 filed and TRAN-2 not attempted and no error in logs

21. WP (C) No. ___/2020-M/s Khemka Marketing

GSTIN/ Provisional ID	State	Constitution of Business
22ABRPA0008N1ZZ	Delhi	Proprietor

Issue: The Petitioner was not able to file TRAN-1 & TRAN-2 electronically for the reason of law being new and the Petitioner not being well conversant with the functioning of the common portal. Therefore, the Petitioner faced technical glitches/snags while filing the form. The GST Council Secretariat vide letter F.No. 248/TRAN-1 Rep./Khemka/GSTC/2020/4675 dated 13.11.2020 has forwarded GSTN as Respondent No. 3.

Status: GSTN is a party in this matter. GSTN vide email dated 04.12.2020 apprised the status of case to the GST Council Secretariat and the CGST Commissionerate (Ranchi) in terms of CBIC's Circular no. 39/13/2018 dated 03.04.2018. The matter is pending before the Hon'ble High Court of Delhi and the next date of hearing is not updated on the Court's website. No effective order is available on the Court's website.

Further investigation by GSTN: An email dated 07.01.2021 was sent to the Petitioner requesting for the following information:-

- i. Exact technical glitch faced by you while filing TRAN-1
- ii. Nature of error noticed
- iii. Screen-shots of technical error/emails sent to help-desk along with ticket numbers.

The Petitioner was requested to provide the details by 09.01.2021. The Petitioner replied vide email dated 10.01.2021 sharing representation 13.02.2020 addressed to the CEO, GSTN. The Petitioner stated that they attempted to file TRAN-1 several times within the stipulated period. However, despite repeated attempts, the same could not be filed due to technical glitches on the GST Portal. The Petitioner states that the portal did not accept the submission and showed the message "error occurred in submit". They further stated that since the Petitioner was unable to connect with the system and submit TRAN-1, the fact of failed attempt at filing the return may not have been even registered in the system. The Petitioner has relied on the judgments passed by the Delhi High Court in W.P. (C) No. 6537/2019 titled A.B. Pal Electricals Pvt. Ltd. v. UOI & Ors. and the judgement of the Madras High Court in W.P. No. 3328/2020 titled Checkpoint Apparel Labelling Solutions India Pvt. Ltd. v. Commr. of GST & Central Excise, Chennai. However, the Petitioner did not provide any screen-shot evidencing technical glitches of the GST Portal

On completion of technical analysis conducted by GSTN/Infosys, it was observed in the logs that the Taxpayer neither submitted nor filed form TRAN-1. Thus, the Petitioner's case may be considered as not having faced any Technical difficulties.

MIGRATION CASE

22. WP.No.31285 of 2019 - M/s Guru Shoes Components. v. UOI & Ors.

Provisional ID	New GSTIN
34AADFG2604B1Z8	34AADFG2604B2Z7

Issue: -Petitioner received the PID 34AADFG2604B1Z8. The migration of the Petitioner was not completed due to an invalid PAN. In the meantime, the Petitioner had also applied for new registration GSTIN 34AADFG2604B2Z7 with effective date of registration as 22.08.2017. However, the Petitioner could not report the transactions made by him for the period 01.07.2017 to 21.08.2017 in the new registration as the Petitioner had conducted their business on their PID. Therefore, the Petitioner applied for completion of the migration process in August 2018 and again in January 2019 since the Petitioner had already taken a new registration the application was not processed.

Status:- The Court vide order dated 3.06.2020 disposed off the Writ Petition with the direction to the appropriate authority to issue the necessary positive recommendations for migration/transition of credit available in the account of the R2 (GSTN) within a period of 4 weeks from the date of receipt of a copy of this order and R2 (GSTN) will, in turn, will in turn within 4 weeks from receipt thereof issue necessary intimation to the Petitioner permitting it to access the portal and upload returns.

Recommendation of Commissionerate, GSTN and GSTC Secretariat:-The Commissioner, Puducherry Commissionerate (State taxes) vide letter no. 3603/CTD/RC/2020 dated 21.10.2020 (Annexure-A) have written to GSTN with a request to provide a user ID and password to M/s Guru Shoes (PID-34AADFG2604B1Z8) for accessing GST Portal. Further GSTN vide letter no File No. GSTN/2019/Legal/482 dated 18.12.2020 (Annexure-B) addressed to Commissioner, GST Policy Wing with a copy marked to GSTC Secretariat sought whether GSTN should comply with the direction issued by the Hon'ble High Court or the Government would be preferring an appeal against it.

The GSTC Secretariat vide its letter dated 31.12.2020 with F.No 729/WP/31285/Guru/GSTC/2020 (Annexure-C) addressed to the Commissioner, GST Policy Wing, CBIC (As Co-Convenor of Law Committee) North Block, New Delhi ,requested for the resolution of the issue of the Petitioner, pursuant to passing of Hon'ble Madras High Court order. The GSTC Secretariat vide this letter has given its opinion that the may be considered for acceptance and this specific case of the migration of petitioner may be allowed by following the special procedure given in Notification No.31/2018 CT dated 06.08.2018 subject to the conditions that:

- (a) Migration of taxpayer's PID 34AADFG2604B1Z8 may be completed by GSTN and after migration it may be mapped with the new GSTIN 34AADFG2604B2Z7 taken by the taxpayer (as in para 2(v) of Notification No.31/2018 CT dated 06.08.2018) for facilitating filing of returns for the period from 1st of July 2017 to 21st of August 2017.
- (b) As reported by jurisdictional office, the taxpayer had no closing VAT credit and he was also not registered under the Central Excise prior to GST. Hence, no such claim of transitional credit arises. Also the due date of claiming Transitional credit under Rule 117(1A) is over. Thus the taxpayer can't file TRAN-I at this stage.
- (c) No ITC on the invoices pertaining to inward supplies for this taxpayer during the period of July 2017 to 21st of August 2017 can be allowed as the last date for taking the input tax credit in respect of these invoices is over as per the time limit prescribed under Section 16(4) of the CGST Act 2017.
- (d) The details of outward supplies declared by this taxpayer in GSTR-I for the period from 1 of July 2017 to 21st of August 2017 shall not be reflected in GSTR-2A and GSTR- 2B of the recipients in order to avoid the recipients taking ITC again, if any.

Examination of records by GSTN: - The matter has been examined at GSTN's end and it is observed that no migration request for PID 34AADFG2604B1Z8 was received by GSTN. It's relevant to mention here that the process of migration on the GST Portal started on 08.11.2016 and continued till 06.02.2018. Thereafter, another window to complete the migration process was granted to the taxpayers vide notification no. 31/2018-Central Tax dated 06.08.2018. In notification no. 31/2018-Central Tax dated 06.08.2018 the following procedure was prescribed for taxpayers who did not file the complete FORM GST REG 26 but received only a Provisional Identification Number (PID) (hereinafter referred to as "such taxpayers"):

- The details as per abovementioned notification were required to be furnished by the taxpayer to the jurisdictional nodal officer of the Central Government or State Government.
- On receipt of an e-mail from the Goods and Services Tax Network (GSTN), such taxpayers were required to apply for registration by logging onto <https://www.gst.gov.in/> in the “Services” tab and filling up the application in FORM GST REG-01 of the Central Goods and Services Tax Rules, 2017.
- After due approval of the application by the proper officer, such taxpayers received an email from GSTN mentioning the Application Reference Number (ARN), a new GSTIN and a new access token.
- Upon receipt, such taxpayers were required to furnish the following details to GSTN by email, to migration@gstn.org.in:–
 New GSTIN;
 Access Token for new GSTIN;
 ARN of new application;
 Old GSTIN (PID).

Upon receipt of the above information from such taxpayers, GSTN was to complete the process of mapping the new GSTIN to the old GSTIN and inform such taxpayers. Such taxpayers were required to log onto the common portal www.gstn.gov.in using the old GSTIN as “First Time Login” for generation of the Registration Certificate. Such taxpayers were deemed to have been registered with effect from the 1st July, 2017.

Further, the last date for applying for migration in terms of Notification. No 31/2018 read with Notification. No 67/2018 dated 31/12/2018 was 28th February 2019.

A decision is being sought in this matter on further action required to be taken by GSTN.

Annexure-3**Cases sent by Nodal Officers of Centre/States**

	Category	Detailed Description	Count of Taxpayer
A1	Processed with error.	The taxpayer could not claim transitional credit as the line items requiring declarations of earlier existing law registration were processed with error since the taxpayer had not added them in his registration details.	16
B1	As per GST system log, there are no evidences of error or submission/filing of TRAN-1.	As per GST System Logs there is no evidence that the taxpayer has tried for Saving / Submitting / Filing TRAN-1	13
B2	TRAN-1 Fresh/Revision Attempted with No error/ No valid error reported.	As per GST System Logs, the taxpayer tried to save / submit / File for first time or for revision of TRAN-1 but there are no evidences of system errors in the logs.	03
B3	TRAN-1 Successfully Filed as Per Logs with No Valid Error reported.	The taxpayer has successfully filed TRAN-1 and no technical error has been found.	04
B4	TRAN-1 is filed but credit not received.	Cases where the taxpayer has filed TRAN1 once and claims that no credit has been posted. No technical issues have been observed in the logs.	04
B8	TRAN-1 filed and TRAN-2 not attempted and no error in logs.	As per Logs TRAN-1 filed successfully. User neither submitted nor filed the TRAN-2 and there are no logs of save as well.	03
	Total		43

Category A1: Cases where the taxpayer received the error ‘Processed with error. The taxpayer could not claim transitional credit as the line items requiring declarations of earlier existing law registration were processed with error since the taxpayer had not added them in his registration details.

S. N o.	GSTIN	Legal Name	Constitution of Businesses	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State/ Centre	Email ID of Nodal Officer
1	18AABCS9450Q1ZL	Sunrise Biscuit Company Private Limited	Private Limited Company	Rs. 768131/-	Assam	Sh. B. S. Suhag, Additional Commissioner	Center	suhag104@yahoo.in bhupender.suhag@gov.in
2	26AAACE3622P1ZJ	Everest Holovisions Ltd.	Public Limited Company	Rs. 13,98,004/-	Dadra and Nagar Haveli	Satish Dhavale, Commissioner	State	commr-cexvdr2@nic.in
3	02ATXPS7463H1Z0	AMAR SINGH	Proprietorship	SGST : Rs. 44966/-	Himachal Pradesh	Gopal Dass Dogra, Asstt. Commissioner	State	gopaldass.dogra@mailhptax.gov.in
4	27AAFCA9533J1ZE	Addon retails Private Ltd.	Private Limited Company	Rs. 436375/-	Maharashtra	Sanjeev V. Chetule, Assistant Commissioner	Center	sanjeev.chetule@nic.in
5	27AAFCEM2000E1Z5	Mehta Infocom Pvt Ltd	Private Limited company	CGST Rs. 66,74,374/-	Maharashtra	Anagha R. Jakhadi, Superintendent	Center	Anagha.Jakhadi@icgate.gov.in

6	27AACCA3 162C1Z7	A R THERM OSETS PRIVAT E LIMITE D	Private Limited Compa ny	CGST: Rs. 20,30,4 68.47/-	Mahar ashtra	Mrs. Kalyane shwari B. Patil	Stat e	gstit.state@mahagst .gov.in
7	27AAHFN2 405R1ZW	NEXUS POLYC HEM	Partersh ip	CGST: Rs. 799407 3/-	Mahar ashtra	Mrs. Kalyane shwari B. Patil	Stat e	gstit.state@mahagst .gov.in
8	27AABCI45 68D1ZM	INDOFI L INDUST RIES LIMITE D	Public Limited Compa ny	CGST: Rs. 10,06,0 4,152/-	Mahar ashtra	Mrs. Kalyane shwari B. Patil	Stat e	gstit.state@mahagst .gov.in
9	03AAVPM6 375R1ZN	GAURA V MAHAJ AN	Propriet orship	Rs. 224794/ -	Punjab	Pawan Garg, Deputy Commis sioner	Stat e	detclhdh@punjab.go v.in
1 0	36ATLPM1 278L1Z5 **Received after 31.03.2020 by the Nodal Officer / Field formation	SONI MURAH ARI	Propriet orship	SGST : Rs. 3,60,98 0/-	Telang ana	Shri. B. Raghu Kiran, Joint Commis sioner	Cen tre	raghu.batchali@gov .in
1 1	36AAHFT82 55F1ZW	T V PLASTI CS	Partners hip	CGST : 2,04,44 7/-	Telang ana	Shri. B. Raghu Kiran, Joint Commis sioner	Cen ter	raghu.batchali@gov .in
1 2	36AAHFC1 808R1Z3	CLASSI C PLASTO CRAFTS	Partners hip	CGST : 7,27,87 3/-	Telang ana	Shri. B. Raghu Kiran, Joint Commis sioner	Cen ter	raghu.batchali@gov .in

13	36AUBPT7440C1ZP	SIRISH A TALLA DA	Proprietorship	CGST : 8,07,516/-	Telangana	Shri. B. Raghu Kiran, Joint Commissioner	Center	raghu.batchali@gov.in
14	36AAACG7441A1Z2	Golden Streak Drugs and Pharmaceuticals Limited	Public Limited Company	SGST : Rs. 8,93,131/-	Telangana	Shri. B. Raghu Kiran, Joint Commissioner	Centre	cgst.adclhydcommte@gov.in
15	09AAJHM8433Q1ZB	MOHAN LAL AGARWAL (HUF)	Hindu Undivided Family	Rs. 236366/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu-up@nic.in
16	09AAACB2250J1ZW	BANARAS MARBLES & GRANITES LIMITED	Public Limited Company	CGST- Rs. 139333 1.50/- SGST- Rs. 139333 1.50/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu-up@nic.in

Category B1: Cases in which, as per GST system log, there are no evidences of error or submission/filing of TRAN-1. As per GST System Logs, the taxpayer has neither tried for saving / submitting or Filing TRAN-1.

S. No.	GSTIN	Legal Name	Constitution of Business	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State/ Centre	Email ID of Nodal Officer
1	33AACCL1161E1Z4	Linux Laboratories Private Limited	Private Limited Company	CGST : Rs. 5,00,000 /-	Tamil Nadu	J Rasal Doss Solomon, Joint Commissioner	State	jcit@ctd.tn.gov.in

2	36ABTFS245 2G1ZU	SYNERGY LUBES & OILS	Partnership	CGST: Rs. 20,15,617/-	Telangana	Shri. B.Raghu Kiran, Joint Commissioner	Centre	raghu.batchali @gov.in
3	09AABCN03 76N1Z4	NIRMAL FIBRES PRIVATE LIMITED	Private Limited Company	CGST Rs. 62,10,063/-	Uttar Pradesh	Pr. Commissioner	Centre	
4	09AMQPK91 01L1ZJ	WASEEM KHAN	Proprietorship	SGST Rs. 63657.55/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu- up@nic.in
5	09ABFPK945 0J1Z9	SARFARAZ WALI KHAN	Proprietorship	SGST Rs. 76812.74/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu- up@nic.in
6	09AAUPJ158 5F1ZA	SANJEEV JAIN	Proprietorship	SGST- Rs. 1063759/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu- up@nic.in
7	09BJAPS813 1A1ZF	SANDEEP	Proprietorship	CGST- Rs. 694843.50/- SGST- Rs. 694843.50/-	Uttar Pradesh	Shri Arvind Kumar	Centre	ctithqlu- up@nic.in
8	09AABFZ029 1K1ZU	3A ELECTRONICS AGENCY	Partnership	Value- Rs. 4504112.00/- Eligible dutes paid Rs. 563383.00/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu- up@nic.in
9	09AADCK60 13F1ZS	KIRTIKUNJ AUTOMOBILES PRIVATE LIMITED	Private Limited Company	Rs. 1397656.3/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu- up@nic.in

10	09ABEPG5972E1ZM	BRAJENDRA KUMAR GUPTA	Proprietorship	Rs. 2500/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu-up@nic.in
11	09APTPG6720P1Z3	Manish Grover	Proprietorship	Rs. 282347.17/-	Uttar Pradesh	Arvind Kumar, Additional Commissioner	State	ctithqlu-up@nic.in
12	09AABFG0320L1ZP	Gopal Dal Mills	Partnership	Rs. 12273/-	Uttar Pradesh	Shri P. K. Katiyar, Commissioner	State	commr-cexkpr@nic.in
13	09AAEFD2894H1Z7	Devendra Dal Industries	Partnership	Rs. 339100.9/-	Uttar Pradesh	Shri P. K. Katiyar, Commissioner	Centre	commr-cexkpr@nic.in

Category B2: Cases where TRAN 1 Fresh/Revision Attempted with No error or No valid error reported: As per GST System Logs, the taxpayer tried to save / submit / File for first time or for revision of TRAN 1 but there are no evidences of system errors in the log.

S. No.	GSTIN	Legal Name	Constitution of Business	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State/ Centre	Email ID of Nodal Officer
1	07AAIPK8660N1Z2	SUBHASH CHANDER KALIA	Proprietorship		Delhi		Centre	

2	27AACCB1409R1ZH	VIDEO CON D2H LIMITED	Public Limited Company		Maharashtra	Ganapati T. Chougule, Assistant Commissioner	Center	d08.mumwest@gmail.com
3	09AAVPJ4836C1ZF	MANEE SHA JAIN	Proprietorship	SGS T-Rs. 319841/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu-up@nic.in

Category B3: Cases where the taxpayer has Successfully Filed as Per Logs with No Valid Error reported: The taxpayer has successfully filed TRAN-1 and no technical errors has been found.

S. No.	GSTIN	Legal Name	Constitution of Business	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State / Centre	Email ID of Nodal Officer
1	07AAIPK8660N1Z2	SUBHASH CHANDER KALIA	Proprietorship		Delhi		Center	
2	27AACCB1409R1ZH	VIDEOCON D2H LIMITED	Public Limited Company		Maharashtra	Ganapati T. Chougule, Assistant Commissioner	Center	d08.mumwest@gmail.com
3	09AAVPJ4836C1ZF	MANEESH JAIN	Proprietorship	SGST-Rs. 319841/-	Uttar Pradesh	Shri Arvind Kumar	State	ctithqlu-up@nic.in

Category B4: Cases where TRAN-1 is filed but credit not received. In these cases the taxpayer has filed TRAN-1 once but no credit has been posted. No technical issues has been observed in the logs.

S. No.	GSTIN	Legal Name	Constitution of Business	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State / Centre	Email ID of Nodal Officer

1	24AASFS8005M1ZO	Suraj Impex	Partnership	Rs. 51,95,606/-	Gujarat	Dr. Jeetesh Nagori, Commissioner	Center	commr-cexamd3@nic.in
2	08ABQPM2801C1ZW	RAKESH MAHESHWARI	Proprietorship		Rajasthan	Mahendra Pal, Commissioner	Center	commr-cexjpr@nic.in
3	36ACZPN0228L1Z1	DEVENDRA KUMAR NAHATA	Proprietorship	CGST; 4,36,419/-	Telangana	L. Radha Sindhya, Asst. Commissioner	State	ac_gstn@tgct.gov.in
4	09AAECR5457P1ZL	Rudra Real Estate Ltd.	Public Limited Company	Rs. 1606984/-	Uttar Pradesh	Arvind Kumar, Additional Commissioner	State	ctithqlu-up@nic.in

CATEGORY B8: TRAN-1 filed and TRAN-2 not attempted and no error in logs: As per Logs TRAN-1 filed successfully. User neither submitted nor filed the TRAN-2 and there are no logs of save as well.

S. No.	GSTIN	Legal Name	Constitution of Business	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Name and Designation of Nodal Officer	State/ Centre	Email ID of Nodal Officer
1	24ADBPK5700D1Z9	Jagdishkumar Dayal Kotak	Proprietorship	Rs. 1,51,885/-	Gujarat	Dr. Jeetesh Nagori, Commissioner	Center	commr-cexamd3@nic.in
2	24AKIPB7808D1ZJ	Anilkumar Hansraj bhai Bhuvra	Proprietorship	Rs. 5,97,785.80/-	Gujarat	Dr. Jeetesh Nagori, Commissioner	State	commr-cexamd3@nic.in
3	02AAEFG5148H1ZP	GAINDA MULL HEMRAJ AGENCIES	Partnership	CGST : Rs. 586000/-	Himachal Pradesh	Gopal Dass Dogra, Asstt. Commissioner	State	gopaldass.dogra@mailhptax.gov.in

Annexure-4

Subject: Agenda Note for ITGRC in case of M/S Veliath Steel Agencies as per the High Court order and covered by the extended scope of ITGRC as per the 32 meeting of the GSTC.

Rectification of Tran-I in case of M/S Veliath Steel Agencies as per the High Court order dated 03.07.2020 in Writ petition Number 12930/2020. It is a case of transposition of column and is covered by the decision of the 32nd GSTC meeting which extended the scope of the ITGRC for non-technical issues. It is proposed that this case may also be taken up by the ITGRC.

In this case, the High Court has stated that

"I am of the view that the 4th respondent has already received such request on consideration of the matter, in case it requires the petitioner or representative, take a call and thereafter, as per the circular and the procedure invoked, would send it to SGST network. The SGST network on consideration of the matter would take a call on request by applying the principles of natural justice...and thereafter would strictly adhere the procedure in the circular for onward transmission to ITGRC."

Accordingly, as per the directions of the High Court and the recommendation of the jurisdictional SGST Commissioner that it is an error apparent on record involving transposition of the column and further the TRAN-I has been filed on time, the case may be considered by ITGRC.

Annexure-B**Cases forwarded by nodal officers and recommended to the GSTC by the 14th ITGRC**

S. No.	GSTIN	Legal Name	Amount of Credit to be claimed in TRAN-1 (in Rs.)	State	Date of receipt@GSTN	Date of receipt@Nodal Officer
1.	18AABCS9450Q1ZL	Sunrise Biscuit Company Private Limited	Rs. 768131/-	Assam	25.09.2020	13.03.2020 & 15.06.2020
2.	26AAACE3622P1ZJ	Everest Holovisions Ltd.	Rs. 13,98,004/-	Dadra and Nagar Haveli	20.10.2020	27.12.2019
3.	02ATXPS7463H1Z0	Amar Singh	SGST : Rs. 44966/-	Himachal Pradesh	14.08.2020	Before 31.03.2020
4.	27AAFCA9533J1ZE	Addon Retails Private Ltd.	Rs. 436375/-	Maharashtra	31.03.2020	04.03.2020
5.	27AAFCEM2000E1Z5	Mehta Infocomm Pvt Ltd	CGST Rs. 66,74,374/-	Maharashtra	24.09.2020	21.04.2018 & 24.08.2020
6.	27AACCA3162C1Z7	A R Thermosets Private Limited	CGST: Rs. 20,30,468.47/-	Maharashtra	26.11.2020	14.12.2018
7.	27AAHFN2405R1ZW	Nexus Polychem	CGST: Rs. 7994073/-	Maharashtra	26.11.2020	18.11.2019
8.	27AABCI4568D1ZM	Indofil Industries Limited	CGST: Rs. 10,06,04,152/-	Maharashtra	26.11.2020	25.05.2018
9.	03AAVPM6375R1ZN	Gaurav Mahajan	Rs. 224794/-	Punjab	14.02.2020	25.04.2018

10.	36ATLPM1278L1Z5 **Received after 31.03.2020 by the Nodal Officer / Field formation	Soni Murahari	SGST : Rs. 3,60,980/-	Telangana	08.07.2020	May-20
11.	36AAHFT8255F1ZW	T V Plastics	CGST : 2,04,447/-	Telangana	24.08.2020	26.05.2020
12.	36AAHFC1808R1Z3	Classic Plasto Crafts	CGST : 7,27,873/-	Telangana	24.08.2020	26.05.2020
13.	36AUBPT7440C1ZP	Sirisha Tallada	CGST : 8,07,516/-	Telangana	24.08.2020	26.05.2020
14.	36AAACG7441A1Z2	Golden Streak Drugs And Pharmaceuticals Limited	SGST : Rs. 8,93,131/-	Telangana	04.11.2020	16.03.2020
15.	09AAJHM8433Q1ZB	Mohan Lal Agarwal (Huf)	Rs. 236366/-	Uttar Pradesh	Resubmitted on 29.10.2020. Earlier received on 14.02.2020 with incomplete details	Before 14.02.2020
16.	09AAACB2250J1ZW	Banaras Marbles & Granites Limited	CGST- Rs. 1393331.50/- SGST- Rs. 1393331.50/-	Uttar Pradesh	Resubmitted on 29.10.2020. Earlier received on 05.03.2020 with incomplete details	Before 05.03.2020

Annexure C**Cases forwarded by nodal officers and pending with GSTN**

S.No	GSTIN	LegalName	State	Date of receipt@GSTN	Date of receipt@Nodal Officer
1.	36AAGCA1556JIZN	Anu Advance Composite Products Private Limited	Telangana	19.01.2021	07.02.2019
2.	09ACVPK6803AIZJ	Rajeev Kumar	Uttar Pradesh	19.01.2021	19.02.2020
3.	24AAACK8850DIZQ	Kevin process Technologies Pvt ltd	Gujarat	25.02.2021	06.12.2019
4.	37AAACL2937JIZD	Lifestyle International private limited	Andhra Pradesh	20.04.2021	02.07.2020

Agenda Item 16– Review of revenue position under Goods and Services Tax

1. The GST revenues have seen a positive trend in last few months and reached ₹ 1.4 lakh crore by April 2021. The Figure below shows the trend and the table 1 shows the details of the collection in last few months.

Figure 1: Monthly gross GST collection (in ₹ lakh crore) from October '20 to April '21

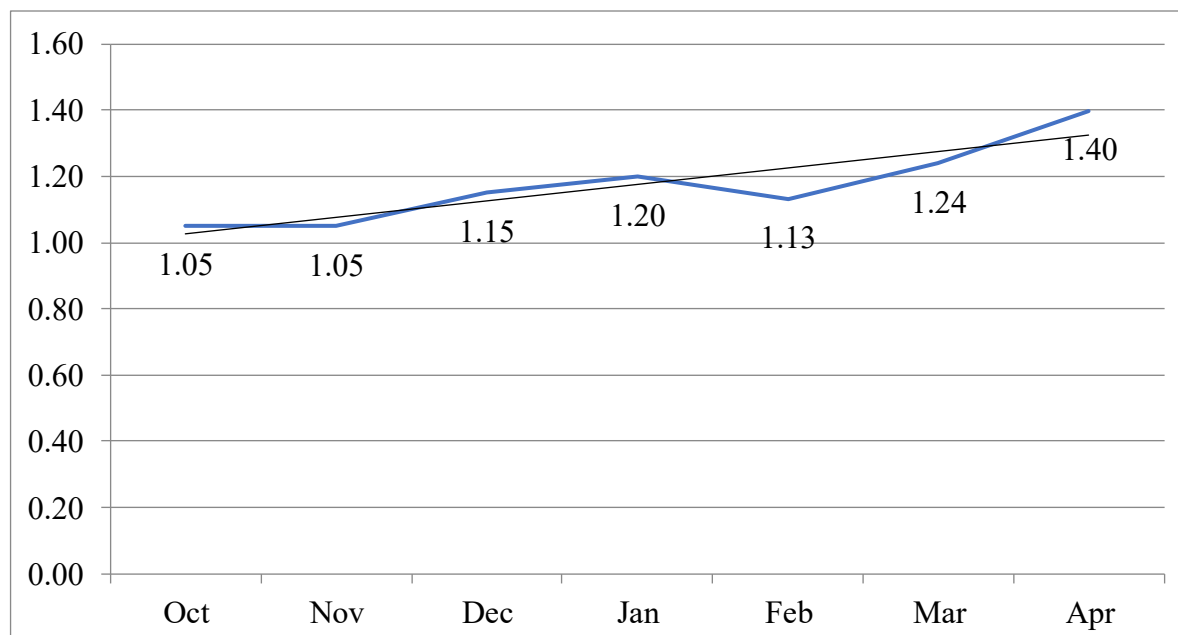


Table 1: Monthly gross GST collection from October '20 to April '21

(₹ crore)

MONTH	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
CGST	19,193	19,189	21,365	21,932	21,092	22,973	27,837
SGST	25,411	25,540	27,804	29,025	27,273	29,329	35,621
IGST	52,540	51,992	57,426	60,293	55,253	62,842	66,878
<i>Domestic</i>	<i>29,165</i>	<i>29,913</i>	<i>30,375</i>	<i>32,869</i>	<i>30,871</i>	<i>31,745</i>	<i>38,882</i>
<i>Imports</i>	<i>23,375</i>	<i>22,078</i>	<i>27,050</i>	<i>27,424</i>	<i>24,382</i>	<i>31,097</i>	<i>27,996</i>
Comp Cess	8,011	8,242	8,579	8,626	9,525	8,757	9,372
<i>Domestic</i>	<i>7,079</i>	<i>7,432</i>	<i>7,608</i>	<i>7,739</i>	<i>8,865</i>	<i>7,822</i>	<i>8,464</i>
<i>Imports</i>	<i>932</i>	<i>809</i>	<i>971</i>	<i>886</i>	<i>660</i>	<i>935</i>	<i>908</i>
Total	1,05,155	1,04,963	1,15,174	1,19,875	1,13,143	1,23,902	1,39,708

2. Table 2 shows the IGST collected, refunded and settled/apportioned during the FY (2020-21).

Table 2: IGST Collection/Settlement/Apportionment/Refund in FY2020-21*

(Figures in Rs. Crore)

1.	Collections (+)	5,65,719
2.	Recovery from IGST Ad-hoc apportionment (+)	0
3.	Refunds (-)	83,800
4.	Settlement (-)	4,07,485
	<i>i. CGST</i>	2,27,601
	<i>ii. SGST</i>	1,79,884
5.	Ad-hoc Settlement	76,000
	<i>i. CGST ad hoc</i>	38,000
	<i>ii. SGST ad hoc</i>	38,000
6.	Net (1+2-3-4-5)	-1,565

*These figures are provisional and subject to final accounts

Compensation Fund

3. As per provision of GST (Compensation to States) Act, 2017 the Compensation Cess collected since implementation of GST w.e.f. 01.07.2017 till April 2021 and the compensation released are shown in the table below:

Table 3: Compensation Cess collected and compensation released

(Figures in Rs. Crore)

	2017-18	2018-19	2019-20	2020-21	2021-22 [#]
Opening Balance		21,466	47,272	55,737	3,940
Compensation Cess collected (Net)	62,612	95,081	95,551	85,191	9,100
Compensation released	41,146	69,275	1,20,498	1,36,988	
Balance	21,466	47,272	55,737*	3940	13,040

* Centre had transferred Rs. 33,412 crore from CFI to Compensation Cess Fund as part of an exercise to apportion balance IGST pertaining to FY 2017-18

[#] till 30.04.2021

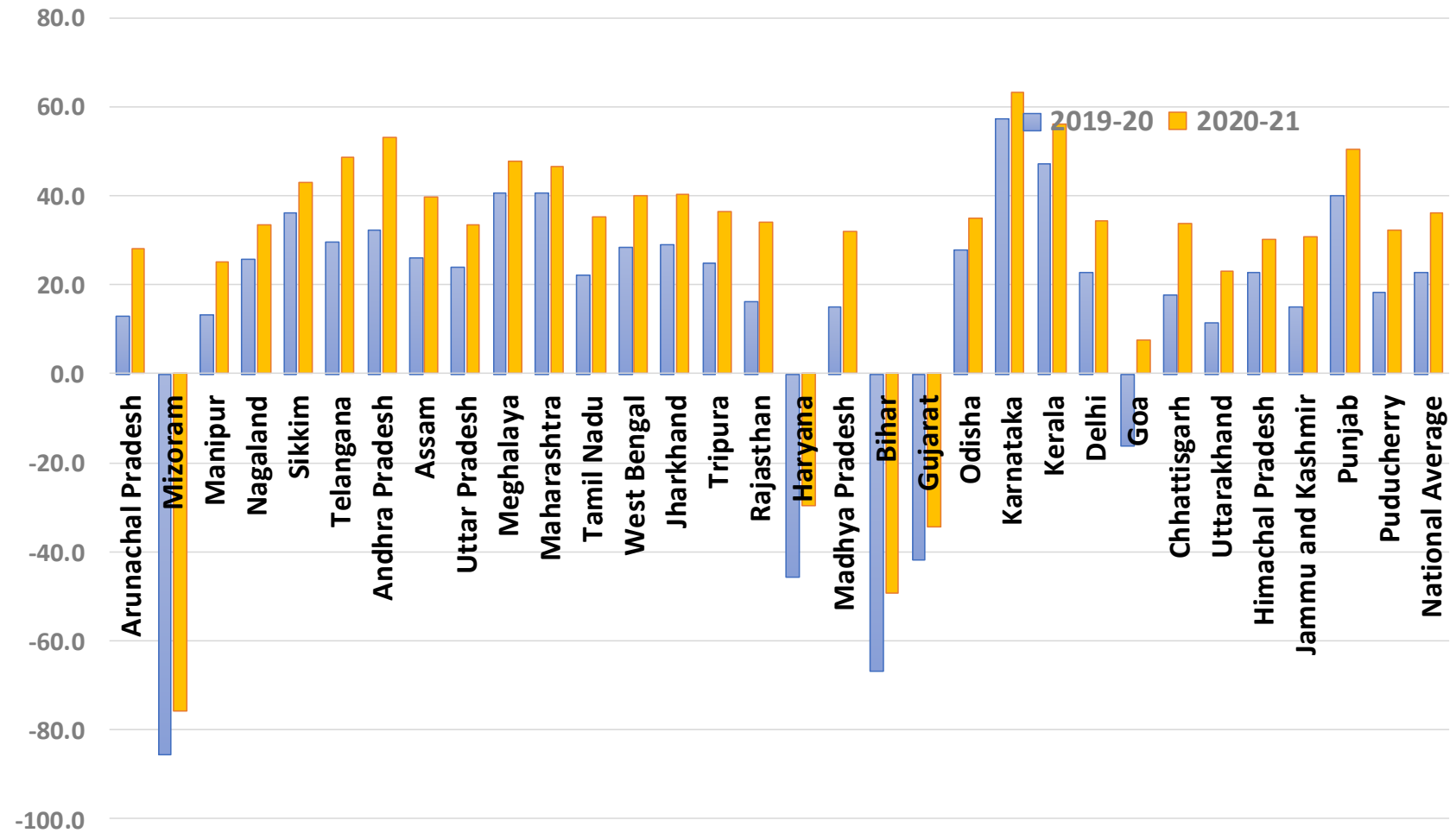
Gap with respect to base Revenue

4. The State-wise details of gap between the protected revenue and the post settlement gross SGST revenue (including ad-hoc settlement) for FY 2020-21 as compared to FY 2019-20 may be seen in the Table 4. This information is also depicted in the graph placed at Figure 2.

Table 4: Revenue Gap

	GST REVENUE SHORTFALL	2019-20	2020-21
1	Andhra Pradesh	13.2	28.2
2	Arunachal Pradesh	-85.6	-75.7
3	Assam	13.3	25.2
4	Bihar	25.8	33.5
5	Chhattisgarh	36.2	43.1
6	Delhi	29.9	48.7
7	Goa	32.6	53.2
8	Gujarat	26.3	39.8
9	Haryana	24.3	33.4
10	Himachal Pradesh	40.8	47.9
11	Jammu and Kashmir	40.8	46.7
12	Jharkhand	22.2	35.2
13	Karnataka	28.5	40.1
14	Kerala	29.3	40.5
15	Madhya Pradesh	25.1	36.4
16	Maharashtra	16.4	34.2
17	Manipur	-45.5	-29.7
18	Meghalaya	15.3	32.1
19	Mizoram	-66.8	-49.4
20	Nagaland	-41.6	-34.5
21	Odisha	27.9	35.0
22	Puducherry	57.4	63.3
23	Punjab	47.4	56.1
24	Rajasthan	23.0	34.5
25	Sikkim	-16.2	7.7
26	Tamil Nadu	17.8	33.9
27	Telangana	11.5	23.1
28	Tripura	22.9	30.3
29	Uttar Pradesh	15.3	30.8
30	Uttarakhand	40.3	50.6
31	West Bengal	18.4	32.3
	All India	23.0	36.3

Figure 2: Revenue Gap comparison



Trends in Return filing

5. The table 4 shows the trend in return filing in FORM GSTR-3B till due date and till date for return periods upto March, 2021. Table 5 and 6 show the State wise filing for these months.

Table 5: Return filing (GSTR-3B) till due date and till date

Return Period	Till due date		Till 18 th May, 2021	
	Filed	%	Filed	%
Sep-20	71,17,796	65.60	97,15,019	89.53
Oct-20	72,64,970	66.22	97,94,646	89.27
Nov-20	77,81,761	70.68	98,65,082	89.60
Dec-20	82,35,446	74.98	99,17,413	90.29
Jan-21	37,95,899	60.61	52,91,791	84.50
Feb-21	41,60,872	67.80	52,63,336	85.77
Mar-21	71,71,924	66.53	87,97,900	81.62

Figure 3: GSTR-3B Filing till due date and till 18th May'2021

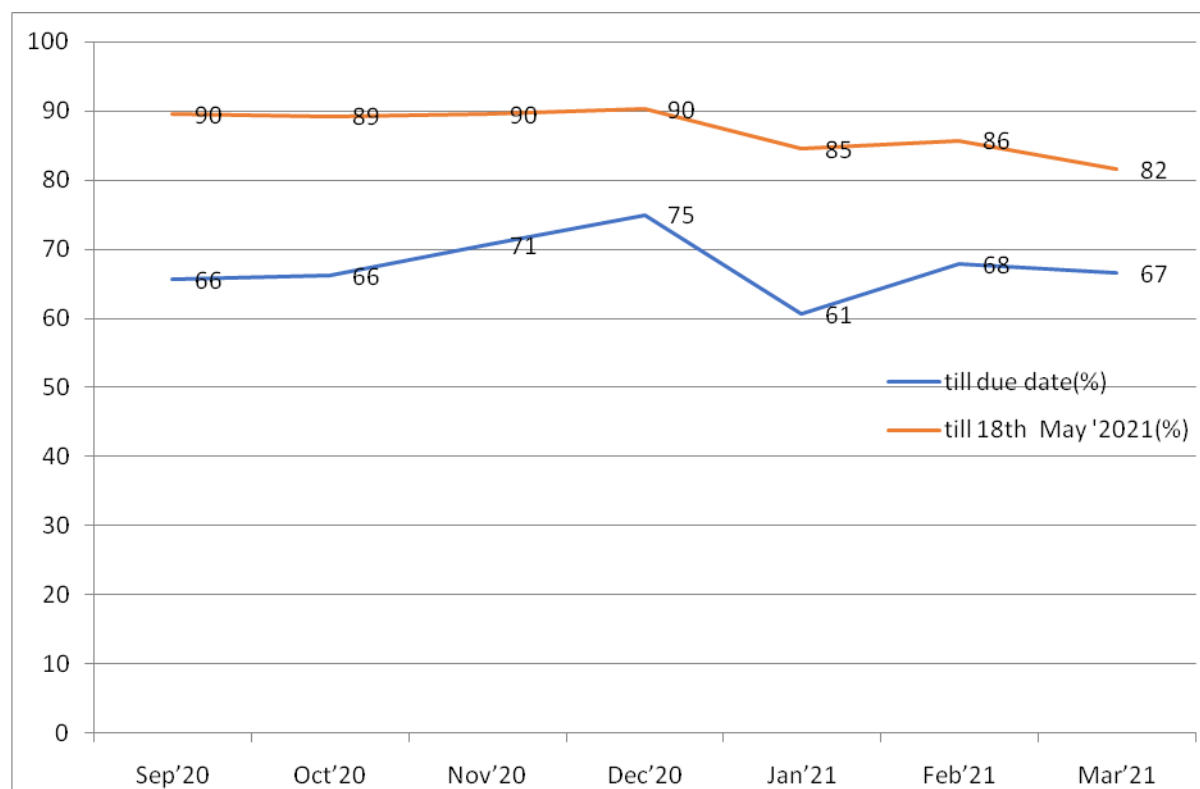


Table 6: State-wise Return filing (GSTR-3B) till due date (Sep'20-Mar'21)

STATE	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Jammu and Kashmir	65%	68%	74%	78%	61%	70%	72%
Himachal Pradesh	73%	74%	77%	78%	60%	68%	73%
Punjab	75%	77%	79%	81%	66%	72%	77%
Chandigarh	73%	75%	79%	82%	70%	77%	77%
Uttarakhand	67%	68%	73%	76%	56%	64%	68%
Haryana	67%	69%	72%	75%	58%	66%	70%
Delhi	62%	64%	68%	74%	54%	63%	65%
Rajasthan	72%	73%	77%	80%	60%	69%	66%
Uttar Pradesh	70%	71%	75%	78%	62%	72%	68%
Bihar	62%	58%	65%	70%	49%	59%	60%
Sikkim	58%	55%	61%	64%	47%	56%	59%
Arunachal Pradesh	40%	42%	44%	48%	33%	37%	42%
Nagaland	49%	49%	53%	56%	48%	54%	50%
Manipur	33%	35%	40%	46%	35%	42%	42%
Mizoram	46%	48%	51%	56%	42%	52%	56%
Tripura	65%	67%	68%	70%	52%	60%	63%
Meghalaya	58%	58%	60%	63%	45%	50%	62%
Assam	53%	55%	58%	61%	44%	53%	52%
West Bengal	66%	68%	70%	73%	51%	59%	68%
Jharkhand	66%	64%	71%	75%	60%	69%	64%
Odisha	68%	69%	72%	75%	53%	65%	67%
Chhattisgarh	56%	56%	61%	69%	52%	59%	40%
Madhya Pradesh	68%	67%	73%	79%	62%	69%	53%
Gujrat	74%	70%	78%	82%	70%	76%	75%
Daman and Diu	0%	0%	0%	0%	0%	0%	0%
Dadra and Nagar Haveli	58%	59%	63%	70%	61%	65%	63%
Maharashtra	61%	62%	67%	73%	56%	64%	63%
Karnataka	66%	67%	71%	76%	67%	72%	71%
Goa	52%	53%	55%	61%	45%	51%	57%
Lakshadweep	39%	42%	45%	49%	40%	47%	46%
Kerala	57%	62%	66%	70%	61%	67%	62%
Tamil Nadu	66%	67%	72%	76%	72%	76%	72%
Puducherry	62%	63%	67%	72%	67%	69%	67%
Andaman and Nicobar Islands	40%	43%	47%	56%	47%	50%	51%
Telangana	53%	54%	58%	63%	56%	60%	59%
Andhra Pradesh	60%	64%	66%	69%	63%	68%	63%
Ladakh	56%	62%	68%	73%	54%	64%	72%
Other Territory	67%	73%	68%	73%	69%	75%	67%
All India	66%	66%	71%	75%	61%	68%	67%

Table 7: State-wise Return filing (GSTR-3B) till 18th May, 2021

STATE	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Jammu and Kashmir	91%	91%	93%	95%	90%	92%	88%
Himachal Pradesh	93%	92%	93%	93%	85%	86%	87%
Punjab	93%	93%	93%	93%	87%	88%	90%
Chandigarh	95%	95%	96%	96%	94%	95%	91%
Uttarakhand	89%	89%	90%	91%	83%	85%	81%
Haryana	90%	90%	90%	90%	84%	85%	84%
Delhi	86%	85%	85%	87%	80%	82%	78%
Rajasthan	93%	93%	93%	93%	87%	88%	82%
Uttar Pradesh	90%	90%	91%	92%	86%	89%	83%
Bihar	85%	84%	84%	84%	73%	75%	73%
Sikkim	84%	83%	82%	82%	72%	74%	75%
Arunachal Pradesh	71%	70%	70%	69%	57%	57%	57%
Nagaland	81%	80%	80%	80%	75%	74%	69%
Manipur	68%	67%	68%	68%	61%	61%	57%
Mizoram	73%	72%	72%	74%	68%	71%	69%
Tripura	85%	84%	84%	85%	76%	76%	79%
Meghalaya	79%	78%	78%	78%	66%	65%	72%
Assam	82%	81%	81%	81%	72%	75%	70%
West Bengal	87%	87%	87%	87%	75%	76%	81%
Jharkhand	90%	90%	90%	91%	86%	87%	79%
Odisha	90%	90%	90%	91%	82%	86%	83%
Chhattisgarh	91%	90%	90%	90%	83%	82%	58%
Madhya Pradesh	94%	94%	94%	95%	89%	90%	72%
Gujarat	95%	94%	94%	95%	91%	92%	89%
Daman and Diu	0%	0%	0%	0%	0%	0%	0%
Dadra and Nagar Haveli	90%	89%	89%	89%	85%	84%	82%
Maharashtra	90%	90%	90%	91%	85%	86%	80%
Karnataka	90%	90%	91%	91%	89%	88%	84%
Goa	80%	79%	79%	79%	68%	69%	71%
Lakshadweep	65%	64%	65%	68%	60%	61%	59%
Kerala	89%	89%	89%	89%	86%	87%	82%
Tamil Nadu	89%	90%	90%	92%	90%	91%	88%
Puducherry	88%	88%	88%	89%	88%	87%	83%
Andaman and Nicobar Islands	86%	85%	84%	84%	77%	75%	69%
Telangana	82%	81%	82%	82%	78%	79%	76%
Andhra Pradesh	87%	87%	87%	88%	84%	85%	81%
Ladakh	91%	90%	90%	90%	81%	86%	87%
Other Territory	80%	80%	79%	80%	81%	83%	75%
All India	90%	89%	90%	90%	85%	86%	82%

Agenda Item 17– Issues related to GST Compensation Cess

1. As per Section 7 of the GST (Compensation to States) Act, 2017, the States are required to be compensated for loss of revenue due to implementation of GST (w.e.f. 01.07.2017) for 5 years' period. For the purpose of paying such compensation to States, as per section 8 of the GST (Compensation to States) Act, 2017, there is provision for levy of cess on certain luxury items and demerit goods and this cess collected is to be credited into a Public Account known as GST Compensation Fund. The bi-monthly payment of GST Compensation to States is released from Compensation Fund during the transient period.

2. As per Section 10 (2) of this Act, all amounts payable to the States under Section 7 shall be paid out of the GST Compensation Fund. While the compensation in full could be released till March 2020, due to the impact of Covid-19 on GST revenues, the compensation requirement for 2020-21 increased and at the same time the cess collections fell down. This created a gap in the resources available for payment of compensation to States.

3. This matter was discussed in detail in the 41st meeting of the GST Council wherein various legal provisions and the opinion of the Ld. Attorney General were also placed before the Council.

4. The provision for compensation for loss of the revenue due to implementation of GST emanates from the section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, which states as under:

18. Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.

5. Accordingly, Goods and Services Tax (Compensation to States) Act, 2017 was legislated which provides for payment of compensation to States on account of loss owing to the loss of revenue due to implementation of the GST. The law provides for a formula for calculation of the compensation amount, a compensation fund from which the compensation shall be paid and a compensation cess levied for the purpose of payment of compensation. In this context, sub-sections (1) and (2) state as under:

10. Crediting proceeds of cess to Fund. –

(1) The proceeds of the cess leviable under section 8 and such other amounts as may be recommended by the Council, shall be credited to a non-lapsable Fund known as the Goods and Services Tax Compensation Fund, which shall form part of the public account of India and shall be utilised for purposes specified in the said section.

(2) All amounts payable to the States under section 7 shall be paid out of the Fund.

6 Thus, it was pointed out that the compensation to States can only be paid from the Compensation Fund and not from any other source. The compensation fund shall be credited with the compensation cess.

7. This matter was referred to the Ld. Attorney General of India for his opinion. On the issue of Central Government's liability to release compensation from Consolidated Fund of India over and

above the amount of Cess collected, Ld. AG opined that “There is no express provision in the Compensation Act for the Government of India to bear the liability of making good the shortfall. It is the GST Council which has to decide on making good the shortfall in the GST Compensation Fund, by providing for sufficient amounts to be credited to it.”

8. On the issue of borrowings on the strength of future receipts from the compensation cess, Ld AGI has opined that “The entitlement of a State to borrow is set out in Article 293(1). The limitation on such right is found in Clause (3), which prohibits a State from raising any loan, without the consent of the Government of India, “if there is still outstanding any part of a loan which has been made to the State by the Government of India...”. Clause (2) of Article 292 authorizes Parliament to make loans to a State, subject to any limit which may have been fixed by law made by Parliament. It is within these parameters that a State can borrow, even on the strength of future receipts from the compensation fund.”

9. AG has further opined that “It would, however, be for the Central Government to take a final decision in the matter, in exercise of its authority under article 293(3) of the Constitution.”

10. Various options for raising resources through borrowings and their pros and cons were analysed and on 29.08.2020, Department of Expenditure communicated the details of two options to the States for borrowing. The details of the two options were further discussed between the Centre and the States in a meeting between the Union Finance Secretary, Secretary (Expenditure) and the Finance Secretaries of the States. The two options and the status of their adoption was also presented in the 42nd GST Council meeting held on 5th & 12th October 2020.

11. Eventually, after detailed consultation with States, a mechanism was evolved wherein the Central Government decided to raise certain amounts through borrowing and pass it on to the States on a back-to-back basis to make additional resources to States. This borrowing is to be repaid out of the future cess receipts. For this purpose, the GST Council in its 42nd meeting approved the proposal to extend the levy of compensation cess beyond June 2022 till the entire shortfall is covered.

12. To work out the amount for each State, a normative approach was adopted wherein the notional revenue for 2020-21 for each State was estimated on the basis of 2019-20 revenues by providing a 7% annual growth. The unmet gap between this amount and the protected revenue after estimated release of compensation was taken as the amount to be borrowed and passed on to the States. Under this calculation, it was estimated that an amount of ₹1.1 lakh crore will have to be borrowed as shown in the table below:

	(₹ crore)
1. Protected Revenue for 2020-21	7,66,004
1a. Protected Revenue for Apr 20 - Jan 21	6,38,337
2. SGST Revenue for Apr 19 - Jan 20	4,30,147
3. Normative Revenue for Apr 20 - Jan 21 [7% above (2)]	4,60,257
4. Gap to be compensated [(1a) - (3)]	1,78,080
5. GST Compensation Cess available	68,700
6. Amount to be met through borrowings [(4) - (5)]	1,09,380

13. The details of amounts borrowed and passed on to the States on back-to-back basis during 2020-21 is shown in the **Annexure-1**.

14. It is estimated that while the GST revenues may see a recovery in the current financial year 2021-22, there will still be a gap between the compensation requirement and the compensation cess available. If a view is taken to extend the same arrangement as last financial year in the current financial year 2021-22 as well on the same principles as last year, with an annual growth of 7%, the table below provides an estimate for the amount that would have to be borrowed and passed on to the States on a back-to-back basis:

	(₹ Crore)
1. Protected Revenue for 2020-21	7,66,004
2. Protected Revenue for 2021-22 [14% over (1)]	8,73,245
3. Feb-21 to Jan-22 protected revenue [2 months of (1) and 10 months of (2)]	8,55,371
4. SGST for Apr-19 to Jan-20	4,30,147
5. SGST for Feb-20 to Mar-20	86,935
6. SGST for Feb-21 to Jan-22 [(4)*1.07*1.07+(5)*1.07]	5,85,496
7. Compensation payable	2,69,876
8. Cess available	1,11,608
9. Gap to be funded through borrowings	1,58,267

15. In the Budget Estimates for the year 2021-22, it has been assumed that the GST revenues will grow at 17% over the previous year's low base. This translates to average monthly gross GST revenue of ₹1.1 lakh crore. Based on this assumption, it is estimated that for the period Feb-21 to Jan-22, the gap between protected revenue and the actual revenue after release of compensation would be around ₹1.6 lakh crore, which is lower than the amount calculated in para 12 above. Similarly, if it is assumed that the monthly gross GST revenues would be ₹ 1.15 lakh crore, the actual gap would be ₹ 1.25 lakh crore. Therefore, in both the scenarios, the borrowed amount would go on to fund even a part of the previous year's gap.

16. The compensation cess amount collected during the year will be released in accordance with the provisions of the GST (Compensation to States) Act 2017. The decision on the borrowing, the exact amount and the timing would be taken based on the above principles in consultation with the Reserve Bank of India, Department of Economic Affairs, Department of Expenditure and the States.

Details of payment of back to back loan in lieu of GST Compensation Shortfall

		(Rs. in crore)
S.No	Name of State/UT	Amount released under Special borrowing scheme in FY 2020-21
1	Andhra Pradesh	2311.00
2	Arunachal Pradesh	0.00
3	Assam	994.00
4	Bihar	3905.00
5	Chhattisgarh	3109.00
6	Goa	840.00
7	Gujarat	9222.00
8	Haryana	4352.00
9	Himachal Pradesh	1717.00
10	Jharkhand	1689.00
11	Karnataka	12407.00
12	Kerala	5766.00
13	Madhya Pradesh	4542.00
14	Maharashtra	11977.00
15	Manipur	0.00
16	Meghalaya	112.00
17	Mizoram	0.00
18	Nagaland	0.00
19	Odisha	3822.00
20	Punjab	8359.00
21	Rajasthan	4604.00
22	Sikkim	0.00
23	Tamil Nadu	6241.00
24	Telangana	2380.00
25	Tripura	226.00
26	Uttar Pradesh	6007.00
27	Uttarakhand	2316.00
28	West Bengal	4431.00
29	UT of Delhi	5865.00
30	UT of J&K	2272.00
31	UT of Puducherry	742.00
	Total	110208.00



Agenda for 43rd Meeting of the GST Council

Annexure to Agenda Item Nos.11.4 and 11.5

28th May 2021

Volume – 4



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To Agenda Item No.11.4	Representation dated 25-11-2020 to the GST Council by Shri Nipun Malhotra in the case of Nipun Malhotra vs Union of India [Writ Petition (Civil) No.725 of 2017] along with its enclosures.	1-242
To Agenda Item No.11.5	Copy of Order dated 09-02-2021 of the Hon'ble High Court of Delhi in the case of Del Small Ice Cream Manufacturers Welfare Association in writ petition 5252/2019	243-254

MOST URGENT

To,
Shri S.K. Rahman,
Joint Secretary to GST Council,
Janpath Road, Connaught Place,
New Delhi-110 001

U.S. (Arbitration) / 10. (S.P.M.)
ML
25/11
Date: 25.11.2020
25.11.20
Ganesh Singh
(Comptt)

Subject: Representation to the GST Council in Nipun Malhotra vs Union of India [Writ Petition (Civil) No. 725 of 2017]

Respected Sir/Madam,

1. The Undersigned has preferred a Writ Petition under Article 32 of the Constitution of India, W.P. (C) No. 725 of 2017, praying for the setting aside of the imposition of Goods and Services Tax (hereinafter "GST") upon accessibility equipment such as braille paper, listening aids, prosthetic limbs, wheelchairs etc. required by persons with disabilities as being violative of the Fundamental Rights guaranteed to them under Articles 14, 15, 19, 21 and 21 A of the Constitution. The Writ Petition is pending before the Hon'ble Supreme Court of India and is tentatively listed for hearing in March, 2021.
2. The above-mentioned Matter was called on **26.10.2020** before a Bench comprising of Justice D.Y. Chandrachud, Justice Indu Malhotra and Justice Indira Banerjee. The Hon'ble Bench was pleased to implead the GST Council as a necessary party in the present case. **The Court further directed the Petitioners to file a representation to the GST Council seeking the abolishment of the levy of 5% GST on the abovementioned disability aids and equipment. Therefore, this Representation Letter is being preferred by the Petitioners.**
3. The levy of 5% GST on the Disability aids and equipment is incorrectly stated as "beneficial" for the end disabled user by the Respondent No. 1 i.e. the Union of India. This argument vests on the false and misleading assumption that the levy of 5% GST allows for the reduction of cost of these products for the end disabled-user in domestic markets as the manufacturers are able to claim Input Tax Credit (hereinafter "ITC") on the inputs (i.e. the raw materials) used to manufacture these products. This 'benefit' is wrongly referenced to a "zero-tax regime". This so because the benefit accrued from such an ITC accrues only to the manufacturer and not to the disabled consumer.

4. The levy of 5% GST on disability aids and equipment violates the fundamental rights of the persons with disability as envisaged under Articles 14, 15, 19, 21 and 21 A of the Constitution. The Hon'ble Supreme Court has in the cases of **Jindal Stainless Steel v. State of Haryana** [(2017) 12 SCC 1], **Aashirwad Films v Union of India** [(2007) 6 SCC 624] and **Indian Express Newspapers v. Union of India** [(1985) 1 SCC 641] held that the levy of taxes which violate the fundamental rights of a class of persons to be unconstitutional.
5. Therefore, in light of the abovementioned facts and the Order dt. 26.10.2020 by the Hon'ble Supreme Court, this Representation is served upon the GST Council.

Regards,



Nipun Malhotra

Petitioner

B-28, Noida Sector – 51,

Noida

(M): +91 98719 53332

(E): nipun@nipunmalhotra.com

Enclosed:

1. Order dt. 26.10.2020 by the Hon'ble Supreme Court
2. WP (C) No. 725 of 2017 filed by the Petitioner
3. Counter Affidavit by the Respondent No. 1
4. Interlocutory Application No. 108032/2020 seeking directions for issuance of Notice to GST Council

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ITEM NO.19

Court 6 (Video Conferencing)

SECTION PIL-W

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Writ Petition (Civil) No.725/2017

NIPUN MALHOTRA

Petitioner(s)

VERSUS

UNION OF INDIA

Respondent(s)

(With appln.(s) for IA Nos.41354/2018 & 76693/2017 - STAY)

Date : 26-10-2020 These matters were called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE D.Y. CHANDRACHUD
HON'BLE MS. JUSTICE INDU MALHOTRA
HON'BLE MS. JUSTICE INDIRA BANERJEE

For Petitioner(s) Mr. Pinaki Misra, Sr. Adv.
Mr. Jai Dehadrai, Adv.
Mr. Sidharth Arora, Adv.
Mr. Sameer Shrivastava, AOR

For Respondent(s) Mr. K.K. Venugopal, AG
Mr. Sanjay Jain, ASG
Ms. Nisha Bagchi, Adv.
Mr. Zoheb Hussain, Adv.
Ms. Vishaka, Adv.
Mr. B. Krishna Prasad, AOR

UPON hearing the counsel the Court made the following
O R D E R

- 1 The application for intervention on behalf of Ms Manasi Joshi is allowed.
- 2 The application for impleading the GST Council is allowed. The amendment be carried out within a period of two weeks. Notice shall issue to the newly impleaded respondent.

Signature Valid

Digitally signed by
Arun K. Singh
Date: 2020.10.27
18:16:35
Reason:

- 3 Mr K K Venugopal, Attorney General for India has, in pursuance of the previous hearing, assisted the Court. The Learned Attorney General states that after a detailed discussion with the Secretary - Revenue, it has been found that it may not be possible to accede to the request of the petitioners that an exemption from tax be granted on 'mobility devices' because of the policy implications. However, he submitted that the petitioner may move a representation before the GST Council.
- 4 Mr Pinaki Misra, learned senior counsel appearing on behalf of the petitioner states that he would wish to press the petition. However, he submitted that since the petition under Article 32 of the Constitution has been instituted in the public interest to safeguard the interests of a large number of similarly situated disabled persons, who have to suffer a tax on mobility devices, at this stage he would move a representation with the GST Council.
- 5 The Attorney General states that there could be no objection to the petitioner pursuing a representation.
- 6 The counter affidavit(s) be filed within two months.
- 7 List the Writ Petition for final disposal, in March 2021.

(Chetan Kumar)
A.R. -cum-P.S.

(Saroj Kumari Gaur)
Court Master

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
WRIT PETITION PIL (CIVIL) NO. 785 of 2017

IN THE MATTER OF:

Nipun Malhotra

... Petitioner

Versus

Union of India

... Respondent

PAPERBOOK

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mobility aids; Braille paper

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Pg. 31 - Countrywide list

ADVOCATE FOR THE PETITIONER: MANISHA AMBANI

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PROFORMA FOR FIRST LISTING

SECTION _____

This case pertains to (Please tick/check the correct box):

- ☐ Central Act: *Get Act*
- ☐ Section: *N/A*
- ☐ Central Rule: (Title) *N/A*
- ☐ Rule No(s): *N/A*
- ☐ State Act: (Title) *N/A*
- ☐ Section: *N/A*
- ☐ State Rule: (Title) *N/A*
- ☐ Rule No(s): *N/A*
- ☐ Impugned Interim Order: (Date) *N/A*
- ☐ High Court: (Name) *N/A*
- ☐ Name of Judges: *N/A*
- ☐ Tribunal/Authority: (Name) *N/A*

1. Nature of matter: ☒ Civil ☐ Criminal

2. (a) Petitioner/appellant No. 1: *Nipun Malhotra*

(b) e-mail ID: *N/A*

(c) Mobile phone number: *N/A*

3. (a) Respondent No. 1: *Union of India*

(b) e-mail ID: *N/A*

A2

(c) Mobile phone number: N/A

4. (a) Main category classification: 18

(b) Sub classification: 1802

5. Not to be listed before: N/A

6. Similar/Pending matter: No Similar Matter

7. Criminal Matters: N/A

(a) Whether accused/convict has surrendered: ☐ Yes ☒ No

(b) FIR No. N/A Date: N/A

(c) Police Station: N/A

(d) Sentence Awarded: N/A

(e) Sentence Undergone: N/A

8. Land Acquisition Matters:

(a) Date of Section 4 notification: N/A

(b) Date of Section 6 notification: N/A

(c) Date of Section 17 notification: N/A

9. Tax Matters: State the tax effect: _____

10. Special Category (first petitioner/appellant only): ~~1802~~

☐ Senior citizen > 65 years ☐ SC/ST ☐ Woman/child ☒ Disabled

☐ Legal Aid Case ☐ In custody

11. Vehicle number (in case of Motor Accident Claim matters): N/A

12. Decided cases with citation: N/A

Date: 14/7/2017

M. Ambwani
AOR for the Petitioner
Manisha Ambwani
Code No. 2394

B

SYNOPSIS

Writ Petition under Article 32 of the Constitution of India,
for the Issuance of a Writ of Mandamus or any other
appropriate Writ, Order or Direction quashing the
Government Notification No. 01/2017 and the decision
taken in the GST Council Meeting dated 11.08.2017,
specifically imposing Goods and Services Tax (GST) on
mobility aids (such as wheelchairs, specially equipped
motor-vehicles for wheelchair users, tricycles for
disabled, braille-paper and braille watches etc.) used by
disabled citizens as being violative of their Fundamental
Rights under Article 14, 15, 19(1)(d), 21 & 21A of the
Constitution of India.

LIST OF DATES AND EVENTS

09.09.2016	The Hon'ble President of India gives formal assent to the Constitution (One Hundred and First Amendment) Act, 2016 on Goods and Services Tax (GST).
03.06.2017	15 th Goods and Services Tax (GST) Council Meeting is held where all the Transition Rules from the present tax regime to

C
the proposed GST regime are finalised. All the Council members agreed to the 1st July, 2017 roll-out.

11.06.2017

In the 16th Goods and Services Tax (GST) Council meeting revised rate for certain goods was released. Imposition of 5% rate of tax on goods necessary for day-to-day use of disabled citizens like Braille paper, Braille typewriters, Braille watches, Hearing aids etc.

20
16.06.2017

The petitioner, aggrieved by the proposed GST on mobility aids used by disabled community, sends representation to the Ministry of Finance seeking withdrawal of all GST related levies on implements/equipments used by disabled under the proposed regime. Petitioner seeks zero-tax regime, which also exempts manufacturers of disability-

D

equipment from input GST - as
is prevalent abroad.

01.07.2017

Goods and Services Tax (GST)
is officially notified by the
Government of India as a
comprehensive indirect tax
reform. The tax rate with regard
to the equipment used by the
disabled confirmed from
midnight.

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

WRIT PETITION ~~922~~ (CIVIL) NO. _____ of 2017

IN THE MATTER OF:

Nipun Malhotra

B-28, Noida Sector -51,

Noida, U. P.

...Petitioner

VERSUS

Union of India

(Ministry of Finance)

Through Finance Secretary

Room No. 46, North Block,

Central Secretariat,

New Delhi - 110001

Respondent

**WRIT PETITION UNDER ARTICLE 32 OF THE
CONSTITUTION OF INDIA SEEKING
DIRECTIONS AGAINST THE RESPONDENTS.**

To

THE Hon'ble Chief Justice of India

and His Companion HON'BLE Judges of the

Supreme Court of India

THE HUMBLE PETITION OF

THE PETITIONER ABOVE NAMED:**Most Respectfully Showeth:**

- i. The present Writ Petition is being filed in the Public Interest under Article 32 of the Constitution of India, seeking a Writ of Mandamus to strike down the provisions under the Goods and Services Tax Act, 2017, specifically relating to provisions which levy a tax burden on disabled citizens who use medical devices and mobility equipment to carry out their day-to-day living, so as to lead normal lives like other able-bodied Indian citizens. That, the imposition of any tax on any essential mobility-aid used by a disabled person, is in gross violation of the Fundamental Rights as guaranteed under Articles 21, 21A, 19 (1) (d), 14 & 15. In view of the Hon'ble Supreme Court's numerous decisions on the subject, if any tax is of a socially divisive nature, it must be struck down. The Petitioner is filing this petition strictly in the public interest of the entire disabled community of India and has no pecuniary/monetary interest in the matter, since

this is a grave issue concerning the fundamental rights of a large section of the population, especially their right to lead a life of dignity and their freedom to move freely throughout the territory of India, among various other rights that are also at stake. The Petitioner also seeks a purposive interpretation of the phrase "place of birth" contained within Article 15 of the Constitution, to include 'disability' within its meaning. The purpose of including the protection granted under Article 15 was to prevent any form of discrimination against citizens on arbitrary grounds of religion, race, sex and caste - and its express purpose was to create an equitable society. Thus, the inclusion of 'disability,' that too physical disability, is but a natural and legitimate extension of the protections envisaged by the drafters of the Indian Constitution.

- II. That the appropriate government agency was approached for relief, prior to filing this petition. The said letter is annexed herewith and marked as ANNEXURE P1 dated 15.06.2017.

to which no reply till date has been received
from the authorities.

2. PARTICULARS OF THE PETITIONER

The Petitioner is a citizen of India. His email ID is nipunmalhotra@gmail.com and his mobile phone number is +91 98719-53332. He is the Chief Executive Officer of the Nipman Foundation, a Charitable Trust established under the Society's Act, 1860 which works in the field of disability-related policy and education for the economically underprivileged. He is also the Executive Director of Nipman Fasteners Pvt. Ltd., which is an automotive ancillary supplier. The Pan Card as also the relevant Income Tax Returns of the Petitioner is annexed herewith. Annexure P 2 – Aadhar Card of the Petitioner; Annexure P 3 – PAN Card of the Petitioner along with ITR Return Statement.

3. DECLARATION AND UNDERSTANDING OF THE PETITIONER:-

a. The Petitioner, Shri Nipun Malhotra, age 28 years, is one of India's leading disability rights activists and scholars. Despite having a locomotor disability from birth called 'arthrogryposis', which leads to a lack of muscles in his arms and legs and renders him permanently dependent upon a wheelchair for basic mobility, he has worked tirelessly to improve the lives of thousands of other disabled citizens in India who face accessibility, financial and social barriers. The Petitioner, with support from his mother Mrs. Priyanka Malhotra, set-up a charitable organization called the Nipman Foundation, which, inter alia, works in the fields of disability-related awareness and public-policy research, and also provides education to economically underprivileged children across India. The foundation also distributes free wheelchairs and mobility aids to the economically underprivileged disabled community. The said Foundation is a properly registered entity under the Societies Registration Act, 1860, and is fully compliant with all the relevant rules and laws including auditing requirements. The Foundation also recognizes the social contribution of Corporate Houses to the cause of inclusion of the disabled into the

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mainstream and subsequently awards those companies which are making a positive impact. This awards ceremony is an annual activity of the Foundation and has also received recognition from the Ministry of Social Justice and Empowerment, apart from other leading multinational corporations. Annexure P 4 – Long Form CV of the Petitioner.

b. That, apart from being a disability rights activist and scholar, the Petitioner is also extremely well-qualified educationally and has graduated on merit and hard-work from the prestigious St. Stephens College, Delhi University, with a Bachelor's Degree in Economics and has also obtained his Master's Degree from the Delhi School of Economics. That, not one to allow his physical disability to deter him from pursuing him a Master's Degree in Business from one of India's premier Business Schools, the Petitioner has also obtained a Degree from the Indian School of Business (ISB) at Mohali and presently serves on its Board. Professionally, the Petitioner heads one of India's largest auto component businesses as its Executive Director. Notably, he has achieved all of this on his own

ment and hard work. However, he specifically acknowledges the role of his parents and others who were instrumental in helping him overcome barriers to various opportunities. That, having been the grateful recipient of valuable educational and work related opportunities, he established his charitable foundation with the sole objective of helping others who were similarly affected by locomotor disabilities. The instant Petition has been filed purely for bonafide reasons and the Petitioner has come with clean hands and has no pecuniary/extraneous interest whatsoever in its outcome.

4. FACTS IN BRIEF:

IMPUGNED GST ACT, 2017 & NOTIFICATION DATED (28.06.2017) IMPOSING GOODS & SERVICES TAX ON MOBILITY AIDS USED BY DISABLED PERSONS

A. That, pursuant to the meeting of the GST Council dated 11.06.2017, the Respondent No. 1 decided to impose taxes, in different brackets/categories, on a variety of physical aids meant specifically for 'persons with disabilities'. For instance, it is shocking to note that taxes have been introduced and sustained on the most basic mobility aids used

reasonable differential for doing so. **Annexure P 5**

– Minutes of the Council meeting dated 11.06.2017

B. The Petitioner, who on account of his permanent locomotor disability i.e. arthrogryposis does not have developed muscles in his limbs and is permanently reliant on a motorized wheelchair. Apart from his wheelchair, the Petitioner also uses a specially equipped motor vehicle which is enabled with a forklift for his wheelchair. That, nearly all citizens with locomotor disabilities rely permanently on external disability aids, and hence would stand severely affected as a class of citizens by any arbitrary increase in the price of such equipment.

**IMPOSITION OF TAX ON BASIC MOBILITY AIDS
AMOUNTS TO PENALTY/DISCRIMINATION ON
ENTIRE DISABLED COMMUNITY**

C. It is submitted that any tax/levy which has the effect of making a basic mobility aid more expensive – specifically on items which enable those individuals to walk or read, when otherwise they would not have been able to do so, would

by those citizens who would otherwise not be able to carry out daily activities (such as walking and reading) which are taken for granted (and are tax free) by those who are able bodied. This list includes a cascading tax scheme on items such as wheelchairs, wheelchair enabled cars, braille paper, braille typewriters and braille watches, crutches/walkers, instruments and implants for severely handicapped patients and joint replacement and spinal instrument and implants including bone cement. That, even though the GST rate on these devices/equipment is at 5% and is therefore sought to be justified as being "concessional", the fact is that any tax imposed on such items would amount to discrimination as envisaged under Article 15 of the Constitution and also under Article 19 (1) (d) which guarantees the unhindered right of movement to all citizens — irrespective of their personal physical disability and finally Article 21, which guarantees the right to lead a dignified life - regardless of disability. The said tax scheme violates Article 14 of the Constitution, as it permits a disadvantageous situation for a particular class of people, without specifying any

necessarily amount to a gross violation of their most basic fundamental rights. Such a tax would therefore violate not only Article 21 which guarantees the Right to Life and Dignity of a citizen, but in effect would also permit the establishment of a tax structure which discriminates amongst those who are disabled, and must be struck down. That, any taxation scheme which levies a charge on domestic or even foreign manufacturers of mobility aids, would directly violate the disabled community's fundamental rights as a whole. It is critical to note that foreign manufacturers often produce mobility aids which are not produced by domestic manufacturers, and hence any additional tax on their import also violates the Fundamental Rights of Indian citizens who are disabled.

D. That, for the convenience of this Hon'ble Court, the taxes leviable on mobility aids under the GST Act, 2017, used by Persons with Disabilities are extracted below:

REVISED GST RATE FOR CERTAIN GOODS

S. No.	Chapter/Heading/	Description of Goods	Earlier GST rate	Revised GST rate
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	Sub-Heading/ Tariff item		approved by the GST Council	approved by the GST Council
69.	4823 90 11, 8472, 9101, 9102, 9021	Braille paper, braille typewriters, braille watches, hearing aids and other appliances to compensate for a defect or disability [These goods are covered in List 32 appended to notification No.12/2012-Customs, dated 17.03.2012 and are already at 5% GST rate (Chapter 90)]	-	5%
256	90 or any other chapter	Parts of the following goods, namely:- (i) Crutches; (ii) Wheel chairs; (iii) Walking frames; (iv) Tricycles; (v) Brailers; and (vi) Artificial limbs	-	5%
243	8713	Carriages for disabled persons, whether or not motorised or otherwise mechanically propelled	-	5%
165	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars [other than Cars for physically handicapped persons]	-	28%
400	8703	Cars for physically handicapped persons, subject to the following conditions: a) an officer not below the rank of Deputy Secretary to the Government of India	-	18%

		in the Department of Heavy Industries certifies that the said goods are capable of being used by the physically handicapped persons; and		
		b) the buyer of the car gives an affidavit that he shall not dispose of the car for a period of five years after its purchase.		

That, from the aforesaid table, it is absolutely clear that the impugned tax provisions impose an unjustifiable financial burden upon a class of citizens, which is arbitrary and patently unjust. The same would amount to a tax on the 'free movement' or 'freedom to learn' of a disabled citizen and is therefore ultra vires the Constitutional scheme. Annexure P 6 – Notification No. 1/2017 dated 28.06.2017 is annexed herewith.

**PROHIBITION AGAINST DISCRIMINATION BY THE
STATE OF PERSONS WITH DISABILITIES
GUARANTEED U/A 15 OF THE CONSTITUTION**

E. That, while Article 15 of the Constitution of India specifically prohibits discrimination on the basis of religion, race, caste, sex or place of birth, it also creates an implied duty upon the State not to

subject any citizen with an unreasonable burden, especially, in the nature of a financial levy or penalty which discriminates between citizens on grounds which are arbitrary and unjust. The impugned tax regime permits an unreasonable differentia which is sought to be carved out between citizens who are able bodied and those who are disabled. This 'discrimination' pertains specifically to the performance of basic activities, such as 'movement' (for those with locomotor disabilities) and 'reading' or 'learning' (for the blind). Therefore, the imposition of any tax, whatsoever be its rate, on a wheelchair used by a permanently disabled person, for instance, has the effect of creating a State-sponsored financial-barrier/penalty on a disabled person wanting to attain parity with another citizen who can 'move' or 'read' without the use of any external aids. It is in this regard that even a 0.01% (zero point zero one percent) tax imposed on an essential mobility item such as braille paper or wheelchairs would be totally discriminatory and thus fundamentally unfair. It is also submitted, that the Petitioner and others like him, possess a constitutionally ingrained Fundamental Right under Article 19 (1)

(d) and 15, to not be prevented, either by statutory, financial or physical barriers, from accessing public spaces or becoming literate owing simply to their physical limitations. It is therefore the constitutionally mandated duty of the State to not only remove barriers to the progress and development of those inherently disadvantaged class of citizens, but it is also their obligation to not (even unintentionally) impose financial burdens in the form an unconscionable tax burden on basic rights.

That, it is therefore respectfully submitted that any tax or government levy on any item which is an essential commodity for the use of persons with disabilities would amount to a State sponsored penalty on the disability of the affected person. The present petition specifically challenges the vires of such a tax levied upon the end users (disabled persons) as also those who manufacture such devices/equipments used exclusively by disabled persons - who form 2.7% of the total population as per the 2011 Census conducted by the Government of India.

**PURPOSIVE INTERPRETATION OF ARTICLE 15 OF
THE CONSTITUTION TO INCLUDE 'DISABILITY' IN
THE PHRASE 'PLACE OF BIRTH'**

F. It is respectfully submitted, that the phrase 'place of birth' in Article 15 of the Constitution intends to protect the rights of citizens from all forms of discriminatory actions by the State, primarily on factors which are arbitrary and beyond the control of the individual citizen. These relate to the religion, race, sex, caste and place of birth of the citizen in question. Thus, the express intention of the framers of the Constitution was to create a constitutional 'protection' which purposefully prohibited the State from discriminating against citizens on arbitrary grounds. The phrase 'place of birth' relates to one such prejudicial bias, and relates not only to overt considerations such as the actual geographical place where the citizen was born and/or the local community to which he/she belongs, but also subtle considerations relating to the physiological circumstances of the citizen's birth - owing to congenital/genetic defects at birth which limit his/her physical or intellectual capabilities. Furthermore, permitting a State action, in the form of a taxing statute or any other statutory

policy, which allows the State to discriminate against an entire class of citizens for a limitation which is entirely beyond their control would be patently unconstitutional and must be struck down. The Petitioner contends that the meaning and consequent legal interpretation of the phrase 'place of birth' must necessarily include the physiological characteristics a citizen is endowed with at the time of his/her birth. Let us take an illustration. The Petitioner, although born with a severe physical disability which put him at an immediate disadvantage as compared to his peers, overcame his limitations and obtained a first-grade education and is today an extremely productive member of society. Thus, any Tax or Statutory charge which acts as a barrier to his basic freedoms of movement or learning, would be an additional barrier to his efforts to obtain parity with his fellow citizens who are not dependent on external mobility aids. It is therefore respectfully submitted, that the time has now come to accord the entire disabled community constitutional recognition as a specially protected class of people who deserve the protection carved out under the heads specified in Article 15 of the Constitution.

The most effective way of achieving this 'purpose' of Article 15, as envisaged by the drafters of the Constitution, would be to expand the meaning of the phrase 'place of birth' to include the health-conditions or characteristics a citizen is born with, or even acquires later in life owing to an accident or for medical reasons. That, in the case of *Hindustan Lever Ltd. v. Ashok Vishnu Kate & Ors.*, [1996 (6) SCC 326], this Hon'ble Court upheld the method of 'purposive construction' if it gives effect to the true legislative purpose, as intended by those who drafted the provision in question. The Court was interpreting the provisions of the Maharashtra Act, and held, that while considering and interpreting a Social Welfare Act the approach to statutory interpretation must be one which effectuates the 'purpose' for which such legislation was enacted. In the present case, the contention of the Petitioner, most respectfully, is that Article 15 must not be read restrictively and in a manner which limits the purpose for which it was enacted by the makers of our constitution - it must be interpreted in a manner that extend the maximum benefit (or protection against discrimination in this case) to the maximum

number of citizens - including those with disabilities.

FUNDAMENTAL RIGHT OF MOVEMENT
GUARANTEED UNDER ARTICLE 19(1) (d):

G. That furthermore, Article 19(1) (d) of the Indian Constitution expressly guarantees to all citizens (disabled included), the fundamental right to move freely throughout the territory of India. This guarantee is impliedly extended to even those with loco-motor disabilities and hence the imposition of any tax or levy which curtails that right in any manner is unconstitutional and must be set aside. The Petitioner, and others like him who are permanently dependent upon mobility aids such as wheelchairs, are directly affected as a community by the imposition of the GST on these goods. Such a taxing provision has the effect of taxing a basic function of their life - i.e. movement. That even a prima facie analysis of the taxation scheme under the GST reveals a highly discriminatory approach against those with disabilities, as it equates their consumption of mobility aids with that of able-bodied citizens who do not 'depend' upon such

equipment for their movement. Although such an effect cannot be attributed to malice on the part of the State or said to be 'intended,' however, the consequence of such a levy is patently unconstitutional for an entire section of the population and must be struck down.

**FUNDAMENTAL RIGHT TO LIFE AND
EDUCATION GUARANTEED UNDER ARTICLE 21
& 21A:**

H. The imposition of any tax/levy even on input materials purchased by any member of the manufacturing chain which produces mobility aids, ought to be eligible for 100% input tax credit, so as not to pass on any of the tax burden to the disabled consumer, even indirectly. The resultant input tax credit refunded to the manufacturer is not only desirable, but also the constitutional mandate of the State, inasmuch as it prevents the tax burden from being passed on to the disabled consumer. Similarly, the tax rate upon the final consumer, which is presently at 5% for most disabled items, is patently unconstitutional and should be struck down. Under the present GST

regime, although the manufacturer receives 100% input credit, however the end-user i.e. the disabled consumer, is still burdened by the 5% tax rate. This increase, albeit small, in the total price of the mobility aid is grossly unfair and tantamount to a penalty for being disabled and wanting to be mobile. Such an increase directly affects the ability of the disabled person to purchase the product. In *Indian Express Newspapers vs. Union of India*, [1985 (1) SCC 641], the Hon'ble Supreme Court struck down the Customs Duty imposed on newsprint used by newspapers and classified it as an "over-burden" on newspaper companies. The Court also observed that a "wise administrator should realize that an imposition of tax like the customs duty on new newsprint is an imposition on knowledge and would virtually amount to a burden imposed on the common-man for being literate and for being conscious of his duty as a citizen to inform himself about the world around him." In the present case the same analogy would apply, whereby the imposition of tax, no matter how minimal it might be in absolute terms and also in its impact upon the intended audience, it would still amount to an impermissible burden on a section of

society which is compulsorily dependent on such goods for reasons beyond their control. In the same case, this Court also observed that where fundamental rights and freedom of the individual are being considered, a Court should be very cautious before accepting the view that some particular disregard of them is of minimal account. In the present case, it would be grossly violative of the constitutional rights of the disabled community if the impugned taxes are accepted as just and reasonable.

- I. That also, in the case of *Sakal Papers (P) Ltd. vs. Union of India*, [(1962) 3 SCR 842], this Court struck down Government imposed restrictions of advertising on newspapers as being violative of the fundamental right of freedom of expression. The Court accepted the reasoning that the restriction of reduced advertising would lead to an increase in the price of the newspaper, which in-turn would cause a reduction in the circulation of the paper. In the instant case the same analogy applies, whereby any imposition of a tax on braille paper or wheelchairs would automatically lead to a reduction in their usage, thus creating a direct and

unreasonable restriction on the fundamental right of a certain class of citizens to obtain education as to move freely.

J. It is a settled principle of taxing statutes, that the power to tax and even discriminate is governed by an overarching rider -- that the classification it seeks to draw must be just and reasonable. Furthermore, the extent of reasonability of any taxing statute lies in its ability to achieve the object as sought by the statute. The final test for any statute - taxing or otherwise, is that it must not offend Part III of the Constitution. Thus, the classification share a nexus with the Object sought to be achieved. In the present case the short-title of the Act creates a provision for the levy and collection of tax on inter-state supply of goods or services or both, by the Central Government and matters connected therewith. In the case *Aashirwad Films vs. Union of India*[2007 (6) SCC 624], this Hon'ble Court held that even in statutes where the objective has a wide range, the entire subject matter is also required to be considered from a 'social angle'. It was further held, that it cannot be the object of any statute to

be socially divisive in which case it shall fall foul of the constitutional scheme enshrined under Articles 19, 21, 21A, 14 & 15 and also the Preamble of the Constitution of India. This court specifically held that the object of a taxing statute has to be tested on the touchstone of social values as mentioned in the Constitution, and an adverse conclusion can be drawn if a particular provision offends those constitutional guarantees. This Court further observed that "it is one thing to say that a taxation statute does not further social good, but quite another when it disturbs the social fabric. The Court may take adverse note in respect to statutes falling in the latter category." In the present case the GST imposed on devices and equipment for the disabled has the direct and immediate effect of creating an unreasonable and unjustifiable disadvantage upon those who require these goods to carry out their normal day-to-day activities. That furthermore, it is a long settled principle laid down by this Hon'ble Court that the validity of the legislation imposing a tax can be challenged on the ground that it violates the Fundamental Rights guaranteed under Part III of the Constitution. (Raja

**JagannathBaksh Singh vs. State of U. P. [1962
AIR 1563])**

K. That, the recognition accorded to the Fundamental Rights of a 'person with disabilities' has been upheld by this Court very recently in the matter of **JeejaGhosh vs. Union of India, [(2016) 7 SCC 761]**, where this Court was constrained to hold that the "non-disabled do not understand disabled ones" (Para 34 of the Judgment). The instant petition highlights this pressing issue of total lack of sensitivity on the part of the officials responsible for imposing a Good and Services Tax (GST) on medical devices and equipment used by people with disabilities. This Court went on to hold that "the rights that are guaranteed to differently abled persons under the Persons with Disabilities Act, 1995 are founded on the sound principle of human dignity which is the core value of human rights and is treated as a significant facet of the right to life and liberty. Such a right, now treated as a 'human right' of the persons who are disabled, has its roots in Article 21 of the Constitution. Jurisprudentially, three types of models for determining the content

of the constitutional value of human dignity are recognized.

These are:

(i) Theological Models, (ii) Philosophical Models, and (iii) Constitutional Models. Legal scholars were called upon to determine the theological basis of human dignity as a constitutional value and as a constitutional right. Philosophers also came out with their views justifying human dignity as core human value. Legal understanding is influenced by theological and philosophical views, though these two are not identical. Aquinas and Kant discussed the jurisprudential aspects of human dignity based on the aforesaid philosophies. Over a period of time, human dignity has found its way through constitutionalism, whether written or unwritten. Even right to equality is interpreted based on the value of human dignity. Insofar as India is concerned, we are not even required to take shelter under theological or philosophical theories. We have a written Constitution which guarantees human rights that are contained in Part III with the caption "Fundamental Rights". One such right enshrined in Article 21 is right to life and liberty.

Right to life is given a purposeful meaning by this Court to include right to live with dignity. It is the purposive interpretation which has been adopted by this Court to give a content of the right to human dignity as the fulfillment of the constitutional value enshrined in Article 21. Thus, human dignity is a constitutional value and a constitutional goal. What are the dimensions of constitutional value of human dignity?

It is beautifully illustrated by Aharon Barak (Former Chief Justice of the Supreme Court of Israel) in the following manner:

"The constitutional value of human dignity has a central normative role. Human dignity as a constitutional value is the factor that unites the human rights into one whole. It ensures the normative unity of human rights. This normative unity is expressed in the three ways: first, the value of human dignity serves as a normative basis for constitutional rights set out in the constitution; second, it serves as an interpretative principle for determining

the scope of constitutional rights, including the right to human dignity; third, the value of human dignity has an important role in determining the proportionality of a statute limiting a constitutional right."

All the three goals of human dignity as a constitutional value are expanded by the author in a scholarly manner. Some of the excerpts thereof, are reproduced below which give a glimpse of these goals: 2 Aharon Barak "Human Dignity – The Constitutional Value and the Constitutional Right" Cambridge University Press (2015) Writ Petition (C) No. 382 of 2014 Page 44 of 54 "The first role of human dignity as a constitutional value is expressed in the approach that it comprises the foundation for all of the constitutional rights. Human dignity is the central argument for the existence of human rights. It is the rationale for them all. It is the justification for the existence of rights. According to Christoph Enders, it is the constitutional value that determines that every person has the right to have rights... The second role of human dignity as a constitutional value is to provide meaning to the norms of the legal system.

According to purposive interpretation, all of the provisions of the constitution, and particularly all of the rights in the constitutional bill of rights, are interpreted in light of human dignity... Lastly, human dignity as a constitutional value influences the development of the common law. Indeed, where common law is recognized, judges have the duty to develop it, and if necessary modify it, so that it expresses constitutional values, including the constitutional value of human dignity. To the extent that common law determines rights and duties between individuals, it might limit the human dignity of one individual and protect the human dignity of the other."

ARTICLE 14:

L. That, the Petitioner challenges the Constitutionality of the impugned GST levy on essential mobility devices meant for the disabled upon the touchstone of Article 14. It is respectfully submitted, that any tax or levy on a basic mobility item used by the disabled, fails the long-standing test of equality laid down by the Hon'ble Supreme Court. This Hon'ble Court held in Sri

Srinivasan Threatar and Ors vs. Government of Tamil Nadu, [1992 (2) SCC 16], that "Article 14 of the Constitution enjoins upon the State not to deny to any person 'Equality before law' or 'the equal protection of laws' within the territory of India. The two expressions do not mean the same thing even if there may be much in common 'Equality before law' is a dynamic concept having many facets. One facet - the most commonly acknowledged - is that there shall be no privileged person or class and that none shall be above law. A facet which is of immediate relevance herein is the obligation upon the State to bring about, through the machinery of law, a more equal society envisaged by the Preamble and Part IV of our Constitution. For, equality before law can be predicated meaningfully only in an equal society i.e., in a society contemplated by Article 38 of the Constitution, which reads:

Article 38: State to secure a social order for the promotion of welfare of the people. In the present case, the imposition of a tax upon essential goods used by the disabled creates a stark distinction between the able bodied

and the disabled, whereby the former are effectively treated as a privileged class unencumbered by any tax on their movement as also their ability to read. Such a discrimination is inherently flawed - even though it might be unintended, but the direct consequence is patently unconstitutional as it deprives equal treatment to a segment of society, and that too on no intelligible differentia.

CANADIAN SYSTEM OF GST - PROTECTION DISABLED

M. It would be profitable to refer to the GST systems in operation in other Commonwealth Countries, which specifically carve out an exception for manufacturers and users of disability aids. These exceptions are in the form of statutory tax exemptions, whereby the entire manufacturing/supply chain right up till the end user is fully exempted from paying any taxes for all Goods and Services meant for the use of Persons with Disabilities. Extracted below is a chart which

deals with the country wise tax exemptions offered
for persons with disabilities.

**COUNTRY-WISE COMPARATIVE GST RATES
ON MEDICAL EQUIPMENT FOR DISABLED
PERSONS**

COUNTRY	GST RATE	INPUT TAX CREDIT
✓ Canada	0%	Available
✓ Australia	0%	Available
✓ United Kingdom	0%	Available
✓ Ireland	0%	
✓ New Zealand	0%	Available

That, from the aforesaid table it becomes
absolutely clear that most commonwealth nations
give due recognition to the rights of the disabled
and does not burden them with the imposition of
additional taxes on essential mobility
aids. Annexure P 7-GST in Canada on disability

good; Annexure P8 - GST in Australia on disability good; Annexure P 9 - GST in United Kingdom on disability good; Annexure P 10 - GST in Ireland on disability good; Annexure P 11 - GST in New Zealand on disability good.

GROUNDS:

- a) Because the imposition of any tax/duty/levy, such as the one contemplated under the Goods and Services Tax Act, 2017 on essential mobility aids used by disabled people is totally violative of Fundamental Rights guaranteed under Articles 21, 21A, 19 (1) (d), 14 and 15.
- b) Because the imposition of a tax on wheelchairs meant for those with permanent locomotor disabilities, is akin to imposing a financial penalty on the able-bodied for walking. Such a taxing regime is directly violative of Article 19 (1) (d) as also Article 14 of the Constitution and must be immediately struck down.
- c) Because the imposition of any tax/cess on Braille-material and writing paper is akin to imposing a State sponsored financial burden on reading.

which is directly violative of the Right of Free Speech and Expression for the entire blind community which relies on such aids as essential goods.

d) Because Article 15 of the Constitution specifically prohibits any discrimination by the State against any citizens on grounds of "place of birth" among other grounds of religion, race, sex and caste. Therefore, the circumstances of any citizen's birth which render him/her disabled (whether genetic or acquired later in life), would indeed be covered under the protection envisaged by the framers of the Constitution. The Imposition of any tax which discriminates against a class of citizens, who by virtue of their 'place of birth' are rendered disabled and, who, to obtain parity with other able-bodied citizens rely upon mobility aids upon such tax is imposed, would necessarily be prohibited as unconstitutional. Furthermore, Article 15 also protects against any discrimination which poses a restriction upon a citizen's right to access or use public spaces.

e) Because Article 47 of the Constitution enjoins the State to protect the health, nutrition and welfare of

all its citizens (emphasis supplied). The improvement of public health is a duty cast upon the State and necessarily includes the welfare of the disabled. Thus any State action which runs contrary to such a duty, would be rendered unjust on this ground as well and must therefore be struck down.

- f) Because in the case of *Ashirward Films*, [(2007) 6 SCC 624], this Hon'ble Court clearly stated that the objective of any taxing statute must be tested against Article 14 and cannot in any event be permitted to have a socially divisive outcome.
- g) Because there is a Statutory duty cast upon of the State in respect of the Rights of a Person with Disability Act, 2016, whereby the entire frame-work of the Act is dedicated to the establishment of equality and removal of barriers faced by Persons with Disabilities. Because also, sections 25, 28, 31, 40, 41, 44, and 47 deal directly with the removal of barriers faced by persons with disabilities.
- h) Because, Section 2 (s) of the Persons with Disabilities Act, 2016, defines a person with a disability "as someone with long-term physical, mental, intellectual or sensory impairment which, in

interaction with barriers hinders his/her full and effective participation in society equally with others. Thus, while on the one hand the Government accepts its statutory responsibility toward those with disabilities and ensuring their equal development and it cannot, on the other hand, permit an imposition of a tax on equipment which brings basic relief to those who are inherently disadvantaged due to their disability.

PRAYER:

In view of the facts and circumstances stated above, it is therefore prayed that this Hon'ble Court in Public Interest may be pleased to:

✓ A) Strike down the levy of GST on essential equipment for disabled people (wheelchairs, specially equipped vehicles for disabled, braille papers, crutches etc.) as being unconstitutional under Articles 14, 15, 19(1)(d), 21, and 21-A; and

B) Apply a purposive interpretation to Article 15 of the Constitution and expand the meaning of the phrase 'place of birth' to include 'disabilities' acquired either by birth or by extraneous reasons beyond the control of the citizen; and

C) any other appropriate writ, order or direction may
be kindly issued in the interest of justice and fair
play.

AND FOR THIS ACT OF KINDNESS, THE
PETITIONER AS IN DUTY BOUND SHALL EVER
PRAY.

DRAWN BY:
(JAI ANANT DEHADRAI)

FILED BY:

(MANISHA AMBWANI)

ADVOCATE FOR THE PETITIONER

NEW DELHI

DRAWN ON:

FILED ON:

37

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

WRIT PETITION (PIL) (CIVIL) NO. _____ of 2017

IN THE MATTER OF:

Nipun Malhotra

....Petitioner

Versus

Union of India

... Respondent

PAPERBOOK

(FOR INDEX PLEASE SEE INSIDE)

ADVOCATE FOR THE PETITIONER: MANISHA AMBWANI

37

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
WRIT PETITION (PIL) NO. OF 2017

IN THE MATTER OF:

Nipun Malhotra

.....Petitioner

vs.

Union of India

.....Respondent

AFFIDAVIT

I, Mr. Nipun Malhotra, S/o Shri Pravin Malhotra, aged about 28 years, R/o B - 28, Noida Sector - 51, Noida, presently at New Delhi do hereby solemnly affirm and state as follows:-

1. I am the Petitioner in the abovementioned Writ Petition and I am well conversant with the facts, proceedings and circumstances of the case.
2. I say that I have read and understood the contents of the accompanying Writ Petition paras 1 to 8 para — at page / no. / to 36 and the list of dates, pages B to D and I say that the facts stated therein are true to my knowledge and belief.
3. That I have read and understood the contents of the accompanying Writ Petition. and I say that the contents thereof are true and correct to my knowledge and belief.
4. That, I have not filed any other Writ Petition in this Hon'ble Court.
5. I say that the averments of facts stated herein above are true to my knowledge and belief, no part of it is false and nothing material has been concealed therefrom.

Nipun
DEPONENT



38

VERIFICATION

I, the deponent above named do hereby verify and state that the contents of the affidavit are true and correct to the best of my knowledge and belief.

Verified this day of 14 JUL 2017 at New Delhi

[Signature]
DEPONENT

I identified the deponent who
has signed in my presence



14 JUL 2017

CERTIFIED THAT THE DEPONENT
Shri/Smt./Mn. M. B. K. K. K.
S/o, W/o, D/o M. B. K. K. K.
R/o M. B. K. K. K.
Identified M. B. K. K. K.
has solemnly sworn that the contents of the affidavit
which have been read & explained to him are true and
correct to his knowledge.

[Signature]
Oath Commissioner

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

WRIT PETITION (PIL) (CIVIL) NO. _____ of 2017

IN THE MATTER OF:

Nipun Malhotra

.... Petitioner

versus

Union of India

... Respondent

AFFIDAVIT

I, Mr. Nipun Malhotra, S/o Shri Pravin Malhotra, Age 28 years, Resident of B-28 Noida Sector -51, Noida, Uttar Pradesh, presently at New Delhi do hereby solemnly affirm and state as follows:-

1. I am Petitioner in the above Writ Petition and I am well conversant with the facts, proceedings and circumstances of the case.
2. That in compliance of Order 37 Rule 12 (1)(2)(a) of the Supreme Court Rules 2013, I state that my name is Nipun Malhotra, resident of B-28 Noida Sector -51, Noida, Uttar Pradesh, nipunmalhotra@gmail.com, phone no. 9871953332. The details regarding his personal identification is annexed as Annexure P2 and P3 of the Writ Petition which includes his annual income and pan card details along with Income Tax Return. I state that I am a citizen of India and currently working as a Chief Executive Officer of Nipun Foundation, which is a Charitable Trust.
3. That in compliance with Order 37 Rule 12 (1)(2)(b) of the Supreme Court Rules-2013, it is submitted that the instant Writ Petition is being filed as a Public Interest Litigation under Article

32 of the Constitution of India is being filed for the issuance of a Writ of Mandamus or any other appropriate Writ, Order or Direction quashing the Government Notification No. 01/2017 and the decision taken in the GST Council Meeting dated 11.06.2017, specifically imposing Goods and Services Tax (GST) on mobility aids (such as wheelchairs, specially equipped motor-vehicles for wheelchair users, tricycles for disabled, braille-paper and braille watches etc.) used by disabled citizens as being violative of their Fundamental Rights under Article 14, 15, 19(1)(d), 21 & 21A of the Constitution of India.

4. That in compliance of Order 37 Rule 12 (1)(2)(c) of the Supreme Court Rules 2013, it is submitted that the Instant Writ Petition is filed in public interest with a prayer to strike down the levy of GST on essential equipment for disabled people at large (such as wheel chairs, specially equipped vehicles for disabled, Braille papers, crutches etc.) as being unconstitutional under Article 14, 15, 19(1)(d), 21 & 21A of the Constitution of India. Therefore, the Instant Writ Petition is filed in public interest for the community at large.
5. That in compliance of Order 37 Rule 12 (1)(2)(d) of the Supreme Court Rules 2013, it is stated and submitted that the Instant Writ Petition does not have any private motive and the prayers made before this Hon'ble Court is purely in public interest and the petitioner does not have any personal interest.

- 41
6. That in compliance of Order 37 Rule 12 (1)(2)(e) of the Supreme Court Rules 2013, it is stated that the Petitioner is a law abiding citizen and has no past civil, criminal or revenue litigation, involving the petitioner, which has or any legal nexus with the issue(s) involved in the Instant Writ Petition filed in Public Interest.
 7. That in compliance of Order 37 Rule 12 (1)(2)(f) of the Supreme Court Rules 2013, It is stated that the Petitioner moved a representation before the Respondent herein, and the same is a annexed herein as Annexure P1 in the Instant Writ Petition. It is submitted that no reply has been received by the Respondents to the representations received.
 8. Thus it is stated that that I have no personal gain, private motive or oblique reasons in filing the Instant Writ Petition in public interest. The instant Public Interest Litigation is being filed purely for bonafide reasons and the Petitioner has come with clean hands and has no pecuniary/extraneous interest whatsoever in its outcome. The instant petition will affect the public at large. It is stated that no other similar Writ Petition in public interest has been filed by the instant petitioner or the appropriate authorities, and the instant petition is not a private motivated petition.

DEPONENT

42

VERIFICATION

I, the deponent above named do hereby verify and state that the contents of the application are true and correct to the best of my knowledge and belief.

Verified this day of 2017 at New Delhi

DEPONENT

NIPUN KUMAR MALHOTRA

113, 1st Floor Park Centra,

Next to Star Mall,

Gurugram- 122002, Haryana, India

Mobile: 9871953332

EMAIL ID: nipunmalh@gmail.com

MOST URGENT – REPRESENTATION

Date: 20.06.2017

1. Shri Ashok Lavasa, I.A.S.

Finance secretary

Ministry of Finance

3rd Floor, Jeevan Deep Building,

Sansad Marg,

New Delhi-110001

2. Shri Hasmukh Adhiya, I.A.S.

Revenue Secretary

Ministry of Finance

3rd Floor, Jeevan Deep Building

Sansad Marg,

New Delhi-110001

SUBJECT: GST EXEMPTION FOR THE GOODS NECESSARILY

REQUIRED BY PERSONS WITH DISABILITIES

Dear Ashok Lavasa Ji,

A. I am writing to you on behalf of the 2.21% population of India which is disabled.

B. At the outset, I would like to extend my sincere admiration towards the inclusive policies adopted by our Government and particularly the zeal with which our Hon'ble Prime Minister is fighting for the rights of millions of disabled Indians like me.

C. I remember the message delivered by the Hon'ble Prime Minister on the event of International Day for Persons with Disabilities 03.12.2016 when he exhorted the nation as "continue our ongoing efforts with renewed vigour and create a nation where both accessibility and equality prevail" as the mantra for Inclusion of Person with Disabilities and the Sugamya Bharat Abhiyaan (Accessible Bharat Abhiyaan) has become a collective call to action for the country.

D. Furthermore in addition from being a social activist, I am not an entrepreneur, and therefore I would like to further extend my admiration at this Government's determined resolve to strongly come forth with the much awaited GST policy programme. The credit for the bold reform goes to the strong leadership, combined efforts of your Ministry and its dedication for instituting public oriented policies under the remarkable stewardship of our dear Prime Minister, Shri Narendra Modi Ji, that after 16 years and 4 Lok Sabhas, the GST Model is finally on the verge of becoming a reality. Amidst this phenomenal growth, both in terms of social indicators and economic progress, it pains me to have to point

our, what may have been an unintended oversight by the drafters of the GST Model.

E. As per the GST Council meeting dated 18.05.2017, I was quite surprised to learn of a proposal to levy GST on commodities essentially required by Persons with Disabilities. I reproduce the Table for your reference, below:

S.NO.	PRODUCT NAME	PROPOSED GST
1.	Braille Paper	5%
2.	Braille Typewriters, Electric Non Electric	5%
3.	Carriage for Disabled Persons, whether or not motorized	5%
4.	Cars for Physically Handicapped Persons	18%
5.	Braille Watches	5%
6.	Assistive Devices, rehabilitation aids, and other goods for Disabled Specified in List 32 Appended to Notification No. 12/2012 Customs, dt. 17.03.2012 (at SI No. 90 (5)	5%
7.	Hearing aids and Other Appliances which are worn on carried or implanted in the body, to compensate for a defect or disability	12%

As is clear from the above table, it is rather unfair the those who are already burdened with physical limitations which further have the effect of limiting mobility and interaction with one's environment, instead of measures to reduce these barriers our Government is proposing to impose onerous financial barriers. This Policy decision should be reconsidered and reversed, keeping in mind our Hon'ble Prime Minister's vision qua the rights of the disabled.

Even in countries like Austria and Canada, where GST, is enforced tax exemptions are provided to the Persons with Disabilities. Our legislators and judiciary have always worked for the cause of inclusion of persons with disability and have protected their constitutionally guaranteed right of equality, dignity and freedom of movement. For your convenience, I am reproducing below, some instance where our Judiciary has actively intervened to uphold the cause of the cause of social inclusion of persons with disability:

1. In Union of India v. National Federation of Blind and Ors. the.....

Hon'ble Supreme Court held that "It is an alarming reality that the disabled people are out of job not because of their disability comes in the way of their functioning rather it is the social and practical barriers that prevent them from joining the workforce. As a result, many disabled people live in poverty and in deplorable conditions. They are denied the right to make a useful contribution to their own lives and to the lives of their family. the Hon'ble Supreme Court also held that "the Union of

India, the State Governments as well as Union Territories bare a categorical obligation under the Constitution of India and under various International relating to human rights in general and treaties for disabled persons in particular, to protect the rights of the disabled persons."

2. In National Federation for Blinds, U.P. Branch V. State of U.P.

(AIR 2000 All 258), while stressing on the need for integration of the disabled people in the society, the Court held that "Problems on disability is a mere syndrome, the root causes are inherent in mass poverty, social segregation and illiteracy. The Court further held that the only permanent solution of disability problem, which a handicapped person faces, could be their social and economic integration and proper placement which will enable them to stand on their own with dignity and decency."

3. In Jeeja Ghosh V. Union of India the Hon'ble Supreme Court

held that the disabled persons are viewed as abnormal, deserving of pity, and not as individuals who are entitled to enjoy the same opportunities to live a full and satisfying life as other members of society. This resulted in marginalizing the disabled persons and their exclusion both from the mainstream of the society and enjoyment of their fundamental rights and freedoms. Disability tends to be couched within a medical and welfare framework, identifying people with disabilities as ill, different from their non-disabled peers, and in need of care. Because the emphasis is on the medical needs of people with

disabilities, there is a corresponding neglect of their wider social needs, which has resulted in severe isolation for people with disabilities and their families. The Supreme Court further held that there should be a full recognition of the fact that persons with disability are integral part of the community, equal in dignity and entitled to enjoy the same human rights and freedoms as others.

4. In *Pramod Arora v. Hon'ble Lt. Governor of Delhi and Ors* the Hon'ble High Court of Delhi while emphasizing the significance of Article 14 of Constitution of India read with the Disability reads held that the emergence of the disability rights movement in several parts of the world, and location of the needs of persons (and children) with disabilities in the discourse within the larger canvass of civil rights, along with gender, minority groups and other marginalized sections of societies, is a move away from the present, paternalistic model of disability rights. In the model known and practiced within country, disability rights are viewed from a medical or charity perspective, where disability is a handicap one is born with. Therefore, in the interest of providing an inclusive perspective to the people at large, it is necessary that the GST Council revises the proposed tax levels for Goods and Commodities used by the Persons with Disability.
5. In *Mrs. Valsamma paul v. Cochin University & Ors.* (1996) the Hon'ble Apex Court held that the Constitution thoughts its Preamble, Fundamental Rights and Directive Principle created

a Secular State based on the Principle of equality and non-discrimination, striking a balance between the rights of the individuals and the duty and commitment of the State to establish an egalitarian social order. The emphasis, therefore, is on a citizen to improve excellence and equal status and dignity of person with the advancement of human rights and constitutional philosophy of social and economic democracy in a democratic polity to all the citizens on equal footing. Therefore, for the purpose of achieving dreams dreamt by the Drafters of Our Constitution it is essential that this Government, re-examines the present GST levied on Good and Commodities required by Persons with Disability, only then will we be empowered enough to achieve an egalitarian society.

6. In *State Bank of Patiala & Ors v. Vinesh Kumar Bhasin* (2010) the Hon'ble Supreme Court while upholding the constitution validity of provisions of the Person with Disabilities Act, 1995 held that a certain affirmative actions is required to provide Persons with Disability, a level plying field which so that they can have adequate opportunities in matters of education and employment.
7. In *Suchita Srivastava v. Chandigarh administration* the Hon'ble Supreme Court held that since India has ratified the Convention on the Rights of Persons with Disabilities (CRPD) on October 1, 2007 its contents would be binding on our legal system.

8. The Hon'ble Supreme Court in *Mangal Singh and Ors v. Shrimati Ratno & Anr* (1967 3 SCR 454) held that "It is seen that if after the Constitution came into force the right to equality and dignity of person enshrined in the Preamble of the Constitution, Fundamental Rights and Directive Principles which are a Trinity intended to remove discrimination or disability on grounds only of social status or gender, removed the pre-existing impediments that stood in the way of female or weaker segments of the society"

My objective of sending this letter to your Ministry stems from my bonafide belief that this Government in particular, is genuinely concerned about not only protecting the Constitutionally guaranteed rights of those who are disabled but even beyond that, is willing to work for the actual upliftment of those who are restricted in their movement due to genetic or other reasons.

I am also reminded of the guarantee under Article 15 of our Constitution which prohibits discrimination on grounds of religion, race, caste, sex or place of birth. Although I am no Constitutional expert, but I do believe that the meaning of the term 'place of birth' must necessarily include circumstances of one's birth as well, since those who are born with a disability or even those who by way of some unfortunate incident become disabled, are in effect born again. In my view, therefore, the State must at the very least remove barriers which have the effect of further disabling those who are already disabled.

I trust that you will take my suggestions in the right spirit and as an expression of hope, from someone who shares our dear Prime Minister's vision for an inclusive and just Bharat.

I hope you will consider my plea on behalf of the entire disabled community of India, and waive all taxes which directly affect the disabled community. I am happy to make myself available for a meeting, should your department require that.

Yours Sincerely,

Nipun Malhotra

CEO, Nipman Foundation



AnneFusie P-2

52

भारत सरकार
Unique Identification Authority of India

सामाजिक क्रम / Enrollment No.: 2098/10053/13568

To
शिव कुमार मल्होत्रा
Nipun Kumar Malhotra
S/O: Praveen Kumar Malhotra
Apartment No - H - 401 Calitona Ambience Island
Apartment
Behind Ambience Mall, Near NH 66 Sector - 24
Noida (67)
Noida
Farukh Nagar Gurgaon
Haryana 122002
9871953332
MD-2738865FH

आपका आधार क्रमांक / Your Aadhaar No. :

5962 2310 8160

मेरा आधार, मेरी पहचान



शिव कुमार मल्होत्रा
Nipun Kumar Malhotra
जन्म तिथि / DOB : 01/08/1987
पुरुष / Male

5962 2310 8160

मेरा आधार, मेरी पहचान



सत्यमेव जयते



53

सूचना

- आधार पहचान का प्रमाण है, नागरिकता का नहीं।
- पहचान का प्रमाण ऑनलाइन सत्यापन द्वारा प्राप्त करें।

INFORMATION

- Aadhaar is proof of identity, not of citizenship.
- To establish identity, authenticate online.

- आधार देश भर में मान्य है।
- आधार अभिव्य में सरकारी और गैर-सरकारी सेवाओं का लाभ उठाने में उपयोगी होगा।
- Aadhaar is valid throughout the country.
- Aadhaar will be helpful in availing Government and Non-Government services in future.



सत्यमेव जयते, सत्यमेव जयते
सत्यमेव जयते, सत्यमेव जयते

पता:

आरमज: प्रवीण कुमार मथोरा,
अपार्टमेंट नं - एच - 401, कैलिफोर्निया
अम्ब्लेन्स आइलैंड अपार्टमेंट, अम्ब्लेन्स
मल्ल पीछे, एन एच 08 के पास,
सेक्टर - 24, नाथपुर 67, गुडगाँव,
नाथपुर, हरियाणा, 122002

Address:

S/O: Pravin Kumar Mathora,
Apartment No - H - 401, California
Ambulance Island Apartment,
Behind Ambulance Mall, Near NH
08, Sector - 24, Nathpur(67),
Gurgaon, Nathpur, Haryana,
122002

5962 2310 8160



1017

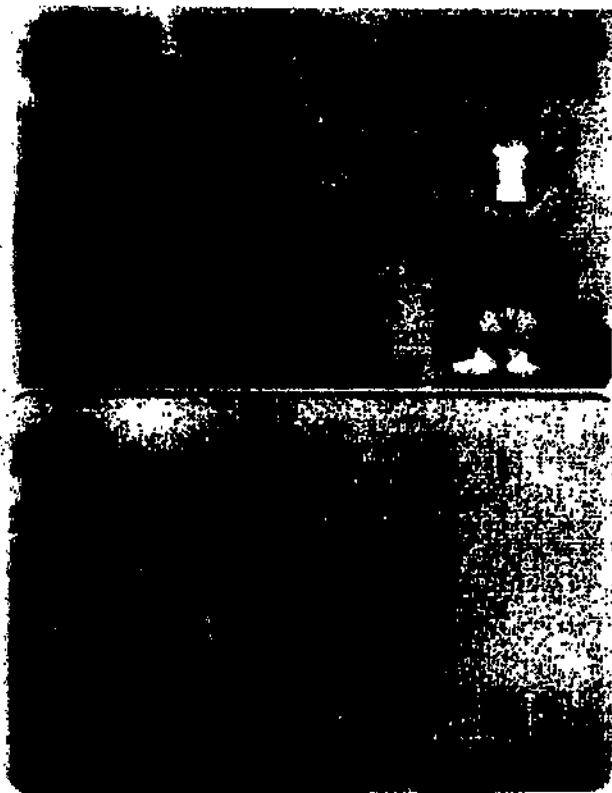


help@uidai.gov.in




www.uidai.gov.in

Annexure P-3
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FORM ITR-V		INDIAN INCOME TAX RETURN VERIFICATION FORM		Assessment Year 2016-17																																																																	
(Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-2A, ITR-3, ITR-4B (SAHAJ), ITR-5, ITR-7 transmitted electronically without digital signature) (Please see Rule 12 of the Income-tax Rules, 1962)																																																																					
PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name NIPUN KUMAR MALHOTRA			PAN ATAPM7119D																																																																	
	Flat/Door/Block No B-24		Name Of Premises/Building/Village SECTOR-51		Form No. which has been electronically transmitted ITR-2																																																																
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	Town/City/District NOIDA		State UTTAR PRADESH		Status Individual																																																																
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	E-filing Acknowledgement Number 388519000000010			Date (DD-MM-YYYY) 05-08-2016																																																																	
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VERIFICATION																																																																					
I, NIPUN KUMAR MALHOTRA son/daughter of SURI PRAVIN KUMAR MAL , holding Permanent Account Number ATAPM7119D solemnly declare to the best of my knowledge and belief, the information given in the return and the schedules thereto which have been transmitted electronically by the e-filing acknowledgement number mentioned above is correct and complete and that the amount of total income and other particulars shown therein are truly stated and are in accordance with the provisions of the Income-tax Act, 1961, in respect of income chargeable to income-tax for the previous year relevant to the assessment year 2016-17. I further declare that I am making this return in my capacity as Individual and I am also competent to make this return and verify it.																																																																					
Sign here		Date 05-08-2016		Place NOIDA																																																																	
If the return has been prepared by a Tax Return Preparer (TRP) give further details as below:																																																																					
Identification No. of TRP		Name of TRP		Counter Signature of TRP																																																																	
For Office Use Only Receipt No. Filed from IP address 182.69.74.192 Date Seal and signature of receiving official																																																																					
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Please send the duly signed Form ITR-V to "Income Tax Department - CPC, Post Bag No - 1, Electronic City Post Office, Bengaluru - 560100, Karnataka", by ORDINARY POST OR SPEED POST ONLY , within 120 days from date of transmitting the data electronically. Form ITR-V shall not be received in any other office of the Income-tax Department or in any other manner. The confirmation of receipt of this Form ITR-V at ITD-CPC will be sent to the e-mail address nipunm@satyamgroup.com																																																																					

Nipun Malhotra is co-founder and CEO of the *Nipman Foundation* that works in the area of health and advocacy for Persons with Disabilities. He is a visiting Research Fellow at *World Enabled*, a Pineda Foundation initiative. He is a member of the CII National Committee on Special Abilities that promotes inclusion of Persons with Disabilities in the corporate sector. He is the brand ambassador of *Umoja Travels*, India's first accessible travel company. And is on the board of Directors at *Vishwas*, a non-profit working on disability and development. Malhotra is also the Executive Director of *Nipman Fastener Industries* - a leading automotive fastener manufacturing company in India.

Nipun is an alumnus of St. Stephen's College, Delhi School of Economics and the Indian School of Business. He is a World Economic Forum Global Shaper and a part of the Kellogg Innovation Network.

Since 2015, Nipun has been at the forefront of numerous efforts to ensure access for the disabled. The wheelchair access filters in restaurant listings on Zomato, the availability of wheelchairs at the recent NH7 and the Jaipur Literature Festival, are direct results. He also lobbied with the Delhi Government to get the Disabled exempted from the Odd-Even car rule. Since August 2016 he is part of NITI Aayog's (formerly the Indian Planning Commission) experts panel. He is the Curator of the Nipman Foundation Equal Opportunity Awards that recognise institutions employing PWDs

He is the founder of 'Wheels for Life' (www.wheelsforlife.in) - a crowdsourcing platform connecting those who need wheelchairs to donors who can financially contribute for them

An avid tweeter, Nipun writes regularly on Disability issues. His writing has appeared on Scroll.in, the Indian Express, NDTV Blog etc. He has also authored a comic titled 'No red card for the disabled'.

Nipun was born with Arthrogryposis, a rare congenital disorder. He is a wheelchair user.

REVISED GST RATE FOR CERTAIN GOODS[As per discussions in the 16th GST Council Meeting held on 11th June, 2017]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	Earlier GST rate approved by the GST Council	Revised GST Rate approved by the GST Council
1.	0506, 0507 90	Bones and horn cores, bone grist, bone meal, etc.; hoof meal, horn meal, etc.	5%	0%
2.	0801	Cashew nut	12%	5%
3.	0801	Cashew nut in shell	12%	5% [under reverse charge]
4.	0806	Raisin	12%	5%
5.	1104	Cereal grains hulled	5%	0%
6.	1702	Palmyra jaggery	18%	0%
7.	20 [All goods]	Preparations of vegetables, fruits, nuts or other parts of plants, including pickle, murabba, chutney, jam, jelly	18%/12%	12%
8.	2103, 2103 00, 2103 90 90	Ketchup & Sauces [other than curry paste; mayonnaise and salad dressings; mixed condiments and mixed seasonings], Mustard sauces	18%	12%
9.	2103 90 10, 2103 90 30, 2103 90 40	Curry paste; mayonnaise and salad dressings; mixed condiments and mixed seasonings	28%	18%
10.	2106	Bari made of pulses including mungodi	18%	12%
11.	2201 90 10	Ice and snow	12%	5%
12.	2501	Salt, all types	5%	0%
13.	27	Bio gas	12%	5%
14.	28	Dicalcium phosphate (DCP) of animal feed grade conforming to IS specification No.5470 : 2002	12%	0%
15.	30	Insulin	12%	5%
16.	29, 30, 3302	(i) Menthol and menthol crystals, (ii) Peppermint (Mentha Oil), (iii) Fractionated / de-terpenated mentha oil (DTMO), (iv) De-mentholised oil (DMO), (v) Spearmint oil, (vi) Mentha piperita oil	18%	12%

REVISED GST RATE FOR CERTAIN GOODS[As per discussions in the 16th GST Council Meeting held on 11th June, 2017]

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of goods	Earlier GST rate approved by the GST Council	Revised GST Rate approved by the GST Council
17.	3304 20 00	Kajal [other than kajal pencil sticks]	28%	Nil
18.	3304 20 00	Kajal pencil sticks	28%	18%
19.	3307	Agarbatti	12%	5%
20.	3407	Dental wax	28%	18%
21.	3822	All diagnostic kits and reagents	18%	12%
22.	3926	Plastic beads	28%	12%
23.	3926 90 99	Plastic Tarpaulin	28%	18%
24.	4202	(i) School satchels and bags other than of leather or composition leather; (ii) Toilet cases [4202 12 10]; (iii) Hand bags and shopping bags of artificial plastic material [4202 22 10], of cotton [4202 22 20], of jute [4202 22 30], vanity bags [4202 22 40]; (iv) Handbags of other materials excluding wicker work or basket work [4202 29 10].	28%	18%
25.	4820	Exercise books and note books	18%	12%
26.	4823	Kites	12%	5%
27.	4903	Children's' picture, drawing or colouring books	12%	Nil
28.	57	Coir mats, matting and floor covering	12%	5%
29.	65 [All goods]	Headgear and parts thereof	28%	18%
30.	6703	Human hair, dressed, thinned, bleached or otherwise worked	28%	0%
31.	68	Fly ash blocks	28%	12%
32.	6810 11 90	Pre cast Concrete Pipes	28%	18%
33.	6906	Salt Glazed Stone Ware Pipes	28%	18%
34.	7015 10	Glasses for corrective spectacles and flint buttons	18%	12%
35.	71	Rough precious and semi-precious stones	3%	0.25%
36.	7607	Aluminium foil	28%	18%

REVISED GST RATE FOR CERTAIN GOODS[As per discussions in the 16th GST Council Meeting held on 11th June, 2017]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	Earlier GST rate approved by the GST Council	Revised GST Rate approved by the GST Council
37.	8215	Spoons, forks, ladles, skimmers, cake servers, fish knives, tongs	18%	12%
38.	8308	All goods, including hooks and eyes	28%	18%
39.	84	Pawan Chakki that is Air Based Atta Chakki	28%	5%
40.	84	Fixed Speed Diesel Engines	28%	12%
41.	4011	Rear Tractor tyres and rear tractor tyre tubes	28%	18%
42.	8708	Rear Tractor wheel rim, tractor centre housing, tractor housing transmission, tractor support front axle	28%	18%
43.	8423 & 9016	Weighing Machinery [other than electric or electronic weighing machinery]	28%	18%
44.	8443	Printers [other than multifunction printers]	28%	18%
45.	8482	Ball bearing, Roller Bearings, Parts & related accessories	28%	18%
46.	8504	Transformers Industrial Electronics	28%	18%
47.	8504	Electrical Transformer	28%	18%
48.	8504	Static Convertors (UPS)	28%	18%
49.	8521	Recorder	28%	18%
50.	8525	CCTV	28%	18%
51.	8525-60	Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc.	28%	12%
52.	8528	Set top Box for TV	28%	18%
53.	8528	Computer monitors not exceeding 17 inches	28%	18%
54.	8539	Electrical Filaments or discharge lamps	28%	18%
55.	8544	Winding Wires	28%	18%
56.	8544	Coaxial cables	28%	18%
57.	8544 70	Optical Fiber	28%	18%
58.	8472	Perforating or stapling machines (staplers), pencil sharpening machines	28%	18%
59.	8715	Baby carriages	28%	18%
60.	9002	Intraocular lens	18%	12%
61.	9004	Spectacles, corrective	18%	12%

REVISED GST RATE FOR CERTAIN GOODS[As per discussions in the 16th GST Council Meeting held on 11th June, 2017]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	Earlier GST rate approved by the GST Council	Revised GST Rate approved by the GST Council
62.	9017	Instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometers, callipers)	28%	18%
63.	9403	Bamboo furniture	28%	18%
64.	9504	Playing cards, chess board, carom board and other board games, like ludo, etc. [other than Video game consoles and Machines]	28%	12%
65.	9506	Swimming pools and padding pools	28%	18%
66.	9603 10 00	Muddhas made of sarkanda and phool bahari jhadoo	5%	0%
67.	9704	Postage or revenue stamps, stamp-post marks, first-day covers, etc.	12%	5%
68.	9705	Numismatic coins	12%	5%
69.	4823 90 11, 8472, 9101, 9102, 9021	Braille paper, braille typewriters, braille watches, hearing aids and other appliances to compensate for a defect or disability [These goods are covered in List 32 appended to notification No.12/2012-Customs, dated 17.03.2012 and are already at 5% GST rate (Chapter 90)]	-	5%

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[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (I) OF THE GAZETTE OF INDIA, EXTRAORDINARY]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)

Notification No.1/2017-Integrated Tax (Rate)

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax of-

- (i) 5 per cent. in respect of goods specified in Schedule I,
- (ii) 12 per cent. in respect of goods specified in Schedule II,
- (iii) 18 per cent. in respect of goods specified in Schedule III,
- (iv) 28 per cent. in respect of goods specified in Schedule IV,
- (v) 3 per cent. in respect of goods specified in Schedule V, and
- (vi) 0.25 per cent. in respect of goods specified in Schedule VI

appended to this notification (hereinafter referred to as the said Schedules), that shall be levied on inter-State supplies of goods, the description of which is specified in the corresponding entry in column (3) of the said Schedules, falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedules.

Schedule I - 5%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	0303	Fish, frozen, excluding fish fillets and other fish meat of heading 0304
2.	0304	Fish fillets and other fish meat (whether or not minced), frozen
3.	0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption
4.	0306	Crustaceans, whether in shell or not, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption
5.	0307	Molluscs, whether in shell or not, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebra other than crustaceans, fit for human consumption
6.	0308	Aquatic invertebrates other than crustaceans and molluscs, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		the smoking process: flours, meals and pellets of aquatic invertebrates other than crustaceans and molluscs, fit for human consumption
7.	0401	Ultra High Temperature (UHT) milk
8.	0402	Milk and cream, concentrated or containing added sugar or other sweetening matter, including skimmed milk powder, milk food for babies [other than condensed milk]
9.	0403	Cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa
10.	0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included
11.	0406	Chena or paneer put up in unit container and bearing a registered brand name
12.	0408	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter.
13.	0409	Natural honey, put up in unit container and bearing a registered brand name
14.	0410	Edible products of animal origin, not elsewhere specified or included
15.	0502	Pigs' hogs' or boars' bristles and hair; badger hair and other brush making hair; waste of such bristles or hair.
16.	0504	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked.
17.	0505	Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers
18.	0507 [Except 050790]	Ivory, tortoise-shell, whalebone and whalebone hair, horns, unworked or simply prepared but not cut to shape; powder and waste of these products.
19.	0508	Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttle-bone, unworked or simply prepared but not cut to shape, powder and waste thereof.
20.	0510	Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.
21.	0511	Animal products not elsewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption, other than semen including frozen semen.
22.	7	Herb, bark, dry plant, dry root, commonly known as jaribooti and dry flower
23.	0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen
24.	0711	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption
25.	0713	Dried leguminous vegetables, shelled, whether or not skinned or split [put up in unit container and bearing a registered brand name]
26.	0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, frozen or dried, whether or not sliced or in the form of pellets
27.	0801	Cashew nuts, whether or not shelled or peeled
28.	0802	Dried areca nuts, whether or not shelled or peeled
29.	0802	Dried chestnuts (singhada), whether or not shelled or peeled
30.	08	Dried makhana, whether or not shelled or peeled
31.	0806	Grapes, dried, and raisins
32.	0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter
33.	0812	Fruit and nuts, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption
34.	0814	Peel of citrus fruit or melons (including watermelons), frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions
35.	0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion [other than coffee beans not roasted]
36.	0902	Tea, whether or not flavoured [other than unprocessed green leaves of tea]
37.	0903	Maté
38.	0904	Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the genus Pimenta
39.	0905	Vanilla
40.	0906	Cinnamon and cinnamon-tree flowers
41.	0907	Cloves (whole fruit, cloves and stems)
42.	0908	Nutmeg, mace and cardamoms
43.	0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		berries [other than of seed quality]
44.	0910 [other than 0910 11 10, 0910 30 10]	Ginger other than fresh ginger, saffron, turmeric (curcuma) other than fresh turmeric, thyme, bay leaves, curry and other spices
45.	10	All goods i.e. cereals, put up in unit container and bearing a registered brand name
46.	1001	Wheat and meslin put up in unit container and bearing a registered brand name
47.	1002	Rye put up in unit container and bearing a registered brand name
48.	1003	Barley put up in unit container and bearing a registered brand name
49.	1004	Oats put up in unit container and bearing a registered brand name
50.	1005	Maize (corn) put up in unit container and bearing a registered brand name
51.	1006	Rice put up in unit container and bearing a registered brand name
52.	1007	Grain sorghum put up in unit container and bearing a registered brand name
53.	1008	Buckwheat, millet and canary seed; other cereals such as Jawar, Bajra, Ragi] put up in unit container and bearing a registered brand name
54.	1101	Wheat or meslin flour put up in unit container and bearing a registered brand name.
55.	1102	Cereal flours other than of wheat or meslin i.e. maize (corn) flour, Rye flour, etc. put up in unit container and bearing a registered brand name
56.	1103	Cereal groats, meal and pellets, including suji and dalia, put up in unit container and bearing a registered brand name
57.	1104	Cereal grains otherwise worked (for example, rolled, flaked, pearled, sliced or kibbled), except rice of heading 1006; germ of cereals, whole, rolled, flaked or ground [other than hulled cereal grains]
58.	1105	Meal, powder, flakes, granules and pellets of potatoes put up in unit container and bearing a registered brand name
59.	1106	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8, put up in unit container and bearing a registered brand name
60.	1106 10 10	Guar meal
61.	1106 10 90	Guar gum refined split
62.	1109 00 00	Wheat gluten, whether or not dried
63.	12	All goods other than of seed quality
64.	1201	Soya beans, whether or not broken other than of seed quality.
65.	1202	Ground-nuts, not roasted or otherwise cooked, whether or not

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		shelled or broken other than of seed quality.
66.	1203	Copra other than of seed quality
67.	1204	Linseed, whether or not broken other than of seed quality.
68.	1205	Rape or colza seeds, whether or not broken other than of seed quality.
69.	1206	Sunflower seeds, whether or not broken other than of seed quality
70.	1207	Other oil seeds and oleaginous fruits (i.e. Palm nuts and kernels, cotton seeds, Castor oil seeds, Sesamum seeds, Mustard seeds, Safflower (<i>Carthamustinctorius</i>) seeds, Melon seeds, Poppy seeds, Ajams, Mango kernel, Niger seed, Kokam) whether or not broken, other than of seed quality
71.	1208	Flour and meals of oil seeds or oleaginous fruits, other than those of mustard
72.	1210	Hop cones, dried, whether or not ground, powdered or in the form of pellets; lupulin
73.	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purpose, frozen or dried, whether or not cut, crushed or powdered
74.	1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichoriumintybussativum</i>) of a kind used primarily for human consumption, not elsewhere specified or included
75.	1301	Natural gums, resins, gum-resins and oleoresins (for example, balsams) [other than lac and shellac]
76.	1301	Compounded asafoetida commonly known as heeng
77.	1401	Vegetable materials of a kind used primarily for plaiting (for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark)
78.	1404 [other than 1404 90 10, 1404 90 40, 1404 90 50]	Vegetable products not elsewhere specified or included such as cotton linters, Cotton linters, Soap nuts, Hard seeds, pips, hulls and nuts, of a kind used primarily for carving, coconut shell, unworked, Rudraksha seeds [other than bidi wrapper leaves (tendu), betel leaves, Indian katha]
79.	1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
80.	1508	Ground-nut oil and its fractions, whether or not refined, but not chemically modified.
81.	1509	Olive oil and its fractions, whether or not refined, but not chemically modified.
82.	1510	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
83.	1511	Palm oil and its fractions, whether or not refined, but not chemically modified.
84.	1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.
85.	1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.
86.	1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified.
87.	1515	Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.
88.	1516	Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
89.	1517	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
90.	1518	Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516
91.	1701	Beet sugar, cane sugar, khandsari sugar
92.	1702	Palmyra sugar
93.	1801	Cocoa beans whole or broken, raw or roasted
94.	1802	Cocoa shells, husks, skins and other cocoa waste
95.	1803	Cocoa paste whether or not de-fatted
96.	1901 20 00	Mixes and doughs for the preparation of bread, pastry and other baker's wares
97.	1902	Seviyan (vermicelli)
98.	1903	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms. (sabudana)
99.	1905	Pizza bread
100.	1905 40 00	Rusks, toasted bread and similar toasted products
101.	2106 90	Sweetmeats
102.	2201 90 10	Ice and snow
103.	2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves
104.	2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets
105.	2304	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soyabean oil [other than aquatic feed including shrimp feed and prawn feed, poultry

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran & de-oiled cake]
106.	2305	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil[other than aquatic feed including shrimp feed and prawn feed, poultry feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran & de-oiled cake]
107.	2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 2304 or 2305[other than aquatic feed including shrimp feed and prawn feed, poultry feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran & de-oiled cake]
108.	2307	Wine lees; argol
109.	2401	Tobacco leaves
110.	2502	Unroasted iron pyrites.
111.	2503[except 2503 00 10]	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur [other than sulphur recovered as by-product in refining of crude oil]
112.	2504	Natural graphite.
113.	2505	Natural sands of all kinds, whether or not coloured, other than metal bearing sands of Chapter 26.
114.	2506	Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.
115.	2507	Kaolin and other kaolinic clays, whether or not calcined.
116.	2508	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths.
117.	2509	Chalk.
118.	2510	Natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk.
119.	2511	Natural barium sulphate (barytes); natural barium carbonate (witherite), whether or not calcined, other than barium oxide of heading 2816.
120.	2512	Siliceous fossil meals (for example, kieselguhr, tripolite and diatomite) and similar siliceous earths, whether or not calcined, of an apparent specific gravity of 1 or less.
121.	2513	Pumice stone; emery; natural corundum, natural garnet and other natural abrasives, whether or not heat-treated.
122.	2514	Slate, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.
123.	2515	Ecaussine and other calcareous monumental or building stone;

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
	[Except 2515 12 10, 2515 12 20, 2515 12 90]	alabaster [other than marble and travertine]
124.	2516 [Except 2516 11 00, 2516 12 00]	Porphyry, basalt, sandstone and other monumental or building stone, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.
125.	2516 11 00	Granite crude or roughly trimmed
126.	2517	Pebbles, gravel, broken or crushed stone, of a kind commonly used for concrete aggregates, for road metalling or for railway or other ballast, shingle and flint, whether or not heat-treated; macadam of slag, dross or similar industrial waste, whether or not incorporating the materials cited in the first part of the heading; tarred macadam; granules cheeping and powder of stones heading 2515 or 2516 whether or not heat treated.
127.	2518	Dolomite, whether or not calcined or sintered, including dolomite roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; dolomite ramming mix. 2518 10 dolomite. Not calcined or sintered
128.	2519	Natural magnesium carbonate (magnesite); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure.
129.	2520	Gypsum; anhydrite; plasters (consisting of calcined gypsum or calcium sulphate) whether or not coloured, with or without small quantities of accelerators or retarders.
130.	2521	Limestone flux; limestone and other calcareous stone, of a kind used for the manufacture of lime or cement.
131.	2522	Quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide of heading 2825.
132.	2524	Asbestos
133.	2525	Mica, including splitting; mica waste.
134.	2526	Natural steatite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; talc.
135.	2528	Natural borates and concentrates thereof (whether or not calcined), but not including borates separated from natural brine; natural boric acid containing not more than 85% of H_3BO_3
136.	2529	Feldspar; leucite, nepheline and nepheline syenite; ^{fluorapatite} fluorapatite.
137.	2530	Mineral substances not elsewhere specified or included.
138.	26 [other than 2619, 2620,	All ores and concentrates [other than slag, dross (other than granulated slag), scalings and other waste from the manufacture of

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
	2621]	iron or steel; slag, ash and residues (other than from the manufacture of iron or steel) containing metals, arsenic or their compounds; other slag and ash, including seaweed ash (kelp); ash and residues from the incineration of municipal waste]
139.	2601	Iron ores and concentrates, including roasted iron pyrites
140.	2602	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.
141.	2603	Copper ores and concentrates.
142.	2604	Nickel ores and concentrates.
143.	2605	Cobalt ores and concentrates.
144.	2606	Aluminium ores and concentrates.
145.	2607	Lead ores and concentrates.
146.	2608	Zinc ores and concentrates.
147.	2609	Tin ores and concentrates.
148.	2610	Chromium ores and concentrates.
149.	2611	Tungsten ores and concentrates.
150.	2612	Uranium or thorium ores and concentrates.
151.	2613	Molybdenum ores and concentrates.
152.	2614	Titanium ores and concentrates.
153.	2615	Niobium, tantalum, vanadium or zirconium ores and concentrates.
154.	2616	Precious metal ores and concentrates.
155.	2617	Other ores and concentrates
156.	2618	Granulated slag (slag sand) from the manufacture of iron or steel
157.	27	Bio-gas
158.	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
159.	2702	Lignite, whether or not agglomerated, excluding jet
160.	2703	Peat (including peat litter), whether or not agglomerated
161.	2704	Coke and semi coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon
162.	2705	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
163.	2706	Tar distilled from coal, from lignite or from peat
164.	2710	Kerosene PDS
165.	2711 12 00, 2711 13 00, 2710 19 00	Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to non-domestic exempted category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan petroleum Corporation Limited or Bharat Petroleum Corporation Limited.
166.	28	Thorium oxalate
167.	28	Enriched KBF ₄ (enriched potassium fluoborate)
168.	28	Enriched elemental boron

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
169.	28	Nuclear fuel
170.	2805 11	Nuclear grade sodium
171.	2845	Heavy water and other nuclear fuels
172.	2853	Compressed air
173.	30	Insulin
174.	3002, 3006	Animal or Human Blood Vaccines
175.	30	Diagnostic kits for detection of all types of hepatitis
176.	30	Desferrioxamine injection or deferiprone
177.	30	Cyclosporin
178.	30	Medicaments (including veterinary medicaments) used in bio-chemic systems and not bearing a brand name
179.	30	Oral re-hydration salts
180.	30	Drugs or medicines including their salts and esters and diagnostic test kits, specified in List 1 appended to this Schedule
181.	30	Formulations manufactured from the bulk drugs specified in List 2 appended to this Schedule
182.	3101	All goods i.e. animal or vegetable fertilisers or organic fertilisers put up in unit containers and bearing a brand name
183.	32	Wattle extract, quebracho extract, chestnut extract
184.	3202	Enzymatic preparations for pre-tanning
185.	3307 41 00	Agarbatti
186.	3402	Sulphonated castor oil, fish oil or sperm oil
187.	3605 00 10	Handmade safety matches Explanation.- For the purposes of this entry, handmade matches mean 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
188.	4001	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip
189.	4016	Toy balloons made of natural rubber latex
190.	4011, 4013	Pneumatic tyres or inner tubes, of rubber, of a kind used on / in bicycles, cycle -rickshaws and three wheeled powered cycle rickshaws
191.	4016	Erasers
192.	4101	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split
193.	4102	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split
194.	4103	Other raw hides and skins (fresh, or salted, dried, lined, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split
195.	4104	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared
196.	4105	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared
197.	4106	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared
198.	4401	Wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
199.	4801	Newsprint, in rolls or sheets
200.	4823	Kites
201.	4901	Brochures, leaflets and similar printed matter, whether or not in single sheets
202.	5004 to 5006	Silk yarn
203.	5007	Woven fabrics of silk or of silk waste
204.	5104	Garneted stock of wool or of fine or coarse animal hair, shoddy wool
205.	5105	Wool and fine or coarse animal hair, carded or combed
206.	5106 to 5110	Yarn of wool or of animal hair
207.	5111 to 5113	Woven fabrics of wool or of animal hair
208.	5201 to 5203	Cotton and Cotton waste
209.	5204	Cotton sewing thread, whether or not put up for retail sale
210.	5205 to 5207	Cotton yarn [other than khadi yarn]
211.	5208 to 5212	Woven fabrics of cotton
212.	5301	All goods i.e. flax, raw or processed but not spun; flax tow and waste (including yarn waste and garneted stock)
213.	5302	True hemp (<i>Cannabis sativa</i> L.), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garneted stock)
214.	5303	All goods i.e. textile bast fibres [other than jute fibres, raw or processed but not spun]; tow and waste of these fibres (including yarn waste and garneted stock)
215.	5305 to 5308	All goods [other than coconut coir fibre] including yarn of flax, jute, other textile bast fibres, other vegetable textile fibres; paper yarn
216.	5309 to 5311	Woven fabrics of other vegetable textile fibres, paper yarn
217.	5407, 5408	Woven fabrics of manmade textile materials
218.	5512 to 5516	Woven fabrics of manmade staple fibres
219.	5705	Coir mats, matting and floor covering
220.	5809, 5810	Embroidery or zari articles, that is to say, - imi, zari, kasab, saima,

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		dabka, chunki, gotasitara, naqsi, kora, glass beads, badla, glzal
221.	60	Knitted or crocheted fabrics [All goods]
222.	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs. 1000 per piece
223.	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs. 1000 per piece
224.	63	Other made up textile articles, sets, worn clothing and worn textile articles and rags, of sale value not exceeding Rs. 1000 per piece
225.	64	Footwear having a retail sale price not exceeding Rs.500 per pair, provided that such retail sale price is indelibly marked or embossed on the footwear itself.
226.	6901 00 10	Bricks of fossil meals or similar siliceous earths
227.	6904 10 00	Building bricks
228.	6905 10 00	Earthen or roofing tiles
229.	7018	Glass beads.
230.	84	Pawan Chakki that is Air Based Atta Chakki
231.	8413, 8413 91	Hand pumps and parts thereof
232.	8419 19	Solar water heater and system
233.	8437	Machines for cleaning, sorting or grading, seed, grain or dried leguminous vegetables; machinery used in milling industry or for the working of cereals or dried leguminous vegetables other than farm type machinery and parts thereof
234.	84 or 85	Following renewable energy devices & parts for their manufacture (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Solar lantern / solar lamp (g) Ocean waves/tidal waves energy devices/plants
235.	8601	Rail locomotives powered from an external source of electricity or by electric accumulators
236.	8602	Other rail locomotives; locomotive tenders; such as Diesel-electric locomotives, Steam locomotives and tenders thereof
237.	8603	Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604
238.	8604	Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, trackliners, testing coaches and track inspection vehicles)
239.	8605	Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604)
240.	8606	Railway or tramway goods vans and wagons, not self-propelled

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
241.	8607	Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies, axles and wheels, and parts thereof
242.	8608	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing
243.	8713	Carriages for disabled persons, whether or not motorised or otherwise mechanically propelled
244.	8802	Other aircraft (for example, helicopters, aeroplanes), other than those for personal use.
245.	8803	Parts of goods of heading 8802
246.	8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods
247.	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products
248.	8904	Tugs and pusher craft
249.	8905	Light-vessels, fire-floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms
250.	8906	Other vessels, including warships and lifeboats other than rowing boats
251.	8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons)
252.	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907
253.	90	Coronary stents and coronary stent systems for use with cardiac catheters
254.	90 or any other Chapter	Artificial kidney
255.	90 or 84	Disposable sterilized dialyzer or micro barrier of artificial kidney
256.	90 or any other Chapter	Parts of the following goods, namely:- (i) Crutches; (ii) Wheel chairs; (iii) Walking frames; (iv) Tricycles; (v) Brailers; and (vi) Artificial limbs
257.	90 or any other Chapter	Assistive devices, rehabilitation aids and other goods for disabled, specified in List 3 appended to this Schedule
258.	9405 50 31	Kerosene pressure lantern
259.	9405 91 00, 9405 92 00 or 9405 99 00	Parts of kerosene pressure lanterns including gas mantles
260.	9603 10 00	Broomsticks

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
261.	9704	Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper), and the like, used or unused, other than those of heading 4907
262.	9705	Numismatic coins
263.	9804	Drugs or medicines including their salts and esters and diagnostic test kits specified at S.No.180 above and Formulations specified at S.No.181 above, intended for personal use.

List 1 [See S.No.180 of the Schedule I]

- (1) Amikacin
- (2) Amphotericin-B
- (3) Amrinone
- (4) Aprotinin
- (5) Baclofen
- (6) Bleomycin
- (7) Busulphan
- (8) BCG vaccine, Iopromide, Iotrolan
- (9) Chlorambucil
- (10) Chorionic Gonadotrophin
- (11) Clindamycin
- (12) Cyclophosphamide
- (13) Dactinomycin
- (14) Daunorubicin
- (15) Desferrioxamine
- (16) Dimercaprol
- (17) Disopyramide phosphate
- (18) Dopamine
- (19) Eptifibatide
- (20) Glucagon
- (21) Hydroxyurea
- (22) Isoprenaline
- (23) Isoflurane
- (24) Lactulose
- (25) Lomustine
- (26) Latanoprost
- (27) Melphalan
- (28) Mesna
- (29) Methotrexate
- (30) MMR (Measles, mumps and rubella) vaccine
- (31) Mustin Hydrochloride
- (32) Pancuronium Bromide
- (33) Praziquantel
- (34) Protamine
- (35) Quinidine

- (36) Sodium Cromoglycate spin caps and cartridges
- (37) Sodium Hyaluronate sterile 1% and 1.4% solution
- (38) Somatostatin
- (39) Strontium Chloride (85Sr.)
- (40) Thioguanine
- (41) Tobramycin
- (42) Tetanus immunoglobulin
- (43) Typhoid Vaccines:
 - (a) VI Antigen of Salmonella Typhi, and
 - (b) Ty2la cells and attenuated non-pathogenic strains of S. Typhi
- (44) Tretinoin
- (45) Tribavirin / Ribavirin
- (46) Urokinase
- (47) Ursodeoxycholic Acid
- (48) Vancomycin
- (49) Vasopressin
- (50) Vecuronium Bromide
- (51) Zidovudine
- (52) 5-Fluorouracil
- (53) Pegulated Liposomal Doxorubicin Hydrochloride injection
- (54) Ketoanalogue preparation of essential amino acids
- (55) Pergolide
- (56) Kit for bedside assay of Troponin-T
- (57) Solution for storing, transporting, flushing donor organs for transplant
- (58) Mifepristone
- (59) Milrinone Lactate
- (60) Methoxy Isobutyl Isonitrile (MIBI)
- (61) Haemophilus Influenzae Type b Vaccine
- (62) Mycophenolate Sodium
- (63) Verteporfin
- (64) Daclizumab
- (65) Ganciclovir
- (66) Drotrecogin alpha (activated)
- (67) Eptacogin alpha activated recombinant coagulation factor VIIa
- (68) Muromonab CD3
- (69) Japanese encephalitis vaccine
- (70) Valganciclovir
- (71) Low molecular weight heparin
- (72) Efavirenz
- (73) Emtricitabine;
- (74) Azathioprine;
- (75) Antinomycin D;
- (76) Cytosine Arabinoside (Cytarabine);
- (77) Vinblastine Sulphate
- (78) Vincristine;
- (79) Eurocollins Solution;
- (80) Everolimus tablets/dispersible tablets;
- (81) Poractant alfa
- (82) Troponin-I whole blood test kit;
- (83) Blower/mister kit for beating heart surgery;

- (84) Fluoro Enzyme Immunoassay Diagnostic kits
- (85) Tablet Tefbivudine
- (86) Injection Exenatide
- (87) DTaP-IPV-Hibor PRP-T combined Vaccine
- (88) Pneumococcal-7 Valent Conjugate Vaccine(Diphtheria CRM197 Protein)
- (89) Injection Thyrotropin Alfa
- (90) Injection Omalizumab.
- (91) Abatacept
- (92) Daptomycin
- (93) Entacevir
- (94) Fondaparinux Sodium
- (95) Influenza Vaccine
- (96) Ixabepilone
- (97) Lapatinib
- (98) Pegaptanib Sodium injection
- (99) Sunitinib Malate
- (100) Tocilizumab
- (101) Agalsidase Beta
- (102) Anidulafungin
- (103) Caspofungin acetate
- (104) Desflurane USP
- (105) Hemostatic Matrix with Gelatin and human Thrombin
- (106) Imiglucerase
- (107) Maraviroc
- (108) Radiographic contrast media (Sodium and Meglumine ioxitalamate, Iobitridol and Sodium and meglumine ioxaglate)
- (109) Sorafenib tosylate
- (110) Varenciline tartrate
- (111) 90 Yttrium
- (112) Nilotinib
- (113) Pneumococcal acchride Conjugate vaccine adsorbed 13-valent suspension for injection
- (114) Micafungin sodium for injection
- (115) Bevacizumab
- (116) Raltegravir potassium
- (117) Rotavirus Vaccine (Live Oral Pentavalent)
- (118) Pneumococcal Polysaccharide Vaccine
- (119) Temsirolimus Concentrate for infusion for injection
- (120) Natalizumab
- (121) Octreoside
- (122) Somatropin
- (123) Aurothiomalate Sodium
- (124) Asperaginase
- (125) Agglutinating Sera
- (126) Anti-Diphtheria Normal Human Immunoglobulin
- (127) Anti-human lymphocyte immunoglobulin IV
- (128) Anti-human thymocyte immunoglobulin IV
- (129) Anti-Pertussis Normal Human Immunoglobulin
- (130) Anti-Plague serum
- (131) Anti-Pseudomonas Normal Human Immunoglobulin

- (132) Basiliximab
- (133) Beractant Intra-tracheal Suspension
- (134) Blood group sera
- (135) Botulinum Toxin Type A
- (136) Burn therapy dressing soaked in gel
- (137) Bovine Thrombin for invitro test for diagnosis in Haemorrhagic disorders
- (138) Bovine Albumin
- (139) Bretyleum Tossylate
- (140) Calcium Disodium Edetate
- (141) Camustine
- (142) Cesium Tubes
- (143) Calcium folinate
- (144) Cholestyramine
- (145) Christmas Factor Concentrate (Coagulation factor IX prothrombin complex concentrate).
- (146) Cobalt-60
- (147) Corticotrophin
- (148) Cyanamide
- (149) Diagnostic Agent for Detection of Hepatitis B Antigen
- (150) Diagnostic kits for detection of HIV antibodies
- (151) Diphtheria Antitoxin sera
- (152) Diazoxide
- (153) Edrophonium
- (154) Enzyme linked Immunoabsorbent Assay kits [ELISA KITS]
- (155) Epirubicin
- (156) Fibrinogen
- (157) Floxuridine
- (158) Flucytosin
- (159) Flecainide
- (160) Fludarabine Phosphate
- (161) Foetal Bovine Serum (FBS)
- (162) Gadolinium DTPA Dimeglumine
- (163) Gallium Citrate
- (164) Gasgangrene Anti-Toxin Serum
- (165) Goserlin Acetate
- (166) Hepatitis B Immunoglobulin
- (167) Hexamethylmelamine
- (168) Hydralazine
- (169) Idarubicine
- (170) Idoxuridine
- (171) Immuno-assay kit for blood Fibrinogen degradation product for direct estimation for diagnostic test in D.I.C.
- (172) Inactivated rabies vaccine [Human diploid cell]
- (173) Inactivated rabies vaccine [Vero-cell]
- (174) Intravenous amino acids
- (175) Intravenous Fat Emulsion
- (176) Iopamidol
- (177) Iohexol
- (a) Indium(III) imbleomycin
- (b) Indium 113 Sterile generator and elution accessories

- (c) Indium 113 in brain scanning kit
- (d) Indium 113 in liver scanning kit
- (178) Iscador, CLIA diagnostic kits
- (179) Levodopa with benserazine
- (180) Lenograstin
- (181) Meningococcal A and C combined vaccine with diluant solvent
- (182) Methicillin
- (183) Metrizamide Inj with diluant
- (184) Monocomponent insulins
- (185) Mycophenolate Mofetil
- (186) Normal Human plasma
- (187) Normal Human immunoglobulin
- (188) Nuclear magnetic resonance contrast agent
- (189) Normal Human serum Albumin
- (190) Penicillamine
- (191) Pentamidine
- (192) Penicillinase
- (193) Poliomyelitis vaccine (inactivated and live)
- (194) Potassium Aminobenzoate
- (195) Porcine Insulin Zinc Suspension
- (196) Prednimustine
- (197) Porcine and Bovine insulin
- (198) Purified Chick Embryo Cell Rabies Vaccine
- (199) Pyridostigmine
- (200) Pneumocystis carinii F kits
- (201) Prostaglandin E1 (PGE1)
- (202) Radio-immunoassay kit for hormones (T3, T4, TSH Insulin, Glucogen, Growth Hormone, Cortisol, L. H., FSH and Digoxin)
- (203) Radioisotope Tl 201
 - (a) Rabbit brains thromboplastin for PT test
 - (b) Reagent for PT tests
 - (c) Human Thrombin for TT tests
- (204) Rabies immune globulin of equine origin
- (205) Sevoflurane
- (206) Recurionium Bromide
- (207) Septopal beads and chains
- (208) Sodium Arsenate
- (209) Freeze Dried Form of Human Follicle Stimulating and Luteinising Hormones
- (210) Solution of Nucleotides and Nucleosides
- (211) Specific Desensitizing Vaccine
- (212) Sterile Absorbable Haemostat for control of surgical vessel bleeding
- (213) Strontium SR-89 Chloride
- (214) Suxamethonium Chloride
- (215) Selenium-75
- (216) Teicoplanin
- (217) Tetrafosmin
- (218) Ticarcillin
- (219) Tranexamic Acid
- (220) Tocainide
- (221) Tri-iodothyronine

- (222) Triethylene Tetramine
- (223) Thrombokinas
- (224) Teniposide
- (225) Trans-1-diamino cyclohexane Oxalatoplatinum
- (226) Ticarcillin Disodium and Potassium Clavulanate combination
- (227) Vindesin Sulphate
- (228) X-ray diagnostic agents, the following:-
 - (a) Propylidone
 - (b) Ethyliodophenylundecylate
 - (c) Iodipamide methyl glucamine
 - (d) Lipidollutra fluid
 - (e) Patentblue
 - (f) Zalcitabine
- (229) Zoledronic Acid
- (230) Anti-Haemophilic Factors Concentrate (VIII and IX)

List 2 [See S.No.181 of the Schedule I]

- (1) Streptomycin
- (2) Isoniazid
- (3) Thiacectazone
- (4) Ethambutol
- (5) Sodium PAS
- (6) Pyrazinamide
- (7) Dapsone
- (8) Clo- fazamine
- (9) Tetracycline Hydrochloride
- (10) Pilocarpine
- (11) Hydrocortisone
- (12) Idoxuridine
- (13) Acetazolamide
- (14) Atro- pine
- (15) Homatropn
- (16) Chloroquine
- (17) Amodiaquine
- (18) Quinine
- (19) Pyrimethamine
- (20) Sulfametho pyrezine
- (21) Diethyl Carbamazine
- (22) Arteether or formulation of artemisinin.

List 3 [See S.No.257 of the Schedule I]

- (A) (1) Braille writers and braille writing instruments
- (2) Hand writing equipment Braille Frames, Slates, Writing Guides, Script Writing Guides, Styli, Braille Erasers
- (3) Canes, Electronic aids like the Sonic Guide
- (4) Optical, Environmental Sensors
- (5) Arithmetic aids like the Taylor Frame (arithmetic and algebra types), Cubarythm, Speaking or Braille calculator

- (6) Geometrical aids like combined Graph and Mathematical Demonstration Board, Braille Protractors, Scales, Com- passes and Spar Wheels
- (7) Electronic measuring equipment, such as calipers, micrometers, comparators, gauges, gauge blocks Levels, Rules, Rulers and Yardsticks
- (8) Drafting, Drawing aids, tactile displays
- (9) Specially adapted clocks and watches
- (B) (1) Orthopaedic appliances falling under heading No. 90.21 of the First Schedule
- (2) Wheel chairs falling under heading No. 87.13 of the First Schedule
- (C) Artificial electronic larynx and spares thereof
- (D) Artificial electronic ear (Cochlear implant)
- (E) (1) Talking books (in the form of cassettes, discs or other sound reproductions), and large-print books, braille embossers, talking calculators, talking thermometers
- (2) Equipment for the mechanical or the computerized production of braille and recorded material such as braille computer terminals and displays, electronic braille, transfer and pressing machines and stereo typing machines
- (3) Braille paper
- (4) All tangible appliances including articles, instruments, apparatus, specially designed for use by the blind
- (5) Aids for improving mobility of the blind such as electronic orientation and obstacle detectbn appliance and white canes
- (6) Technical aids for education, rehabilitation, vocational training and employment of the blind such as Braille typewriters, braille watches, teaching and learning aids, games and other instruments and vocational aids specifically adapted for use of the blind
- (7) Assistive listening devices, audiometers
- (8) External catheters, special jelly cushions to prevent bed sores, stair lift, urino collection bags
- (9) Instruments and implants for severely physically handicapped patients and joints replacement and spinal instru- ments and implants including bone cement.

Schedule II - 12%

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
1.	01012100, 010129	Live horses
2.	0202	Meat of bovine animals, frozen and put up in unit containers
3.	0203	Meat of swine, frozen and put up in unit containers
4.	0204	Meat of sheep or goats, frozen and put up in unit containers
5.	0205	Meat of horses, asses, mules or hinnies, frozen and put up in unit containers
6.	0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, frozen and put up in unit containers
7.	0207	Meat and edible offal, of the poultry of heading 0105, frozen and put up in unit containers

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
8.	0208	Other meat and edible meat offal, frozen and put up in unit containers
9.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, frozen and put up in unit containers
10.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, salted, in brine, dried or smoked, put up in unit containers
11.	0210	Meat and edible meat offal, salted, in brine, dried or smoked put up in unit containers; edible flours and meals of meat or meat offal put up in unit containers
12.	0405	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads
13.	0406	Cheese
14.	0801	Brazil nuts, dried, whether or not shelled or peeled
15.	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (<i>Corylus</i> spp.), walnuts, Chestnuts (<i>Castanea</i> spp.), Pistachios, Macadamia nuts, Kola nuts (<i>Cola</i> spp.) [other than dried areca nuts]
16.	0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, dried
17.	0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of Chapter 8
18.	1108	Starches; inulin
19.	1501	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503
20.	1502	Fats of bovine animals, sheep or goats, other than those of heading 1503
21.	1503	Lard stearin, lard oil, oleo stearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared
22.	1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified
23.	1505	Wool grease and fatty substances derived therefrom (including lanolin)
24.	1506	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified
25.	1516	Animal fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
26.	1517	Edible mixtures or preparations of animal fats or animal oils or of fractions of different animal fats or animal oils of this Chapter, other than edible fats or oils or their fractions of heading 1516
27.	1518	Animal fats and animal oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified or included

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
28.	1601	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products
29.	1602	Other prepared or preserved meat, meat offal or blood
30.	1603	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates
31.	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
32.	1605	Crustaceans, molluscs and other aquatic invertebrates prepared or preserved
33.	2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid
34.	2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid
35.	2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid
36.	2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006
37.	2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006
38.	2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)
39.	2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter
40.	2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included; such as Ground-nuts, Cashew nut, roasted, salted or roasted and salted, Other roasted nuts and seeds, squash of Mango, Lemon, Orange, Pineapple or other fruits
41.	2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.
42.	2101 30	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof
43.	2102	Yeasts and prepared baking powders
44.	2103 [other than 2103 90 10, 2103 90 30, 2103 90 40]	Sauces and preparations therefor [other than Curry paste; mayonnaise and salad dressings; mixed condiments and mixed seasoning
45.	2106	Texturised vegetable proteins (soya bari) and Bari made of pulses including mungodi
46.	2106 90	Namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
47.	2202 90 10	Soya milk drinks
48.	2202 90 20	Fruit pulp or fruit juice based drinks
49.	2202 90 90	Tender coconut water put up in unit container and bearing a registered brand name
50.	2202 90 30	Beverages containing milk
51.	2515 12 10	Marble and travertine blocks
52.	2516	Granite blocks
53.	28	Anaesthetics
54.	28	Potassium Iodate
55.	28	Steam
56.	28	Micronutrients, which are covered under serial number 1(f) of Schedule 1, Part (A) of the Fertilizer Control Order, 1985 and are manufactured by the manufacturers which are registered under the Fertilizer Control Order, 1985
57.	2801 20	Iodine
58.	2847	Medicinal grade hydrogen peroxide
59.	29	Gibberellic acid
60.	3001	Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included
61.	3002	Animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; toxins, cultures of micro-organisms (excluding yeasts) and similar products
62.	3003	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale, including Ayurvedic, Unani, Siddha, homoeopathic or Bio-chemic systems medicaments
63.	3004	Medicaments (excluding goods of heading 30.02, 30.03 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale, including Ayurvedic, Unani, homoeopathic siddha or Bio-chemic systems medicaments, put up for retail sale
64.	3005	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes
65.	3006	Pharmaceutical goods specified in Note 4 to this Chapter [i.e. Sterile surgical catgut, similar sterile suture materials (including sterile

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		animals, without hair on, whether or not split, other than leather of heading 4114
87.	4112	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 4114
88.	4113	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 4114
89.	4114	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather
90.	4115	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour
91.	4203	Gloves specially designed for use in sports
92.	44 or any Chapter	The following goods, namely: — a. Cement Bonded Particle Board; b. Jute Particle Board; c. Rice Husk Board; d. Glass-fibre Reinforced Gypsum Board (GRG) e. Sisal-fibre Boards; f. Bagasse Board; and g. Cotton Stalk Particle Board h. Particle/fibre board manufactured from agricultural crop residues
93.	4404	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like
94.	4405	Wood wool; wood flour
95.	4406	Railway or tramway sleepers (cross-ties) of wood
96.	4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm [for match splints]
97.	4415	Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood
98.	4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves
99.	4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood
100.	4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or denatal adhesion barriers, whether or not absorbable; Waste pharmaceuticals] [other than contraceptives]
66.	3102	Mineral or chemical fertilisers, nitrogenous, other than those which are clearly not to be used as fertilizers
67.	3103	Mineral or chemical fertilisers, phosphatic, other than those which are clearly not to be used as fertilizers
68.	3104	Mineral or chemical fertilisers, potassic, other than those which are clearly not to be used as fertilizers
69.	3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg, other than those which are clearly not to be used as fertilizers
70.	3215	Fountain pen ink
71.	3215	Ball pen ink
72.	3306 10 10	Tooth powder
73.	3307 41 00	Odoriferous preparations which operate by burning [other than agarbattis]
74.	29, 30, 3302	Following goods namely:- a. Menthol and menthol crystals, b. Peppermint (Mentha Oil), c. Fractionated / de-terpenated mentha oil (DTMO), d. De-mentholised oil (DMO), e. Spearmint oil, f. Mentha piperita oil
75.	3406	Candles, tapers and the like
76.	3701	Photographic plates and film for x-ray for medical use
77.	3705	Photographic plates and films, exposed and developed, other than cinematographic film
78.	3706	Photographic plates and films, exposed and developed, whether or not incorporating sound track or consisting only of sound track, other than feature films.
79.	3818	Silicon wafers
80.	3822	All diagnostic kits and reagents
81.	3926	Feeding bottles
82.	3926	Plastic beads
83.	4007	Latex Rubber Thread
84.	4014	Nipples of feeding bottles
85.	4015	Surgical rubber gloves or medical examination rubber gloves
86.	4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94
101.	4421	Other articles of wood; such as clothes hangers, Spools, cops, bobbins, sewing thread reels and the like of turned wood for various textile machinery, Match splints, Pencil slats, Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures, Parts of domestic decorative articles used as tableware and kitchenware [other than Wood paving blocks, articles of densified wood not elsewhere included or specified, Parts of domestic decorative articles used as tableware and kitchenware]
102.	4501	Natural cork, raw or simply prepared
103.	4601	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 vegetable materials such as of Bamboo, of rattan, of Other Vegetable materials
104.	4602	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah
105.	4701	Mechanical wood pulp
106.	4702	Chemical wood pulp, dissolving grades
107.	4703	Chemical wood pulp, soda or sulphate, other than dissolving grades
108.	4704	Chemical wood pulp, sulphite, other than dissolving grades
109.	4705	Wood pulp obtained by a combination of mechanical and chemical pulping processes
110.	4706	Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material
111.	4707	Recovered (waste and scrap) paper or paperboard
112.	4802	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and non perforated punch-cards and punch tape paper, in rolls or rectangular (including square) sheets, of any size, other than paper of heading 4801 or 4803; hand-made paper and paperboard
113.	4804	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 4802 or 4803
114.	4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter
115.	4806 20 00	Greaseproof papers
116.	4806 40 10	Glassine papers
117.	4807	Composite paper and paperboard (made by sticking flat layers of paper or paperboard together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets
118.	4808	Paper and paperboard, corrugated (with or without glued flat surface

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 4803
119.	4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets of any size
120.	4811	Aseptic packaging paper
121.	4817 30	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery
122.	4819	Cartons, boxes and cases of corrugated paper or paper board
123.	4820	Exercise book, graph book, & laboratory note book and notebooks
124.	4823	Paper pulp moulded trays
125.	48	Paper splints for matches, whether or not waxed, Asphaltic roofing sheets
126.	4904 00 00	Music, printed or in manuscript, whether or not bound or illustrated
127.	4906 00 00	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing
128.	4907	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title
129.	4908	Transfers (decalcomanias)
130.	4909	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings
131.	4910	Calendars of any kind, printed, including calendar blocks
132.	4911	Other printed matter, including printed pictures and photographs; such as Trade advertising material, Commercial catalogues and the like, printed Posters, Commercial catalogues, Printed inlay cards, Pictures, designs and photographs, Plan and drawings for architectural engineering, industrial, commercial, topographical or similar purposes reproduced with the aid of computer or any other devices
133.	5601	Wadding of textile materials and articles thereof; such as Absorbent cotton wool
134.	5602	Felt, whether or not impregnated, coated, covered or laminated
135.	5603	Nonwovens, whether or not impregnated, coated, covered or laminated
136.	5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics
137.	5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal; such as Real zari thread

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		(gold) and silver thread, combined with textile thread), imitation zari thread
138.	5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn
139.	5607	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics
140.	5608	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials
141.	5609	Articles of yarn, strip or the like of heading 5404 or 5405, twine, cordage, rope or cables, not elsewhere specified or included
142.	5701	Carpets and other textile floor coverings, knotted, whether or not made up
143.	5702	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs
144.	5703	Carpets and other textile floor coverings, tufted, whether or not made up
145.	5704	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up
146.	5705	Other carpets and other textile floor coverings, whether or not made up; such as Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom
147.	5801	Woven pile fabrics and chenille fabrics, other than fabrics of heading 5802 or 5806
148.	5802	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 5806; tufted textile fabrics, other than products of heading 5703
149.	5803	Gauze, other than narrow fabrics of heading 5806
150.	5804	Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 6002 to 6006
151.	5805	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up
152.	5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)
153.	5807	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered
154.	5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
155.	5809	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 5605, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included; such as Zari borders [other than Embroidery or zari articles, that is to say, - imi, zari, kasab, saina, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]
156.	5810	Embroidery in the piece, in strips or in motifs, Embroidered badges, motifs and the like [other than Embroidery or zari articles, that is to say, - imi, zari, kasab, saina, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]
157.	5811	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810
158.	5901	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations
159.	5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon
160.	5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902
161.	5904	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape
162.	5905	Textile wall coverings
163.	5906	Rubberised textile fabrics, other than those of heading 5902
164.	5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like
165.	5908	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated
166.	5909	Textile hose piping and similar textile tubing, with or without lining, armour or accessories of other materials
167.	5910	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material
168.	5911	Textile products and articles, for technical uses, specified in Note 7 to this Chapter; such as Textile fabrics, felt and felt-lined woven fabrics, coated, covered or laminated with rubber, leather or other material, of a kind used for card clothing, and similar fabrics of a kind used for other technical purposes, including narrow fabrics made of velvet impregnated with rubber, for covering weaving spindles (weaving beams); Bolting cloth, whether or Not made up; Felt for cotton textile industries, woven; Woven textiles felt, whether or not impregnated or

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		coated, of a kind commonly used in other machines, Cotton fabrics and articles used in machinery and plant, Jute fabrics and articles used in machinery or plant, Textile fabrics of metalised yarn of a kind commonly used in paper making or other machinery, Straining cloth of a kind used in oil presses or the like, including that of human hair, Paper maker's felt, woven, Gaskets, washers, polishing discs and other machinery parts of textile articles
169.	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value exceeding Rs. 1000 per piece
170.	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value exceeding Rs. 1000 per piece
171.	63	Other made up textile articles, sets, worn clothing and worn textile articles and rags, of sale value exceeding Rs. 1000 per piece
172.	6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)
173.	6602	Walking-sticks, seat-sticks, whips, riding-crops and the like
174.	6603	Parts, trimmings and accessories of articles of heading 6601 or 6602
175.	6701	Skins and other parts of birds with their feathers or down, feathers, parts of feathers, down and articles thereof (other than goods of heading 0505 and worked quills and scapes)
176.	68	Sand lime bricks
177.	6815	Fly ash bricks and fly ash blocks
178.	7015 10	Glasses for corrective spectacles and flint buttons
179.	7020	Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns
180.	7310 or 7326	Mathematical boxes, geometry boxes and colour boxes, pencil sharpeners
181.	7317	Animal shoe nails
182.	7319	Sewing needles
183.	7321	Kerosene burners, kerosene stoves and wood burning stoves of iron or steel
184.	7323	Table, kitchen or other household articles of iron & steel; Utensils
185.	7418	Table, kitchen or other household articles of copper; Utensils
186.	7615	Table, kitchen or other household articles of aluminium; Utensils
187.	8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 8208, and blades therefor
188.	8214	Paper knives, Pencil sharpeners and blades therefor
189.	8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware
190.	8401	Fuel elements (cartridges), non-irradiated, for nuclear reactors
191.	8408	Fixed Speed Diesel Engines of power not exceeding 15HP
192.	8413	Power driven pumps primarily designed for handling water, namely, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
193.	8414 20 10	Bicycle pumps
194.	8414 20 20	Other hand pumps
195.	8414 90 12	Parts of air or vacuum pumps and compressors of bicycle pumps
196.	8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers
197.	8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading 8437
198.	8434	Milking machines and dairy machinery
199.	8436	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders
200.	8452	Sewing machines
201.	8479	Composting Machines
202.	8517	Telephones for cellular networks or for other wireless networks
203.	85	Parts for manufacture of Telephones for cellular networks or for other wireless networks
204.	8525 60	Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc.
205.	8539	LED lamps
206.	87	Electrically operated vehicles, including two and three wheeled electric motor vehicles
207.	8701	Tractors (except road tractors for semi-trailers of engine capacity more than 1800 cc)
208.	8712	Bicycles and other cycles (including delivery tricycles), not motorised
209.	8714	Parts and accessories of bicycles and other cycles (including delivery tricycles), not motorised, of 8712
210.	8716 20 00	Self-loading or self-unloading trailers for agricultural purposes
211.	8716 80	Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles
212.	90 or any other Chapter	Blood glucose monitoring system (Glucometer) and test strips
213.	90 or any other Chapter	Patent Ductus Arteriosus / Atrial Septal Defect occlusion device
214.	9001	Contact lenses; Spectacle lenses
215.	9002	Intraocular lens
216.	9004	Spectacles, corrective
217.	9017 20	Drawing and marking out instruments; Mathematical calculating instruments; pantographs; Other drawing or marking out instruments
218.	9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments
219.	9019	Mechano-therapy appliances; massage apparatus; psychological

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
220.	9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
221.	9021	Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body
222.	9022	Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examinations or treatment tables, chairs and the light
223.	9404	Coir products [except coir mattresses]
224.	9404	Products wholly made of quilted textile materials
225.	9405, 9405-50 31	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof
226.	9405	LED lights or fixtures including LED lamps
227.	9405	LED (light emitting diode) driver and MCPCB (Metal Core Printed Circuit Board)
228.	9503	Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof) [other than electronic toys]
229.	9504	Playing cards, chess board, carom board and other board games, like ludo, etc. [other than Video game consoles and Machines]
230.	9506	Sports goods other than articles and equipments for general physical exercise
231.	9507	Fishing rods, fishing hooks, and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds" (other than those of heading 9208) and similar hunting or shooting requisites
232.	9608	Pens [other than Fountain pens, stylograph pens]
233.	9608, 9609	Pencils (including propelling or sliding pencils), crayons, pastels, drawing charcoals and tailor's chalk
234.	9615	Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading 8516, and parts thereof
235.	9619	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material
236.	9701	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques
237.	9702	Original engravings, prints and lithographs
238.	9703	Original sculptures and statuary, in any material
239.	9705	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic interest [other than numismatic coins]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
240.	9706	Antiques of an age exceeding one hundred years
241.	9804	Other Drugs and medicines intended for personal use
242.	-	<p>Lottery run by State Governments</p> <p><i>Explanation 1.-</i> For the purposes of this entry, value of supply of lottery under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) shall be deemed to be 100/112 of the face value of ticket or of the price as notified in the Official Gazette by the organising State, whichever is higher.</p> <p><i>Explanation 2.-</i></p> <p>(1) "Lottery run by State Governments" means a lottery not allowed to be sold in any state other than the organising state.</p> <p>(2) Organising state has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.</p>

Schedule III – 18%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	0402 91 10, 0402 99 20	Condensed milk
2.	1107	Malt, whether or not roasted
3.	1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products.
4.	1404 90 10	Bidi wrapper leaves (tendu)
5.	1404 90 50	Indian katha
6.	1517 10	All goods i.e. Margarine, Linosyn
7.	1520 00 00	Glycerol, crude; glycerol waters and glycerol lyes
8.	1521	Vegetable waxes (other than triglycerides), Beeswax, other insect waxes and spermaceti, whether or not refined or coloured
9.	1522	Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes
10.	1701 91, 1701 99	All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes
11.	1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel [other than palmyra sugar and Palmyra jaggery]
12.	1704	Sugar confectionery (excluding white chocolate and bubble / chewing gum) [other than bura, batasha]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
13.	1901	Preparations suitable for infants or young children, put up for retail sale
14.	1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared
15.	1904 [other than 1904 10 20]	All goods i.e. Corn flakes, bulgar wheat, prepared foods obtained from cereal flakes [other than Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched rice, commonly known as kholi, parched paddy or rice coated with sugar or gur, commonly known as Murki]
16.	1905 [other than 1905 32 11, 1905 90 40]	All goods i.e. Waffles and wafers other than coated with chocolate or containing chocolate; biscuits; Pastries and cakes [other than pizza bread, Waffles and wafers coated with chocolate or containing chocolate, papad, bread]
17.	2101 20	All goods i.e. Extracts, essences and concentrates of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate
18.	2103 90 10	Curry paste
19.	2103 90 30	Mayonnaise and salad dressings
20.	2103 90 40	Mixed condiments and mixed seasoning
21.	2104	Soups and broths and preparations therefor; homogenised composite food preparations
22.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa
23.	2106	All kinds of food mixes including instant food mixes, soft drink concentrates, Sharbat, Betel nut product known as "Supari", Sterilized or pasteurized millstone, ready to eat packaged food and milk containing edible nuts with sugar or other ingredients, Diabetic foods; [other than Namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form]
24.	2201	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured
25.	2207	Ethyl alcohol and other spirits, denatured, of any strength
26.	2209	Vinegar and substitutes for vinegar obtained from acetic acid
27.	2503 00 10	Sulphur recovered as by-product in refining of crude oil
28.	2619	Slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel
29.	2620	Slag, ash and residues (other than from the manufacture of iron or steel) containing metals, arsenic or their compounds
30.	2621	Other slag and ash, including seaweed ash (kelp); ash and residues from the incineration of municipal waste
31.	2707	Oils and other products of the distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents, such as Benzole (benzene), Toluole (toluene), Xylol (xylenes), Naphthelene

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
32.	2708	Pitch and pitch coke, obtained from coal tar or from other mineral tars
33.	2710	Petroleum oils and oils obtained from bituminous minerals, other than petroleum crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils; [other than Avgas and Kerosene PDS and other than petrol, Diesel and ATF, not in GST]
34.	2711	Petroleum gases and other gaseous hydrocarbons, such as Propane, Butanes, Ethylene, propylene, butylene and butadiene [Other than Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to non-domestic exempted category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan petroleum Corporation Limited or Bharat Petroleum Corporation Limited]
35.	2712	Petroleum jelly; paraffin wax, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured
36.	2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals
37.	2714	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphaltites and asphaltic rocks
38.	2715	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs)
39.	28	All inorganic chemicals [other than those specified in the Schedule for exempted goods or other Rate Schedules for goods]
40.	29	All organic chemicals other than gibberellic acid
41.	30	Nicotine polacrifex gum
42.	3102	Mineral or chemical fertilisers, nitrogenous, other than those which are clearly not to be used as fertilizers
43.	3103	Mineral or chemical fertilisers, phosphatic, which are clearly not to be used as fertilizers
44.	3104	Mineral or chemical fertilisers, potassic, which are clearly not to be used as fertilizers
45.	3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg. which are clearly not to be used as fertilizers
46.	3201	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives (other than Wattle extract, quebracho extract, chestnut extract)
47.	3202	Synthetic organic tanning substances; inorganic tanning substances;

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		tanning preparations, whether or not containing natural tanning substances (other than Enzymatic preparations for pre-tanning)
48.	3203	Colouring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on colouring matter of vegetable or animal origin
49.	3204	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined
50.	3205	Colour lakes; preparations as specified in Note 3 to this Chapter based on colour lakes
51.	3206	Other colouring matter; preparations as specified in Note 3 to this Chapter, other than those of heading 32.03, 32.04 or 32.05; inorganic products of a kind used as luminophores, whether or not chemically defined
52.	3207	Prepared pigments, prepared opacifiers, prepared colours, vitrifiable enamels, glazes, engobes (slips), liquid lustres, and other similar preparations of a kind used in ceramic, enamelling or glass industry
53.	3211 00 00	Prepared driers
54.	3212	Pigments (including metallic powders and flakes) dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints (including enamels); stamping foils; dyes and other colouring matter put up in forms or packings for retail sale
55.	3215	Printing ink, writing or drawing ink and other inks, whether or not concentrated or solid (Fountain pen ink and Ball pen ink)
56.	3301	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils; such as essential oils of citrus fruit, essential oils other than those of citrus fruit such as Eucalyptus oil, etc., Flavouring essences all types (including those for liquors), Attars of all kinds in fixed oil bases
57.	3302	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages; such as Synthetic perfumery compounds [other than Menthol and menthol crystals, Peppermint (Mentha Oil), Fractionated / de-terpenated mentha oil (DTMO), De-mentholised oil (DMO), Spearmint oil, Mentha piperita oil]
58.	3304 20 00	Kajal pencil sticks

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
59.	3305 9011, 3305 90 19	Hair oil
60.	3306 10 20	Dentifrices - Toothpaste
61.	3401 [except 340130]	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap
62.	3404	Artificial waxes and prepared waxes
63.	3407	Preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate)
64.	3501	Casein, caseinates and other casein derivatives; casein glues
65.	3502	Albumins (including concentrates of two or more whey proteins, containing by weight more than 80% whey proteins, calculated on the dry matter), albuminates and other albumin derivatives
66.	3503	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface-worked or coloured) and gelatin derivatives; isinglass; other glues of animal origin, excluding casein glues of heading 3501
67.	3504	Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed; including Isolated soya protein
68.	3505	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches
69.	3506	Prepared glues and other prepared adhesives, not elsewhere specified or included; products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg
70.	3507	Enzymes, prepared enzymes
71.	3601	Propellant powders
72.	3603	Safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators
73.	3605	Matches (other than handmade safety matches [3605 00 10])
74.	3701	Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs; such as Instant print film, Cinematographic film (other than for x-ray for Medical use)
75.	3702	Photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed
76.	3703	Photographic paper, paperboard and textiles, sensitised; unexposed
77.	3704	Photographic plates, film, paper, paperboard and textiles, exposed but not developed

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
78.	3706	Photographic plates and films, exposed and developed, whether or not incorporating sound track or consisting only of sound track, for feature films
79.	3707	Chemical preparations for photographic uses (other than varnishes, glues, adhesives and similar preparations); unmixed products for photographic uses, put up in measured portions or put up for retail sale in a form ready for use
80.	3801	Artificial graphite; colloidal or semi-colloidal graphite; preparations based on graphite or other carbon in the form of pastes, blocks, plates or other semi-manufactures
81.	3802	Activated carbon; activated natural mineral products; animal black, including spent animal black
82.	3803 00 00	Tall oil, whether or not refined
83.	3804	Residual lyes from the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates
84.	3805	Gum, wood or sulphate turpentine and other terpenic oils produced by the distillation or other treatment of coniferous woods; crude dipentene; sulphite turpentine and other crude para-cymene; pine oil containing alpha-terpineol as the main constituent
85.	3806	Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums
86.	3807	Wood tar; wood tar oils; wood creosote; wood naphtha; vegetable pitch; brewers' pitch and similar preparations based on rosin, resin acids or on vegetable pitch
87.	3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products
88.	3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included
89.	3810	Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding electrodes or rods
90.	3812	Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti-oxidising preparations and other compound stabilisers for rubber or plastics; such as Vulcanizing agents for rubber
91.	3815	Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included
92.	3816	Refractory cements, mortars, concretes and similar compositions, other

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		than products of heading 3801
93.	3817	Mixed alkylbenzenes and mixed alkylnaphthalenes, other than those of heading 2707 or 2902
94.	3818	Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics [other than silicon wafers]
95.	3821	Prepared culture media for the development or maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells
96.	3823	Industrial monocarboxylic fatty acids, acid oils from refining; industrial fatty alcohols
97.	3824	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included
98.	3825	Residual products of the chemical or allied industries, not elsewhere specified or included; [except municipal waste; sewage sludge; other wastes specified in Note 6 to this Chapter.]
99.	3826	Biodiesel and mixtures thereof, not containing or containing less than 70% by weight of petroleum oils and oils obtained from bituminous minerals
100.	3901 to 3913	All goods i.e. polymers; Polyacetals, other polyethers, epoxide resins, polycarbonates, alkyd resins, polyallyl esters, other polyesters; polyamides; Amino-resins, phenolic resins and polyurethanes; silicones; Petroleum resins, coumarone-indene resins, polyterpenes, polysulphides, polysulphones and other products specified in Note 3 to this Chapter, not elsewhere specified or included; Cellulose and its chemical derivatives, not elsewhere specified or included; Natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber), not elsewhere specified or included; in primary forms
101.	3914	Ion exchangers based on polymers of headings 3901 to 3913, in primary forms
102.	3915	Waste, parings and scrap, of plastics
103.	3916	Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked, of plastics
104.	3917	Tubes, pipes and hoses, and fittings therefor, of plastics
105.	3919	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls
106.	3920	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials
107.	3921	Other plates, sheets, film, foil and strip, of plastics

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
108.	3923	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics
109.	3924	Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics
110.	3925	Builder's wares of plastics, not elsewhere specified
111.	3926	PVC Belt Conveyor, Plastic Tarpaulin
112.	4002	Synthetic rubber and factice derived from oils, in primary forms or in plates, sheets or strip; mixtures of any product of heading 4001 with any product of this heading, in primary forms or in plates, sheets or strip; such as Latex, styrene butadiene rubber, butadiene rubber (BR), Isobutene-isoprene (butyl) rubber (IIR), Ethylene-propylene-Non-conjugated diene rubber (EPDM)
113.	4003	Reclaimed rubber in primary forms or in plates, sheets or strip
114.	4004	Waste, parings and scrap of rubber (other than hard rubber) and powders and granules obtained therefrom
115.	4005	Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip
116.	4006	Other forms (for example, rods, tubes and profile shapes) and articles (for example, discs and rings), of unvulcanised rubber
117.	4007	Vulcanised rubber thread and cord, other than latex rubber thread
118.	4008	Plates, sheets, strip, rods and profile shapes, of vulcanised rubber other than hard rubber
119.	4009	Tubes, pipes and hoses, of vulcanised rubber other than hard rubber, with or without their fittings (for example, joints, elbows, flanges)
120.	4010	Conveyor or transmission belts or belting, of vulcanised rubber
121.	4011	Rear Tractor tyres and rear tractor tyre tubes
122.	4014	Hygienic or pharmaceutical articles (including teats), of vulcanised rubber other than hard rubber, with or without fittings of hard rubber; such as Hot water bottles, Ice bags [other than Sheath contraceptives, Rubber contraceptives, male (condoms), Rubber contraceptives, female (diaphragms), such as cervical caps]
123.	4015	Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes, of vulcanised rubber other than hard rubber [other than Surgical gloves]
124.	4202	School satchels and bags other than of leather or composition leather
125.	4202 12 10	Toilet cases
126.	4202 22 10	Hand bags and shopping bags, of artificial plastic material
127.	4202 22 20	Hand bags and shopping bags, of cotton
128.	4202 22 30	Hand bags and shopping bags, of jute
129.	4202 22 40	Vanity bags
130.	4202 29 10	Handbags of other materials excluding wicker work or basket work
131.	4301	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 4101, 4102 or 4103.

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
132.	4302	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 4303
133.	4304	Artificial fur and articles thereof
134.	4403	Wood in the rough
135.	4407	Wood sawn or chipped
136.	4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm [other than for match splints]
137.	4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, v-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or end-jointed
138.	44 or any Chapter	Resin bonded bamboo mat board, with or without veneer in between
139.	44 or any Chapter	Bamboo flooring tiles
140.	4419	Tableware and Kitchenware of wood
141.	4501	Waste cork; crushed, granulated or ground cork
142.	4502	Natural cork, debarked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)
143.	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom
144.	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork
145.	4803	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface-coloured, surface-decorated or printed, in rolls or sheets
146.	4806 [Except 4806 20 00, 4806 40 10]	Vegetable parchment, tracing papers and other glazed transparent or translucent papers, in rolls or sheets (other than greaseproof paper, glassine paper)
147.	4809	Carbon paper, self-copy paper and other copying or transfer papers (including coated or impregnated paper for duplicator stencils or offset plates), whether or not printed, in rolls or sheets
148.	4811	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size, other than goods of the kind described in heading 4803, 4809 or 4810 [Other than aseptic packaging paper]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
149.	4812	Filter blocks, slabs and plates, of paper pulp
150.	4813	Cigarette paper, whether or not cut to size or in the form of booklets or tubes
151.	4816	Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes
152.	4817 [Except 4817 30]	Envelopes, letter cards, plain postcards and correspondence cards, of paper or paperboard; [other than boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery including writing blocks]
153.	4818	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, table cloths, serviettes, napkins for babies, tampons, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, or paper pulp, paper, cellulose wadding or webs of cellulose fibres
154.	4820	Registers, account books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, blotting-pads, binders (loose-leaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; and book covers, of paper or paperboard [other than note books and exercise books]
155.	4821	Paper or paperboard labels of all kinds, whether or not printed
156.	4822	Bobbins, spools, cops and similar supports of paper pulp, paper or paperboard (whether or not perforated or hardened)
157.	4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres [other than paper pulp moulded trays, Braille paper]
158.	5401	Sewing thread of manmade filaments, whether or not put up for retail sale
159.	5402, 5404, 5406	All synthetic filament yarn such as nylon, polyester, acrylic, etc.
160.	5403, 5405, 5406	All artificial filament yarn such as viscose rayon, Cuprammonium, etc.
161.	5501, 5502	Synthetic or artificial filament tow
162.	5503, 5504, 5506, 5507	Synthetic or artificial staple fibres
163.	5505	Waste of manmade fibres
164.	5508	Sewing thread of manmade staple fibres
165.	5509, 5510, 5511	Yarn of manmade staple fibres
166.	6401	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes
167.	6402	Other footwear with outer soles and uppers of rubber or plastics

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
168.	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather
169.	6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials
170.	6405	Other footwear
171.	6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof
172.	6501	Hat-forms, hat bodies and hoods of felt, neither blocked to shape nor with made brims; plateaux and manchons (including slit manchons), of felt
173.	6502	Hat-shapes, plaited or made by assembling strips of any material, neither blocked to shape, nor with made brims, nor lined, nor trimmed
174.	6504 00 00	Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed
175.	6505	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed
176.	6506	Other headgear, whether or not lined or trimmed
177.	6507	Head-bands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear
178.	6804	Millstones, grindstones, grinding wheels and the like, without frameworks, for grinding, sharpening, polishing, truing or cutting, hand sharpening or polishing stones, and parts thereof, of natural stone, of agglomerated natural or artificial abrasives, or of ceramics, with or without parts of other materials
179.	6805	Natural or artificial abrasive powder or grain, on a base of textile material, of paper, of paperboard or of other materials, whether or not cut to shape or sewn or otherwise made up
180.	6806	Slag wool, rock wool and similar mineral wools; exfoliated vermiculite, expanded clays, foamed slag and similar expanded mineral materials; mixtures and articles of heat-insulating, sound-insulating or sound-absorbing mineral materials, other than those of heading 6811 or 6812 or chapter 69
181.	6810	Pre cast Concrete Pipes
182.	6811	Articles of asbestos-cement, of cellulose fibre-cement or the like
183.	6902	Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, other than those of siliceous fossil meals or similar siliceous earths
184.	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

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
185.	6906	Salt Glazed Stone Ware Pipes
186.	6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china
187.	6912	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china [other than Earthen pot and clay lamps]
188.	7001	Cullet and other waste and scrap of glass; glass in the mass
189.	7002	Glass in balls (other than microspheres of heading 70.18), rods or tubes, unworked
190.	7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass
191.	7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)
192.	7015	Clock or watch glasses and similar glasses, glasses for non-corrective spectacles, curved, bent, hollowed or the like, not optically worked; hollow glass spheres and their segments, for the manufacture of such glasses
193.	7017	Laboratory, hygienic or pharmaceutical glassware, whether or not graduated or calibrated
194.	7018	Imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass, other than imitation jewelry; glass microspheres not exceeding 1 mm in diameter
195.	7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, woven fabrics)
196.	7201	Pig iron and spiegeleisen in pigs, blocks or other primary forms
197.	7202	Ferro-alloys
198.	7203	Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94%, in lumps, pellets or similar forms
199.	7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel
200.	7205	Granules and powders, of pig iron, spiegeleisen, iron or steel
201.	7206	Iron and non-alloy steel in ingots or other primary forms (excluding iron of heading 7203)
202.	7207	Semi-finished products of iron or non-alloy steel
203.	7208 to 7212	All flat-rolled products of iron or non-alloy steel
204.	7213 to 7215	All bars and rods, of iron or non-alloy steel
205.	7216	Angles, shapes and sections of iron or non-alloy steel
206.	7217	Wire of iron or non-alloy steel

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
207.	7218	Stainless steel in ingots or other primary forms; semi-finished products of stainless steel
208.	7219, 7220	All flat-rolled products of stainless steel
209.	7221, 7222	All bars and rods, of stainless steel
210.	7223	Wire of stainless steel
211.	7224	Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel
212.	7225, 7226	All flat-rolled products of other alloy steel
213.	7227, 7228	All bars and rods of other alloy steel.
214.	7229	Wire of other alloy steel
215.	7301	Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel
216.	7302	Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish-plates, chairs, chair wedges, sole plates (base plates), rail clips bedplates, ties and other material specialized for jointing or fixing rails
217.	7303	Tubes, pipes and hollow profiles, of cast iron
218.	7304	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel
219.	7305	Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406.4 mm, of iron or steel
220.	7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel
221.	7307	Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel
222.	7308	Structures (excluding prefabricated buildings of heading 94.06) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors and windows and their frames and thresholds for doors, and shutters, balustrades, pillars, and columns), of iron or steel; plates, rods, angles, shapes, section, tubes and the like, prepared for using structures, of iron or steel [other than transmission towers]
223.	7309	Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment
224.	7310	Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
225.	7311	Containers for compressed or liquefied gas, of iron or steel
226.	7312	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated
227.	7313	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel
228.	7314	Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel
229.	7315	Chain and parts thereof, of iron or steel falling under 7315 20, 7315 81, 7315 82, 7315 89, 7315 90
230.	7316	Anchors, grapnels and parts thereof, of iron or steel
231.	7317	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper
232.	7318	Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel
233.	7319	Sewing needles, knitting needles, bodkins, crochet hooks, embroidery stilettos and similar articles, for use in the hand, of iron or steel; safety pins and other pins of iron or steel, not elsewhere specified or included
234.	7320	Springs and leaves for springs, of iron and steel
235.	7321	LPG stoves
236.	7323	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel
237.	7325	Other cast articles of iron or steel; such as Grinding balls and similar articles for mills, Rudders for ships or boats, Drain covers, Plates and frames for sewage water or similar system
238.	7326	Other articles of iron and steel, forged or stamped, but not further worked; such as Grinding balls and similar articles for mills, articles for automobiles and Earth moving implements, articles of iron or steel Wire, Tyre bead wire rings intended for use in the manufacture of tyres for cycles and cycle-rickshaws, Belt lacing of steel, Belt fasteners for machinery belts, Drain covers, plates, and frames for sewages, water or similar system, Enamelled iron ware (excluding utensil & sign board), Manufactures of stainless steel (excluding utensils), Articles of clad metal
239.	7401	Copper mattes; cement copper (precipitated copper)
240.	7402	Unrefined copper; copper anodes for electrolytic refining
241.	7403	Refined copper and copper alloys, unwrought
242.	7404	Copper waste and scrap
243.	7405	Master alloys of copper
244.	7406	Copper powders and flakes
245.	7407	Copper bars, rods and profiles

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
246.	7408	Copper wire
247.	7409	Copper plates, sheets and strip, of a thickness exceeding 0.12.5 mm
248.	7410	Copper foils
249.	7411	Copper tubes and pipes
250.	7412	Copper tube or pipe fittings (for example, couplings, elbows, sleeves)
251.	7413	Stranded wires and cables
252.	7415	Nails, tacks, drawing pins, staples (other than those of heading 83.05) and similar articles, of copper or of iron or steel with heads of copper; screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of copper
253.	7419 91 00	Metal castings
254.	7501	Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy
255.	7502	Unwrought nickel
256.	7503	Nickel waste and scrap
257.	7504	Nickel powders and flakes
258.	7505	Nickel bars, rods, profiles and wire
259.	7506	Nickel plates, sheets, strip and foil
260.	7507	Nickel tubes, pipes and tube or pipe fittings (for example, couplings, elbows, sleeves)
261.	7508	Other articles of nickel
262.	7601	Aluminium alloys; such as Ingots, Billets, Wire-bars, Wire-rods
263.	7602	Aluminium waste and scrap
264.	7603	Aluminium powders and flakes
265.	7604	Aluminium bars, rods and profiles
266.	7605	Aluminium wire
267.	7606	Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm
268.	7607	Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.2 mm
269.	7608	Aluminium tubes and pipes
270.	7609	Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves)
271.	7610 [Except 7610 10 00]	Aluminium structures (excluding prefabricated buildings of heading 94.06 and doors, windows and their frames and thresholds for doors under 7610 10 00) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures
272.	7611	Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment
273.	7612	Aluminium casks, drums, cans, boxes, etc.

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
274.	7613	Aluminium containers for compressed or liquefied gas
275.	7614	Stranded wires and cables
276.	7616	Other articles of aluminium
277.	7801	Unwrought lead
278.	7802	Lead waste and scrap
279.	7804	Lead plates, sheets, strip and foil; lead powders and flakes
280.	7806	Other articles of lead (including sanitary fixtures and Indian lead seals)
281.	7901	Unwrought zinc
282.	7902	Zinc waste and scrap
283.	7903	Zinc dust, powders and flakes
284.	7904	Zinc bars, rods, profiles and wire
285.	7905	Zinc plates, sheets, strip and foil
286.	7907	Other articles of zinc including sanitary fixtures
287.	8001	Unwrought tin
288.	8002	Tin waste and scrap
289.	8003	Tin bars, rods, profiles and wire
290.	8007	Other articles of tin
291.	8101 to 8112	Other base metals, namely, Tungsten, Molybdenum, Tantalum, Magnesium, Cobalt mattes, and other intermediate products of cobalt metallurgy, Bismuth, Cadmium, Titanium, Zirconium, Antimony, Manganese, Beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium (columbium), rhenium and thallium, and articles thereof, including waste and scrap
292.	8113	Cermets and articles thereof, including waste and scrap
293.	8202	Hand saws; blades for saws of all kinds (including slitting, slotting or toothless saw blades)
294.	8203	Files, rasps, pliers (including cutting pliers), pincers, tweezers, metal cutting shears, pipe-cutters, bolt croppers, perforating punches and similar hand tools
295.	8204	Hand-operated spanners and wrenches (including torque meter wrenches but not including tap wrenches); interchangeable spanner sockets, with or without handles
296.	8205	Hand tools (including glaziers' diamonds), not elsewhere specified or included; blow lamps; vices, clamps and the like, other than accessories for and parts of, machine-tools or water-jet cutting machines; anvils; portable forges; hand or pedal-operated grinding wheels with frameworks
297.	8206	Tools of two or more of the headings 8202 to 8205, put up in sets for retail sale
298.	8207	Interchangeable tools for hand tools, whether or not power-operated, or for machine-tools (for example, for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning or screw driving), including dies for drawing or extruding metal, and rock drilling or earth boring tools

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
299.	8208	Knives and cutting blades, for machines or for mechanical appliances
300.	8209	Plates, sticks, tips and the like for tools, unmounted, of cermets
301.	8210 00 00	Hand-operated mechanical appliances, weighing 10 kg. or less, used in the preparation, conditioning or serving of food or drink
302.	8213 00 00	Scissors, tailors' shears and similar shears, and blades therefor
303.	8301	Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys for any of the foregoing articles, of base metal
304.	8306	Bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal
305.	8307	Flexible tubing of base metal, with or without fittings
306.	8308	Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets and the like, of base metal, of a kind used for clothing or clothing accessories, footwear, jewellery, wrist watches, books, awnings, leather goods, travel goods or saddlery or for other made up articles; tubular or bifurcated rivets, of base metal; beads and spangles, of base metal
307.	8309	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal
308.	8311	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated base metal powder, used for metal spraying
309.	8401	Nuclear reactors; machinery and apparatus for isotopes separation
310.	8402	Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers
311.	8403	Central heating boilers other than those of heading 8402
312.	8404	Auxiliary plant for use with boilers of heading 8402 or 8403 (for example, economisers, super-heaters, soot removers, gas recoverers); condensers for steam or other vapour power units
313.	8405	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers
314.	8406	Steam turbines and other vapour turbines
315.	8410	Hydraulic turbines, water wheels, and regulators therefor
316.	8411	Turbo-jets, turbo-propellers and other gas turbines - turbo-jets
317.	8412	Other engines and motors (Reaction engines other than turbo jets, Hydraulic power engines and motors, Pneumatic power engines and motors, other, parts) [other than wind turbine or engine]
318.	8416	Furnace burners for liquid fuel, for pulverised solid fuel or for gas; mechanical stokers, including their mechanical grates, mechanical ash

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		dischargers and similar appliances
319.	8417	Industrial or laboratory furnaces and ovens, including incinerators, non-electric
320.	8419 20	Medical, surgical or laboratory sterilisers
321.	8420	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor
322.	8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases
323.	8422 20 00, 8422 30 00, 8422 40 00, 8522 90 [other than 8422 11 00, 8422 19 00]	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 [other than dish washing machines]
324.	8423	Weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting or checking machines; weighing machine weights of all kinds [other than electric or electronic weighing machinery]
325.	8424	Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines [other than fire extinguishers, whether or not charged]
326.	8425	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks
327.	8426	Ship's derricks; cranes including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane
328.	8431	Parts suitable for use solely or principally with the machinery of headings 8425 to 8430
329.	8435	Presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages
330.	8438	Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils
331.	8439	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard
332.	8440	Book-binding machinery, including book-sewing machines
333.	8441	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds
334.	8442	Machinery, apparatus and equipment (other than the machines of headings 8456 to 8465) for preparing or making plates, printing components; plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished)
335.	8443	Printing machinery used for printing by means of plates, cylinders and

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		other printing components of heading 84.42; Printers [other than machines which perform two or more of the functions of printing, copying or facsimile transmission] capable of connecting to an automatic data processing machine or to a network printers [other than copying machines, facsimile machines]; parts and accessories thereof [other than ink cartridges with or without print head assembly and ink spray nozzle]
336.	8444	Machines for extruding, drawing, texturing or cutting man-made textile materials
337.	8445	Machines for preparing textile fibres; spinning, doubling or twisting machines and other machinery for producing textile yarns; textile reeling or winding (including wend-winding) machines and machines for preparing textile yarns for use on the machines of heading 8446 or 8447
338.	8446	Weaving machines (looms)
339.	8447	Knitting machines, stitch-bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting
340.	8448	Auxiliary machinery for use with machines of heading 84.44, 84.45, 84.46 or 84.47 (for example, dobbies, Jacquards, automatic stop motions, shuttle changing mechanisms); parts and accessories suitable for use solely or principally with the machines of this heading or of heading 8444, 8445, 8446 or 8447 (for example, spindles and spindles flyers, card clothing, combs, extruding nipples, shuttles, healds and heald frames, hosiery needles)
341.	8449	Machinery for the manufacture or finishing of felt or nonwovens in the piece or in shapes, including machinery for making felt hats; blocks for making hats
342.	8451	Machinery (other than machines of heading 8450) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made up textile articles and machines for applying the paste to the base fabric or other support used in the manufacture of floor covering such as linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics
343.	8453	Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines
344.	8454	Converters, ladles, ingot moulds and casting machines, of a kind used in metallurgy or in metal foundries
345.	8455	Metal-rolling mills and rolls therefor
346.	8456	Machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam or plasma arc processes

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
347.	8457	Machining centres, unit construction machines (single station) and multi-station transfer machines, for working metal
348.	8458	Lathes (including turning centres) for removing metal
349.	8459	Machine-tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes (including turning centres) of heading 8458
350.	8460	Machine-tools for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal, or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear finishing machines of heading 8461
351.	8461	Machine-tools for planing, shaping, slotting, broaching, gear cutting, gear grinding or gear finishing, sawing, cutting-off and other machine-tools working by removing metal or cermets, not elsewhere specified or included
352.	8462	Machine-tools (including presses) for working metal by forging, hammering or die-stamping; machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; presses for working metal or metal carbides, not specified above
353.	8463	Other machine-tools for working metal, or cermets, without removing material
354.	8464	Machine-tools for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass
355.	8465	Machine-tools (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard rubber, hard plastics or similar hard materials
356.	8466	Parts and accessories suitable for use solely or principally with the machines of headings 8456 to 8465 including work or tool holders, self-opening dieheads, dividing heads and other special attachments for the machines; tool holders for any type of tool, for working in the hand
357.	8467	Tools for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor
358.	8468	Machinery and apparatus for soldering, brazing or welding, whether or not capable of cutting, other than those of heading 8512.5; gas-operated surface tempering machines and appliances
359.	8470	Calculating machines and pocket-size data recording, reproducing and displaying machines with calculating functions; accounting machines, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device; cash registers
360.	8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
361.	8472	Perforating or stapling machines (staplers), pencil sharpening machines
362.	8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of headings 8470 to 8472
363.	8474	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand
364.	8475	Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes; machines for manufacturing or hot working glass or glassware
365.	8477	Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this Chapter
366.	8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter [other than Passenger boarding bridges of a kind used in airports (8479 71 00) and other (8479 79 00)]
367.	8480	Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics
368.	8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves
369.	8482	Ball bearing, Roller Bearings
370.	8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in Note 9 (C) to this Chapter; parts and accessories
371.	8487	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features not specified or included elsewhere in this chapter
372.	8501	Electric motors and generators (excluding generating sets)
373.	8502	Electric generating sets and rotary converters
374.	8503	Parts suitable for use solely or principally with the machines of heading 8501 or 8502
375.	8504	Transformers Industrial Electronics; Electrical Transformer; Static Convertors (UPS)
376.	8505	Electro-magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; electro-magnetic or permanent magnet chucks, clamps and similar holding devices; electro-magnetic

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		couplings, clutches and brakes; electro-magnetic lifting heads
377.	8514	Industrial or laboratory electric furnaces and ovens (including those functioning by induction or dielectric loss); other industrial or laboratory equipment for the heat treatment of materials by induction or dielectric loss
378.	8515	Electric (including electrically heated gas), laser or other light or photo beam, ultrasonic, electron beam, magnetic pulse or plasma arc soldering, brazing or welding machines and apparatus, whether or not capable of cutting; electric machines and apparatus for hot spraying of metals or cermets
379.	8517	Telephone sets; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528
380.	8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures [other than single loudspeakers, mounted in their enclosures]; headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers;
381.	8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner
382.	8523	Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37
383.	8525	Closed-circuit television (CCTV)
384.	8528	Computer monitors not exceeding 17 inches, Set top Box for Television (TV)
385.	8532	Electrical capacitors, fixed, variable or adjustable (pre-set)
386.	8533	Electrical resistors (including rheostats and potentiometers), other than heating resistors
387.	8534 00 00	Printed Circuits
388.	8535	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, fuses, lightning arresters, voltage limiters, surge suppressors, plugs and other connectors, junction boxes), for a voltage exceeding 1,000 volts
389.	8538	Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537
390.	8539	Electrical Filaments or discharge lamps
391.	8540	Thermionic, cold cathode or photo-cathode valves and tubes (for example, vacuum or vapour or gas filled valves and tubes, mercury arc rectifying valves and tubes, cathode-ray tubes, television camera tubes)
392.	8541	Diodes, transistors and similar semi-conductor devices; photosensitive

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S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		semi-conductor devices; light-emitting diodes (LED); mounted piezo-electric crystals
393.	8542	Electronic integrated circuits
394.	8543	Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter
395.	8544	Winding Wires; Coaxial cables; Optical Fiber
396.	8545	Carbon electrodes
397.	8546	Electrical insulators of any material
398.	8548	Waste and scrap of primary cells; primary batteries and electric accumulators; spent primary cells, spent primary-batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter
399.	8609	Containers (including containers for the transport of fluids) specially designed and equipped for carriage by one or more modes of transport (including refrigerated containers)
400.	8703	Cars for physically handicapped persons, subject to the following conditions: a) an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods are capable of being used by the physically handicapped persons; and b) the buyer of the car gives an affidavit that he shall not dispose of the car for a period of five years after its purchase.
401.	8704	Refrigerated motor vehicles
402.	8708	Following parts of tractors namely: a. Rear Tractor wheel rim, b. tractor centre housing, c. tractor housing transmission, d. tractor support front axle
403.	8715	Baby carriages and parts thereof
404.	8801	Balloons and dirigibles, gliders and other non-powered aircraft
405.	8804	Parachutes (including dirigible parachutes and paragliders) and parachutes; parts thereof and accessories thereto and parts thereof
406.	8805	Aircraft launching gear, deck arrestor or similar gear; ground flying trainers and parts thereof
407.	8908.00.00	Vessels and other floating structures for breaking up
408.	9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading 8544; sheets and plates of polarising material; prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked
409.	9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked [other than intraocular lens]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
410.	9003	Frames and mountings for spectacles, goggles or the like, and parts thereof
411.	9004	Spectacles [other than corrective]; goggles and the like, corrective, protective or other
412.	9016	Balances of a sensitivity of 5 cg or better, with or without weights [other than electric or electronic balances]
413.	9017	Instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometers, callipers), not specified or included elsewhere in the chapter
414.	9024	Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper, plastics)
415.	9025	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments
416.	9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 9014, 9015, 9028 or 9032
417.	9027	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes
418.	9028	Gas, liquid or electricity supply or production meters, including calibrating meters therefor
419.	9029	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading 9014 or 9015; stroboscopes
420.	9030	Oscilloscopes, spectrum analysers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading 9028; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionising radiations
421.	9031	Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this Chapter; profile projectors
422.	9032	Automatic regulating or controlling instruments and apparatus
423.	9033	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90
424.	9103	Clocks with watch movements, excluding clocks of heading 9104
425.	9105	Other clocks
426.	9109	Clock movements, complete and assembled
427.	9114	Other clock parts

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
428.	9110	Complete clock movements, unassembled or partly assembled (movement sets); incomplete clock movements, assembled; rough clock movements
429.	9112	Clock cases, and parts thereof
430.	9301	Military weapons other than revolvers, pistols
431.	9303	Other firearms and similar devices which operate by the firing of an explosive charge (for example, sporting shotguns and rifles, muzzle-loading firearms, very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns)
432.	9304	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 9307
433.	9305	Parts and accessories of articles of headings 9301 to 9304
434.	9306	Bombs, grenades, torpedoes, mines, missiles, and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads
435.	9307	Swords, cut lasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths therefor
436.	9402	Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles
437.	9403	Bamboo furniture
438.	9404	Coir mattresses, cotton pillows, mattress and quilts
439.	9406	Prefabricated buildings
440.	9503	Electronic Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof)
441.	9506	Swimming pools and padding pools
442.	9606 21 00, 9606 22 00, 9606 29, 9606 30	Buttons, of plastics not covered with the textile material, of base metals, buttons of coconut shell, button blanks
443.	9603 [other than 9603 10 00]	Brushes (including brushes constituting parts of machines, appliances or vehicles), hand operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees) [other than brooms and brushes, consisting of twigs or other vegetable materials bound together, with or without handles]
444.	9604 00 00	Hand sieves and hand riddles
445.	9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning
446.	9607	Slide fasteners and parts thereof
447.	9608	Fountain pens, stylograph pens and other pens
448.	9610 00 00	Boards, with writing or drawing surface, whether or not framed
449.	9612	Typewriter or similar ribbons, inked or otherwise prepared for giving

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes
450.	9620 00 00	Monopods, bipods, tripods and similar articles
451.	9801	All items of machinery including prime movers, instruments, apparatus and appliances, control gear and transmission equipment, auxiliary equipment (including those required for research and development purposes, testing and quality control), as well as all components (whether finished or not) or raw materials for the manufacture of the aforesaid items and their components, required for the initial setting up of a unit, or the substantial expansion of an existing unit, of a specified: <ol style="list-style-type: none"> (1) industrial plant, (2) irrigation project, (3) power project, (4) mining project, (5) project for the exploration for oil or other minerals, and (6) such other projects as the Central Government may, having regard to the economic development of the country notify in the Official Gazette in this behalf; and spare parts, other raw materials (including semi-finished materials of consumable stores) not exceeding 10% of the value of the goods specified above, provided that such spare parts, raw materials or consumable stores are essential for the maintenance of the plant or project mentioned in (1) to (6) above.
452.	9802	Laboratory chemicals
453.	Any Chapter	Goods which are not specified in Schedule I, II, IV, V or VI

Schedule IV – 28%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	1703	Molasses
2.	1704	Chewing gum / bubble gum and white chocolate, not containing cocoa
3.	1804	Cocoa butter, fat and oil
4.	1805	Cocoa powder, not containing added sugar or sweetening matter.
5.	1806	Chocolates and other food preparations containing cocoa
6.	1901 90 [other than 1901 10, 1901 20 00]	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of heading 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis not elsewhere specified or

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		included [other than preparations for infants or young children, put up for retail sale and mixes and doughs for the preparation of bakers' wares of heading 1905]
7.	1905 32	Waffles and wafers coated with chocolate or containing chocolate
8.	2101 11; 2101 12 00	Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee
9.	2106	Food preparations not elsewhere specified or included i.e. Protein concentrates and textured protein substances, Sugar-syrups containing added flavouring or colouring matter, not elsewhere specified or included; lactose syrup; glucose syrup and malto dextrine syrup, Compound preparations for making non-alcoholic beverages, Food flavouring material, Churna for pan, Custard powder
10.	2106 90 20	Pan masala
11.	2202 90 90	Other non-alcoholic beverages
12.	2202 10	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured
13.	2401	Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]
14.	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
15.	2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences [including biris]
16.	2515 12 20, 2515 12 90	Marble and travertine, other than blocks
17.	2516 12 00	Granite, other than blocks
18.	2523	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers
19.	2710	Avgas
20.	3208	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter
21.	3209	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium
22.	3210	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather
23.	3213	Artists', students' or signboard painters' colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or in similar forms or packings
24.	3214	Glaziers' putty, grafting putty, resin cements, caulking compounds and

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S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
		other mastics; painters' fillings; non-refractory surfacing preparations for facades, indoor walls, floors, ceilings or the like
25.	3303	Perfumes and toilet waters
26.	3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations [other than kajal, Kumkum, Bindi, Sindur, Alta]
27.	3305 [other than 3305 9011, 3305 90 19]	All goods, i.e. preparations for use on the hair such as Shampoos; Preparations for permanent waving or straightening; Hair lacquers; Brilliantines (spirituous); Hair cream, Hair dyes (natural, herbal or synthetic) [other than Hair oil]
28.	3306 [other than 3306 10 10, 3306 10 20]	Preparations for oral or dental hygiene, including and powders; yarn used to clean between the teeth (dental floss), in individual retail packages [other than dentifrices in powder or paste form (tooth powder or toothpaste)]
29.	3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties; such as Pre-shave, shaving or after-shave Preparations, Shaving cream, Personal deodorants and antiperspirants
30.	3401 30	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent
31.	3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 3401
32.	3403	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70% or more by weight of petroleum oils or of oils obtained from bituminous minerals
33.	3405	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal; scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading 3404
34.	3407	Modelling pastes, including those put up for children's amusement
35.	3602	Prepared explosives, other than propellant powders; such as Industrial explosives

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
36.	3604	Fireworks, signalling flares, rain rockets, fog signals and other pyrotechnic articles
37.	3606	Ferro-cerium and other pyrophoric alloys in all forms; articles of combustible materials as specified in Note 2 to this Chapter; such as liquid or liquefied-gas fuels in containers of a kind used for filling or refilling cigarette or similar lighters
38.	3811	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and other prepared additives, for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral oils
39.	3813	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades
40.	3814	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers
41.	3819	Hydraulic brake fluids and other prepared liquids for hydraulic transmission, not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals
42.	3820	Anti-freezing preparations and prepared de-icing fluids
43.	3918	Floor coverings of plastics, whether or not self-adhesive, in rolls or in form of tiles; wall or ceiling coverings of plastics
44.	3922	Baths, shower baths, sinks, wash basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware of plastics
45.	3926 [other than 3926 40 11, 3926 90 10]	Other articles of plastics and articles of other materials of headings 3901 to 3914 [other than bangles of plastic, PVC Belt Conveyor, plastic beads and plastic tarpaulins]
46.	4011	New pneumatic tyres, of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three wheeled powered cycle rickshaws; and Rear Tractor tyres]
47.	4012	Retreaded or used tyres and flaps
48.	4013	Inner tubes of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three wheeled powered cycle rickshaws; and Rear Tractor tyre tubes]
49.	4016 [other than 4016 92 00]	Other articles of vulcanised rubber other than hard rubber (other than erasers)
50.	4017	Hard rubber (for example ebonite) in all forms, including waste and scrap; articles of hard rubber
51.	4201	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material
52.	4202	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping bags, wallets, purses, map-cases, cigarette-cases,

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		to-bacco- pouches, tool bags, sports bags, bottle-cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper [other than School satchels and bags other than of leather or composition leather, Toilet cases, Hand bags and shopping bags, of artificial plastic material, of cotton, or of jute, Vanity bags, Handbags of other materials excluding wicker work or basket work]
53.	4203	Articles of apparel and clothing accessories, of leather or of composition leather
54.	4205	Other articles of leather or of composition leather
55.	4206	Articles of gut (other than silk-worm gut), of goldbeater's skin, of bladders or of tendons
56.	4303	Articles of apparel, clothing accessories and other articles of furskin
57.	4304	Articles of artificial fur
58.	4410	Particle board, Oriented Strand Board (OSB) and similar board (for example, wafer board) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances, other than specified boards
59.	4411	Fibre board of wood or other ligneous materials, whether or not bonded with resins or other organic substances, other than specified boards
60.	4412	Plywood, veneered panels and similar laminated wood
61.	4413	Densified wood, in blocks, plates, strips, or profile shapes
62.	4414	Wooden frames for paintings, photographs, mirrors or similar objects
63.	4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes
64.	4421	Wood paving blocks, articles of densified wood not elsewhere included or specified, Parts of domestic decorative articles used as tableware and kitchenware
65.	4814	Wall paper and similar wall coverings; window transparencies of paper
66.	6702	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit
67.	6703	Wool or other animal hair or other textile materials, prepared for use in making wigs or the like
68.	6704	Wigs, false beards, eyebrows and eyelashes, switches and the like, of human or animal hair or of textile materials; articles of human hair not elsewhere specified or included
69.	6801	Setts, curbstones and flagstones, of natural stone (except slate)
70.	6802	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate); of marble, travertine and alabaster, of Granite, of Other calcareous stone

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
71.	6803	Worked slate and articles of slate or of agglomerated slate
72.	6807	Articles of asphalt or of similar material (for example, petroleum bitumen or coal tar pitch)
73.	6808	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste, of wood, agglomerated with cement, plaster or other mineral binders
74.	6809	Articles of plaster or of compositions based on plaster; such as Boards, sheets, panels, tiles and similar articles, not ornamented
75.	6810	Articles of cement, of concrete or of artificial stone, whether or not reinforced; such as Tiles, flagstones, bricks and similar articles, Building blocks and bricks, Cement bricks, Prefabricated structural components for Building or civil engineering, Prefabricated structural components for building or civil engineering
76.	6812	Fabricated asbestos fibres; mixtures with a basis of asbestos or with a basis of asbestos and magnesium carbonate; articles of such mixtures or of asbestos (for example, thread, woven fabric, clothing, headgear, footwear, gaskets), whether or not reinforced, other than goods of heading 6811 or 6813
77.	6813	Friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textiles or other materials
78.	6814	Worked mica and articles of mica, including agglomerated or reconstituted mica, whether or not on a support of paper, paperboard or other materials
79.	6815	Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres and articles of peat), not elsewhere specified or included
80.	6901	Blocks, tiles and other ceramic goods of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite) or of similar siliceous earths
81.	6904	Ceramic flooring blocks, support or filler tiles and the like
82.	6905	Chimney-pots, cowls, chimney liners, architectural ornaments and other ceramic constructional goods
83.	6906	Ceramic pipes, conduits, guttering and pipe fittings
84.	6907	Ceramic flags and paving, hearth or wall tiles; ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics
85.	6909	Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs and similar receptacles of a kind used in agriculture; ceramic pots, jars and similar articles of a kind used for the conveyance or packing of goods
86.	6910	Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures
87.	6913	Statuettes and other ornamental ceramic articles
88.	6914	Other ceramic articles

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S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
89.	7003	Cast glass and rolled glass, in sheets or profiles, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked
90.	7004	Drawn glass and blown glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked
91.	7005	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked
92.	7006 00 00	Glass of heading 70.03, 70.04 or 70.05, bent, edge-worked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials
93.	7007	Safety glass, consisting of toughened (tempered) or laminated glass
94.	7008	Multiple-walled insulating units of glass
95.	7009	Glass mirrors, whether or not framed, including rear-view mirrors
96.	7011	Glass envelopes (including bulbs and tubes), open, and glass parts thereof, without fittings, for electric lamps, cathode-ray tubes or the like
97.	7014	Signalling glassware and optical elements of glass (other than those of heading 7015), not optically worked
98.	7016	Paving blocks, slabs, bricks, squares, tiles and other articles of pressed or moulded glass, whether or not wired, of a kind used for building or construction purposes; glass cubes and other glass smallwares, whether or not on a backing, for mosaics or similar decorative purposes; leaded lights and the like; multi-cellular or foam glass in blocks, panels, plates, shells or similar forms
99.	7020	Other articles of glass [other than Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns]
100.	7321	Stoves [other than kerosene stove and LPG stoves], ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel
101.	7322	Radiators for central heating, not electrically heated, and parts thereof, of iron or steel; air heaters and hot air distributors (including distributors which can also distribute fresh or conditioned air), not electrically heated, incorporating a motor-driven fan or blower, and parts thereof, of iron or steel
102.	7324	Sanitary ware and parts thereof of iron and steel
103.	7418	All goods other than utensils i.e. sanitary ware and parts thereof of copper
104.	7419	Other articles of copper [including chain and parts thereof under 7419 10 and other articles under 7419 99] but not including metal castings under 7419 91 00
105.	7610 10 00	Doors, windows and their frames and thresholds for doors
106.	7615	All goods other than utensils i.e. sanitary ware and parts thereof

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
107.	8212	Razors and razor blades (including razor blade blanks in strips)
108.	8214	Other articles of cutlery (for example, hair clippers, butchers' or kitchen cleavers, choppers and mincing knives,); manicure or pedicure sets and instruments (including nail files) [other than paper knives, pencil sharpeners and blades thereof]
109.	8302	Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat-racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal
110.	8303	Armoured or reinforced safes, strong-boxes and doors and safe deposit lockers for strong-rooms, cash or deed boxes and the like, of base metal
111.	8304	Filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading 9403
112.	8305	Fittings for loose-leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal
113.	8310	Sign-plates, name-plates, address-plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading 9405
114.	8407	Spark-ignition reciprocating or rotary internal combustion piston engine
115.	8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)
116.	8409	Parts suitable for use solely or principally with the engines of heading 8407 or 8408
117.	8413	Pumps for dispensing fuel or lubricants of the type used in filling stations or garages [8413 11], Fuel, lubricating or cooling medium pumps for internal combustion piston engines [8413 30], concrete pumps [8413 40 00], other rotary positive displacement pumps [8413 60], [other than hand pumps falling under tariff item 8413 11 10]
118.	8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters
119.	8415	Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated
120.	8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 8415
121.	8419	Storage water heaters, non-electric [8419 19] (other than solar water heater and system), Pressure vessels, reactors, columns or towers or chemical storage tanks [8419 89 10], Glass lined equipment [8419 89

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		20]. Auto claves other than for cooking or heating food, not elsewhere specified or included [8419 89 30]. Cooling towers and similar plants for direct cooling (without a separating wall) by means of recirculated water [8419 89 40]. Plant growth chambers and rooms and tissue culture chambers and rooms having temperature, humidity or light control [8419 89 60]. Apparatus for rapid heating of semi-conductor devices, apparatus for chemical or physical vapour deposition on semiconductor wafers; apparatus for chemical vapour deposition on LCD substrates [8419 89 70]; parts [8419 90]
122.	8422	Dish washing machines, household [8422 11 00] and other [8422 19 00]
123.	8423	Electric or electronic weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting or checking machines; weighing machine weights of all kinds
124.	8424	Fire extinguishers
125.	8427	Fork-lift trucks; other works trucks fitted with lifting or handling equipment
126.	8428	Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics)
127.	8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers
128.	8430	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers
129.	8443	Printers which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network printers; copying machines, facsimile machines; ink cartridges with or without print head assembly and ink spray nozzle
130.	8450	Household or laundry-type washing machines, including machines which both wash and dry
131.	8472	Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, automatic banknote dispensers, coin sorting machines, coin counting or wrapping machines [other than Braille typewriters, electric or non-electric, Perforating or stapling machines (staplers), pencil sharpening machines])
132.	8476	Automatic goods-vending machines (for example, postage stamps, cigarette, food or beverage machines), including money changing machines
133.	8478	Machinery for preparing or making up tobacco, not specified or included elsewhere in this chapter
134.	8479	Passenger boarding bridges of a kind used in airports [8479 71 00] and other [8479 79 00]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
135.	8483	Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints)
136.	8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals
137.	8504	Static converters (for example, rectifiers) and inductors [other than Transformers Industrial Electronics; Electrical Transformer; Static Converters (UPS)]
138.	8506	Primary cells and primary batteries
139.	8507	Electric accumulators, including separators therefor, whether or not rectangular (including square)
140.	8508	Vacuum cleaners
141.	8509	Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 8508
142.	8510	Shavers, hair clippers and hair-removing appliances, with self-contained electric motor
143.	8511	Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut-outs of a kind used in conjunction with such engines
144.	8512	Electrical lighting or signalling equipment (excluding articles of heading 8539), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles
145.	8513	Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos); other than lighting equipment of heading 8512
146.	8516	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electrothermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 8545
147.	8517	ISDN System [8517 69 10], ISDN Terminal Adaptor [8517 69 20], X 25 Pads [8517 69 40]
148.	8518	Single loudspeakers, mounted in their enclosures [8518 21 00], Audio-frequency electric amplifiers [8518 40 00], Electric sound amplifier sets [8518 50 00], Parts [8518 90 00]
149.	8519	Sound recording or reproducing apparatus

S. No.	Chapter / Heading / Sub-heading / Tariff Item	Description of Goods
(1)	(2)	(3)
150.	8522	Parts and accessories suitable for use solely or principally with the apparatus of headings 8519 or 8521
151.	8525	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video cameras recorders [other than CCTV]
152.	8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus
153.	8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock
154.	8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receiver or sound or video recording or reproducing apparatus [other than computer monitors not exceeding 17 inches]
155.	8529	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528
156.	8530	Electrical signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields (other than those of heading 8608)
157.	8531	Electric sound or visual signalling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading 8512 or 8530
158.	8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, and other connectors, junction boxes), for a voltage not exceeding 1,000 volts : connectors for optical fibres optical fibres, bundles or cables
159.	8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517
160.	8539	Sealed beam lamp units and ultra-violet or infra-red lamps; arc lamps [other than Electric filament or discharge lamps and LED lamps]
161.	8544	Insulated (including enamelled or anodised) wire, cable and other insulated electric conductors, whether or not fitted with connectors [other than Winding Wires; Coaxial cables; Optical Fiber]
162.	8545	Brushes [8545 20 00] and goods under 8545 (including arc lamp carbon and battery carbon)
163.	8547	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal (for example, threaded sockets) incorporated

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		during moulding solely for the purposes of assembly, other than insulators of heading 8546; electrical conduit tubing and joints therefor, of base metal lined with insulating material
164.	8702	Motor vehicles for the transport of ten or more persons, including the driver
165.	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars [other than Cars for physically handicapped persons]
166.	8704	Motor vehicles for the transport of goods [other than Refrigerated motor vehicles]
167.	8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological unit)
168.	8706	Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705
169.	8707	Bodies (including cabs), for the motor vehicles of headings 8701 to 8705
170.	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705 [other than specified parts of tractors]
171.	8709	Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles
172.	8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles
173.	8711	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars
174.	8714	Parts and accessories of vehicles of headings 8711 and 8713
175.	8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof [other than Self-loading or self-unloading trailers for agricultural purposes, and Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles]
176.	8802	Aircrafts for personal use
177.	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes
178.	9004	Goggles
179.	9005	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radio-astronomy
180.	9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
		heading 8539
181.	9007	Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus
182.	9008	Image projectors, other than cinematographic; photographic (other than cinematographic) enlargers and reducers
183.	9010	Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; negatoscopes; projection screens
184.	9011	Compound optical microscopes, including those for photomicrography cinephotomicrography or microprojection
185.	9012	Microscopes other than optical microscopes; diffraction apparatus
186.	9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter
187.	9014	Direction finding compasses; other navigational instruments and appliances
188.	9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders
189.	9016	Electric or electronic balances of a sensitivity of 5 cg or better, with or without weights
190.	9022	Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, for \ including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examinations or treatment tables, chairs and the light
191.	9023	Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses
192.	9101	Wrist-watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal
193.	9102	Wrist-watches, pocket-watches and other watches, including stop watches, other than those of heading 9101
194.	9104	Instrument panel clocks and clocks of a similar type for vehicles, aircraft, spacecraft or vessels
195.	9106	Time of day recording apparatus and apparatus for measuring, recording or otherwise indicating intervals of time, with clock or watch movement or with synchronous motor (for example, time registers, time-recorders)
196.	9107	Time switches with clock or watch movement or with synchronous motor
197.	9108	Watch movements, complete and assembled

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
198.	9110	Complete watch movements, unassembled or partly assembled (movement sets); incomplete watch movements, assembled; rough watch movements
199.	9111	Watch cases and parts thereof
200.	9112	Cases for other than clocks, and parts thereof
201.	9113	Watch straps, watch bands and watch bracelets, and parts thereof
202.	9114	Other watch parts
203.	9201	Pianos, including automatic pianos; harpsi-chords and other keyboard stringed instruments
204.	9202	Other string musical instruments (for example, guitars, violins, harps)
205.	9205	Wind musical instruments (for example, keyboard pipe organs, accordions, clarinets, trumpets, bagpipes), other than fairground organs and mechanical street organs
206.	9206 00 00	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets, maracas)
207.	9207	Musical instruments, the sound of which is produced, or must be amplified, electrically (for example, organs, guitars, accordions)
208.	9208	Musical boxes, fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments not falling within any other heading of this chapter; decoy calls of all kinds; whistles, call horns and other mouth-blown sound signalling instruments
209.	9209	Parts (for example, mechanisms for musical boxes) and accessories (for example, cards, discs and rolls for mechanical instruments) of musical instruments; metronomes, tuning forks and pitch pipes of all kinds
210.	9302	Revolvers and pistols, other than those of heading 9303 or 9304
211.	9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof
212.	9403	Other furniture [other than bamboo furniture] and parts thereof
213.	9404	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered
214.	9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included
215.	9504	Video games consoles and Machines
216.	9505	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes
217.	9506	Articles and equipment for general physical exercise, gymnastics, athletics
218.	9508	Roundabouts, swings, shooting galleries and other fairground amusements; [other than travelling circuses and travelling menageries]

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
219.	9601	Worked ivory, bone, tortoise-shell, horn, antlers, coral, mother-of-pearl and other animal carving material, and articles of these materials (including articles obtained by moulding)
220.	9602	Worked vegetable or mineral carving material and articles of these materials moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles, not elsewhere specified or included; worked, unhardened gelatin (except gelatin of heading 3503) and articles of unhardened gelatin
221.	9611	Date, sealing or numbering stamps, and the like (including devices for printing or embossing labels), designed for operating in the hand; hand-operated composing sticks and hand printing sets incorporating such composing sticks
222.	9613	Cigarette lighters and other lighters, whether or not mechanical or electrical, and parts thereof other than flints and wicks
223.	9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof
224.	9616	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetics or toilet preparations
225.	9617	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners
226.	9618	Tailors' dummies and other lay figures; automata and other animated displays, used for shop window dressing
227.	9804	All dutiable articles intended for personal use
228.	-	<p>Lottery authorized by State Governments</p> <p><i>Explanation 1.-</i> For the purposes of this entry, value of supply of lottery under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) shall be deemed to be 100/128 of the face value of ticket or of the price as notified in the Official Gazette by the organising State, whichever is higher.</p> <p><i>Explanation 2.-</i></p> <p>(1) "Lottery authorized by State Governments" means a lottery which is authorized to be sold in State(s) other than the organising state also.</p> <p>(2) Organising state has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.</p>

Schedule V - 3%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
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(1)	(2)	(3)
1.	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
2.	7102	Diamonds, whether or not worked, but not mounted or set [other than Non-Industrial Unworked or simply sawn, cleaved or bruted]
3.	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 of transport [other than Unworked or simply sawn or roughly shaped]
4.	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 or semi-precious stones, temporarily strung for convenience of transport [other than Unworked or simply sawn or roughly shaped]
5.	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
7.	7107	Base metals clad with silver, not further worked than semi-manufactured
8.	7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form
9.	7109	Base metals or silver, clad with gold, not further worked than semi-manufactured
10.	7110	Platinum, unwrought or in semi-manufactured forms, or in powder form
11.	7111	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured
12.	7112	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal.
13.	7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal
14.	7114	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal
15.	7115	Other articles of precious metal or of metal clad with precious metal
16.	7116	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)
17.	7117	Imitation jewellery
18.	7118	Coin

Schedule VI - 0.25%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	7102	Diamonds, non-industrial unworked or simply sawn, cleaved or bruted
2.	7103	Precious stones (other than diamonds) and semi-precious stones, unworked or simply sawn or roughly shaped
3.	7104	Synthetic or reconstructed precious or semi-precious stones, unworked or simply sawn or roughly shaped

Explanation. – For the purposes of this Schedule,–

(i) The phrase “unit container” means a package, whether large or small (for example, tin, can, box, jar, bottle, bag, or carton, drum, barrel, or canister) designed to hold a pre-determined quantity or number, which is indicated on such package.

(ii) The phrase “registered brand name” means brand name or trade name, that is to say, a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person, and which is registered under the Trade Marks Act, 1999.

(iii) “Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(iv) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India



Canada Revenue
Agency

Agence du revenu
du Canada

Tax measures for persons with disabilities

Disability-Related Information

2016



CANADA 150

RC4084(E) Rev. 16

Canada

Is this guide for you?

This guide is for persons with disabilities and their supporting persons. It gives information on:

- the criteria for the disability tax credit and how to apply;
- related tax credits you can claim on the income tax and benefit return; and
- other disability-related information.

This guide uses plain language to explain most common tax situations. It is provided for information only and does not replace the law.

What's new for 2016?

Home accessibility tax credit

You or a supporting person may be eligible to claim up to \$10,000 in qualifying renovations. For more information, see page 24.

Children's fitness and arts tax credits

These credits are reduced for the 2016 tax year. They will be cancelled by the 2017 tax year. For more information on the amounts you can claim, see pages 23 and 26.

If you are blind or partially sighted, you can get our publications in braille, large print, etext, or MP3 by going to cra.gc.ca/alternate. You can also get our publications and your personalized correspondence in these formats by calling 1-800-959-8281.

La version française de ce guide est intitulée *Renseignements relatifs aux personnes handicapées*.

cra.gc.ca

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Services for persons with disabilities

Help for persons who have a hearing or speech impairment

Do you use a teletypewriter (TTY)? – If you do, call 1-800-665-0354 during business hours.

Do you use an operator-assisted relay service? – You can call 1-800-959-8281 during business hours. As of January 2017, you do not need to authorize the relay service operator to communicate with the Canada Revenue Agency (CRA).

Would you like to use a sign language interpreter? – If you give us notice, we can have a sign language interpreter at an interview or meeting.

Help for persons who are blind or partially sighted

If you have difficulty filling out regular print forms and returns, you can file them in braille or in large print. To get your publications in the format you want, go to cra.gc.ca/alternate or call 1-800-959-8281.

Community Volunteer Income Tax Program

If you have a modest income and a simple tax situation, community volunteers may be able to prepare your return for you. For more information, go to cra.gc.ca/volunteer.

Non-refundable tax credits

Non-refundable tax credits are amounts that reduce the income tax you may have to pay.

Disability tax credit

A person with a severe and prolonged impairment in physical or mental functions may be eligible for the disability tax credit (DTC). Once they are eligible for the DTC, the disability amount could be claimed on the return.

Being eligible for the DTC can allow you to claim certain deductions, credits, and benefits, which are mentioned in this guide.

Definitions and criteria

The following definitions and criteria are used for the DTC. They will help you understand eligibility for the credit and how to apply.

Basic activities of daily living – The basic activities of daily living are:

- speaking;
- hearing;
- walking;
- eliminating (bowel and bladder functions);
- feeding;
- dressing; and
- mental functions necessary for everyday life.

Effects of impairment – The effects of impairment must be such that, even with therapy and the use of appropriate devices and medication, you are restricted at least 90% of the time.

Notes

For a patient with a walking impairment, the medical practitioner might state the number of hours spent in bed or in a wheelchair each day because of the impairment.

For a patient with an impairment in mental functions necessary for everyday life, the medical practitioner might describe the degree to which his or her patient needs support and supervision.

Inordinate amount of time – This is a clinical judgment made by a medical practitioner who observes a recognizable difference in the time it takes a person to do an activity. Usually, this equals three times the average time needed to complete the activity by a person who does not have the impairment.

Life-sustaining therapy – You must meet both of the following criteria:

- the therapy is needed to support a vital function, even if it eases the symptoms; and
- the therapy is needed at least 3 times per week, for an average of at least 14 hours per week.

You must dedicate time for the therapy – that is, you have to take time away from your normal, everyday activities to receive it. It includes the time you need to set up a portable device.

If your therapy requires a regular dosage of medication that needs to be adjusted daily, the time spent on activities directly related to determining the dosage and administering the medication can be counted in the 14 hours per week requirement. For example:

- checking blood glucose levels;
- preparing and administering the insulin;
- calibrating necessary equipment;
- testing ketones; or
- keeping a log book of blood glucose levels.

If a child cannot do the activities related to the therapy because of his or her age, the time spent by the child's primary caregivers to do and supervise these activities can be counted in the 14 hours per week requirement. For example, for a child with Type 1 diabetes, supervision includes:

- having to wake the child at night to test his or her blood glucose level;
- checking the child to decide if more blood glucose testing is needed (during or after physical activity); or
- other supervisory activities that can reasonably be considered necessary to adjust the dosage of insulin.

However, some activities do not count in the 14 hours per week requirement, such as:

- the time a portable or implanted device takes to deliver the therapy (such as an insulin pump, a CPAP machine, or a pacemaker);
- activities related to dietary restrictions or regimes, even when these activities are a factor in determining the daily dosage of medication (such as carbohydrate calculation);
- activities related to exercising, even when these activities are a factor in determining the daily dosage of medication;
- travel time to receive the therapy;
- going to medical appointments (other than appointments where the therapy is received);
- buying medication; or
- recuperation after therapy.

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Markedly restricted – You are markedly restricted if you are unable or it takes you an inordinate amount of time to do one or more of the basic activities of daily living, even with therapy (other than therapy to support a vital function) and the use of appropriate devices and medication. This restriction must be present all or substantially all of the time (at least 90% of the time).

Medical practitioner – For the DTC, the medical practitioners who can certify an impairment are:

- medical doctors;
- nurse practitioners (under proposed changes);
- optometrists;
- audiologists;
- occupational therapists;
- physiotherapists;
- psychologists; and
- speech-language pathologists.

Prolonged – An impairment is prolonged if:

- it has lasted for a continuous period of at least 12 months; or
- is expected to last for a continuous period of at least 12 months.

Significantly restricted – This means that although you do not quite meet the criteria for markedly restricted, your vision or ability to do a basic activity of daily living is still greatly restricted all or substantially all of the time (at least 90% of the time).

Who is eligible for the DTC?

For you to be eligible for the DTC, a medical practitioner must certify that you have a severe and prolonged impairment in physical or mental functions. The medical practitioner also needs to describe the effects of the person's impairment. Eligibility for the DTC is based on the effects of the impairment, not on the medical condition itself.

If you receive Canada Pension Plan or Quebec Pension Plan disability benefits, workers' compensation benefits, or other types of disability or insurance benefits, it does not necessarily mean you are eligible for the DTC. These programs have other purposes and different criteria, such as an individual's inability to work.

You can fill out the self-assessment questionnaire on the next page to find out if you may be eligible. This questionnaire does not replace Form T2201, *Disability Tax Credit Certificate*.

Note

Your answers may show that you are not eligible for the DTC. However, you can still send an application.

Self-assessment questionnaire

<p>1. Has your impairment in physical or mental functions lasted, or is it expected to last, for a continuous period of at least 12 months?</p> <p>If you answered yes, answer questions 2 to 5 below. If you answered no, you are not eligible for the DTC. To claim the disability amount, the impairment has to be prolonged (defined on page 7).</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2. Are you blind?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3. Do you receive life-sustaining therapy (defined on page 6)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<p>4. Do the effects of your impairment cause you to be markedly restricted (defined on page 7) at least 90% of the time in one or more of the following basic activities of daily living, even with the appropriate therapy, medication, and devices?</p> <ul style="list-style-type: none"> • Speaking • Hearing • Walking • Eliminating (bowel or bladder functions) • Feeding • Dressing • Mental functions necessary for everyday life 	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<p>5. Do you meet all the following conditions?</p> <ul style="list-style-type: none"> • Because of the impairment, you are significantly restricted (defined on page 7) in two or more of the basic activities of daily living, or you are significantly restricted in vision and one or more of the basic activities of daily living listed in question 4, even with appropriate therapy (other than therapy to support a vital function), medication, and devices. • These significant restrictions exist together at least 90% of the time. • The cumulative effect of these significant restrictions is equal to being markedly restricted in one basic activity of daily living. 	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If you answered yes to question 1 and to any one of questions 2 to 5, you may be eligible for the DTC.

If you answered no to all of questions 2 to 5, you are not eligible for the DTC. To be eligible for the DTC, you have to answer yes to at least one of these questions.

How do you apply for the DTC?

To apply for the DTC, you have to send Form T2201, *Disability Tax Credit Certificate*.

Note

You do not have to send a new Form T2201 if we already approved your application. However, you have to send a new form if the previous period of approval has ended or if we tell you that we need one.

To help you apply, here are three steps to follow.

Step 1 – Fill out Part A of Form T2201

Fill out and sign the sections of Part A that apply.

Section 1 – Enter information about the person with the disability.

Section 1 – Information about the person with the disability					
First name and initial		Last name		Social insurance number	
Mailing address (Apt No – Street No Street name, PO Box, RR)					
City	Province or territory	Postal code	Date of birth:	Year	Month Day

Section 2 – If you want to transfer the disability amount from your spouse or common-law partner, or dependant, fill out this section.

Section 2 – Information about the person claiming the disability amount (if different from above)					
First name and initial		Last name		Social insurance number	
The person with the disability is: <input type="checkbox"/> my spouse/common-law partner <input type="checkbox"/> my dependant (specify):					
Answer the following questions for all of the years that you are claiming the disability amount for the person with the disability.					
1. Does the person with the disability live with you?				Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, for which year(s)?					
2. If you answered no to Question 1, does the person with the disability regularly and consistently depend on you for one or more of the basic necessities of life such as food, shelter, or clothing?				Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, for which year(s)?					
Give details about the regular and consistent support you provide for food, shelter or clothing to the person with the disability (If you need more space, attach a separate sheet of paper). We may ask you to provide receipts or other documents to support your request.					

You may be able to transfer the disability amount that the person with the disability may not need to reduce his or her tax. To transfer all or part of the disability amount, one of the following criteria needs to be met:

- the person with the disability lives with you; or
- you support the person with the disability by providing food, shelter, or clothing on a regular and consistent basis.

Section 3 – Fill out this section only if you want to adjust your return(s) to claim the disability amount for:

- yourself; or
- your dependant under the age of 18.

Section 3 – Adjust your income tax and benefit return	
Once eligibility is approved, the CRA can adjust your returns for all applicable years to include the disability amount for yourself or your dependant under the age of 18. For more information, see <i>Guide RC4084, Disability-Related Information</i> .	
<input type="checkbox"/> Yes, I want the CRA to adjust my returns, if possible.	<input type="checkbox"/> No, I do not want an adjustment.

After the application is approved, we will automatically adjust your return(s). We will include the federal and provincial disability amounts for all years that apply (except for residents of Quebec who have to file a separate provincial return).

You can send Form T1-ADJ, *T1 Adjustment Request*, with the Form T2201 if you need us to adjust a tax year for one of the following reasons:

- you are claiming the disability amount for a dependant 18 or older;
- you are claiming the disability amount for your spouse or common-law partner;
- the disability amount needs to be divided between two or more supporting persons; or
- you need any other change that is not mentioned above.

You can also send a letter with the details of your request with Form T2201. If a representative is acting for you, you must send Form T1013, *Authorizing or Cancelling a Representative*, or a signed letter authorizing your representative to make the request.

Section 4 – The person with the disability or their legal representative has to sign this section.

Section 4 – Authorization			
As the person with the disability or their legal representative, I authorize the following actions:			
• Medical practitioner(s) can give information to the CRA from their medical records or discuss the information on this form.			
• The CRA can adjust my returns, as applicable, if the "Yes" box has been ticked in section 3.			
Sign here:	Telephone	Year	Month Day

This signature authorizes the medical practitioner to give or discuss the information needed so we can make a decision on eligibility. It also authorizes the CRA to adjust your returns, as applicable, if the "Yes" box has been ticked in section 3.

Step 2 – Ask a medical practitioner to certify Part B of Form T2201

You must take Form T2201 to a medical practitioner who can certify that you have a severe and prolonged impairment in physical or mental functions.

You are responsible for any fees that the medical practitioner charges to fill out the form. You may be able to claim these fees as medical expenses on line 330 or line 331 of Schedule 1. For more information on medical expenses you can claim, see Guide RC4065, *Medical Expenses*.

The table on the next page shows the type of medical practitioner who can certify each category. Also, the table gives examples and clarifications for each category.

Category	Examples	Notes
Vision – must be certified by a medical doctor, nurse practitioner (under proposed changes), or an optometrist.		<p>You are considered blind if, even with the use of corrective lenses or medication:</p> <ul style="list-style-type: none"> ■ the visual acuity in both eyes is 20/200 (6/60) or less with the Snellen Chart (or an equivalent); or ■ the greatest diameter of the field of vision in both eyes is 20 degrees or less.
Speaking – must be certified by a medical doctor, nurse practitioner (under proposed changes), or speech-language pathologist	<ul style="list-style-type: none"> ■ You must rely on other means of communication, such as sign language or a symbol board, at least 90% of the time. ■ In the doctor's office, the doctor must ask you to repeat words and sentences several times, and it takes you an inordinate amount of time to make yourself understood. 	<p>Devices for speaking include tracheoesophageal prostheses, vocal amplification devices, and other such devices.</p>
Hearing – must be certified by a medical doctor, nurse practitioner (under proposed changes), or audiologist	<ul style="list-style-type: none"> ■ You must rely completely on lip reading or sign language at least 90% of the time, to understand a spoken conversation, despite the use of hearing aids. ■ In the doctor's office, the doctor must raise his or her voice and repeat words and sentences several times, and it takes you an inordinate amount of time to understand, despite the use of hearing aids. 	<p>Devices for hearing include hearing aids, cochlear implants, and other such devices.</p>
Walking – must be certified by a medical doctor, nurse practitioner (under proposed changes), occupational therapist, or physiotherapist	<ul style="list-style-type: none"> ■ You always rely on a wheelchair outside of the home, even for short distances. ■ You take an inordinate amount of time to walk 100 meters (about one city block), at least 90% of the time since you need to stop because of pain and shortness of breath. ■ You experience severe episodes of fatigue, and problems with coordination and balance. Several days at a time, you cannot walk more than a few steps. Between episodes, you continue to have these symptoms, but to a lesser degree. These symptoms cause you to take an inordinate amount of time to walk, at least 90% of the time. 	<p>Devices for walking include canes, walkers, and other such devices.</p>

Category	Examples	Notes
Eliminating (bowel or bladder functions) – must be certified by a medical doctor or nurse practitioner (under proposed changes)	<ul style="list-style-type: none"> ■ You need a device for eliminating, which causes you to take an inordinate amount of time to manage your bowel or bladder functions. ■ You are Incontinent of bladder functions at least 90% of the time. You take an inordinate amount of time to tend to your elimination, as you need incontinence pads. 	Devices for eliminating include catheters, ostomy appliances, and other such devices.
Feeding – must be certified by a medical doctor, nurse practitioner (under proposed changes), or occupational therapist	<ul style="list-style-type: none"> ■ You need tube feedings at least 90% of the time. ■ You take an inordinate amount of time to prepare meals or to feed yourself, on a daily basis, due to significant pain and decreased strength and dexterity in your upper limbs. 	<p>Devices for feeding include modified utensils, and other such devices.</p> <p>Feeding yourself does include preparing food, except when the time spent is related to a dietary restriction or regime, even when the restriction or regime is needed due to an illness or medical condition.</p> <p>Feeding yourself does not include identifying, finding, shopping for, or obtaining food.</p>
Dressing – must be certified by a medical doctor, nurse practitioner (under proposed changes), or occupational therapist	<ul style="list-style-type: none"> ■ You cannot dress without daily help from another person. ■ Due to pain, stiffness, and decreased dexterity, you take an inordinate amount of time to dress yourself on a daily basis. 	<p>Devices for dressing include specialized buttonhooks, long-handled shoehorns, grab rails, safety pulls, and other such devices.</p> <p>Dressing yourself does not include identifying, finding, shopping for, or obtaining clothing.</p>
Mental functions necessary for everyday life – must be certified by a medical doctor, nurse practitioner (under proposed changes), or psychologist	<ul style="list-style-type: none"> ■ You are independent in some aspects of everyday living; however, despite medication and therapy, you need daily support and supervision due to an inability to accurately interpret your environment. ■ You cannot make a common, simple transaction, such as buying food at the grocery store, without help at least 90% of the time. ■ You experience psychotic episodes several times a year. Given the unpredictability of your psychotic episodes and the other defining symptoms of your impairment (for example, lack of initiative or motivation, disorganized behaviour and speech), you continue to need daily supervision. ■ You are unable to express your needs or anticipate consequences of behaviour when interacting with others. 	<p>Mental functions necessary for everyday life include:</p> <ul style="list-style-type: none"> ■ adaptive functioning (for example, abilities related to self-care, health and safety, abilities to initiate and respond to social interactions, and common, simple transactions); ■ memory (for example, the ability to remember simple instructions, basic personal information such as name and address, or material of importance and interest); and ■ problem-solving, goal-setting, and judgment, taken together (for example, the ability to solve problems, set and keep goals, and make the appropriate decisions and judgments).

Category	Examples	Notes
Life-sustaining therapy – must be certified by a medical doctor or nurse practitioner (under proposed changes)	<ul style="list-style-type: none"> ■ Chest physiotherapy to ease breathing ■ Kidney dialysis to filter blood ■ Insulin therapy to treat Type 1 diabetes in a child who cannot independently adjust the insulin dosage 	
Cumulative effect of significant restrictions – must be certified by a medical doctor, nurse practitioner (under proposed changes), or occupational therapist (occupational therapist can only certify for walking, feeding, and dressing)	<ul style="list-style-type: none"> ■ You can walk 100 metres, but then must take time to recuperate. You can carry out the mental functions necessary for everyday life, but can concentrate on any topic for only a short period of time. The cumulative effect of these two significant restrictions is equal to being markedly restricted, such as being unable to do one of the basic activities of daily living. ■ You always take a long time for walking, dressing and feeding. The extra time it takes you to do these activities, when added together, is equal to being markedly restricted (defined on page 7). 	

Step 3 – Send your filled out Form T2201

Send Form T2201, as well as any letter or documents, to your tax centre. The form must be sent in its entirety. Use the chart below to get the address. You can send the form at any time during the year. Keep a copy for your records.

If your tax services office is located in:	Send your correspondence to the Disability Tax Credit Unit at the following address:
Alberta, British Columbia, London, Manitoba, Northwest Territories, Regina, Saskatoon, Thunder Bay, Windsor, or Yukon	Winnipeg Tax Centre 66 Stapon Road Winnipeg MB R3C 3M2
Barrie, Kingston, New Brunswick, Newfoundland and Labrador, Nova Scotia, Peterborough, St. Catharines, Sudbury (the area of Sudbury/Nickel Belt only), Toronto Centre, Toronto East, Toronto North, or Toronto West	Sudbury Tax Centre P.O. Box 20000, Station A Sudbury ON P3A 5C1
Laval, Montréal, Nunavut, Ottawa, Rouyn-Noranda, Sherbrooke, or Sudbury (other than the Sudbury/Nickel Belt area)	Shawinigan-Sud Tax Centre 4695 Shawinigan-Sud Boulevard Shawinigan QC G9P 5H9
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, or Trois-Rivières	Jonquière Tax Centre 2251 René Lévesque Boulevard Jonquière QC G7S 5J2
Belleville, Hamilton, Kitchener/Waterloo, or Prince Edward Island	Prince Edward Island Tax Centre 275 Pope Road Summerside PE C1N 6A2
International and Ottawa Tax Services Office (deemed residents, non-residents, and new or returning residents of Canada)	International and Ottawa Tax Services Office P.O. Box 9769, Station T Ottawa ON K1G 3Y4 CANADA

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What happens after Form T2201 is sent?

All applications are reviewed before we allow or deny the credit. Our decision is based on the information given by the medical practitioner. If we need more information, we may contact you or the medical practitioner.

If we ask you to send supporting documents or receipts, you may do so by using My Account at cra.gc.ca/myaccount. You will receive a letter containing a reference number and instructions on how to proceed.

After we make a decision, we will mail you a notice of determination.

The application is approved

The notice of determination will show which year(s) you are eligible for the DTC. The notice of determination may also include information about other programs that depend on eligibility for the DTC. You do not need to send a new Form T2201 each year, unless we tell you that we need one.

You can view your DTC information in My Account.

You should tell us if your medical condition improves and you no longer meet the criteria for the DTC.

The application is denied

The notice of determination will explain why the application was denied. Check your copy of Form T2201 against the reason(s) given. We make our decision based on the information given by the medical practitioner.

If you disagree with our decision, you can write to your tax centre and ask them to review your application. You must include any relevant medical information that you have not already sent, such as medical reports or a letter from a medical practitioner who is familiar with your situation. This information should describe how the impairment affects the activities of daily living.

You can also formally object to our decision. The time limit for filing an objection is no later than 90 days after we mail the notice of determination. For more information, see Brochure P148, *Resolving your dispute: Objection and appeal rights under the Income Tax Act*.

How do you claim the disability amount?

Disability amount for self (line 316)

If you are eligible for the DTC, you can claim the disability amount on your return.

If you were 18 years of age or older at the end of 2016, claim the federal disability amount of \$8,001 on line 316 of Schedule 1.

If you or anyone else paid for attendant care, or care in a facility, special rules may apply. For more information, see Guide RC4065, *Medical Expenses*.

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Supplement for persons under 18 – If you qualify for the disability amount and were under 18 years of age at the end of the year, you can claim up to an additional \$4,667. This supplement may be reduced if, in 2016:

- someone claimed child care expenses for you on line 214 of their return or attendant care expenses for you on line 330 or 331 of Schedule 1; or
- you claimed attendant care expenses on line 215 of your return or on line 330 of Schedule 1.

For more information, see line 316 in the *General Income Tax and Benefit Guide*.

Disability amount transferred from a dependant (line 318)

You may be able to claim all or part of your dependant's (other than your spouse's or common-law partner's) disability amount if he or she:

- is eligible for the DTC;
- was resident in Canada at any time in 2016; and
- was dependent on you for all or some of the basic necessities of life (food, shelter, and clothing).

In addition, one of the following situations has to apply:

- You claimed an amount on line 305 of Schedule 1 for that dependant, or you could have if you did not have a spouse or common-law partner and if the dependant did not have any income.
- The dependant was your or your spouse's or common-law partner's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece, and you claimed an amount on line 306 or 315 of Schedule 1 for that dependant or you could have if he or she had no income and had been 18 years of age or older in 2016.

You cannot claim the unused part of the disability amount if the spouse or common-law partner of the person with a disability is already claiming:

- the disability amount on line 326 of Schedule 1; or
- any other non-refundable tax credit (other than medical expenses) for the person with a disability.

If you or anyone else paid for attendant care or for care in a facility, special rules may apply. For more information, see Guide RC4065, *Medical Expenses*.

Do you pay child support? – You cannot claim the disability amount transferred from a dependant for a child for whom you had to pay child support. If you were separated from your spouse or common-law partner for only part of the year because of a breakdown in your relationship, special rules apply.

Did you and another person support the same dependant? – You can split the claim for that dependant. The total of your claim and the other person's claim cannot be more than the maximum amount for that dependant.

You may also be able to transfer an amount for a supplement if your dependant was:

- under 18 years of age at the end of the year; and
- eligible for the DTC.

For more information, see line 318 in the *General Income Tax and Benefit Guide*.

Amounts transferred from your spouse or common-law partner (line 326)

You may be able to claim all or part of the disability amount for which your spouse or common-law partner qualifies. For more information, see line 326 in the *General Income Tax and Benefit Guide*.

If you or anyone else paid for attendant care or care in a facility, special rules may apply. For more information, see Guide RC4065, *Medical Expenses*.

Amount for an eligible dependant (line 305)

The maximum amount for 2016 that you can claim on line 305 of Schedule 1 is \$11,474. If your dependant has an impairment in physical or mental functions, you may also claim the family caregiver amount (see page 18).

Who is eligible?

You may be able to claim this amount if, at any time in the year, you met all of the following conditions at once:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person.
- You supported a dependant in 2016.
- You lived with the dependant (in most cases in Canada) in a home you maintained. You cannot claim this amount for a person who was only visiting you.

In addition, at the time you met the above conditions, the dependant must have been either:

- your parent or grandparent by blood, marriage, common-law partnership, or adoption; or
- your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption and under 18 years of age, or has an impairment in physical or mental functions.

Restrictions and special rules

A household is allowed only one claim on line 305, even if there is more than one dependant in the household.

If you or someone else claims this amount for a dependant, it may affect other claims being made. For more information, see "Restrictions on certain amounts that you claim together" on page 25.

Do you pay child support? – Generally, you cannot claim an amount for an eligible dependant for whom you had to pay child support. Special rules may apply.

For more information, see line 305 in the *General Income Tax and Benefit Guide*.

Amount for infirm dependants age 18 or older (line 306)

The maximum amount for 2016 that you can claim on line 306 of Schedule 1 is \$6,788, which includes the family caregiver amount.

Who is eligible?

You can claim an amount for each of your or your spouse's or common-law partner's dependent children or grandchildren only if that person:

- has an impairment in physical or mental functions; and
- was born in 1998 or earlier.

You can also claim an amount for each dependant if that person meets all of the following conditions. The person must be:

- your or your spouse's or common-law partner's parent, grandparent, brother, sister, uncle, aunt, nephew, or niece;
- born in 1998 or earlier and have an impairment in physical or mental functions;
- dependent on you, or on you and others, for support; and
- a resident of Canada at any time in the year. You cannot claim this amount for a person who was only visiting you.

A parent includes someone on whom you were completely dependent and who had custody and control of you when you were under 19 years of age.

A child can include someone older than you who has become completely dependent on you for support and over whom you have custody and control.

Restrictions and special rules

Do you pay child support? – You cannot claim an amount for infirm dependants age 18 or older or for a child for whom you had to pay child support. If you were separated from your spouse or common-law partner for only part of the year because of a breakdown in your relationship, special rules apply.

Did you and another person support the same dependant? – You can split the claim for that dependant. The total of your claim and the other person's claim cannot be more than the maximum amount for that dependant.

To find out which amounts you can claim together, see "Restrictions on certain amounts that you claim together" on page 25.

For more information, see line 306 in the *General Income Tax and Benefit Guide*.

Caregiver amount (line 315)

The maximum amount for 2016 that you can claim on line 315 of Schedule 1 is \$4,667. If your dependant has an impairment in physical or mental functions, you may also claim the family caregiver amount (see the next page).

You may also be able to transfer an amount for a supplement if your dependant was:

- under 18 years of age at the end of the year; and
- eligible for the DTC.

For more information, see line 318 in the *General Income Tax and Benefit Guide*.

Amounts transferred from your spouse or common-law partner (line 326)

You may be able to claim all or part of the disability amount for which your spouse or common-law partner qualifies. For more information, see line 326 in the *General Income Tax and Benefit Guide*.

If you or anyone else paid for attendant care or care in a facility, special rules may apply. For more information, see Guide RC4065, *Medical Expenses*.

Amount for an eligible dependant (line 305)

The maximum amount for 2016 that you can claim on line 305 of Schedule 1 is \$11,474. If your dependant has an impairment in physical or mental functions, you may also claim the family caregiver amount (see page 18).

Who is eligible?

You may be able to claim this amount if, at any time in the year, you met all of the following conditions at once:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person.
- You supported a dependant in 2016.
- You lived with the dependant (in most cases in Canada) in a home you maintained. You cannot claim this amount for a person who was only visiting you.

In addition, at the time you met the above conditions, the dependant must have been either:

- your parent or grandparent by blood, marriage, common-law partnership, or adoption; or
- your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption and under 18 years of age, or has an impairment in physical or mental functions.

Restrictions and special rules

A household is allowed only one claim on line 305, even if there is more than one dependant in the household.

If you or someone else claims this amount for a dependant, it may affect other claims being made. For more information, see "Restrictions on certain amounts that you claim together" on page 25.

Do you pay child support? – Generally, you cannot claim an amount for an eligible dependant for whom you had to pay child support. Special rules may apply.

For more information, see line 305 in the *General Income Tax and Benefit Guide*.

Amount for infirm dependants age 18 or older (line 306)

The maximum amount for 2016 that you can claim on line 306 of Schedule 1 is \$6,788, which includes the family caregiver amount.

Who is eligible?

You can claim an amount for each of your or your spouse's or common-law partner's dependent children or grandchildren only if that person:

- has an impairment in physical or mental functions; and
- was born in 1998 or earlier.

You can also claim an amount for each dependant if that person meets all of the following conditions. The person must be:

- your or your spouse's or common-law partner's parent, grandparent, brother, sister, uncle, aunt, nephew, or niece;
- born in 1998 or earlier and have an impairment in physical or mental functions;
- dependent on you, or on you and others, for support; and
- a resident of Canada at any time in the year. You cannot claim this amount for a person who was only visiting you.

A parent includes someone on whom you were completely dependent and who had custody and control of you when you were under 19 years of age.

A child can include someone older than you who has become completely dependent on you for support and over whom you have custody and control.

Restrictions and special rules

Do you pay child support? – You cannot claim an amount for infirm dependants age 18 or older or for a child for whom you had to pay child support. If you were separated from your spouse or common-law partner for only part of the year because of a breakdown in your relationship, special rules apply.

Did you and another person support the same dependant? – You can split the claim for that dependant. The total of your claim and the other person's claim cannot be more than the maximum amount for that dependant.

To find out which amounts you can claim together, see "Restrictions on certain amounts that you claim together" on page 25.

For more information, see line 306 in the *General Income Tax and Benefit Guide*.

Caregiver amount (line 315)

The maximum amount for 2016 that you can claim on line 315 of Schedule 1 is \$4,667. If your dependant has an impairment in physical or mental functions, you may also claim the family caregiver amount (see the next page).

Who is eligible?

You may be able to claim the caregiver amount for each dependant if, at any time in 2016, you maintained a dwelling where you and one or more of your dependants lived.

Each dependant must have been one of the following:

- your or your spouse's or common-law partner's child or grandchild; or
- your or your spouse's or common-law partner's parent, grandparent, brother, sister, uncle, aunt, nephew, or niece who was resident in Canada. You cannot claim this amount for a person who was only visiting you.

In addition, each dependant must meet all of the following conditions. The person must have:

- been 18 years of age or older at the time he or she lived with you;
- had a net income in 2016 (line 236 of his or her return, or the amount it would be if he or she filed a return) of less than \$20,607 (\$22,728 if the dependant is eligible for the family caregiver amount (see below); and
- been dependent on you due to an impairment in physical or mental functions or, if he or she is your or your spouse's or common-law partner's parent or grandparent, born in 1951 or earlier.

Restrictions and special rules

Do you pay child support? – You cannot claim the caregiver amount for a child for whom you had to pay child support. If you were separated from your spouse or common-law partner for only part of the year because of a breakdown in your relationship, special rules apply.

Did you and another person support the same dependant? – You can split the claim for that dependant. The total of your claim and the other person's claim cannot be more than the maximum amount for that dependant.

To find out which amounts you can claim together, see "Restrictions on certain amounts that you claim together" on page 25.

For more information, see line 315 in the *General Income Tax and Benefit Guide*.

Family caregiver amount**What is the family caregiver amount?**

The family caregiver amount (FCA) is to help caregivers with the expenses involved with taking care of certain dependants.

If you have a spouse or common-law partner or a dependant with an impairment in physical or mental functions, you may be eligible to claim \$2,121 on line 367 of Schedule 1 or an additional \$2,121 for one or more of the following:

- spouse or common-law partner amount (line 303 of Schedule 1);
- amount for an eligible dependant (line 305 of Schedule 1); and
- caregiver amount (line 315 of Schedule 1).

Notes

The maximum amount for infirm dependants age 18 or older (line 306) includes the additional amount of \$2,121 for the FCA.

You may be able to claim the FCA for more than one eligible dependant.

Who is eligible?**Family caregiver amount (line 303, 305, or 315)**

You can claim the family caregiver amount on line 303, 305, or 315 if your dependant is:

- a person 18 years of age or older; and
- dependent on you because of an impairment in physical or mental functions.

Note

If you are claiming an amount for an eligible dependant (line 305) under 18 years of age, you must claim the family caregiver amount on line 367.

For more information, see "Family caregiver amount (FCA)" in the *General Income Tax and Benefit Guide*.

Family caregiver amount for infirm children under 18 years of age (line 367)

Whether you have a spouse or common-law partner or not, you may be able to claim the family caregiver amount on line 367 of Schedule 1 if your dependant:

- is your or your spouse's or common-law partner's child;
- is under 18 years of age at the end of the year; and
- has an impairment in physical or mental functions.

You or your spouse or common-law partner can claim this amount for all eligible children separately, but the amount can only be claimed once for each child.

The full amount can be claimed in the year of the child's birth, death, or adoption.

For more information, see line 367 in the *General Income Tax and Benefit Guide*.

If your spouse or common-law partner did not need the whole amount to reduce his or her federal tax to zero, you may be able to transfer all or part of the unused amount to your return. For more information, see line 326 in the *General Income Tax and Benefit Guide*.

What supporting documents do you need?

We may ask you to send a signed statement from a medical practitioner. The statement should show:

- when the impairment began; and
- what its duration is expected to be.

For children under 18 years of age, the statement should also show that the child is, and will likely continue to be, dependent on others for a long and continuous period because of an impairment in physical or mental functions. "Dependent on others" means they need much more help for their personal needs and care compared to children of the same age.

Notes

You do not need a signed statement from a medical practitioner if we already have an approved Form T2201, *Disability Tax Credit Certificate*, for the specified period.

Many professionals are considered medical practitioners. To view the list of professionals who can give a signed statement, go to cra.gc.ca/medicalpractitioners.

What are the maximum amounts you can claim?

The table below shows the maximum amounts you can claim for non-refundable tax credits. It also shows the maximum amounts you can claim if you are eligible for the family caregiver amount.

Non-refundable tax credit	Maximum base amount	Maximum credit including the family caregiver amount
Spouse or common-law partner amount (line 303)	\$11,474	\$13,595
Amount for an eligible dependant (line 305)	\$11,474	\$13,595
Amount for infirm dependant age 18 or older (line 306)	N/A	\$6,788
Caregiver amount (line 315)	\$4,667	\$6,788
Family caregiver amount for infirm children under 18 years of age (line 367)	N/A	\$2,121

Example 1

Abdul's wife, Amal, has a physical impairment. Abdul has been taking time off from work to take her to appointments and to help with her personal needs. Amal's doctor certified in writing that she is dependent on her husband for her personal needs because of her impairment. Abdul can claim the spouse or common-law partner amount on line 303 of his Schedule 1. On the same line, he can also claim \$2,121 for the family caregiver amount.

Example 2

Mike's child, Paul, age 10, has an impairment. Paul is eligible for the disability tax credit (DTC). Because of his impairment, Paul requires significant help from his father for his personal needs. Since Paul is eligible for the DTC, Mike does not need to send a signed statement from a medical practitioner.

Mike, who is separated, claims the amount for an eligible dependant on line 305 of his Schedule 1 for Paul. He can also claim the family caregiver amount of \$2,121 on line 367.

Example 3

Alexandra, age 75, lives with her son, Shawn, and is dependent on him. Shawn can claim the caregiver amount on line 315 of his Schedule 1. He can also claim the family caregiver amount on the same line.

Example 4

Nora is the primary caregiver for her husband's daughter, Anja. Anja has an impairment in mental functions. She is 16 years old and lives with Nora and her husband. Nora can claim \$2,121 for the family caregiver amount for infirm children under 18 years of age on line 367 of her Schedule 1.

Since Anja is not eligible for the DTC, Nora needs a signed statement from a medical practitioner to certify Anja's impairment.

For more information on how to claim the family caregiver amount on your return, see the *General Income Tax and Benefit Guide*.

Tuition, education, and textbook amounts**Your tuition, education, and textbook amounts (line 323)**

Eligible tuition fees – You can claim fees paid for courses you took in 2016. Generally, a course qualifies if it was taken at the post-secondary level.

A course that was not taken at the post-secondary level could also qualify if all these conditions apply:

- you were 16 years of age or older at the end of the year;
- the course develops or improves skills in an occupation; and
- the educational institution has been certified by Employment and Social Development Canada.

Not all fees can be claimed. To qualify, the fees you paid to go to a Canadian educational institution must be more than \$100.

You also cannot include amounts paid for other expenses, such as:

- board and lodging;
- student's association fees; or
- textbooks (see "Textbook amount" on the next page).

Education amount – You can claim the education amount for each month or part of a month in 2016 in which you were enrolled in a qualifying program.

If you were under 16 years of age at the end of the year, you can claim the education amount only for courses you took at the post-secondary level.

The following amounts apply for each month in which you were enrolled in a qualifying program:

- If you were enrolled full-time, you can claim \$400 per month.
- If you were enrolled part-time because of an impairment in physical or mental functions, you may be able to claim \$400 per month. To do so, you have to:
 - be eligible for the disability tax credit; or

- send a letter from a medical doctor, an optometrist, an audiologist, an occupational therapist, a psychologist, a physiotherapist, or a speech language pathologist to certify your impairment.

- If you were enrolled part-time, you can claim \$120 per month.

You cannot claim more than one education amount for a specific month.

Textbook amount -- You can claim this amount only if you can claim the education amount. The following are the amounts you can claim:

- \$65 for each month you qualify for the full-time education amount; and
- \$20 for each month you qualify for the part-time education amount.

You must claim your tuition, education, and textbook amounts first on your own return, even if someone else paid your fees. You may be able to transfer all or some of the unused part of these amounts to your spouse or common-law partner, or to your or your spouse's or common-law partner's parent or grandparent.

You can carry forward and claim in a future year the part of your tuition, education, and textbook amounts you cannot use and do not transfer for the year. Any amount carried forward cannot be transferred to anyone else.

For more information about eligible tuition fees, the education amount, and the textbook amount, see Pamphlet P105, *Students and Income Tax*, or line 323 in the *General Income Tax and Benefit Guide*.

Tuition, education, and textbook amounts transferred from a child (line 324)

If your or your spouse's or common-law partner's child or grandchild does not need to use all of his or her tuition, education and textbook amounts, you may be able to claim all or part of the unused amount.

For more information, see line 324 in the *General Income Tax and Benefit Guide*.

Amounts transferred from your spouse or common-law partner (line 326)

If your spouse or common-law partner qualifies for the tuition, education and textbook amounts, you may be able to claim all or part of these amounts.

For more information, see line 326 in the *General Income Tax and Benefit Guide*.

Medical expenses (lines 330 and 331)

If you paid for medical expenses, you may be able to claim them on your return.

For more information, see Guide RC4065, *Medical Expenses*.

Home buyers' amount (line 369)

The amount that you can claim on line 369 for buying a qualifying home is \$5,000.

Who is eligible?

You can claim an amount on line 369 of Schedule 1 if both of the following apply:

- You or your spouse or common-law partner bought a qualifying home.
- You did not live in another home owned by you or your spouse or common-law partner in the year the home was bought or in any of the four preceding years (first-time home buyer).

Persons with disabilities – You do not have to be a first-time home buyer if:

- you are eligible for the disability tax credit (DTC); or
- you bought the home for the benefit of a related person who is eligible for the DTC.

However, the purchase must be to allow the person with the disability to live in a home that is more accessible or better suited to his or her needs.

For the home buyers' amount, a person with a disability is an individual for whom we have approved a Form T2201, *Disability Tax Credit Certificate*, for the year in which the home was bought.

For more information, see line 369 in the *General Income Tax and Benefit Guide*.

Children's arts amount (line 370)

You can claim up to \$250 per child of the fees paid in 2016 for registration or membership for your or your spouse's or common-law partner's child in an artistic, cultural, recreational, or developmental activity.

Who is eligible?

The child must have been:

- enrolled in a prescribed program; and
- under 16 years of age (or under 18 years of age if eligible for the disability tax credit) at the beginning of the year.

Children with disabilities – If at least \$100 were paid for the registration or membership fees for a prescribed program of arts activities, you can claim an additional amount of \$500, for a child who:

- is eligible for the disability tax credit; and
- was under 18 years of age at the beginning of the year.

Restrictions and special rules

You can split the fees with someone else, as long as the total claimed is not more than the maximum amount allowed.

You cannot claim amounts that can be claimed as the federal children's fitness tax credit (lines 458 and 459 of the return), or as a deduction by any individual, such as the child care expenses deduction (line 214 of the return). As well, you cannot claim amounts that someone else has claimed as a tax credit.

Programs that are part of a school curriculum are not eligible.

For more information, see line 370 in the *General Income Tax and Benefit Guide*.

Home accessibility tax credit (line 398)

For 2016 and following tax years, you may be able to claim this non-refundable tax credit if you own a home in Canada and paid for eligible renovations to improve the safety or accessibility of your home. You can claim up to \$10,000 per year in eligible expenses.

Who is eligible?

You may be eligible for this credit if, at any time in the year, you meet one of the following criteria. You:

- are 65 years of age or older; or
- are eligible for the disability tax credit (DTC).

You may also claim this credit on your return for a dependent, if certain criteria are met.

Which renovations are eligible?

The renovations must be for the main residence of the person who is 65 years of age or older or eligible for the DTC. Also, the renovations must be a permanent part of the home and have to:

- allow the person to gain access to the home or be mobile or functional within the home; or
- reduce the risk of harm within the home or in accessing the home.

To calculate the amount you can claim, fill out Schedule 12, *Home accessibility tax credit (HATC)*.

For more information, see line 398 in the *General Income Tax and Benefit Guide*.

Restrictions on certain amounts that you claim together

Some amounts for dependants can be claimed together and some cannot. In all cases, the dependants have to be related to you by blood, marriage, common-law partnership, or adoption.

The amounts you can claim depend on your marital status, your dependants' relationship to you, their age, residence status, net income, or whether they have an impairment in physical or mental functions. For more information on any of these amounts, see the *General Income Tax and Benefit Guide*.

If you can claim:	What are the limitations with the other related amounts?
Line 305 Amount for an eligible dependant	<p>Line 306 – You cannot claim an amount on line 306 for the dependant.</p> <p>Line 315 – You may be able to claim an amount for the dependant on line 315. However, you cannot claim the dependant on line 315 if someone else has claimed them on line 305.</p> <p>Line 367 – You can claim an amount for the dependant on line 367 only if the dependant is under 18 years of age.</p>
Line 306 Amount for infirm dependants age 18 or older	<p>Line 305 – You cannot claim an amount on line 305 for the dependant.</p> <p>Line 306 – You can split this amount for the dependant with another supporting person. The total of the amounts should not exceed the maximum amount.</p> <p>Line 315 – You cannot claim an amount on line 315 for the dependant.</p>
Line 315 Caregiver amount	<p>Line 305 – You may be able to claim an amount for the dependant on line 305. However, you cannot claim the dependant on line 305 if someone else has claimed them on line 315.</p> <p>Line 306 – You cannot claim an amount on line 306 for the dependant.</p> <p>Line 315 – can split this amount for the dependant with another supporting person. The total of the amounts should not exceed the maximum amount.</p>

Refundable tax credits

Refundable tax credits reduce the amount of tax you owe and could result in a refund.

Refundable medical expense supplement (line 452)

If you are working, have low income, and have high medical expenses, you may be able to claim a maximum amount of \$1,187.

For more information, see Guide RC4065, *Medical Expenses*.

Working income tax benefit (line 453)

You may be able to claim the working income tax benefit (WITB). The WITB is for low-income individuals and families who earned income from employment or business. The WITB consists of a basic amount and a disability supplement.

You may be able to claim a WITB disability supplement if:

- you are eligible for the disability tax credit; and
- you had working income in the year.

For more information, see line 458 in the *General Income Tax and Benefit Guide*.

Children's fitness tax credit (lines 458 and 459)

You can claim up to \$500 per child of the fees paid in 2016 for registration or membership for your or your spouse's or common-law partner's child in a physical activity program.

Who is eligible?

The child must have been:

- enrolled in a prescribed program; and
- under 16 years of age (or under 18 years of age if eligible for the disability tax credit) at the beginning of the year.

Children with disabilities – If at least \$100 were paid for registration or as membership fees for a prescribed physical activity program, you can claim an additional amount of \$500, for a child who:

- is eligible for the DTC; and
- was under 18 years of age at the beginning of the year.

Restrictions and special rules

You can split the children's fitness tax credit with someone else, as long as the total amount claimed is not more than the maximum credit allowed.

You may have paid an amount that would qualify as child care expenses and for the children's fitness tax credit. If this is the case, you must first claim the amount as child care expenses. Any unused part can be claimed for the children's fitness tax credit if the conditions are met.

If an expense is eligible for the children's fitness tax credit, it is not eligible for the children's arts amount.

For more information, see line 458 and line 459 in the *General Income Tax and Benefit Guide*.

Other tax measures

Child care expenses (line 214)

You or your spouse or common-law partner may have paid someone to look after your child who, at some time in 2016, was under 16 years of age or had an impairment in physical or mental functions.

Generally, only the spouse or common-law partner with the lower net income (even if it is zero) can claim these expenses, but only if the expenses were paid so one of you could be employed, carry on a business, go to school, or conduct research in 2016.

If the person with the lower net income was not capable of caring for children because of an impairment in physical or mental functions, the spouse or common-law partner with the higher net income may be able to claim these expenses.

You can deduct some or all of these expenses on line 214 of your return. For more information, and to make your claim, see Form T778, *Child Care Expenses Deduction for 2016*.

Disability supports deduction (line 215)

Who is eligible?

If you have an impairment in physical or mental functions, you may be able to deduct the expenses that you paid in the year so that you could:

- work;
- go to school; or
- do research for which you received a grant.

Only the person with the disability can claim this deduction.

If you lived outside Canada for part or all of the year and we consider you to be a factual or deemed resident of Canada, you can claim the expenses that you paid to a non-resident person for services provided outside of Canada.

Which expenses can you claim?

You can claim the amount you paid for the following expenses:

Attendant care services provided in Canada and used by a person with an impairment in physical or mental functions. You cannot claim amounts you paid for attendant care services provided by your spouse or common-law partner, or to someone under 18 years of age.

You may claim full-time attendant care services if:

- you are eligible for the disability tax credit (DTC); or
- a medical practitioner certifies in writing that these services are necessary and that your impairment is likely to be indefinite.

You may claim part-time attendant care services only if you are eligible for the DTC.

Bliss symbol boards or similar devices used by a person who has a speech impairment to help the person communicate by choosing the symbols or spelling out words – prescription needed.

Braille note-taker devices used by a person who is blind to allow that person to take notes (that can be read back to him or her, printed, or displayed in braille) with the help of a keyboard – prescription needed.

Braille printers, synthetic speech systems, large print-on-screen devices and other devices designed for a person who is blind to use a computer – prescription needed.

Deaf-blind intervening services used by a person who is both blind and profoundly deaf when paid to someone in the business of providing these services.

Devices or software designed for a person who is blind or has a severe learning disability to allow him or her to read print – prescription needed.

Electronic speech synthesizers that allow a person who is unable to speak to communicate using a portable keyboard – prescription needed.

Job coaching services (other than job placement or career counselling services) for a person with a severe and prolonged impairment in physical or mental functions and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Note-taking services used by a person with an impairment in physical or mental functions and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Optical scanners or similar devices designed for a person who is blind to allow him or her to read print - prescription needed.

Page turner devices to help a person turn the pages of a book or other bound document when he or she has a severe and prolonged impairment that markedly restricts the person's ability to use their arms or hands - prescription needed.

Reading services for a person who is blind or has a severe learning disability and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Real-time captioning or sign language interpretation services used by a person with a speech or hearing impairment and paid to someone in the business of providing these services.

Talking textbooks related to enrolment at a secondary school in Canada or a designated educational institution for a person who has a perceptual disability. A medical practitioner must certify in writing that the product is necessary.

Teletypewriters or similar devices that allow a person who is deaf or unable to speak to make and receive telephone calls - prescription needed.

Tutoring services that are additional to the primary education of a person with a learning disability or an impairment in mental functions, and paid to a person in the business of providing these services to individuals who are not related to the person. A medical practitioner must certify in writing that these services are needed.

Voice recognition software used by a person who has an impairment in physical functions. A medical practitioner must certify in writing that the expense is needed.

What is a medical practitioner?

For this deduction, many professionals are considered medical practitioners. To view the list of practitioners who can certify the need for these devices, products or services or give a prescription, go to cra.gc.ca/medicalpractitioners.

What are the amounts you cannot claim?

You cannot claim amounts you or someone else claimed as medical expenses (line 330 or 331) or amounts for which anyone was reimbursed or entitled to be reimbursed by a non-taxable payment, such as insurance.

However, the person with the disability can claim the medical expense on either line 215 or line 330. They could also split the claim between these two lines, as long as the total amount claimed is not more than the total expense.

How do you calculate your claim?

Use Form T929, *Disability Supports Deduction*, to calculate your claim. Expenses must be claimed in the same year they are paid. Unused amounts cannot be applied to another year.

Child disability benefit

If you get the Canada child benefit (CCB) for a child who is eligible for the disability tax credit (DTC), you may be entitled to get the child disability benefit (CDB). The CDB is a supplement to the CCB. A child is eligible for the DTC when we have approved Form T2201, *Disability Tax Credit Certificate*, for that child.

The CDB is based on family net income and gives up to \$227.50 per eligible child each month. The CDB amount is included in the CCB payment.

You do not need to make a separate application to get the CDB. It will be calculated automatically for the current and two previous benefit years for each child who qualifies and is under 18 years of age. If you want to get a retroactive payment for the CDB beyond these benefit years, send a letter to your tax centre (see page 13).

For more information, go to cra.gc.ca/benefits or call 1-800-387-1193.

Home buyers' plan

If you are buying or building a qualifying home for a person with a disability, you may be able to take part in the home buyers' plan. This program allows you to withdraw up to \$25,000 in a calendar year from your registered retirement savings plans. For more information, go to cra.gc.ca/hbp.

Registered disability savings plan

A registered disability savings plan is intended to help parents and others save for the long-term financial security of a person who is eligible for the disability tax credit.

For more information, go to cra.gc.ca/rdsp or see Information Sheet RC4460, *Registered Disability Savings Plan*.

Customs information

The *Customs Tariff* allows the duty-free entry of goods (and the articles and materials used in those goods) that are specifically designed for persons with disabilities.

If you buy such goods while abroad, you will have to declare them when they enter Canada. The goods would have to be classified under a tariff item in Chapters 1 to 97. If the goods you buy are designed for persons with disabilities, specify tariff item No. 9979.00.00 when you make your customs declaration so you do not have to pay the duty.

If you have questions about goods you are planning to import, visit the Canada Border Services Agency (CBSA) website at cbsa.gc.ca, call 1-800-461-9999, or contact your nearest CBSA office.

Staff at CBSA offices can explain any special rules ahead of time, so that your goods clear customs quickly.

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For CESA addresses and telephone numbers, see the CESA website or the listings in the government section of your telephone book.

Disability-related employment benefits

Employment benefits or allowances you received that relate to your disability, such as attendant services and transportation costs, may not be taxable. For more information, see "Disability-related employment benefits" in Chapter 3 of Guide T4130, *Employers' Guide, Taxable Benefits and Allowances*.

Excise tax information

If you have a permanent mobility impairment and cannot safely use public transportation, you can ask for a refund of part of the federal excise tax on the gasoline you buy. A qualified medical practitioner must certify the impairment.

To ask for a refund, send Form XE8, *Application for Refund of Federal Excise Tax on Gasoline*. For more information, call 1-877-432-5472.

GST/HST information

In this section, we describe some of the goods and services used by persons with disabilities that are exempt supplies or zero-rated supplies for purposes of the goods and services tax/harmonized sales tax (GST/HST). This means you will not pay GST/HST on these goods and services.

If you paid GST/HST in error, you can ask the supplier for a refund or credit instead of asking for a rebate from the Canada Revenue Agency (CRA).

If the supplier gives you a refund or credit, you cannot get a rebate from the CRA.

If you cannot get a refund or credit from the supplier (for example, if the supplier refuses to refund the amount or goes out of business), you can ask the CRA for a rebate by sending Form GST189, *General Application for Rebate of GST/HST*.

Special rules apply for specially equipped motor vehicles (see page 33).

For more information, call 1-800-959-5525.

Medical and disability-related services

Health care services

You do not have to pay GST/HST for certain health care services. For example, you do not have to pay GST/HST on physiotherapy services provided to you by a physiotherapist.

For more information, see Excise and GST/HST News, no. 80 and no. 91.

Home care services

You do not have to pay GST/HST for home care services provided in your place of residence if they are publicly subsidized or funded.

Home care services are household or personal care services provided to you in your home that are required because of your age, infirmity, or disability. These household services include help to maintain your home, such as cleaning, laundering, meal preparation, and child care. Personal care services include help with personal care such as bathing, feeding, dressing and taking medication.

If you receive exempt home care services, any extra home care services you receive will also be exempt.

For more information, see the GST/HST Info Sheet GI-166, *Application of the GST/HST to Home Care Services*.

Care and supervision services

You do not have to pay GST/HST for services of providing care and supervision to a person who is limited in taking care of himself or herself because of an impairment in physical or mental functions.

This exemption applies to services, such as daytime care when the primary caregiver is absent, provided mainly in the supplier's establishment.

Also, you do not have to pay GST/HST for services of providing care, supervision, and a place of residence to a person with a disability, in an establishment run by the supplier for the purpose of providing such services (for example, care in a group home).

Home-delivered meals

A public sector body such as a charity, non-profit organization, or government may run a program to provide prepared meals to seniors or persons with disabilities in their home. You do not have to pay GST/HST when you get food and beverages under these programs.

Recreational programs

You do not have to pay GST/HST for recreational programs offered by a public sector body that are mainly for persons with disabilities. Recreational programs may include:

- board and lodging at recreational camps or similar places; or
- recreational services, including those continually offered at a community centre.

For more information, see GST/HST Info Sheet GI-037, *Children's Camps Operated by Public Sector Bodies*.

Training services

You do not have to pay GST/HST for training services to help a person with a disability cope with his or her disorder or disability. Also, you do not have to pay GST/HST for the service of designing the training plans.

For more information, see GST/HST Info Sheets GI-112, *Specially Designed Training to Assist Individuals with a Disorder or Disability*, and GI-113, *Specially Designed Training to Assist Individuals with Autism*.

Hospital parking for patients and visitors

You may not have to pay GST/HST for parking provided by public hospitals. The parking has to be intended for patients and visitors.

For more information, see Excise and GST/HST News, no. 91.

Medical devices and supplies

You do not have to pay GST/HST on certain medical devices and supplies (because they are taxable at 0%), including the following:

- wheelchairs, wheelchair lifts, walkers, and similar aids to locomotion that are specially designed for persons with disabilities;
- hearing aids;
- eyeglasses or contact lenses – prescription by an eye care professional needed;
- electronic eyewear designed to correct a vision impairment – prescription by a medical doctor or optometrist needed;
- selector control devices specially designed to allow persons with disabilities to select, switch on, or control household, industrial, or office equipment;
- toilet seats, bath seats, shower seats or commode chairs specially designed for persons with disabilities;
- patient lifts specially designed to move persons with disabilities;
- canes or crutches specially designed for persons with disabilities;
- clothing specially designed for persons with disabilities – prescription needed;
- incontinence products specially designed for persons with disabilities;
- intermittent urinary catheters for persons with disabilities (paid after March 22, 2016) – prescription needed;
- auxiliary driving controls designed to allow persons with disabilities to drive the vehicle;
- services of modifying a motor vehicle to adapt it for transporting persons using a wheelchair;
- animals that are or will be trained to help persons with disabilities, including the service of training these persons to use such animals. The animal and the service has to be supplied by an organization that provides specially trained animals;
- blood coagulation monitors or meters including certain disposable peripherals; and
- insulin pens and insulin pen needles (paid after March 22, 2016).

Note

For the GST/HST, a medical doctor, an occupational therapist, a physiotherapist and a registered nurse can give a prescription.

Specialty equipped motor vehicles

If you buy from a dealer a new or used qualifying motor vehicle that is already equipped with either auxiliary driving controls to allow a person with a disability to drive the vehicle, or with a device designed to allow a wheelchair to be placed in the vehicle without having to collapse the wheelchair, GST/HST applies to the purchase price of the vehicle.

Generally, you can get a rebate for the GST/HST paid on the part of the purchase price that relates to modifying the qualifying vehicle and installing these devices, either from the supplier or by sending a Form GST518, *GST/HST Specialty Equipped Motor Vehicle Rebate Application*.

The rebate is also available if you paid GST/HST on modifications that were made to specially equip your vehicle outside of Canada.

For more information, see Excise and GST/HST News, no. 83.

Online services

My Account

Using the CRA's My Account service is a fast, easy, and secure way to access and manage your tax and benefit information online, seven days a week.

To register for My Account, go to cra.gc.ca/myaccount. You will need to complete two steps. You will be asked to enter some personal information and create a user ID and password or use a Sign-in Partner. Be sure to have your current and previous year's personal tax returns on hand when registering. After you complete step one, you will have instant access to some of your tax and benefit information. Step two includes the mailing of the CRA security code. We will mail it to the address we have on file for you. The separate mailing of the security code is a measure used to protect you from identity theft and to ensure the security of your personal information. You will have access to the full suite of services available in My Account once you enter your code.

An authorized representative can access most of these online services through Represent a Client at cra.gc.ca/representatives.

For more information

What if you need help?

If you need more information after reading this guide, go to cra.gc.ca/disability or call 1-800-959-8281.

Direct deposit

Direct deposit is a fast, convenient, reliable, and secure way to get your CRA payments directly into your account at a financial institution in Canada. To sign up for direct deposit or to update your banking information, go to cra.gc.ca/directdeposit.

Forms and publications

To get our forms and publications, go to cra.gc.ca/forms or call 1-800-959-8281.

Electronic mailing lists

We can notify you by email when new information on a subject of interest to you is available on our website. To subscribe to our electronic mailing lists, go to cra.gc.ca/lists.

Tax Information Phone Service (TIPS)

For personal and general tax information by telephone, use our automated service, TIPS, by calling 1-800-267-6999.

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the Canada Revenue Agency (CRA); see the *Taxpayer Bill of Rights*.

If you are not satisfied with the service you received, try to resolve the matter with the CRA employee you have been dealing with or call the telephone number provided in the CRA's correspondence. If you do not have contact information, go to cra.gc.ca/contact.

If you still disagree with the way your concerns were addressed, you can ask to discuss the matter with the employee's supervisor.

If you are still not satisfied, you can file a service complaint by filling out Form RC190, *Service-Related Complaint*. For more information, go to cra.gc.ca/complaints.

If the CRA has not resolved your service-related complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsman.

Reprisal complaint

If you believe that you have experienced reprisal, fill out Form RC459, *Reprisal Complaint*.

For more information about reprisal complaints, go to cra.gc.ca/reprisalcomplaints.

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Australia

The Miraculous Reduced Input Tax Credit for Financial Supplies in Australia

As in other jurisdictions, one of the key exemptions in Australia targets financial supplies. In this article, the author explains how Australia has narrowed the scope of the exemption for financial supplies and miraculously gives some businesses making financial supplies the right to deduct part of their input tax. He explains the complexities of Australia's financial-supply rules, and discusses recent judicial decisions on this topic.

1. Introduction

Australia is a latecomer to value added tax (VAT) and its broad-based consumption tax is one of the so-called "New World VATs". Not called VAT at all, the goods and services tax (GST) is an invoice-based type of VAT with relatively few exemptions. As in other jurisdictions, one of the key exemptions targets financial supplies. In this notoriously vexed area of VAT, Australia has introduced a system of narrowing the scope of the exemption and of miraculously giving some suppliers the right to deduct 7.5%¹ input tax. Perversely, the Australian GST Law calls this entitlement to deduct a "reduced input tax credit" and from this comes the title of this article because it has the effect of "reducing" the right to deduct input tax from zero (which is normal in VAT systems for such supplies) to 7.5%.

Although unusual and somewhat complex, the Australian approach has considerable merit, and it seems clear that its stated purpose of relieving the pressure in favour of self-supply has also had the effect of pacifying the major financial suppliers, which has removed the associated political pressure that might be expected from such a politically and economically powerful group.

2. Background to the Australian Exemptions

It is interesting to note that the exemptions established under the Australian GST were named in an unconventional manner which is possibly more revealing of their economic effect than the conventional VAT labels. Transactions that are called "zero rated" in other jurisdictions are labelled "GST-free" supplies in Australia to better reflect that, to the extent possible, final consumption bears no GST.² Supplies that are neither taxable nor GST free, i.e. are "exempt" in other jurisdictions, are called "input taxed" under the Australian GST system to indicate that final consumption bears the GST that was non-deductible in the process of production and distribution of the goods or services.

GST-free supplies are relieved from taxation on the grounds that they concern merit goods and services, such as medical supplies and food for human consumption. Input-taxed supplies are dominated by immovable property and financial and insurance services. The focus of this article will be on financial supplies.

3. Financial Supplies: The Problem

The problem with financial supplies is well known. It is difficult to identify the value that has been added by financial institutions for the purposes of levying VAT (GST) on the difference between the cost of the supply to the supplier and the price the supplier charges to its customers.³ Disentangling the components of the inputs and the supply is complex administratively, and likely to be costly in compliance and administration. Most jurisdictions using a traditional VAT model simply do not try, and they therefore exempt financial supplies.⁴ This approach avoids complexity, but it introduces a distortion in that it makes "self-supplies" economically advantageous for a financial supplier. Since financial suppliers cannot claim input tax in respect of inputs used for the purposes of making their exempt financial supplies, it makes sense for them to carry out activities "in house".

Aside from the so-called self-supply bias, there are other distortions and problems that have been identified as associated with "input taxing" financial supplies, such as cascading of tax, bias to non-resident suppliers, and simple revenue loss.⁵

4. The Australian Solution

When it designed the GST system, the Australian Federal Treasury was well aware of the experience of other countries in relation to these aspects of taxing financial services. In particular, the problem of the self-supply bias seems to have been high in the thinking of the designers of the Australian GST. It is very evident that the government was sensitive to risks and criticisms associated with the new tax when it was being planned in 1999: the legislation

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1. 75% of Australia's GST rate of 10%. See 4.3.
2. See Socs. 9-30 and 38-1 of A New Tax System (Goods and Services Tax) Act 1999 (Cth) ("GST Act").
3. See D. Williams, "Value Added Tax" in V. Thuronyi, ed., *Tax Law Design and Drafting*, International Monetary Fund, 1996, Vol. 1, p. 41.
4. The problem of financial services and the traditional approach are explained by R. de la Feria and M. Walpole in "Options for Taxing Financial Supplies in Value Added Tax: EU VAT and Australian GST Models Compared", (2000) 58 *International and Comparative Law Quarterly*, 1.
5. *Id.* p. 11.

was extensively changed prior to being passed by Parliament and it was subsequently further amended.⁶ In fact, the legal rules relating to financial supplies were repealed in their entirety shortly after enactment⁷ and replaced by a more flexible set of Regulations.⁸

There are two essential elements in the Australian approach.⁹ The first element is that, under the regime for "reduced input tax credits" (RITC), financial supplies are not wholly input taxed, and the other is that the RITC regime is confined to major suppliers of financial services. By means of a *de minimis* threshold, minor financial suppliers are removed from input taxing entirely and small players in the GST system can claim full deduction of input tax for the GST they have incurred on inputs associated with making minor financial supplies. Those features have the effect that, strictly speaking, financial supplies are not exempt from GST.

4.1. Financial supplies

The definition of "financial supply" in Australia takes into account "... both the nature of the service constituting a financial supply, and the fact that the supplier of the service is, immediately before making the supply, either the owner of the financial supply or the creator of the financial supply."¹⁰ Consequently, the meaning of financial supply is restricted to "interests in" supplies of financial services that are owned by the supplier or that the supplier has created. Such supplies are described by means of copious examples in the Regulations.¹¹ Examples of an interest in a financial supply owned by an entity immediately before its supply include "a share that is sold" and "rights assigned under a derivative". Examples of an interest created in a financial supply include "a share or a bond that is issued" and "a derivative that is entered into".¹² These examples illustrate the difference quite effectively.

However, as with other complex laws, the problem faced by GST law (and the intellectual attraction of it) is the penumbra – the supplies and actors in the making of supplies that fall within the grey area between these simple examples. The Regulations also cater for many of these instances, however, and there is a regulatory determination of "... supplies of a financial character made by entities on the periphery to transactions."¹³ This categorization of peripheral types of supply is where the Australian rules are superior to those in other jurisdictions, where the courts are faced with the difficult task of finding a path through the penumbra and have to determine at what point the exempt character of a financial supply should start and end, especially end. As a result of the prescriptive nature of the Australian rules, issues such as that in the case of *Volker Ludwig*¹⁴ in the European Union and the string of cases before and (probably) after it could not readily arise in Australia. However, Australia has not completely eliminated the risk of litigation in such matters.

Suppliers and supplies made on the periphery of the narrow definition of financial supply are treated differently. According to the Regulations, there is a further type of supplier which is not a financial supplier but is a "financial-supply facilitator". The description of such a supplier

is far from precise, but it is clear: "a financial-supply facilitator, in relation to a supply of an interest, [is a financial supply] is an entity facilitating the supply of the interest for a financial-supply provider".¹⁵

For clarity's sake, the Regulations go on to build on the fundamental categorization based on whether the supply is owned or created by the supplier. A further three types of supply are identified as follows:

Reg. 40-5.09 sets out what supplies are financial supplies (subject to the usual proviso concerning consideration, supply in the course of an enterprise, etc.) in a table. Its 11 items include:

- accounts made available in the course of an authorized banking business;
- debts, credits, and letters of credit;
- charges or mortgages over property;
- annuities and allocated pensions; and
- currency or an agreement to buy or sell currency.¹⁶

The Regulations then identify what is termed an "incidental financial supply", which is defined in Regulation 40-5.10. This is another attempt to provide clarity at the periphery and accepts that, although, strictly speaking, some supplies might not be financial supplies in their own right, they may nevertheless be incidental. A supply:

6. Id. p. 21.

7. By A New Tax System (Indirect and Consequential Amendments) Act (No. 2) 1999 No. 177, 1999.

8. In Australia, the advantage of Regulations is that they are approved by Parliament by means of a process requiring scrutiny by the Senate Standing Committee on Regulations and Ordinances, which means that they do not have to go through a series of formal readings, as is required for Bills. See Australia, House of Representatives, *Making Laws*, September 2008, at <http://www.aph.gov.au/house/inf/infosheets/ks07.pdf> (accessed 14 March 2010).

9. R. de la Feria and M. Walpole, see note 4, pp. 21–22.

10. See 40-5.06 of a New Tax System (Goods and Services Tax) Regulations 1999 (Cth) ("GST Regulations"). See R. de la Feria and M. Walpole, see note 4, pp. 21–22. What follows is based on, although not identical to, that description.

11. GST Regulation 40-5.06.

12. See "Examples of interests" in GST Regulation 40-5.06.

13. R. de la Feria and M. Walpole, see note 4, p. 22.

14. Judgment of the Court of Justice of the European Union (ECJ) of 21 June 2007 in *Volker Ludwig v. Finanzamt Luckenwalde*, Case C-453/05, [2007] ECR I-5083. According to the ECJ, the fact that a financial adviser analyses the financial situation of clients canvassed by him with a view to obtaining credit for them does not preclude recognition of the service supplied as being exempt negotiation of credit, if, in the light of the foregoing interpretative criteria, the negotiation of credit offered by that financial adviser is considered the principal service to which the provision of financial advice is ancillary, in such a way that the latter shares the same tax treatment as the former. The fact that the financial adviser has no contractual link with any of the parties to a credit agreement to the conclusion of which he has contributed and that he does not establish direct contact with one of those parties does not preclude that adviser from providing a service of negotiation of credit which is exempt from VAT.

The interpretative criteria were the fact, first, that the services rendered by the agent and the financial adviser (its subagent) were remunerated by the lenders only on the condition that the clients approached and advised by the financial adviser entered into a credit agreement, which suggests that the negotiation should be regarded as the principal service and the giving of advice as merely ancillary and second, that the negotiation of credit appeared to be the decisive service both for the borrowers and for the lenders, in so far as the activity of giving financial advice occurred only in a preliminary phase and was limited to helping the client choose, from among the various financial products, which were best adapted to his situation and to his needs.

15. GST Regulation 40-5.07.

16. R. de la Feria and M. Walpole, see note 4, p. 22.

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- is an incidental financial supply i.e.
- it is incidental to the financial supply; and
- it and the financial supply are supplied at or about the same time, but not for separate considerations; and
- it is the usual practice of the entity to supply the thing, or similar things, and the financial supply together in the ordinary course of the entity's enterprise.

Finally, the Regulations close off the potential spread of the definition of "financial supply" by making it clear that certain supplies, whatever ambiguity there may be in a normal reading, are not financial supplies. Regulation 40-5.12 identifies as "non-financial supplies" items such as:

- cheque and deposit forms and books supplied to an Australian [authorized deposit-taking institution] in connection with an account mentioned in item 1 in the table in Regulation 40-5.09;
- professional services, including information and advice, in relation to a financial supply;
- debt collection services;
- trustee services;
- custodian services in relation to money, documents and other things;
- Australian currency, or the currency of another country, the market value of which exceeds its stated value as legal tender....

It is clear that the Regulator has made every effort to eliminate opportunities for argument. Indeed, the Regulations go a step further and, out of an abundance of caution, provide a generous "tiebreaker" rule for the situation where a supply might, on the definitions, be both a financial supply¹⁷ and a non-financial supply.¹⁸ In such cases, it is regarded as not being a financial supply.¹⁹ It seems that little has been left to chance.

It will be apparent that the Australian approach, although bewilderingly detailed to someone coming to it afresh, is very clear in its restriction of categories of supplies regarded as financial supplies for GST purposes and is similarly restrictive of the category of providers who make them. In any remaining cases of doubt, it sets out a somewhat generous treatment as the default position. It is within this tight legislative context, designed to reduce arguments and to limit the spreading stain of a financial supply categorization, that the next two generous rules operate. The first of these rules is the *de minimis* threshold applicable to financial supplies.

4.2. Financial acquisitions threshold

As a result of the "financial acquisitions threshold"²⁰ (or "FAT" in finance industry jargon), businesses that do not have the making of financial supplies as their main business or as a significantly large subsidiary part of it, do not need to identify their financial supplies so as to strip out the input tax associated with that part of their business.

The FAT operates so that "... an acquisition is not treated as related to an input-taxed supply if the only reason for doing so is that it relates to making a financial supply and the entity does not exceed the financial acquisitions threshold."²¹ Since, perversely, the Australian rules contemplate that a borrowing might be a financial supply,²²

the threshold has been made more generous and, therefore, more effective, by excluding from the threshold borrowings that are not entered into for the purposes of making financial supplies.²³ Without that exclusion, businesses with a lot of borrowings might be subject to the GST regime for financial supplies.

The threshold applies to input tax relating to acquisitions made in the course of making financial supplies and has the effect that an entity (meaning a legal entity or individual) is entitled to full deduction of GST on inputs relating to financial supplies, if the total input tax (in that month and the preceding 11) that relates to the supplies is less than AUD 50,000²⁴ and less than 10% of the total amount of input tax.²⁵ Thus, the threshold has two parts, both of which must be satisfied for the entitlement to full deduction of GST: both in absolute and relative terms, the input tax relating to the making of the financial supplies must have been of minor significance for 12 months (including the month in question).

The special regime for financial supplies applies if either or both thresholds are exceeded, i.e. the input tax relating to the making of the financial supplies is more than AUD 50,000 or the input tax is a significant component – namely more than 10% – of the total input tax of the entity's business for 12 months.

The result of this threshold is that the special regime for financial supplies made by businesses applies only to those entities that have a high amount of input tax associated with financial acquisitions or that have a significant proportion of their input tax attributable to their business of making financial supplies. For example, a plumber who grants loans to his customers in the form of granting credit on bills for repairs will not be drawn into the financial-supply regime merely by reason of giving credit.

One significant disadvantage of the FAT is the compliance cost associated with monitoring the entity's financial affairs in relation to the threshold.

The practical difficulty of this process is exacerbated by the fact that the threshold must be monitored not only currently and having regard to the previous 11 months²⁶ but consideration must also be given to future acquisitions and an assumption made about the recovery of input tax on financial acquisitions made during the month and the next 11 months.²⁷

17. GST Regulation 40-5.09.

18. GST Regulation 40-5.12.

19. GST Regulation 40-5.08(2).

20. Sec. 11-15(4) of the GST Act.

21. R. de la Ferla and M. Walpole, see note 4, p. 29.

22. See GST Ruling GSTR 2002/2, Para. 22, and GST Regulation 40-5.06.

23. Sec. 189-15 of the GST Act.

24. In order to adapt it to inflation and to reduce compliance cost, the FAT is to be increased to AUD 150,000, with effect from 1 July 2012; see Australian Government, *Implementation of the recommendations of Treasury's review of the GST financial supply provisions*, Discussion paper June 2010, http://www.treasury.gov.au/documents/1840/PDF/Discussion_paper_GST_financial_supplies.pdf, Para. 2.11 (accessed 30 Sept 2010).

25. Sec. 189-5 of the GST Act.

26. Sec. 189-5 of the GST Act.

27. Sec. 189-10 of the GST Act. See R. de la Ferla and M. Walpole, see note 4, p. 24.

These concerns partly explain the recent decision to increase the threshold. The comment has also been made that "... there are practical challenges associated with allocation and apportionment of input tax to the making of financial supplies."²⁸ The issue of apportionment associated with this aspect of the Australian financial-supply rules is one that is shared in a significant way by the rest of the businesses.

For businesses that pass the FAT, the prize in the Australian GST system is that they have access to the RITC rules and thus, although they make financial supplies that are ostensibly input taxed, they are entitled to claim a portion of the GST incurred in acquiring inputs that are subsequently used in order to make financial supplies.

4.3. Reduced input tax credits regime

Financial suppliers of sufficient scale, measured by reference to the FAT, are able to participate in the RITC system. The GST Act²⁹ contains a refinement under which "... acquisitions of a specified kind that relate to making financial supplies can give rise to an entitlement to a RITC. These are *reduced credit acquisitions* ["RCAs"]."³⁰ The RITC granted under this rule is 75% of the full amount of the input GST in question.³¹ The bulk of the relevant rules are to be found in the GST Regulations.

The Regulations list, in characteristically detailed tables, the items that are regarded as RCAs and have the effect that 75% of the GST charged by the financial-supply facilitators is deductible. The lists include:³²

- transaction banking and cash management services, such as opening, issuing, closing, operating, and maintaining of accounts; and performing a transaction in respect of an account by a financial-supply facilitator, including telephone banking, Internet banking, and Giro Post;
- processing services in relation to account information for account providers, including archives storage, retrieval and destruction services, statement processing and bulk mailing, etc.; and
- acquisition of transaction cards by card account providers.³³

Transactions relating to some offshore acquisitions are listed too. These include:

- providing senior management services, including corporate strategy and development, and investment strategy and performance measurement functions;
- providing support systems associated with these senior management services;
- providing human resources support services, including general advice and planning, recruitment assistance, etc.³⁴

The tables are accompanied by a detailed GST Ruling (GSTR)³⁵ of the Australian Tax Office (ATO), which expands the tables by explaining terms used in the tables, such as "processing", "clearing", "settling", "switching", etc.

The greatest risk of a self-supply of services would be likely to arise in this area of facilitation of financial sup-

plies. Such activities, on a sufficient scale, would make it financially advantageous to banks to keep activities "in house" in order to avoid the burden of GST. The RITC rules are aimed at reducing the incentive to self-supply³⁶ and they seem to have been successful in that respect. The rules are, however, not without problems.

5. Criticisms

There are three aspects of the Australian rules worthy of consideration. These aspects are complexity and compliance costs; cascading of taxes; and revenue loss. These considerations will be discussed further below, but to place that discussion in context, it is worth considering a recent consultation on the operation of the rules and two recent judicial decisions involving GST on financial supplies. They highlight what are currently seen as the problems in this relatively new form of taxation.

5.1. Current reform efforts

In May 2009, the Australian Treasury released a consultation paper³⁷ that "... provide[d] background on the existing policy treatment of financial supplies under Australia's GST regime, along with options for achieving... [the] policy outcome [of reducing complexity and introducing more principled rules] more efficiently and with reduced compliance costs."³⁸

In response to the consultation, 15 submissions were made, 14 of them public.³⁹ The respondents represented a significant group of bodies with a detailed understanding of the issues involving the financial services industry. The overwhelming view of the respondents, some more enthusiastically than others, was that the existing

28. R. de la Peña and M. Walpole, see note 4, p. 24.

29. Division 70 of the GST Act.

30. Sec. 70-5(1) of the GST Act, emphasis in original.

31. GST Regulation 70-5.03. The author's recollection is that the RITC was expected to be 70% at the time the introduction of GST was flagged and the finance industry was being consulted.

32. A similar description of these lists may be found in R. de la Peña and M. Walpole, see note 4, p. 25.

33. GST Regulation 70-5.02.

34. GST Regulation 70-5.02B.

35. GST Ruling GSTR 2004/1. The Ruling should be read together with GST Ruling GSTR 2002/2 (see note 22), which deals with financial supplies more generally.

36. For the stated intention of the RITC regime, see Further Supplementary Explanatory Memorandum accompanying A New Tax System (Goods and Services Tax) Bill 1998 (Canberra: Commonwealth Government Printer, 1998), Para. 5.2. http://law.ato.gov.au/ato/law/view.html?DocID=NEM13_FSM19980622FNAT%2FATO%2F0006 (accessed June 2008).

37. See Australian Treasury, *Review of the GST Financial Supply Provisions - Consultation Paper*, <http://www.treasury.gov.au/contentitem.asp?ContentID=15298&NavID=037> (accessed 2 March 2010).

38. See the explanation at <http://www.treasury.gov.au/contentitem.asp?ContentID=15298&NavID=037>.

39. Submissions were made by: Abacus - Australian Migrants (the industry body for credit unions, mutual building societies, and friendly societies); Australia Post; Australian Bankers' Association/Investment & Financial Services Association (Jointly); Australian Finance Conference; Australian Institute of Superannuation Trustees; Australian Securitisation Forum; Mr James Cane; CPA Australia; Indue Ltd; Rice Warner Actuaries & Australian Income Protection; Taxation Institute of Australia; The Association of Superannuation Funds of Australia Ltd; The Australian Financial Markets Association; and The Institute of Chartered Accountants in Australia. All submissions are available at <http://www.treasury.gov.au/contentitem.asp?ContentID=16038&NavID=037> (accessed 2 March 2010).

financial supply rules should be either retained or "significantly retained",⁴⁰ albeit that several respondents suggested minor amendments.⁴¹

Other respondents⁴² argued for parity of the GST treatment on life cover or the life component of cover provided by life insurance providers and general insurance providers.

There were also some detractors: some respondents pointed out the superior outcomes of the New Zealand approach of zero rating business-to-business (B2B) financial transactions and expressed general dissatisfaction with the terms of the consultation on this topic. They considered those terms as being too narrow and focusing too much on improving the existing rules rather than opening up options for alternative approaches.⁴³

Also, the Institute of Chartered Accountants (ICAA) argued strongly for a wider and more fundamental reform and criticized the very concept of input taxing financial supplies. It saw it as fundamentally "not internationally competitive" and it submitted that "reform is necessary to relieve business consumption of financial services from tax." As far as the ICAA is concerned:

Australia's existing GST treatment of financial services... has not remained competitive with Singapore, New Zealand and Hong Kong. In an international context, it is also less favourable than the proposed regimes in the European Union and the Middle East.

Significantly, the ICAA alluded to problems associated with the Australian financial-supply rules that have come to light via recent court cases. It made the point that the Australian

... legislative approach of describing financial intermediation in terms of the capital flows, and not the intermediation service... has lead (sic) to a number of conceptual difficulties, interpretations and outcomes that appear to be at odds with the original policy intent. The relevant focus for determining input tax relief and other matters in the GST law is the intermediation activity.

The ICAA submitted that "... court decisions ... show that whatever the judicial outcome, the explanation for the decisions is not found in the policy of input taxation of financial intermediation but, rather, on a strict, textual interpretation of the complex legal structure of the GST financial-supply Regulations."

5.2. Recent judicial decisions on financial supplies

The recent judicial decisions dealing with the financial-supply rules referred to by the ICAA are those in *Travellex*⁴⁴ and *American Express*.⁴⁵

Travellex turned on the application of a tiebreaker provision, which applies where a supply falls within both the definitions of GST-free and input-taxed supplies. In such circumstances, the supply is GST free.⁴⁶

Travellex had supplied foreign (Fijian) currency in the departure area of Sydney International Airport, which, by virtue of the labyrinthine rules,⁴⁷ was a supply of "foreign currency" and thus clearly a financial supply. In order for

the tiebreaker provision to apply, it also needed to be a GST-free supply.

The supply of foreign currency would be a GST-free supply if it was:

- a supply in relation to rights⁴⁸ if
 - the rights are for use outside Australia; or
 - the supply is to an entity that is not an Australian resident and is outside Australia when the thing supplied is done.⁴⁹

The Federal Court (Mansfield J dissenting) determined that, although the supply of the currency obviously carried with it certain rights, for example vis-à-vis the holder of the notes and the Reserve Bank of Fiji, the supply was not primarily a supply of rights as contemplated by the use of the term in the legislation – it was simply a supply of currency.⁵⁰ The Federal Court's approach was seemingly based on common sense rather than an overly technical application of the defined terms employed in the relevant legislation.

However, the High Court (Crennan and Bell JJ dissenting) disagreed. French CJ and Hayne J found that "... a sale of foreign currency is a supply in relation to the rights that attend upon ownership of that currency" and that those rights were to be used outside Australia.⁵¹

In *American Express*,⁵² a single judge of the Federal Court had to decide whether the fees payable by defaulting holders of credit cards (or charge cards) to the issuer of the cards are consideration for a financial supply, as defined by the GST Act and GST Regulations.⁵²

The "fees" represented the "liquidated damages" and penalty interest contractually incurred by card holders when they failed to pay at least their minimum amount

40. Covering letters of the submission by CPA Australia and the submission by the Association of Superannuation Funds of Australia.

41. Australia Post would like the FAT amended to allow it to fully deduct input tax, as it is drawn into the financial-supply rules by a relatively minor activity: the provision of money orders. It would prefer that only entities holding an Australian Financial Service Licence be covered by the regime for financial services.

42. Submissions made by Rice Warner Actuaries and Australian Income Protection.

43. Submission jointly made by the Australian Bankers' Association and the Investment & Financial Services Association. The submission of the Australian Financial Markets Association appeared to be broadly sympathetic to this view and suggested that changes to the existing system would be warranted – but that reform, constrained by the requirement of no major changes in policy, was not worth undertaking. This submission also seemed to approve of the zero rating of B2B transactions.

44. Decisions of the Federal Court of 29 Sept 2009 in *Travellex Ltd v. Federal Commissioner of Taxation*, [2009] FCAFC 133, and of the High Court of 29 Sept 2010 in *Travellex Ltd v. Commissioner of Taxation*, [2010] HCA 33.

45. Decisions of the Federal Court of 19 June 2009 in *American Express International Inc v. Federal Commissioner of Taxation*, [2009] FCA 683, and of the Full Federal Court of 17 Sept 2009 in *Federal Commissioner of Taxation v. American Express Wholesale Currency Services Pty Limited*, [2010] FCAFC 122.

46. Sec. 9-30(3) of the GST Act.

47. GST Regulations 40-5.02 and 40-5.09, and Item 9 of the table in GST Regulation 40-5.09(3), read together with the examples in Part 7 of Schedule 7 to the GST Regulations.

48. Sec. 38-190(1) of the GST Act.

49. See Federal Court in *Travellex*, note 44, per Stone J, Paras. 51-55; per Edmonds J, Paras. 60-62; per Mansfield J dissenting, Para. 24.

50. Decision of the High Court in *Travellex*, see note 44, Para. 34-35.

51. Decision of the Federal Court in *American Express*, see note 45.

52. See Sec. 40-5 of the GST Act and GST Regulation 40-5.09(1).

when their credit card balances became due. The issue was important because the manner in which input tax is apportioned for entities making supplies that are input taxed and other supplies (GST free or taxable) is based on a statutory formula⁵³ that apportions input tax by determining the revenue derived from input-taxed supplies as a proportion of total revenue. If the fees were consideration for input-taxed financial supplies, the fraction of input-taxed supplies would be higher and the proportion of input tax claimable would be lower. If the fees were not consideration for financial supplies, they would be consideration for taxable supplies and thus a greater proportion of the card issuer's input tax would be deductible.

In his analysis of the issue, the Federal Court (Emmett J) found that there was no credit arrangement between the card holder and the card issuer – the card holder is ordinarily required to pay the balance when the card issuer issues the statement of account.⁵⁴ His Honour dismissed the Commissioner's contention that the legislative history of the provisions indicated an intention to include such fees as consideration for a financial supply.⁵⁵ His Honour also found that the arrangement between the merchant, card issuer and card holder was "a payment system", as defined in the Regulations.⁵⁶ The relevant Regulation therefore placed the arrangement outside of the closed list of financial supplies and the Federal Court upheld American Express' appeal.

The Commissioner appealed to the Full Federal Court.⁵⁷ The majority decision in the Full Federal Court was that the relevant arrangement was not excluded by reason of it being a "payment system" as described in GST Regulation 40.5-12.⁵⁸ The supply was a supply of an interest in or under a credit arrangement or right to credit which is a type of financial supply identified under GST Regulation 40.5-09.⁵⁹ If a payment system were excluded from the concept of financial supplies if it involved payments "to charge card and credit cardholders, there would be no room for the operation of this provision".

5.3. Conclusions on the cases

It is not the purpose of this article to review the two judicial decisions in great detail, but they are a useful guide to a general assessment of the operation of the financial-supply rules in Australia. As suggested by the ICAA, the decision in *Traveler* demonstrates a propensity to close statutory analysis or, as the ICAA put it, "on a strict, textual interpretation of the complex legal structure of the GST financial-supply Regulations". The decision of the High Court, which was subsequent to the ICAA submission, reinforced the ICAA's view. Such a close analysis is almost guaranteed by the manner in which the rules have been drafted in the Regulations. It seems that this level of detail gets one to what the rules actually cover, having regard to the terms enacted by the legislature. One might have sympathy, however, for the draftsman's approach when one considers the (with respect) surprising outcome at first instance and in the dissenting decision in the Full Federal Court in *American Express*. It seems that, on that occasion, the judges were not prepared to reach a more

common sense outcome, preferring to reach a conclusion that seems contrary to the spirit and rationale of the legislation to the effect that all charges relating to the use of credit cards were intended to be covered by the financial-supply rules and to be input taxed.

Much the same can be said (with respect) for the High Court majority decision in *Traveler*, where a common sense approach to whether foreign currency is money or both money and "rights" led the Court to, perhaps understandably, recognize the existence of the rights – with disastrous implications for the operation of the GST law. Anticipating such an approach to interpretation, the draftsman may well be tempted to narrow the area for judicial discretion by tying down meanings as much as possible. So much for principle-based drafting.⁶⁰

Its decision in *Traveler* may have been different if the High Court had resorted to the view that GST is a "practical business tax" – a principle that seems to be sometimes invoked in Australia's growing GST case law.⁶¹ In this light, it is perhaps not the detailed manner of drafting that distinguishes the Australian rules, but the variability of interpretation of the rules, however drafted, that might be encountered when the rules are considered in the courts.

6. Compliance and Complexity

It will no doubt be evident how complex Australia's financial-supply rules are. The Regulations are lengthy and laborious, intended to leave little to chance. There must be a compliance cost associated with this complexity and, in the absence of solid research on this particular point, one can only speculate what impact it is having on the level of compliance. I have already described the rules as labyrinthine. However, they do provide certainty and, on account of the detailed nature of the rules, they tend to leave the question of apportionment of inputs to taxable and non-taxable supplies as one of the few areas of dispute.

When costs are considered, benefits should also be taken into account. It is clear that many financial-supply providers are relatively happy with the rules as they currently

53. Sec. 11-30(3) of the GST Act. The formula used is as follows:

$$\left[\frac{\text{revenue derived from input taxed supplies}}{\text{total revenue}} \right] \times 100$$

54. Decision of the Federal Court in *American Express*, see note 45, per Emmett J, Para. 48.

55. *Id.* Para. 51.

56. Provided for in Item 4 in GST Regulation 40.5-12. See also decision of the Federal Court in *American Express*, see note 45, Para. 70.

57. See Decision Impact Statements NSD 216 and NSD 219 of 2007.

58. Decision of the Full Federal Court in *American Express*, see note 45, per Kenny and Middleton JJ, Para. 181, and per Dowsett J dissenting, Paras. 61-74.

59. *Id.* per Kenny and Middleton JJ, Para. 182.

60. The application for special leave to appeal from the Full Federal Court decision in *American Express* failed (before a full bench of the High Court, which is unusual) and, thus, we will not hear how the High Court would approach that set of facts, see decision of the High Court of 4 May 2011 in *American Express International Inc v. Commissioner of Taxation*, [2011] HCA Transcript 114.

61. See also the decision of the Federal Court of 25 Aug 2005 in *Sterling Guardian Pty Limited v. Commissioner of Taxation*, [2005] FCA 1166, per Stone J, Para. 30.

Michael Walpole

apply and, presumably as a result of their own cost/benefit analysis, the majority of key players in the Australian financial sector are prepared to bear the costs because they see the benefit of doing so. The explicit nature of the rules leaves the Commissioner and businesses arguing over the relatively narrow area of apportionment, rather than on the even wider issues associated with the definitions of financial supplies and supplies that are arguably associated with financial supplies. When considering the costs associated with complexity, the savings associated with reduced recourse to litigation should also be considered.

7. Cascading of Taxes

The Australian approach goes some way to reducing the effect of tax cascading by removing from the financial-supply regime some, indeed significantly large, costs of input tax. This means that the treasury is bearing some input costs through the RITC rules and these costs are not simply passed on to the customers of the financial-supply providers. In addition, many peripheral supplies, associated with financial supplies without being financial supplies, are kept within the normal GST regime and do not result in a cascade of tax disguised in pricing. It is unclear whether the 75% RITC is overly generous or not generous enough but, it is probable that the attitude of the major financial-supply representative bodies suggests it is either generous or fair. Accordingly, it seems that cascading of taxes through the lack of input tax deduction for financial supplies is not a major problem in Australia. It is interesting to note, however, the seemingly growing support for elimination of tax on B2B transactions, such as is employed in New Zealand. The fact that the zero rating of B2B financial services was mentioned in the consultation procedure (see 5.1.) probably foreshadows a more concerted demand for such a system in the future. Australian banks and financial institutions are intimately acquainted with the costs and benefits of the New Zealand approach, as the major banks in New Zealand are owned by the major Australian banks.⁶²

8. Loss of Revenue

It is worthwhile to consider whether, because of the narrow and prescriptive nature of the Australian financial-supply rules, the loss of revenue is less than it might otherwise be. Under the Australian approach, the rules have operated to closely contain the spreading stain of the exemption for financial supplies. The role of intermediaries in making financial supplies seems to have been noticed and their access to the exemption has been closely quarantined

through the detailed listing in the Regulations of what is not a financial supply. Furthermore, it seems that the Australian system may have the added advantage that, should a provision be interpreted in such a way as to open up the system to revenue loss, it ought to be relatively easy to amend the rules because they are laid down by Regulations and amendments do not have to run the gamut of the full parliamentary process. In this light, one can conclude that the risks of revenue loss under the Australian system are not as great as under other possible options.

9. Conclusions

It cannot be pretended that the Australian system is perfect⁶³ and commentators have identified several problems with it. One commentator has said that the RITC rules are "littered with unjustifiable glitches and ambiguities".⁶⁴ Others have also identified areas of potential disagreement between the ATO and the taxpayer⁶⁵ which include, for example, the vagueness of "transaction processing" as a concept on which the RITC rules are based, ambiguities associated with the concept of debt collection services on which the RITC might be claimed and, similarly, litigation services.⁶⁶ Barkocz et al. mention some examples of activities which are likely to provide fertile areas for dispute between taxpayers and the Commissioner.⁶⁷ The cases discussed above illustrate how the courts are sometimes hard pressed in resolving these disputes and how some decisions can surprise.

However, if they are an adequate indication of the pressure on the system, the results of the recent consultation procedure seem to suggest that the Australian financial sector is relatively satisfied with the GST treatment of financial supplies.

62. See Anthony Hughes, "Australian banks find New Zealand is slippery territory", *Sydney Morning Herald*, 27 May 2004; <http://www.smh.com.au/articles/2004/05/26/108464668819.html#storyrbs> (accessed 26 October 2010).
63. See the criticisms of Edmundson and of Penning referred to in R. de la Feria and M. Walpole, see note 4, p. 27.
64. See P. Edmundson, "GST, Financial Supplies and Reduced Input Tax Credits", (2003) *Tax Spectator* 6(9), 118.
65. R. de la Feria and M. Walpole, see note 4, p. 26.
66. Points noted by Barkocz and referred to by R. de la Feria and M. Walpole, see note 4, p. 26.
67. See S. Barkocz, P. Edmundson, E. la Grange, A. MacIntyre, A. MacRae, P. McCourt, P. McMahon, J. Mendel, B. Page, I. Thompson, and J. Tyler, *CCH GST Guide Commentary*, Sydney, CCH Australia, 2008.

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Welfare

Goods or services	VAT rate	More information
Building services for disabled people	0%	Notice 701/7 VAT relief for disabled people
Burial or cremation of dead people, or burial at sea	Exempt	VAT Notice 701/92
Mobility aids for the elderly	5%	Mobility aids for older people
Equipment for blind or partially sighted people	0%	Equipment for blind or partially sighted people
Equipment for disabled people	0%	Equipment for disabled people
Funeral plans written under contracts of insurance	Exempt	VAT Notice 701/36
Smoking cessation products - nicotine patches and gum	5%	Read Budget Note BN77/004, 423
Welfare services provided by charities at significantly below cost	Outside the scope of VAT	VAT Notice 701/1



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1. Home (https://www.gov.uk)
2. Business tax (https://www.gov.uk/topic/business-tax)
3. VAT (https://www.gov.uk/topic/business-tax/vat)

Guidance

VAT rates on different goods and services

From: HM Revenue & Customs (<https://www.gov.uk/government/organisations/hm-revenue-customs>)
Part of: Rates and allowances; HM Revenue and Customs (<https://www.gov.uk/government/collections/rates-and-allowances-hm-revenue-and-customs>), VAT (<https://www.gov.uk/topic/business-tax/vat>), and Tax agent and adviser guidance (<https://www.gov.uk/topic/dealing-with-hmrc-as-agent-guidance>)
Published: 4 February 2014
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A list of goods and services showing which rates of VAT apply and which items are exempt or outside the scope of VAT.

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1. Introduction
2. VAT rate conditions
3. Food and drink, animals, animal food, plants and seeds
4. Sport, leisure, culture and antiques
5. Health, education, welfare and charities
6. Power, utilities, energy and energy saving, heating
7. Power
8. Building and construction, land and property
9. Transport, freight, travel and vehicles
10. Printing, postage, publications - books, magazines and newspapers
11. Clothing and footwear, protective and safety equipment
12. Financial services and investments, insurance

Too much detail?

See these quick guides

VAT rates (<https://www.gov.uk/vat-rates>)
 Businesses and charging VAT (<https://www.gov.uk/vat-businesses>)

Introduction

If you're registered (<https://www.gov.uk/vat-registration>), you have to charge VAT (<https://www.gov.uk/vat-businesses/how-vat-works>) when you make taxable supplies.

What qualifies and the VAT rate (<https://www.gov.uk/vat-rates>) you charge depends on the type of goods or services you provide.

No VAT is charged on goods or services that are:

- exempt from VAT
- outside the scope of the UK VAT system

This guide to goods and services and their VAT rates isn't a complete list. You can see a full list of VAT Notices (<https://www.gov.uk/government/collections/vat-notice-alphabetical-order>) for goods and services not included in this guide.

VAT rate conditions

<https://www.gov.uk/guidance/rates-of-vat-on-different-goods-and-services>

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These rules may only apply if certain conditions are met, or in particular circumstances, depending on some or all of the following:

- who's providing or buying them
- where they're provided
- how they're presented for sale
- the precise nature of the goods or services
- whether you obtain the necessary evidence
- whether you keep the right records (<https://www.gov.uk/vat-records-keeping>)
- whether they're provided with other goods and services

Other conditions may also apply.

There are also specific VAT rules for certain trades such as builders (<https://www.gov.uk/vat-builders>) and charities (<https://www.gov.uk/vat-charities>) that affect how you account for VAT, how much you must pay and how much you can reclaim.

International trade

Goods exported outside the EU or sent to someone registered in another EU country are zero-rated, subject to conditions. You can read more about VAT on goods sent overseas (<https://www.gov.uk/guidance/vat-exports-dispatches-and-supplying-goods-overseas>).

Food and drink, animals, animal feed, plants and seeds

Food and drink for human consumption is usually zero-rated but some items are always standard-rated. These include catering, alcoholic drinks, confectionery, crisps and savoury snacks, hot food, sports drinks, hot takeaways, ice cream, soft drinks and mineral water.

Restaurants must always charge VAT on everything eaten either on their premises or in communal areas designated for their customers to use, such as shared tables in a shopping centre or airport food courts.

In addition, restaurants and takeaway vendors must charge VAT on all hot takeaways and home deliveries, but don't need to charge VAT on cold takeaway food unless it's to be eaten in a designated area.

Certain animals, animal feeding products, plants and seeds also qualify for the zero-rate, but only if the conditions in the following VAT Notices are met, however products packaged as pet food are standard rated.

Find out more about:

- food and drink in VAT Notice 701/14 (<https://www.gov.uk/government/publications/vat-notice-70114-food>)
- catering and take-away food in VAT Notice 703/1 (<https://www.gov.uk/government/publications/vat-notice-7031-catering-and-take-away-food>)
- animals and animal feed in VAT Notice 701/15 (<https://www.gov.uk/government/publications/vat-notice-70115-animals-and-animal-feed>)
- plants and seeds in VAT Notice 701/33 (<https://www.gov.uk/government/publications/vat-notice-70133-seeds-and-plants>)

Sport, leisure, culture and antiques

Sport

Goods or services	VAT rate	More information
Physical education and sports activities	Exempt	VAT Notice 701/45 (https://www.gov.uk/government/publications/vat-notice-70145-sport)

Leisure

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Goods or services	VAT rate	More information
Betting and gaming - including pool betting and games of chance	Exempt	VAT Notice 701/29 (https://www.gov.uk/government/publications/vat-notice-70129-betting-gaming-and-lotteries)
Singo - including remote games played on the internet, telephone, television or radio	Exempt	VAT Notice 701/29 (https://www.gov.uk/government/publications/vat-notice-70129-betting-gaming-and-lotteries)
Lottery ticket sales	Exempt	VAT Notice 701/29 (https://www.gov.uk/government/publications/vat-notice-70129-betting-gaming-and-lotteries)
Online lottery games	Exempt	VAT Notice 701/29 (https://www.gov.uk/government/publications/vat-notice-70129-betting-gaming-and-lotteries)
Retailer commission on lottery ticket sales	Exempt	VAT Notice 701/29 (https://www.gov.uk/government/publications/vat-notice-70129-betting-gaming-and-lotteries)

Culture

Goods or services	VAT rate	More information
Admission charges by public authorities or eligible cultural bodies to certain cultural events such as visits to museums, art exhibitions, zoos and performances	Exempt	VAT Notice 701/47 (https://www.gov.uk/government/publications/vat-notice-70147-culture/vat-notice-70147-culture-qualifying-services)

Antiques

Goods or services	VAT rate	More information
Antiques, works of art or similar (as assets of historic houses) sold by private treaty to public collections	Exempt	VAT Notice 701/12 (https://www.gov.uk/government/publications/vat-notice-70112-disposal-of-antiques-works-of-art-from-historic-houses)
Antiques, works of art or similar (as assets of historic houses) used to settle a tax or estate duty debt with HM Revenue and Customs	Exempt	VAT Notice 701/12 (https://www.gov.uk/government/publications/vat-notice-70112-disposal-of-antiques-works-of-art-from-historic-houses)

Health, education, welfare and charities

Charities

Goods or services	VAT rate	More information
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Admission charges by charities	Exempt	Basic VAT applies to charities (https://www.gov.uk/government/publications/vat-notice-7011-charities)
Advertising services for charities	0%	VAT Notice 701/50 (https://www.gov.uk/government/publications/vat-notice-70150-charity-advertising-and-goods-connected-with-collecting-donations)
Certain goods sold at charitable fundraising events	0%	Charity fund-raising events and VAT (https://www.gov.uk/government/publications/vat-notice-7011-charities)
Charitable fundraising events	Exempt	Charity fund-raising events and VAT (https://www.gov.uk/government/publications/vat-notice-7011-charities)
Charity shops - selling donated goods	0%	Charitable donations and VAT (https://www.gov.uk/government/publications/vat-notice-70150-charity-advertising-and-goods-connected-with-collecting-donations)
Construction and sale of new buildings for a relevant charitable purpose	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
Energy saving materials permanently installed in dwellings and buildings used for a relevant residential purpose	5%	Energy saving materials - supply only - are standard-rated - VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials/vat-notice-7086-energy-saving-materials#installations-of-energy-saving-materials)
Sponsored charitable events	Exempt	Charities and VAT (https://www.gov.uk/government/publications/vat-notice-7011-charities/vat-notice-7011-charities#charity-challenge-events-a-guide-to-vat-treatment)
Voluntary donations to charity	Outside the scope of VAT	Donations to charities (https://www.gov.uk/government/publications/vat-notice-70150-charity-advertising-and-goods-connected-with-collecting-donations)

Welfare

Goods or services	VAT rate	More information
Building services for disabled people	0%	Notice 701/7 VAT reliefs for disabled people (https://www.gov.uk/government/publications/vat-notice-7017-vat-reliefs-for-disabled-people)
Burial or cremation of dead people, or burial at sea	Exempt	VAT Notice 701/32 (https://www.gov.uk/government/publications/vat-notice-70132-burial-cremation-and-commemoration-of-the-dead)
Mobility aids for the elderly	5%	Mobility aids for older people (https://www.gov.uk/vat/vat-and-older-people)

Goods or services	VAT rate	More information
Equipment for blind or partially sighted people	0%	Equipment for blind or partially sighted people (https://www.gov.uk/financial-help-disabled/vat-relief)
Equipment for disabled people	0%	Equipment for disabled people (https://www.gov.uk/government/publications/vat-notice-7017-vat-relief-for-disabled-people)
Funeral plans written under contracts of insurance	Exempt	VAT Notice 701/36 (https://www.gov.uk/government/publications/vat-notice-70136-insurance)
Smoking cessation products - nicotine patches and gum	0%	Read Budget Note BN77 (PDF, 42K) (http://webarchive.nationalarchives.gov.uk/200906100152638/http://www.hmrc.gov.uk/budget2008/bn77.pdf)
Welfare services provided by charities at significantly below cost	Outside the scope of VAT	VAT Notice 701/1 (https://www.gov.uk/government/publications/vat-notice-7011-charities)
Magnetic tape adapted for recording speech for blind people together with apparatus for making and playing the adapted tape and certain low vision aids	0%	Aids for blind people (https://www.gov.uk/financial-help-disabled/vat-relief)

Health

Goods or services	VAT rate	More information
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<https://www.gov.uk/guidance/rates-of-vat-on-different-goods-and-services>

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Care or medical treatment provided by a qualifying institution like a hospital, hospice (supporting home)	Exempt	VAT Notice 701/31 (https://www.gov.uk/government/publications/vat-notice-70131-health-and-social-care)
Dispensing of prescriptions by a registered pharmacist	0%	VAT Notice 701/57 (https://www.gov.uk/government/publications/vat-notice-70157-health-professionals-and-pharmaceutical-products)
Health services provided by registered doctors, dentists, opticians, pharmacists and other health professionals	Exempt	VAT Notice 701/57 (https://www.gov.uk/government/publications/vat-notice-70157-health-professionals-and-pharmaceutical-products)
Incontinence products	0%	VAT Notice 701/7 (https://www.gov.uk/government/publications/vat-notice-7017-vat-rates-for-disabled-people)
Maternity pads	5%	VAT Notice 701/18 (https://www.gov.uk/government/publications/vat-notice-70118-womens-sanitary-protection-products/vat-notice-70118-womens-sanitary-protection-products-products-and-rates)
Sanitary protection products	5%	VAT Notice 701/18 (https://www.gov.uk/government/publications/vat-notice-70118-womens-sanitary-protection-products/vat-notice-70118-womens-sanitary-protection-products-products-and-rates)
Low vision aids	0%	Equipment for blind or partially sighted people (https://www.gov.uk/financial-help-for-disabled/vat-rates)

Education

Goods or services	VAT rate	More information
Education, vocational training and other connected services provided by an eligible body like a school, college or university	Exempt	VAT Notice 701/30 (https://www.gov.uk/government/publications/vat-notice-70130-education-and-vocational-training)

Power, utilities, energy and energy saving, heating

Power

Goods or services	VAT rate	More information
Electricity for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard-rated - VAT Notice 701/19 (https://www.gov.uk/government/publications/vat-notice-70119-fuel-and-power)
Gas for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard-rated - VAT Notice 701/19 (https://www.gov.uk/government/publications/vat-notice-70119-fuel-and-power)
Heating oil for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard-rated - VAT Notice 701/19 (https://www.gov.uk/government/publications/vat-notice-70119-fuel-and-power)
Solid fuel for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard-rated - VAT Notice 701/19 (https://www.gov.uk/government/publications/vat-notice-70119-fuel-and-power)

Utilities

<https://www.gov.uk/tax-rates-of-vat-on-different-goods-and-services>

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Goods or services	VAT rate	More information
Composts, peat turfs or similar (domestic) - emptying	0%	Emptying industrial composts, peat turfs or similar is standard-rated - VAT Notice 701/16 (https://www.gov.uk/government/publications/vat-notice-70116-water-and-sewerage-services)
Sewerage services supplied to domestic or industrial customers	0%	Sewer and drain cleaning, unblocking or maintenance is standard-rated - VAT Notice 701/16 (https://www.gov.uk/government/publications/vat-notice-70116-water-and-sewerage-services)
Water supplied to households	0%	Water supplied to industrial customers is standard-rated - VAT Notice 701/16 (https://www.gov.uk/government/publications/vat-notice-70116-water-and-sewerage-services)

Energy-saving materials installed in dwellings and buildings used for a relevant residential purpose

Installed goods	VAT rate	More information
Air source heat pumps	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Buffers - wood fuelled	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Central heating and hot water controls	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Draught stripping	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Ground source heat pumps	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Insulation	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Micro combined heat and power units	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Solar panels	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)
Water and wind turbines	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)

Heating equipment and connection of gas supply (to the extent they are grant-funded by certain funders to people aged over 60 or who are in receipt of certain benefits)

Installed goods	VAT rate	More information
Closed solid fuel fire cassoles	5%	VAT Notice 708/6 (https://www.gov.uk/government/publications/vat-notice-7086-energy-saving-materials)

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Installed goods

VAT
rate

More information

Electric dual immersion water heaters with factory-insulated hot water tanks

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Electric storage heaters

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Gas-fired boilers

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Gas room heaters with thermostat controls

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Oil-fired boilers

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Radiators

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

The installation, repair and maintenance of a boiler, radiators, pipework and controls forming a central heating system (including micro combined heat and power systems)

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

The installation, repair and maintenance of renewable source heating systems. This means space or water heating systems which use energy from: renewable sources, including solar, wind and hydroelectric power; or near renewable sources, including ground and air heat

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Connection or reconnection to the mains gas supply

0%

VAT Notice 708/6
(<https://www.gov.uk/government/publications/vat-notice-708-energy-saving-materials>)

Building and construction, land and property

Building and construction

Goods or services

VAT
rate

More information

Substantial reconstructions to protected buildings that are buildings used as a dwelling, for a relevant residential purpose or for a relevant charitable purpose

0%

VAT Notice 708
(<https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction>)

The installation of a bathroom or lavatory, constructing ramps and widening doorways or passageways for disabled people in their own home

0%

Building services for disabled people
(<https://www.gov.uk/guidance/building-services-for-disabled-people>)

<https://www.gov.uk/guidance/rates-of-vat-on-different-goods-and-services>

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Goods or services	VAT rate	More information
Construction and first freehold or long leasehold sale of a new building for a relevant charitable purposes	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
Construction and first freehold or long leasehold sale of a new building for relevant residential purposes	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
Construction and first freehold or long leasehold sale of new domestic buildings	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
Converting existing premises by increasing the number of dwellings within the building	5%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
Renovating a dwelling that has been empty for at least two years	5%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
First freehold or long leasehold sale of a commercial building converted into a dwelling or dwellings	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
First freehold or long leasehold sale of buildings converted for relevant residential purposes	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)
First freehold or long leasehold sale of buildings converted for relevant charitable purposes	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)

Land and property

Goods or services	VAT rate	More information
Garages or parking spaces let together with dwellings (under short-term tenancy agreements) for permanent residential use	Exempt	Garages or facilities specially designed for parking are standard-rated - VAT Notice 742 (https://www.gov.uk/government/publications/vat-notice-742-land-and-property)
Parking - grant, or licence, to occupy land on which incidental parking takes place	Exempt	VAT Notice 742 (https://www.gov.uk/government/publications/vat-notice-742-land-and-property)
Property, land and buildings - grant, or licence, to occupy land or buildings	Exempt	VAT Notice 742 (https://www.gov.uk/government/publications/vat-notice-742-land-and-property)
Sale or long lease of a new dwelling with garage or parking space	0%	VAT Notice 708 (https://www.gov.uk/government/publications/vat-notice-708-buildings-and-construction)

<https://www.gov.uk/publications/rates-of-vat-on-different-goods-and-services>

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Transport, freight, travel and vehicles

Transport

Goods or services	VAT rate	More information
Aircraft repair and maintenance	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-aircraft-repair-and-associated-services)

Freight

Goods or services	VAT rate	More information
Domestic leg of freight transport to or from a place outside the EU	0%	Standard-rated freight transport includes domestic freight transport and freight transport between the UK and another EU member State - VAT Notice 744B (https://www.gov.uk/government/publications/vat-notice-744b-freight-transport-and-associated-services)
Freight containers - sale, lease or hire to a place outside the EC	0%	VAT Notice 703/1 (https://www.gov.uk/government/publications/vat-notice-703-1-supply-of-freight-containers-for-export-or-removal-from-the-uk)
Freight containers - sale, lease or hire to another EC Member State	0%	VAT Notice 703/1 (https://www.gov.uk/government/publications/vat-notice-703-1-supply-of-freight-containers-for-export-or-removal-from-the-uk)
International freight transport that takes place in the UK and its territorial waters	0%	VAT Notice 744B (https://www.gov.uk/government/publications/vat-notice-744b-freight-transport-and-associated-services)

Travel

Goods or services	VAT rate	More information
Houseboat moorings	Exempt	VAT Notice 742 (https://www.gov.uk/government/publications/vat-notice-742-land-and-property)
Parking spaces or garages supplied with houseboat moorings	Exempt	VAT Notice 742 (https://www.gov.uk/government/publications/vat-notice-742-land-and-property)
Passenger transport in a vehicle, boat or aircraft that carries not less than ten passengers	0%	VAT Notice 744A (https://www.gov.uk/government/publications/vat-notice-744a-passenger-transport)
Tolls for bridges, tunnels and roads operated by public authorities	Outside the scope of VAT	Privately-operated tolls for bridges, tunnels and roads are standard-rated - VAT Notice 700 (https://www.gov.uk/government/publications/vat-notice-700-the-vat-guide)

Vehicles

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Goods or services	VAT rate	More information
Aircraft repair and maintenance	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Airships - sale or charter	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Caravans (more than 7m long or more than 2.55m wide)	0% or 5%	Touring holiday caravans (https://www.gov.uk/government/publications/vat-notice-70120-caravans-and-houseboats)
Civil aeroplanes - sale or charter	0%	Glider - sale or charter - are standard-rated as are hot air balloons - VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Helicopters - sale or charter	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Houseboats - sale or let out on hire	0%	But holiday accommodation let in a moored houseboat is standard-rated - VAT Notice 70120 (https://www.gov.uk/government/publications/vat-notice-70120-caravans-and-houseboats)
Military aeroplanes - sale or charter	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Ship repairs and maintenance	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)
Shipbuilding - 16 tons or over gross tonnage	0%	VAT Notice 744C (https://www.gov.uk/government/publications/vat-notice-744c-ships-aircraft-and-associated-services)

Printing, postage, publications - books, magazines and newspapers

Printing

Goods or services	VAT rate	More information
Brochures	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/meaning-of-the-group-3-items)
Leaflets	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/meaning-of-the-group-3-items)
Pamphlets	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/meaning-of-the-group-3-items)

Postage

Goods or services	VAT rate	More information
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<https://www.gov.uk/government/publications/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-70110-zero-rating-of-books-and-other-forms-of-printed-matter/meaning-of-the-group-3-items>

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International postal services meeting all the conditions of VAT Notice 700/24 (https://www.gov.uk/government/publications/vat-notice-700/24-postage-and-delivery-charges)	Outside the scope of VAT	VAT Notice 700/24 (https://www.gov.uk/government/publications/vat-notice-700/24-postage-and-delivery-charges)
Postage, packing and delivery within the UK included in the sales contract but charged for separately, or mail order	The same rate as the goods being delivered or posted	Postage, packing and delivery within the UK charged as an optional extra is always standard-rated - VAT Notice 700/24 (https://www.gov.uk/government/publications/vat-notice-700/24-postage-and-delivery-charges)
Public postal services provided by the Royal Mail under a universal service obligation	Exempt	Standard Royal Mail first and second class services for example
Other postal services that are not subject to a universal service obligation	Standard-rated	Supplies that are not subject to regulation

Publications

Goods or services	VAT rate	More information
Books	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Children's painting and picture books	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Maps and charts	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Magazines	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Newspapers	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Printed or copied music	0%	VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#meaning-of-the-group-3-items)
Publications	0%	Some items are standard-rated such as exercise books, letterheads, posters - VAT Notice 701/10 (https://www.gov.uk/government/publications/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter/vat-notice-701/10-zero-rating-of-books-and-other-forms-of-printed-matter#items-not-included-within-any-of-the-group-3-items)

Clothing and footwear, protective and safety equipment

Clothing and footwear

<https://www.gov.uk/government/publications/vat-on-different-goods-and-services>

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Goods or services	VAT rate	More information
Babywear	0%	VAT Notice 714 (https://www.gov.uk/government/publications/vat-notice-714-zero-rating-young-childrens-clothing-and-footwear)
Children's clothes and footwear	0%	VAT Notice 714 (https://www.gov.uk/government/publications/vat-notice-714-zero-rating-young-childrens-clothing-and-footwear)

Protective and safety equipment

Goods or services	VAT rate	More information
Carrycots with restraint straps	5%	VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)
Children's car seats, booster seats and booster cushions	5%	VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)
Children's safety seats with bare wheeled framework	5%	Prams and pushchairs are standard-rated - VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)
Cycle helmets - CE marked	0%	VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)
Motorcycle helmets that meet safety standards	0%	VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)
Protective boots and helmets for industrial use	0%	VAT Notice 701/23 (https://www.gov.uk/government/publications/vat-notice-70123-protective-equipment)

Financial services and investments, insurance

Financial services and investments

Goods or services	VAT rate	More information
Financial services including the issue, transfer or receipt of, or dealing with money, securities for money or orders for the payment of money	Exempt	VAT Notice 701/49 (https://www.gov.uk/government/publications/vat-notice-70149-finance)
The granting of credit such as loans	Exempt	VAT Notice 701/49 (https://www.gov.uk/government/publications/vat-notice-70149-finance)

Goods or services	VAT rate	More information
The management of credit by the person who has granted it	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-credit-and-related-services)
The provision of the facility of investment credit finance for example hire-purchase	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-credit-and-related-services)
The provision of qualifying financial intermediary services	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-intermediaries)
The issue, transfer or dealing with a security, including shares and bonds	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-securities-and-related-services)
The operation of a current, deposit or savings account	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-money-and-related-services)
The management of a qualifying special investment fund	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance/vat-notice-70143-finance-management-of-investments-and-portfolios-funds-wrapper-products-and-related-services)
Financial service supplied as a separate element but with other goods or services	Exempt	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance)
Financial service supplied as part of a single supply with other goods or services	Exempt if financial service is the principal element of the supply	VAT Notice 701/43 (https://www.gov.uk/government/publications/vat-notice-70143-finance)
Gold investment coins	Exempt	VAT Notice 701/21 (https://www.gov.uk/government/publications/vat-notice-70121-investment-gold-coins/vat-notice-70121-investment-gold-coins)

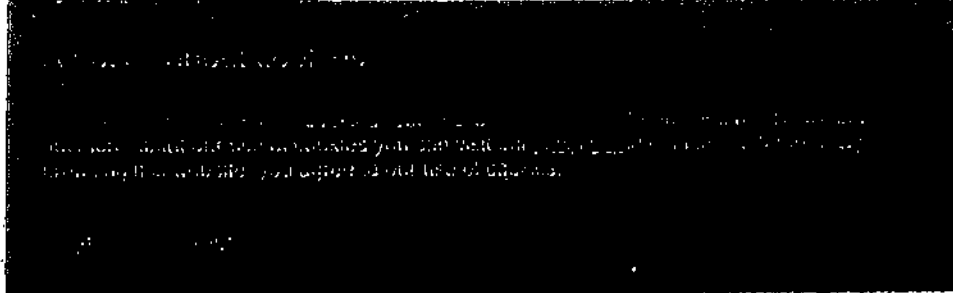
Insurance

Goods or services	VAT rate	More information
Friendly society subscriptions for the provision of insurance	Exempt	VAT Notice 701/36 (https://www.gov.uk/government/publications/vat-notice-70136-insurance/vat-notice-70136-insurance-club-and-particular-supplies-of-insurance)
Insurance and reinsurance transactions	Exempt	VAT Notice 701/36 (https://www.gov.uk/government/publications/vat-notice-70136-insurance/vat-notice-70136-insurance-reinsurance-supplied-outside-the-uk)

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Citizen information

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VAT refunds on aids and appliances used by people with disabilities

- [Introduction](#)
- [Rules](#)
- [How to apply](#)
- [Where to apply](#)

Introduction

If you live in Ireland and you have a disability, you may get a refund of Value-Added Tax (VAT) on certain special aids and appliances that you need. In some cases people who pay for aids and appliances that are for the exclusive use of a person with a disability can also claim the VAT refund. People with both physical and mental disabilities can avail of these refunds.

This scheme of VAT refunds on aids and appliances can also apply to adaptation and installation work being carried out to make a home more suitable for an older person or for a person with a disability – see 'Housing adaptations' below.

Rules

Under the Value-Added Tax (Refund of Tax) (No. 15) Order 1981, you can claim a VAT refund on aids and appliances that help you carry out daily activities at home or at work. You may need to produce medical evidence of your disability.

VAT refunds are not allowed on services for people with disabilities or on rented aids and appliances.

To claim a VAT refund you must:

- Live in Ireland
- Have a disability
- Need the aid or appliance to help with daily activities

aid or appliance must be owned by the person with the disability and be for their exclusive use. If the VAT refund is being sought by someone other than the user of the aid or appliance, Revenue may ask for evidence that the aid is solely owned by the person with the disability and is for their sole use. In this case, these goods are not to be supplied in the course of a business run by the purchaser of the goods.

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Examples of eligible aids and appliances include:

- Domestic aids, for example, eating and drinking aids
- Walk-in baths
- Commode chairs
- Lifting seats and specified chairs
- Braille books
- Hoists and lifts, including stair lifts
- Communication aids

Irish Aid has information on a wide range of aids and appliances for people with disabilities.

More information on how to reclaim VAT on aids and appliances for people with disabilities can be found on Revenue.ie.

Housing adaptations

If you are having your home improved or adapted to make it more accessible, you may be able to claim a refund of VAT paid on the cost of installation and adaptation work. You may also qualify for a grant, such as the Adaptation Grant for People with a Disability, the Mobility Aids Grant Scheme or the Housing Aid for Older People Scheme. Read more about housing grants and schemes.

Buying and adapting a vehicle

You can claim remission or repayment of vehicle registration tax (VRT), repayment of VAT on the purchase of a vehicle and repayment of VAT on the cost of adapting a vehicle, up to a maximum amount. You can find out more in our document on Tax relief for disabled drivers and passengers.

How to apply

To apply for a VAT refund on aids and appliances, fill in claim form VAT 61A (pdf).

You must attach supporting documentation with your claim - for example, original invoices for all the goods in the claim or, in the case of imported goods, receipts for VAT paid at importation. In the case of a hire purchase agreement, you will need to supply a copy of the agreement and the invoice.

You must make your claim within 4 years from the end of the taxable period in which you purchased the aid or appliance. Taxable periods within each year are:

- January/February
- March/April
- May/June
- July/August
- September/October
- November/December

For example, a claim made in respect of an invoice issued in January 2015 must be made no later than February 2019.

Where to apply

For more information or to claim a refund on an aid or appliance contact:

Central Repayments Office

Office of the Revenue Commissioners
M: TEK II Building
Arimagh Road
Monaghan
Ireland

Tel: 047 62100

1-800-100000 ext 60 61

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- **Tax relief for drivers and passengers with disabilities**
The Disabled Drivers and Disabled Passengers Scheme provides a range of tax reliefs for disabled drivers and disabled passengers.
- **Tax reliefs for people with a visual impairment**
If you live in Ireland and have certain visual impairments, you may claim a reduction in the amount of tax that you are required to pay. Information is also provided on the VAT refund scheme for aids and appliances.
- **Value Added Tax**
Value Added Tax (VAT) is included in the price of most products and services that we use every day. You may also be liable to pay VAT if you buy online. Find out more about VAT and how it is paid.

[Contact Us](#)

If you have a question relating to this topic you can contact the Citizens Information Phone Service on 0761 07 000 (Monday to Friday, 9am to 8pm) or you can visit your local [Citizens Information Centre](#).

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GST in India and Beyond

VAT and Goods and Services Tax, or GST, is a common transactional tax type globally. In this whitepaper, we will explain the concept of GST as applied around the world, then delve into the specifics of how GST relates to India.

Next, let's take a look at a roundup of the VAT/GST structure of some major world economies, including tax rates, threshold limits, exemptions, and zero-rated transactions. This provides a foundation for understanding India's GST.

European Union (EU)

The European Economic Community (EEC) adopted VAT throughout Europe, replacing cascading multi-stage turnover tax. VAT was pioneered due to the ease with which it handled cross-border transactions and facilitated the development of a common market. The VAT Directive sets the framework for VAT structure in the EU, but leaves national governments with the freedom to set the number and level of rates they choose. They may use provisions of VAT Directives in national legislation, subject to the following basic rules:

1. Goods or services supplied in the course of business by a taxable person within the EU are subject to VAT at a standard rate not lower than 15%, unless specifically exempt.
2. EU member states can opt to apply one of two reduced rates of not less than 5%.
3. Member states may subject certain goods or services listed in Annex II of the VAT Directive, such as food, water, pharmaceuticals, books, admission to cultural/amusement/sporting events, social services, medical services and equipment, agricultural inputs, to lower rates, including zero rates, which were in place on Jan. 1, 1991, though they cannot introduce any new rate under 5%.
4. Goods and services in the public interest, such as medical care, services linked to welfare and social security work by public bodies or charitable organizations, certain education and cultural services, specific financial and insurance services, certain supplies of land and buildings, export of goods, and shipments of intra-EU supplies are exempt from VAT.

Canada

In Canada, GST is applicable on supply of most goods and services, including real property and intangible personal property, and is governed by the Excise Tax Act. Canada has a federal government (like India's), and a federal GST was introduced in 1991 to replace the existing federal sales tax imposed on manufacturers and certain licensed wholesalers at a general rate of 13.5%. However, all provinces continued with the provincial retail sales tax ("PST"), thereby having two levels of tax levied. The harmonized sales tax (HST) is imposed in provinces that have harmonized their provincial sales tax with the GST (New Brunswick, Nova Scotia, Newfoundland and Labrador, Ontario, Prince Edward Island) and is a combination of a federal component and a provincial component (8-9%) applicable generally on the same base of property and services as the GST.

In the remaining provinces, GST is imposed on taxable goods and services, along with provincial sales tax or a retail sales tax.

The three territories (Northwest Territories, Nunavut, and Yukon), as well as the province of Alberta, charge GST at the rate of 5%. Most goods and services supplied in or imported into Canada are considered taxable supplies, and are subject to GST at the rate of 5% or HST in the range of 13% to 15% (federal component of 5% and provincial component of 8 to 10%), with certain exceptions based on policy decisions, such as:

- Exports and supplies of goods and services relating to basic needs of individuals, such as drugs and biologicals, medical and assistive devices, basic groceries, agriculture and fishing, transportation and travel etc. are taxed at the rate of 0% (zero-rated).
- Supplies of goods and services supporting public needs such as certain real property, healthcare, educational, child and personal care, legal aid, public sector bodies, financial services, ferry/road/bridge tolls etc. are exempted from GST/HST.

New Zealand

The New Zealand GST, enacted in 1988, was designed as a comprehensive tax base including many difficult-to-tax goods and services. The New Zealand GST became an international benchmark for indirect tax design. For instance, the Institute of Fiscal Studies of United Kingdom considered the New Zealand GST model as the benchmark for evaluation of European VAT Directives.

In New Zealand, GST is governed by the GST Act of 1985 and is applicable on most indigenous goods and services, most imported goods, and certain specified imported services at a rate of 15%.

The "goods" category includes all types of personal and real property except admissible claims, money, and products transmitted by a non-resident to a resident by means of wire, cable, radio or other technical systems. The "services" category covers everything other than goods or money.

When supplying certain goods and services, such as exported goods and services or telecommunication services, the supplier is governed by a territorial authority. Proceeds from the local authorities, sales of going concern (stump sale), and sale of land are subject to GST at the rate of 0%.

Supply of certain goods and services, such as private property (car or home not used for business), financial services such as interest payment on loan or bank fees, donated products and services sold by nonprofit organizations, rentals of residential property, and partly interest are all exempt from GST.

Australia

The implementation of New Tax System package in Australia, including New Tax System (Goods and Services Tax) Act of 1999, was considered a landmark change to the Australian tax system. The new GST replaced the federal wholesale sales tax and some state and territory taxes with a single tax rate of 10% on the supply of most goods and services, with some exceptions.

- The basic rule of GST in Australia is destination-based consumption tax, with limited tax base exclusions.

- Certain supplies, such as certain food products, most medical and health care, drugs, medical aids and equipment, most education, childcare, sports, religious services, and international transport are known as GST-free (other exemption rules in respect of exempt supplies).
- Certain supplies, such as financial supplies, residential rent, residential premises, products metals, school meals and uniforms and fundraising events conducted by charities are known as input-taxed supplies (other exemptions refer to these as exempt) and no GST is applicable to such supplies.

Observations from VAT/GST in Other Jurisdictions

trend can be observed from the VAT/GST legislation and provisions in the aforementioned jurisdictions, VAT/GST are destination-based, and therefore apply to consumption taking place in the respective country/region. These taxes, therefore, exempt exports and imports.

Furthermore, input tax credits can be claimed for the cost of procuring and producing, in the case of zero-rated supplies, and cannot be claimed in case of exempted supplies.

VAT/GST has emerged as the successful choice among other forms of indirect taxation. Jurisdictions using these taxes work continuously toward reforming structural issues. An example of this occurred in December 2010, when the European Commission published a Green Paper on the future of VAT, arguing that there were "numerous shortcomings in the current VAT system which create obstacles to the Internal Market, cause burdens for businesses and prevent Member States from benefiting from the true potential of the tax." The paper also pointed out the system is susceptible to fraud.

Unesco's report finding the EU VAT model very complicated, due to its complicated exemption application rules. Reduced rates among member states cause competitive distortion and create additional compliance costs borne by businesses conducting cross-border trade when compared to businesses that only trade domestically. In Canada, businesses face challenges under GST/HST due to interpretation issues and the variation of tax rates between provinces. Although British Columbia harmonized its PST with the GST in July 2010, it re-implemented PST in 2013. In all jurisdictions, even New Zealand and Australia, compliance costs under VAT/GST have proved to burden small businesses more.

Proposed GST Structure in India

The proposed GST in India consists of a consumption-type VAT, in which only final consumption is treated as the final use of a good. GST is expected to integrate taxes on goods and services across the supply chain, allowing for offsets and capture of value addition at each stage. A continuous chain of offsets is expected to be established, from the level of the original producer or service provider to the retailer's level, which would eliminate the burden of all cascading (or "tax on a tax") effects. Suppliers at each stage would be permitted to set off the GST paid on the purchase of input goods and services against their GST obligations to be paid on the supply of goods and services.

Salient features of the proposed GST model based on reports of the Empowered Committee are summarized below:

1. Aligned with the federal structure of the Indian government, the proposed GST model consists of a dual structure (like in Canada) to be levied and collected by the Union government (referred to as Central GST (CGST)) and respective State governments (referred to as State GST (SGST)). This dual GST model would be implemented and governed by one CGST/SGST statute applicable across the country, CGST statutes for each state, and common rules determining valuation, place of supply, and place of origin.

This would imply that the Centre and the states would have concurrent jurisdiction for the entire value-chain and the basic principles of law, such as chargeability, definition of taxable event and taxable person, and measure of levy (including valuation provisions and basis of classification) will be uniform across State statutes. Draft laws are already written and under internal discussions. Also, various allied rules are in the process of being drafted and finalized.

2. CGST and SGST would be comprehensively applicable to all goods and services up to the final consumer (retail) level, reflecting the tax base of a typical consumption VAT. Therefore, CGST and SGST would be applicable to all transactions involving supply of goods and services made for a consideration, except alcoholic liquor for human consumption, exempted goods and services, goods which are outside the purview of GST, and transactions below the prescribed threshold limits.
3. Based on recommendations of both the 13th Finance Commission and Empowered Committee, GST on following products shall be levied from a date to be notified by the GST Council -

- Petroleum Crude
- High Speed Diesel
- Motor Spirit (commonly known as Petrol)
- Natural Gas
- Aviation Turbine Fuel

4. GST is to be structured on the destination principle; so that the tax base shifts from production to consumption. This way, imports will create a tax liability while exports will be relieved of the burden of GST. Consequently, revenues will accrue to the State in which the consumption takes place or is deemed to take place.
5. Taxes paid on input goods/services against CGST shall be allowed to be utilized as input tax credit (ITC) against output tax liabilities under CGST, and the same principle applies to SGST. Cross-utilization of input tax credits between the Central GST and the State GST would not be allowed, except in case of interstate supply of goods and services. Therefore, a taxpayer or exporter shall be required to maintain separate details in books of account for using or refunding credit.
6. In order to maintain an uninterrupted credit chain, CGT would be phased out in case of interstate transactions of taxable goods. On such transactions, Centre would levy Integrated GST (referred to as IGST, which can be calculated by adding CGST to SGST) with appropriate provision for consignment or stock transfer of goods and services. The inter-state seller will pay IGST on value addition after adjusting available credit for IGST, CGST, and SGST on his purchases.
7. The importing dealer will claim credit of IGST while discharging his output tax liability in his own state. The relevant information will also be submitted to the Central Agency, which will act as a clearing house mechanism, verify the claims, and inform the respective governments to transfer the funds.
8. A uniform threshold across all states and Union territories is being considered, with adequate compensation for the states (particularly, the states in the North-Eastern Region and Special Category States) where a lower threshold had prevailed in the VAT regime.

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
Writ Petition (Civil) No. 725/2017

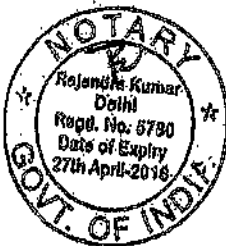
IN THE MATTER OF:

Nipun MalhotraPetitioner
Versus
Union of India Respondent

COUNTER AFFIDAVIT ON BEHALF OF RESPONDENT

I, Pramod Kumar, S/o Sh. S. S. Verma, R/o N-23,
Nivedita Kunj, Sector-10, R. K. Puram, New/Delhi
aged about 52 years do hereby solemnly affirm and
state as under:

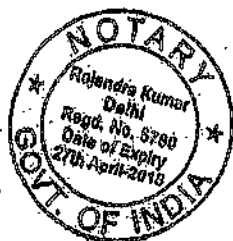
1. That I am the Commissioner of Central Tax, GST
Delhi East of the Respondent and am fully
competent to swear by way of this Affidavit on the
basis of my knowledge as derived from the official
records.
2. At the outset, the factual contentions, submission
and grounds as contained in the Writ Petition are
denied to the extent that any discrimination has
been occasioned against the differently abled. It is
specifically denied that the provisions of the Goods
& Services Tax Act, 2017, levy any tax burden on



(2)

disabled situations or that the tax proposed is of a socially divisive nature. It is specifically denied that the tax as imposed is either arbitrary, discriminatory or negatively impacts the fundamental rights of the differently abled. The taxes proposed are designed to dilute the impact of input taxes and have the consequence of reducing the price of the final product. Consequently there is no violation of Articles 14, 15, 19(1)d or Article 21 of the Constitution of India. The answering Respondent also reserves right to file additional/supplementary Counter Affidavit if so advised at a later date.

3. I further state that the Writ Petition is misconceived and based on an incomplete understanding of the correct factual and legal position and is hence liable to be dismissed. I reiterate that far from being a discriminatory measure, the rate of GST envisaged, after due deliberation, is a step in the interest of both the differently abled as well as the manufacturers. Further, in response thereto it is submitted as under:-

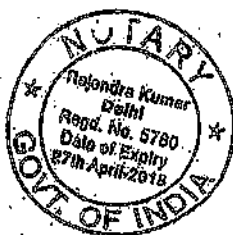


- a) The GST introduced from 01.07.2017, as a reform of indirect tax regime, subsumed multiple taxes levied by Central and State Governments. Further, it envisaged the usage

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of Input Tax Credit (ITC) at each stage of the value chain in the business unlike the pre-GST regime to prevent the cascading effect of prices.

- b) Pre-GST the assistive devices were exempted from Central Excise duty under S.No. 317 of the Notification No. 12/2012-Central Excise dated 17.03.2012. Similarly, these devices were also exempt from VAT in the majority of the states. However, both Central taxes and State taxes on inputs used in manufacture of these devices remained embedded in the cost of such equipment.
- c) The GST Council had reviewed the various exemptions from duty in pre-GST regime and thereafter recommended the GST rates keeping in view the pre-GST incidence on goods and services. Accordingly, the assistive devices and rehabilitation aids for physically challenged persons have been prescribed a concessional 5% GST rate.
- d) The concessional 5% GST rate on these devices/equipments will enable their domestic manufacturers to avail Input Tax Credit of GST paid on their inputs and raw materials (Most of the inputs and raw materials for



(2)

manufacture of these assistive devices/equipments e.g. steel, iron, aluminum etc. attract 12-18% GST]. Further, the GST law provides for refund of accumulated Input Tax Credit, in cases, where the GST rate of output supply is lower than the GST rate on inputs used for their manufacture. Therefore, 5% GST rate on these devices/equipments would enable their domestic manufactures to claim refund of any accumulated Input Tax Credit. That being so, the 5% concessional GST rate on these devices/equipments would actually result in reduction of the cost of domestically manufactured goods, as compared to the pre-GST regime. The provisions related to accumulated Input Tax Credit are annexed herewith as Annexure R-1.

- c) As against that, if these devices/equipment are exempted from GST, then while imports of such devices/equipment would be zero rated, domestically manufactured such devices/equipment will continue to bear the burden of input taxes, increasing their cost and resulting in negative protection for the domestic value addition. Consequently, the

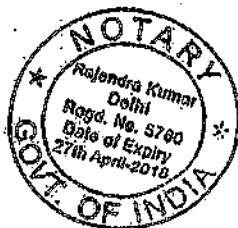


(5)

5% concessional GST rate on such devices/equipments designed to result in a highly positive situation for both the users of such devices, the disabled persons, as well as the domestic manufacturers of such goods. It is for this reason that the Council has kept these items in 5% rate slab.

1) Further, it is to state that the extent and rate of taxation is an executive function. If the competence of the legislature stands established, the quantum to tax, conditions of taxation form a part of competence of the legislature. In Rai Ramakrishna vs. State of Bihar (AIR 1963 SC 1667) this Hon'ble Court has held:-:

a, "The objects to be taxed so long as they happen to be within legislative competence of the legislative can be taxed by the legislative according to the exigencies of its needs....the quantum of tax levied by the taxing statutes, the conditions subject to which it is levied, the manner in which it is sought to be recovered are all matters within the competence of the legislature.

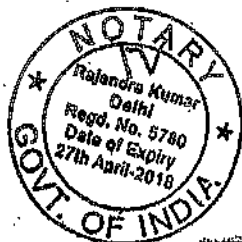


Witnessed : *Bharatward*
Adms
(2007/6)

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I, the deponent hereinabove, do hereby verify and state that the contents of the counter Affidavit are true and correct to the best of my knowledge and belief. No part of it is false and nothing material has been concealed therefrom.

Verified at C.R. Building, I. P. Estate, New Delhi on this 14th day of November, 2017.

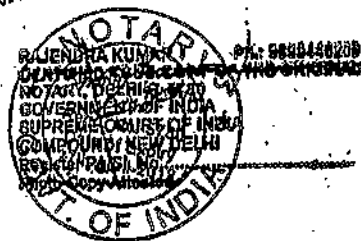


[Signature]
14/11/17
DEPONENT

VERIFIED THAT THE DEPONENT HAS READ AND UNDERSTOOD THE CONTENTS OF THE AFFIDAVIT AND HAS AFFIRMED THE SAME TO BE TRUE AND CORRECT TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

NOTARY PRAMOD KUMAR
Regd. No. 5780
Date of Expiry 27th April 2018
NOTARY DELHI-5780
GOVERNMENT OF INDIA
SUPREME COURT OF INDIA
COMPOUND, NEW DELHI
Register Pg. No. 14.11.2017

IDENTITY THE EXECUTANT / DEPONENT WHO WAS SIGNED IN THE PRESENCE OF



(4)

ANNEXURE R-1

Provisions in CGST Act related to Accumulated Input Tax Credit

Section 2(62) "Input tax" in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes—

- (a) the integrated goods and services tax charged on import of goods;
- (b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;
- (c) the tax payable under the provisions of sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;
- (d) the tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective State Goods and Services Tax Act; or
- (e) the tax payable under the provisions of sub-sections (3) and (4) of section 7 of the Union Territory Goods and Services Tax Act, but does not include the tax paid under the composition levy;

Section 2 (63) "Input tax credit" means the credit of input tax;

Section 16. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

Section 41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.

Section 41. (2) The credit referred to in sub-section (1) shall be utilised only for payment of self-assessed output tax as per the return referred to in the said sub-section.

Section 49. (1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.

Section 49 (2) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41, to be maintained in such manner as may be prescribed.

Continued

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Provisions in CGST Act related to Accumulated Input Tax Credit

Section 54(3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period: Provided that no refund of unutilised input tax credit shall be allowed in cases other than—

(i) zero rated supplies made without payment of tax;

(ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council: Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies

BEFORE THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

I.A. NO. OF 2020

IN

WRIT PETITION (CIVIL) NO. 725 OF 2017

IN THE MATTER OF:

NIPUN MALHOTRA

...PETITIONER/APPLICANT

VERSUS

UNION OF INDIA

...RESPONDENT/NON-APPLICANT

**APPLICATION FOR DIRECTIONS FOR ISSUANCE OF
NOTICE TO GST COUNCIL**

SAMEER SRIVASTAVA

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IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
I.A. NO. OF 2020
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IN THE MATTER OF:

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APPLICATION FOR DIRECTIONS FOR ISSUANCE OF
NOTICE TO GST COUNCIL

TO

THE HON'BLE CHIEF JUSTICE OF INDIA

AND HIS COMPANION JUDGES OF THE

SUPREME COURT OF INDIA, NEW DELHI

THE HUMBLE APPLICATION ON

BEHALF OF THE PETITIONER

ABOVE-NAMED

MOST RESPECTFULLY SHOWETH:

1. That, the Petitioner has preferred this Writ Petition under Article 32 of the Constitution of India, 1950 to set aside the imposition of Goods and Service Tax (GST) upon accessibility equipment such as braille paper, braille typewriter, listening aids, prosthetic limbs, audiometers, wheelchairs, wheelchair equipment and motor-vehicles required by persons with disabilities as being violative of the Fundamental Rights guaranteed to them under Articles 14, 15, 19, 21 and 21 A of the Constitution. That, for the sake of brevity the contentions made by the Petitioner are not being reproduced herewith, however, they may be read as part and parcel of this Application.

2. That, the Petitioner/Applicant most respectfully submits that the facts and circumstances of this Petition warrant impleadment of the *GST Council* established under Article 279 A (1) of the Constitution, as a necessary Party, for the purpose of adjudicating the specific constitutional violations, in terms of levy of Goods & Service Tax on necessary accessibility equipment required by persons with disabilities. The Applicant submits that the impleadment of the GST Council is further necessitated as despite the lapse of 3 years

of filing of this Petition, Respondent No. 1, has failed to take any steps to waive GST on the accessibility equipment required by persons with disability. Therefore, the Petitioner seeks impleadment of the GST Council to the instant proceedings to compel them to place on record, steps taken by it, within the powers vested conferred upon it by the virtue of Article 279 A of the Constitution, to waive or exempt GST levied on the accessibility equipments required by the persons with disability. Thus, the Petitioner prays that Notice be issued to GST Council through its Joint Secretary:

GOODS & SERVICES TAX COUNCIL
THROUGH ITS JOINT SECRETARY
5th FLOOR, TOWER-II, JEEVAN BHARTI
BUILDING, JANPATH ROAD -
CONNAUGHT PLACE, NEW DELHI - 110001
(E): contact.gstcouncil@gov.in

3. That it is further submitted that the GST Council is a constitutional body set-up under Article 279 A of the Constitution, for making recommendations to the Union Government and the State Government on issues related to Goods and Service Tax. It is, therefore, crucial that the GST Council is impleaded in the instant proceedings, since the issue at hand concerns exemption of GST on accessibility equipment

required by persons with disabilities, and the inaction of the Respondent No. 1 to grant the same. It is further submitted that as a Constitutional body, the GST Council, possesses expert domain knowledge to make recommendations to the Respondent No. 1 in terms of executing GST exemption on accessibility equipments required by persons with disabilities. Therefore, the impleadment of the GST Council may further assist this Hon'ble Court in adjudicating upon the prayers made by the Petitioner.

The Sub Clause (4) of Article 279 A of the Constitution lays down that:

“(4) The Goods and Service Tax Council shall make recommendations to the Union and States on –

- a) The taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and service tax;
- b) *The goods and services that may be subjected to, or exempted from the goods and services tax;*
- c) Mode Goods and Service Tax Laws, principles of levy, apportionment of Goods & Services Tax levied on supplied in the course of inter-State trade or commerce under Article 269 A and the principles that govern the place of supply;
- d) *The threshold limit of turnover below which goods and services may be exempted from goods and service tax;*
- e) *The rates including floor rates with the bands of goods and service tax;*

- f) Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
- g) Special provision with respect to the States of Arunachal Pradesh, Assam, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tirupura, Himachal Pradesh and Uttarakhand; and
- h) Any other matter relating to the goods and service tax, as the Council may decide."*

4. That, at this juncture, the Petitioner further wishes to bring to the attention of this Hon'ble Court that GST Council's Press Release dated 04.07.2017 classifies the below-listed assistive devices and aids required by persons with disabilities in the so-called "concessional 5% GST rate" slab, which is sought to be set-aside by the Petitioner, and therefore, in the interest of justice, the GST Council may be granted an opportunity to provide justification qua the constitutionality of their unjust decision. It is submitted that a bare perusal of the below-listed assistive devices would reveal the perversity in imposition of taxation of any rate upon them, as the below-listed are essential equipments which empower persons with disabilities to carry out functions similar to an able bodied persons, and access opportunities *sans* discrimination. It is submitted that an imposition of tax on the below-listed devices only seeks to widen the socio-economic gap between the disabled

community and the mainstream, as it penalises the disabled by imposing tax on their fundamentally guaranteed activities.

LIST OF ASSISTIVE DEVICES @ 5% GST

S.NO.	PRODUCT
1.	Braille writers and braille writing instruments;
2.	Handwriting equipment like Braille Frames, Slates, Writing Guides, Script Writing Guides, Styli, Braille Erasers
3.	Canes, Electronic aids like the Sonic Guide;
4.	Optical, Environmental Sensors;
5.	Arithmetic aids like the Taylor Frame (arithmetic and algebra types), Cubarythm, Speaking or Braille calculator;
6.	Geometrical aids like Combined Graph and Mathematical Demonstration Board, Braille Protractors, Scales, Compasses and Spar Wheels;
7.	Electronic measuring equipment such as Calipers, Micrometers, Comparators, Gauges, Gauge Block Levels, Rules, Rulers and Yardsticks
8.	Drafting, Drawing Aids, Tactile Displays;
9.	Specially adapted Clocks and Watches;
10.	Orthopaedic appliances falling under heading No.90.21 of the First Schedule;
11.	Wheel Chairs falling under heading No.87.13 of the First Schedule;
12.	Artificial electronic larynx and spares thereof;
13.	Artificial electronic ear (Cochlear implant);
14.	Talking books (in the form of cassettes, discs or other sound reproductions) and largeprint books, braille embossers, talking calculators, talking thermometers;

15. Equipment for the mechanical or the computerized production of braille and recorded material such as braille computer terminals and displays, electronic braille, transfer and pressing machines and stereo typing machines;
16. Braille Paper;
17. All tangible appliances including articles, instruments, apparatus, specially designed for use by the blind
18. Aids for improving mobility of the blind such as electronic orientation and obstacle detecting appliance and white canes;
19. Technical aids for education, rehabilitation, vocational training and employment of the blind such as Braille typewriters, braille watches, teaching and learning aids, games and other instruments and vocational aids specifically adapted for use of the blind;
20. Assistive listening devices, audiometers;
21. External catheters, special jelly cushions to prevent bed sores, stair lift, urine collection bags;
22. Instruments and implants for severely physically handicapped patients and joints replacement and spinal instruments and implants including bone cement.

5. That at this juncture it is further crucial to bring to attention of this Hon'ble Court that GST Council vide its Press Release dated 04.07.2020 erroneously claims that the imposition of "concessional 5% GST rate" on the assistive devices and rehabilitation aids for persons with disability is a "win-win

situation for both the users of such devices (person with disabilities), as well as the domestic manufacturer of such goods." A perusal of the said Statement manifests the degree of arbitrariness and irrationality of the Council, has failed to consider the gross constitutional violation that are caused as result of imposition of taxation on basic movement or expression of persons with disabilities, who are constrained to use taxed assistive devices.

"(2) Most of the inputs and raw materials for manufacture of these assistive devices/equipments attract 18% GST. The concessional 5% GST rate on these devices/equipments would enable their domestic manufacturers to avail Input Tax Credit of GST paid on their inputs and raw materials. Further, the GST law provides for refund of accumulated Input Tax Credit, in cases, where the GST rate of output supply is lower than the GST rate on inputs used for their manufacture. Therefore, 5% GST rate on these devices/equipments would enable their domestic manufacturers to claim refund of any accumulated Input Tax Credit. That being so, the 5% concessional GST rate on these devices/equipment would result in reduction of the cost of domestically manufactured goods, as compared to the pre-GST regime.

(3) As against that, if these devices/equipments are exempted from GST, then while imports of such devices/equipments would be zero rated, domestically manufactured such devices/equipments will continue to bear the burden of input taxes, increasing their cost and resulting in negative protection for the domestic value addition.

(4) In fact, the 5% concessional GST rate on such devices/equipments will result in a win-win situation for both the users of such devices, the disabled persons, as well as the domestic manufacturers of such goods. It is for this reason that the Council has kept these items in 5% rate slab."

6. The Applicant further submits that justification offered by the GST Council for imposition of GST on accessibility equipment required by persons with disability further fails to consider the test of Article 14 of the Constitution, and is therefore *ultra vires* of the Constitution. The wishes to draw the attention of this Hon'ble Court to the judgment passed by this Court in **Aashirwad Films v. Union of India** (2007) 6 SCC 624 wherein it was held that:

"12. A taxing statute, however, enjoys a greater latitude. An inference in regard to contravention of Article 14 would, however, ordinarily be drawn if it seeks to impose on the same class of persons or occupations similarly situated or an instance of taxation which leads to inequality. The taxing event under the Andhra Pradesh State Entertainment Tax Act is on the entertainment of a person. Rate of entertainment tax is determined on the basis of the amount collected from the visitor of a cinema theatre in terms of the entry fee charged from a viewer by the owner thereof.

14. It has been accepted without dispute that taxation laws must also pass the test of Article 14 of the Constitution of India. It has been laid down in a large number of decisions of this Court that a taxation statute for the reasons of functional expediency and even otherwise, can pick and choose to tax some. Importantly, there is a rider operating

on this wide power to tax and even discriminate in taxation that the classification thus chosen must be reasonable. The extent of reasonability of any taxation statute lies in its efficiency to achieve the object sought to be achieved by the statute. Thus, the classification must bear a nexus with the object sought to be achieved. (See Moopil Nair v. State of Kerala [AIR 1961 SC 552] , East India Tobacco Co. v. State of A.P. [AIR 1962 SC 1733] , N. Venugopala Ravi Varma Rajah v. Union of India [(1969) 1 SCC 681 : AIR 1969 SC 1094] , Asstt. Director of Inspection Investigation v. A.B. Shanthi [(2002) 6 SCC 259 : AIR 2002 SC 2188] and Associated Cement Companies Ltd. v. Govt. of A.P. [(2006) 1 SCC 597 : AIR 2006 SC 928])”

7. That, the Applicant further wishes to draw reference to the judgment passed by this Hon'ble Court in **Indian Express Newspaper v. Union of India** (1985 1 SCC 641] wherein this Court laid down the test of reasonable restraints to the freedom guaranteed under Article 19 of the Constitution and held:

“82. Now the notifications issued on March 1, 1981 and February 28, 1982 under Section 25 of the Customs Act, 1962 which grant exemptions from payment of certain duty beyond what is mentioned in them are issued by the executive Government. They were issued in substitution of earlier notifications which had granted total exemption. Such notifications have to be issued by the Government after taking into consideration all relevant factors which bear on the reasonableness of the levy on the newsprint. The Government should strike a just and reasonable balance between the need for ensuring the right of people to freedom of speech and expression on the one hand and the need to impose social control on the business of publication of a newspaper on the other. In other words, the Government must at all material times be conscious of the fact that it is dealing with an activity protected by

Article 19(1)(a) of the Constitution which is vital to our democratic existence. In deciding the reasonableness of restrictions imposed on any fundamental right the Court should take into consideration the nature of the right alleged to have been infringed, the underlying purpose of the restrictions imposed, the disproportion of the imposition and the prevailing conditions at the relevant time including the social values whose needs are sought to be satisfied by means of the restrictions. (See *State of Madras v. V.G. Row* [1952 SCR 597 : AIR 1952 SC 196; 1952 Cri LJ 966] .) The restriction in question is the burden of import duty imposed on newsprint. Section 25 of the Customs Act, 1962 under which the notifications are issued confers a power on the Central Government coupled with a duty to examine the whole issue in the light of the public interest. It provides that if the Central Government is satisfied that it is necessary in the public interest so to do it may exempt generally either absolutely or subject to such conditions goods of any description from the whole or any part of the customs duty leviable thereon. The Central Government may if it is satisfied that in the public interest so to do exempt from the payment of duty by a special order in each case under circumstances of an exceptional nature to be stated in such order any goods on which duty is leviable. The power exercisable under Section 25 of the Customs Act, 1962 is no doubt discretionary but it is not unrestricted. It is useful to refer here to the observations of Lord Denning, M.R. in *Breen v. Amalgamated Engineering Union* [(1971) 2 QB 175 : (1971) 1 All ER 1148 : (1971) 2 WLR 742 (CA)] at p. 190 read thus:

"The discretion of a statutory body is never unfettered. It is a discretion which is to be exercised according to law. That means at least this: the statutory body must be guided by relevant considerations and not by irrelevant. If its decision is influenced by extraneous considerations which it ought not to have taken into account, then the decision cannot stand. No matter that the statutory body may have acted in good faith; nevertheless the decision will be set aside. That is established by *Padfield v. Minister of Agriculture, Fisheries and Food* [1968 AC 997 : (1968) 1 All ER 694 : (1968) 2 WLR 924 (HL)] which is a land mark in modern administrative law."

8. The Petitioner, thus, states that in light of the failure of the GST Council to have considered the violation of fundamental rights of persons with disabilities caused as a result of imposition of the so-called concessional 5 % GST rate, it is absolutely crucial to implead them before the instant proceedings pending before this Hon'ble Court.
9. That the Respondent No. 1 would not be prejudiced in any manner if the present Applicant is allowed. That, the present Application has been made in utmost bona fide and there is no element of concealment and/or fraud.
10. That, therefore, the Petitioner most respectfully prays that this Hon'ble Court may be pleased to issue directions of issuance of Notice to the GST Council qua the instant Petition.

PRAYER

It is, therefore, most respectfully prayed that this Hon'ble Court may be graciously pleased to:-

- a) Pass Directions to issue Notice to the GST Council to be impleaded as Respondent No. 2 to the instant Petition pending before this Hon'ble Court;
- b) Pass any such other Order or Orders that this Hon'ble Court may deem fit and proper and in the interest of justice;

PLACE: NEW DELHI

DATE: 28.09.2020

DRAWN BY: JAI A. DEHADRAI

FILED BY:

SAMEER SHRIVASTAVA

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
I.A. NO. OF 2020
IN
WRIT PETITION (CIVIL) NO. 725 OF 2017

IN THE MATTER OF:

NIPUN MALHOTRA

...PETITIONER/APPLICANT

VERSUS

UNION OF INDIA

...RESPONDENT/NON-APPLICANT

AFFIDAVIT

I, Mr. Nipun Malhotra, S/o Shri Pravin Malhotra, aged about 28 years, R/o B-28, Noida Sector – 51, Noida, presently at New Delhi do hereby solemnly affirm and state as follows:-

1. I am the Applicant in the aforementioned Interlocutory Application and I am well conversant with the facts, proceedings and circumstances of the case.
2. I say that I have read and understood the contents of the accompanying Interlocutory Application Paras 1 to 10 and I say that the contents thereof are true and correct to my knowledge and belief.

3. I say that the averments of facts stated herein above are true to my knowledge and belief, no part of it is false and nothing material has been concealed therefrom.



DEPONENT

VERIFICATION

I, the deponent above named do hereby verify and state that the contents of the affidavit are true and correct to the best of my knowledge and belief.

Verified this 28th Day of September, 2020 at New Delhi



DEPONENT

PRESS RELEASE

On GST rate for specified items for Physically Challenged Persons

Some questions are raised about GST rates fixed for specific devices for physically challenged persons. This matter is explained here in below.

Assistive devices and rehabilitation aids for physically challenged persons, listed below, have been kept at the concessional 5% GST rate:

- 1) Braille writers and braille writing instruments;
- 2) Handwriting equipment like Braille Frames, Slates, Writing Guides, Script Writing Guides, Styli, Braille Erasers
- 3) Canes, Electronic aids like the Sonic Guide;
- 4) Optical, Environmental Sensors;
- 5) Arithmetic aids like the Taylor Frame (arithmetic and algebra types), Cubarythm, Speaking or Braille calculator;
- 6) Geometrical aids like Combined Graph and Mathematical Demonstration Board, Braille Protractors, Scales, Compasses and Spar Wheels;
- 7) Electronic measuring equipment such as Calipers, Micrometers, Comparators, Gauges, Gauge Block Levels, Rules, Rulers and Yardsticks
- 8) Drafting, Drawing Aids, Tactile Displays;
- 9) Specially adapted Clocks and Watches;
- 10) Orthopaedic appliances falling under heading No.90.21 of the First Schedule;
- 11) Wheel Chairs falling under heading No.87.13 of the First Schedule;
- 12) Artificial electronic larynx and spares thereof;
- 13) Artificial electronic ear (Cochlear implant);
- 14) Talking books (in the form of cassettes, discs or other sound reproductions) and large-print books, braille embossers, talking calculators, talking thermometers;
- 15) Equipment for the mechanical or the computerized production of braille and recorded material such as braille computer terminals and displays, electronic braille, transfer and pressing machines and stereo typing machines;
- 16) Braille Paper;
- 17) All tangible appliances including articles, instruments, apparatus, specially designed for use by the blind;
- 18) Aids for improving mobility of the blind such as electronic orientation and obstacle detecting appliance and white canes;
- 19) Technical aids for education, rehabilitation, vocational training and employment of the blind such as Braille typewriters, braille watches, teaching and learning aids, games and other instruments and vocational aids specifically adapted for use of the blind;
- 20) Assistive listening devices, audiometers;

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- 02 -

- 21) External catheters, special jelly cushions to prevent bed sores, stair lift, urine collection bags;
- 22) Instruments and implants for severely physically handicapped patients and joints replacement and spinal instruments and implants including bone cement.

2. Most of the inputs and raw materials for manufacture of these assistive devices/equipments attract 18% GST. The concessional 5% - GST rate on these devices/equipments would enable their domestic manufacturers to avail Input Tax Credit of GST paid on their inputs and raw materials. Further, the GST law provides for refund of accumulated Input Tax Credit, in cases, where the GST rate of output supply is lower than the GST rate on inputs used for their manufacture. Therefore, 5% GST rate on these devices/equipments would enable their domestic manufacturers to claim refund of any accumulated Input Tax Credit. That being so, the 5% concessional GST rate on these devices/equipment would result in reduction of the cost of domestically manufactured goods, as compared to the pre-GST regime.

3. As against that, if these devices/equipments are exempted from GST, then while imports of such devices/equipments would be zero rated, domestically manufactured such devices/equipments will continue to bear the burden of input taxes, increasing their cost and resulting in negative protection for the domestic value addition.

4. In fact, the 5% concessional GST rate on such devices/equipments will result in a win-win situation for both the users of such devices, the disabled persons, as well as the domestic manufacturers of such goods. It is for this reason that the Council has kept these items in 5% rate slab.

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of decision: 9th February, 2021.**

+ **W.P.(C) 5252/2019, CM No.23189/2019 (for stay) & CM No.1712/2021 (for urgent listing of the case)**

**DEL SMALL ICE CREAM MANUFACTURERS
WELFARE'S ASSOCIATION (REG.)**

..... Petitioner

Through: Mr. Sujit Ghosh & Mr. Mohit
Kapoor, Advs.

Versus

UNION OF INDIA & ANR.

..... Respondents

Through: Mr. Vivek Goyal, Adv. for R-1.
Ms. Sonu Bhatnagar, Adv. for R-2.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

HON'BLE MR. JUSTICE SANJEEV NARULA

[VIA VIDEO CONFERENCING]

RAJIV SAHAI ENDLAW, J.

1. The petitioner, claiming to represent the interest of more than 50 small scale ice cream manufacturing units operating in the National Capital Territory of Delhi, has filed this petition impugning the decision dated 18th June, 2017 of the Goods and Services Tax Council (GST Council), in exercise of powers under Section 10(2)(e) of the Central Goods & Services Tax Act, 2017, of exclusion of ice cream from the benefits of Composition Scheme under Section 10 of the Act. It is the contention of the petitioner that the said exclusion is in violation of the spirit of Articles 14 and 19 of the Constitution of India and against the principles of natural justice.
2. The petition was entertained and notice thereof issued.
3. The counsel for the respondent no.2 GST Council states that she has

filed a counter affidavit yesterday only. The same has not come on record.

4. Considering the issue and its urgency, since the season of optimum sale of ice cream is on the anvil, we have asked the counsel for the petitioner, whether he desires to file any rejoinder to the counter affidavit. The counsel for the petitioner replies in the negative. We have next enquired from the counsel for the respondent no.2 GST Council, whether she is in a position to argue the petition today itself. She replies in the affirmative. The counsel for the petitioner however states that in the prayer paragraph of the petition, a inadvertent mistake has occurred and which requires amendment/correction. It is stated that challenge is being made to the minutes of the Sixteenth meeting of the GST Council also and which remained to be made. The counsel for the respondents, on enquiry fairly states that she is not taking any technical pleas and the mistake may be ignored. We have thus proceeded to hear the counsels.

5. Section 10(1) of the Act, notwithstanding anything to the contrary contained in the Act, provides that a registered person whose aggregate turnover in the preceding financial year did not exceed Rs.50,00,000/- may opt to pay, in lieu of the tax payable by him under Section 9(1) of the Act, an amount of tax calculated at such rate as may be prescribed but not exceeding the maximum laid down in the said provision. The first proviso to Section 10(1) of the Act empowers the Government to, by notification, increase the limit of Rs.50,00,000/- to such higher amount not exceeding Rs.1,50,00,000/-, as may be recommended by the GST Council. Section 10(2)(e) of the Act however empowers the Government to, on the recommendation of the GST Council, notify goods manufacturers whereof

though eligible for availing the benefit of Section 10(1), would cease to be eligible to such benefit.

6. The counsel for the petitioner informs that the limit aforesaid of Rs.50,00,000/- was successively increased to Rs.75,00,000/- and Rs.1,50,00,000/-. It is further informed that the respondent no.2 GST Council, in its Seventeenth Meeting held on 18th June, 2017, in exercise of powers under Section 10(2)(e) of the Act, has recommended notification of ice cream and in pursuance to the said recommendation, ice cream has been notified, resulting in the small manufacturers of ice cream having turnover of less than Rs.1,50,00,000/- per annum being not entitled to take the benefit of Section 10(1) of the Act and have to necessarily go under the regime of Section 9 of the Act and to comply with all the requirements.

7. The counsel for the respondent no.2 GST Council states that another petition pertaining to ice cream, claiming the same relief as in this petition, is coming up for consideration on 5th March, 2021; the counsel for the petitioner further informs that since the issue raised in the petition is pan India, similar petitions are pending in several High Courts.

8. On enquiry it is informed that there is no decision of any High Court on the subject as yet.

9. In the circumstances, need is not felt to keep the petition pending and what is decided today, can apply to the writ petition stated to be listed next on 5th March, 2021.

10. The contention of the counsel for the petitioner is that respondent no.2 GST Council, in exercise of powers under Section 10(2)(e) of the Act, has clubbed ice cream with pan masala and tobacco. The counsel for the

petitioner has contended that there is no reason for clubbing ice cream with sin goods like pan masala and tobacco. It is contended that pan masala and tobacco are sin goods and ice cream cannot be clubbed therewith. On enquiry, as to the reasons if any given by the respondent no.2 GST Council in its meeting, for excluding ice cream from benefit of Section 10(1) of the Act, the counsel for the petitioner contends that the reason which prevailed for excluding ice cream was that there is no Goods and Services Tax (GST) on milk, being a large constituent of ice cream and if small manufacturers of ice cream were to be given benefit of Section 10(1) of the Act, there would be large scale loss of revenue.

11. It is the argument of the counsel for the petitioner that ice cream comprises of a large number of other components which are assessable to GST and thus the reasoning emanating from the minutes of the impugned meeting of the respondent no.2 GST Council for excluding ice cream from the benefit of Section 10(1) of the Act, is fallacious.

12. A reading of Section 10(2)(e) of the Act shows that no parameters, whatsoever, on the anvil of which, the respondent no.2 GST Council may recommend for notification, any goods from the benefit of Section 10(1) of the Act, have been prescribed. The legislature has vested the Government with absolute discretion, to exempt whichever goods it may deem necessary, from the benefit of Section 10(1) of the Act. The only limitation placed on the Government is, to act on the recommendation of the GST Council, established under Article 279A of the Constitution of India. The said GST Council comprises of Union Finance Minister, Union Minister of State in charge of Revenue or Finance and the Minister in charge of

Finance or Taxation or any other Minister nominated by each State Government. It will thus be seen that the GST Council is a high powered constitutional entity. We have thus enquired from the counsel for the petitioner, whether not it is a pure executive power and once the legislature has conferred such a power on the respondent no.2 GST Council, whether the Court can substitute its own decision/opinion, for that of the respondent no.2 GST Council which has a representation not only from the Central Government but also from the State Governments.

13. Recently in ***Rajeev Suri Vs. Delhi Development Authority*** MANU/SE/0001/2021 Supreme Court has reiterated that courts do not sit in appeal over the decisions of the Government, to do merit review of the subjective decision as such and that Government decisions concerning public resources have an intricate economic value attached with them and to elevate the standard of review on the basis of subjective understanding of the subject matter being extraordinary, would be *de hors* the review jurisdiction. It was further reiterated that the courts, in the exercise of their jurisdiction, will not transgress into the field of policy decision, as long as no law is violated and people's fundamental right are not transgressed upon and that the court cannot strike down a policy decision taken by the Government merely because it feels that another decision would have been fairer or more scientific or logical or wiser; the wisdom and advisability of the policies are ordinarily not amenable to judicial review. Much earlier, in ***S.K. Dutta, Income Tax Officer Vs. Lawrence Singh Ingty*** (1968) 2 SCR 165 reiterated in ***Ravi Agrawal Vs. Union of India*** (2019) 18 SCC 180 it was held that in deciding whether a taxation law is discriminatory or not it is necessary to bear in mind that the State has a wide discretion in selecting

persons or objects it will tax and that a statute is not open to attack on the ground that it taxes some persons or objects and not others; it is only when within the range of its selection, the law operates unequally, and that cannot be justified on the basis of any valid classification, that it would be violative of Article 14.

14. In this respect we may record the contention of the counsel for the respondents, that besides pan masala and tobacco, aerated water has also been excluded from the benefit of Section 10(1) of the CGST Act.

15. Else it is well settled that a State does not have to tax everything in order to tax something and it entitled to pick and choose, if it does so reasonably. Mention may also be made of *State of Jammu & Kashmir Vs. Trikuta Roller Flowers Mill (P) Ltd.* (2018) 11 SCC 260 holding that grant of refund on CST paid, to boost entrepreneur investment, was primarily an executive economic policy decision, the scope of judicial scrutiny and interference wherewith is limited to on the grounds of mala fide, unreasonableness, arbitrariness or unfairness and that there is no legal or indefeasible right to claim refund of CST paid. To the same effect is *Ugar Sugar Works Ltd. Vs. Delhi Administration* (2001) 3 SCC 635.

16. The counsel for the respondents also in this context has referred to *Rai Ram Krishna Vs. State of Bihar* AIR 1963 SC 1667, *Union of India Vs. Parmeswaran Match Works* (1975) 1 SCC 305, *Express Hotels Pvt. Ltd. Vs. State of Gujarat* (1989) 3 SCC 677 and *Bajaj Hindustan Ltd. Vs. Sir Shadilal Enterprises Ltd.* (2011) 1 SCC 640.

17. The counsel for the respondent has also drawn our attention to the minutes of the Sixteenth GST Council Meeting annexed with her counter

affidavit, which has been e-mailed to us and has been perused by us.

18. However a perusal of the said minutes also shows the same reason as emanating from the Seventeenth Meeting viz. of the taxation effect, on benefit of Section 10(1) being permitted to be given to ice cream, being enormous.

19. We have enquired from the counsel for the respondent no.2 GST Council, whether any study has been done by the respondent no.2 GST Council, of the tax effect of extending benefit of Section 10(1) to small scale manufacturers of other similar goods and services and whether after considering all the said goods and services, any decision has been taken to exempt all those goods and services from the benefit of Section 10(1) of the Act, the tax effect whereof cannot be absorbed by the State.

20. At least from the minutes of the two meetings placed before us, it does not appear so.

21. The counsel for the respondents contends that besides the tax effect, several other factors including socio political weigh and are taken into consideration in taking such decisions.

22. We, in the circumstances, are of the view that the only direction which can be issued in this petition is, to direct the respondent no.2 GST Council to reconsider the exclusion of small scale manufactures of ice cream from the benefit of Section 10(1) of the Act, including on the aforesaid two parameters i.e. the components used in the ice cream and the GST payable thereon and other similar goods having similar tax effect continuing to enjoy the benefit. We direct accordingly.

23. The respondent no.2 GST Council to take up the aforesaid aspect in its next meeting and to take a decision thereon at the earliest, keeping in view that the ice cream season has just begun, and preferably within three months of today.

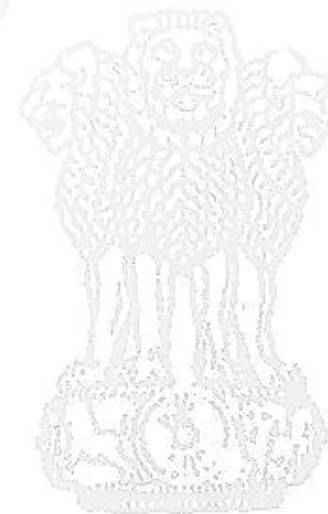
24. The petition is disposed of.

RAJIV SAHAI ENDLAW, J.

SANJEEV NARULA, J.

FEBRUARY 9, 2021

‘gsr’...



सत्यमेव जयते