Confidential

Agenda for

56th GST Council Meeting

3rd and 4th September, 2025

Volume - I

माल और सेवा कर परिषद
GOODS AND SERVICES TAX COUNCIL

GST Council Secretariat New Delhi

5th Floor, Tower-II, Jeevan Bharti Building, New Delhi
22th August, 2025

OFFICE MEMORANDUM

Subject: Notice for the 56th GST Council Meeting to be held on 3rd and 4th September, 2025-reg

The undersigned is directed to refer to the above subject and to convey that the 56th Meeting of the GST Council will be held on 3rd and 4th September, 2025 at New Delhi. The schedule of the meeting is as follows:-

- **Wednesday, 3rd September, 2025, from 11.00 A.M. onwards**
- **Thursday, 4th September, 2025, from 11.00 A.M. onwards**

2. In addition, an Officers' Meeting will be held on 2nd September, 2025 at New Delhi as per the following schedule:

- **Tuesday, 2nd September, 2025, from 11.00 A.M. onwards**

3. The details of the venue of the meeting and agenda items for the 56th Meeting of the GST Council and officers' Meeting will be communicated in due course of time.

4. Kindly convey the invitation to the Hon'ble Members of the GST Council to attend the 56th Meeting of the GST Council.

Sd/-
(Arvind Shrivastava)
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 the 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 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 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. CEO, GST Network

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Discussion on Agenda Items

Agenda Item 1: Confirmation of Minutes of the 55th Meeting of the GST Council held on 21st December, 2024

The 55th meeting of the GST Council was held on 21st December, 2024 under the Chairpersonship of the Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman at Jaisalmer, Rajasthan. The list of Hon'ble Members of the Council who attended the meeting is at **Annexure-1**. The list of the officers of the Centre, States, Union Territories, GST Council Secretariat and GSTN who attended the meeting is at **Annexure-2.**

1.2 The following agenda items were listed for discussion in the 55th meeting of the GST Council:

Sl. No.	Agenda Item
1.	Confirmation of Minutes of the 54th GST Council Meeting held on 9th September, 2024
2.	Ratification of Notifications, Circulars and GIC Decisions by the GST Council
3.	Issues recommended by the Law Committee for the consideration of the GST Council
	i) Amendment in Section 17(5)(d) of Central Goods and Services Tax Act, 2017 consequent to judgement of Hon'ble Supreme Court dated 03.10.2024 in the case of M/s Safari Retreats Pvt. Ltd.
	ii) Amendment in Schedule III of the Central Goods and Services Tax, 2017 (CGST Act, 2017) regarding supply of goods warehoused in a Free Trade and Warehousing Zone (FTWZ)/Special Economic Zone (SEZ) before clearance to Domestic Tariff Area/for Exports.
	iii) Amendment in Central Goods and Services Tax Act, 2017 for incorporation of provisions relating to Track and Trace Mechanism for specified commodities.
	iv) Amendment in sub-section (5) of section 9 of Central Goods and Services Act, 2017 for providing clarity regarding determination of tax liability of the electronic commerce operator in respect of specified services.
	v) Clarification regarding requirement of reversal of input tax credit by electronic commerce operators in respect of supplies made under section 9(5) of CGST Act, 2017.
	vi) Amendment in Rule 89 of CGST Rules, 2017 for providing the scope and computation of the refund on account of inverted duty structure as provided in sub-section (3) of section 54 of CGST Act, 2017.
	vii) Miscellaneous proposals for amendment in CGST Act, 2017
	I. Amendment in sub-section (6) of section 107 and sub-section (8) of section 112 of CGST Act, 2017 to provide for payment of pre-deposit for filing an appeal in respect of an order passed which involves only penalty amount.
	II. Agenda regarding removal of levy of late fee under sub-section (1) of section 47 of the CGST Act, 2017 in respect of furnishing of details of

	outward supplies in FORM GSTR-1.
	III. Amendment in Section 2(69)(c) of CGST Act, 2017 to insert an Explanation regarding definitions of Local Fund and Municipal Fund.
	IV. Amendment in provisions pertaining to Input Services Distributor mechanism under CGST Act, 2017 and CGST Rules, 2017.
	viii) Miscellaneous proposals for amendment in CGST Rules, 2017
	I. Provision for grant of Temporary Identification Number by Tax Officers to persons not liable to be registered otherwise.
	II. Agenda for allowing amendment in the field 'category of registered person' for taxpayers who opted composition levy through FORM CMP-02.
	III. Agenda on requirement of signature or digital signature of the supplier or his authorized representative in respect of e-invoice.
	ix) Clarification on availability of Input tax credit as per clause (b) of sub-section (2) of section 16 of CGST Act in respect of goods which have been delivered by the supplier at his (supplier's) place of business.
	x) Clarification regarding mentioning of correct details of name of the State of the un-registered recipient as well as correct declaration of place of supply in respect of supply of 'Online Services'.
	xi) Issues pertaining to taxability of Vouchers under GST.
	xii) Amendment in section 13(8)(b) of the IGST Act, 2017 in respect of place of supply of intermediary services.
	xiii) Clarification regarding applicability of late fee for delay in furnishing of FORM GSTR-9C.
	xiv) Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS)
	xv) Concept note for implementing different categories of GST registration based on Risk Assessment and aligning the Registration Process with passing on of Input Tax Credit
4.	Recommendations of the **Fitment Committee** for the consideration of the GST Council
	a) Recommendations made by the Fitment Committee for making changes in GST rates or for issuing clarifications in relation to goods (13 issues) - Annexure-I
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	f) Issue on which Fitment Committee has not made any recommendations and decision may be taken by GST Council (1 issue) - Annexure-VII
5.	Closure of Group of Ministers (GoM) on Analysis of Revenue from GST
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	b) Status update on issues related to IGST Settlement to States
	c) GSTAT Procedure Rules to regulate the procedure for functioning of the GSTAT
	d) Relaxation in the eligibility criteria for selection to the post of Technical Member (State) of GSTAT for officers of the state of Goa.
	e) Relaxation in eligibility conditions for appointment of Technical Member (State) in GSTAT for the State of Jharkhand
	f) Status Report of GoM on restructuring Compensation Cess
8.	Issues recommended by GSTN
	a) B2C e-Invoicing
	b) Successful Rollout of IMS
9.	Performance Report of Competition Commission of India (CCI) along with Performance Reports of State Level Screening Committee (SLSC), Standing Committee (SC) and Directorate General of Anti-Profiteering (DGAP), for 2nd quarter of the F.Y 2024-25.
10.	Ad-hoc Exemption Orders issued under section 25(2) of the Customs Act, 1962 to be placed before the Council for information
11.	Report of Group of Ministers on Life and Health Insurance
12.	Bringing Aviation Turbine Fuel (ATF) under GST
13.	Any other agenda item with the permission of the Chair.

1.3 The Secretary to the GST Council (hereinafter called 'The Secretary'), welcomed all the Hon'ble Members of the Council and participating officers to the 55th meeting of the GST Council. He extended greetings to Shri Nayab Singh Saini, Hon'ble Chief Minister of Haryana; Shri Omar Abdullah, Hon'ble Chief Minister of Jammu & Kashmir; Shri Mohan Charan Majhi, Hon'ble Chief Minister of Odisha; Shri Radha Krishna Kishore, Hon'ble Minister for Finance, Jharkhand; and Shri Rajesh Dharamani, Hon'ble Minister of Technical Education, Himachal Pradesh to their first GST Council meeting.

1.4 The Secretary stated that following the recommendations made in the 54th Meeting of the GST Council, two Groups of Ministers (GoMs) were constituted one on Life and Health Insurance, and the other on restructuring of the Compensation Cess.

1.5 The GoM on Life and Health Insurance had prepared a report which had been circulated to all Members.

1.6 The Secretary stated that a status report of the GoM on restructuring of Compensation Cess would also be presented before the Council. The GoM had recommended that the Cess at the present rates should be continued until 31.03.2026. The GoM was proposing to seek additional time from the Council to decide on the issue of future course of action post abolition of Cess as it required detailed deliberations.

1.7 The Secretary stated that the GST Appellate Tribunal (GSTAT) was established on 1st September, 2024, and after extensive deliberations, the draft GSTAT Procedure Rules had now been finalized to fully operationalize the Benches. These Rules were being placed before the Council for consideration.

1.8 The Secretary informed the Council that the agenda for 55th Council meeting was discussed in detail during the Officers' Meeting on the previous day which would benefit the Council in its deliberations.

1.9 The Secretary sought the permission of the Chair to begin deliberations on each item of the agenda. He then requested the Joint Secretary, GST Council Secretariat to start with the deliberations on the first agenda item viz., Confirmation of Minutes of the 54th GST Council meeting.

2. Agenda item 1: Confirmation of Minutes of the 54th GST Council Meeting held on 9th, September, 2024

2.1 Joint Secretary, GST Council Secretariat (GSTCS) informed the Council that the draft minutes of the 54th GST Council meeting were circulated to all the States on 28th October, 2024 and 7th November, 2024. She stated that five states, namely, Haryana, Punjab, Tamil Nadu, Uttar Pradesh and Rajasthan had responded and were in agreement with the draft minutes as circulated. The state of Rajasthan had requested to be included in the pilot project for B2C e-invoicing and the same was duly recommended to GSTN. She also stated that comments of the States were also sought in the Officers' Meeting, however, no State had any comments to offer.

2.2 The Secretary stated that the request of state of Rajasthan may be approved by the Council.

Decision: The Council adopted the Minutes of the 54th meeting of the GST Council held on 9th September, 2024 and approved the request of the State of Rajasthan to be included in the pilot project for B2C e-invoicing.

3. Agenda Item 2: Ratification by the GST Council of the Notifications and Circulars issued by the Central Government and decisions of GST Implementation Committee (GIC) for the information of the Council

3.1 The Secretary invited Commissioner, GST Policy Wing to take up the next item of agenda pertaining to the ratification by the GST Council of the Notifications and Circulars issued by the Central Government and decisions of GST Implementation Committee for the information of the Council.

3.2 Commissioner, GST Policy Wing stated that based on the recommendations of the 54th GST Council Meeting, 13 Central Tax Notifications, 05 Central Tax (Rate) Notifications, 5 Integrated Tax (Rate) Notifications and 5 Union Territory Tax (Rate) Notifications had been issued. Further, 9

Circulars under the CGST Act had been issued after the 54th GST Council meeting. He also stated that the GST Implementation Committee (GIC) had taken 7 decisions after the 54th GST Council meeting which were placed before the Council along with their implementation status for information.

3.3 The Secretary requested that the notifications and circulars as listed in the agenda may be ratified by the Council and GIC decisions may be taken note of by the GST Council.

Decision: The Council ratified the Notifications and Circulars issued and took note of the decisions of the GST Implementation Committee.

4. Agenda Item 3: Issues recommended by the Law Committee for the consideration of the GST Council

4.1 The Secretary took up the next agenda item which were the issues recommended by the Law Committee for the consideration of the GST Council. He invited Commissioner, GST Policy Wing to present this agenda.

Agenda Item 3(i): Amendment in Section 17(5)(d) of Central Goods and Services Tax Act, 2017 (CGST Act, 2017) consequent to judgement of Hon'ble Supreme Court dated 03.10.2024 in the case of M/s Safari Retreats Pvt. Ltd

4.2 Commissioner, GST Policy Wing stated that the Hon'ble Supreme Court in the case of Chief Commissioner, CGST vs Safari Retreats Pvt. Limited had held that the phrase 'plant or machinery' occurring in section 17(5)(d) of the CGST Act, 2017 is distinct from the phrase 'plant and machinery' occurring in section 17(5)(c) of the CGST Act, 2017. The Hon'ble Court held that Input Tax Credit on goods or services used in the construction of immovable property would be available in case the immovable property qualifies as a plant. The Hon'ble Court laid down that functionality test would have to be applied on case-to-case basis to decide whether an immovable property would qualify to be a 'plant' for availment of input tax credit on goods or services used in the construction of immovable property.

4.3 He further stated that the Law Committee examined the issue and observed that Legislature and GST Council never intended to treat the expression "plant or machinery" any different from the expression "plant and machinery". Had the intention been different, they would have defined either the expression "plant or machinery or the words "plant" and "machinery" separately in the Chapter V and VI of the CGST Act, 2017. He further mentioned that using the "functionality test" in terms of the Hon'ble Supreme Court's decision, may result in unequal treatment on the availability of input tax credit on works contract services for the construction of immovable properties under clause (c) and on goods or services or both, for the construction of immovable properties under clause (d) of section17(5) of the CGST Act, 2017. Keeping in view the same, the Law Committee recommended that section 17(5)(d) of the CGST Act, 2017 may be retrospectively amended with effect from 01.07.2017 to replace the phrase 'plant or machinery' with the phrase 'plant and machinery'.

4.4 He further mentioned that the Law Committee also recommended that while making the said amendment, it may specifically be mentioned that the said amendment is being done notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other

authority. He further stated that this was discussed in the Officers' Meeting held on 20.12.2024 and it was agreed to by all.

Decision: The Council approved the recommendations of the Law Committee.

Agenda Item 3(ii): Amendment in Schedule III of the Central Goods and Services Tax Act 2017 regarding supply of goods warehoused in a Free Trade and Warehousing Zone (FTWZ)/Special Economic Zone (SEZ) before clearance to Domestic Tariff Area/for Exports

4.5 Commissioner, GST Policy Wing stated that as per clause(a) of paragraph 8 of Schedule III of CGST Act, 2017, the supply of goods warehoused in Customs bonded warehouses before clearance for home consumption is treated neither as a supply of goods nor a supply of services.

4.6 However, there is no similar provision with regard to the treatment of supply of goods warehoused in a SEZ/FTWZ, before removal to Domestic Tariff Area (DTA) or for exports under the CGST Act, 2017.

4.7 In order to provide similar treatment to the supply of goods warehoused in a SEZ/FTWZ, before removal to DTA/for exports in GST, as accorded to the supply of warehoused goods to any person before clearance for home consumption under clause (a) of paragraph 8 of Schedule III of CGST Act, 2017, the Law Committee recommended that clause (aa) may be inserted in paragraph 8 of Schedule III of CGST Act, 2017, along with amendment to Explanation 2 in Schedule III of CGST Act, 2017 and insertion of Explanation 3 in Schedule III of CGST Act, 2017.

4.8 The Law Committee further recommended that the proposed amendments in Schedule III of CGST Act, 2017 may be made effective retrospectively, with effect from 01.07.2017, as the provisions of clause (a) of paragraph 8 of Schedule III have been deemed to be inserted in Schedule III retrospectively, w.e.f. 01.07.2017 vide Section 159 of Finance Act, 2023.

4.9 The Law Committee also recommended that no refund may be admissible in cases where any tax has already been paid in respect of transactions/supplies covered under clause (aa) of paragraph 8 of Schedule III of CGST Act, 2017 before the said amendment is notified and an explicit provision may be provided in the Finance Act (on similar lines as was done in Finance Act, 2023 in respect of clause (a) of paragraph 8 of Schedule III) that no refund would be admissible in cases where any tax has already been paid in respect of transactions/supplies covered under clause (aa) of paragraph 8 of Schedule III of CGST Act, 2017 before the said amendment is notified.

4.10 He stated that this was also agreed in the Officers' Meeting on 20.12.2024.

Decision: The Council recommended to amend Schedule III of the CGST Act, 2017 retrospectively with effect from 01.07.2017 by inserting Clause (aa) in paragraph 8 of Schedule III of CGST Act, 2017 besides amendment to Explanation 2 in Schedule III of CGST Act, 2017 and insertion of Explanation 3 in Schedule III of CGST Act, 2017. The Council also recommended that no refund would be admissible in cases where any tax has already been paid in respect of transactions/supplies covered under clause (aa) of paragraph 8 of Schedule III of CGST Act, 2017 before the said amendment is notified.

Agenda Item 3(iii): Amendment in Central Goods and Services Tax Act, 2017 for incorporation of provisions relating to Track and Trace Mechanism for specified commodities

4.11 Commissioner, GST Policy Wing stated that the recommendation of the 'Group of Ministers (GoM) on capacity-based taxation and special composition scheme for evasion prone sectors' for a Track and Trace Mechanism for evasion prone commodities was approved by the GST Council, in its 49th meeting held on 18th February, 2023.

4.12 The Law Committee deliberated on the matter and recommended that while the technology for implementation of track and trace mechanism may be finalized in due course, an enabling provision needs to be provided in the Central Goods and Services Tax Act, 2017 to empower the Government to implement the said mechanism for the specified commodities, which are evasion prone in nature. The commodities to be specified for this purpose may be separately identified in due course and may be notified by the Government on the recommendations of the Council.

4.13 The Law Committee recommended that a new section, section 148A, may be inserted in the CGST Act, 2017 so as to empower the Government to bring in Track and Trace Mechanism for specified commodities and definition of 'Unique Identification Marking' may be inserted in section 2 of CGST Act, 2017 for implementation of the said mechanism. The Law Committee also recommended to provide for penal provisions for contraventions of the provision relating to Track and Trace mechanism and therefore, recommended that a new section 122B may be inserted in the CGST Act, 2017. The Law Committee also recommended that the detailed procedure to be followed for Track and Trace mechanism may be subsequently prescribed through rules after finalization of the technology for implementation of the said mechanism. Commissioner, GST Policy Wing further stated that this proposal was discussed in the Officers' Meeting on 20.12.2024 and was agreed to by all.

4.14 The Hon'ble Member from Tamil Nadu welcomed the proposal, but due to high rate of GST cess on the tobacco products, illicit and counterfeit products are actually reported in large numbers. He also stated that this track and trace mechanism would definitely help in identifying suppression at the time of inspection. He suggested that procedure for the implementation of the above mechanism has to be worked out simultaneously for compliance by the manufacturers, dealers and wholesalers.

4.15 The Hon'ble Member from Karnataka stated that this mechanism may also be tried for pan and pan/gutkha related products which witness rampant non-declaration and the pan /gutkha sector is also highly prone to raw material and value addition leakages. He also stated that this may also be taken up as a pilot project so that the movement of goods from raw material to final product can be captured. He also suggested that it would be a welcome step if the above mechanism could be experimented on these lines.

4.16 The Secretary stated that approval of the Council was being sought only for an enabling provision for bringing in track and trace mechanism for specified commodities which are prone to tax evasion and that as suggested by the Hon'ble Member from Tamil Nadu, a mechanism would be developed after deliberations by the Law Committee and the same would be brought before the GST Council for approval. He further stated that as far as the suggestion of Hon'ble Member from Karnataka regarding enabling the mechanism for other commodities like Pan masala/ Gutkha is concerned, the idea is that this mechanism will be used for highly evasion prone commodities and before any commodity is specified, the proposal will be brought before the Council for its approval. He also stated that the suggestion to put the entire input chain for a particular commodity under the mechanism may be difficult, however, first the Law Committee may devise a suitable mechanism and

this aspect could be discussed later. He further stated that at present, the intent is to put the final product under the track and trace mechanism.

Decision: The Council recommended to amend the CGST Act, 2017 for incorporation of provisions relating to Track and Trace Mechanism for specified evasion-prone commodities, including providing for penal provisions for contravention of the same, as per the recommendations of the Law Committee.

Agenda Item 3(iv): Amendment in sub-section (5) of section 9 of Central Goods and Services Tax Act, 2017 for providing clarity regarding determination of tax liability of the electronic commerce operators in respect of specified services

4.17 Commissioner, GST Policy Wing stated that section 9(5) of CGST Act, 2017 provides for a deeming provision as per which the electronic commerce operator (ECO) is deemed to be a supplier of specified services for the purpose of payment of tax on the said supplies of specified services through them. In the case of transportation of passengers by a radio taxi, motor cab etc., disputes have arisen regarding tax liability of ECOs operating under a subscription-based model as some of them are not paying tax on the specified services by contending that they the said services are not provided through them as they merely provide a platform for connecting the drivers and passengers and it is the driver who decides the fare and decides whether to provide the service or not.

4.18 He stated that the issue was deliberated by the Law Committee and the Law Committee recommended to amend section 9(5) of CGST Act, 2017 to provide clarity regarding liability of the ECOs to pay tax in respect of the specified services being provided using their platforms.

4.19 He further stated that this was discussed in the Officers' meeting on 20.12.2024, however, there was no broad consensus on this issue. He stated that it was felt that these are emerging technological innovations in the e-commerce sector whose contours need to be examined in detail before taking any decision in the matter. Accordingly, it was recommended in the Officer's Meeting to defer the proposal to be deliberated further by the Law Committee.

Decision: The Council recommended to defer the agenda pertaining to amendment in sub-section (5) of section 9 of Central Goods and Services Tax Act, 2017 for further deliberation by the Law Committee.

Agenda Item 3(v): Clarification regarding requirement of reversal of input tax credit by electronic commerce operators in respect of supplies made under section 9(5) of CGST Act, 2017

4.20 Commissioner, GST Policy Wing stated that doubts are being raised regarding liability of electronic commerce operators (ECOs) to reverse input tax credit, corresponding to the supplies of specified services through them on which tax has to be paid by them under section 9(5) of CGST Act, 2017. The Law Committee recommended that a circular may be issued clarifying that ECOs are not required to make proportional reversal of ITC under section 17(1) of the CGST Act, 2017 or section 17(2) of the CGST Act, 2017 to the extent of supplies made under section 9(5), and that the ECOs are required to pay the full tax liability on account of supplies under section 9(5) of the CGST Act, 2017 only in cash.

4.21 He further stated that a similar clarification was issued in the case of restaurant services and that the same is now being extended to all the specified services. He also stated that this was discussed in the Officers' Meeting on 20.12.2024 and was agreed to.

Decision: The Council recommended issuance of a circular as per the recommendations of the Law Committee.

Agenda Item 3(vi): Amendment in Rule 89 of Central Goods and Services Tax Rules, 2017 (CGST Rules, 2017) for providing the scope and computation of the refund on account of inverted duty structure as provided in sub-section (3) of section 54 of CGST Act, 2017

4.22 Commissioner, GST Policy Wing stated that Section 54(3) of the CGST Act, 2017 provides for refund of accumulated input tax credit on account of inverted duty structure i.e., the rate of tax on inputs being higher than the rate of tax on output supplies. However, accumulation of input tax credit could also be due on other factors such as the stock accumulation, value of the output supplies being lower than that of input supplies due to subsidies provided by the Government or due to market conditions, etc. For example, if there is a subsidy given by the Central or the State Government, there could be accumulation of input tax credit both due to the rate of tax on inputs being higher than the rate of tax on output supplies as well as due to the subsidy component.

4.23 He further stated that matter was deliberated by the Law Committee again as per directions of the GST Council made in 50th meeting. The Law Committee felt that the present formula for refund prescribed under rule 89(5) of the CGST Rules, 2017 does not take into account the accumulation of Input Tax Credit due to the subsidy provided by the Central or the State Government. The Law Committee was of the view that to ensure that Input Tax Credit accumulated due to such subsidies is not monetized by claiming a refund on account of inverted duty structure , and recommended inserting a new sub-rule (6) in rule 89 of the CGST Rules, 2017 for calculation of refund amount on account of accumulation of input credit on account of inverted duty structure in cases involving grant of subsidy by the Central or the State Government. He added that during discussion in the Officers' Meeting on 20.12.2024, there was a view that the proposal may have larger implications such as impact on prices, subsidy bill, etc. in such cases involving Government subsidy. Accordingly, it was suggested that the proposal may be deferred for further comprehensive examination of the matter by the Law Committee.

Decision: The Council recommended to defer the issue for further comprehensive examination of issue, including the implications and impact of the proposed amendments, by the Law Committee.

Agenda Item 3(vii): Miscellaneous proposals for amendment of the CGST Act, 2017

Agenda Item 3(vii) (I): Amendment in section 107(6) and section 112(8) of CGST Act, 2017 to provide for payment of pre-deposit for filing an appeal in respect of an order demanding penalty amount without any demand of tax

4.24 Commissioner, GST Policy Wing stated that the present mechanism provides for the pre-deposit in cases where a component of demand of tax is involved. However, while proviso to section 107(6) of CGST Act, 2017 provides for payment of pre-deposit of twenty-five percent of penalty for filing an appeal with appellate authority against an order issued under section 129(3) of CGST Act,

2017, there is no provision for pre-deposit for filing appeals against an order involving demand of penalty in other case, where no demand of tax is involved.

4.25 The Law Committee recommended that the proviso to section 107(6) of CGST Act, 2017 may be amended to provide for the requirement of pre-deposit of ten percent of the penalty amount for filing an appeal before Appellate Authority against an order demanding only penalty without demand of any tax. The Law Committee also recommended that a similar proviso may also be inserted in section 112(8) of CGST Act, 2017 to provide for the requirement of pre-deposit of ten percent of the penalty for filing an appeal before Appellate Tribunal in cases demanding only penalty without involving demand of any tax. The Law Committee further recommended that consequential amendments may be made in the FORM GST APL-01 and FORM GST APL-05.

4.26 He stated that the issue was discussed in the Officers' Meeting on 20.12.2024 and the same was agreed upon.

4.27 The Hon'ble Member from Tamil Nadu stated that wherever an adjudication order is passed with demand for only the interest component, which is actually a fixed amount, as in the case of the non-payment of the interest on debit notes, the order is again appealable. He suggested that the pre-deposit in such appeals may be insisted upon.

4.28 Chairman, CBIC stated that it was discussed during the Officers' Meeting, whether along with penalty, interest and late fees also need to be included for requirement of pre-deposit for filing appeals. He stated that interest is an integral part of the duty demand and that the same is quantified as per law. Therefore, the adjudicating authority has no discretion in its quantification and same applies in case of late fees also. However, in case of penalty, it is the discretion of the adjudicating authority to impose the penalty and it can be challenged in appeal. He further stated that the provision for pre-deposit is being recommended only in respect of penalty since both interest and late fees are deemed to be confirmed amounts and cannot be challenged.

Decision: The Council recommended amendment of proviso to section 107(6) and insertion of new proviso in section 112(8) of CGST Act, 2017 to provide for the requirement of pre-deposit for filing an appeal before Appellate Authority and Appellate Tribunal respectively in cases involving demand of penalty without involving demand of any tax.

Agenda Item 3(vii) (II): Agenda regarding removal of levy of late fee under sub-section (1) of section 47 of the CGST Act, 2017 in respect of furnishing of details of outward supplies in FORM GSTR-1

4.29 Commissioner, GST Policy Wing stated that with the implementation of sequential furnishing of the details of outward supplies in FORM GSTR-1 before furnishing of return in FORM GSTR-3B of the corresponding tax period, in terms of sub-section (10) of section 39 of the CGST Act, 2017 a return in FORM GSTR-3B cannot be furnished without furnishing of details of outward supplies in FORM GSTR-1 of the said tax period. He further stated that considering this and also considering that there is already a late fee for delayed furnishing of return in FORM GSTR-3B under sub-section (1) of section 47 of the GST Act, 2017 which is getting auto-populated in the next return, the Law Committee recommended that charging a separate late fee for delayed furnishing of FORM GSTR-1 may not be desirable.

4.30 He also stated that during the discussion in the Officers' meeting, the States of Tamil Nadu and Telangana had opposed the proposal citing that removal of levy of late fee on the late filing of FORM GSTR-1 may affect the discipline of taxpayers in filing of FORM GSTR-1 timely, which would affect the passing of Input Tax Credit to the recipients and accordingly, it was recommended that the proposal may be revisited.

Decision: The Council recommended to defer the agenda regarding removal of levy of late fee under sub-section (1) of section 47 of the CGST Act, 2017 in respect of furnishing of details of outward supplies in FORM GSTR-1 for further deliberation by the Law Committee.

Agenda Item 3(vii) (III): Amendment in Section 2(69)(c) of CGST Act, 2017 to insert an Explanation regarding definitions of 'Local Fund' and 'Municipal Fund'

4.31 Commissioner, GST Policy Wing stated that this agenda is based on a reference from the Fitment Committee. The Law Committee observed that sub-clause (c) in the definition of 'local authority' in Section 2(69) of the CGST Act, 2017 refers to the terms "municipal or local fund". However, the said terms have not been separately defined in CGST Act, 2017 which is causing ambiguities and disputes in the interpretation of scope of 'local authority'. The Law Committee recommended to replace the phrase "municipal or local fund" with the phrase "municipal fund or local fund" in sub-clause (c) of clause (69) of section 2 of the CGST Act, 2017 and to provide for definition of the terms "municipal fund" and "local fund" by inserting an Explanation after the said sub-clause. He also stated that it was discussed in the Officers' Meeting and was agreed to by all.

Decision: The Council approved the recommendation of the Law Committee to amend sub-clause (c) of Section 2(69) of CGST Act, 2017 and to insert an Explanation after the said sub-clause.

Agenda Item 3(vii) (IV): Amendment in provisions pertaining to Input Services Distributor mechanism under CGST Act, 2017 and CGST Rules, 2017

4.32 Commissioner, GST Policy Wing stated that doubts are being raised about the applicability of Input Service Distributor (ISD) mechanism in respect of inter-state supply of services received by an ISD on which tax has to be paid on reverse charge basis. He also mentioned that the definition of ISD under section 2(61) and the requirement of distribution of input tax credit by ISD in section 20 of CGST Act, 2017, as amended vide the Finance Act, 2024, refer to only intra-state RCM liability and do not refer to inter-state RCM supplies, which may lead to an interpretation that inter-state RCM liabilities are not covered under ISD mechanism.

4.33 In this regard, the Law Committee observed that on perusal of the provisions of sub-section (2) of section 20 of the CGST Act, 2017, which also refers to distribution of credit of integrated tax in respect of RCM supplies, it appears that reference to RCM supplies in definition of ISD under clause (61) of section 2 and in section 20 of the CGST Act, 2017 pertains to both intra-State as well as inter-State RCM supplies. However, to avoid any ambiguity and dispute in the matter, the Law Committee recommended that necessary amendments may be made in clause (61) of section 2 and section 20 of the CGST Act, 2017 to explicitly include inter-state RCM transactions under the ISD mechanism, by including reference to section 5(3) and 5(4) of IGST Act, 2017 in the said provisions. The Law

Committee also recommended that consequential amendment may also be made in Rule 39(1A) of the CGST Rules, 2017.

4.34 The Law Committee further recommended that the above amendments in section 2(61) and section 20 of CGST Act, 2017 may be brought into effect from 01.04.2025, i.e. the date on which amendments in section 2(61) and section 20 of CGST Act, 2017 made through Finance (No. 1) Act of 2024 will come into effect.

4.35 Commissioner, GST Policy Wing further stated that this was discussed in the Officers' Meeting on 20.12.2024 and was agreed to by all.

Decision: The Council approved the recommendation of the Law Committee for amendment of clause (61) of section 2 and section 20 of the CGST Act, 2017 and sub-rule (1A) of rule 39 of the CGST Rules, 2017.

Agenda Item 3(viii): Miscellaneous proposals for amendment of the CGST Rules, 2017

Agenda Item 3(viii) (I): Provision for grant of Temporary Identification Number by Tax Officers to persons not liable to be registered otherwise

4.36 Commissioner, GST Policy Wing stated that there was a provision under Rule 87(4) of CGST Rules, 2017 which enables a person, who is not required to be registered but who wishes to make a payment of GST, to make such payment through a Temporary Identification Number (TIN).

4.37 The Law Committee observed that the present provisions of CGST Rules do not specifically provide for the procedure for grant of temporary identification number to a person, who is not required to register under GST, for enabling him to pay his liability as per the provisions of rule 87(4) of CGST Rules, 2017.

4.38 Accordingly, the Law Committee recommended that a new rule 16A may be inserted in CGST Rules, 2017 to provide for a separate provision for generation of temporary identification number for such persons, so as to discharge their liabilities, without need for getting themselves registered. The Law Committee also recommended consequential changes in FORM GST REG-12 for this purpose.

4.39 Commissioner, GST Policy Wing further stated that this was discussed in the Officers' Meeting on 20.12.2024 and was agreed to by all.

Decision: The Council approved the recommendation of the Law Committee to insert new rule 16A in CGST Rules, 2017 and to make consequential changes in FORM GST REG-12.

Agenda Item 3(viii) (II): Amendment in the field 'category of registered person' for taxpayers who opted for composition levy through FORM GST CMP-02

4.40 Commissioner, GST Policy Wing stated that when a normal registered person wishes to opt for the composition scheme through FORM GST CMP-02 and makes a mistake while choosing the

"Category of Registered Person", the rules did not provide for a mechanism to allow this non-core amendment.

4.41 The Law Committee observed that there is a need to make amendment in rule 19 of CGST Rules, 2017 to provide for amendment in details furnished in FORM GST CMP-02 through FORM GST REG-14. Accordingly, the Law Committee recommended that sub-rule (1) of rule 19 of CGST Rules, 2017 may be amended to allow the composition taxpayers to change "Category of Registered Person" (a non-core amendment), which was selected wrongly in FORM GST CMP-02 earlier.

4.42 Commissioner, GST Policy Wing further stated that this was discussed in the Officers' Meeting on 20.12.2024 and agreed to by all.

Decision: The Council recommended to amend sub-rule (1) of rule 19 of CGST Rules, 2017 to allow composition tax payers to change "Category of Registered Person", if selected wrongly in FORM GST CMP-02 (a non-core amendment).

Agenda Item 3(viii) (III): Agenda on requirement of signature or digital signature of the supplier or his authorized representative in respect of e-invoice

4.43 Commissioner, GST Policy Wing stated that the Law Committee observed that an invoice issued in the manner prescribed under Rule 48(4) of the CGST Rules, 2017 (i.e. e-invoicing), containing a Quick Response code and embedded Invoice Reference Number (IRN), appears to meet the objective of signing or digitally signing of invoice, as there was sufficient verification mechanism available in respect of e-invoices. The Law Committee, therefore, felt that requiring a signature or digital signature on such invoice as per provisions of rule 46 of CGST Rules, 2017 may be an unnecessary compliance burden on the tax payers, which may hinder end-to-end automation of e-invoicing and ITC reconciliation process. The Law Committee recommended that fourth proviso to rule 46 of the CGST Rules, 2017 may be amended to dispense with the requirement of signature or digital signature by the supplier or his authorized representative in respect of an invoice which is issued in the manner prescribed in sub-rule (4) of rule 48 of the CGST Rules, 2017.

4.44 He further stated that the issues were discussed in the Officers' meeting on 20.12.2024, however, there was no consensus on the issue. State of Odisha supported the proposal while State of Tamil Nadu and State of Telangana opposed the same on the grounds that traders dealing in fake bills may misuse the facility. He further stated that State of Kerala agreed to the proposal in-principle but suggested that a middle path may be considered keeping in view the ease of doing business, especially for small taxpayers, as well as to address the concerns of misuse of the proposed exemption. State of Gujarat was also in agreement with State of Kerala's view and proposed that the issue may be further deliberated upon. It was also suggested to examine the proposal for consistency with the Information Technology Act and admissibility of e-invoices as evidence in courts. Accordingly, it was recommended that the Law Committee may deliberate the issue further.

4.45 The Hon'ble Member from Uttar Pradesh stated that there should be no problem in giving up the requirement of digital signature.

4.46 The Secretary stated that in the discussion that took place during the Officers' Meeting held on 20.12.2024, it was felt that for the ease of doing business, there may be no need of digital signatures if the information contained in invoice has already been provided by the taxpayer on the portal through

e-invoicing. However, if a taxpayer claims that the E-invoice was not issued by him, then there might be ensuing litigation. It was felt that the Law Committee may re-examine the matter. The Secretary further stated that both the aspects of ease of doing business as well as of the enforcement should be weighed in and deliberated by the Law Committee.

4.47 The Hon'ble Member from Tamil Nadu stated that they agree that it was a trade facilitation measure but there are a lot of cases of impersonation during registration as well as bogus transactions. Hence, it is imperative that we tread with caution.

4.48 The Hon'ble Member from Punjab stated that the issue should be looked at from the perspective of the provisions of the Information Technology Act because there is a high risk of it being misused and there can be more disputes.

Decision: The Council agreed to defer the issue for further deliberations by the Law Committee.

Agenda Item 3(ix): Clarification on availability of Input tax credit as per clause (b) of sub-section (2) of section 16 of CGST Act, 2017 in respect of goods which have been delivered by the supplier at his (supplier's) place of business

4.49 Commissioner, GST Policy Wing stated that clarification has been sought on availability of input tax credit (ITC) as per section 16(2)(b) of CGST Act, 2017 in respect of goods which have been delivered by the supplier at his (supplier's) place of business under an Ex-Works contract, whereby the property in goods passes to the dealer at the factory gate of the supplier, when the goods are handed over to the transporter at the instance of the dealer.

4.50 He stated that the Law Committee had recommended to clarify through a circular that wherever the contract between the supplier and recipient is an Ex-Works (EXW) contract, wherein the goods are to be delivered by the supplier to the recipient or any other person on behalf of the recipient, at the supplier's place of business, the said goods can be construed to have been "received" by the recipient at the time of handing over the said goods to the recipient or the transporter, as the case may be, as per provisions of section 16(2)(b) of CGST Act, 2017 and the said recipient may avail the ITC on such goods, subject to fulfilment of other conditions stipulated in section 16 and section 17 of the CGST Act, 2017.

4.51 He also stated that the issue was discussed in the Officers' Meeting on 20.12.2024 and it was agreed by all.

Decision: **The Council recommended issuance of clarification on availability of Input tax credit as per clause (b) of sub-section (2) of section 16 of CGST Act, 2017 in respect of goods which have been delivered by the supplier at his place of business under an Ex-Works contract.**

Agenda Item 3(x): Clarification regarding mentioning of correct details of name of the State of the unregistered recipient as well as correct declaration of place of supply in respect of supply of 'Online Services'

4.52 Commissioner, GST Policy Wing presented the next agenda item on clarification regarding mentioning of correct details of name of the State of the unregistered recipient as well as correct declaration of place of supply in respect of the supply of 'Online Services'.

4.53 He stated that the Law Committee recommended to clarify that as per proviso to rule 46(f) of CGST Rules, 2017 to mandatorily declare the State of recipient of service shall be applicable in respect of all the online supplies of services supplied to an unregistered recipient, in addition to the supply of online money gaming and OIDAR services and that supplier should devise suitable mechanism to ensure collection of such details from unregistered recipient before making any supplies to him. It was also recommended to clarify that if the supplier fails to issue invoice in accordance with the said provisions, he may be liable to penal action under section 122(3)(e) of the CGST Act, 2017.

4.54 He further stated that the issue was discussed and agreed to in the Officers' Meeting on 20.12.2024. However, the State of Maharashtra was of the view that the issue may be better addressed by an amendment in the IGST Act, 2017. Accordingly, it was suggested that the recommendation of the Law Committee for issuance of a circular may be approved and the aspect of making necessary changes in the Act and/or Rules, if required, may be separately deliberated by the Law Committee.

4.55 The Secretary stated that during the discussions held during the Officers' Meeting it was suggested that the circular proposed by Law Committee could be issued and the matter of changes in the Act/Rules, if any, should be separately deliberated by the Law Committee.

4.56 The Hon'ble Member from Tamil Nadu expressed his gratitude for considering their proposal regarding issuance of clarification in respect of Place of Supply for online services and requested that all the MIS reports be sent to the States for the details of the State wise tax collected on such services.

4.57 The Secretary stated that the Law Committee shall deliberate on the above issues and present its recommendations before the GST Council.

Decision: The Council recommended issuing a clarification through a circular regarding mentioning of correct details of name of the State of the unregistered recipient as well as correct declaration of place of supply in respect of supply of 'Online Services'. The Council further recommended that the aspect of requirement of amendment in Act/Rules, if any, may be deliberated separately by the Law Committee.

Agenda Item 3(xi): Issues pertaining to the taxability of Vouchers under GST

4.58 Commissioner, GST Policy Wing presented the next agenda item pertaining to taxability of vouchers. He stated that representations have been received from trade and industry requesting for clarification regarding taxability of gift cards/vouchers, GST treatment of transactions to vouchers like issuance, distribution, redemption, time of supply, place of supply and treatment of the income booked in the accounts in respect of unredeemed vouchers etc.

4.59 He further stated that the Law Committee has recommended that a circular be issued clarifying that supply of voucher is in itself neither a supply of goods nor a supply of services and therefore, is not taxable under GST. However, the underlying supply of goods or services, in respect of which vouchers are used as consideration, shall be taxable under GST. The distribution of vouchers on a principal-to-principal basis is neither a supply of goods nor a supply of services and, therefore, would not be liable to GST. The Law Committee further recommended that in case of distribution of vouchers on a principal-to-agent basis, GST would be payable by distributor/sub-distributor, acting as an agent of the voucher issuer, on the commission/fee or any other amount, charged for such purpose. Additional services related to vouchers, such as co-branding, technical support etc. are taxable under

GST. Income accrued from unredeemed vouchers (breakage) is not a consideration pertaining to any supply of goods or services and therefore, is not taxable under GST.

4.60 The Law Committee recommended that as transactions in voucher itself are neither a supply of goods nor a supply of services, the provisions related to time of supply of vouchers in section 12(4) and section 13(4) of CGST Act, 2017 may not be required and may be omitted. Similarly, the provisions relating to valuation of vouchers as provided in rule 32(6) of the CGST Rules, 2017 may also be omitted.

4.61 He stated that the issue was discussed and agreed in the Officers' Meeting on 20.12.2024.

Decision: The Council recommended omission of section 12(4) and section 13(4) of CGST Act, 2017 and rule 32(6) of CGST Rules, 2017 and issuance of a circular clarifying various issues pertaining to GST treatment of vouchers.

Agenda Item 3(xii): Amendment in place of supply provisions for intermediary services under section 13(8)(b) of the IGST Act, 2017

4.62 Commissioner, GST Policy Wing presented the next agenda item and stated that as per section 13(8)(b) of IGST Act, 2017 the place of supply in respect of 'intermediary services' is the location of the supplier, which is an exception to the default rule of place of supply, which is the location of the recipient of the services.

4.63 He stated that representations have been received regarding disputes arising in respect of scope of 'intermediary' services, resulting in show cause notices denying benefit of export of services in such cases, causing uncertainty to the industry involved in such supplies, mainly in IT and IT-enabled services (ITeS) sector, which is making them uncompetitive vis-à-vis foreign competitors. It has also been represented that despite the issuance of various clarificatory circulars, disputes regarding the scope of intermediary and the place of supply of intermediary services are still continuing.

4.64 The Law Committee recommended that clause (b) may be omitted from sub-section (8) of section 13 of IGST Act, 2017 so as to provide that the place of supply for "intermediary services" will be determined as per the default provisions under section 13(2) of the IGST Act, 2017 i.e. the location of the recipient of such services, so as to provide certainty in the matter of taxation of such services.

4.65 He stated that the issue was discussed during the Officers' Meeting on 20.12.2024 wherein the State of Karnataka expressed their disagreement with the recommendations of the Law Committee, citing revenue implications.

4.66 He also stated that State of Kerala also expressed its disagreement with the recommendations of Law Committee by citing the example of intermediary services provided by educational consultants in relation to admission of students to pursue courses outside India. The State of Maharashtra supported the proposal and highlighted the interpretational challenges of the provisions regarding place of supply in respect of 'intermediary services' and ensuing litigation due to the same.

4.67 Commissioner, GST Policy Wing further stated that in light of the objections raised by some of the States, it was agreed that the matter may be further deliberated by the Law Committee on the basis of the deliberations and recommendations of a group of officers comprising of officers from CBIC as well as States of Maharashtra, Karnataka, Gujarat, Kerala, Telangana and Haryana.

4.68 The Hon'ble Members from Tamil Nadu, Uttar Pradesh, Punjab and West Bengal requested that their officers may also be included in the Group of Officers.

4.69 The Secretary stated that during the discussions held in the Officers' Meeting, the confusion and disputes arising due to interpretational challenges of the provisions regarding place of supply in respect of 'intermediary services' were highlighted. He emphasized that the intention was that export of services from India should be tax-free and globally competitive. He emphasized that the aim should be to balance the promotion of IT and ITeS as well as the reduction of tax disputes. He further stated that if agreed, the Law Committee may deliberate the matter based on the recommendations of a group of officers and present its recommendations to the Council.

Decision: The Council recommended that a group of officers may be constituted comprising of officers from CBIC, Maharashtra, Karnataka, Gujarat, Kerala, Telangana, Haryana, Tamil Nadu, Uttar Pradesh, Punjab and West Bengal to deliberate on this issue. The Law Committee may re-examine the matter on the basis of the recommendation of the aforementioned group of officers.

Agenda Item 3(xiii): Clarification regarding applicability of late fee for delay in furnishing of FORM GSTR-9C

4.70 Commissioner, GST Policy Wing stated that representations have been received requesting to clarify whether late fee under sub-section (2) of section 47 of CGST Act, 2017 will be leviable where the reconciliation statement in FORM GSTR-9C is furnished by the registered person beyond the due date of furnishing of annual return, in cases where annual return in FORM GSTR-9 has already been furnished.

4.71 The Law Committee observed that as per Section 44 of CGST Act, 2017, read with rule 80 of the CGST Rules, 2017, a registered person required to furnish an annual return in FORM GSTR-9 for every financial year, shall also furnish along with it, a reconciliation statement in FORM GSTR-9C, if the aggregate turnover of the said registered person during a financial year exceeds the specified threshold limit. Thus, where FORM GSTR-9C is required to be furnished along with FORM GSTR-9, furnishing of annual return under section 44 of the CGST Act, 2017 may not be said to be complete, unless both FORM GSTR-9 and FORM GSTR-9C are furnished.

4.72 He stated that the Law Committee recommended to issue a circular clarifying that the late fee under Section 47(2) of the CGST Act, 2017 is leviable for the delay in filing the complete annual return under Section 44 of the CGST Act, 2017, which includes both FORM GSTR-9 and FORM GSTR-9C (where applicable). The late fee is not separately applicable for the delay in filing FORM GSTR-9 and FORM GSTR-9C but will be computed from the due date of the annual return until the date on which the complete annual return (FORM GSTR-9 as well as FORM GSTR-9C where applicable) is filed.

4.73 He further stated that the Law Committee also recommended that in view of lack of clarity in respect of late fee on the delay of filing of FORM GSTR-9C, the late fee for the past period up to the Financial Year 2022-23, may be waived, which is in excess of the amount of late fee payable till the date of filing of FORM GSTR-9 for the said financial year, provided FORM GSTR-9C is filed on or before 31st March 2025. The Law Committee also recommended that however, no refund may be available in respect of late fee already paid in respect of delayed filing of FORM GSTR-9C for the said financial years.

4.74 He also stated that the issue was discussed and agreed in the Officers' Meeting on 20.12.2024.

Decision: - The Council recommended issuance of a circular clarifying the applicability of late fee for delay in furnishing FORM GSTR-9C, and issuance of a notification waiving amount of late fee in respect of delayed furnishing of reconciliation statement in FORM GSTR-9C, in excess of the late fee payable up to date of furnishing GSTR-9, for any of the financial years from 2017-18 to 2022-23, subject to the condition that the said FORM GSTR-9C is filed on or before 31st March 2025.

Agenda Item 3(xiv): Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS)

4.75 Commissioner, GST Policy Wing presented the next agenda item and stated that the GST Council in its 54th meeting had recommended introduction of a new optional functionality, Invoice Management System (IMS) on the common portal, which will allow the taxpayers to accept, reject, or to keep the invoices pending for the purpose of availment of Input Tax Credit. The said functionality is expected to reduce errors in claiming input tax credit and improve reconciliation between the input tax credit which is availed in FORM GSTR-3B vis-a-vis the input tax credit which is available in FORM GSTR-2B. He stated that IMS has been launched on the GST Portal from 1st October 2024 and is available to the taxpayers for taking actions on the invoices reported by their suppliers for the purpose of availment of input tax credit.

4.76 He further stated that the Law Committee took a note of the key features of IMS implemented on the common portal and has recommended certain amendments in CGST Act, 2017 and CGST Rules, 2017 in respect of the same.

4.77 The Law Committee has recommended an amendment in Section 38 of CGST Act, 2017 and rule 60 of CGST Rules, 2017 to provide a legal framework for generation of FORM GSTR-2B based on the action taken on IMS. Taking note of concerns raised by the trade regarding non-availability of keeping the credit notes pending on IMS, the Law Committee also recommended providing a short period during which credit notes or documents decreasing the tax liability of the supplier can be kept pending by the recipient on IMS.

4.78 The Law Committee also recommended an amendment in sub-section (2) of section 34 of the CGST Act, 2017, to specifically provide the condition of reversal of input tax credit as is attributable to a credit note by the registered recipient, for the reduction in output tax liability of the supplier and insertion of a new rule 67B in the CGST Rules, 2017 to prescribe the manner in which the output tax liability of the supplier will be adjusted against the credit note issued by him.

4.79 Further, the Law Committee recommended an amendment in sub-section (1) of section 39 of CGST Act, 2017 and rule 61 of CGST Rules, 2017 to provide that FORM GSTR-3B of a tax period shall be allowed to be filed only after FORM GSTR-2B is made available on the portal for the corresponding tax period. Also, consequential amendment in Rule 88D of CGST Rules, 2017 and FORM GSTR-2B has been recommended.

4.80 He stated that the recommendations were discussed in the Officers' Meeting on 20.12.2024 and agreed to by all.

Decision: - The Council recommended amendments in CGST Act, 2017 and CGST Rules, 2017 in respect of the functionality of Invoice Management System (IMS).

Agenda Item 3(xv): Concept note for implementing different categories of GST registration based on Risk Assessment and aligning the registration process with passing on of Input Tax Credit

4.81 Commissioner, GST Policy Wing introduced the next agenda item which was a concept note on risk-based registration process with restrictions on ITC availability and stated that the Law Committee had proposed to categorize GST registrations into three categories based on their eligibility to pass on Input Tax Credit (ITC) in order to streamline the GST registration process as well as for tightening controls to prevent fraudulent registrations and ITC claims.

4.82 He stated that during the Officers' Meeting on 20.12.2024, all the officers had agreed in principle with the concept note. It was further recommended that the Law Committee may deliberate on the detailed guidelines and parameters as well as requirement of amendment in GST Act and Rules as well as the processes on GSTN system through a group of officers from CBIC, GSTN and the States of Andhra Pradesh, Delhi, Goa, Gujarat, Tamil Nadu, and Telangana.

4.83 The Secretary stated that this is one of the major trade facilitation measures. Representations from trade and industry have highlighted challenges in the GST registration process, which causes hardship to genuine taxpayers. On the other hand, fraudulent entities exploit the system by using fake documents to obtain GST registrations. The concept paper is an attempt to mitigate the risk from bogus suppliers while facilitating the trade.

4.84 He further stated that in-principle approval of the Council is being sought to make the GST registration process more streamlined for genuine taxpayers while tightening controls to prevent fraudulent registrations and ITC claims. This mechanism has provision for fast registration for new businesses to start operating, followed by varying levels of verification based on the taxpayer's eligibility to pass ITC.

4.85 The Hon'ble Member from Karnataka welcomed the concept paper and suggested refining the registration process by additionally identifying high-risk sectors and introducing targeted measures for these high-risk sectors. He further suggested automated tools may be developed and data-driven methods be utilized to assess and manage these high-risk sectors thereby minimizing reliance on human intervention. While he agreed that to start with, streamlining of registration process is more feasible, however, he suggested that initially, one or two high-risk segments may be picked for testing the efficacy of a systemic approach which can thereafter be expanded to other sectors. He also stated that State of Karnataka would like to participate in this exercise to contribute and learn from the thought process involved in the new mechanism.

4.86 The Hon'ble Member from Uttar Pradesh stated that he agreed with the concept note and any decision in this regard may be taken on a case-to-case basis. He further expressed willingness of the State of Uttar Pradesh to join the Group of Officers.

4.87 Hon'ble Chairperson stated that this was a welcome step and any of the other States willing to volunteer for being a part of the Group of Officers, may indicate their willingness so that further decision can be taken.

4.88 The Hon'ble Member from Goa welcomed the concept note and expressed willingness of State of Goa to join the Group of Officers. He stated that the goal is to balance the ease of doing business as well as tax compliances.

4.89 The Hon'ble Member from Bihar also requested that State of Bihar may be included in the Group of Officers.

4.90 The Secretary stated that the nominations of States willing to join the Group of Officers had been duly noted. He further stated that a challenge at the time of registration is that the supplier may not declare all the commodities he will deal in and subsequent to grant of registration, he may start dealing in risky commodities. He suggested that the Law Committee may deliberate on such issues through the Group of Officers for further recommendations to the Council.

Decision: The Council accorded in-principle approval to the proposed framework of registration under GST and recommended that Law Committee may deliberate on the detailed guidelines and parameters as well as requirement of amendment in GST Act and Rules as well as the processes on GSTN system through a Group of Officers (to be constituted for this purpose) for further recommendations to the Council.

5. Agenda Item 4: Recommendations of the Fitment Committee for the consideration of the GST Council

5.1 The Secretary introduced the agenda item relating to recommendations of the Fitment Committee and asked the JS, TRU to present the agenda.

5.2 JS, TRU -I stated that the Fitment Committee agenda was summarized in six Annexures wherein the first two Annexures (I and II) related to goods and the other four Annexures (IV,V,VI and VII) related to services. There were a total of 17 issues relating to goods out of which the Fitment Committee had recommended making changes in the GST rates or issuance of clarifications in case of 13 items (Annexure-I of the Agenda Volume-I), no change had been recommended in respect of 4 items (Annexure-II of the Agenda Volume-I). In the case of services, there were a total of 21 issues, of which the Fitment Committee had recommended making changes in the GST rates or issuance of clarifications in case of 15 items (Annexure-IV of the Agenda Volume-I), no change had been recommended in respect of 3 items (Annexure-V of the Agenda Volume-I) and 02 items have been deferred by the Committee (Annexure-VI of the Agenda Volume-I). One agenda item was being placed before the Council wherein the Fitment Committee had not made any recommendation and was brought before the Council for taking a decision (Annexure-VII of the Agenda Volume-I).

5.3 JS, TRU-I presented the agenda pertaining to goods as mentioned in Annexure-I of the Agenda item no.4 (Volume-I). She presented the recommendations made by the Fitment Committee regarding 13 issues for making changes in the GST rates or for issuing clarifications in relation to goods.

5.4 The first item presented for discussion in Annexure-I of the Agenda Volume-I was clarification on classification and tax rate on ready to eat popcorn which are mixed with spices and salt**.** JS, TRU-I stated that the Fitment Committee had examined the issue and had recommended to clarify that ready to eat popcorn which is mixed with salt and spices are classifiable under HS 2106 90 99. However, when popcorn is mixed with sugar thereby changing its character to sugar confectionary (e.g. caramel popcorn), it would be classifiable under HS 1704 90 90 attracting 18% GST. She further

stated that it had also been recommended to clarify that supply of ready to eat popcorn mixed with salt and spices, classifiable under HS 2106 90 99, attracts 5% GST, if other than pre-packaged and labelled and attracts 12% GST if supplied in pre-packaged and labeled form. She also stated that Fitment Committee had recommended to regularize the issue for the past period on "*as is where is*" basis. She further stated that the issue was discussed and agreed upon during the Officers' Meeting.

Decision: The Council recommended to issue a clarification that supply of ready to eat popcorn mixed with salt and spices are classifiable under HS 2106 90 99 and attracts 5% GST if other than pre-packaged and labelled, and 12% GST if pre-packaged and labelled. However, popcorn mixed with sugar, thereby changing its character to sugar confectionary, is classifiable under HS 17049090 and attracts 18% GST. The Council also recommended to regularize the issue for the past period on "as is where is" basis.

5.5 The next agenda item presented by JS, TRU-I was regarding 'Systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of LRSAM system'**.** She stated that requests have been received to extend the exemption to Systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of Long Range surface to Air Missile system (LRSAM) in place of LRSAM system in the existing entry at S. No. 21(II) of the notification No.19/2019- Customs. She stated that currently the exemption from basic customs duty (BCD) and IGST is available on imports of long-range Surface to Air Missile system (LRSAM). However, at the time of import of LRSAM, it is not imported as one single equipment which causes problems during clearance. She further stated that the issue was examined by the Fitment Committee which had recommended amendment of the existing entry to extend IGST exemption to include systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of LRSAM system in place of long-range Surface to Air Missile system (LRSAM). She further stated that the issue was discussed in the Officers' Meeting and it was agreed.

Decision: The Council recommended to amend the existing entry to extend IGST exemption to include systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of LRSAM system in place of long-range Surface to Air Missile system (LRSAM).

5.6 The next agenda item presented by JS, TRU-I was regarding GST on the sale of old and used Electric Vehicles**.** She stated that request was received to reduce GST rate on sale of old and used Electric Vehicles (EVs) from 12% to 5%. She stated that all old and used petrol vehicles of engine capacity of 1200 cc or more and of length of 4000 mm or more, diesel vehicles of engine capacity of 1500 cc or more and of length of 4000 mm and SUVs attract 18% GST vide entries at S. No. 1 to 3 of Notification No. 08/2018-Central Tax (Rate) dated 25.01.2018. However, vide residuary entry at S. No.4 of the said Notification, all old and used vehicles including EVs (other than those mentioned at S. No. 1 to 3 of the said Notification), attract 12%.

5.7 She further stated that the issue was deliberated in the Fitment Committee and it was felt that since duty rate is applicable only on the value that represents margin of the supplier, the tax incidence is already on the lower side. Therefore, Fitment Committee recommended to harmonise the tax rate from 12% to 18% for all the other vehicles, including EVs, at par with all the other entries.

5.8 The Secretary brought to the notice of all Hon'ble Members of the Council that if an individual sells their own vehicle to another person, and the individual is not registered under GST

Act, no GST is applicable in that case. This provision only applies to registered persons or businesses dealing in old and used cars.

5.9 Chairman, CBIC further explained that where the registered person has claimed depreciation under Section 32 of the Income Tax Act, 1961 then GST is payable only on the value that represents the margin of the supplier i.e. difference between selling price and the purchase price. Where such margin is negative, no tax is payable. If the depreciated value is higher than the sale price, no GST will be charged. Where there is a difference between the two, GST will be applicable on that difference, and the amount would be meager.

Decision: The Council recommended to increase the rate from 12% to 18% for all the other vehicles, including EVs, covered by entry at S. No.4 of the Notification No. 08/2018-Central Tax (Rate) dated 25.01.2018.

5.10 JS, TRU-I then presented the agenda item pertaining to 'Fly ash based autoclaved aerated concrete blocks'**.** She stated that requests have been received to issue clarification on the classification and the tax rate applicable on Autoclaved Aerated Concrete (AAC) blocks containing at least 50% fly ash as raw material constituent. She stated that fly ash bricks, fly ash aggregates and fly ash blocks classifiable under HS 6815 attract 12% GST while articles of cement, of concrete or of artificial stone, whether or not reinforced, are classifiable under HS 6810 which attracts 18% GST.

5.11 She further stated that dispute was raised by field formations claiming that 'Fly ash based autoclaved aerated concrete blocks' with more than 50% fly ash content are classifiable under HS 6810. She then stated that based on the Circular issued by Ministry of Environment & Forests wherein it has been notified that for the manufacturing of fly ash bricks, blocks, tiles etc, fly ash equivalent to minimum 50% of total input materials is required to be used, Fitment Committee has recommended to clarify that AAC blocks containing more than 50% fly ash content will fall under HS 6815 and shall attract 12% GST. She further stated that the issue was discussed and agreed in the Officers' Meeting.

Decision: The Council recommended clarifying that Autoclaved Aerated Concrete (AAC) blocks containing more than 50% fly ash content are classifiable under HS 6815 and attract 12% GST.

5.12 JS, TRU-I then presented the agenda item pertaining to 'Dried pepper of the genus piper'**.** She stated that requests have been received to issue clarification on the classification and GST rate applicable on dried pepper of genus piper and whether dried pepper is an agricultural produce and supply from plantations is exempt from GST. She then stated that the Fitment Committee had examined the issue and had recommended to clarify that:

(i) pepper of genus piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST;
(ii) an agriculturist supplying dried pepper is not liable to be registered under Section 23 (1) of the CGST Act, 2017 and is exempt.

She further stated that this was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended to clarify that pepper of genus piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST. The Council also recommended to clarify that an agriculturist supplying dried pepper is not liable to be registered under Section 23 (1) of the CGST Act, 2017, and that supply by an agriculturist is exempt from GST.

5.13 The next agenda item presented by JS, TRU-I was regarding 'Raisins'**.** She stated that similar to the previous agenda item, requests have been made to reduce GST rate on raisins from 5% to Nil, if supplied other than pre-packaged and labelled and 5% on pre-packaged and labelled as doubts were raised in the context of supply by agriculturists. She then stated that the Fitment Committee was of the view that no change, as requested, was required in the GST rate on raisins.. The Fitment Committee had recommended to issue a clarification along the lines as recommended on supply of pepper by agriculturist i.e., to clarify that an agriculturist supplying raisins is not liable to be registered under Section 23 (1) of the CGST Act, 2017 and the supply of raisins by an agriculturist is exempt from GST.

Decision: The Council recommended to maintain status quo on the GST rate on raisins. The Council also recommended to clarify that an agriculturist supplying raisins is not liable to be registered under Section 23 (1) of the CGST Act, 2017 and is exempt.

5.14 The next agenda item presented by JS, TRU-I was pertaining to the scope of what constitutes agricultural farm produce. She stated that GST rates for certain goods are linked with the provisions of Legal Metrology Act and rules thereunder for the purpose of defining 'pre-packaged and labelled' commodities. She stated that as per amendment to Rule 3 of the Packaged Commodities Rules w.e.f. 01.01.2018, the provisions applicable to packages intended for retail sale do not apply to agricultural farm produce sold in bags above 50 kilograms. She further stated that the GST Council in its 53rd meeting had recommended that the proviso to the GST rate notification be suitably amended such that for purposes of GST, the supply of agricultural farm produce in packages containing quantity of more than 25kg or 25 litre shall not be considered as a supply made within the expression 'pre-packaged and labelled'.

5.15 She then stated that the Fitment Committee had examined the issue and recommended to amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto, and are required to bear the declarations under the provisions of the Act and rules, instead of inserting the definition of 'agricultural farm produce' as it is not defined in the parent legislation.

Decision: The Council recommended to amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto, and are required to bear the declarations under the provisions of the Act and Rules.

5.16 The next agenda item presented by JS, TRU-I was regarding 'Supplies to merchant exporter by domestic supplier'**.** She stated that requests have been received to reduce Compensation Cess to 0.1% on supplies made by domestic supplier to merchant exporters**.** She further stated that currently 0.1% GST is applicable for such supply made to merchant exporters subject to certain conditions. Therefore the Fitment Committee recommended that the same rate can be made applicable for Compensation Cess. She further stated that this was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended 0.1% Compensation Cess on supplies made by domestic supplier to merchant exporter at par with GST rate on such exports and the same conditions.

5.17 The next agenda item presented by JS, TRU-I was regarding supply of Fortified Rice Kernels (HS 1904) for ultimate use in PDS/ welfare schemes**.** She stated that requests have been received for reduction in GST rate from 18% to 5% on supply of Fortified Rice Kernels for ultimate use in PDS/

welfare schemes. She then stated the issue was deliberated in the Fitment Committee and it had recommended reduction in GST rate on all Fortified Rice Kernels from 18% to 5% irrespective of end use. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended reduction in GST rate on all Fortified Rice Kernels (HS 1904) from 18% to 5%.

5.18 The next agenda item presented by JS, TRU-I was regarding 'Supply of food preparations for distribution under a government program'**.** She stated that requests have been received to issue clarification that the inputs for the food preparation intended for free distribution to economically weaker sections of the society under a government program are eligible for the concessional rate of 5% under Notification No. 39/2017-Central Tax (Rate) dated 18.10.2017. She then stated that currently the said Notification prescribes a concessional rate of 5% GST for supply of food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government subject to obtaining a certificate from the nodal authority that such goods have been distributed free under the scheme.

5.19 She further stated that the issue was deliberated in the Fitment Committee and it had recommended to extend the concessional rate to the inputs of these food preparations also subject to the same conditions as specified in notification No. 39/2017 – Central Tax (Rate), dated 18.10.2017. This was discussed in the Officers' meeting and agreed.

5.20 The Hon'ble Member from Karnataka pointed out that while the title is correct, the use of the word "inputs" is too broad. The term "inputs" includes everything including plant, machinery, rent, transport, etc. which could be interpreted broadly. The Hon'ble Member sought a clarification as to whether the intent was to refer specifically to food inputs, such as perishable or edible inputs, rather than all inputs in general, as the word "input" is all-encompassing. He stressed that clear language is crucial to avoid litigation, as the intent behind decisions can be challenged later.

5.21 JS, TRU-I clarified that the intention is to include only food inputs, and the relevant HS code i.e. HS 19 or 21, will be provided.

5.22 The Hon'ble Chairperson stated that clarification is necessary to avoid litigation. While HS codes are fine and should be mentioned, the use of the word "inputs" must be more specific, such as "edible inputs" or "perishable inputs," according to the HSN codes, to avoid confusion.

Decision: The Council recommended to extend the concessional rate of 5% GST to the food inputs of food preparations, under HS 19 or 21, intended for free distribution to economically weaker sections of the society under a government program also subject to the same conditions as specified in notification No. 39/2017 – Central Tax (Rate), dated 18.10.2017.

5.23 The next agenda item presented by JS, TRU-I was pertaining to 'Clarification regarding effective date of amendment in Entry 52B Notification No. 3/2023-Compensation Cess (Rate) regarding ground clearance of SUVs**.** She stated that based on recommendations of the GST Council in its 50th GST Council meeting, the Notification entry was substituted to provide that cess @ 22% will be applicable to all motor vehicles known as utility vehicles by whatever name called, with engine capacity exceeding 1500cc, length exceeding 4000 mm and ground clearance of 170 mm & above. She then stated that it was done as prior to this, it was applicable only on SUVs. She further stated that a new explanation was also added that ground clearance means ground clearance in unladen condition which has led to different views in some jurisdictions regarding the effective date of

amended entry 52B. She further stated that the issue was deliberated in the Fitment Committee and it had recommended to clarify that the amendment will apply on or after 26.07.2023 i.e. the date of the insertion of the entry. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended clarifying that the amendment in Entry 52B Notification No. 3/2023-Compensation Cess (Rate) regarding ground clearance of SUVs will apply to supplies on or after 26.07.2023.

5.24 The next agenda item presented by JS, TRU-I was regarding 'CAR-T cell therapy'. She stated that requests have been received to reduce GST rate on CAR-T cell therapy (HS 30) from 12% to Nil. It was received in the context of the NexCAR19 developed by ImmunoACT, a spin-off company of IIT Bombay in collaboration with Tata Hospital, Mumbai. She stated that this innovative new treatment has reduced the costs significantly in India as compared to prices in USA, although the costs are still prohibitively high for the Indian patients. She then stated that similar exemption is given to In Vitro Fertilization (IVF). She further stated that the issue was deliberated in the Fitment Committee and it had recommended to reduce the GST rate on gene therapy (HS 30) from 12% to Nil. This was discussed in the Officers' meeting and agreed.

5.25 The Hon'ble Member from Bihar welcomed the recommendations and also suggested that the Fitment Committee may deliberate on tax reduction on other therapies and drugs related to cancer treatment.

5.26 The Hon'ble Member from Maharashtra also agreed with the recommendations of the Fitment Committee and supported Bihar's viewpoint that other cancer treatments should also be considered, especially given the rising rate of cancer and various related diseases. She stated that if the Fitment Committee takes this into consideration, it would be a significant and positive step toward addressing cancer and other related diseases.

Decision: The Council recommended reduction in the GST rate on gene therapy (HS 30) from 12% to Nil.

5.27 The next agenda item presented by JS, TRU-I was regarding 'temporary import of equipment and consumable samples by inspection team of International Atomic Energy Agency (IAEA)'**.** She stated that requests have been received to exempt IGST on the temporary import of equipment and consumable samples by Inspection Team of International Atomic Energy Agency (IAEA). She stated that currently a conditional exemption is available for imports of equipment and consumable samples by the inspection team of Organisation for Prevention of Chemical Weapons (OPCW).

5.28 She further stated that the issue was deliberated in the Fitment Committee and it had recommended to exempt IGST on imports of all equipment and consumable samples by the inspection team of IAEA subject to the condition that the importer shall produce a certificate along with duly certified list of equipment and consumable samples from the Joint Secretary or the Deputy Secretary, Ministry of External Affairs to the effect that such equipment and samples are required for carrying out verification/ inspections as per terms of IAEA; and the Joint Secretary or the Deputy Secretary, MEA shall furnish an undertaking to the effect that such equipment and consumable samples are required for the intended purpose and shall be accounted for. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended IGST exemption on temporary import of equipment and consumable samples by inspection team of International Atomic Energy Agency (IAEA) subject to conditions as set out above in para 5.28.

5.29 JS, TRU-I then presented the agenda pertaining to goods as mentioned in Annexure-II of the Agenda Item No.4 (Volume-I). She presented the recommendations made by the Fitment Committee regarding 4 issues where no change had been proposed by the Fitment Committee in relation to goods.

5.30 The first item presented for discussion in Annexure-II of the Agenda Volume-I was regarding **'**Agriculture machinery used 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'**.** She stated that requests have been received to reduce GST rate from 18% to 5%/Nil on it. She stated that the rate was increased from 12% to 18% based on the recommendations of the GoM on Rate Rationalization to correct inverted duty structure. She stated that the issue was discussed in the Fitment Committee and it had recommended maintaining status quo. She also stated that this was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended maintaining status quo on rate of GST on Agriculture machinery used 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.

5.31 JS, TRU-I then presented the next agenda item regarding the proposal to regularize the issue for past period in respect of supply of extruded or expanded products, savoury or salted**.** She stated that in the 48th GST Council meeting, it was clarified that these goods attract 18%. The GST Council, in its 54th meeting, had recommended to keep the GST rate on extruded or expanded products, savoury or salted falling under HS 1905 9030 at 12% on par with namkeens, bhujia etc. and directed the Fitment Committee to re-examine the issue for the past period. She stated that the Fitment Committee had not recommended regularization of the issue for the past period. She further stated that this was discussed in the Officers' Meeting and agreed.

Decision: The Council did not recommend regularizing the issue of GST payments for the past period on supply of extruded or expanded products, savoury or salted

5.32 The next agenda item presented by JS, TRU-I was regarding 'Rice Bran Oil'. She stated that a request had been received to reduce GST rate on Rice Bran Oil which currently attracts 5% GST. The Fitment Committee had recommended maintaining status quo as reduction in GST rate may deepen the existing duty inversion. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended maintaining status quo on rate of GST on Rice Bran Oil.

5.33 The next agenda item presented by JS, TRU-I was regarding 'components and parts used in manufacture of electric vehicles'. She stated that requests have been received to reduce GST rate from 28% / 18% to 5% on components and parts used in manufacture of electric vehicles. She stated that in the 54th Council Meeting, the issue was referred back to the Fitment Committee based on the intervention from the State of Andhra Pradesh. She further stated that the State of Andhra Pradesh sent the representation again asking for the reduction of rates. The Fitment Committee also received representations from trade body organizations on four specific components and parts. However, after examining the issue, it was found that there were no dedicated EV parts and they were of dual use. It was recommended to maintain the status quo. She further stated that this was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended maintaining the status quo on rate of GST on components and parts used in manufacture of electric vehicles.

5.34 JS, TRU-II then presented the agendas pertaining to Services as mentioned at Annexure IV in the Agenda Volume I**.**

5.35 JS, TRU-II presented the agenda item relating to a request to clarify the taxability of delivery services provided by delivery partners in connection with the supply of restaurant service through Electronic Commerce Operators (ECO). He stated that restaurant services supplied through ECOs were brought under section 9(5) of Central Goods and Service Act, 2017 (hereinafter referred to as CGST Act) w.e.f. 01.01.2022 on the recommendations of the 45th GST Council meeting, however, payment of tax on the service of delivery in relation to restaurant services supplied through an ECO was not notified explicitly. The Fitment Committee had recommended to insert an explanation under entry (iv) of Notification No. 17/2017-CT(Rate) dated 28.06.2017, issued under section 9(5), that the restaurant service includes the service of delivery (by any person, of food or any other article for human consumption or drink from the restaurant, eating joints etc.) to the recipient of restaurant service and to levy GST at 5%, without ITC, on such services of delivery. He informed the Council that during the discussion in Officers' meeting, the State of Haryana had raised concerns that the recommendation was not aligned with the views taken earlier in Fitment Committee.

5.36 The Officer from Haryana informed that the State had agreed to the proposal but he had been instructed by the Hon'ble Member from Haryana to bring two issues to notice of the Council. The first issue was that the Council should deliberate on the impact of this decision on other similar delivery platforms or quick commerce entities which follow same delivery methods . There is exponential growth in such platforms and it is likely that ***such platforms might take similar stand*** based on this recommendation. The second issue was that Fitment Committee should bring out the revenue implication of any proposal brought before the Council.

5.37 The Hon'ble Member from Karnataka requested to repeat the issue in simple language for a better understanding. He agreed with the views expressed by State of Haryana that food industry is a fast-growing sector and that this decision could have wider ramifications. He also requested to clarify as to how the composite supplies and stand-alone food supplies would be distinguished for the purpose of this agenda item.

5.38 JS, TRU-II clarified that restaurant services supplied though ECOs are at present subject to 5% GST without input tax credit. The restaurant service is effectuated once delivery is made. He further informed the Council that during the deliberations in the Fitment Committee there was a view from the field formations that delivery services should be subject to a levy of 18% GST. He stated that the Fitment Committee had therefore, recommended to clarify that only those delivery services for restaurants which are made through ECOs will be subject to 5% GST on the rationale that these restaurant services cannot be effectuated through the ECOs without the delivery of the same.

5.39 The Hon'ble Member from Karnataka enquired as to whether there is a provision for distinguishing the delivery made by a restaurant and the delivery made by a service provider.

5.40 The Secretary clarified that restaurant services wherein food is supplied through ECOs are charged at 5% and that therefore, the question was whether the delivery of the same should be charged at 18%. He stated that in big cities a large percentage of the population avail restaurant services through these platforms and therefore, it was recommended in the Fitment Committee that GST on delivery of the same should be levied at 5%. He further added that in this context, the State of Haryana during the Officers' Meeting had enquired as to how the delivery of other products (for example mobiles) through ECOs would be treated. He informed the Council that such a broad consideration will divert the discussion from the subject of particular delivery service to delivery services in

general. He sought the guidance of the Council as to whether to proceed with this recommendation or to refer it to fitment committee to discuss its implication on other delivery services and come back to the Council later.

5.41 The Hon'ble Member from Karnataka stated that when it is looked at structurally and conceptually the service portion should be charged at 18% and the product should be charged at the applicable rate. However, he added that in cases where the product is bundled with services there is a challenge as it is difficult to distinguish them from each other. He further stated that instead of committing to a particular decision that would have far reaching consequences, the issue can be further deliberated upon also for the reason that once the industry aligns itself with the thought process of the Council then getting them to change later becomes difficult.

5.42 The Hon'ble Member from Maharashtra stated that many of the restaurants have their own delivery services and therefore, requested for a clarification as to whether the delivery service provided by the restaurant themselves is subject to 5% or 18%.

5.43 The Secretary stated that these are delicate issues and that as indicated by Hon'ble Member from Karnataka many new innovations in this growing sector need to be looked at in detail. He proposed that the Fitment Committee could examine this in detail.

5.44 The Hon'ble Member from Chhattisgarh stated that food industry is a growing sector and that food items make up a major component of this sector. He further stated that in such a scenario charging 18% on food delivery services does not appear to be fair.

5.45 Chairman, CBIC stated that there is a deeming fiction created by law for restaurant services supplied through ECOs. He added that even if the delivery services are billed separately it would be treated as composite supply because of the deeming fiction and in such cases the rate applicable is the rate applicable to the main supply. He further stated that in case of other services through ECOs which are not notified under Section 9 (5) and where this deeming fiction has not been created they would have to be treated differently. He mentioned that in the present case the main supply was restaurant services and the delivery service included in such restaurant service is recommended by the Fitment Committee to be proposed to charged GST at rate of 5%.

5.46 The Hon'ble Member from Karnataka stated that in this case where the same person is providing the restaurant services and the delivery service it should be treated as a composite supply. However, he clarified that in cases where separate persons are providing these two services it is better to look into the issue in detail.

5.47 The Hon'ble Member from Uttar Pradesh stated that he did not agree with the views expressed by the Hon'ble Member from Karnataka. He stated that when the supply being made is food then the applicable rate for its delivery should be the rate applicable on food and similarly, for supplies of other goods, delivery charges should be taxed at the rate of underlying supplies. He added that he is in full agreement with the views expressed by Hon'ble Member from Chhattisgarh.

5.48 The Hon'ble Member from Kerala stated that although the agenda item was mainly related to delivery services made in relation to food items but at present there are many other products that are getting delivered through ECOs. He stated that therefore, a detailed deliberation is required on this agenda item to examine its implication on other similar services.

5.49 The Hon'ble Member from Telangana mentioned that more deliberation is required on the agenda item and suggested referring it back to Fitment Committee for an in-depth analysis.

5.50 The Hon'ble Member from West Bengal stated that they are in agreement with the views expressed by Hon'ble Members from Uttar Pradesh and Chhattisgarh and that the rate applicable on the delivery services made in relation to restaurant services through ECOs should be the rate applicable on food items. However, she added that they are also in agreement if the item is referred back for a detailed deliberation.

5.51 The Hon'ble Chairperson stated that the States of Uttar Pradesh, West Bengal and Chhattisgarh are of the view that the delivery of food should be charged the same rate as applicable to food i.e. 5% and that in case of other deliveries also it should be charged similarly whereas the States of Telangana, Haryana, Kerala and Punjab want to have a detailed deliberation whereas the State of Karnataka is in partial agreement. The Hon'ble Chairperson proposed that, if the Council agrees, the agenda item could be referred back to Fitment Committee for a detailed deliberation and bring it back to the next Council meeting.

5.52 The Hon'ble Member from Uttar Pradesh mentioned that they were in agreement with the views expressed by the Chairperson but added that the re-examination would be done in regard to what is meant by 'composite supply'. He reiterated the view that there was no ambiguity with respect to levy of 5% on delivery services made for restaurant services but nevertheless he was in agreement with the view of the Chairperson to refer the agenda item back to Fitment Committee.

5.53 The Hon'ble Chairperson stated that there was clarity among few of the Members on the rate applicable on the delivery services made for restaurants however many of the Members felt that the aspect of delivery through ECOs or quick commerce needs to be deliberated in detail.

Decision: The Council agreed to refer back the issue of delivery services made in respect of supply of restaurant service through ECOs for further examination by the Fitment Committee.

5.54 JS, TRU-II presented the agenda item relating to the applicability of GST on penal charges levied by Regulated Entities (REs) such as banks and NBFCs. He stated that the Regulated Entities are required to levy penal charges, effective from 01.01.2024, for non-compliance with material terms and conditions of loan agreements in terms of RBI instructions dated 18.08.2023. He stated that the Fitment Committee had considered the proposal to clarify the applicability of GST on such penal charges and it has recommended that penal charges are in the nature of liquidated damages and that no GST is payable on such penal charges. He also informed the Council that the agenda was discussed during the Officers' meeting and there was agreement on the proposed recommendation.

Decision: The Council recommended to clarify that 'penal charges' levied by Regulated Entities such as banks and NBFCs are in the nature of liquidated damages and that no GST is payable on the same.

5.55 JS, TRU-II presented the agenda item relating to the request to bring sponsorship services rendered by a body corporate to anybody corporate or partnership firm from Reverse Charge (RCM) basis to forward charge basis. He added that this will allow them to avail input tax credit on their inputs or input services. He informed that the Fitment Committee had considered the proposal and it had recommended that sponsorship services provided by body corporates may be brought under forward charge. This was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended to bring the sponsorship services provided by body corporates under forward charge basis.

5.56 JS, TRU-II presented the agenda item relating to request to clarify that exemption under entry at Sr. No. 34 of Notification No. 12/2017-CTR dated 28.06.2017, pertaining to services in relation to settlement provided by acquiring banks for an amount upto Rs. 2,000 in a single transaction through cards, is available to payment aggregators. He informed the Council that at present some of the field formations are of the view that payment aggregators are not covered under this exemption. He stated that the issue was deliberated in detail by the Fitment Committee and it had recommended to clarify that RBI regulated Payment Aggregators are eligible for exemption under entry at Sr. No. 34 of the notification No. 12/2017-CTR dated 28.06.2017, since they fall within the ambit of *'acquiring bank'*. Fitment Committee had also recommended to clarify that the exemption under Sl. No. 34 is limited to settlement function only which involves handling of money and does not cover payment gateway functions. This was discussed in the Officers' Meeting and agreed.

Decision: The Council recommended to clarify that RBI regulated Payment Aggregators are eligible for exemption under entry at Sr. No. 34 of the notification No. 12/2017-CTR dated 28.06.2017, since they fall within the ambit of *'acquiring bank'*, and that the exemption under Sl. No. 34 does not cover payment gateway functions as the exemption is limited to settlement function only.

5.57 JS, TRU-II presented the agenda item relating to taxability or otherwise, of research carried out for the wider public good and the request to clarify the distinction between research and consulting activities. He informed that in the 54th Meeting of the Council an exemption was given to research activities carried out by the government entities and entities notified under section 35 of the Income Tax Act, 1961 provided the grant was received from the Government or private entities. He added that to check the practice of consultancy services being provided under the garb of research activities, it was proposed to clarify the distinction between research and consulting services. The issue was deliberated by the Fitment Committee and it had recommended to clarify that if the research is carried out for public good, it shall not be considered as a supply as there is no consideration involved and that a clarification may be issued distinguishing between research and consultancy services. He added that the agenda item was discussed during the Officers' meeting and the view that emerged during the meeting was to defer the issue for comprehensive re-examination.

5.58 The Secretary informed the Council that in the 54th meeting of the Council it was recommended that grants given for research carried out by the government entities and entities notified under section 35 of the Income Tax Act, 1961 should not be subject to tax, as the research carried out against these grants would generally be in the nature of a public good. He added that in cases where a private body is providing grant to a private entity it will be difficult to ascertain the extent of public good and that this needs further deliberation. He further mentioned that there is a distinction between research and consultancy and that the Fitment Committee had deliberated on the potential misuse of the exemption if this distinction is not properly explained. He informed the Council that it was felt that commercial transaction between private entities need to be examined in detail and that there doesn't prima facie arise a reason for exempting such transactions. He informed the Council that there was agreement in the Officers' meeting that these issue needs re-consideration. He thereafter mentioned that the next issue for consideration was whether the grants received from the government to government entities for past period be regularized on 'as is where is' basis. He stated that the Council could consider this for approval while the other issues could be considered for referring back to the Fitment Committee for reconsideration. He sought the guidance of the Council.

5.59 The Hon'ble Member from Meghalaya stated that innovation and research are the foundation of every economy for its growth and that this in turn takes forward the industry and it helps in further

development. He suggested that the Council should take a view in favor of research whether it is government to government or private to private as ultimately tax will be levied on the products emerging from research that leads to further development of the industry and economy. He stated that taxing research will send out a message that we are not in favor of innovation. He emphasized that innovation should be encouraged irrespective of whether it is government to government or private to private. He added that distinction between research and consultancy needs to be looked into detail by the Fitment Committee as it is currently a grey area.

5.60 The Hon'ble Member from Chhattisgarh stated that research and development needs to be encouraged if we aspire to make the country a developed nation by 2047. He added that any product emerging from research would be subject to tax and therefore, one needs to encourage R&D irrespective of whether it is government to government or private to private as it can increase the competitiveness of the sector. He mentioned that the technical aspects, if any, can be looked in detail by the Fitment Committee.

5.61 The Hon'ble Member from Uttar Pradesh stated that are two issues under consideration – consultancy and research. He mentioned that there is no objection to imposing tax on consultancy however, research in cases where the government is the recipient or the provider should not be made subject to tax. He stated that the issue relating to private funded research can be looked into detail by the Fitment Committee as to whether it is for private good or public good.

5.62 The Hon'ble Member from Goa stated that research irrespective of whether it is government sponsored or private agency sponsored should be exempted as it will result in innovation. He also stated that only consultancy services need to be subjected to tax.

5.63 The Hon'ble Member from Himachal Pradesh stated that research and innovation needs to be encouraged irrespective of the agency that is sponsoring the research. He also mentioned that majority of innovation has come from privately funded research and it is not in the interest of the country to discourage such research. He added that the Fitment Committee can deliberate in detail on the aspect of private - to - government funding or private - to - NGO funding.

5.64 The Hon'ble Member from Mizoram stated that outcome of the exempted research funding should be made public except when it is detrimental to national safety or will have negative impact on society. He felt that this condition needs to be added.

5.65 The Hon'ble Member from Maharashtra stated that as emphasized by other States they also reiterate the view that research and innovation are very important for the society. She added that she agreed with the views expressed by the Hon'ble Member from Uttar Pradesh that wherever government is involved in research either as a provider of grants or recipient of grant, the same needs to be exempt. She stated that the issue relating to private entities can be further looked into detail.

5.66 The Hon'ble Member from Manipur stated that as far as R&D is concerned it should be supported irrespective of whether it is done by government or private. He agreed with the view expressed by the Hon'ble Member from Meghalaya.

5.67 The Hon'ble Member from Gujarat stated that research whether it is funded by the government or private should be exempted as new product emerging from such research would be subject to tax.

5.68 The Hon'ble Member from Punjab stated that research funded by the government for government needs to be exempted however, cases of private research for private use needs to be

subject to tax. He also added that GST needs to be levied on consultancy services. The matter requires further deliberation with regard to private funded research.

5.69 The Hon'ble Member from Arunachal Pradesh stated that research is the basis for innovation and therefore, it needs to be exempted. He added that States like Arunachal Pradesh have a lot of scope for research in medicinal plants etc. and a lot of innovation are already underway. He expressed the view that research whether for government or private needs to be exempted.

5.70 The Hon'ble Member from Andhra Pradesh stated that research whether it is government or private needs to be exempt as it is ultimately for improving the economy and quality of life. Our policy should be to encourage research.

5.71 The Hon'ble Member from Jammu & Kashmir stated that GST needs to be levied on consultancy as there is no physical product at the end of such service on which GST can be levied as opposed to research and development which generally results in a physical product which will then be taxed. He also mentioned that there should be no distinction between private and public funded research and we should not disincentivize private research.

5.72 The Secretary clarified that based on the recommendations made in the 54th Council meeting, notification has already been issued in October providing that grants given by government or private entity to government institutions or notified private institutions for the purpose of research are exempt. Today the deliberations are for providing some clarity to the notifications so that there is no misuse.

5.73 The Hon'ble Chairperson clarified that the notification issued pursuant to the recommendations made in the 54th Meeting of the Council remains valid as on date. However with respect to the grey areas which require further clarification, the Council needs to deliberate in detail for clear instructions. She added that Fitment Committee can look in detail into these areas including whether consultancy service are being disguised in the name of research. She reiterated that the decision taken in the 54th Meeting of the Council and the notification issued pursuant to the recommendation is not being taken up for reconsideration. She stated the intent of the Council is to encourage research. The requirement for clarification has arisen to clearly lay down how consultancy will be treated and to deal with cases where consultancy is mixed with research. The Fitment Committee can look into the same and also look at cases where private entities are providing consultancy to private entities and calling it research. She also drew the attention of the Council to the recommendation of the Fitment Committee to regularize the payment of GST on research and development services carried out by Government entities against grants received from the Government or Government entities for the past period on 'as is where is basis' and stated that institutions receiving grants from government were also issued notices in the past prior to the 54th Meeting of the GST Council. She mentioned that notices issued in the past are nearing their time limit and in case GST Council not meeting again before that the said time limit expires, a decision needs to be taken on these notices as they are having wider repercussions. She requested Chairman, CBIC to place before the Council the issue and to highlight the area on which he needed guidance from the Council.

5.74 Chairman, CBIC informed the Council that in the past notices were issued to institutions like IIT for research funded by government and that these need to be adjudicated by February, 2025. He added that if a decision is not taken for the past period by the Council then these notices will be adjudicated as per the prevailing law at that time and demands may be raised against these institutions. He stressed that in view of this there is an urgency to take a decision with respect to the treatment to be accorded to the research and development services carried out by Government entities

against grants received from the Government or Government entities for the period from 01.07.2017 to 09.10.2024.

5.75 The Hon'ble Member from Uttar Pradesh felt that when notification has been issued, the notices should be revoked.

5.76 The Secretary clarified that the Council has already decided in its 54th Meeting to exempt the research and development services carried out by Government entities against grants received from the Government or Government entities however a decision needs to be taken with respect to the past period i.e. the period before the date on which the Notification came into force as the notification was prospective in nature.

5.77 The Hon'ble Chairperson clarified that this issue arose on account of the fact that the notification issued was prospective in nature and therefore a decision needs to be taken as to whether to regularize the research and development services carried out by Government entities against grants received from the Government or Government entities for the past period.

5.78 The Hon'ble Member from Gujarat agreed that the past period needs to be regularized.

5.79 The Hon'ble Member from Himachal Pradesh also stated that the past period needs to be regularized. He added that this issue has arisen on account of lack of clarity as to what constitutes research and consultancy. He mentioned that therefore a clear definition must be provided as to what constitutes consultancy or research.

5.80 The Hon'ble Member from Goa stated that government to government funded research for past period needs to be regularized.

5.81 The Hon'ble Members from Punjab, Madhya Pradesh and West Bengal also agreed with the proposal to regularize the past period.

5.82 The Hon'ble Member from Uttar Pradesh stated that the past period can either be regularized on 'as is where is basis' or notices can be withdrawn.

Decision: The Council recommended to regularize the payment of GST on research and development services carried out by Government entities against grants received from the Government or Government entities for the period 01.07.2017 to 09.10.2024 on '*as is where is*' basis. The Council further agreed to defer the other issues to avoid any misuse, including the issues regarding differences between research and consulting activities, for further examination by the Fitment Committee.

5.83 JS, TRU-II presented the agenda item relating to the request to clarify the applicability of GST on insurance service provided by the Motor Vehicle Accident Fund, constituted under the Motor Vehicles Act, 1988 and to consider exemption from GST on such services provided by the Fund. He mentioned that the contributions made to the fund are out of the premiums collected by general insurance companies on the third-party motor vehicle insurance policies on which applicable GST has already been paid. He stated that the issue was considered by the Fitment Committee and it had recommended to exempt such insurance service provided by the fund for which the consideration is represented by the contributions made by general insurance companies, out of the premium collected for third party insurance of Motor Vehicles. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended to exempt the services of insurance provided by the Motor Vehicle Accident Fund, constituted under the Motor Vehicles Act, 1988, for which the

consideration is represented by the contributions obtained from general insurance companies as a share of mandatory third party insurance of motor vehicles.

5.84 JS, TRU-II presented the agenda item relating to request to restore the tax exemption for Training Partners (TPs) approved by the National Skill Development Corporation (NSDC). He informed the Council that subsequent to the recommendations of the 54th GST Council meeting this exemption got withdrawn while recasting the relevant entry of Notification No. 12/2017-CTR vide Notification No. 08/2024-CT(Rate) dated 08.10.2024 to synchronize the GST exemption structure on skill development and training with the new regulatory architecture under National Council of Vocational Education and Training (NCVET). He stated that the issue was considered by Fitment Committee and it had recommended to reinstate the exemption and to regularize the interim period from the date of implementation of Notification No. 08/2024-CT(Rate) i.e. 10.10.2024, till the date of issue of effective implementation of amending notification on 'as is where is basis'. This was discussed in the Officers' meeting and agreed.

D**ecision: The Council recommended to reinstate the exemption given to Training Partners (TPs) approved by the National Skill Development Corporation by inserting item (f) in Sl. No. 69 of Notification No. 12/2017-CTR and also to regularize the interim period from the date of implementation of Notification No. 08/2024-CT(Rate) i.e. 10.10.2024, till the date the above entry is reinstated on 'as is where is basis'.**

5.85 JS, TRU-II presented the next agenda item relating to request to clarify whether GST is applicable on charges or fees like Floor Space Index (FSI)/additional FSI paid by builders to local authorities under Reverse Charge (RCM) basis. He stated that the issue was considered by the Fitment Committee and it had recommended that GST is applicable on charges/ fees paid for FSI including additional FSI by builders to local authorities under RCM. He informed the Council that the issue was discussed during the Officers' meeting and was deferred for more examination. It was viewed that granting of FSI as the function of municipality is to be examined. He informed that there was also a view that premium FSI may be taxed as the builders are required to pay an additional cost for the same to the municipality

5.86 The Secretary clarified that some of the municipalities for orderly development of cities along the mass transit corridor allow for additional FSI and they collect a premium on it. He stated that one view that emerged during the Officers' meeting was that this is in the domain of municipality and that it is a significant source of revenue for them for purpose of infrastructure development. Therefore, the fiscal space of municipality should not be encroached upon. He added that another view that emerged was that normal FSI may not be subject to GST but the additional/premium FSI against the consideration received from builder needs to be taxed. He informed the Council that in view of these two competing views it was felt that the Fitment Committee can look into this issue in detail and further deliberate on it from the perspective of mobilising more resources for orderly development of cities. He sought the guidance of the Council on the agenda item.

5.87 The Hon'ble Member from Karnataka stated that he agreed with the first suggestion made by the Secretary i.e. in the spirit of decentralisation, if there is further scope for optimisation of resources, it should be left to the municipalities for strengthening themselves. With respect to the second suggestion he stated that more time is required for giving it a second thought. He suggested that this can be analysed in detail after taking inputs from the Advocate General or legal experts. He added that his view is that if premium FSI is a factor of land then it should be left to the States to regulate.

5.88 The Hon'ble Member from Chhattisgarh stated that vertical growth should be maximised and therefore, FSI/premium FSI should be encouraged. Therefore, detailed deliberation is required before deciding whether GST is to be levied on these charges.

5.89 The Hon'ble Member from Uttar Pradesh also stated that the issue under consideration requires more deliberation.

5.90 The Hon'ble Chairperson stated that the agenda item will be deliberated further.

Decision: The Council recommended to defer the issue for detailed examination by the Fitment Committee.

5.91 JS, TRU-II presented the agenda item relating to request to clarify that as long as the entire transportation of goods is undertaken by road and the person transporting the goods issues consignment note, the said service would be treated as Goods Transport Agency (GTA) service instead of courier services. He stated that the issue was considered by the Fitment Committee and it had recommended to clarify that the delivery services ensuring door-to-door instant delivery through two-wheeler is more appropriately classifiable as courier service (in terms of explanatory notes to the scheme of classification of services) and not as GTA and therefore, the rate applicable to courier service should be made applicable to them. He informed the Council that the agenda item was discussed during the Officers' meeting and the considered view emerged during the meeting was to defer the item for re-examination of the rate applicable on this entire sector.

Decision: The Council recommended to defer the issue for further detailed examination by the Fitment Committee.

5.92 JS, TRU-II presented the agenda item relating to request to clarify the levy of GST towards lease rentals payment made to National Highways Authority of India (NHAI) by Oil Marketing Companies (OMCs) for developing way side amenities. He stated that the issue was considered by the Fitment Committee and it had recommended to clarify to NHAI that GST is applicable on renting of land by NHAI to OMCs at applicable rate i.e. 18%. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended to clarify to NHAI that GST is applicable on renting of land by NHAI to OMCs at applicable rate i.e. 18% .

5.93 JS, TRU-II presented the agenda item relating to request to amend entry at Sr. No. 25A of Notification No. 12/2017-CTR dated 28.06.2017 and to regularize the GST for the period from 10.10.2024 to the effective date of implementation of amending notification. He stated that subsequent to the recommendations of the GST Council in its 54th meeting held on 09.09.2024, an Entry at Sr. No. 25A was inserted in Notification No. 12/2017-CTR vide notification No. 08/2024-CTR dated 08.10.2024 so as to exempt some services ancillary or incidental to the supply of transmission and distribution of electricity provided by electricity transmission and distribution utilities to their consumers. He mentioned that the terminology used in at Sr. No. 25A was 'transmission and distribution of electricity' but the entry at Sr. No. 25 of the notification mentions 'transmission **or** distribution utilities'. He mentioned that Fitment Committee has recommended that the entry at Sr. No. 25A needs to be aligned with the entry at Sr. No. 25 so as to maintain uniformity and therefore has recommended that the words 'transmission and distribution utilities' at Sr. No. 25A may be replaced with 'transmission or distribution utilities'. He added that the Fitment Committee has also recommended that the intervening period i.e. from effective date of implementation of entry at Sr. No. 25A in notification No. 12/2017-CTR dated 28.06.2017 up to the effective date of implementation of

amending notification may be regularized on 'as is where is' basis. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended that the new entry at Sr. No. 25A be aligned with the entry at Sr. No. 25 of Notification No. 12/2017-CTR dated 28.06.2017 so as to maintain uniformity and the words "transmission and distribution utilities" may be replaced with "transmission or distribution utilities". It was also recommended to regularize the intervening period i.e. from effective date of implementation of entry at Sr. No. 25A in notification No. 12/2017-CTR dated 28.06.2017 up to the effective date of implementation of amending notification may be regularized on 'as is where is' basis.

5.94 JS, TRU-II presented the agenda item relating to request to notify Delhi Development Authority (DDA) as a Local Authority and to remove the reference of DDA from the answer to question #5 of the "FAQs on GST in Government Services Sector" wherein DDA is listed as 'not a local authority'. He informed the Council that the issue was deliberated by the Fitment Committee and it has recommended that DDA does not meet the requirement of local authority as per section 2(69) of the CGST Act, 2017 and therefore, it cannot be treated as local authority under GST law. He added that the Fitment Committee has also recommended to refer the definition of the term 'Local fund' and 'Municipal fund' to Law Committee as they are closely linked to the term "local authority". This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended to clarify that that DDA does not meet the requirement of local authority as per section 2(69) of the CGST Act, 2017 and therefore, it cannot be treated as local authority under GST law. It also recommended to refer the definition of the term 'Local fund and Municipal fund' to Law Committee. Law Committe has presented the required changes before the Council.

5.95 JS, TRU-II presented the agenda item relating to request to clarify that GST is not applicable on facility management services provided to Municipal Corporation of Delhi (MCD) HQ. He stated that MCD is using the services of facility management agency for the upkeep of their headquarters building and this is not related to performing functions entrusted under 12th schedule of the Constitution of India. He informed the Council that the issue was deliberated by the Fitment Committee and it has recommended to clarify that GST is applicable on facility management services provided to MCD HQ for upkeep of its head quarter building at applicable rates and no exemption is available to them as these services are not covered under the scope of entry at Sr. No. 3A of the notification No. 12/2017-CTR dated 28.06.2017. This was discussed in the Officers' meeting and agreed.

Decision: The Council recommended to clarify that GST is applicable on facility management services provided to MCD HQ for upkeep of its headquarters building at applicable rates and that no exemption is available to them.

5.96 JS, TRU-II presented the agenda item relating to request to review the levy of GST on Reverse Charge (RCM) basis on renting of commercial property by unregistered person to a registered person. He stated that renting or leasing of commercial property by unregistered person to registered person was brought under reverse charge basis based on the recommendations of the 54th GST council. He stated that the Fitment Committee has recommended that the taxpayers registered under composition levy scheme may be excluded from Reverse Charge(RCM) basis mechanism under Sr. No 5AB introduced vide Notification No. 09/2014-CTR dated 08.10.2024 as they are not entitled to avail the ITC of the same. It was further recommended that the intervening period from the date when the

Notification No. 09/2024-CTR dated 08.10.2024 became effective (i.e 10.10.2024) till the date the proposed notification is issued may be regularized on 'as is where is' basis. He added that a request was also received from Ministry of New and Renewable Energy (MNRE) to comment on the applicability of the GST on the leasing of Commercial Property under Reverse Charge (RCM) basis for the renewable energy projects. He informed the Council that it was examined by the Fitment Committee and it was recommended that it may be clarified to MNRE that GST has to be paid by them at applicable rates on renting of commercial property for renewable energy projects from unregistered persons under Reverse Charge (RCM) basis. This was discussed in the Officers' meeting and agreed.

5.97 The Hon'ble Member from Punjab stated that there is a possibility of misuse of these provisions by composition dealers. He mentioned that there are more than 15,000 dealers registered in Punjab and the possible revenue loss on account of misuse of this provision is high therefore, he suggested that the Fitment Committee needs to deliberate on this agenda item in detail.

5.98 The Hon'ble Member from Kerala enquired as to whether the proposal covers the government buildings that are rented out by individuals.

5.99 Chairman, CBIC clarified that the issue pertaining to composition dealers was raised in various forums. He stated on account of this provision the composition dealers would have to pay GST on renting of commercial property under RCM but they are not entitled to take ITC. Therefore, this becomes an added cost for the small businesses. He added that most of such composition dealers fall under the MSME sector and therefore, a request was received to carve out an exception for them.

5.100 The Hon'ble Member from Kerala stated that as per his understanding, the composition dealers who has taken buildings on rent from government should also be getting exemption but that clarification as it is not mentioned specifically in the agenda item.

5.101 The Hon'ble Member from Punjab stated that the revenue loss on account of such an exemption needs to be analyzed and details of the revenue loss should also be given for each State.

5.102 Chairman, CBIC stated that it needs to be seen whether we treat this exemption as a step to remove the additional burden on small business under MSME sector or as a loss of revenue for the State.

5.103 The Hon'ble Member from Punjab stated it is the view of the State that the revenue loss accruing to the States on account of this exemption needs to be looked into in detail and that the issue needs to be reconsidered in light of that data.

5.104 Chairman, CBIC stated that he would like to bring to the knowledge of the Council that there was a strike in Tirupur, Tamil Nadu three days ago by small traders on this issue of levy of GST under RCM on the renting or leasing of commercial property by unregistered person to registered persons. The concern of these small business owners who are composition dealers was that this has become an additional cost to them as they cannot claim ITC. He added that if the Council decides not to carve out such an exemption for taxpayers registered under composition levy scheme then it may have similar repercussions.

5.105 The Hon'ble Member from Tamil Nadu stated that this exemption should be allowed as it will help the local traders. He also added that at this point it is difficult to calculate the revenue loss.

5.106 The Hon'ble Member from West Bengal stated that they are also of the view that this exemption with respect to taxpayers registered under composition levy scheme should be allowed.

5.107 The Hon'ble Member from Meghalaya stated that they are in favor of this exemption as it will send out a very positive message.

5.108 The Secretary mentioned that with respect to the concern raised by Hon'ble Member from Punjab he would like to clarify that an unregistered person renting out property was not under the ambit of tax. The law has created a deeming fiction to tax it on Reverse Charge (RCM) basis. He added that this deeming fiction had certain fall outs as it brought composition dealers under this RCM mechanism and the present agenda item is attempting to rectify the same by carving out an exception for these small business owners.

5.109 The Hon'ble Member from Punjab stated that their apprehension is that this exemption may be misused by others and therefore, it needs to be seen whether any check can be made for the same.

5.110 The Secretary clarified that at the time of issuing the relevant Notification, efforts would be made to put some safeguards to check such misuse of this exception.

5.111 The Hon'ble Member from Goa supported the recommendation.

Decision: The Council recommended to notify that the taxpayers registered under composition levy scheme may be excluded from the entry at Sr. No. 5AB introduced vide Notification No. 09/2024-CTR dated 08.10.2024. It further clarified that the intervening period from the date when the notification No. 09/2024-CTR dated 08.10.2024 became effective (i.e 10.10.2024) till the date of the proposed notification may be regularized on '*as is where is*' basis. It was also recommended that it may be clarified to MNRE that GST has to be paid at applicable rates on renting of commercial property for renewable energy projects from unregistered persons under RCM.

5.112 JS, TRU-II presented the agenda item relating to request to revise the definition of 'specified premises' which refers to declared tariff of any unit of accommodation above Rs 7500 per unit per day or equivalent, for the purpose of determining the GST rate on supply of restaurant service in such premises and also to clarify the period for which GST @18% is to be charged for restaurant located in specified premises. He stated that at present if the declared tariff of accommodation in a hotel is above Rs 7500 per unit per day then the applicable GST on the restaurant service provided from such hotel is 18% with ITC. However, if the declared tariff of accommodation in a hotel is below Rs 7500 per unit per day then the applicable GST on the restaurant service provided from such hotel is 5% without ITC. The concept of 'declared tariff' was earlier used to determine the rate of taxability of hotel accommodation but was later replaced with the term 'value of supply'. However, it is continuing to cause hardship to hotels and restaurants, who are uncertain about the rate of GST applicable to restaurants operating in such hotel premises. The issue was deliberated by the Fitment Committee and it has recommended that the term 'declared tariff' may be deleted and the definition of specified premises may be suitably amended to make the rate of GST applicable on restaurant services in hotels, for a given financial year, dependent upon the 'value of supply' of units of accommodation made in the preceding financial year, i.e. (i) 18% with ITC for restaurant services for the entire financial year, if the 'value of supply' of hotel accommodation exceeded Rs. 7500 for any unit of accommodation in the preceding financial year, and (ii) 5% without ITC otherwise. He added that the Fitment Committee had also suggested giving an option to the supplier of hotel accommodation services to declare its

hotel/premises as ‘specified premises’ thereby levying GST on restaurant services supplied from such premises at the rate of 18% with ITC, provided the said declaration is given before the beginning of the financial year or on obtaining registration. It was also proposed by the Fitment Committee that these changes may be made effective from 01.04.2025 to avoid any transition difficulties. It was also recommended to examine the possibility of amending the law to provide for a mechanism for availability/reversal of ITC for the taxpayer who would be going from 5% without ITC to 18% with ITC and vice versa and accordingly, Fitment Committee had recommended to refer the issue of providing this mechanism to the Law Committee for comprehensive examination. He informed the Council that this was discussed in the Officers’ meeting and there was agreement.

5.113 However, the State of Kerala had requested to re-examine whether the threshold of Rs. 7500 be continued for the future and also the modalities for determining the rate of tax applicable to restaurant services in such hotels.

5.114 The Hon’ble Member from Jammu & Kashmir welcomed the recommendation but he suggested that in future the Council may consider delinking the GST rate of restaurants from the room tariffs. He added that room tariffs are dynamic, reacting to the market forces and limiting the hotels to charge Rs. 7500 actually reduces their options. He elaborated that in Jammu many of the hotels are forced to limit their tariff to below Rs. 7500 so as to reduce the applicable GST on their attached cafes as it is a price sensitive market. He added that it is better to give them an option to decide whether they want 18% with ITC or 5% without ITC otherwise.

5.115 The Hon’ble Member from Puducherry stated that it is better to delink the rate applicable on restaurant services from the room tariff. He stated that he agreed with the view expressed by the Hon’ble Member from Jammu & Kashmir that the room tariffs are seasonal. He mentioned that if in a financial year the hotel has charged more than Rs. 7500 for any unit of accommodation for a day they would have to charge 18% with ITC for restaurant service for the entire financial year. He mentioned that there is also the issue of group bookings, families staying in a dormitory type room where tariffs go up. He also added that in Puducherry there are a lot of day visitors and if they want to go to a good restaurant, they will also be charged 18%. He mentioned that for these reasons the Council may consider delinking the rate applicable on restaurant services from the room tariff. For the past period, an ‘as is where is’ decision may be taken, as there was some confusion in the rate of GST applicable for restaurant services supplied from such premises.

5.116 The Hon’ble Member from Kerala stated that he supports the recommendation but as pointed out by the Hon’ble Members from Jammu & Kashmir and Puducherry, the hotel prices are dynamic and respond to seasonal changes and local factors. He added that its impact on tourism industry also needs to be considered and in Kerala this issue has also impacted the house boats providing the accommodation services who are dealing with tax notices. He added that the recommendation is acceptable to the State but in future the aspects of dynamic pricing and tourism also need to be considered.

5.117 The Secretary stated that the guidance given by the Council will be taken into consideration while moving forward. He added that in the present meeting it is being decided to do away with the ‘declared tariff’ and this will bring ease in taxation of such services to the industry. He added that the aspects raised during the discussions will be duly considered by the Fitment Committee viz., the limit of Rs. 7,500/- per day be looked into and the aspect of variation in prices for a brief period in a year be looked into.

5.118 The Hon'ble Member from Jharkhand stated that the recommendation to amend the definition of 'specified premises' will also have an impact on outdoor catering as outdoor catering made available to specified premises is charged at 18%. He suggested that therefore the impact of this recommendation on outdoor catering also needs to be looked into by the Fitment Committee.

5.119 The Hon'ble Member from Himachal Pradesh stated that Airbnb service providers are not levying GST despite them charging high tariffs for accommodation. This is affecting the existing hotels also. He added that these institutions are also availing power and water at concessional rates. He suggested that they need to be brought under the ambit of GST.

5.120 The Hon'ble Member from Goa stated that he agrees with the views expressed by Hon'ble Member from Himachal Pradesh, and he added that these Airbnb's are utilizing residential flats for tourism without any levy of GST. In view of the same, he suggested that Airbnb service needs to be brought under the ambit of GST.

5.121 The Hon'ble Member from Maharashtra stated that with respect to the VAT applicable on liquor consumed in hotels it is categorized as per the star rating of the hotels in Maharashtra. Four and five-star rated hotels pay higher tax. She enquired as to whether any similar mechanism can be considered for determining the GST applicable to restaurants rather than linking them with the room tariff.

5.122 The Secretary informed that the suggestion made by Hon'ble Member from Maharashtra will be looked into but he also mentioned that apart from premier hotels a large number of restaurants do not have a bar attached to them. With respect to the suggestions made in relation to Airbnb he stated that if the annual turnover of these suppliers crosses Rs 20 lakhs they will have to take GST registration and pay all the applicable charges.

Decision: The Council recommended the following:

a. **The definition of declared tariff may be deleted and the definition of specified premises may be suitably amended to make the rate of GST applicable on restaurant services in hotels, for a given financial year, dependent upon the 'value of supply' of units of accommodation made in the preceding financial year, i.e. (i) 18% with ITC on supply of restaurant service in hotels for the entire financial year if the 'value of supply' of hotel accommodation exceeded Rs. 7500 for any unit of accommodation in the preceding financial year, and (ii) 5% without ITC otherwise.**
b. **An option may be given to the supplier of hotel accommodation to declare its hotel as 'specified premise' so that GST on restaurant service supplied from such premises is leviable at the rate of 18% with ITC, provided the declaration is given before the beginning of the financial year or at the time of applying for registration.**
c. **The above changes may be made effective from 01.04.2025 to avoid any transition difficulties.**
d. **The issue may be referred to the Law Committee to examine the possibility of amending the law to provide for a mechanism for availability/reversal of ITC for the taxpayer who would be moving from 5% without ITC to 18% with ITC and vice versa.**

Agenda Item 4 (d): JS, TRU-II presented the agenda item pertaining to recommendations of Fitment Committee where no change has been proposed in relation to Services as mentioned at Annexure V in the Agenda Volume I.

5.123 JS, TRU-II presented the agenda item relating to request to exempt GST on Lighthouse dues collected by Directorate General of Lighthouses & Lightship (DGLL) for the period 01.07.2017 to 31.08.2022. He stated that the issue was deliberated by the Fitment Committee, and it had recommended that the request may not be accepted. He informed the Council that this was discussed during the Officers' meeting and there was agreement to not accept this request from DGLL.

Decision: The Council recommended to not exempt GST on Lighthouse dues collected by Directorate General of Lighthouses & Lightship (DGLL) for the period 01.07.2017 to 31.08.2022

5.124 JS, TRU-II presented the agenda item relating to request to examine the inclusion of services under the Notification No. 17/2017-CTR dated 28.06.2017 under which four services (Passenger transport services, Hotel accommodation services, Restaurant services and Housekeeping services) have been notified on which GST is paid by Electronic Commerce Operator under Section 9(5) of CGST Act, 2017. He stated that the issue was considered by the Fitment Committee, and it had recommended that services presently notified under section 9(5) may continue and no further change was recommended. He informed the Council that this was discussed during the Officers' meeting and the decision was agreed upon.

Decision: The Council recommended to continue with the existing services namely Passenger transport services, Hotel accommodation services, Restaurant services and Housekeeping services which were notified under the Notification No. 17/2017-CTR dated 28.06.2017.

5.125 JS, TRU-II presented the agenda item relating to request to either exempt electric vehicle (EV) charging services at public charging stations or to reduce the rate on EV charging service from 18 % to 5% or to clarify that the activity of charging EVs in a charging station essentially involves supply of electricity and therefore should be chargeable at the same rate applicable to supply of electricity. He informed the Council that the issue was deliberated by the Fitment Committee, and it had recommended to not accept the request. He informed the Council that this was discussed during the Officers' meeting and was agreed.

Decision: The Council recommended to maintain status quo regarding the rate of GST applicable for EV charging services at public charging stations.

Agenda Item 4(e): JS, TRU-II presented the agenda item on the issues deferred by the Fitment Committee for further examination in relation to Services as mentioned at Annexure VI in the Agenda Volume I.

5.126 JS, TRU-II presented the agenda item relating to request to clarify the applicability of GST on the upfront amount/ concession amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model and also on short term toll collection under other models. He informed the Council that the issue was deliberated by the Fitment Committee and it had recommended to defer the matter. He informed the Council that this was discussed during the

Officers' meeting. He stated that the Officers from States of Maharashtra and Madhya Pradesh viewed that the amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model may be considered for exemption whereas the Officers from Karnataka and Uttar Pradesh requested to defer the the matter for further examination.

5.127 The Secretary sought the guidance of the Council in this matter as the this issue was not limited to NHAI but will cover any TOT Model of State PWD as well . He cited the examples of expressways/green field corridors in the case of States of Maharashtra, Madhya Pradesh and Uttar Pradesh. He mentioned that funds available with governments are limited whether it is Union or State government and therefore the governments look for asset monetization. If we tax such public private partnerships, it becomes a non-starter. He further clarified that in this case the toll is already exempted and the amount that the concessionaire pays to NHAI is lump sum upfront payment of toll revenue and the concessionaire gets the right to demand and collect toll for a fixed period. The Secretary stated that it is his considered view that exemption needs to be given on TOT and BOT model and he requested that the Council may take a decision on the item instead of deferring it.

5.128 The Hon'ble Member from Himachal Pradesh stated that he agrees with the view expressed by the Secretary that this should be exempted. He also mentioned that the CGST authorities have issued a demand notice of Rs. 200 crores to Himachal Pradesh government. He sought intervention of the Council to exempt the State from this demand of GST. He also mentioned that the State has limited avenues for raising revenues and that the State has also started collecting toll taxes by setting up state toll tax barriers. It was earlier exempted on par with NHAI.

5.129 The Hon'ble Member from Karnataka clarified that in the agenda circulated it is mentioned that the Fitment Committee recommended to defer the agenda item for further deliberation and on account of this the State has also not further deliberated on this agenda item. He added that he had enquired with his officers as to whether this included only the toll portion or whether it includes other services that go with toll operations and that his officers were also not clear on this aspect. He stated they would like to have further deliberation as the issue had been recommended for deferral by the Fitment Committee.

5.130 The Secretary stated that the issue could be further deliberated by the Fitment Committee and thereafter this can be brought before the Council.

5.131 The Hon'ble Member from Uttar Pradesh stated that the data with respect to this decision needs to be compiled with regard to the financial implications and be brought before the Council.

5.132 The Secretary stated that it will be difficult to collate the exact data as this decision would have an impact on many projects that are in the pipeline. However, he assured that efforts will be made to present the data with respect to the projects that are already underway. He again submitted that levying any tax on the TOT projects would put an end to this model.

5.133 The Hon'ble Member from Chhattisgarh stated that we should promote PPP model in infrastructure. Hence, these models need to be exempted from GST. This will be a small but important reform.

5.134 The Hon'ble Member from Goa stated that for boosting infrastructure development the TOT and BOT models should be given exemption from the levy of GST. He stated that he agreed with the view expressed by the Secretary.

5.135 The Hon'ble Member from Gujarat stated that exemption should be given to the projects that are underway.

5.136 The Hon'ble Member from Karnataka added that the agenda item as circulated includes maintenance expenses for upkeep, toll booth operation, landscaping and other necessary activities. He added that there are no two views regarding exempting tax on toll, however the area of concern is maintenance which includes other commercial activities. He mentioned that 'other necessary activities' is a broad term and it needs to be seen what other services are bundled with toll operator.

5.137 The Hon'ble Member from Madhya Pradesh stated that these models should be given exemption from the levy of GST**.**

5.138 The Hon'ble Member from Himachal Pradesh requested the intervention of the Hon'ble Chairperson to withdraw the notice issued to them by CGST authorities. He reiterated that they support the decision to keep the TOT models exempt from the levy of GST.

5.139 The Secretary informed that the issue raised by Hon'ble Member from Himachal Pradesh will be discussed separately with the State officers and it will be seen as to what course of action can be taken with respect to the notice issued by CGST authorities

Decision: The Council recommended deferring the issue of applicability of GST on the upfront amount/ concession amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model.

5.140 JS, TRU-II presented the agenda item relating to request to clarify the taxability of services provided by NBFCs to banks in co-lending arrangements. He informed the Council that the issue was deliberated by the Fitment Committee, and it had recommended to defer the item. He informed the Council that this was discussed during the Officers' meeting and that this was agreed upon.

Decision: The Council recommended to defer the issue for further examination by Fitment Committee.

Agenda Item 4 (e): JS, TRU-II presented the agenda item on the issues related to Services on which Fitment has not made any recommendations as mentioned at Annexure VII in Agenda Volume I.

5.141 JS, TRU-II presented the agenda item relating to request to exempt GST on the services provided by Goethe Institutes/ Max Mueller Bhavans, funded by the German Federal Foreign Office, in India for the period from 01.07.2017 to 31.03.2023. He stated that from 1st April, 2023, Goethe Institutes have started collecting and paying GST. However, prior to 1st April, 2023, Goethe Institutes did not collect GST nor did they remit the same to Government as they were under the belief that their activities are exempt from GST. He mentioned that the Ministry of External Affairs has requested to

re-examine the issue of retrospective exemption. He added that the quantum of GST involved is approx. Rs 52 crores. He informed the Council that this institute has 6 centres in 5 states. The Fitment Committee has not made any recommendation on this issue and was of the view that the Council may take a decision on the same. He informed the Council that this was discussed during the Officers' meeting and the considered view was that the past period may be regularized on 'as is where is' basis.

5.142 The Secretary stated that our country is strong in the fields of IT, IT services and English and that the youth have been able to capitalise on these strengths. However, for targeting the European and Japanese markets it is very necessary to know the language specific to those countries such as German, French or Japanese. He added that Goethe Institutes has a long history in the country and an important source for teaching German language. For last one and half years, they are collecting and paying GST. It is also an important diplomatic issue between the two countries. He informed the Council that keeping in view these considerations it was felt during the Officers' meeting that the past period may be regularized on 'as is where is' basis. He sought the views of the Hon'ble Members to this proposal

5.143 The Hon'ble Member from Tamil Nadu stated that they welcome this proposal as a diplomatic goodwill gesture irrespective of the fact that the State has issued demand notice to the institute for the past period.

5.144 The Hon'ble Members from Uttar Pradesh, West Bengal and Punjab also agreed to the proposal.

5.145 The Hon'ble Member from Karnataka agreed to the proposal to regularize the past period on 'as is where is' basis. However, he informed the Council that for the same period Alliance Française, UK cultural attaché and similar other cultural centres of other countries have paid GST.

5.146 The Hon'ble Member from Kerala agreed to the proposal however he cautioned against extending the benefit to large number of institutions that are teaching foreign languages as education is big business. He stated that they agree to this proposal as a special case but also mentioned that there seem to be no reciprocal arrangements for our institutions in place.

5.147 The Secretary clarified that this exemption is not being extended to any other institutions. He thanked all the Hon'ble Members for supporting the proposal.

Decision: The Council recommended to regularize the issue of GST payment by Goethe Institutes/ Max Mueller Bhavans, for the past period from 01.07.2017 to 31.03.2023 on 'as is where is' basis.

6. **Agenda Item 5 : Closure of Group of Ministers (GoM) on Analysis of Revenue**

6.1 The Secretary requested the Joint Secretary, GST Council Secretariat (JS, GSTCS) to present the agenda item relating to Closure of the Group of Ministers (GoM) on Analysis of Revenue.

6.2 JS, GSTCS informed the Council that the agenda item pertained to a proposal for closure of GoM on Analysis of Revenue. She stated that this GoM was constituted vide OM dated 01.01.2019 pursuant to the decision of the GST Council in its 31st meeting held on 22nd December 2018. She further stated that the GOM on Analysis of revenue comprised of the following members:

S.No.	Name	Designation	State	
1.	Shri Dushyant Chautala	Deputy Chief Minister	Haryana	Convener
2.	Shri Kanu Bhai Desai	Minister of Finance, Energy and Petrochemicals	Gujarat	Member
3.	Shri Mauvin Godinho	Minister of Transport, Panchayati Raj, Housing, Protocol and Legislative Affairs	Goa	Member
4.	Shri Krishna Byre Gowda	Minister of Revenue	Karnataka	Member
5.	Shri K.N. Balagopal	Minister of Finance	Kerala	Member
6.	Shri Bikram Keshari Arukha	Minister of Finance	Odisha	Member
7.	Shri Harpal Singh Cheema	Minister of Finance	Punjab	Member

6.3 JS, GSTCS stated that the terms of reference of the GoM were to analyse State-wise trends of revenue collection, both pre-GST and post GST; analyse structural patterns emerging out of certain major sectors of economy affecting the revenue collection including the services sector; identify underlying reasons for deviations in revenue collection trends vis-a- vis original assumption arrived at during design and implementation of GST, in particular less than expected revenue collection of some of the major consuming States; undertake data analytics using econometric and statistical tools on the above issues and to suggest suitable measures/policy intervention for course correction for revenue augmentation, particularly for the States suffering high revenue shortfall.

6.4 JS, GSTCS stated that the recommendations made by the GoM on Analysis of Revenue was tabled in the 38th meeting of the GST Council held on 18th December, 2019. She further stated that the recommendations made by the GoM included several key suggestions such as to ask States to propose ways to improve GST compliance, study to be undertaken to examine the rationalization of GST rates and tariffs, including the potential merger of GST slabs etc. It was also recommended by the GoM that there should be an analysis of GST collection from the real estate sector and that efforts should be made to enhance States' ability to harness the tax potential from services. A comprehensive study on e-commerce, particularly focusing on the impact of deep discounts offered by platforms, to be conducted to explore avenues for augmenting revenue was also suggested by the GoM. She added that the GoM had also recommended that a study should be initiated to investigate the possibility of expanding the scope of the Cess, which could include increasing the Cess rate or bringing additional items under its levy.

6.5 JS, GSTCS then presented the rationale for recommending the closure of the GoM. She that that there is task overlap and that at present the recommendations of the GoM on analysis of revenue are also being addressed by the GoM on Rate Rationalization, GoM for boosting the real estate sector and the newly constituted GoM on Compensation Cess. JS, GSTCS also stated that the revenue collection has stabilized over the past seven years and that requisite mechanisms to address the issues relating to compliance and enforcement are in place. Also, that the Law Committee regularly deliberates on ways to strengthen the compliance mechanisms that would lead to revenue

augmentation. She mentioned that in view of these reasons it is being suggested that the requirement of a separate Group of Ministers on analysis of revenue may not exist anymore. The proposal was placed before the GST council for its consideration.

6.6 The Hon'ble Member from Tamil Nadu stated that the Terms of Reference of the GoM specially the ones relating to analyzing the state wise trends of revenue collection, analyzing structural patterns emerging out of major sectors of economy are very much relevant even at present. He stated that this is the first time in recent past that sector-wise revenue has been included in the revenue trend agenda, which would greatly assist State governments in formulating their macroeconomic policies. He further emphasized that this information would provide valuable insights and, therefore, requested that the Group of Ministers (GoM) be retained and reconstituted with additional terms of reference. He proposed that at least two meetings be held each year. The Hon'ble Member from Tamil Nadu expressed his willingness to be part of the GoM and if given the opportunity host the next meeting in Chennai.

6.7 The Hon'ble Member from Gujarat emphasized the importance of data analysis, noting that it could provide valuable insights into the process of rationalization. He suggested that instead of a Group of Ministers (GoM), a team of officers could be formed by the Council to look into the same.

6.8 The Hon'ble Member from Maharashtra highlighted that according to available data, there has been a significant reduction in the year-on-year growth of GST collections in 2024-25, with a particularly sharp decline observed in Maharashtra and other leading states as well. She requested that the Group of Ministers (GoM) be retained to address the issue. She also pointed out that the last GoM was constituted in 2019 and therefore, suggested that the GoM be reconstituted by including the top states experiencing such a drastic reduction in GST growth.

6.9 The Hon'ble Member from Himachal Pradesh expressed concerns over the impact of the end of GST compensation in May 2022, which has significantly affected the state's revenue. In the year 2023-24, the state's GST collection, in the seventh year of GST implementation, was only around 65% of what it was in the fifth year. He highlighted that Himachal Pradesh is a producer state, manufacturing significant portion of pharmaceutical drugs. But it has low consumption due to its small population base, particularly in regions like Lahaul-Spiti, which has a population density as low as 2 persons per square kilometer. He requested that a new GST policy framework be developed to better balance production and consumption parameters. Given the state's low carbon footprint, he also suggested that Himachal Pradesh, along with other states, be compensated in a manner similar to low-emission countries under the Kyoto Protocol. He urged that both production and consumption factors be considered for devolution of funds under GST.

6.10 The Hon'ble Member from Punjab stated that the GoM should be continued, and pointed out that since he became a member in 2023, not a single meeting has been held. He emphasized the need for the GoM to be retained and for a time-bound, detailed analysis of revenue and its impact on the economy of the states. He also mentioned that an examination of the effects of the discontinuation of the compensation cess on the revenue of the States also needs to be undertaken.

6.11 The Secretary informed the Council that in the Officers' meeting, it was suggested that the States be invited to provide their recommendations on the Terms of Reference for the reconstitution of the Group of Ministers (GoM), in order to avoid any overlap with other existing GoMs. He added that other GoMs were already examining related issues, and that this was agreed upon by the officers. He stated that if agreed to by the Members, suggestions on the proposed Terms of Reference would be sought from all States in the next couple of weeks so that the same could be finalized. He also stated

that the willingness of the States to be part of the reconstituted GoM will also be called for prior to reconstituting the GoM.

Decision: The Council recommended that all states share their suggestions for the revised terms of reference (ToR) of the Group of Ministers on Analysis of Revenue from GST and also their willingness to be part of this GoM. The GoM on Analysis of Revenue be then reconstituted based on the feedback obtained from States.

7. Agenda Item 6: Recommendations of the 22nd meeting of the IT Grievance Redressal Committee for approval/decision of the GST Council

7.1 Joint Secretary, GST Council Secretariat (JS, GSTCS) presented the next agenda item relating to the recommendations of the 22nd meeting of ITGRC which was held on 19.09.2024, for consideration of the GST Council.

7.2 JS, GSTCS stated that in cases taxpayers face any technical glitches because the taxpayers' data has been incorrectly processed in the back-end utilities, GSTN carries out data fixes. She stated that for the 22nd meeting of the IT Grievance Redressal Committee (ITGRC), GSTN bought 21 such issues where data fixes had been carried out/proposed in consonance with the SOP laid down in the 45th meeting of the GST Council, 9 of which were technical issues without financial implications. ITGRC took note of the data fixes that were carried out or were proposed by GSTN in all the 9 issues. In case of 7 technical issues with financial implications, ITGRC recommended waiver of late fee in 2 cases and directed GSTN to inform the ITGRC about the status of recovery amounting to Rs. 41,03,025/- and took note of the data fixes that had been carried out by GSTN. Two similar issues that were discussed and approved in the previous ITGRC meetings were also taken note of by ITGRC.

7.3 JS, GSTCS further stated that there was a status update on 3 issues which were discussed in previous ITGRC meetings that were brought up before the Committee for information. The first was an update on the data mismatch between the backend data that was being maintained and the ledgers of taxpayers. When it came first before the ITGRC, there were 75,732 such cases but after deduplication, the number came down to 61,763 cases. The ITGRC took note of the reset done by GSTN in 41,315 of these cases and 6,803 returns that had been re-filed subsequent to which an amount of Rs. 2,222 crores had recovered. But issue arose with 15,960 cases of taxpayers who had been cancelled and around 4,470 cases of insufficient ITC balance. The ITGRC recommended that the views of the Law Committee on the way forward in respect of such cases may be obtained. There was also an issue where the refund amount that was supposed to be credited to the Consumer Welfare Fund but was credited in taxpayers' bank accounts. ITGRC took note of the recoveries amounting to Rs.9,74,758/- done so far in such cases and directed GSTN to pursue 7 pending cases of recovery amounting to Rs. 3.17 lakh.

7.4 JS, GSTCS stated that there was one more issue which related to the 20th meeting of ITGRC where a status update was given in the 22nd meeting of the ITGRC. This issue pertained to refund applications had been created on duplicate records in cases of duplicate transmission of shipping bills. An amount of Rs. 1.47 crore has been recovered so far and balance of Rs. 1.29 crore remains for recovery. There was one more request from Tamil Nadu in the 22nd meeting of the ITGRC that States should be given access to taxpayers' tickets that were raised on GSTN so that they could also follow it up and be in a position to resolve the issues. ITGRC had requested GSTN to categorize these

complaints or grievances that the taxpayers raised and to maintain the data State wise and keep the records of open and closed tickets State wise.

Decision: The GST Council approved the recommendations made by the ITGRC during its 22nd meeting and took note of the data fixes carried out or proposed by GSTN.

7.5 The Secretary requested the Joint Secretary, TPRU to present the agenda items pertaining to Department of Revenue (DoR).

8. Agenda Item 7: DoR Agendas

Agenda Item 7(a): Review of revenue position under Goods and Services Tax

8.1 Joint Secretary (JS) TPRU presented the first agenda of DoR pertaining to the revenue position for the current financial year from April 2024 to November 2024. He informed the Council that in the last three months since the last meeting in September 2024, gross revenue growth was recorded a YoY growth of 6.5% in September 2024, 8.9% in October 2024 and 8.5% in November 2024 respectively. He noted that on a cumulative basis for the current year till November 2024, gross collections have grown by approximately 9.3%, while net collections have grown at an average rate of 9.1%. He further highlighted that the month-on-month revenue trend shows that revenue realisation this year is in the same band vis-à-vis last year. He also mentioned that although the growth percentage in recent months may have come down a little bit, but the monthly revenue trend continues to be the same as was there in the earlier years as well.

8.2 JS TPRU then presented the position on IGST settlement, informing the Council that there is an accumulated negative balance of approximately ₹ 32,000 crores as of November 2024. A detailed presentation on this issue has been prepared by the Committee of Officers constituted for this purpose which would separately deliberate further on the matter.

8.3 JS TPRU proceeded to present the state-wise year-on-year revenue growth, highlighting both pre-settlement and post-settlement figures. He stated that the average growth on pre-settlement basis was 9%, with some states performing at or above the national average and many lagging behind the national average which were highlighted. Regarding post-settlement figures, he informed the Council that State revenues have grown by approximately 13%, and 14 states had performed at or above the national average. He emphasized that this disparity in state-wise performance needs further deliberation at the State level.

8.4 JS TPRU informed the Council that for the first time sector-wise revenue trend was being presented, the importance of which was also pointed out by Tamil Nadu earlier. He explained that it was based on the revenue analysis of the top 30 sectors, comparing the revenue growth observed this year with that of the previous year. This detailed breakdown was aimed to provide insights into sectors where revenue growth has not met expectations. He noted that in the support services sector, last year's growth stood at 22.6%, whereas this year, it had decreased to 16.4%. Similarly, in the passenger cars and buses sector, growth had reduced from 20.4% last year to 11.7% this year. He further summarised the revenue trend in the construction sector, pointing out a decline in the growth of supplies of construction materials such as cement, glass, and ceramics, which had registered a negative growth of 8.9% this year compared to a robust 16.3% growth last year. In commercial buildings, he observed that there was a significant reduction in growth, from an impressive 84% last year to just

10.7% this year. Similarly real estate services experienced a growth of 30.5% last year, which had now reduced to 17.9% this year. He noted that this indicates some strain in the construction-related services sector.

8.5 JS TPRU further highlighted the trends in other sectors, like leather, paper and wooden articles sector, noting that there has been a decline of 5.1% this year, compared to a growth of 7.2% in the previous year. He further proceeded to discuss the performance of the top 21 to 30 sectors. He noted that residential buildings have shown a slower growth rate this year, with a growth of 28.2% compared to 65% last year. Similarly, leasing and rental services have also experienced some strain in terms of growth during the current year. He explained that this sector-wise growth analysis is a new initiative started in this Council meeting, which will continue to be refined in the subsequent meetings. This will help in revenue forecasting, better targeted policy formulation, and aid risk assessment and resource allocation. He further presented the relative contribution of the top 30 sectors to the overall collections this year compared to the previous year. He clarified that this analysis is tied to the growth charts presented earlier. The agenda was placed before the Council for consideration.

Decision: The GST Council took note of the revenue position under GST.

Agenda Item 7(b): Status update on issues related to IGST Settlement to States

8.6 JS TPRU requested the Additional Secretary, DoR and the Convenor of the Committee of Officers on IGST Settlement to present the next agenda on IGST settlement.

8.7 Additional Secretary, DoR, informed the Council that several meetings of the Committee on IGST settlement were held in both physical and hybrid modes, with all States participating in a very constructive manner. He further stated that the Committee had reached certain conclusions and made recommendations, which include proposed changes to the settlement rules as well as improvements in the administration of the IGST system through the GSTN network. He then requested CST, Maharashtra, Member of the Committee, to make the first part of the presentation.

8.8 CST, Maharashtra informed that the Committee was set up pursuant to the decision taken in the 54th GST Council Meeting, where many states expressed concerns that the IGST settlements were happening on an ad hoc basis. As the States were not fully satisfied with the IGST revenues accruing to them, a Committee was constituted as per the Hon’ble Chairperson's direction. This Committee was chaired by the Additional Secretary (Revenue) and included officers from Gujarat, West Bengal, Madhya Pradesh, Maharashtra, Tamil Nadu, Kerala, Uttar Pradesh, and Bihar. Other members included the CEO GSTN, Commissioner, GST Policy Wing, DG (Systems) (CBIC), and the Joint Secretary, TPRU. The Terms of Reference for the Committee were to examine the underlying Rules, identify inconsistencies in the rules and their implementation through the IT system, and address flaws that contributed to the States' dissatisfaction with IGST settlements. He stated that the Committee’s task was to analyse the processes, identify the root causes of these perceived flaws and provide recommendations. He stated that the Committee reviewed all relevant rules, provisions under the Act, and the IT system developed for IGST settlement which formed the foundation of the Terms of Reference (ToR) given to the Committee. He informed the Council that four meetings were held by the Committee, during which all states were requested to provide their comments. Based on these comments, a draft report was circulated on 30th October 2024, and a final report was now being submitted to the Council.

8.9 CST, Maharashtra then presented a summary of the report. He explained that one of the key issues identified was related to the IGST settlement process, which takes place through two modes. There were no significant concerns with the first mode, which involves cross-utilization of credits. However, the second mode, concerning apportionment, presented challenges. This issue arises when the IGST chain is disrupted due to consumption by unregistered persons in a state due to imports, inter-state supplies, ineligible input tax credits, or unclaimed input tax credits. The primary concern highlighted was with the apportionment component. He further elaborated on the legislative framework, noting that sections 17 and 18 of the IGST Act are central to the process. Section 18 governs cross-utilization, while section 17 pertains to settlement rules. He stated that the Committee began its work by examining the Rules, which define how each component of the apportionment process should be settled. CCT, Maharashtra stated that the primary issue highlighted by all the States was related to IGST settlement. IGST settlement is unique in many ways because, unlike other modes of settlement where states have direct access to data showing the revenue they receive, in the case of IGST, the recipient state does not have access to such data. Instead, the data is available or could be available with various entities, such as GSTN, Customs (ICEGATE), exporting states, manufacturing states, or states transferring goods and services to the recipient state. This lack of direct access to data creates confusion for recipient states, leading to perceptions that they are receiving less revenue than they should. He further stated that the main issue is the lack of access to data, which has created doubts. Another issue pertains to the use of secondary data from returns. The system relies on this secondary data from returns to infer how much revenue should be allocated to a particular state during the settlement process. However, many of these forms have undergone changes over the past four to five years, following deliberations in the Law Committee and subsequent approvals from the Council. As a result, there is a gap in how information is captured, that has led to gaps in data. He further stated that several settlement principles rely on voluntary disclosures by taxpayers, which lack statutory backing to enforce disclosure. For instance, taxpayers are generally expected to reverse unavailed IGST credit, enabling the recipient state to receive credit. However, there is no legal provision to compel taxpayers to reverse such credit. This is another significant reason contributing to the challenges in IGST settlement.

8.10 CST, Maharashtra further informed that the Committee identified ten main reasons behind the issues in IGST settlement. For instance, under the apportionment mode, there are approximately eight categories through which revenues accrue to the States. It was observed by all States that, out of these eight categories, three categories consistently reported nil settlements. This meant that none of the States were receiving revenue under these categories, which has become a major cause of concern. Questions were raised by States as to why these three categories were still showing as nil. The second issue highlighted was the need for a legal framework to mandate taxpayers to report ineligible ITC and ITC reversals under the Invoice Management System (IMS). The third issue is related to changes or amendments made over the last four to five years, which were not reflected in the Settlement Rules and Forms. To address this, the need for a more dynamic system was emphasized; one that could adapt to the settlement logic automatically whenever a rule or form undergoes a change, ensuring there is no adverse impact on the settlement process.

8.11 CST, Maharashtra stated that the next issue highlighted by the states was the non-alignment of the settlement forms with the settlement rules. The fifth issue pertained to the sources of data used in the settlement process. Each settlement form derives data from three or four different forms out of the eight available forms. However, the sources used for capturing this data were not transparently known to the states. There were discrepancies in data with regard to specific data reported in a particular form and that reflected in settlement form. To address this concern, it was decided that all data sources would be transparently shared with the States. This transparency would enable States to verify

whether the appropriate revenue had been credited to their accounts for each source. To illustrate, in the case of imports by unregistered persons, certain data was shared by ICEGATE with GSTN. Later, it was felt that there were flaws in the arrangement of this data, leading to reversals in settlements. When ICEGATE (Customs) corrected the data, many states experienced reversals without sufficient explanation. Consequently, it was felt that the data shared by Customs with GSTN should also be made available to the States as this would allow the States to independently verify whether settlements related to imports by unregistered persons were being processed accurately.

8.12 The next issue pertains to the lack of information regarding the place of supply in the case of imports by unregistered persons. This issue was partly discussed during the ongoing meeting's deliberations as well. Whenever an import takes place, the place of supply is not clearly mentioned. It was therefore decided that this data should also be shared with the States. Another issue relates to the settlement of accumulated ITC between the Centre and States upon the cancellation of a taxpayer's registration. The Committee could not arrive at a clear resolution on this matter. When a taxpayer's registration is cancelled, there is no mechanism in place to apportion the credit available in their account. However, the Committee acknowledged that a significant portion of this credit could potentially be fake. As such, the Committee felt that further deliberation and additional time would be needed to address this issue comprehensively. The next issue (No.9) highlights a peculiar problem associated with the reporting of the place of supply. There exists a category called "Other Territory," which was originally designed to cover areas such as the Exclusive Economic Zone (EEZ). Supplies made to the EEZ are meant to be classified under this category. However, it has been observed that this category is often misused. For instance, if someone purchases an insurance policy and provides a foreign address instead of their Indian address, they may incorrectly classify it as "Other Territory." Similarly, if a person transporting goods from India to abroad uses a foreign address, they might also mark it as "Other Territory." The system, as currently designed, interprets "Other Territory" as a Union Territory. This misclassification results in revenue that should have gone to the State (based on the person's actual physical address in India) being credited to a Union Territory instead. To resolve this, it was felt that the definition of "Other Territory" must be clearly articulated and communicated.

8.13 Further, the issue of OIDAR (Online Information and Database Access or Retrieval Services) was also discussed. The States pointed out that they do not have access to data regarding the online services being provided to recipients within their jurisdictions. They emphasized that this data must be shared to ensure transparency. The Committee, therefore, recommended that such data be made available to the States so they can have a complete understanding of the services being received within their jurisdictions.

8.14 The final issue relates to the need for a transparent and objective process for the allocation and recovery of any final accumulated surplus or deficit in the IGST account. This was the eleventh issue raised by the States and is part of the mandate that will be addressed by the Department of Revenue. States have sought greater clarity on the process, particularly regarding how any surplus is to be distributed or how funds are to be withdrawn. As for the resolution objectives taken up by the Committee, the first clear key issue identified was the need to align the settlement rules with the settlement process and to ensure clarity in the settlement mechanisms. The Act, Rules, and IT system must be aligned. Another major objective was to demystify the items in the settlement forms, including ensuring the availability of accurate data, enhancing transparency in GST settlements, and addressing reporting anomalies. For example, issues such as the misclassification of "Other Territory" were highlighted as reporting problems that need resolution. Ensuring the continuous reporting of data to the States was also identified as a critical resolution objective. This would allow states to access data specific to their jurisdictions, enabling them to monitor the processes more effectively. Finally,

the methodology for apportionment, including positive and negative settlements, needs to be agreed upon. CCT, Maharashtra then requested the Principal Secretary, Tamil Nadu to elaborate on the solutions recommended for each of the problem areas identified.

8.15 Principal Secretary, Tamil Nadu informed that he would present a detailed account of the issues and suggested recommendations, many of which had already been touched upon by CST, Maharashtra. Regarding the issue of unavailed and ineligible ITC settlement, he stated that although the implementation of the Invoice Management System (IMS) would ultimately resolve this issue, interim measures could be adopted. Specifically, until the IMS is implemented, secondary data sources could be utilized. For instance, data from Table 4D and Table 4B in GSTR-3B, which are already populated for unavailed and ineligible ITC, respectively, could be used for monthly settlements with the respective States. Previously, it was decided to base these settlements on annual returns, but the scope of annual returns has been limited to taxpayers above a certain threshold. Therefore, leveraging these two tables would help address the first issue. Principal Secretary, Tamil Nadu further addressed the second issue, which concerns the mandatory reporting of ITC reversals. He mentioned that the Committee had recommended that a legal provision to be introduced to mandate ITC reversals and suggested that the Law Committee evaluate this matter and propose a legal provision to formalize it. Moving to Settlement Rules, he highlighted that while the Rules were framed initially, subsequent changes in the returns process have not been adequately captured. He emphasized the need to align the Rules with the current business processes that have evolved over the last seven to eight years. Additionally, the Rules should be updated to address issues such as modernizing terminology, including replacing "common portal" with "GSTN" and clarifying provisions related to OIDAR. Lastly, he discussed the fourth issue concerning Settlement Forms. He pointed out that the Settlement Forms are not in line with the revised Rules. To address this, the Committee recommended amending the relevant Rules and Forms to clearly categorize the settlement items in the forms. Furthermore, it was suggested that each form should include, in its header, details of any updates or amendments and specify the sources of data used. This would enhance transparency and enable States to cross-check the information effectively. The Principal Secretary, Tamil Nadu then addressed the next issue concerning reversals in settlements related to imports by unregistered persons. He stated that the Committee had observed instances of negative settlements, which were attributed to incorrect classifications - a fact that has since been acknowledged. To resolve this, the Committee suggested that GSTN first share sample data with the Committee. Each State would review this data, and, if feasible, detailed Bills of Entry could also be provided from the ICEGATE system to ensure proper classification and settlement going forward. Principal Secretary, Tamil Nadu further highlighted that the details of the point of supply in the case of imports by unregistered persons are not available in the settlement forms. To address this, the Committee recommended that the Importer Exporter Code (IEC) along with the PAN, wherever available, should be included in the STL forms. Additionally, all States should be provided with detailed Bills of Entry as received from the ICEGATE system. Regarding the seventh issue, which pertains to the settlement of accumulated ITC upon cancellation of registrations, he mentioned that Maharashtra had raised concerns about the potential involvement of bogus or fake registrations. The Committee agreed that this issue requires further deliberation. For now, the status quo may be maintained.

8.16 Regarding the next issue concerning collections under “97 - Other Territory”, Principal Secretary, Tamil Nadu explained that the initial intent behind “97” was to cover territorial waters extending from 12 to 200 nautical miles, which should be treated as other territories. However, the implementation has evolved differently. After reviewing the data, the Committee has decided to evaluate whether a more specific classification could be considered instead of the current "97" category. On the issue of OIDAR, he stated that the topic was also discussed in the Officers' meeting

held on the previous day. The Committee has requested that data related to OIDAR be shared on a monthly basis in the form of an MIS. If the Committee requires additional data from jurisdictional officers regarding OIDAR, a centralized source should be established. Additionally, the settlement of OIDAR should be reflected in STL Form 1.04. Finally, he emphasized that the recommendations of the Committee should be implemented by setting a deadline, aiming for the solutions to be in place by the end of the financial year. He suggested that a SRS (System Requirements Specification) document outlining the implementation of the recommended changes be presented to the Committee for approval before moving forward. Principal Secretary, Tamil Nadu further proposed that the Committee may continue its work to examine other IT-related issues.

8.17 Additional Secretary, DoR, thanked the CST, Maharashtra and the Principal Secretary, Tamil Nadu for presenting the Committee's recommendations to the GST Council. He then highlighted one key issue that still needs to be debated and decided i.e., the allocation of surplus or the recovery of deficits. He informed the Council that the current deficit stands at approximately ₹ 32,000 crore. As previously mentioned, the IGST settlement account operates continuously, meaning any positive or negative balance is carried forward to the next financial year, and the account does not lapse at the end of the year. However, the Committee has recommended that any surplus or deficit be settled within the same financial year to the extent possible. Therefore, the Committee suggests that if there is a negative balance, it should be recovered and the account squared off by March 15 of the financial year. Any balance remaining after that date can be carried over to the next year, as the arrangement is continuous. The Additional Secretary also informed that the formula for the distribution of surplus and recovery of any deficit was debated. He explained that the original ad hoc settlement of surplus was based on the 2015-16 base rate, which was part of the system, while recovery was made based on the current IGST settlement proportion. The question now is whether the Council should continue with the base rate or shift to the previous year's proportion of IGST settlement for both recovery and ad hoc settlement. He emphasized that the Council's decision should apply uniformly to both ad hoc settlements and recovery, as having two separate formulas would be improper. He then requested the Hon'ble Chairperson and the GST Council to provide guidance on this matter.

8.18 The Secretary acknowledged the diligent work of the Committee and brought to the notice of the august house that the Committee had thoroughly identified the real issues and proposed solutions. He further commended the Committee for its commitment and outlined that within the next three months i.e., by March 2025, they aim to present specific solutions. He also requested the Council's to endorse and support the Committee's efforts and encourage the team to complete their work. Of the 10 or 11 tasks identified by the Committee, he emphasized that these solutions could include changes in the IT systems, amendments to Forms, or perhaps even changes in organizational procedures. He sought the views of the Hon'ble Members on two issues viz.; the adoption of the proposed solutions and the endorsement of the work plan, which will be vital for the Committee's success in addressing these issues.

8.19 The Hon'ble Member from Uttar Pradesh stated that it was agreed to in the Officers' meeting that the recovery would be in the same proportion as the distribution and that base year would be 2015-16. He expressed support for the proposal to square off the account before the closing of the financial year, agreeing that the settlement by March 15th 2025 would be better. He mentioned that, as agreed during the Officers' meeting the previous day, the rate of recovery should be 8.34% (for UP), and it should not be higher than that.

8.20 In response, the Secretary confirmed that during the Officers' meeting, the sense of the house was that for this year, the base year numbers (Option-1) should be continued for the recovery formula.

The Secretary stated that once the full recommendations of the Committee are available, a new formula could be adopted for the subsequent year. The Secretary reiterated that the proposed date of 15th March, 2025 seemed appropriate for annual settlement of surplus or deficit and suggested that it could become a fixed date for the future. He mentioned that adopting the base year formula was the general consensus among most states, and he could not recall any other state opposing it. He also stated that the approach could be a starting point, with flexibility for future adjustments based on the Committee's recommendations.

8.21 While accepting the principle (Option-1) agreed to the Officers' meeting, the Hon'ble Member from Kerala stated that they have been continuously raising the issue of IGST settlement. He raised concerns about the ongoing IGST settlement issues, particularly the negative balance of around ₹ 32,000 to ₹37,000 crore. He expressed his concern that despite continuous efforts of the GST Council, anomalies persist in the system. He suggested that any anomalies identified with any State should be adjusted directly within those States, rather than trying to recover the money from the entire system. The Hon'ble Member stated that at a time when we have precision in billing small amounts such as those for mobile phone charges etc., it is surprising that we have unidentified huge amounts in IGST settlement. He suggested that six years might not have been enough for the system to stabilize and properly identify and resolve these issues, leaving room for vendors to take undue benefits and take more tax reversals. Kerala, like other states, is facing stagnation in revenue growth. He pointed out that if the 14% annual increase principle had been maintained, Kerala's revenue gap would have been over ₹ 15,000 crores. The closure of the GST compensation system after five years further exacerbated the problem. He requested that no money should be recovered from the States this year, as the issue is still being studied. He highlighted that there are corrections to be made, particularly in online trading and IGST, and that modern technology could play a role in addressing these problems. He expressed confidence that the GST Council is working on solutions, with key issues already identified. He reiterated that a thoughtful approach, rather than a shortcut, needs to be adopted to resolve these systemic problems that are impacting revenue.

8.22 The Hon'ble Member from Telangana agreed with the suggestion to continue with Option-1, using the base rate of 2015-16 for the ad-hoc apportionment of IGST amounts, as recommended by the Secretary. However, he proposed that any recovery related to this settlement should be deferred to the next financial year rather than being carried out in the current year.

8.23 The Hon'ble Member from Tamil Nadu highlighted that an ideal system would be having a central IGST pool with a minimum positive balance to cover any exigencies related to ad hoc apportionment or recovery. Since the current negative balance in the central IGST pool is attributed to systemic issues, he recommended that recovery should be stopped for now. To avoid disruptions in the States' budgeting process and their welfare measures, he suggested that any recovery should be deferred to the first half of the next financial year. He pointed out that settlement based on actual returns would be a better approach than relying on ad hoc settlements. For instance, by March 2024, the central IGST pool had a positive balance of ₹ 38,265 crore, which indicates that recovery could be done in April 2025, after considering the IGST collected in March 2025. This inter-governmental transfer could still be accounted for in the 2024-25 financial year, even if it occurs in April 2025. He also suggested that by delaying recovery until April 2025, it would allow for a more accurate settlement based on actual returns, preventing the need for ad hoc settlements before March 15th.

8.24 The Hon'ble Member from Karnataka commended the Committee's efforts in addressing the complex issue of IGST ad hoc settlement, recognizing it as a significant challenge that still remains unclear for many states. He acknowledged the progress made by the officers in identifying the

problem and expressed hope that their work would continue until all unsettled surpluses and negative balances are resolved. He also appreciated the Committee's identification of errors in the current IGST ad-hoc settlement process and their suggested fixes, but emphasized that more flaws might still need to be identified. He stressed the importance of addressing these issues rationally and to find a lasting solution. Regarding the decision points, he strongly advocated moving away from using the base year for ad hoc settlements, as recent contributions offer a much clearer picture of the current reality. The base year values may no longer reflect the evolving economic landscape. He also agreed with the opinions of the Hon'ble Members from Kerala and Tamil Nadu that making ad-hoc settlements in March, 2025 could have significant implications. He stressed the need to have negative balance accompanied with revenue-positive decisions. He suggested that when negative balances are shared, steps should also be taken to increase revenue, such as through rate rationalization. This would help mitigate financial challenges and create a buffer to absorb any deficits. By diversifying revenue sources, states would be better equipped to manage fiscal shocks, and that taking a bundled approach towards these issues would make them more manageable and sustainable.

8.25 The Hon'ble Member from Maharashtra expressed appreciation for the work done by the appointed Committee and acknowledged the positive impact of the Committee's recommendations; which are expected to be implemented by 31st March, 2025. She believed this would help in reducing the negative deficit and provide a clearer financial picture. She requested that any decision to pull back money should be made after 31st March, 2025. She strongly recommended choosing option two, as it would allow them to work with the latest information and provide a dynamism to the exercise. This approach, in her view, would be better compared to sticking to just one particular year.

8.26 The Secretary emphasised on the need to address the current IGST deficit, noting that it signals potential issues in the system, and that a large deficit should not arise if the system is functioning correctly. Historically, surpluses of ₹ 1,67,000 crore have been distributed among the Central and State governments over the past seven to eight years of GST implementation. Typically, IGST is first paid by the supplier and later claimed as input tax credit by the next purchaser. He also explained that 50% of the IGST surplus is adjusted against CGST, meaning the Government of India does not claim the entire adjustment. This adjustment is done on an adhoc basis, depending on when the dealer or supplier claims the input tax credit. The 50% adjustment is split between the central and state governments based on the formula they adopt. He further pointed out the negative balance impacts the Consolidated Fund of India as well and therefore it is critical to resolve this negative balance by 31st March, 2025 as it cannot remain unresolved by year-end. He also assured that the issue is being closely monitored, and a time-bound approach is necessary to identify and resolve any problems quickly. In light of this, he requested that the current year's issue be settled by 15th March, 2025 using the existing formula. The Secretary further stressed the importance of finding a permanent solution before the next financial year to avoid relying on ad-hoc settlements in the future. He also urged that the committee explore long-term solutions for IGST settlement and related issues.

8.27 The Hon'ble Member from Uttar Pradesh stated that he agreed with the views expressed by the Secretary.

8.28 The Hon'ble Member from Kerala inquired about the total IGST amount distributed to the States and the methodology used for allocating it to each State. He emphasized the need for data on how much each State is receiving and requested that this information, if available, be shared with the States and the Council. He further requested that if the IGST amount is reclaimed by March, 2025 it will cause difficulties for the states.

8.29 The Hon'ble Chairperson clarified that all data on IGST settlement and the amounts allocated to the States are available on the GST portal. This information is available to both State authorities and the Central authorities.

8.30 Additional Secretary DoR stated that all IGST settlement information, including the amounts allocated to each State, is publicly available on the GST portal.

8.31 The Secretary stated that Council has assigned three tasks to improve the IGST system. Firstly, the IGST Committee has been instructed to intensify their efforts and complete the task of improving the system. The Committee has volunteered to provide specific suggestions on necessary improvements by March end. Secondly, he requested that while reviewing the system, the committee should also investigate whether negative balances may be arising from other factors. A thorough review of this aspect is essential. Thirdly, regarding the annual adjustment, he highlighted that on 15th March, 50% of the adjustment will be made from the Government of India and 50% from the States. He stated that this will be done for the balance as of this year on March 15, 2025, with the expectation that next year, a more structured and improved solution will replace the ad-hoc distribution method.

8.32 Additional Secretary DoR submitted that the recommendations made by the Committee are proposed to be implemented by 31st March, 2025. He stated that, in addition, the Committee is receiving other concerns from the States regarding the IT system and data, which need to be addressed from the States' perspective. He sought the Council's approval to allow the Committee to continue its work, addressing any issues raised by the States regarding the data, systems, or any other concerns where there may be gaps. He stated that the Committee may continue to address these issues as they arise and would keep the Council informed about the progress of its work.

8.33 The Secretary noted that the Committee requires an additional three to three and a half months to continue its work on IGST and may continue to look at the IT related issues. He stated that during the discussions in the Officer's meeting, several States suggested that further improvements are necessary not only in the IT system but also in operations and overall governance. He further stated that the Government of India shares this view and believes that more work is needed in this area. The Secretary invited the State Governments to submit suggestions. Also, the idea is to avoid creating another new Committee. Instead, this Committee may be repurposed to focus on these improvements in operations and governance issues. He requested that, over the next two weeks, States provide their suggestions on what further needs to be done regarding operations and overall governance issues to help frame the terms of reference appropriately.

8.34 The Hon'ble Member from Telangana raised a concern regarding the recovery plan, stating that attempting to recover the amount this year could create problems for the States, especially towards the end of the quarter. He requested to reconsider the recovery timeline and suggested that it might be more feasible to carry out the recovery in the next financial year rather than in the current one. The states are already facing various challenges and that the proposed recovery this year could further complicate the situation.

8.35 The Secretary explained that the issue of recovery is problematic for both the Government of India and the States. He clarified that the money in question does not belong to any particular government. When there was a surplus in the past, the suggestion was made that any surplus should be shared. He noted that while surpluses have been shared in previous years, this year there is a deficit of approximately ₹ 26,000 crore, bringing the total amount of deficit to about ₹ 32,000 crore. If not adjusted, this could impact the Government of India's budget. He further explained that the adjustment should be made on a 50:50 basis between the Government of India and the States, as the money

should be shared equally among all GST members, including both the Central and State governments. He stated that the ₹ 16,000 crore deficit would be adjusted, with 50% of the amount being applied against the Central GST (CGST) tax, which would reduce the CGST collection for the Government of India. This adjustment would help bring the IGST balance to nil or closer to zero, with the remaining ₹ 16,000 crore being adjusted against the State governments.

8.36 The Hon'ble Member from Karnataka raised a concern regarding fraudulent registrations that have claimed Input Tax Credit (ITC), particularly through IGST transactions. He suggested that the Committee could look into this issue, as many fraudulent companies have claimed ITC, resulting in significant financial losses for states like Karnataka. He highlighted that while these fraudulent registrations have been identified and cancelled, the state has already absorbed the financial impact. He requested that the committee look into ways to trace and track such fraudulent claims including the use of data analytics and biometric-based Aadhar authentication. He stated that while he was unsure if this issue falls within the committee's basic mandate, he expressed hope that the committee could provide valuable insights into the matter and help understand what is happening to strengthen the GST system and prevent further losses.

8.37 The Secretary acknowledged that the issue raised by the Hon'ble Member from Karnataka should be a high priority. He emphasized that the committee must focus on these areas and investigate further.

8.38 The Hon'ble Chairperson acknowledged the importance of the issue raised, but suggested that the current committee, given its limited timeframe, should focus on its core tasks and not be burdened with this additional responsibility. She stated that while the matter is relevant, it was appropriate that an alternative group or committee could be formed to specifically address this issue, ensuring a long-term solution. This new group could examine the problem not just in one or two states, but across a broader spectrum, to understand how the system is being gamed and identify ways to prevent such fraudulent activities in the future. This approach would provide a long-term solution, rather than just addressing the current year's issues. Meanwhile, the current committee should conclude its ongoing work by the set deadline.

Decision: The GST Council took note of the Status update on issues related to IGST Settlement to States and approved the following:

a. **Report of the Committee.**
b. **The Committee shall complete the implementation by March 2025.**
c. **The amendment to the Settlement Rules as proposed by the Committee which may be vetted by the Law Committee and notified with the approval of GIC.**
d. **The Committee shall continue to address the IT/GSTN issues and provide periodic update to the Council. States to submit issues and suggestions pertaining to IT systems, operations and overall governance to the Committee**
e. **A Committee of Officers may be constituted to look into the issue of claims of fraudulent ITC, how to use the IT system to identify the same and come up with solutions to prevent such fraudulent activities.**

The Council also agreed that any recovery for the deficit in the IGST Account as of March 15, 2025 may be recovered in the ration of 50:50 from Centre and States within this financial year.

Recovery from the states may be effected in the ratio of base year revenue (i.e) in the same ratio as the surplus was distributed in the earlier years.

Agenda Item 7 (c): GSTAT Procedure Rules to regulate the procedure for functioning of the GSTAT

8.39 JS TPRU presented the agenda concerning the GST Appellate Tribunal procedural rules. He informed that the copy of the procedural rules, received from the GSTAT Principal Bench, had been circulated to all the Hon'ble Members and States and is placed for information before the Council. He also informed that a suggestion was received that the Rules are to be notified only under Section 111 of the CGST Act, 2017 and not under section 106 of the CGST Act, 2017. JS TPRU informed that change will be incorporated. JS TPRU informed that this would be notified by the GST Appellate Tribunal itself, after being vetted by the Law Committee and approved by GIC. Since these are not Rules to be notified by the Government, approval of the Council may not be required and is being placed only for information. This is a formal agenda aimed at facilitating the operationalization of the GST Appellate Tribunal at the earliest. The agenda was placed before the Council for information.

Decision: The GST Council took note of the Goods and Services Tax Appellate Tribunal (GSTAT) Procedural Rules, 2024 subject to vetting by the Law Committee and delegated the final approval of the GSTAT Procedural Rules to GST Implementation Committee.

Agenda Item 7(d): Relaxation in eligibility criteria for selection to the post of Technical Member (State) of GSTAT for officers of the State of Goa

8.40 JS TPRU then presented the agenda concerning a request from Goa for an amendment to the earlier approval regarding the relaxation of eligibility conditions for the Technical Member (State). He informed that this request had been discussed in the Officers' meeting the previous day and was agreed upon. The agenda was placed before the Council for consideration and approval.

Decision: The GST Council approved the agenda on relaxation in eligibility criteria for selection to the post of Technical Member (State) of GSTAT for officers of the State of Goa.

Agenda Item 7(e): Relaxation in eligibility conditions for appointment of Technical Member (State) in GSTAT for the State of Jharkhand

8.41 JS TPRU presented the agenda concerning the request of Jharkhand for relaxation in the eligibility criteria for Technical Member (State) which had already been approved by the GIC subject to post-facto approval of the GST Council. He informed that the agenda was brought up and discussed in the officers' committee, and agreed upon in line with previous approvals. The agenda was placed before the Council for consideration and approval.

Decision: The GST Council granted post-facto approval to the agenda item regarding relaxation in eligibility conditions for the appointment of a Technical Member (State) in the GST Appellate Tribunal (GSTAT) for the State of Jharkhand.

Agenda Item 7(f): Status Report of GoM on restructuring Compensation Cess

8.42 JS, TPRU requested Additional Secretary, DoR to present the next agenda. Additional Secretary, DOR requested the Hon'ble Minister of State for Finance (MoS) and the Chairman of the GoM on restructuring Compensation Cess to present the agenda on the Group of Ministers (GoM) concerning restructuring Compensation Cess before the Council. The Hon'ble MoS informed that the GST Council in its 54th meeting held on 9th September 2024, had constituted a GoM to propose a mechanism of taxation post abolition of Compensation Cess. The first and second meetings of the GoM were held on 16th October 2024 and 12th December 2024 respectively. The Hon'ble MoS placed the recommendations of the GoM before the Council stating that regarding the levy and collection of cess for the financial year 2025-26, the GoM had recommended continuing the Compensation Cess at the current rates until 31st March 2026. In addition to it, GoM had proposed that if any amount collected in the Cess Account remains surplus at the end of the transition period after meeting the obligations of back-to-back loan (including interest thereon), the same may be distributed equally between the Centre and the States in the ratio of 50:50, as provided under Section 10(3) of the GST (Compensation to States) Act, 2017. The Hon'ble MoS submitted this proposal to the GST Council for approval. On the second issue concerning the future course of action post-abolition of the cess, the Hon'ble MoS informed that the Members felt that the matter requires more time for analysis of the impact of constitutional, legal, and operational issues on State revenues. Consequently, the GoM has decided to request an extension of time until 30th June 2025. The Hon'ble MoS placed the proposal before the GST Council and extending the tenure of the GoM for approval.

Decision: The GST Council approved the proposal to extend the tenure of the GoM on restructuring Compensation Cess up to 30th June 2025. Additionally, the Council approved the proposal to continue the present rates of Cess until 31st March 2026 and to distribute the surplus if any in the Cess Account, at the end of the transition period (March 31, 2026), equally between the Centre and the States in a 50:50 ratio as provided in Section 10(3) of the GST (Compensation to States) Act, 2017.

9. Agenda Item 8: Issues recommended by Goods and Services Tax Network (GSTN)

9.1 The Secretary then presented the agenda item relating to issues recommended by Goods and Services Tax Network (GSTN) and asked the EVP, GSTN to present the agenda.

Agenda Item 8(a): B2C e-Invoicing Project

9.2 EVP, GSTN presented the agenda item relating to the B2C e-Invoicing Project. He informed that in the 54th meeting of the GST Council, B2C e-Invoicing implementation on a voluntary basis was accorded in-principle approval by the GST Council, and GSTN had started working on designing and developing the technology stack for the same in consultation with various stakeholders.

9.3 EVP, GSTN stated that considering the high volume of B2C e-Invoicing compared to B2B e-Invoicing, it was suggested by the then Secretary to the Council that, before developing the technological stack, it would be desirable to organise a global technology and policy evaluation of B2C e-Invoicing systems in countries like South Korea, Brazil, Chile, Russia, Mexico, Saudi Arabia,

and others which have successfully implemented B2C e-Invoicing. He stated that accordingly, a proposal was prepared for the global technology and policy evaluation of B2C e-Invoicing before its rollout.

9.4 He also stated that the expenditure related to the study visit would be borne by GSTN. He further informed that different compositions of delegates would visit each country, and the delegations would generally comprise members from GSTN, CBIC, DoR, and Commercial Tax departments of the States/UTs. He also stated that GSTN has already circulated emails inviting nominations from DoR, CBIC, and Commercial Tax departments of the States/UTs for the said study. He informed the Council that, so far, GSTN has received around 17 nominations from the States.

9.5 EVP, GSTN stated that the proposal to conduct the global technology and policy framework evaluation of B2C e-Invoicing implementation in other countries is being placed before the Council for its approval.

Agenda Item 8(b): Status on Invoice Management System (IMS) and Planned enhancements

9.6 EVP, GSTN informed the Council about the successful rollout of the Invoice Management System (IMS) for the October 2024 return period, as planned. He highlighted key functionalities, including recipient actions (accept, reject and pending) on invoices and facility for re-computation of GSTR-2B. He also outlined upcoming enhancements, such as credit note handling, bulk data tools, and additional features to improve usability, which are expected to be implemented by the end of the financial year.

9.7 The Secretary informed the Council that this was an important step taxpayer facilitation measure. He stated that IMS had already been rolled out for the October 2024 return period, has been in use for the past two months, and that GSTN would make further enhancements based on user feedback.

Decision: The GST Council

i. **Approved the proposal to conduct a study tour to understand the global technology and policy framework evaluation of B2C e-Invoicing implementation in other countries.**
ii. **Took note of the updated status on the successful rollout of IMS along with the proposed enhancements.**

10. Agenda Item 9: Performance Report of Competition Commission of India (CCI), State Level Screening Committee (SLSC), Standing Committee (SC) and DG (Anti-Profiteering) for 2nd Quarter (July-September) of the F.Y 2024-25 for information of the GST Council.

10.1 Joint Secretary, GSTCS presented the agenda pertaining to the Performance Report of the Competition Commission of India (CCI), State Level Screening Committee (SLSC), Standing Committee (SC) and DG (Anti-Profiteering) for the 2nd quarter of the F.Y.2024-25 for the information of the GST Council

10.2 She informed that the details of the closing balances at each level for the second quarter had already been circulated. Further she informed that a major change from 01.10.2024 was that the mandate to examine anti-profiteering cases had shifted to the Principal Bench of GSTAT and the closing balance with the CCI was 46 cases to be examined, which would now be transferred to the Principal Bench of GSTAT.

Decision: The Council took note of the performance report of CCI, SLSC, SC and DG(AP) for the second quarter of the financial year 2024-25.

11. Agenda Item 10: Ad-hoc Exemption Orders issued under section 25(2) of the Customs Act, 1962 to be placed before the Council for information

11.1 The Secretary introduced the agenda item relating to adhoc exemption orders issued under Section 25(2) of the Customs Act and invited the Joint Secretary, GSTCS to present the agenda.

11.2 Joint Secretary, GSTCS informed the Council that two ad-hoc exemption orders had been issued since last meeting of the GST Council. The first order No. 06 of 2024 dated 18/10/2024 pertained to a request from MEA for exemption from export duty for humanitarian assistance to Zimbabwe, Malawi, Zambia and Namibia in the form of food grains and the second exemption order No. 7 dated 27.11.2024 was a request for ad hoc exemption for import of instruments for implementation of pilot project on Glacial Lake Outburst Flood (GLOF) risk in Sikkim. She further stated that these two orders are being placed before the Council for information.

Decision: The Council took note of the ad-hoc exemption orders issued.

12. Agenda Item 11: Report of Group of Ministers (GoM) on Life and Health Insurance.

12.1 The Hon’ble Member from Bihar and Convener of the GoM stated that a decision was taken in 54th GST Council Meeting regarding constitution of GoM on Life and Health Insurance. He stated that the GoM had made significant progress in its meeting and had moved towards a consensus. However, some States have requested for inclusion of additional issues. He, therefore, requested the Hon’ble Chairperson to allow time so that a more detailed report could be presented in the next Council meeting. He further stated that a preliminary report has been prepared, but more suggestions were received, and the GoM intends to submit a comprehensive report with the consensus of all the Members in the next meeting.

12.2 The Secretary mentioned that during the discussion in the Officers' meeting, at least one State had suggested that more deliberations are needed on two key points. First, that there is a need to consult the regulator (IRDAI). Second, the State of Chhattisgarh raised the point of health insurance for senior citizens, pointing out that families often take group insurance policies that cover all members, including senior citizens. This makes it impractical to single out senior citizens for separate insurance, as premiums would likely be very high. Additionally, Odisha also suggested the need for more deliberations on this matter. The Secretary sought the Council's guidance on the way forward.

12.3 The Hon’ble Member from Uttar Pradesh stated that the inputs from IRDAI were still awaited on this issue.

12.4 The Hon'ble Member from Madhya Pradesh stated that additional time be given to the GoM.

12.5 The Hon'ble Member from Goa stated that more time should be given to the GoM and some more deliberation may be needed.

12.6 The Hon'ble Members from Gujarat, Punjab and West Bengal also agreed to have more discussions on the subject.

12.7 The Hon'ble Member from Jharkhand also agreed that opportunity should be given for more deliberations. Noting that it was proposed to exempt premium paid for health insurance up to Rs 5 lakh for senior citizens from GST, he suggested that 18% GST on health insurance for non-senior citizens should also be reduced to 5%.

12.8 The Hon'ble Member from West Bengal stated that the request made by the Hon'ble Convener of the GoM for additional time to finalize the details could be agreed, however, there was unanimous agreement on the proposal to provide relief to citizens and that there had been unanimity on relief ***on health insurance*** for senior citizens irrespective of coverage ***and individual health insurance policies up to a coverage of Rs. 5 Lakhs and also that individual policies include group policies.*** She stated that coverage for families was understood to include senior citizens as well, and if a citizen was already part of a family plan, they could still take separate coverage for themselves.

12.9 The Hon'ble Member from Himachal Pradesh stated that the country is moving towards universal healthcare through initiatives like Ayushman Bharat and State health policies. Therefore, GST on Life and Health Insurance premiums be either made nil or reduced to ensure that everyone is brought under some form of health coverage.

12.10 The Hon'ble Member from Chhattisgarh stated that individuals typically purchase insurance for their families, and only in a few cases do they opt for separate policies for individual family members. He stated that if health insurance benefits were applied exclusively to senior citizens, the law of adverse selection would come into play, leading to higher premiums. He emphasized that health and term insurance should be made more affordable. Additionally, the proposed coverage limit of ₹5 lakhs per individual, as suggested by the GoM, was too less. He also noted that health insurance premiums are influenced by factors such as top-ups and no-claim bonuses. Therefore, the implementation of the decision should be carried out with greater clarity.

12.11 The Hon'ble Member from Meghalaya stated that given the Convener himself had requested additional time and that this is a very sensitive issue which impacts the lives of people and the future of the health sector some more discussions will be helpful. He highlighted the importance of addressing both preventive and insurance aspects.

12.12 The Hon'ble Member from Karnataka stated that under the leadership of the Hon'ble Convener, extensive deliberations were conducted by the GoM, and lot of unanimity was achieved during those discussions. However, new issues have been raised on which some members believe that further deliberation was required, including the issues of composite policies and the views of IRDAI. As an additional session has been proposed by the Hon'ble Convener, he agrees with the same. He strongly recommended that rate rationalization be introduced alongside the insurance decision. He emphasized that while rate rationalization appears to be revenue-positive, the decision on insurance

might impose certain costs on both the Central and State governments. He stated that he believed that a positive decision on health insurance should be accompanied by revenue compensation through rate rationalization. He reiterated the need to address both issues together. Noting that rate rationalization might not be discussed in the current meeting, he urged that the decision on insurance be deferred until it can be considered alongside rate rationalization.

12.13 The Hon'ble Member from Puducherry stated that the GST Council's intention to give an exemption for individuals under health insurance should also be considered for group insurance policies covering workers. He stated that the aim was to provide coverage for individuals, and many workers, along with their families, are already covered under health insurance in various factories. He further stated that when the Council considers exemptions for individual health insurance, it may also consider group insurance coverage for workers and laborers in factories, because at times, government also takes group insurance schemes for groups.

12.14 The Hon'ble Chairperson stated that at least one more round of deliberations be held and that Karnataka's point regarding the need to address rate rationalization and insurance together, rather than separately, is well taken. She expressed hope that the GST Council will align with the suggestion put forward by Karnataka.

Decision: The GST Council recommended that the GoM submit the report on Life and Health Insurance after further deliberations.

13. Agenda Item 12: Bringing Aviation Turbine Fuel (ATF) under GST

13.1 The Secretary then requested Joint Secretary, TRU to present the issue of bringing Aviation Turbine Fuel **(**ATF) under GST.

13.2 Joint Secretary, TRU-I stated that as per clause 5 of article 279A, GST Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel. Currently, these products are subject to both central excise duty and VAT. The challenges in the current system in the context of ATF are that capital goods and services required to produce ATF are subject to GST but ATF itself is subject to central excise duty and VAT. ATF is not subject to GST, but the output service of the airline industry, passenger and goods freight are subject to GST. ATF is chemically a variant of kerosene oil. ATF is outside GST whereas kerosene is within the ambit of GST. This results in blockage for the oil industry also. Another point is the cascading impact as VAT is chargeable on value which includes central excise duty. She also presented the current tax structure on ATF. The central excise duty is 11% while for the Regional Connectivity Scheme (RCS) scheme the central excise duty is only 2% and the volume handled at RCS flights is just around 0.1%. The VAT rates vary across states with minimum rate of 0% in Meghalaya, 1% in states like Uttar Pradesh, Andhra Pradesh, Arunachal Pradesh etc. The States with rates higher than 5% include Bihar, Rajasthan, Delhi, Assam, Chandigarh and Karnataka. It was also observed that VAT rates vary within the states also where there were different AFS with different rates. Out of a total ATF production of 21,654 TKL last year, taxes are collected only on 5,567 TKL on domestic run flights. The central excise duty revenue collected from ATF in 2023-24 was Rs 3,927 crore while VAT collected was Rs. 4,350 crore that makes it a total of Rs. 8,277 crore. As a percentage of total tax on petroleum products this constitutes about 1.49%.The issue placed

before the Council is whether a structured deliberation on the issue of bringing ATF under GST or otherwise is to be initiated and if yes, in what manner.

13.3 The Secretary informed the Council that the issue had been discussed in Officers' meeting wherein different views were expressed. He proposed initiating a structured deliberation to comprehensively assess the potential implications of the proposed changes on various stakeholders, including the aviation industry, air passengers, and government revenue. The Secretary sought guidance from the Council on the most appropriate format for conducting this structured deliberation.

13.4 The Hon'ble Member from Chhattisgarh stated that while the impact of excluding items like petrol and alcohol from GST is mainly felt within the states where such revenue is collected, ATF affects people across the country. He emphasized that the core principle of GST is "One Nation, One Tax" to simplify the tax system and eliminate cascading effects. Including ATF in GST is crucial for a growing economy, even if immediate implementation is not necessary. The Hon'ble Member suggested forming a Group of Ministers to start discussions on this issue.

13.5 The Hon'ble Member from Telangana pointed out that ATF is derived from crude oil, which is outside the purview of the GST. He, therefore, recommended maintaining the status quo regarding the taxation of ATF. The Hon'ble Member further emphasized that States have limited resources to generate revenue for local needs. Including ATF within the GST regime would deprive them of a crucial revenue source. The state of Telangana opposed the proposal to bring ATF under GST.

13.6 The Hon'ble Member from Madhya Pradesh suggested that a GoM be constituted to examine the proposal of bringing ATF under the GST regime and subsequently present its recommendations to the GST Council for consideration.

13.7 The Hon'ble Member from Maharashtra stated that the inclusion of ATF within the GST regime is a major policy issue. She underscored the need for proper data to take an informed decision. She recommended referring the matter back to the Fitment Committee to gather relevant data, including an assessment of the potential repercussions, implications, and financial burden on consumers, states, and the Central Government. She proposed that the Fitment Committee present its findings to the Council, facilitating a well-informed decision regarding the future course of action, whether it be the establishment of a GoM or any other suitable mechanism.

13.8 The Hon'ble Member from Kerala stated that the inclusion of ATF within GST regime is a policy issue. He highlighted that with only petroleum products and liquor remaining with the State outside the GST ambit after its implementation, the removal of ATF would undermine the overall understanding and agreement reached by all States regarding the GST framework. He opposed the inclusion of ATF within GST. He emphasized the need to maintain the status quo regarding the taxation of these products and deemed any further discussion on this matter unnecessary.

13.9 The Hon'ble Member from Jharkhand pointed out that as a manufacturing state, Jharkhand primarily benefits consuming states, while its own economic gains remain limited. He stated that VAT on petroleum products constitutes a crucial source of internal revenue for Jharkhand. The proposed inclusion of petroleum products under the GST regime would diminish the state's rights and significantly reduce its revenue streams.

13.10 The Hon'ble Chairperson clarified that the proposal under discussion specifically pertained to ATF and did not cover other petroleum products. She stated that proposals presented before the GST Council, whether from state governments or the Central Government, originate from various sources and do not necessarily represent official initiatives of the Central Government. These proposals could advocate for the inclusion, exclusion, or modification of specific goods and services within the GST framework. She further clarified that the current discussion did not involve a proposal from the Central Government to bring petrol and diesel under the GST regime.

13.11 The Hon'ble Member from Jharkhand expressed concern over the insufficient financial support received from the Central Government following the implementation of GST. Despite contributing Rs. 41,000 crore to the Central Government through GST from 2017 to 2022, Jharkhand received only Rs. 14,000 crore in return and therefore, Jharkhand opposed the proposal. Furthermore, he requested an extension of the five-year compensation period for smaller states and manufacturing states for another five years.

13.12 The Hon'ble Member from Tamil Nadu supported keeping ATF under the VAT regime. He stated that since all other petroleum products such as petrol, diesel, and gas are currently taxed under VAT, it would be consistent and appropriate for ATF to also remain within the VAT framework.

13.13 The Hon'ble Member from West Bengal stated that subsection 5 of Article 279A does not necessitate the immediate application of the provision. Aligning with the stance of Hon'ble Members from Telangana, Kerala, and Tamil Nadu, the Hon'ble Member stated that the scope for charging VAT in this area is limited and therefore, deemed it unnecessary to remove this provision at the present time and suggested maintaining status quo.

13.14 The Hon'ble Member from Punjab did not agree to the inclusion of ATF under GST. He stated that this could set a precedent for bringing all petroleum products under GST, which he strongly opposed. The Hon'ble Member highlighted that States have already experienced significant revenue losses since the implementation of GST, estimating the gap between pre-GST VAT revenues and current revenues at approximately Rs. 20,000 crore. While acknowledging the commitment of all states to the "One Nation One Tax" principle, the Hon'ble Member emphasized the substantial revenue losses incurred. He suggested an extension of the compensation cess to offset the impact of GST on state finances and that ATF should continue to be taxed under the VAT regime.

13.15 The Hon'ble Member from Karnataka stated that this matter constituted a policy decision. He stated that there are numerous other related issues requiring attention. He felt that a GoM might be convened only when a consensus emerges regarding the feasibility of bringing the subject under the purview of the GST. He questioned the rationale of a GoM in the absence of consensus and in the face of substantial disagreements surrounding the inclusion of this matter within the GST framework. Furthermore, the Hon'ble Member expressed concerns regarding the consequences of such a policy change. He advocated maintaining the current status quo, stating that it represented a stable and well-understood regime for all stakeholders.

13.16 The Hon'ble Member from Mizoram emphasized the challenges faced by small states like Mizoram in attracting airlines. He highlighted that Mizoram, like other smaller states, currently levies a 1% tax on ATF. Recognizing that ATF constitutes approximately 40% of an airline's operational costs, the Member expressed concern that subsuming ATF under the GST regime could potentially lead to an increase in airline ticket prices, significantly impacting the State finances. Furthermore, he

requested that, even if ATF is eventually included under GST, the specific needs and concerns of smaller states like Mizoram be carefully considered. He advocated maintaining status quo on this matter.

13.17 The Hon'ble Member from Puducherry explained that in accordance with directives from the Ministry of Civil Aviation, Puducherry levies only a 1% tax on ATF. He further suggested that continuing ATF under the VAT regime would facilitate the development of both the tourism and civil aviation sectors at the state level.

13.18 The Secretary stated that the guidance received from the Council has been noted.

Decision: The guidance received from the Members of Council was noted.

14. Agenda Item 13. Any other issue with the permission of the Chair:

14.1 The Secretary stated that during the Officers' meeting the previous day, the officer from Andhra Pradesh had put forth a request that they might be permitted to use a provision in the SGST Act, 2017 to levy 1% cess in the light of floods that the State had faced and the proposal also included levy on intra-state B2B supplies. It was discussed that some guidelines are required to be evolved and further deliberations are required. He sought the permission of the Chair for the request of the State of Andhra Pradesh to be presented before the Council.

14.2 The Hon'ble Member from Andhra Pradesh put forth a request to allow a levy of cess of 1% on GST as 'Andhra Pradesh Flood Reconstruction and Rehabilitation Cess' for a period of two years.

14.3 The Hon'ble Member from Andhra Pradesh stated that the proposal was to allow the State of Andhra Pradesh to levy a cess of 1% on GST as 'Andhra Pradesh Flood Reconstruction and Rehabilitation Cess' for a period of two years. He stated that there has been a disaster due to floods caused by a massive cloud burst in the State of Andhra Pradesh during August and September 2024. There has been severe damage, and it is estimated that around Rs.15,000 crores are required to restore the State to normalcy. He further stated that the towns and fields in Andhra Pradesh had remained inundated for nearly 10 - 12 days. The people of the state had seen an unprecedented suffering and that there is an immediate requirement of resources to alleviate their suffering. He also stated that the financial situation of the State does not permit the allocation of resources. Further, the legacy of unjust bifurcation of the state had led to inheritance of huge financial liabilities and that they do not have any other way to mobilise the resources in a short term. He also recalled that the GST Council in its 32nd meeting had allowed the state of Kerala to levy a state-specific disaster cess on the intra-state supply of goods and services at 1% for a period of 2 years when the state had faced a similar situation in 2018 due to floods.

14.4 The Hon'ble Member requested to consider the situation of the state on similar lines and urged the Council to allow the state of Andhra Pradesh to levy and collect a state specific flood cess at the rate of 1% on the supplies made within the state for a period of 2 years. Referring to the concerns expressed in the Officers' meeting on levy of cess on B2B supplies, he stated that levying cess for a longer period on B2B supplies would not only lead to export of taxes but may also lead to shifting of tax base which would not be in their interest. Their studies shows that the impact will be very minimal as the entire ambit of the planned tax is within the state. He reiterated his request to permit to levy and

collect cess on GST at the rate of 1% and that any suggestions from other states for similar levy may be debated subsequently as their requirement is of an urgent nature.

14.5 The Hon'ble Member from Uttar Pradesh stated that the request of the Hon'ble Minister of Andhra Pradesh may be accepted on humanitarian grounds in view of the circumstances explained by him. Earlier also when a similar request had come from the State of Kerala, they were allowed to levy a cess of 1% on intra-state transactions for 2 years. He however felt that this should not be a matter of right and that a mechanism may be developed for addressing such issues.

14.6 The Hon'ble Member from Karnataka stated that he supported the request of the state of Andhra Pradesh and that the state had faced natural challenges in addition to structural challenges. He also suggested that this decision should be the outcome of policy discussion rather than vide ad hoc mechanism, as pointed out by the Hon'ble Member from Uttar Pradesh. There should be triggers at which a state could be allowed to take advantage of this policy and a structure devised on what could be covered and what could not be covered in this. He further stated that a considered option must be available to states regarding when there is a genuine need and what should be done, what should not be done, whether it should be B2B or B2C and for which sectors etc. for levy of cess in case of natural disasters. Some thought out structure has to be made available so that there is no cascading effect on the stake holders and on the neighbouring states or the trading states. However, as evolving a mechanism may take time and that may not really solve the problem of Andhra Pradesh, they may be allowed to levy 1% cess on GST for the time being.

14.7 The Hon'ble Member from Kerala stated that they were in support of the demand of Andhra Pradesh. He also stated that the Council had allowed the State of Kerala to collect flood cess on B2C transactions and that it was very helpful. Observing that only 1% is allowed under the GST system as a cess, he stated that the states are better judges of their own economic aspects.

14.8 The Secretary pointed out that the proposal is for levy of 1% cess for B2B transactions. This has an impact of exporting the cess and this was discussed in the Officers' meeting yesterday.

14.9 While supporting the proposal from the State of Andhra Pradesh, the Hon'ble Member from Telangana stated that natural calamities are unexpected and states are generally not prepared for such situations. He stated that both Telangana and Andhra Pradesh had faced the floods. He requested to include Telangana also in the proposal and allow them to levy a cess of 1%.

14.10 The Hon'ble Member from Punjab supported the proposal of Andhra Pradesh and also stated that such calamities happen anywhere and hence, a separate mechanism or policy as suggested by the Hon'ble Member from Karnataka may be evolved.

14.11 The Hon'ble Member from Himachal Pradesh stated that he supported the request of Andhra Pradesh. He further stated that they also have similar request as they have incurred severe loss in the current and previous year due to floods, landslides, cloudbursts etc. He stated that the state of Himachal Pradesh was located in the seismic zone 4 & 5. He requested to frame some SOPs and that till then, they may also be allowed to impose 1% cess on GST for rehabilitation and reconstruction purpose.

14.12 The Hon'ble Member from West Bengal stated that she appreciated the agony of Andhra Pradesh. It was a severe flood and that their State also had experienced such floods. However, she felt that cess may not fall within the ambit of State collections i.e. the States cannot collect cess. Cess collections may be legally only in the hands of the Central Government. She also stated that though the State of Kerala was earlier allowed to levy 1% cess on GST for flood rehabilitation, now thinking

prospectively, the legal aspect has to be looked into whether levy of Cess by a State is permissible. If so, then the state of West Bengal would also be demanding, not as a matter of right but if they experience such floods. She felt that the nomenclature 'cess' can be changed but the GST Council cannot supersede what is there in the statute. Hence, she requested that the legal aspect may be looked into.

14.13 The Hon'ble Member from Madhya Pradesh stated that, they supported the proposal given by Andhra Pradesh and that a policy for natural disasters should be devised for future.

14.14 The Secretary stated that this is a complicated matter. Several states have faced such challenges which cannot be foreseen and at the same time there has to be some orderliness or a policy on how to handle such issues. The matter cannot be decided without deep examination on the impact it would have on the taxpayers in that State as well as what impact it will have on the entire GST chain. He stated that the strength of GST is its uniform procedure, uniform rate, and that if at any point of time there are different cesses operating in different states, then that creates a very complicated system like that in the pre-GST era. Hence, having done a huge reform with the partnership of all States and Govt of India, we should not move in a direction which we decided to leave for good. Solutions have to be found for the problems of individual states while not creating problems for the structure of GST. He further reiterated the suggestion in the Officers' meeting that help can be provided in other ways also and that at this point of time these concerns are taken note of and that a better way of addressing every problem of calamity must be found. He also stated that the officers would mull over the guidance provided by the Members and then come back after discussions on this aspect.

14.15 The Hon'ble Member of Andhra Pradesh stated that he thoroughly understood what the Secretary was saying and that GST is in fact a one nation one tax and if the consequences are to be thought about, then the state of Kerala is one example. He again requested the Council to permit the levy of cess on GST which can be a case study for consequences etc. He again requested for permission keeping in view the urgent nature of the issue.

14.16 The Hon'ble Member from Jharkhand, while supporting the proposal from Andhra Pradesh, stated that it must be made clear regarding which subjects will come under the category of disaster and whether the drought affected state or district will also fall under the category.

14.17 The Hon'ble Chairperson stated that Andhra Pradesh had requested to make a presentation on the issue before the Council, however, taking Sikkim as a precedent, Andhra Pradesh had been requested to mention the issue. She further stated that there is a difference between the cases of Andhra Pradesh and Kerala- minor in terms of definition but major in terms of tax repercussions. In the case of Kerala, only B2C supplies were covered, however, Andhra Pradesh's request is for all supplies including B2B supplies as well. She also stated that the Council is answerable for every taxpayers' money that was collected. She further stated that there were requests from other States also and that the Council has to make a clear decision on what it wants and let there not be ambiguity on whether to entertain the request of Andhra Pradesh for levy of cess on B2B supplies also, or whether the decision is to follow Kerala model and whether the requests of other States will also be considered. She requested the Council not to allow ad-hocism and take the decision with a discerning mind.

14.18 The Hon'ble Member from Karnataka stated that he agreed with the view of the Hon'ble Chairperson and the Secretary, and that calamities should be covered and that there should not be adhocism. He also agreed that Kerala is a tested example and deviating from that would also mean that the issue must be deliberated, which would delay and not help the state of Andhra Pradesh. He further stated that if Andhra Pradesh is willing to follow Kerala model then it will be rightful to allow Andhra

Pradesh also. He reiterated that a proper structure needs to be evolved regarding how the cess would be administered, when will be the expiry and what are the triggers etc.,

14.19 The Hon'ble Member from Himachal Pradesh stated that theirs is a smaller state and their request also should be addressed and they also must be allowed to levy cess on GST for rehabilitation and reconstruction of landslide and flood affected areas.

14.20 The Hon'ble Chairperson stated that when Kerala requested to be allowed to levy cess in 2018, the proposal was initially sent to a GoM and the GoM went through it and came back with recommendations to the Council which were agreed to by the Council and it got notified subsequently.

14.21 Additional Secretary, DoR stated that it was implemented based on the recommendations of a Group of Ministers formed for this purpose.

14.22 The Hon'ble Chairperson stated that the template of Kerala included this process and that template had not been at that time suggested as the template to be followed by any State which subsequently has had a similar experience and would want to have that 1% cess levied. She however, suggested that the Council is duty bound to follow its own rules and laid procedures. She further suggested that a Group of Ministers (GoM) be formed as quickly as possible and that the GoM shall take up this matter, take up every request from the States and include every state which would want to join in now and then decide on the procedure or template to be followed and come back to the Council with its recommendations. She then invited comments from the Council members.

14.23 The Hon'ble Members from Telangana, Uttar Pradesh, Punjab and West Bengal supported the suggestion to form a GoM to take a call on this issue.

14.24 The Hon'ble Member from Andhra Pradesh stated that he was only trying to make it clear that even if the cess is allowed to be collected on B2B transactions, it is confined only within the state. He agreed that the GST council is duty bound and ultimately responsible to the people. He stated that the Council cannot deviate from any rule and that the suggestions of the Hon'ble Chairperson are taken in the right spirit. He further requested that if the decision is taken in a time bound manner, it would be helpful for the State.

14.25 The Hon'ble Member from Mizoram stated that Andhra Pradesh has come up with the request to take 1% on GST on B2B transactions and that as per the report that was presented, collection of Andhra Pradesh from April to November was around Rs. 21,000 crore and so even taking liberal approach on this, even if it is Rs.10,000 crore, 1% of that will be only around Rs. 100 crore. As per the estimates, the disaster was expected to the tune of around Rs. 6,880 crore. He further stated that the amount involved is very small and hence supported the request of Andhra Pradesh. He also stated that this gesture will show that the States irrespective of political affiliations can stand together in the face of disaster.

14.26 The Secretary requested that apart from the amount involved, there are legal and structural issues that have to be looked in to and hence, it is better that a GoM analyse these issues. The case of Kerala was different as they are a high consumption state in view of large remittances coming into the State. He further stated that there is no precedent in the Council where the request from a state for legislative action is taken just based on a request from the states without deep examination. He also stated that a GoM can get into those issues which can consider the request of Andhra Pradesh as well as any other State and what the GoM is going to recommend is left thereafter to the GoM: whether a policy approach or single issue approach or an ad hoc approach, but the deliberations by a GoM are very much required as was done in 2018.

14.27 The Hon’ble Members from Uttar Pradesh, West Bengal and Telangana requested that they may be included in the GoM to be formed to discuss the issue.

14.28 The Hon’ble Chairperson stated that any State which wanted to volunteer can be included in the GoM.

Decision: The Council approved the constitution of a Group of Ministers to examine the legal and structural issues and recommend a uniform policy on imposition of levy in case of a natural disaster/calamity in the State.

15. The Secretary thanked the Hon’ble Chairperson and all the Hon’ble Members for a very fruitful discussion on the agenda items.

Annexure-1

List of Hon'ble Ministers from States/UTs who participated in the 55th Meeting of the GST Council held on 21st December, 2024

S. No.	Name of States	Name of Hon'ble Ministers/ Member of GST Council	Designation of Hon'ble Ministers/Member of GST Council
1	GOI	Smt. Nirmala Sitharaman	Union Finance Minister
2	GOI	Shri Pankaj Chaudhary	Minister of State for Finance
3	Andhra Pradesh	Shri Payyavula Keshav	Minister for Finance, Planning, Commercial Taxes and Legislative affairs
4	Arunachal Pradesh	Shri Chowna Mein	Deputy Chief Minister / Finance Minister
5	Assam	Smt. Ajanta Neog	Finance Minister
6	Bihar	Shri Samrat Choudhary	Deputy Chief Minister (Commercial Tax Minister)
7	Chhattisgarh	Shri O.P. Choudhary	Minister of Finance and Commercial Tax
8	Goa	Dr. Pramod P Sawant	Chief Minister/Finance Minister
9	Gujarat	Shri Kanubhai Desai	Minister for Finance
10	Haryana	Shri Nayab Singh	Chief Minister
11	Himachal Pradesh	Shri Rajesh Dharamani	Minister of Technical Education
12	Jammu &Kashmir	Shri Omar Abdullah	Chief Minister (Minister In-charge Finance department)
13	Jharkhand	Shri Radha Krishna Kishore	Minister for Finance / Commercial Tax Department
14	Karnataka	Shri Krishna Byre Gowda	Minister for Revenue
15	Kerala	Shri K N Balagopal	Minister for Finance
16	Madhya Pradesh	Shri Jagdish Devda	Deputy Chief Minister, Minister of Finance, Commercial Tax, Planning, Economics and Statistics
17	Maharashtra	Ms. Aditi Tatkare	Minister for Women and Child Development

18	Manipur	Dr. Sapam Ranjan Singh	Minister for Medical, Health & Family Welfare Department and Publicity & Information Department
19	Meghalaya	Shri Conrad K Sangma	Chief Minister
20	Mizoram	Dr. Vanlalthlana	Minister for Taxation, School Education, Higher &Technical Education
21	Odisha	Shri Mohan Charan Majhi	Chief Minister
22	Puducherry	Shri K. Lakshmi Narayanan	Minister for Public Works
23	Punjab	Shri S. Harpal Singh Cheema	Finance Minister
24	Rajasthan	Shri Gajendra Singh	Minister for Medical and Health Services
25	Tamil Nadu	Shri Thangam Thennarasu	Minister for Finance and Environment and Climate Change.
26	Telangana	Shri Mallu Batti Vikramarka	Deputy Chief Minister and Minister for Finance
27	Tripura	Shri Pranajit Singha Roy	Finance Minister
28	Uttar Pradesh	Shri Suresh Kumar Khanna	Minister Finance & Parliamentary Affairs
29	Uttarakhand	Shri Premchand Aggarwal	Finance Minister
30	West Bengal	Smt. Chandrima Bhattacharya	Finance Minister

Annexure – 2

List of Officers from Centre and the States/UTs who participated in the 55th Meeting of the GST Council held on 21st December, 2024

S. No.	Name of State/CBIC/ GSTC/GOI/GSTN/DoR/ TRU/Policy Wing	Name of Officers	Designation
1	DoR	Shri Ajay Seth	Revenue Secretary
2	CBIC	Shri Sanjay Kumar Agarwal	Chairman
3	CBIC	Shri Shashank Priya	Member (GST)
4	CBIC	Shri Vivek Ranjan	Member (Tax Policy)
5	CBIC	Shri Surjit Bhujabal	Member (CM)
6	DoR	Shri Vivek Aggarwal	Additional Secretary (Revenue)
7	GST Council Secretariat	Shri Pankaj Kumar Singh	Additional Secretary
8	DGGST (CBIC)	Ms. Seema Arora	Pr. Director General
9	GST Policy Wing	Shri Gaurav Singh	Commissioner
10	TRU	Ms. Limatula Yaden	Joint Secretary
11	TRU	Shri Sachin Jain	Joint Secretary
12	DoR	Shri Naval Kishore Ram	Joint Secretary (Revenue)
13	DoR	Shri Balasubramanian Krishnamurthy	Joint Secretary (TPRU / DoR)
14	GST Council Secretariat	Ms. B. Sumidaa Devi	Joint Secretary
15	GSTN	Shri Alok Kumar	EVP, Services
16	GST Council Secretariat	Dr. Shaifali G. Singh	Director
17	GST Council Secretariat	Shri Anil Kumar	Deputy Secretary
18	DoR	Shri Vikash Kumar	Deputy Secretary (State Taxes, DoR)
19	TRU	Dr. Puneeta Bedi	Director
20	TRU	Ms. Amreeta Titus	Deputy Secretary
21	TRU	Shri Satvik Dev	OSD

22	GST Policy Wing	Ms. Kangale Shrunkhala Motiram	Deputy Secretary
23	GOI	Shri Anirudh Shravan	PS to Union FM
24	GOI	Shri Ankit Jalan	Addl. PS to Union FM
25	GOI	Shri Sernya Bhutia	Addl. PS to Union FM
26	GOI	Shri Rishirendra Kumar	PS to MoS
27	GOI	Shri Alkesh Uttam	OSD to MoS
28	DoR	Shri Deepak Kapoor	OSD to RS
29	CBIC	Shri Aditya Bhardwaj	OSD to Chairman
30	GST Policy Wing	Ms.Saumya Gupta	Deputy Commissioner
31	GST Policy Wing	Ms. Sakshi Garg	Deputy Commissioner
32	GST Policy Wing	Shri Prashant Sharma	Assistant Commissioner
33	GSTN	Shri Mohammad Saim	VP
34	TRU	Shri Nitish Karnatak	OSD
35	TRU	Shri Dilmil Singh Soach	Under Secretary
36	TRU	Shri Stanzin Wangyal	OSD
37	GSTN	Shri Naveen Agrawal	OSD to CEO
38	PIB	Ms. Nanu Bhasin	ADG (M&C)
39		Shri Kush Mohan Nahar	Assistant Director (M&C)
40	GST Council Secretariat	Ms. Reshma R Kurup	Under Secretary
41		Ms. P. R. Reshmi	Under Secretary
42		Ms. Swati Nokhwal	Deputy Commissioner
43		Shri Anil Kumar Moria	Deputy Commissioner
44		Shri Vineet Kumar	Superintendent
45		Shri Mohan Lal	Superintendent
46		Shri Sandeep Kumar	Superintendent
47		Shri Himanshu Bhardwaj	Superintendent
48		Shri Anand Singh	Inspector
49		Shri Karan Arora	Assistant Section Officer
50	Andhra Pradesh	Shri Peeyush Kumar	Principal Secretary, Finance (CT)

51		Shri Babu.A	Chief Commissioner of State Taxes
52		Shri K. Ravi Sankar	Commissioner of State Taxes
53		Shri M. Jayakrishna	OSD to Hon'ble Minister for Finance
54	Arunachal Pradesh	Ms. Y.W. Ringu	Commissioner (Finance, Tax & Excise)
55		Shri Lobsang Tsering	Commissioner of State Taxes
56	Assam	Shri Pallav Gopal Jha	Principal Commissioner of State Tax
57		Shri Md. Shakeel Saadullah	Special Commissioner of State Tax
58	Bihar	Shri Sanjay Kumar Singh	Commissioner- cum-Secretary, Commercial Taxes Department
59		Shri Krishna Kumar	Joint Secretary, Commercial Taxes Department
60	Chhattisgarh	Shri Mukesh Bansal	Secretary, Finance and Commercial Tax
61		Shri Pushpendra Kumar Meena	Commissioner of State Taxes
62	Delhi	Ms. Chanchal Yadav	Commissioner of State Taxes
63		Shri S.K Singh	Special Commissioner of State Taxes
64	Goa	Shri S. S. Gill	Commissioner of State Taxes
65		Shri Upendra Joshi	OSD to Hon'ble CM
66		Shri Vishant S. N. Gaunekar	Addl. Commissioner of State Taxes (HQ)
67	Gujarat	Dr. T. Natarajan	Principal Secretary, Finance Department
68		Shri Rajeev Topno	Chief Commissioner of State Taxes
69		Shri Milind Kavatkar	Joint Commissioner

70	Haryana	Shri Devinder Singh Kalyan	Principal Secretary
71		Shri Harsh Singh	Additional Excise & Taxation Commissioner
72	Himachal Pradesh	Dr Yunus	Commissioner of State Taxes and Excise
73		Shri Rakesh Sharma	Addl. Commissioner of State Tax and Excise
74	Jammu &Kashmir	Shri Santosh D. Vaidya	Principal Secretary
75		Shri P.K Bhat	Commissioner, State Taxes Department
76	Jharkhand	Shri Ameet Kumar	Commissioner of Commercial Taxes
77		Shri Brajesh Kumar	Assistant Commisioner
78	Karnataka	Shri Vipul Bansal	Commissioner of Commercial Taxes
79		Shri Meghannavar R D	Addl. Commissioner of Commercial Taxes.
80	Kerala	Dr.A.Jayathilak	Additional Chief Secretary
81		Shri Patil Ajit Bhagwatrao	Commissioner of State Taxes
82		Shri Abraham Renn S	Special Commissioner
83	Madhya Pradesh	Shri Dhanaraju S	Commissioner, Commercial Taxes
84		Shri Manoj Kumar Choubey	Addl. Commissioner, Commercial Taxes
85	Maharashtra	Ms. Shaila A	Secretary Financial Reforms
86		Shri Asheesh Sharma	Commissioner of State Taxes
87	Manipur	Ms. Mercina R. Panmei	Commissioner of Taxes
88		Shri Y. Indrakumar Singh	Joint Commissioner of Taxes
89	Meghalaya	Shri Ramakrishna Chitturi	Commissioner of Taxes
90		Shri V. R Challam	Joint Commissioner of Taxes

91	Mizoram	Shri R. Zosiamliana	Commissioner of State Taxes
92		Shri H.K. Lalhawngliana	Addl. Commissioner of State Taxes
93	Nagaland	Shri Abhinav Shivam	Commissioner of State Taxes
94		Shri N. Areni Patton	Addl. Commissioner of State Taxes
95		Smt. Tokatoli Sohe	Deputy Commissioner of State Taxes
96	Odisha	Shri Saswat Mishra	Principal Secretary
97		Ms. Yamini Sarangi	Commissioner of Commercial Taxes
98		Shri Nihar Ranjan Nayak	Addl. Commissioner of Commercial Taxes
99	Puducherry	Shri M. Adharsh	Dy. Commissioner of State Taxes
100		Ms. S. Rewathi	Assistant Commissioner (A&I) of State Taxes
101	Punjab	Shri Varun Roojam	Commissioner of State Taxes
102		Shri HPS Ghotra	Additional Commissioner of State Taxes
103	Rajasthan	Dr Ravi Kumar Surpur	Secretary , Finance (Revenue)
104		Shri Prakash Rajpurohit	Chief Commissioner
105		Shri Rajeev Kumar	Additional Commissioner
106	Sikkim	Shri Manoj Rai	Commissioner, Commercial Taxes
107	Tamil Nadu	Shri Brajendra Navnit	Principal Secretary, Commercial Taxes and Registration Department
108		Dr. D. Jagannathan	Commissioner of Commercial Taxes
109		Shri Subash Chandra Bose	Additional Commissioner P & PR
110		Shri S. E. Prabhu	Deputy Commissioner P & P
111	Telangana	Shri S.A.M Rizvi	Principal Secretary and Commissioner (CT)

112		Shri K. Ravi	Joint Commissioner (ST) Policy
113	Tripura	Shri Vivek H.B.	Chief Commissioner of State Taxes
114		Shri Ashin Barman	Assistant Commissioner of State Taxes
115	Uttar Pradesh	Shri M Devaraj	Principal Secretary
116		Dr. Nitin Bansal	Commissioner, State Taxes
117		Shri Paritosh Kumar Mishra	Deputy Commissioner (GST)
118	Uttarakhand	Dr. Ahmed Iqbal	Commissioner State Taxes
119		Shri Anil Singh	Additional Commissioner, State Taxes
120		Shri Anurag Mishra	Joint Commissioner State Taxes
121	West Bengal	Shri Prabhat Kumar Mishra	Additional Chief Secretary, Finance
122		Shri Devi Prasad Karanam	Commissioner of Commecial Taxes
123		Shri Santanu Naha	OSD to Hon'ble Member
124		Shri Rajib Sengupta	Additional Commissioner

Annexure-3



Ratification of Notifications and Circulars

Agenda 02: Ratification of Notifications, Circulars etc. (1/1)

[Vol 1- Pg. 178-189]

Act/ Rules	Notifications/Circulars Nos.	Status during Officers Meeting
CGST Act/UTGST Act/ CGST Rules	**Thirteen (13) Central Tax Notifications** issued [No. 17/2024 to 30/2024 & S.O. 5063(E)] **Five (05) Central Tax (rate) Notification** issued (No. 05/2024 to 09/2024) **Five (05) Union Territory Tax (rate) Notifications** issued **(No. 05/2024 to 09/2024)** **Five (05) Integrated Tax (rate) Notifications** issued **(No. 05/2024 to 09/2024)** **Nine (09) Circulars** issued (Circular No. 230/24/2024-GST dated 11.09.2024 to Circular No. 238/32/2024-GST dated 15.10.2024)	Agreed

Summary of discussions on Agendas in Officers' Meeting held on 20th December 2024

Agenda No	Issue/Proposal	Status during Officers Meeting
3(i) [Vol 1- Pg 190-196]	▪ **Amendment in Section 17(5) (d) of CGST Act, 2017 consequent to judgement of Hon'ble Supreme Court dated 03.10.2024 in the case of M/s Safari Retreats Pvt. Ltd.** ▪ Retrospective amendment in clause (d) of Section 17(5) of the CGST Act, 2017, with effect from 01.07.2017, to replace the phrase "plant or machinery" in the said clause with the phrase "plant and machinery". ▪ The said amendment may be done notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(ii) [Vol 1- Pg 197-201]	▪ **Amendment in Schedule III of the CGST Act regarding supply of goods warehoused in a FTWZ/SEZ before clearance to DTA/ for Exports** ▪ Clause (aa) may be inserted in paragraph 8 of Schedule III of CGST Act, 2017 w.e.f. 01.07.2017, to provide that the supply of goods warehoused in a SEZ or in a FTWZ to any person before clearance for exports or to the DTA shall be treated neither as supply of goods nor as supply of services. ▪ Explanation 3 may be inserted in Schedule III of CGST Act, 2017 to define the terms 'Special Economic Zone', 'Free Trade Warehousing Zone' and 'Domestic Tariff Area'. ▪ Consequential change may be made in Explanation 2 of Schedule III of CGST Act, 2017. ▪ No refund to be admissible in respect of any tax which has already been paid in respect of transactions/supplies covered under Entry 8(aa) of Schedule III of CGST Act before the said amendment is notified.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(iii) [Vol I- Pg 202-207]	▪ **Amendment in CGST Act, 2017 for incorporation of provisions relating to Track and Trace Mechanism for specified commodities** ▪ Insertion of an enabling provision in CGST Act through section 148A so as to empower the Government to bring in Track and Trace Mechanism for specified commodities. ▪ Insertion of the definition of Unique Identification Marking under section 2 of the CGST Act, 2017 by inserting a clause (112B) in the said section. ▪ Insertion of a new section 122B in the CGST Act, 2017 to provide for penal provisions for failure to comply with the provisions of Track and Trace mechanism in respect of the specified commodities.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(iv) [Vol I- Pg 208-220]	▪ **Amendment in section 9(5) of Central Goods and Services Act, 2017 for providing clarity regarding determination of tax liability of the electronic commerce operator in respect of specified services.** ▪ Section 9(5) of CGT Act, 2017 may be prospectively amended to cover various types of business models being followed by ECOs in respect of supply of such specified services. ▪ Similar amendments required in section 5(5) of IGST Act, 2017 and section 7(5) of the UTGST Act, 2017 as well as in various State GST Acts.	• Kerala requested for differential treatment based on say the cash flow pattern and the role of the ECO in price determination. It gave example of a Government launched app named 'Kerala savaari', which only connects the suppliers and recipients but does not charge any commission or partakes in pricing of service. • West Bengal sought differential treatment to a similar app 'Yatri sathi" managed by the Government of West Bengal. • Maharashtra objected to the proposal as it felt that there is no end to new models emerging and statute being amended only to tax the same does not appear to be right way of approaching the issue. In light of the concerns raised it was recommended to defer the proposal to be deliberated further.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(v) [Vol I- Pg 221-227]	▪ **Clarification regarding requirement of reversal of input tax credit by electronic commerce operators in respect of supplies made under section 9(5) of CGST Act, 2017.** ▪ To issue a circular clarifying that: ECOs are required to pay the full tax liability on account of supplies under section 9(5) of the CGST Act, 2017 only through electronic cash ledger. ECOs may avail ITC in relation to the inputs and input services used to provide supplies on their own account and can utilize the same to discharge their tax liability on such supplies. No proportional reversal of such ITC under section 17 (1) of section 17 (2) is required to be made by the ECO in respect of supplies for which they are required to pay tax under section 9(5) of CGST Act.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(vi) [Vol I- Pg 228-234]	▪ **Amendment in Rule 89 of CGST Rules, 2017 for providing the scope and computation of the refund on account of inverted duty structure as provided in sub-section (3) of section 54 of CGST Act, 2017 .** ▪ New sub-rule (6) of rule 89 may be inserted to provide for formula for calculation of refund of accumulated ITC on account of inverted rated structure in above to clearly provide that such ITC, accumulated due to subsidies, is not monetized by claiming a refund. ▪ The existing Explanation after sub-rule (5) of rule 89 of CGST Rules, 2017 may be omitted ▪ New Explanation may be inserted after sub-rule (6) of rule 89 so as to clarify the terms provided in the formula provided in sub-rule (5) and sub-rule (6) of rule 89 of CGST Rules, 2017.	The officers were of the view that the proposal may have larger economic implications, such as impact on prices, subsidy bill etc. Accordingly, it was recommended that the proposal may be deferred for comprehensive examination of the matter.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(vii)(I) [Vol 1- Pg. 235-239]	▪ **Amendment in section 107(6) and section 112(8) of CGST Act, 2017 to provide for payment of pre-deposit for filing an appeal in respect of an order passed which involves only penalty amount.** ▪ Amendment in the proviso to section 107(6) of CGST Act and insertion of a proviso in section 112(8) of CGST Act, 2017 to provide for the requirement of pre-deposit of ten percent of the penalty amount for filing an appeal before Appellate Authority and Appellate Tribunal respectively. ▪ Consequential amendments to be made in the FORM APL-01 and FORM APL-05 .	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(vii)(II) [Vol 1- Pg. 240-243]	▪ **Agenda regarding removal of levy of late fee under sub-section (1) of section 47 of the CGST Act, 2017 in respect of furnishing of details of outward supplies in FORM GSTR-1.** ▪ Amendment in section 47(1) of CGST Act to dispense with the late fee for delayed filing of details of outward supplies in FORM GSTR-1.	▪ Tamil Nadu and Telangana opposed the proposal citing that removal of levy of late fee on FORM GSTR-1 may affect the discipline in filing of FORM GSTR-1, which will affect the passing of ITC to the recipients. Accordingly, it was recommended that the proposal may be revisited.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(vii)(III) [Vol 1- Pg 244-245]	▪ **Amendment in Section 2(69)(c) of CGST Act, 2017 to insert an Explanation regarding definitions of Local Fund and Municipal Fund.** ▪ Amendment in clause(c) of section 2(69) of CGST Act, 2017 and to insert an Explanation after the aforesaid clause to provide for definitions of the terms 'Local Fund' and 'Municipal Fund' used in the said clause.	Agreed

Agenda No	Issue/Proposal	Status during Officers Meeting
3(vii)(IV) [Vol 1- Pg 245-247]	▪ **Agenda for Amendment in provisions pertaining to Input Services Distributor mechanism under CGST Act, 2017 and CGST Rules, 2017 .** ▪ To amend Section 2(61) and Section 20(1) of the CGST Act, 2017, to explicitly include inter-state RCM transactions under the ISD mechanism, by including supplies under section 5(3) and 5(4) of IGST Act, 2017 in the said provisions. ▪ Consequential amendment may also be made in section 20(2) of CGST Act, 2017 and Rule 39(1A) of the CGST Rules, 2017. ▪ That amendments in Section 2(61) and Section 20 of the CGST Act, 2017 may be made with effect from 01.04.2025, i.e. the date on which amendments in section 2(61) and section 20 of CGST Act, 2017 made through Finance Act of 2024 (No. 8 of 2024) will come into effect.	Agreed

Agenda No	Issue/Proposal	Status during Officers Meeting
3(viii)(I) [Vol 1- Pg. 248-255]	• **Provision for grant of Temporary Identification Number by Tax Officers to persons not liable to be registered otherwise.** • Insertion of a new rule 16A in CGST Rules, 2017 to provide for a separate provision for generation of temporary identification number for such persons, so as to discharge their liabilities, without getting themselves registered • Amendment in FORM GST REG-12 for this purpose.	Agreed

Agenda No	Issue/Proposal	Status during Officers Meeting
3(viii)(II) [Vol 1- Pg. 255-257]	• **Agenda for allowing amendment in the field 'category of registered person' for taxpayers who opted for composition levy through FORM CMP-02.** • Amendment may be made in sub-rule (1) of rule 19 of CGST Rules, 2017 to allow non-core amendment of "Category of registered person" by composition taxpayers in cases where they had opted for Composition Scheme through FORM CMP-02.	Agreed

Agenda No	Issue/Proposal	Status during Officers Meeting
3(viii)(III) [Vol I- Pg. 257-261]	• **Agenda on requirement of signature or digital signature of the supplier or his authorized representative in respect of e-invoice.** • Amendment in fourth proviso to rule 46 of the CGST Rules, 2017 to dispense with the requirement of signature or digital signature by the supplier or his authorized representative in respect of an invoice which is issued in the manner prescribed in sub-rule (4) of rule 48 of the CGST Rules, 2017	• Odisha supported the proposal on the grounds that the IRN contains the key details of an invoice. • Tamil Nadu and Telangana opposed the proposal on the grounds that the fake bill traders may misuse the facility. • Kerala agreed to the proposal in-principle, but suggested that a middle path may be considered keeping in view the ease of doing business, especially for small taxpayers, as well as to address the concerns of misuse of the proposed exemption. Gujarat was also in agreement with Kerala's view and proposed that the issue may be further deliberated upon. • It was also suggested to examine the proposal for consistency with the Information Technology Act and admissibility in court for such e-invoices. Accordingly, it was recommended to deliberate the issue further.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(ix) [Vol I- Pg. 262-269]	• **Clarification on availability of Input tax credit as per clause (b) of sub-section (2) of section 16 of CGST Act in respect of goods which have been delivered by the supplier at his (supplier's) place of business.** • To clarify through a circular that wherever the contract between the supplier and recipient is an Ex-Works (EXW) contract, the said goods can be construed to have been "received" by the recipient at the time of handing over the said goods to the recipient or the transporter, as the case may be, as per provisions of section 16(2)(b) of CGST Act and the said recipient may avail the ITC on such goods, subject to fulfilment of other conditions stipulated in section 16 and section 17 of the CGST Act.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(x) [Vol 1- Pg. 270-277]	▪ **Clarification regarding mentioning of correct details of name of the State of the un-registered recipient as well as correct declaration of place of supply in respect of supply of 'Online Services'** ▪ To clarify to mandatorily record the name of the State of the unregistered recipient on the tax invoice, in accordance with proviso to rule 46(f) of CGST Rules, in cases of online services specified in the aforesaid proviso.	Agreed. However, Maharashtra mentioned that the issue would be addressed better through amendment of the IGST Act. Accordingly, it was recommended that the proposal of issuing a circular may be approved and it was suggested that the need to amend Act/Rules in the future may be further deliberated.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(xi) [Vol 1- Pg. 278-291]	▪ **Issues pertaining to taxability of Vouchers under GST.** ▪ To issue circular in respect of the said issues to provide clarity and certainty in the matter, as follows: Supply of vouchers itself is neither supply of goods nor supply of services and therefore not taxable under GST. However, the underlying supply of goods or services, in respect of which vouchers are used as consideration, may be taxable. Distribution of vouchers on a principal-to-principal basis is neither supply of goods nor supply of services and therefore not taxable under GST. However, in case of distribution of vouchers on a principal-to-agent basis, the commissions/fees charged by agents for distribution is supply of services and taxable under GST. Additional services related to vouchers, such as co-branding, technical support etc. are taxable under GST. Income accrued from unredeemed vouchers (breakage) is not a consideration pertaining to any supply of goods or services and therefore is not taxable under GST. ▪ To omit section 12(4) and section 13(4) from CGST Act, 2017. ▪ To omit rule 32(6) from CGST Rules, 2017.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(xii) [Vol I- Pg 292-299]	• **Amendment in section 13(8)(b) of the IGST Act, 2017 in respect of place of supply of intermediary services.** • Clause (b) may be omitted from sub-section (8) of section 13 of IGST Act, 2017 for providing that the place of supply for "intermediary services" will be determined as per the default provision under section 13(2) of the IGST Act i.e. the location of the recipient of such services so as to avoid the legal disputes arising out of the said specific provision for place of supply of intermediary services and to provide certainty in the matter of taxation of such services.	• Karnataka objected to the proposal citing revenue implications and requested to issue further clarifications, as required. • Kerala opposed the proposal citing example of intermediary services provided by educational consultant in relation to admission of students to pursue courses outside India. • Maharashtra agreed to the proposal highlighting the interpretational challenges of the provision and ensuing litigation due to the same. In light of the objections, it was agreed that a group of officers comprising of officers from CBIC and States of Maharashtra, Karnataka, Kerala, Telangana, Haryana, Gujarat may be constituted to further deliberate on the issue in a time bound manner for taking a considered view on the matter.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(xiii) [Vol I- Pg 300-308]	• **Clarification regarding applicability of late fee for delay in furnishing of FORM GSTR-9C.** • **To issue a circular , clarifying that :** The late fee under Section 47(2) of the CGST Act, 2017 is leviable for the delay in filing the complete annual return under Section 44 of the CGST Act, 2017, which includes both FORM GSTR-9 and FORM GSTR-9C (where applicable). The late fee is not separately applicable for the delay in filing FORM GSTR-9 and FORM GSTR-9C but will be computed from the due date of the annual return until the date on which the complete annual return (FORM GSTR-9 and FORM GSTR-9C, where applicable) is filed. • **Notification to be issued under Section 128 of the CGST Act, 2017 providing that:** Late fee for delayed filing of FORM GSTR-9C for the past period up to the Financial Year 2022-23, shall be waived, which is in excess of the amount of late fee payable till the date of filing of FORM GSTR-9 for the said financial year, provided the said FORM GSTR-9C is filed on or before 31st March 2025. No refund may be available in respect of late fee already paid in respect of FORM GSTR-9C for the said financial years.	Agreed.

Agenda No	Issue/Proposal	Status during Officers Meeting
3(xiv) [Vol 1- Pg. 309-332]	▪ **Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS) .** ▪ Amendment in Section 38 of CGST Act, 2017 and rule 60 of CGST Rules, 2017; ▪ Amendment in sub-section (2) of section 34 of the CGST Act, 2017 ; ▪ Amendment in sub-section (1) of section 39 of CGST Act, 2017 and rule 61 of CGST Rules, 2017; ▪ Consequential amendment in Rule 88D of CGST Rules, 2017 and FORM GSTR-2B.	Agreed

Agenda No	Issue/Proposal	Status during Officers Meeting
3(xv) [Vol 1- Pg. 333-336]	▪ **Concept note for implementing different categories of GST registration based on Risk Assessment and aligning the registration process with passing on of Input Tax Credit.** ▪ In-principle approval of the concept note may be sought from the GST Council. ▪ Further Law Committee was of the view that the concept can be implemented at the earliest for category of 'New/Small Businesses' to begin with. ▪ It was further deliberated that the detailed guidelines and parameters as well as requirement of amendment in GST Act and Rules, as well as the processes on GSTN system, may be deliberated by the Law Committee in due course after receiving in-principle approval of the Council.	It was recommended that the concept note may be agreed to in-principle. It was further recommended that a group of officers from the States of Delhi, Gujarat, Andhra Pradesh, Goa, Telangana and Tamil Nadu may be formed to provide their inputs to the Law Committee for formulation of the detailed guidelines and parameters in respect of the proposal.

THANK YOU

55th GST Council Meeting

Agenda Item 4

Recommendations of Fitment Committee on Goods and Services

21st December, 2024

Agenda Items

- **Total 38 issues examined**
  - Goods : 17
  - Services: 21

Goods

- **Total 17 issues examined**
  - Recommendations for making changes in GST rates/ issuing clarifications- **13**

    [Vol-I :Agenda 4(a) : Annexure-I :pages 338-348]
  - Recommendations for making no change - **4**

    [Vol-I: Agenda 4(b):Annexure-II: pages 349-353]

Services

- **Total 21 issues examined**
  - Recommendations for making changes in GST rates/ issuing clarifications- **15**

    [Vol. I, Agenda Item 4(c), Annexure-IV :pages 354 to 406]
  - Recommendations for making no change - **3**

    [Vol. I, Agenda Item 4(d), Annexure-V :pages 407 to 413]
  - Issues deferred for further examination - **2**

    [Vol. I, Agenda Item 4(e), Annexure-VI :pages 414 to 418]
  - Issues on which Fitment Committee has not made any recommendations and decision may be taken by the GST Council- **1**

    [Vol. I, Agenda Item 4(f), Annexure-VI :pages 419 to 420]

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4 (a) (Annexure-I) S. No. 1 Vol-I Page Nos. 338-339	**Issue** ➢ To clarify the GST rate on ready to eat popcorn which are mixed with spices and oil. **Fitment Committee recommended :** ➢ To clarify that ready to eat popcorn which is mixed with salt and spices are classifiable under HS 2106 90 99. However, when the popcorn is mixed with sugar thereby changing its character to sugar confectionary (eg caramel popcorn), it would be classifiable under HS 1704 90 90 attracting 18% GST. ➢ To clarify that ready to eat popcorn mixed with salt and spices classifiable under HS 2106 90 99 attracts 5% GST, if other than pre-packaged and labelled and 12% GST if supplied as pre-packaged and labelled, as it has the essential character of namkeens. ➢ To regularize the issues for the past on "*as is where is*" basis.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a) (Annexure-I) S. No. 2 Vol-I Page Nos. 339	**Issue** ➢ To extend the exemption to Systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of LRSAM in place of Long Range surface to Air Missile system in the existing entry at S. No. 21(II) of the notification No.19/2019- Customs. ➢ Currently, exemption from basic customs duty (BCD) and IGST is available on imports of long-range Surface to Air Missile system (LRSAM). **Fitment Committee recommended :** ➢ To amend the existing entry to extend IGST exemption to include systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for assembly/ manufacture of LRSAM system in place of long-range Surface to Air Missile system (LRSAM).	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a) (Annexure-I) S. No. 3 Vol-I: Page Nos. 339-341	**Issue** ➢ To reduce GST rate on sale of old and used Electric Vehicles (EVs) from 12% to 5%. ➢ Vide entry at S. No.4 of the notification No. 08/2018-Central Tax (Rate) dated 25.01.2018, all old and used vehicles including EVs, (other than petrol vehicles of engine capacity of 1200 cc or more and of length of 4000 mm or more, diesel vehicles of engine capacity of 1500 cc or more and of length of 4000 mm and SUVs) attract 12% GST. ➢ Since duty rate is applicable only on the value that represents margin of the supplier, the tax incidence is already on the lower side. **Fitment Committee recommended** ➢ To increase the rate from 12% to 18% for all the other vehicles, including EVs, covered by this entry.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a) (Annexure-I) S. No. 4 Vol-I: Page Nos. 341-342	**Issue:** ➢ To issue clarification on the classification and the tax rate on Autoclaved Aerated Concrete (AAC) blocks containing at least 50% fly ash as raw material constituent. ➢ Fly ash bricks, fly ash aggregates and fly ash blocks classifiable under HS 6815 attract 12% GST. Articles of cement, of concrete or of artificial stone, whether or not reinforced, are classifiable under HS 6810 attracting 18% GST. ➢ Ministry of Environment & Forests has notified that for the manufacturing of fly ash bricks, blocks, tiles etc, fly ash equivalent to minimum 50% of total input materials is required to be used. **Fitment Committee recommended** ➢ To clarify that ACC blocks containing more than 50% fly ash content will fall under HS 6815 and attract 12% GST.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a) (Annexure-I) S. No. 5 Vol-I: Page Nos. 342	**Issue** ➢ To issue clarification on the classification and GST rate on dried pepper of genus piper and whether dried pepper is an agricultural produce and supply from plantations is exempt from GST. **Fitment Committee recommended :** ➢ To clarify that,- (i) pepper of genus piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST; (ii) an agriculturist supplying dried pepper is not liable to be registered under Section 23 (1) of the CGST Act and is exempt.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a) (Annexure-I) S. No. 6 Vol-I: Page Nos. 343	**Issue** ➢ To reduce GST rate on raisins from 5% to Nil if supplied other than pre-packaged and labelled and 5% on pre- packaged and labelled as doubts were raised in the context of agriculturists. ➢ Fitment Committee was of the view that **no change** as requested was required as farmers/ agriculturists are not liable to pay tax. **Fitment Committee recommended** ➢ To issue a clarification along the lines as recommended on supply of pepper by agriculturist i.e to clarify that an agriculturist supplying raisins is not liable to be registered under Section 23 (1) of the CGST Act and is exempt.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 7 Vol-I Page Nos. 343-344	**Issue** ➢ To issue clarification on what constitutes agricultural farm produce. ➢ As per amendment to Rule 3 of the Packaged Commodities Rules w.e.f. 1.1.2018, the provisions applicable to packages intended for retail sale do not apply to agricultural farm produce sold in bags above 50 kilograms. However, there is no definition of 'agricultural farm produce'. ➢ The GST Council in its 53rd meeting recommended that the proviso to the GST rate notification be suitably amended such that the supply of agricultural farm produce in packages containing quantity of more than 25kg or 25 litre shall not be considered as a supply made within the expression 'prepackaged and labelled'. **Fitment Committee recommended** ➢ To amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto, is required to bear the declarations under the provisions of the Act and rules.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 8 Vol-I Page Nos. 344	**Issue:** ➢ Reduced GST rate of 0.1% applicable on supplies made by domestic supplier to merchant exporter but full compensation cess is payable. **Fitment Committee recommended** ➢ To prescribe 0.1% compensation cess on supplies made to merchant exporter at par with GST rate on such exports for the remaining period that the compensation cess is in operation.	**Agreed**
4(a)(Annexure-I) S. No. 9 Vol-I Page Nos. 345	**Issue:** ➢ To reduce the GST rate on Supply of Fortified Rice Kernels (HS 1904) for ultimate use in PDS/ welfare schemes from 18% to 5%. **Fitment Committee recommended** ➢ To reduce the GST rate on supply of all fortified rice kernels (HS 1904) from 18% to 5% to avoid giving an end-use based exemption.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 10 Vol-I Page Nos. 345-346	**Issue:** ➢ To issue clarification that the **inputs** for the food preparation intended for free distribution to economically weaker sections of the society under a government program is eligible for the concessional rate of 5% under notification No. 39/2017-Central Tax (Rate). **Fitment Committee recommended** ➢ To extend the concessional rate to the inputs of these food preparations also subject to the same conditions as specified in notification No. 39/2017 – Central Tax (Rate), dated 18.10.2017.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 11 Vol-I Page Nos. 346	**Issue:** ➢ To issue clarification regarding effective date of amendment in Entry 52B of the notification No. 03/2023-Compensation Cess (Rate) regarding ground clearance of SUVs. ➢ Based on recommendations of the GST Council in its 50th GST Council meeting, the Notification entry was substituted to provide that cess @ 22% will be applicable to all motor vehicles known as utility vehicles by whatever name called, with engine capacity exceeding 1500cc, length exceeding 4000 mm and ground clearance of 170 mm & above. Further, a new explanation was also added that ground clearance means ground clearance in unladen condition. **Fitment Committee recommended** ➢ To clarify that the amendment will apply on or after 26.07.2023.	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 12 Vol-I: Page Nos. 346-347	**Issue** • To reduce GST rate on CAR-T cell therapy (HS 30) from 12% to Nil. • India's first indigenous gene therapy NexCAR19 developed by ImmunoACT, a spin-off company of IIT Bombay in collaboration with Tata Hospital, Mumbai and launched in April 2024 • It is a cutting-edge technology which uses gene-modified cell therapy to improve survival in advanced blood cancers. • This innovative new treatment has reduced the costs significantly at INR 25 lakhs in India as compared to almost INR 4+ crores in USA. However, it is still high **Fitment Committee recommended** • To reduce the GST rate on gene therapy (HS 30) from 12% to Nil considering the prohibitive cost .	**Agreed**

Goods- Change recommended (13) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(a)(Annexure-I) S. No. 13 Vol-I: Page Nos. 347-348	**Issue:** • To exempt IGST on the temporary import of equipment and consumable samples by Inspection Team of International Atomic Energy Agency (IAEA). • Currently, exemption available for imports of equipment and consumable samples by the inspection team of Organisation for Prevention of Chemical Weapons (OPCW). **Fitment Committee recommended** To exempt IGST on imports of all equipment and consumable samples by the inspection team of IAEA subject to following conditions: (a) the importer shall produce a certificate along with duly certified list of equipment and consumable samples from the Joint Secretary or the Deputy Secretary, Ministry of External Affairs to the effect that such equipment and samples are required for carrying out verification/ inspections as per terms of IAEA; and (b) the Joint Secretary or the Deputy Secretary, MEA shall furnish an undertaking on letter head to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, to the effect that such equipment shall be exported within six months of their import or within such extended period as may be allowed by the Commissioner of Customs, in this behalf and that consumable samples are required for the intended purpose and shall be accounted for.	**Agreed**

Goods- No change recommended (4) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(b)(Annexure-II) S. No. 1 Vol-I: Page Nos. 349	**Issue** ➢ To reduce GST rate from 18% to 5%/Nil on Agriculture machinery used 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. **Fitment Committee recommended** not to reduce the GST rate as this may lead to inverted duty structure and cascading of input taxes.	**Agreed**
4(a)(Annexure-II) S. No. 2 Vol-I: Page Nos. 350-352	**Issue** ➢ To regularize GST rate on extruded or expanded products, savoury or salted for the past period. **Fitment Committee did not recommend** regularization of the issue for the past period.	**Agreed**

Goods- No change recommended (4) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(b)(Annexure-II) S. No. 3 Vol-I: Page Nos. 352	**Issue:** To reduce GST rate from 5% on Rice Bran Oil. **Fitment Committee recommended** to maintain status quo as reduction in the GST rate may deepen the existing duty inversion.	**Agreed**
4(a)(Annexure-II) S. No. 4 Vol-I: Page Nos. 352-353	**Issue:** To reduce GST rates from 28%/18% to 5 % on Components and Parts used in manufacture of electric vehicles. **Fitment Committee did not recommend** as parts are of dual use and and EV manufacturers are already getting inverted duty refund.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 1 Vol- I : Page No. 354-359	**Issue** ➢ Restaurant services supplied through ECO were brought under section 9(5) of CGST Act w.e.f. 01.01.2022 on the recommendations of the 45th GST Council. A proposal to bring restaurant services and delivery provided in relation to such restaurant services, under section 9(5) was presented before the Council in the 45th meeting. ➢ However, there is lack of clarity regarding payment of tax on the service of delivery in relation to restaurant services supplied through an ECO as it was not notified explicitly. **Fitment Committee recommended** ➢ **To insert an explanation** that the restaurant service under section 9(5), includes the service of delivery, by any person, of food or any other article for human consumption or drink from the restaurant, eating joints etc. to the recipient of restaurant service. This entails the liability to pay GST @ 5%, without ITC, on delivery services, with effect from 01.01.2022 on ECOs.	**Agreed.** Haryana raised concerns that the recommendation is not aligned with the views taken earlier.

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 2 Vol- I: Page No. 359-362	**Issue** ➢ Regulated Entities (REs) are required to levy 'penal charges' and not 'penal interest' in terms of RBI instructions dated 18.08.2023, effective from 01.01.2024, for non-compliance with material terms and conditions of loan agreements. ➢ To clarify the applicability of GST on such 'penal charges'. **Fitment Committee recommended** ➢ **To clarify** that 'penal charges' are in the nature of liquidated damages and no GST is payable on the same.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 3 Vol- I Page No. 362-365	**Issue** ➢ To bring the sponsorship services rendered by a body corporate to another body corporate from reverse charge mechanism to forward charge mechanism. **Fitment Committee recommended** ➢ **To bring** sponsorship services provided by body corporates under forward charge.	**Agreed**
4(c) (Annexure-IV) S.No. 4 Vol- I : Page No. 365-370	**Issue** ➢ To clarify that exemption under entry at Sr. No. 34 of notification No. 12/2017-CTR dated 28.06.2017, pertaining to services in relation to settlement provided by acquiring banks for transactions below Rs. 2,000 done by cards, is available to payment aggregators. The matter was deferred by the 54th GST Council for further examination. **Fitment Committee recommended** ➢ **To clarify** that RBI regulated Payment Aggregators are eligible for exemption under entry at Sr. No. 34 of the notification No. 12/2017-CTR dated 28.06.2017, since they fall within the ambit of *'acquiring bank'*, and that the exemption under Sl. No. 34 is not for payment gateway functions as the exemption is limited to settlement function only.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 5 Vol- I Page No. 370-372	**Issue** ➢ To examine the taxability, or otherwise, of research carried out for the wider public good and to clarify the distinction between research and consulting activities. ➢ To regularise the GST on research and development services carried out by Government entities against grants received from the Government or Government entities for the period from 01.07.2017 to 09.10.2024 on *'as is where is'* basis. **Fitment Committee recommended** ➢ **To clarify** the distinction between research and consultancy activity on the following criteria: - Whether the activity is aimed at generating new knowledge; and - Whether the outcome of the activity is uncertain ➢ Also **clarify** that grants or funding for research for public good, i.e. where benefits of the research do not accrue to a single entity, to the exclusion of others, do not amount to consideration for a supply. ➢ The payment of GST on research and development services carried out by Government entities against grants received from the Government or Government entities may be **regularized** for the period 01.07.2017 to 09.10.2024 on *'as is where is'* basis.	**Deferred** This issue may be deferred for comprehensive re-examination. The issue as to whether private grants to private bodies should be eligible for the exemption or not is also to be examined.

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 6 Vol- I: Page No. 372-375	**Issue** ➢ To exempt the contributions made into the Motor Vehicle Accident Fund, out of the premiums collected by general insurers on mandatory third-party insurance of motor vehicles, on which applicable GST has already been paid. **Fitment Committee recommended** ➢ **Exempt** the services of insurance provided by the Motor Vehicle Accident Fund, for which the consideration is represented by the contributions received from general insurance companies, as a share of premiums collected on mandatory third-party insurance of motor vehicles.	**Agreed**
4(c) (Annexure-IV) S.No. 7 Vol- I: Page No. 375-379	**Issue** ➢ To restore the tax exemption for Training Partners (TPs) approved by the National Skill Development Corporation (NSDC). This exemption was withdrawn as a result of recasting of the existing exemption to skill development and training in view of the comprehensive modification of the entire regulatory architecture under NCVET. **Fitment Committee recommended** ➢ **To reinstate** the exemption given to TPs approved by NSDC; ➢ **To regularize** the GST for the period from 10.10.2024, i.e. the date of implementation of Notification No. 08/2024-CT(Rate) dated 08.10.2024, to the date of issue of amending notification, on *'as is where is'* basis.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 8 Vol- I: Page No. 379-382	**Issue** ➢ To clarify whether GST is applicable on charges/ fees paid for Floor Space Index (FSI)/additional FSI by builders to local authorities under Reverse Charge Mechanism (RCM). **Fitment Committee recommended** ➢ **Clarify** that GST is applicable on charges/ fees paid for FSI including additional FSI by builders to local authorities under Reverse Charge Mechanism (RCM).	**Deferred for more examination.** Officers were of the view that granting FSI is a function of Municipality. Hence should be kept outside the purview of GST. It was also viewed that the Premium FSI may be taxed as for same, builders pay an additional cost.

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 9 Vol- I Page No. 382-385	**Issue** ➢ To clarify that as long as the entire transportation of goods is undertaken by road and the person transporting the goods issues consignment note, the said service would be treated as Goods Transport Agency (GTA) service instead of courier services. **Fitment Committee recommended** ➢ **Clarify** to the investigating agency that the delivery service entering door-to-door instant delivery service through two-wheeler network is more appropriately classifiable as courier service (in terms of explanatory notes to the scheme of classification of services) and not as GTA.	**Deferred** for comprehensive examination of the applicable GST rates on the sector.
4(c) (Annexure-IV) S.No. 10 Vol- I Page No. 385-388	**Issue** ➢ To issue clarification on levy of GST towards lease rentals payment made to National Highways Authority of India (NHAI) by Oil Marketing Companies (OMCs) for developing way side amenities. **Fitment Committee recommended** ➢ **Clarify** to NHAI and Oil Marketing Companies (OMCs) that GST is applicable on renting of land to OMCs at applicable rate i.e., 18%.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 11 Vol- I Page No. 388-390	**Issue** ➢ To amend entry at Sr. No. 25A of notification No. 12/2017-CTR dated 28.06.2017 and to regularize GST for the period from 10.10.2024 to the date of issue of amending notification. ➢ Entry at Sr. No. 25A was inserted on the recommendations of the 54th Meeting of the GST Council. The term "transmission **and** distribution utilities" was used in the said entry which is at variance with the entry at Sr. No. 25 which uses the term "transmission **or** distribution utility". **Fitment Committee recommended** ➢ The new entry at Sr. No. 25A may be **aligned** with the entry at Sr. No. 25 so as to maintain uniformity. ➢ The intervening period i.e., 10.10.2024 (date of insertion of entry at Sr. No. 25A in notification No. 12/2017-CTR dated 28.06.2017) up to the date of issue of amending notification may be **regularized** on *'as is where is'* basis.	**Agreed**
4(c) (Annexure-IV) S.No. 12 Vol-I Page No. 390-393	**Issue** ➢ To notify Delhi Development Authority (DDA) as a Local Authority and to remove the reference of DDA from the answer to question #5 of the "FAQs on GST in Government Services Sector" wherein DDA is listed as 'not a local authority'. **Fitment Committee recommended** ➢ **Clarify** that as DDA does not meet requirement of local authority as per section 2(69) of the CGST Act, 2017, it cannot be treated as local authority under GST law. ➢ The definition of local fund and Municipal fund as proposed by Maharashtra **referred to** Law Committee for making necessary amendment in the CGST Act.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(e) (Annexure-IV) S.No. 13 Vol:- I Page No. 393-396	**Issue** ➢ To clarify that GST is not applicable on facility management services provided to Municipal Corporation of Delhi (MCD) HQ. **Fitment Committee recommended** ➢ **Clarify** that GST is applicable on facility management services provided to Delhi (MCD) HQ for upkeep of its head quarter building and no exemption is available to them as these services are not covered under the scope of entry at Sr. No.3A of the notification No. 12/2017-CTR dated 28.06.2017.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(e) (Annexure-IV) S.No. 14 Vol:- I Page No. 396-402	**Issue** ➢ To review the levy of GST on Reverse Charge Mechanism (RCM) basis on renting of commercial property by unregistered person to a registered person. ➢ To clarify that no GST is payable on renting of commercial property by unregistered person to Renewable Energy projects under Ministry of New & Renewable Energy (MNRE). **Fitment Committee recommended** ➢ **Exclude** the taxpayers registered under composition levy scheme from the entry at Sr. No. 5AB of Notification No. 13/2017-CTR dated 28.06.2017 introduced vide Notification No. 09/2024-CTR dated 08.10.2024. ➢ The period from the date when the notification No. 09/2024-CTR dated 08.10.2024, became effective (i.e. 10.10.2024) till the date proposed notification is issued may be **regularized** on *'as is where is'* basis. ➢ **Clarify** to Ministry of New & Renewable Energy (MNRE) that GST has to be paid by them at applicable rates on renting of commercial property from unregistered persons under RCM.	**Agreed**

Services- Change recommended (15) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-IV) S.No. 15 Vol-. I Page No. 402-406	**Issue** ➢ To clarify the rate of GST applicable to restaurants operating in hotels' premises and the period for which GST @18%, with ITC, is to be paid, where the declared tariff crosses the threshold of Rs. 7500 during the year. **Fitment Committee recommended** ➢ The definition of declared tariff maybe **deleted** and the definition of specified premises may **be amended** to provide for applicable GST rates if the 'value of supply' exceeded Rs. 7500 for any unit of accommodation in any financial year. ➢ **Give option** to the supplier to pay tax on restaurant service at the rate of 18%, with ITC, by giving a declaration to that effect on or before the beginning of the financial year or on obtaining registration. ➢ The above changes may be made effective from 01.04.2025 to avoid any transition difficulties. ➢ **Law Committee to examine** and provide for suitable legal mechanism for availability/reversal of ITC for the taxpayer moving from 5% without ITC to 18% with ITC and vice versa.	**Agreed** Kerala suggested to re-examine, in the future, the threshold of Rs. 7500/- and the modalities for determining the rate applicable to restaurant service in hotels.

Services-No change recommended (3) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(d) (Annexure-V) S.No. 1 Vol-. I Page No. 407-409	**Issue** ➢ To exempt GST on Light dues collected by Directorate General of Lighthouses & Lightship (DGLL) during the period 01.07.2017 to 31.08.2022. **Fitment Committee recommended** ➢ The request **may not be accepted**.	**Agreed**
4(d) (Annexure-V) S.No. 2 Vol-. I Page No. 409-411	**Issue** ➢ To review the inclusion of services under the notification No. 17/2017-CTR dated 28.06.2017 under which four services have been notified on which GST is paid by Electronic Commerce Operator under section 9(5) of CGST Act, 2017. **Fitment Committee recommended** ➢ The current list of services notified under section 9(5) may continue. **No change recommended.**	**Agreed**

Services-No change recommended (3) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(d) (Annexure-V) S.No. 3 Vol-: I Page No. 411-413	**Issue** ➢ To either exempt electric vehicle (EV) charging services at public charging stations or to reduce the rate on EV charging service from 18 % to 5% or to clarify that the activity of charging EVs in a charging station essentially involves supply of electricity and therefore should be chargeable at the same rate applicable to supply of electricity. **Fitment Committee recommended** ➢ The request **may not be accepted.**	**Agreed**

Services- Deferred (2) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(c) (Annexure-VI) S.No. 1 Vol- : I Page No. 414-417	**Issue** ➢ To clarify the applicability of GST on the upfront amount/ concession amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model and also on short term toll collection under other models. **Fitment Committee recommended** ➢ The matter may be **deferred**.	**Agreed.** Officers from Maharashtra and Madhya Pradesh viewed that the concession amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model may be considered for exemption. However, officers from UP and Karnataka requested to defer the matter for more examination.
4(c) (Annexure-VI) S.No. 2 Vol- : I Page No. 417-418	**Issue** ➢ To clarify the taxability of services provided by NBFCs to banks in co-lending arrangements. **Fitment Committee recommended** ➢ The matter may be **deferred.**	**Agreed**

Services- No recommendation by Fitment Committee (1) :

Agenda No.	Issue/Proposal	Status after officers' meeting
4(i) (Annexure-VII) S.No. 1 Vol-: 1 Page No. 419-420	**Issue** ➢ The said agenda was taken to the 54th GST Council held on 09.09.2024 and the council did not accede to the request of M/s Goethe Institutes/Max Mueller Bhawan to exempt GST on the services provided by them for past period from 01.07.2017 to 31.03.2023. ➢ M/s Goethe Institutes/Max Mueller Bhawan have six institutes across India which provide linguistic and cultural training to young Indians preparing for their stay in Germany. ➢ From 1st April, 2023, Goethe Institutes have started collecting and paying GST. They have paid Rs. 15 crores GST till March, 2024. ➢ Prior to 1st April, 2023, the Institutes did not collect GST from their students nor did they remit the same to Government as they were under the belief that their activities are exempt from GST. ➢ Ministry of External Affairs has requested to reexamine the issue of retrospective exemption. Quantum of GST involved is approx. Rs 52 crores as informed by the Ministry of External Affairs. **Fitment Committee recommended** ➢ Fitment Committee **did not make any recommendations** on this issue and viewed that the issue may be discussed and decided by the GST Council only.	**Agreed** to regularize GST liability of M/s Goethe Institutes for the past period from 01.07.2017 to 31.03.2023, on *'as is where is'* basis.

THANK YOU

Agenda 4 (Annexure-I)

1. Clarification on tax rate on ready to eat popcorn which is mixed with salt and spices. (pages 338-339)

- Ready to heat/ ready to cook kernels of corn which are mixed with flavours or spices and oil are classifiable under HS 2008 which cover prepared or preserved edible parts of plants and attract 12%.
- HS 1904 covers prepared foods obtained by the swelling or roasting of cereals or cereal products. Ready to eat popcorn when obtained by swelling of cereal i.e. Maize (corn), which is not mixed with any flavouring agent, colouring agent, spices or other additives would be classifiable under HS 19041090.
- Currently, all goods under 1904 attract 18% GST (except *puffed rice commonly known as muri, flattened or beaten rice commonly known as chira, parched rice commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as murki, pre-packaged and labelled which attracts 5% GST).*
- Ready to eat popcorn is sold with many variations – salted, plain, caramel etc
- The current issue is regarding tax rate on ready to eat popcorn which is mixed with salt and spices.

Recommendations of Fitment Committee

- To **clarify** that ready to eat popcorn which is mixed with salt and spices are classifiable under HS 2106 90 99. However, when the popcorn is mixed with sugar thereby changing its character to sugar confectionary (e.g.- caramel popcorn), it would be classifiable under HS 1704 90 90 attracting 18% GST.
- To **clarify** that ready to eat popcorn mixed with salt and spices classifiable under HS 2106 90 99 attracts 5% GST if supplied other than pre-packaged and labelled and 12% GST if supplied as pre-packaged and labelled, as it has the essential character of namkeens
- To **regularize** the issues for the past on "*as is where is*" basis.

Agenda 4 (Annexure-I)

2. To extend the IGST exemption available on supply of long-range Surface to Air Missile system (LRSAM) to its systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant assembly/manufacture of LRSAM system (page 339)

- Currently, exemption from basic customs duty (BCD) and IGST is available on imports of Long-Range Surface to Air Missile System (LRSAM) [*S. No. 21(II) of Notification No. 19/2019-Customs]*
- As per Ministry of Defence, the notification entry in its present form gives the impression that the LRSAM system is eligible for exemption only when imported as a single unit. However, the LRSAM system consists of multiple units like the Weapon Control System (WCS), Multi-Function Surveillance Threat Alerts Radar System (MFSTAR) and Vertical Launch Unit (VLU) that are subsequently assembled into a LRSAM system for fitting on the Indian Navy Warship.

Recommendations of Fitment Committee

- To amend the existing entry to extend IGST exemption to include systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant for LRSAM system **in place of** long-range Surface to Air Missile system (LRSAM).

Agenda 4 (Annexure-I)

3. To reduce GST rate on sale of old and used electric vehicles from 12% to 5%. *(pages 339-341)*

- Currently, notification No. 08/2018-Central Tax (Rate) dated 25.01.2018 prescribes the GST rates for old used vehicles on the value that represents margin of the supplier, on supply of such goods.
- Vide entry at Sr. No.4 of the notification No. 08/2018-Central Tax (Rate) dated 25.01.2018, all old and used vehicles including EVs, *(other than petrol vehicles of engine capacity of 1200 cc or more and of length of 4000 mm or more, diesel vehicles of engine capacity of 1500 cc or more and of length of 4000 mm and SUVs)* attract 12% GST.
- Input parts and services which are used for repair or maintenance of all second-hand vehicles attract 18% GST.
- Since the duty rate is applicable only on the value that represents margin of the supplier, the tax incidence is already on the lower side.

Recommendations of Fitment Committee

- **To amend Sr. No.4 of notification No. 08/2018-Central Tax (Rate) to increase the rate from 12% to 18% for all the other vehicles, including EVs at par with other vehicles.**



Agenda 4 (Annexure-I)

4. To clarify classification and tax rate on AAC blocks containing at least 50% fly ash as raw material constituent . *(pages 341-342)*

- Fly ash bricks, fly ash aggregates and fly ash blocks classifiable under HS 6815 attract 12% GST vide S. No. 176B of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.
- Articles of cement, of concrete or of artificial stone, whether or not reinforced are classifiable under HS 6810 and attract 18% GST vide S. No. 181 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.
- Autoclaved aerated concrete (AAC) is a technology increasingly being used in building construction.
- Fly ash is a solid waste produced in thermal power plants which is a toxic waste for the environment if left untreated. The manufacturing of fly ash- based ACC blocks require cement, sand, fly ash, lime and expansion agent/ aerating agent (aluminium powder).
- Vide SO763(E) dated 14.09.1999, Ministry of Environment & Forests has notified that for the manufacturing of fly ash bricks, blocks, tiles etc, fly ash equivalent to minimum 50% of total input materials is required to be used. In this case, the AAC blocks are manufactured by utilizing more than 50% fly ash content and hence cannot be termed as non-fly ash-based product.

Recommendations of Fitment Committee

- **To clarify that ACC blocks containing more than 50% fly ash content will fall under HS 6815 and attract 12% GST.**



Agenda 4 (Annexure-I)

5. (i) To clarify classification and GST rate on dried pepper of genus piper ; and

(ii) To clarify whether dried pepper is an agricultural produce and supply from plantations is exempt from GST. *(page 342)*

- HS 0904 covers Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the genus Pimenta.
- From the Explanatory Notes it is seen that all varieties of pepper of the genus Piper, whether green (fresh), white or black is covered under HS 0904 and supply of pepper attracts 5% GST.
- Regarding supply by an agriculturist, under Section 23 (1) (b) of the CGST Act, an agriculturist, to the extent of supply of produce out of cultivation of land is not liable to take registration.
- Thus supply of pepper, whether fresh or dried, by persons other than agriculturists attract 5% GST.

Recommendations of Fitment Committee

- **To clarify that pepper of genus piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST, and**
- **Also, to clarify that an agriculturist supplying dried pepper is not liable to be registered under Section 23 (1) of the CGST Act and is therefore exempt.**



Agenda 4 (Annexure-I)

6. To reduce GST rate on raisins from 5% to Nil if other than pre packaged and labelled and 5% if pre- packaged and labelled. *(page 333)*

- Currently raisins attract 5 % GST. The request was for prescribing Nil rate if supplied other than pre- packaged and labelled and 5% to apply only if prepackaged and labelled.
- The issue was raised as doubts were raised in the context of whether agriculturists were liable to pay 5% GST.
- The GoM on Rate Rationalisation in its Interim Report had reviewed the exemption on unbranded food cereals, flour, honey, etc and other similar items and recommended that the exclusion condition for such exemptions may be modified by replacing the term 'branded' with the deterministic condition of being 'pre-packaged and labelled' for retail sale in accordance with the Legal Metrology Act and Rules thereunder. This recommendation was accepted by the GST Council in its 47th meeting.
- However, as per Section 23(1), agriculturists are not liable to get registered under GST. Hence, farmers already enjoy relief from GST.
- **Fitment Committee was of the view that no change as requested was required as farmers/ agriculturists are not liable to pay tax.**

Recommendations of Fitment Committee

- **To issue a clarification along the lines as recommended on supply of pepper by agriculturist.**



Agenda 4 (Annexure-I)

7. To issue clarification on what constitutes agricultural farm produce. *(pages 343-344)*

•GST rates are linked with the provisions of retail sale under the Legal Metrology Act for the purpose of defining 'pre-packaged and labelled' commodities.

• As per amendment to Rule 3 of the Packaged Commodities Rules w.e.f. 1.1.2018, the provisions applicable to packages intended for retail sale do not apply to agricultural farm produce sold in bags above 50 kilograms. However, the term 'agricultural farm produce" is not defined.

• The GST Council in its 53rd meeting recommended that the proviso to the GST rate notification be suitably amended such that the supply of agricultural farm produce in packages containing quantity of more than 25kg or 25 litre shall not be considered as a supply made within the expression 'prepackaged and labelled'.

Recommendations of Fitment Committee

- **To amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, that are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto , is required to bear the declarations under the provisions of the Act and rules.**



Agenda 4 (Annexure-I)

8. To reduce compensation cess to 0.1% when supplied to merchant exporter by domestic supplier. *(page 344)*

- In its 22nd meeting, while considering the proposals of the Committee on Exports to help resolve the blockage of working capital faced by merchant exporters, the GST Council had recommended that a reduced GST tax rate of 0.1% be levied on supplies to merchant exporters.
- This was taking into consideration the fact that in States like West Bengal in the earlier scheme of Form H under VAT, no tax was paid when goods were sold to merchant exporter but full tax became payable if the goods were not eventually exported.
- Notification no. 40/2017- Central Tax (Rate) and 41/2017- Integrated Tax (Rate) both dated 23.10.2017 provides concessional rate of GST subject to the fulfillment of specified conditions.

Recommendations of Fitment Committee

- The **same** concessional rate of 0.1% compensation cess rate may be prescribed for supplies made to merchant exporter for the remaining period that the compensation cess is in operation.



Agenda 4 (Annexure-I)

9. To reduce the GST rate on Supply of Fortified Rice Kernels (HS 1904) for ultimate use in PDS/ welfare schemes from 18% to 5%. *(page 345)*

- Fortified rice kernel is appropriately classifiable under 1904 and attracts 18% GST.
- Based on recommendations of GST Council in its 45th Meeting, held on 17.09.2021, the supply of Fortified Rice Kernel (Premix) for ICDS or similar scheme duly approved by the Central Government or any State Government attracts concessional GST rate of 5%, subject to the condition that the supplier of such goods produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India/ State Government concerned/ UT concerned to the effect that such goods have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government.
- This entry has been interpreted such that the 5% rate is applicable only on directly supplying FRK for distribution under the PDS scheme.

Recommendations of Fitment Committee:

- **To reduce the GST rate on supply of all fortified rice kernels (HS 1904) from 18% to 5% to avoid giving an end-use based exemption.**

Agenda 4 (Annexure-I)

10. To issue clarification on eligibility of the inputs for the food preparation distributed under a government program for the concessional rate under Notification 39/2017-Central Tax (Rate). *(pages 345-346)*

- Notification No.39/2017-Central Tax (Rate) dated 18.10.2017 prescribes a concessional rate of 5% GST for supply of food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any state Government subject to obtaining a certificate from the nodal authority that such goods have been distributed free under the scheme.
- This issue has arisen in the context of inputs for food preparations such as weaning food for free distribution under ICDS scheme.
- Currently, the wording of the notification does not allow the inputs of these food preparations to be covered under the concessional rate.

Recommendations of Fitment Committee:

- **To extend the concessional rate to the inputs of these food preparations also subject to the same conditions as specified in notification No. 39/2017 – Central Tax (Rate), dated 18.10.2017.**

Agenda 4 (Annexure-I)

11. To issue clarification on regarding effective date of amendment in Entry 52B Notification No. 03/2023-Compensation Cess (Rate) regarding ground clearance of SUVs. *(page 346)*

- Prior to the 50th GST Council meeting, vide S. No. 52B in notification No.1/2017- Compensation Cess (Rate) dated 28.6.2017, motor vehicles of engine capacity exceeding 1500 cc, *popularly known as SUVs*, including utility vehicles attracted 22% CC.
- SUV was also defined as including a motor vehicle of length exceeding 4000mm and having ground clearance of 170mm and above.
- Following the 50th GST Council meeting, vide Notification No. 3/2023-Compensation Cess (Rate) dated 26th July 2023, the entry was substituted to provide that cess @ 22% will be applicable to *all motor vehicles known as utility vehicles* by whatever name called, with engine capacity exceeding 1500cc, length exceeding 4000 mm and ground clearance of 170 mm & above. Further, a new explanation was added that ground clearance means ground clearance in unladen condition.
- It has been represented that there are different views in some jurisdictions regarding the effective date of amended entry 52B.

Recommendations of Fitment Committee:

- **To clarify that the amendment will apply on or after 26.07.2023.**



Agenda 4 (Annexure-I)

12. To reduce GST rate CAR-T cell therapy (HS 30) from 12% to Nil. *(pages 346-347)*

- DHR has stated that India's first indigenous gene therapy NexCAR19 developed by ImmunoACT, a spin-off company of IIT Bombay in collaboration with Tata Hospital has been launched in April, 2024 . This innovative new treatment modality has reduced the costs significantly at INR 25 lakhs in India as compared to almost INR 4+ crores in USA. To enhance access to this life-saving medication, the DHR has requested to exempt CAR-T cell therapy from GST.
- This treatment is customized for each individual patient by collecting T cells from the patient, re-engineering them in the laboratory to produce proteins on their surface called chimeric antigen receptors, or CARs.
- Currently, services provided in the form of Assisted Reproductive Technology (ART) or In vitro fertilization (IVF) is exempt from GST.

Recommendations of Fitment Committee:

- **To reduce the GST rate on gene therapy from 12% to nil.**



Agenda 4 (Annexure-I)

13. To provide IGST exemption on Temporary Import of equipment and consumable samples by Inspection Team of International Atomic Energy Agency (IAEA). *(pages 347-348)*

- The International Atomic Energy Agency (IAEA) sends Safeguards Inspectors to countries with nuclear plants in the course of their duties, including to India for the facilities under IAEA safeguards.
- Presently, the Inspectors are being charged duty for temporary import of equipment.
- Currently, exemption from BCD and IGST is available for imports of equipment and consumable samples by the inspection team of Organisation for Prevention of Chemical Weapons (OPCW) *[notification no. 121/2003-Customs dated 1.8.2003 as amended by 43/2017-Cus dated 30.6.2017]*.

Recommendations of Fitment Committee:

- **To exempt** IGST on imports of all equipment and consumable samples by the inspection team of IAEA as is available to the inspection team of Organisation for Prevention of Chemical Weapons (OPCW) vide notification No. 121/2003-Customs dated 1.8.2003 as amended by 43/2017-Cus dated 30.6.2017 and subject to the following conditions:
  - i. the importer shall produce a certificate along with duly certified list of equipment and consumable samples from the Joint Secretary or the Deputy Secretary, Ministry of External Affairs to the effect that such equipment and samples are required for carrying out verification/ inspections as per terms of IAEA; and
  - ii. the Joint Secretary or the Deputy Secretary, MEA shall furnish an undertaking on letter head to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, to the effect that such equipment shall be exported within six months of their import or within such extended period as may be allowed by the Commissioner of Customs, in this behalf and that consumable samples are required for the intended purpose and shall be accounted for.

Agenda 4 (Annexure-II)

1. To reduce GST rate from 18% to 5%/Nil on Agriculture machinery used 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. *(page 349)*

- Prior to 2022, these products attracted GST rate of 12%. The request to reduce the GST rate was examined in the 37th GST Council Meeting but it was not recommended.
- Based on the interim report of the GoM on Rate Rationalization, the rate was increased from 12% to 18% on these goods to correct the inverted duty structure following the recommendation of the GST Council in its 47th Meeting.
- Reduction in GST from existing 18% to Nil/ 5% may lead to inverted duty structure and cascading of input taxes.

Recommendations of Fitment Committee:

- **To maintain status quo.**

Agenda 4 (Annexure-II)

2. Regularization of GST rate on Extruded or expanded products, savoury or salted for the past period. *(pages 350-352)*

- On the basis of the recommendation of the GST Council in its 48th meeting vide Circular No. 189/01/2023-GST, dated 13.01.2023, it was clarified that the snack pellets (such as 'fryums'), which are manufactured through the process of extrusion, are appropriately classifiable under tariff item 19059030 and thereby attract GST at the rate of 18% *(S. No. 16 of Schedule-III of notification No. 1/2017-Central Tax (Rate), dated the 28th June, 2017)*.
- Thereafter, based on recommendation of the GST Council in the 50th meeting, w.e.f. 27th July, 2023, 5% rate has been prescribed on supply of un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion, falling under HS 1905 *(S. No. 99B of Schedule-I of notification No. 1/2017-Central Tax (Rate), dated the 28th June, 2017)*.
- Additionally, vide Circular No. 200/12/2023-GST, dated 01.08.2023, the issue for past period up to 27th July, 2023, has been regularized on "*as is*" basis in view of the prevailing genuine doubts in case of un-fried or uncooked snack pellets.
- Namkeens, bhujia, mixture, chabena and similar edible preparations in ready-for-consumption form are classifiable under HS 2106 90, and attract GST at the rate of 12% when sold as pre-packaged and labelled *(S. No. 46 of Schedule-II of notification No. 1/2017-Central Tax (Rate), dated the 28th June, 2017)* and 5% when sold as other than pre-packaged and labelled *(S. No. 101A of Schedule-I of notification No. 1/2017-Central Tax (Rate), dated the 28th June, 2017)*.
- The general rate on "Extruded or expanded products, savoury or salted" under tariff item 1905 90 30 is 18% except on un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion, falling under HS 1905 which attracts 5%.
- The issue before the 54th GST Council was whether supply of extruded snack pellets in ready- to-eat form, is covered under the entry covering namkeens.

2.Regularization of GST rate on Extruded or expanded products, savoury or salted for the past period. *(pages 350-352) contd..*

- To obviate disputes arising on the fact that there is no definition of namkeens, GST Council recommended to keep the GST rate of extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion), falling under HS 1905 90 30 to 12% at par with namkeens, bhujia, mixture, chabena (pre-packaged and labelled) and similar edible preparations in ready for consumption form, classifiable under HS 2106 90.
- Fitment Committee had also recommended to clarify that for the past period 18% rate is applicable, as was clarified by the GST Council in the 48th meeting held on 17th December 2022, and that the 12% rate is applicable only prospectively.
- However, during the Council meeting, Fitment Committee was directed to re -examine the issue for the past period.

Recommendations of Fitment Committee

- **Did not** recommend regularization of the issue for the past period.



Agenda 4 (Annexure-II)

3. To reduce GST rate from 5% to Nil on Rice Bran Oil. *(page 352)*

- All edible oils attract a concessional rate of 5% as recommended by the GST Council.
- Reduction in GST may deepen the existing duty inversion.

Recommendations of Fitment Committee

- **To maintain status quo.**



Agenda 4 (Annexure-II)

4. To reduce GST rates from 28%/18% to 5 % on Components and Parts used in manufacture of electric vehicles. *(pages 352-353)*

- 54th GST Council Meeting deferred the issue to reexamine the issue upon receipt of proposal from State of Andhra Pradesh.
- AP has requested for blanket reduction in GST on EV Components/Parts.
- Industry Association sought reduction of GST on four parts and aggregates used for manufacture of EVs as below:

1. Lithium Ion Cell for used in manufacture of lithium-ion accumulator for use in Electric Vehicles
2. Battery Pack for use in manufacture of electrically operated vehicle
3. E-Drive assembly / e-Axle (Motor + Motor Control Unit + Single Reduction Gear Box)
4. Traction Motor
5. Wiring harness

- There are no dedicated EV parts and most parts are having dual use.
- Fitment Committee also observed that the EV manufacturers are already getting inverted duty refund.

Recommendations of Fitment Committee

- **To maintain status quo as such parts are of dual use.**



Agenda 4 (Annexure-IV)

1. (i) To clarify that the delivery services provided by the delivery partners through Electronic Commerce Operator (ECO) are not taxable due to providers being below the threshold of Rs. 20 lakhs; or

(ii) To bring delivery services made in respect of those supplies made through ECOs under section 9(5) of CGST Act, 2017 with prospective effect and these delivery services may be taxed at 5% *(pages 354- 359)*

- Restaurant services provided through ECO were brought under section 9(5) of CGST Act w.e.f. 01.01.2022 on the recommendations of the 45th GST Council, 2022. A proposal to bring delivery under section 9(5) was also presented before the Council but delivery services were not explicitly so notified.
- Demands have been raised to the tune of Rs 747 crores, by DGGI as there is lack of clarity regarding payment of tax on the service of delivery in relation to restaurant services supplied through an ECO.
- This agenda was taken to the 54th GST Council meeting held on 09.09.2024 and the matter was deferred for further examination.
- The definition of *'restaurant service'* allows for consumption of the goods (food, drink etc. for human consumption) both on or away (from the premises of the restaurant, i.e., a situation wherein food is delivered from the premises of the restaurant to wherever it is finally consumed.
- The supply of restaurant service through an ECO cannot be effectuated without the food, drink articles being delivered from the restaurant to the end consumer.
- The entry at Sl. No. (iv) of notification No. 17/2017- CT(Rate) pertaining to restaurant service supplied through ECO would be rendered ineffective without delivery of food from the restaurant to the consumer.

Recommendations of Fitment Committee

- **To insert an explanation to the entry Sl. No. (iv) in notification No. 17/2017-CT(R) dated 28.06.2017, to the effect that the restaurant service under section 9(5), includes the service of delivery, by any person, of food or any other article for human consumption or drink from the restaurant, eating joints etc. to the recipient of restaurant service.**

Agenda 4 (Annexure-IV)

2. To clarify the GST treatment of penal charges in light of the recent shift in RBI guidelines dated 18.08.2023 from "penal interest" to "penal charges " *(pages 359-362)*

- RBI has issued various guidelines to Regulated Entities (REs) such as banks and NBFCs to ensure reasonableness and transparency in disclosure of penal interest or penal charges.
- REs have been instructed, vide RBI instructions dated 18.08.2023, effective from 01.01.2024, to discontinue the use of "penal interest" (interest levied over and above the contracted rate) for non-compliance with loan terms.
- Instead of penal interest, REs are to levy "penal charges" for non-compliance with material terms and conditions of loan agreements. The intent of levying penal charges is essentially to inculcate a sense of credit discipline and such charges are not meant to be used as a revenue enhancement tool.
- Vide Circular No. 178/10/2022-GST dated 03.08.2022, it has been clarified that certain payments are not a consideration for tolerating an act or situation. Such amounts are in the nature of liquidated damages and are for preventing breach of contract or non-performance and are thus, mere 'events' in a contract. The essence of a contract is its 'performance' and not its 'breach', meaning thereby that parties enter into a contract with the intention of complying with the terms and conditions thereof, and not with the intent of violating them.
- In the case of lending contracts, it cannot be said that either the lender or the borrower enters into the lending contract with the intention of defaulting. Therefore, no GST is payable on the penal charges levied by regulated entities in compliance with provisions of the RBI direction dated 18.08.2023.

Recommendations of Fitment Committee

- **To clarify the matter by way of a Circular.**

Agenda 4 (Annexure-IV)

3. To exclude the sponsorship services rendered by a body corporate to another body corporate from reverse charge mechanism and bring it under forward charge mechanism. *(pages 362-365)*

- Currently, sponsorship services are classified under SAC 998397 and attract 18% GST as per *entry 21(a) of notification No. 11/2017-CTR dated 28.06.2017*. With respect to the payment of tax, this service has been notified under RCM *(Sl. No. 4 of notification No. 13/2017- CTR dated 28.06.2017)*.
- The request to tax the sponsorship services provided by body corporates under forward charge was discussed in the GST Council in its 16th meeting, 28th meeting and 47th meeting. The requests were not accepted primarily on the grounds that the practice is well settled from the service tax regime.
- Sponsorship services have increased manifold owing to the growth of various sporting and other events.
- The scenario has changed from where sponsorship was mostly being provided by smaller entities or individuals who would be difficult to track and collect GST from. As bigger entities are now engaged in providing sponsorship services, it is in line with the principles of GST to allow the flow of credit.
- Body corporates undertaking sponsorship services, unlike other non-commercial establishments, are likely to have utilized input services for the provision of these services, on which the input tax paid is currently required to be reversed.
- A separate dispensation for body corporates, in respect of treatment under reverse charge, has already been provided for in certain cases such as security services and direct selling agents.

Recommendations of Fitment Committee

- **To bring sponsorship services provided by body corporates under forward charge.**

Agenda 4 (Annexure-IV)

4. To clarify whether exemption under entry 34 of notification No. 12/2017-CTR dated 28.06.2017 is available to payment aggregators for transactions, up to Rs. 2000/-, transacted through credit card, debit card, charge card or other payment cards. *(pages 365-370)*

- The matter was deferred for reconsideration by the Fitment Committee in the 54th GST Council meeting.
- Payment Aggregators (PAs) are entities that facilitate e-commerce sites and merchants to accept various payment instruments from the customers for completion of their payment obligations without the need for merchants to create a separate payment integration system of their own. PAs facilitate merchants to connect with acquiring banks.
- In the process, they receive payments from customers, pool and transfer them on to the merchants within a specified time-period.
- The definition of *'acquiring bank'* at Explanation to Sl. No. 34 of notification No. 12/2017-CTR dated 28.06.2017, includes entities who make a payment to any person who accepts such card.
- In the 54th GST Council meeting held on 09.09.2024, the matter was discussed and it was recommended that the matter may be comprehensively re-examined.
- RBI has also informed that PAs may be covered under the ambit of *"acquiring bank"* since PAs settle funds to any person who accepts such cards.
- However, the exemption under Sl. No. 34 is limited to settlement function only which involves handling of money. Payment Gateway services, which do not involve any handling of money, are not covered within the ambit of the said exemption.

Recommendations of Fitment Committee

- **To clarify the matter by way of a Circular.**

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5. (i) To clarify the taxability, or otherwise, of research carried out for the wider public good; and

(ii) To clarify the differences between research and consulting activities. *(pages 370-372)*

- On the recommendations of the 54th GST Council Meeting, a specific exemption was created, w.e.f. 10.10.2024, for the supply of R&D services by Government entities or entities notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961, against consideration received in the form of grants.
- In the same meeting, the Council recommended that the Fitment Committee examine the taxability, or otherwise, of research carried out for the wider public good and the ways of differentiating between research and consulting activities.

Recommendations of Fitment Committee

- **Fitment Committee deliberated on the issue and recommended that for a service (by way of any activity) to be considered R&D, and to be eligible for the exemption available to research and development services under heading 9981, it has to satisfy the following two conditions:**
  - **The activity should be aimed at generating new knowledge, and**
  - **The outcome of the activity should be uncertain and not determinable at the outset.**
- **Fitment Committee further recommended that in cases where an entity, whether Government or private, is sponsoring or funding research the benefits of which are neither accruing nor are expected to accrue, either directly or indirectly, to any specific entity to the exclusion of others, a nexus between the consideration (i.e. funding) and the supply (i.e. the research undertaken) would normally not exist. In such cases, the outcome of research, would be in the nature of a *'public good'*, and such research activities carried out against any kind of grants or funding would not constitute a supply in return for a consideration.**
- **The matters may be suitably clarified, as above, through separate Circulars.**
- **The Committee further recommended that the payment of GST on research and development services carried out by Government entities against grants received from the Government or Government entities may be regularized for the period 01.07.2017 to 09.10.2024 on *'as is where is'* basis.**



Agenda 4 (Annexure-IV)

6. To clarify the applicability of GST on transactions of the Motor Vehicle Accident Fund, established under the Motor Vehicles Act, 1988 and to consider exemption from GST requirements for the Fund *(pages 372-375)*

- Sub-section (2) of section 164B of the Motor Vehicles Act, 1988, states that a Fund shall be constituted for the purpose of providing compulsory insurance cover to all road users in the territory of India.
- The Ministry of Road Transport and Highways (MoRTH) has created the Motor Vehicle Accident Fund for providing compensation in the case of hit and run motor accidents, providing cashless treatment to victims of road accident and providing compensation to such other persons as may be specified.
- The contributions made to the fund by the general insurance companies are from the premiums collected by them on third-party motor vehicle insurance policies bought by the general public. Third party insurance is mandatory for motor vehicles by virtue of Section 146 of the Motor Vehicles Act, 1988 on which applicable GST already stands paid.
- Therefore, charging GST again on this amount, at the stage of transfer to the Motor Vehicle Accident Fund may amount to double taxation and will reduce the corpus available with the Fund to pay out to victims of motor vehicle accidents. Motor vehicle insurance companies are engaged in providing third-party insurance and transfer of part of the insurance premium received by them to these funds is nothing but providing insurance services to the specific categories only.

Recommendations of Fitment Committee

- **The services of insurance provided by the Motor Vehicle Accident Fund, by way of compensation or reimbursement of treatment expenses, including cashless treatment, for which the consideration is represented by the contributions obtained from general insurance companies, as a share of mandatory motor third party premiums, may be exempted.**



Agenda 4 (Annexure-IV)

7. To restore the tax exemption for Training Partners (TPs) approved by the National Skill Development Corporation (NSDC) *(pages 375-379)*

- Services provided by the National Skill Development Corporation (NSDC) and the Training Partners (TPs) approved by NSDC have always been exempted from levy of Goods and Services Tax (GST). Such services were exempted during the service tax period as well.
- On the recommendations of the GST Council in its 54th meeting held on 09.09.2024, the relevant entries of Notification No. 12/2017-CTR were recast, vide Notification No. 08/2024-CT(Rate) dated 08.10.2024, to synchronize the GST exemption structure on skill development and training with the new regulatory architecture under NCVET.
- It was understood that under the revised framework set up under the NCVET notification, training partners/centres are accredited by awarding bodies recognized by NCVET. Accordingly, the exemption to training partners(TPs) approved by NSDC was not provided for in the revised exemption notification as it was felt that these training partners are already covered in the training partners accredited by awarding bodies recognized by NCVET under the new framework. Hence, exemption was given to such partners/centers.
- It has now been informed that since NSDC is the implementing agency for the skilling schemes of the Government of India, as well as other skill development programs, the withdrawal of the tax exemption to TPs approved by NSDC would adversely impact skilling ecosystem significantly as the revised exemption is restricted to the Training Bodies accredited with the Awarding Body recognized by NCVET only.

Recommendations of Fitment Committee

- **The exemption, as it existed prior to 10.10.2024, may be reinstated. Further, the interim period, from the date of implementation of Notification No. 08/2024-CT(Rate), i.e. 10.10.2024, till the date the above entry is reinstated, may be regularized on 'as is where is' basis.**

Agenda 4 (Annexure-IV)

8. To clarify whether GST is applicable on charges/ fees paid for Floor Space Index (FSI)/additional FSI by builders to local authorities under Reverse Charge Mechanism (RCM). *(pages 379-382)*

- Issue was deferred by the 52nd GST Council held on 07.10.2023 and 54th GST Council held on 09.09.2024.
- Municipalities or Local authorities collect various charges including Additional/chargeable/premium FSI from builders/developers. Additional /chargeable/ premium FSI is the consideration paid by builders for obtaining additional FSI over and above the base FSI from the Local Authorities.
- These services bestow a direct commercial benefit to the builders/developers as these services are purely of commercial nature and used by the business entities including builders and developers in the course of or furtherance of business.
- There is a clear quid pro quo between the services supplied by the Local Authorities to business entity for which consideration is paid by the builders/developers.
- At present services supplied by any person by way of transfer of developmental rights or FSI (incl additional FSI) for construction of a project by a promoter is currently taxed under RCM. *(entry at Sr. No. 5B of the notification No. 13/2017- CTR dated 28.06.2017).*
- Any supply by Government or any Local Authority to a business entity is also taxable under RCM. *[entry at Sr. No. 5 of notification No. 13/2017-CTR dated 28.06.2017]*

Recommendations of Fitment Committee:

To clarify that GST is applicable on charges/ fees paid for FSI including additional FSI by builders to local authorities under Reverse Charge Mechanism (RCM).

Agenda 4 (Annexure-IV)

9. To clarify that as long as the entire transportation of goods is undertaken by road and the person transporting the goods issues consignment note, the said service would be treated as Goods Transport Agency (GTA) service instead of courier services. *(pages 382-385)*

- Issue was deferred by the 54th GST Council held on 09.09.2024 for a more comprehensive examination.
- Tech-enabled companies operating in intra-city goods transport segment sector provide delivery service to customers from one location to another via 2, 3 and 4-wheeler vehicles.
- Request is to clarify that if in such services the entire transportation of goods is by road and the person transporting the goods issues a consignment note it would be classified as GTA service.
- It is seen that one of the companies involved in business of transport of goods is classifying its services, primarily the ones provided via two-wheeler as Goods Transport Agency (GTA) and availing the benefit of exemption under *Sr. No. 21A of notification No. 12/2017-CTR dated 28.06.2017* which exempts services provided by GTA to an unregistered person.
- The other players in the identical business are not availing exemption on services provided by a two-wheeler and are paying GST at the rate of 18%.
- It is observed that these services are more appropriately covered in the category of courier services as these services ensure door to door delivery having time sensitivity.

Recommendations of Fitment Committee:

To clarify to the investigating agency that the delivery service ensuring door-to-door instant delivery service through two-wheeler network is more appropriately classifiable as courier service (in terms of explanatory notes to the scheme of classification of services) and not as GTA.



Agenda 4 (Annexure-IV)

10. To issue clarification on levy of GST towards lease rentals payment made to National Highways Authority of India (NHAI) by Oil Marketing Companies (OMCs) for developing way side amenities. *(pages 385-388)*

- NHAI leases land on national highways to Oil Marketing Companies (OMCs) for development of the way side amenities for existing as well as upcoming projects. The wayside amenities such as restaurant, food court, dhaba, fuel station, hotel etc provide rest and refreshment for highway commuters during their journey.
- As per current provisions renting or leasing of land is taxable @18% under 9972 unless exempted by specific exemption entry.
- NHAI is a Governmental Entity and there is no such exemption available to Govt. Entities in the exemption notification for the services of leasing/renting of land by them to any business entity for commercial activity.
- Even, services of renting of immovable property supplied by the Government or local authority to a unregistered business entity are taxable under Forward Charge Mechanism (FCM) while, other services supplied by the Government or local authority to a business entity are taxable under RCM *(entry at Sr. No.5 and 5A of the notification No. 13/2017)*.
- The entry relied upon by NHAI *(entry at Sr. No. 9C of the notification No.12/2017- CTR dated 28.06.2017)* is for claiming exemption, and is not applicable in this case as it exempts services supplied by a Government Entity to Government, local authority or any person specified by Government or local authority against consideration received from Government, or local authority, in the form of grants. In this case, no grants are involved, hence this entry is not applicable here.

Recommendations of Fitment Committee:

To clarify to NHAI and Oil Marketing Companies (OMCs) that GST is applicable on such renting of land by NHAI to OMCs for developing ways side amenities at applicable rate i.e., 18%.



Agenda 4 (Annexure-IV)

11. To amend entry at Sr. No. 25A of notification No. 12/2017-CTR dated 28.06.2017 and to regularize the GST for the period from 10.10.2024 to the date of issue of amending notification. *(pages 388-390)*

- Entry at Sr. No. 25A was inserted vide notification No. 08/2024-CTR dated 08.10.2024 based on the recommendations of the GST Council in its 54th meeting held on 09.09.2024 to exempt *supply of services by way of providing metering equipment on rent, testing for meters/transformers/capacitors etc., releasing electricity connection, shifting of meters/service lines, issuing duplicate bills etc., which are incidental or ancillary to the supply of transmission* ***and*** *distribution of electricity provided by electricity transmission* ***and*** *distribution utilities to their consumers.*
- Entry at Sr. No. 25 of notification No. 12/2017-CTR dated 28.06.2017 reads *"Transmission or distribution of electricity by an electricity transmission or distribution utility".*
- In the entry at Sr. No. 25A entry words "transmission **and** distribution utilities" were mentioned. However, the original entry at Sr. No. 25 of the notification No.12/2017-CTR dated 28.06.2017 mentions "transmission **or** distribution utilities".
- The agenda is to align the entry at Sr. No. 25A with the other exemption entry at Sr. No. 25.

Recommendations of Fitment Committee:

- **The new entry at Sr. No. 25A may be aligned with the entry at Sr. No. 25 so as to maintain uniformity and the words "transmission *and* distribution utilities" may be replaced with "transmission *or* distribution utilities"**
- **The intervening period i.e., 10.10.2024 (effective date of implementation of entry at Sr. No. 25A in notification No. 12/2017-CTR dated 28.06.2017) up to the date of issue of amending notification may be regularized on 'as *is where is*' basis.**

Agenda 4 (Annexure-IV)

12. To notify Delhi Development Authority (DDA) as a Local Authority and to remove the reference of DDA from the answer to question #5 of the "FAQs on GST in Government Services Sector" wherein DDA is listed as 'not a local authority'. *(pages 390-393)*

- Issue was deferred in the 51st GST Council meeting held on 07.10.2023 and 54th GST Council held on 09.09.2024.
- For any authority to be treated as "Local Authority" they must fulfill the requirement of the definition of Local Authority as per Section 2 (69) of the GST Act, 2017. Local authority under CGST Act, 2017 has been defined as a *"... Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund."*
- Fitment Committee recommended to clarify that as DDA does not meet the requirements of the Local Authority as per Section 2(69) of the GST Act, and hence cannot be treated as Local Authority under GST law.
- Since Local Fund or Municipal Fund is not defined under CGST/SGST Acts 2017, it was further recommended by the Fitment Committee that Local fund and Municipal fund may be defined in CGST Act. A draft definition of Local Fund and Municipal Fund shared by Maharashtra as below:
  - *"Local Fund" means any fund to the control or management of which an authority established for self-government for discharging civic functions situated in "Panchayat Area" is legally entitled & includes the proceeds of any cess, rate, duty or tax which such authority is legally entitled to impose & any property vested in such authority.*
  - *"Municipal Fund" means any fund to the control or management of which an authority established for self-government for discharging civic functions situated in "Metropolitan Area" or "Municipal Area" is legally entitled & includes the proceeds of any cess, rate, duty or tax which such authority is legally entitled to impose & any property vested in such authority."*

Recommendations of Fitment Committee:

- **It may be clarified that as DDA does not meet requirement of local authority as per section 2(69) of the CGST Act, 2017, it cannot be treated as local authority under GST law.**
- **The definition of local fund and Municipal fund as proposed by Maharashtra referred to Law Committee for making necessary ammendments in the CGST Act.**

Agenda 4 (Annexure-IV)

13. To clarify that GST is not applicable on facility management services provided to Municipal Corporation of Delhi (MCD) HQ. *(pages 393-396)*

- MCD is receiving the services of facility management agency for the upkeep of their office such as housekeeping, civil maintenance, furniture, maintenance and horticulture and has sought clarification as to whether such services are exempt in terms of *Sr. No.3A of the notification No. 12/2017-CTR dated 28.06.2017.*
- The said entry provides exemption to composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply provided to the Government or local authority 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 is exempt from GST *(Sr.No. 3A of notification No. 12/2017-CTR dated 28.06.2017).*
- However, in the instant case MCD is using the services of facility management agency for the upkeep of their office such as housekeeping, civil maintenance, furniture maintenance and horticulture and not related to performing functions entrusted under 12th schedule.
- Such services are not covered under the scope of entry at Sr. No. 3A.

Recommendations of Fitment Committee:

To clarify that GST is applicable on facility management services provided to Delhi (MCD) HQ for upkeep of its head quarter building at applicable rates and no exemption is available to them as these services are not covered under the scope of entry at Sr. No. 3A of the notification No. 12/2017-CTR dated 28.06.2017.



Agenda 4 (Annexure-IV)

14. To review the levy of GST on RCM basis on renting of commercial property by unregistered person to a registered person. *(pages 396-402)*

- Based on the recommendations of the 54th GST council held on 09.09.2024, renting or leasing of commercial property by unregistered person to registered person was brought under reverse charge basis in order to plug the leakage of revenue.
- After the said notification dated 08.10.2024 was issued, various representations from different sectors have been received requesting to bring the service of renting of commercial property by unregistered person to registered person under Forward Charge Mechanism on the ground that in many cases ITC of such services is not available.
- ITC of GST paid by registered person on renting of commercial property under reverse charge is available provided the recipient of service is a registered person and eligible to avail ITC. However, in certain cases, the recipient is liable to pay GST under reverse charge basis on the renting of commercial property and is not eligible for ITC due to his outward supplies being chargeable to GST without any availability of ITC, or is supplying exempt service or taxpayers who have opted to pay tax under composition scheme.
- Further a request has been received from Ministry of New and Renewable Energy (MNRE) to comment on the applicability of the GST on the leasing of Commercial Property under RCM in case of their renewable energy projects.

Agenda 4 (Annexure-IV)

14. *contd...*

- Entry at Sr. No. 5AB introduced vide notification No. 09/2024-CTR dated 08.10.2024 in case of renting of commercial property by unregistered person to registered person is applicable on all kinds of renting irrespective of the purpose of renting. However, services by way of leasing of land by government/local authority to governmental authority or government entity is already exempt *(entry at Sr. No. 16(i) of notification No. 11/2017-CTR dated 28.06.2017).*

- The composition levy is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs. 1.5 crore. The objective of composition scheme is to bring simplicity for the small manufacturers, traders or restaurant service provider who need to pay tax at prescribed percentage of 1%/2%/5% without having any ITC.

Recommendations of Fitment Committee

- **The taxpayers registered under composition levy scheme may be excluded from the above entry at Sr. No. 5AB introduced vide Notification No. 09/2024-CTR dated 08.10.2024.**
- **The period from date when the notification No. 09/2024-CTR dated 08.10.2024 became effective (i.e 10.10.2024) till the date proposed notification is issued may be regularized on *'as is where is'* basis.**
- **It may be clarified to MNRE that GST has to be paid by them at applicable rates on renting of commercial property from unregistered persons under RCM.**

Agenda 4 (Annexure-IV)

15. a) To revise the definition of *'specified premises'* which refers to declared tariff of any unit of accommodation above Rs 7500 per unit per day or equivalent, for the purpose of determining the GST rate on supply of restaurant service in specified premises

b) To clarify the period for which 18% is to be charged for restaurant located in specified premises. *(pages 402-406)*

- Initially, *'declared tariff'* was defined in the context of accommodation services provided in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes etc.
- Vide notification No. 46/2017-CTR dated 14.11.2017, declared tariff was linked with the restaurant service, wherein such supply would attract 5% GST without ITC if the same was supplied from a premise offering accommodation service where declared tariff was less than Rs 7500/-, and 18% otherwise.
- Vide notification No. 13/2018-CTR dated 26.07.2018, in respect of accommodation services, *'declared tariff'* was replaced with the terms *'value of supply'*. However, *'declared tariff'* continued to be used in the context of supply of restaurant service.
- The use of 'declared tariff' is causing hardship to hotels and restaurants, who are uncertain about the rate of GST applicable to restaurants operating in hotels' premises. There is also ambiguity over the period for which GST @18%, with ITC, is to be paid, in cases where the declared tariff crosses the threshold of Rs. 7500 during the year.

Recommendations of Fitment Committee

- **The definition of declared tariff may be deleted and the definition of specified premises may be suitably amended to make the rate of GST applicable on restaurant services in hotels, for a given financial year, dependent upon the *'value of supply'* of units of accommodation made in the preceding financial year, i.e. (i) 18% with ITC for the entire financial year if the 'value of supply' exceeded Rs. 7500 for any unit of accommodation in the preceding financial year, and (ii) 5% without ITC otherwise.**
- **An option may also be given to pay tax on restaurant service at the rate of 18%, with ITC, if the supplier so chooses, by giving a declaration to that effect on or before the beginning of the financial year or on obtaining registration.**
- **The above changes may be made effective from 01.04.2025 to avoid any transition difficulties in the middle of the financial year.**
- **A reference may be made to the Law Committee to examine the possibility of amending the law to provide for a mechanism for availability/reversal of ITC for the taxpayer who would be going from 5% without ITC to 18% with ITC and vice versa.**

Agenda 4 (Annexure-V)

1. To exempt GST on Light dues collected by Directorate General of Lighthouses & Lightship (DGLL) during the period 01.07.2017 to 31.08.2022. *(pages 407-409)*

- DGLL have requested to exempt GST on Light dues collected by them during the period 01.07.2017 to 31.08.2022. The GST involved for the period is Rs. 282 crores. The arguments raised by DGLL that they could not collect the GST on light dues was that there was no enabling provision under Lighthouse Act, 1927 for the period from July1, 2017 to August 31, 2022.
- To implement the provision of GST on Light dues, the Lighthouse Act, 1927 was repealed and the new Marine Aids to Navigation Act, 2021 was enacted on 31.03.2022. The Marine Aids to Navigation (Accounting and Financial Power) Rules, 2022 were notified in May 2022.
- However, in terms of the Government of India (Transaction of Business) Rules, 1967, business allotted to a department is required to be transacted in that Department and therefore any proposal having revenue implications has to be implemented complying with the concerned tax legislation and not in accordance with any other legislation, agreement or MOU etc.
- DGLL has started collecting GST on Light dues from 01.09.2022 and has started remitting to the government after implementation of Marine Aids to Navigation Act, 2021 and notification of relevant rules in 2022.
- DGLL supplies services by way of providing and maintaining lighthouses for the benefit of ships voyaging to or from India or between ports in India which are in the nature of marine navigational services and collecting light-dues in respect of every ship arriving at or departing from any port in India, which is a taxable service.
- DGLL was informed as early as in 2019 and then again in 2023 that their services are taxable under GST Act and they were intimated to pay their dues. However, they did not comply.

Recommendations of Fitment Committee

- **The request may not be accepted.**

Agenda 4 (Annexure-V)

2. To examine the inclusion of services under the notification No. 17/2017-CTR dated 28.06.2017 under which four services have been notified on which GST is paid by Electronic Commerce Operator under Section 9(5) of CGST Act, 2017. *(pages 409-411)*

- The agenda was deferred by the 54th GST Council held on 09.09.2024.
- As per section 9(5) of the CGST Act, 2017, the Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services.
- Accordingly, the following services have been notified under section 9(5) by way of notification No. 17/2017-CTR dated 28.06.2017:
  - ✓ Passenger transport services
  - ✓ Hotel accommodation services
  - ✓ Restaurant services
  - ✓ Housekeeping services
- The rationale for bringing these services under 9(5) was to ease the compliance burden of small service providers.

Recommendations of Fitment Committee

- **Services presently notified under section 9(5) may continue. No change recommended.**

Agenda 4 (Annexure-V)

3. To either exempt electric vehicle (EV) charging services at public charging stations or to reduce the rate on EV charging service from 18 % to 5% or to clarify that the activity of charging EVs in a charging station essentially involves supply of electricity and therefore should be chargeable at the same rate applicable to supply of electricity.
(pages 411-413)

- The agenda was deferred by the 54th GST Council dated 09.09.2024 for re-examination by the Fitment Committee on request of state of Andhra Pradesh. The request from Andhra Pradesh has been received.
- The request to reduce the rate of GST on EV charging and battery swapping service to 5% from the current rate of 18% and to exclude the cost of electricity from taxable value while charging GST on EV charging service was placed before the 47th GST Council held in June 2022. However, the Council did not accede to the request.
- Supply of electrical energy is exempt from GST vide entry at *Sr. No. 104 of notification No. 02/2017-CTR dated 28.06.2017*. Service of distribution or transmission of electricity by an electricity transmission or distribution utility is also exempt from GST vide entry at *Sr. No. 25 of notification No. 12/2017 - CTR dated 28.06.2019*.
- Vide *Sr. No. 13 of notification No. 11/2017-CTR dated 28.06.2017* rate of 18% on electricity, gas, water and other distribution services (Heading 9969) is notified. As per the Scheme of classification of services, this heading included only services of transmission and distribution of electricity.
- Ministry of Power vide Circular No. 23/08/2018-R&R dated 13.04.2018 has clarified that EV charging service does not qualify as supplier of electricity nor as service of distribution or transmission of electricity by an electricity transmission or distribution utility.

Agenda 4 (Annexure-V)

3. *(contd..)*

- Hence no exemption from GST is available as per existing provisions.
- As per explanatory notes to the Scheme of classification of services, battery charging of motor vehicles is covered under SAC 998714 attracting GST @ 18%.
- It has also been ascertained that electricity for EV charging stations is already being provided in many states at subsidised rates.

Recommendations of Fitment Committee

- **The request may not be accepted.**

Agenda 4(Annexure-VI)

1. To clarify the applicability of GST on the upfront amount/ concession amount paid to NHAI by concessionaire for grant of rights under Toll Operate Transfer (TOT) Model and also on short term toll collection under other models. *(pages 414-417)*

- The agenda was deferred by the 54th GST Council held on 09.09.2024.
- NHAI has been authorized for monetization of assets by introducing Toll Operate and Transfer (TOT) model for partnership with private sector for toll collection, operation and maintenance for a period of 15-30 years against an upfront lump sum concession fee quoted.
- Under TOT model bids are invited and the bidding amount is compared with Initial Estimated Cost Value (IECV) which is the reserved price, which represents the projected upfront toll revenue over the entire concession period.
- For Operation & Maintenance (O&M), the concessionaires usually set up SPV responsible for O&M activities ensuring compliance and transparency.
- NHAI has viewed that the concession amount is lump sum upfront payment of toll revenue which is in the nature of a Capital Receipt used to fund for creation of new assets and therefore, the same is not liable for GST as toll is exempted under *Sr. No. 23 of the notification No. 12/2017-CTR dated 28.06.2017*.
- Currently service by way of access to a road or a bridge on payment of toll charges is exempt from payment of GST (*Entry No. 23 of Notification No. 12/2017 – CT(R)*).
- Under TOT model, the National Highway Authority of India engages a concessionaire for operation, maintenance and management of already developed/ constructed highway projects. The concessionaire is entitled to demand and collect toll from vehicles and users of the highway for a period of 20-30 years.
- The concessionaire assumes full responsibility for road maintenance and toll collection during the concession period.
- The upfront amount paid by the concessionaire is the consideration paid by him for receiving exclusive right of way, access and license to the site including right to demand, collect and appropriate fee from vehicles and users along with the maintenance of the highways etc. by NHAI and regulation of third parties from the appointed day till expiry of agreement.

Recommendations of Fitment Committee:

- **The matter may be deferred for comprehensive examination.**

Agenda 4(Annexure-VI)

2. To clarify the taxability of services provided by NBFCs to banks in co-lending arrangements *(pages 417-418)*

- Co-lending is a Priority Sector Lending (PSL) arrangement where a bank and an NBFC lend together to a borrower on mutually agreed terms. The co-lending model is designed to combine the advantage of lower cost of capital of banks with the greater reach of NBFCs, in order to serve needy borrowers.
- The interest accruing to the NBFC, from the 'blended' rate of interest offered to the borrower, is typically higher than that accruing to the bank. It has been argued that the interest rate difference reflects NBFCs' higher funding costs and that there is no specific additional service being provided by NBFCs to the banks. This is a joint operation focused on providing credit and that the *"excess interest"* is essentially interest income, not a service charge, and no GST is payable on such 'interest income'.
- During the examination of the issue, it was seen that there are several types of agreements between banks and NBFCs in co-lending arrangements. The Fitment Committee was of the view that the structures/practices in these agreements need to be examined in more detail before a decision can be taken in the matter.

Recommendations of Fitment Committee:

- **The matter may be deferred for comprehensive examination.**

Agenda 4 (Annexure-VII)

1. To exempt GST on the services provided by M/s Goethe Institutes/ Max Mueller Bhavans, funded by the German Federal Foreign Office, in India for the period from 01.07.2017 to 31.03.2023. *(pages 419-420)*

- The said agenda was taken to the 54th GST Council held on 09.09.2024 and the council did not accede to the request of M/s Goethe Institutes/Max Mueller Bhawan to exempt GST on the services provided by them for past period from 01.07.2017 to 31.03.2023.
- M/s Goethe Institutes/Max Mueller Bhawan have six institutes across India which provide linguistic and cultural training to young Indians preparing for their stay in Germany.
- From 1st April, 2023, Goethe Institutes have started collecting and paying GST. They have paid Rs. 15 crores GST till March, 2024.
- Prior to 1st April, 2023, Goethe Institutes did not collect GST from their students nor did they remit the same to Government as they were under the belief that their activities are exempt from GST.
- Ministry of External Affairs has requested to reexamine the issue of retrospective exemption. Quantum of GST involved is approx. Rs 52 crores as informed by the Ministry of External Affairs.
- Fitment Committee did not make any recommendations on this issue and viewed that the issue may be discussed and decided by the GST Council only.



Closure of Group of Ministers (GoM) on Analysis of Revenue

- Joint Secretary
GST Council Secretariat

Constitution of the GoM on Analysis of Revenue

- GoM on Analysis of Revenue constituted vide OM 01.01.2019 following the 31st GST Council Meeting (22.12.2018).
- Constitution:

S. No.	Name	Designation	State	
1	Shri Dushyant Chautala	Deputy Chief Minister	Haryana	Convenor
2	Shri Kanu Bhai Desai	Minister of Finance, Energy and Petrochemicals	Gujarat	Member
3	Shri Mauvin Godinho	Minister of Transport, Panchayati Raj, Housing, Protocol and Legislative Affairs	Goa	Member
4	Shri Krishna Byre Gowda	Minister of Revenue	Karnataka	Member
5	Shri K. N. Balagopal	Minister of Finance	Kerala	Member
6	Shri Bikram Keshari Arukha	Minister of Finance	Odisha	Member
7	Shri Harpal Singh Cheema	Minister of Finance	Punjab	Member

Terms of Reference

Terms of Reference:

- Analyse State-wise trends of revenue collection, both pre-GST and post GST.
- Analyse structural patterns emerging out of certain major sectors of economy affecting the revenue collection including the services sector.
- Identify underlying reasons for deviations in revenue collection trends vis-a- vis original assumption arrived at during design and implementation of GST, in particular less than expected revenue collection of some of the major consuming States.
- Undertake data analytics using econometric and statistical tools on the above issues.
- Suggest suitable measures/Policy intervention for course correction for revenue augmentation, particularly for the States suffering high revenue shortfall.

Proposal for Closure of GoM on Analysis of Revenue

In the 38th GST Council Meeting (18.12.2019), the GoM made the following recommendations:

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

Proposal for Closure of GoM on Analysis of Revenue

Rationale for Closure:

- **Task Overlap:**
  - Recommendation of the GoM on Analysis of Revenue from GST are being addressed by the GoM on Rate Rationalization, GoM for boosting Real Estate Sector and the newly constituted GoM on Compensation Cess. Most of the areas under purview of the GoM on Analysis of Revenue are already under consideration of GoM on Rate Rationalization and GoM for Boosting the Real Estate Sector.

- **Stabilized Revenue Collection:**
  - Over the past seven years, GST revenue collection has stabilized due to enhanced compliance mechanisms and technological advancements.
  - Requisite mechanisms to address issues relating to compliance and enforcement are in place.

- **Strengthened Compliance Mechanism:**
  - Law Committee regularly deliberates on ways to strengthen the compliance mechanism as would lead to revenue augmentation.

Many steps have been taken for augmenting revenue by improving compliance and the requirement of a separate GoM on Analysis of Revenue may not exist anymore

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THANK YOU

Recommendations of the 22nd meeting of the ITGRC

22nd meeting of the IT Grievance Redressal Committee held on 19.09.2024

- 21 issues where data fixes were carried out by GSTN as per the SOP developed and approved in the 45th meeting of the GST Council.
- Took note of the data fixes carried out/proposed by GSTN in 9 technical issues without financial implications

- In case of 7 technical issues with financial implications:
- Recommended waiver of late fee in 2 cases
- directed GSTN to inform the ITGRC about the status of recovery
- And took note of the data fixes carried out by GSTN

- 2 agendas on similar issues that were discussed/approved in previous ITGRC meetings.
- Status update on 3 previous ITGRC issues also brought before the Committee for information.

ITGRC recommendations

- Update on the Data mismatch issue between Hbase & Ledger in GSTR-3B : 61763 cases
- ITGRC took note of the reset done by GSTN in 41,315 cases and 6,803 returns which have been re-filed in which amount of Rs 2,222.08 Cr has been recovered.
- In 15960 cases of cancelled taxpayers and 4470 cases of insufficient ITC Ledger balance, ITGRC recommended to obtain views of the Law Committee
- CWF issue : due to system glitch, instead of parking the amount with consumer welfare fund, amount got deposited into taxpayers' bank accounts. ITGRC took note of the recoveries amounting to Rs.9.75 lakh done so far and directed GSTN to pursue 7 pending cases of recovery amounting to Rs. 3.17 lakh and update ITGRC during the next meeting.

ITGRC recommendations

- Duplicate transmission of Shipping Bills
- discussed in the 20th meeting of the ITGRC, duplicate transmission of SBs had occurred and refund applications had been created on those duplicate records.
- an amount of around Rs. 1.47 crore has been recovered so far.
- directed GSTN to follow up those cases in which an amount of Rs. 1.29 crore has yet to be recovered.
- Any other issue with the permission of the Chair:
- CCT, Tamil Nadu requested that states could be given access to the taxpayers tickets raised to the GSTN so that they could also follow it up and be in a position to resolve the issues.
- GSTN to categorize the complaints/ grievances state wise and also keep the records of opened and closed tickets state wise.

Thank you

DOR AGENDAS

55TH GST COUNCIL MEETING

21st December 2024

Department of Revenue

1

PRESENTATION FLOW

2

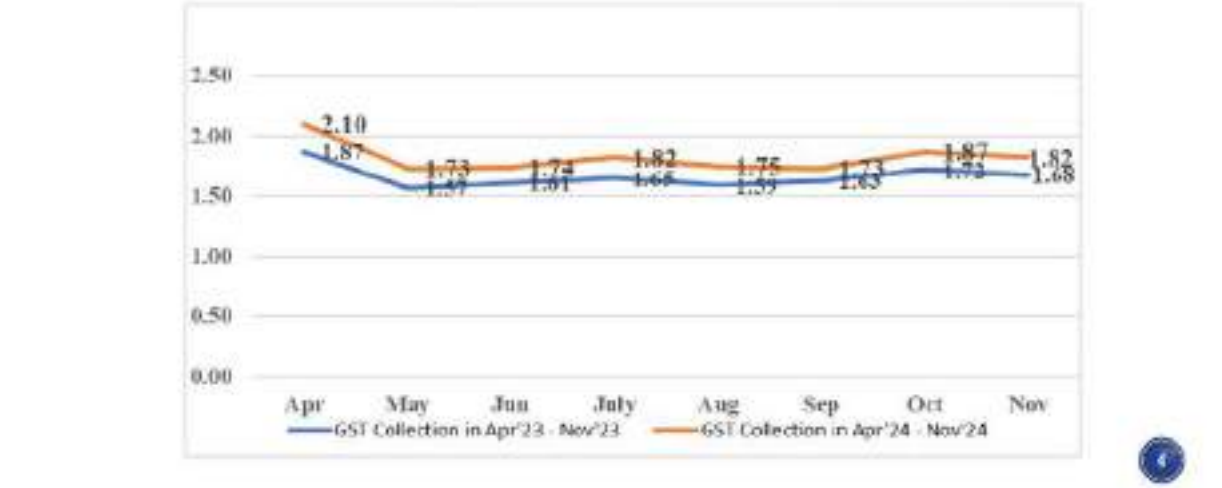
- Agenda – 7.a.: Revenue position
- Agenda – 7.b.: Recommendations of the CoO on IGST Settlement
- Agenda – 7.c.: GSTAT Procedure Rules
- Agenda – 7.d.: Request of Goa for relaxation in qualification of Technical Member (State)
- Agenda – 7.e.: Post-facto approval of request of Jharkhand for relaxation in qualification of Technical Member (State)
- Agenda – 7.f.: Status report of GoM on Compensation

7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

Monthly Gross and Net GST collection (₹ crore)

GST Collection	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24
CGST	43,846	33,409	33,627	33,386	30,862	31,422	33,821	34,141
SGST	53,538	40,265	40,715	40,289	36,411	38,283	41,864	43,047
IGST	99,823	87,781	87,310	98,447	93,621	90,594	99,111	91,838
Domestic	61,797	47,902	47,270	49,437	44,593	46,067	54,878	50,093
Imports	37,826	39,879	40,040	47,009	49,028	44,807	44,233	41,736
Comp. Cess	13,260	12,284	13,160	12,953	12,068	11,941	12,550	13,253
Domestic	12,252	11,207	12,188	11,923	11,120	11,059	11,688	12,396
Imports	1,008	1,078	972	1,029	948	883	862	855
Gross Collection	**2,10,267**	**1,72,739**	**1,73,812**	**1,82,075**	**1,74,962**	**1,73,240**	**1,87,346**	**1,82,269**
YoY Growth	12.4%	10.0%	7.6%	10.3%	10.0%	6.5%	8.9%	8.5%
Less – Refunds (Domestic + Imports)	18,507	28,410	19,846	16,283	24,460	20,458	19,306	18,259
Net Collection	**1,91,760**	**1,44,329**	**1,53,866**	**1,65,792**	**1,50,502**	**1,52,782**	**1,68,040**	**1,63,010**
YoY Growth	15.5%	6.9%	6.3%	14.4%	8.5%	3.9%	7.9%	11.1%



7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

Status of IGST A/c (₹ crore)*

#	Particulars (Figures in Rs. Crore)	2023-24	2024-25 (as of Nov 2024)
1	Collections (+)	10,22,280	7,48,490
2	Recovery from IGST Ad-hoc apportionment (+)	-	-
3	Refunds (-)	1,46,730	1,15,841
4	Settlement (-)	8,99,067	6,59,406
	i. CGST	4,87,039	3,54,754
	ii. SGST	4,12,028	3,04,652
5	Ad-hoc Settlement (-)	-18,000	-
	i. CGST ad hoc	-9,000	-
	ii. SGST ad hoc	-9,000	-
6	Net (1+2-3-4-5)	-5,516	-26,757
	Total as of date	**-32,273**	

** Source: Pr. CCA figures*

States' Gross GST Revenue (₹ crore)

Particulars	(In Crore)
Pre-settlement (Apr'23-Nov'23)	3,09,003
Pre-settlement (Apr'24-Nov'24)	3,37,412
SGST Growth (%)	9%
Post-Settlement (Apr'23-Nov'23)	5,67,464
Post-Settlement (Apr'24-Nov'24)	6,42,064
SGST Growth Post settlement (%)	13%

5

7.A. REVENUE POSITION STATE'S PRE-SETTLEMENT REVENUE

SGST Pre-settlement (₹ crore)	(Apr'23-Nov'23)	(Apr'24-Nov'24)	Growth (%)
Lakshadweep	16	6	-60%
Other Territory	156	125	-20%
Sikkim	321	264	-18%
Arunachal Pradesh	416	361	-14%
Nagaland	206	186	-10%
Jharkhand	5,868	5,776	-2%
Andaman and Nicobar Islands	140	140	0%
Jammu and Kashmir	1,960	2,013	3%
Meghalaya	394	407	3%
West Bengal	15,600	16,068	3%
Andhra Pradesh	9,291	9,613	3%
Mizoram	182	189	4%
Tripura	336	353	5%
Chhattisgarh	5,396	5,662	5%
Himachal Pradesh	1,731	1,841	6%
Rajasthan	11,348	12,017	6%
Madhya Pradesh	8,496	9,043	6%
Kerala	9,171	9,743	6%
Telangana	12,994	13,829	7%
Uttarakhand	3,626	3,916	8%
Uttar Pradesh	21,624	23,376	8%
Assam	3,866	4,206	9%
Gujarat	27,671	30,000	8%

SGST Pre-settlement (₹ crore)	(Apr'23-Nov'23)	(Apr'24-Nov'24)	Growth (%)
Punjab	8,618	9,428	9%
Manipur	229	249	9%
Bihar	5,377	5,913	10%
Odisha	10,836	11,733	10%
Karnataka	26,713	28,514	10%
Puducherry	330	363	10%
Maharashtra	65,260	73,941	13%
Goa	1,467	1,651	13%
Tamil Nadu	27,046	30,332	13%
Chandigarh	439	502	14%
Ladakh	155	176	14%
Haryana	13,415	15,468	15%
Delhi	10,340	11,847	15%
Dadra and Nagar Haveli & Daman and Diu	426	497	17%
Grand Total	**3,09,003**	**3,37,412**	**9%**

6

7.A. REVENUE POSITION STATE'S POST-SETTLEMENT REVENUE

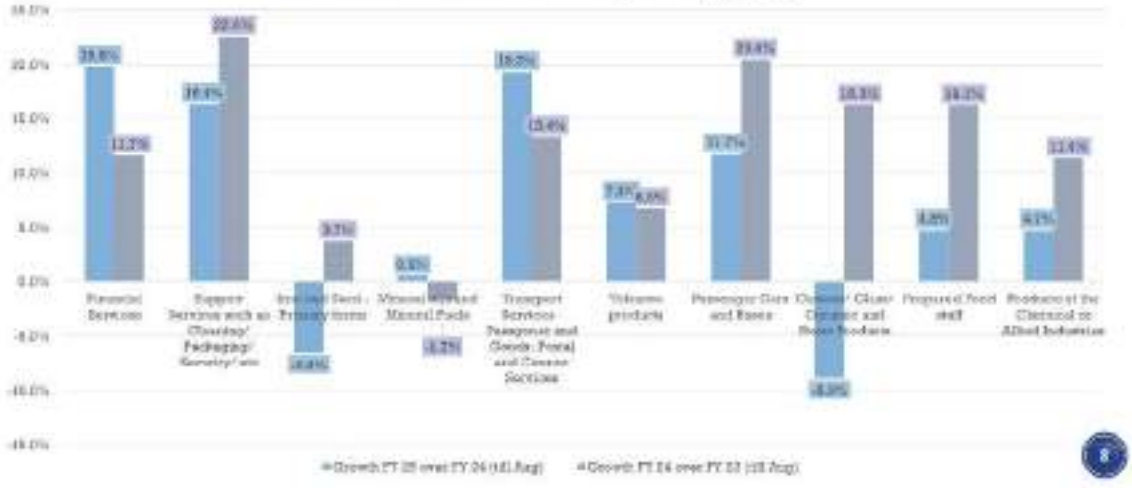
SGST Post-settlement (₹ crore)	(Apr'23 - Nov'23)	(Apr'24-Nov'24)	Growth (%)
Other Territory	822	554	-33%
Arunachal Pradesh	1,278	1,190	-7%
Sikkim	677	646	-5%
Nagaland	700	699	0%
Mizoram	634	653	0%
Lakshadweep	68	70	3%
Chandigarh	1,508	1,576	5%
Andhra Pradesh	20,952	21,998	5%
Kerala	20,823	21,798	5%
Manipur	730	753	3%
Meghalaya	1,109	1,187	7%
Assam	9,653	10,352	8%
Punjab	14,734	16,102	9%
Andaman and Nicobar Islands	347	378	9%
Telangana	20,691	22,166	9%
Bihar	16,950	18,735	10%
Tripura	1,032	1,139	10%
West Bengal	28,041	30,737	10%
Goa	2,618	2,873	10%
Jammu and Kashmir	5,367	5,952	11%
Odisha	15,515	17,253	11%
Uttarakhand	5,588	6,275	12%
Rajasthan	20,699	23,650	13%
Puducherry	930	1,042	12%

SGST Post-settlement (₹ crore)	(Apr'23-Nov'23)	(Apr'24-Nov'24)	Growth (%)
Himachal Pradesh	3,701	4,178	13%
Haryana	23,134	26,246	13%
Karnataka	48,766	54,922	13%
Delhi	21,037	24,025	14%
Uttar Pradesh	49,582	56,687	15%
Jharkhand	8,116	9,322	15%
Chhattisgarh	8,831	10,143	15%
Madhya Pradesh	28,673	33,674	18%
Ladakh	467	535	15%
Gujarat	41,845	48,098	15%
Maharashtra	96,661	1,12,174	16%
Dadra and Nagar Haveli & Daman and Diu	699	845	21%
Tamil Nadu	42,473	51,430	21%
Grand Total	**5,67,464**	**6,42,064**	**13%**

7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

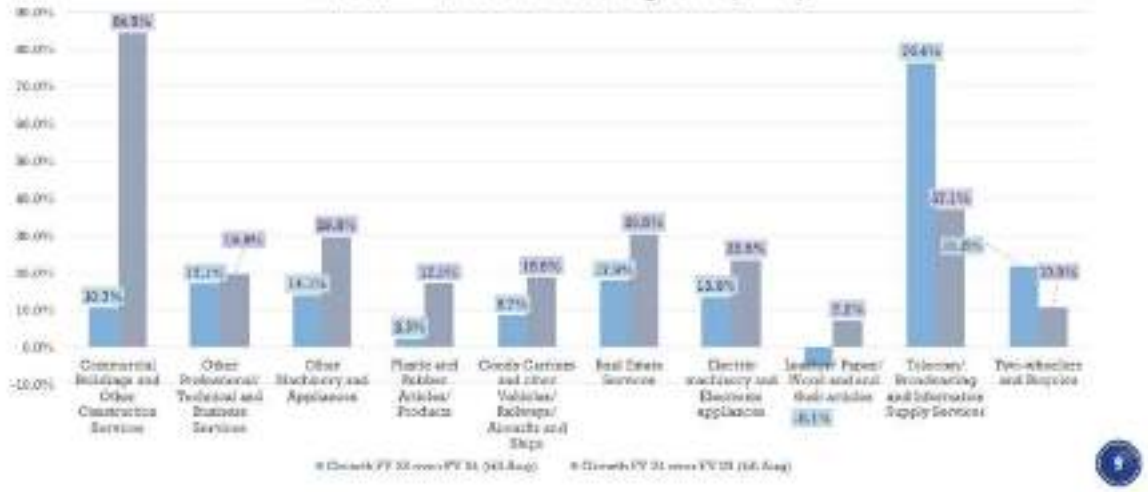
Sector wise cash collection growth (Top 10)



7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

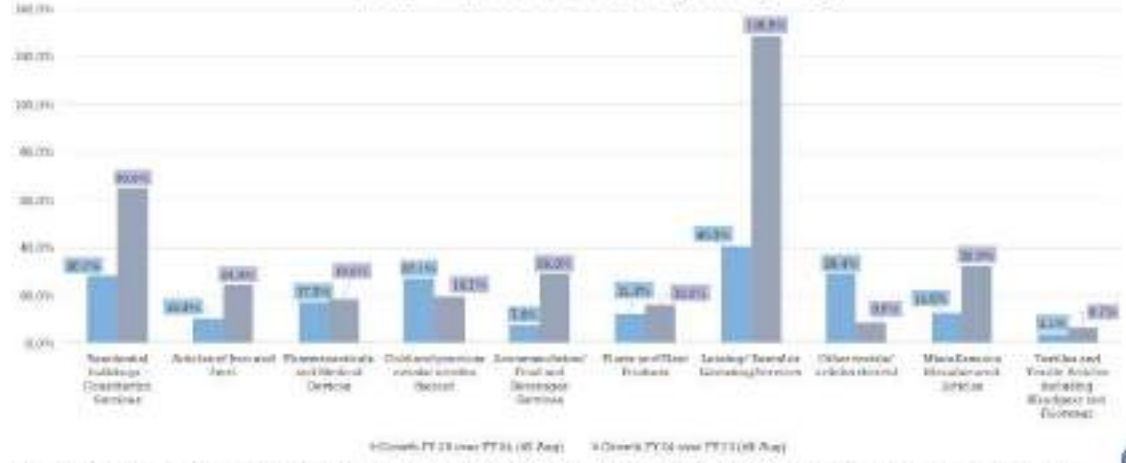
Sector wise cash collection growth (11-20)



7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

Sector wise cash collection growth (21-30)*



**** This Chart is the correct version of the Figure 5 at page 14 of Agenda Volume II, which may be permitted to be amended***

7.A. REVENUE POSITION

Volume II – Pg. 7 to 15

Relative contribution of Top 30 Sectors

Sectors	Relative Contribution in Cash Collection	
	FY 25 (upto Oct 24)	FY 24
Financial Services	7.4%	6.9%
Support Services	7.2%	6.9%
Iron and Steel - Primary forms	5.3%	5.8%
Mineral oils and Mineral Fuels	5.2%	5.6%
Tobacco products	4.9%	4.8%
Passenger Cars and Buses	4.8%	4.7%
Transport Services	4.8%	4.4%
Construction Services	4.6%	5.6%
Chemical or Allied Industries	4.2%	4.1%
Other Professional/ Technical and Business Services	4.2%	4.2%
Construction materials	4.1%	4.0%
Prepared Food stuff	4.1%	3.9%
Other Machinery and Appliances	3.5%	3.4%
Vehicles, Railways / Aircrafts and	3.2%	3.3%
Plastic and Rubber Articles/ Products	3.2%	3.3%

Sectors	Relative Contribution in Cash Collection	
	FY 25 (upto Oct 24)	FY 24
Electric machinery and Electronic	2.7%	2.6%
Real Estate Services	2.6%	2.4%
Two-wheelers and Bicycles	1.6%	1.4%
Leather/ Paper/ Wood and and their	1.6%	1.8%
Leasing/ Rental or Licensing Services	1.6%	1.0%
Telecom/ Broadcasting and Information Supply Services	1.4%	1.1%
Residential buildings - Construction	1.4%	1.4%
Articles of Iron and Steel	1.4%	1.4%
Pharmaceuticals and Medical Devices	1.3%	1.2%
Gold and precious metals/ articles	1.2%	1.0%
Accommodation/ Food and Beverages	1.1%	1.2%
Plants and Plant Products	1.1%	1.1%
Miscellaneous Manufactured Articles	1.1%	1.1%
Other metals/ articles thereof	1.1%	0.9%
Textiles and Textile Articles including Headgear and Footwear	1.1%	1.1%

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7.B. RECOMMENDATIONS - COO ON IGST SETTLEMENT

Volume II – Pg. 16 to 82

- Committee of Officers on IGST Settlement was formed to examine and improve the IGST settlement process.
- The Committee made various recommendations.
- On the issue of ad-hoc apportionment / adjustment, a method based on the previous year's IGST settlement ratio was proposed. Finally, the Council has to decide.
- Approval of the GST Council is sought to allow the CoO to function as a standing committee to address ongoing IT-related issues in the GST settlement process.
- Also, the CoO may be allowed to look into IT related issues of the Officers and the Committee on GST System enhancement may be merged with the CoO.

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REPORT OF COMMITTEE ON IGST SETTLEMENT

Comprehensive Review and Recommendations for IGST Settlement Process

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1. BACKGROUND & TERMS OF REFERENCE

Volume II – Pg. 66 to 82

- A Committee of Officers (CoO) was constituted pursuant to 54th GST Council meeting.
- CoO is chaired by Additional Secretary (Revenue) and has Members from the State of Maharashtra, Tamil Nadu, Gujarat, Karnataka, West Bengal, Madhya Pradesh, Kerala, UP and Bihar. CEO GSTN, Commissioner, GST Policy Wing, DG (Systems) and JS, TPRU are part of the CoO.

Terms of Reference:

- Review legislative provisions and rules for IGST settlement.
- Analyse the current IGST settlement process and identify any unsettled items with reasons.
- Analyse and apprise GST Council with regard to:
  - detailed understanding of workings and process of IGST settlement.
  - identification of circumstances leading to positive/negative IGST balances and the manner of settlement of the same.
  - suggestions for managing and accurately settling these balances.

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2. COMMITTEE MEETINGS & PARTICIPATION

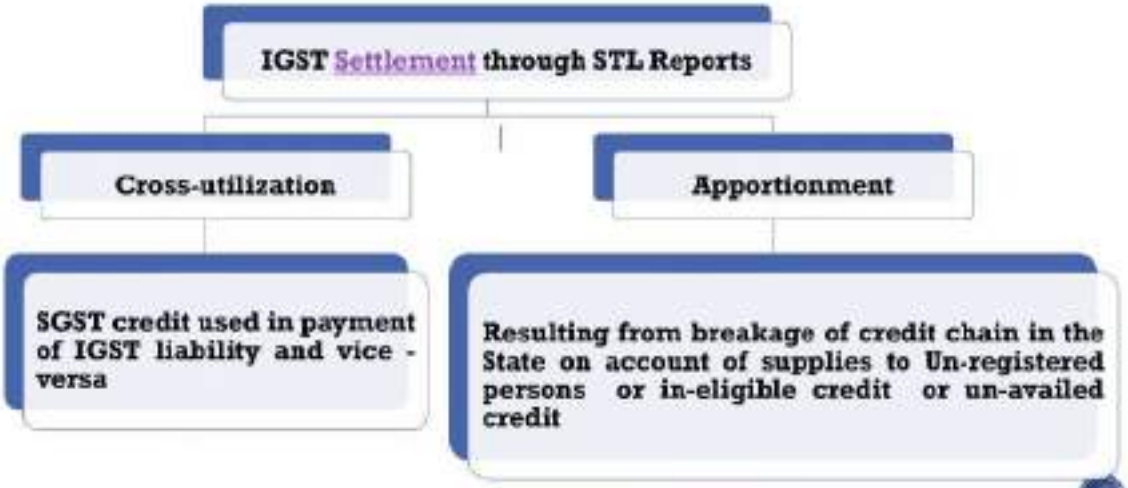
Volume II – Pg. 66 to 82

- CoO held its meetings on various dates - 20th September, 10th October, 17th October and 29th October 2024 (in Hybrid format for all meetings)
- Written Comments were also received from representatives of Karnataka, Kerala, Tamil Nadu, Maharashtra, Uttar Pradesh, and Punjab
- Draft report was circulated to all Members on 30th October 2024. Further comments were received which were duly incorporated and final draft was circulated to all Members on 08th November 2024.
- Report Submission: Based on discussions and feedback, report is to be submitted to GST Council.

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3.1 TWO PRIMARY MODES OF SETTLEMENT

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3.2 CURRENT LEGISLATIVE FRAMEWORK

Volume II – Pg. 66 to 82

- **IGST Act Provisions:**
  - Section 18: Allows cross-utilization of credits in CGST, SGST, UTGST, and IGST accounts.
  - Section 17: Settlement rules for ITC based on final consumption in each State (e.g., B2C, imports, ineligible ITC).
- **GST Settlement Rules (2017):**
  - Define process and provisions for IGST apportionment.
  - **Key Rules:**

  - Rules 4(1)(b)(i), 4(1)(b)(ii), and 5(b) outline specific cross-utilization

  - Rules 4(1)(b)(iii) (a to g) apportionment on monthly interval and Rules 4(1)(b)(iv) (a & b) annual apportionment.
  - These are elaborated in the Annexure

4.1 BASIC ISSUE IN IGST SETTLEMENT

Volume II – Pg. 66 to 82

- IGST settlement to a state is unique in many ways. It depends on a number of factors beyond the control of the concerned state.
- Depends on :
  - Data submitted or available with agencies say GSTN, ICEGATE (customs), other states etc. - Recipient States do not have access to this data.
  - Secondary data captured from other returns say GSTR 3B, GSTR 9 etc.
- Many of these forms themselves undergo changes from time to time making the settlement faulty.
- Many settlement principles are not backed by legal provisions e.g. Un-availed or Ineligible ITC has to be settled to states provided it is reported correctly by TPs but there is no legal stipulation for TPs to report it correctly.

4.2 ISSUES RAISED BY STATES (1/2)

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1. A total of 3 apportionment categories out of 8 are consistenetly reporting Nil Settlement since the begining of IGST Settlement process. These categories are relating to un-availed ITC on both domestic and imports and ineligible ITC on both domestic and imports.
2. Requirement of legal framework for mandating the taxpayer to report ineligible ITC and ITC reversals under IMS or otherwise.
3. Over a period of time changes have been introduced in CGST rules / GSTR forms. Corresponding changes in settlement rules and forms have not been done.
4. Settlement Forms are not aligned to the Settlement Rules.
5. Source for capturing data for each of these forms are not well delineated. It is expected to be done through SRS, which was never ratified through a formal mechanism.

4.2 ISSUES RAISED BY STATES (2/2)

Volume II – Pg. 66 to 82

6. In case of imports by unregistered persons, there were credits which were reversed without any explanation.
7. Information regarding place of supply in case of imports by unregistered persons is not made available to States.
8. Issues in settlement of accumulated ITC between centre and states upon cancellation of GST registration.
9. Wrong reporting of POS as 'Other Territory' (state code 97) by many taxpayers leading to a possibility of state revenue being allocated to Center.
10. Details pertaining to 'online information data access retrieval services' (OIDAR) regarding place of supply not available to states.
11. Transparent and objective process of allocation and recovery of final accumulated surplus/deficit in the IGST account.

5. RESOLUTION OBJECTIVES

Volume II – Pg. 66 to 82

- Focus was on creating a balanced, transparent approach for consistent IGST settlements across states.

Objectives:

- Align the current settlement rules to the settlement process and bring clarity in the process of settlement.
- Demystify items in settlement forms, ensuring accurate data and enhancing transparency in IGST settlements.
- Resolve the anomalies in reporting and ensure accurate reporting.
- Ensure continuous reporting of data / MIS to the States.
- Agree on a methodology for apportionment of positive/negative balance in IGST Account.

6.1 ALIGN CURRENT RULES (1/4)

Volume II – Pg. 66 to 82

Issue 1: Blank forms with no settlement on un-availed ITC and ineligible ITC:

- Input tax credit (ITC) remaining **un-availed** is expected to be settled to States annually in STL Forms 1.07 (domestic) and 1.11 (imports).
- Similarly, certain ITC which is not **not eligible** is expected to be settled in STL Forms 1.06 (domestic) and 1.10 (imports).
- These settlements were originally envisaged to be made annually based reporting by taxpayers on annual return (GSTR 9).
- Annual reports were subsequently made mandatory only for larger taxpayers (turnover above Rs.2 cr). Hence GSTN could not collate this information from available records.
- This information is captured in Table 4D(2) and Table 4B(1) of GSTR-3B in a summary form. From July 2022, reporting of this information has also been mandatory by issuing Circular.
- However, in reality taxpayers are still not reporting correct infromation in Table 4(D)(2) and 4(B)(1) of GSTR-3B.

6.1 ALIGN CURRENT RULES (2/4)

Volume II – Pg. 66 to 82

Issue 1: Blank forms with no settlement on un-availed ITC and ineligible ITC (contd.):

Recommendations:

- Settlement based on individual line item-wise information is possible only after implementation of Invoice Management System (IMS).
- Until IMS is implemented,
  - Settle un-availed ITC (on both imports and domestic) in summary form based on reporting in Table 4D in GSTR 3B on a monthly basis in STL Form 1.06.
  - Settle ineligible ITC (on both imports and domestic) in summary form based on reporting in Table 4B in GSTR 3B on a monthly basis in STL Form 1.06.
- Once the IMS is operational, settlement is to be done separately for domestic and imports with line-item wise information in the respective forms.
- Law Committee to frame rules for proper IGST Settlement through IMS and for capturing lapsed credit.

6.1 ALIGN CURRENT RULES (3/4)

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Issue 2: To make reporting of ITC reversals mandatory

- Currently, reporting of ITC reversals (of both un-availed ITC and ineligible ITC) in the monthly return is mandated through a circular. There is no enforcement mechanism.
- Whenever IMS is implemented with Rules framed, issues related to IGST settlement must be incorporated in the rules.

Recommendations:

- Circular no 170/02/2022-GST dated 6th July, 2022 should be included as a legal provision so that it brings a binding obligation on the taxpayers.
- Law Committee to evaluate and suggest a legal provision which may be introduced for adjudication of taxpayers who have not availed/short availed IGST ITC
- Under IMS, rules should be framed to make it mandatory for the taxpayers to report un-availed ITC and ineligible ITC. In case of un-availed ITC based on limitation, automatic reversal may also be envisaged in IMS.

6.1 ALIGN CURRENT RULES (4/4)

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Issue 3: Other changes

- GST Settlement Rules were framed at the time of inception of GST. Many changes to the returns and reporting procedure were implemented to reduce the compliance burden.
- However, the settlement rules were not correspondingly amended while the settlement process in operation was modified.

Recommendations:

- Make consequential changes in the rules to align with the current business process.
- Rules to be amended for certain issues like updating terms used such as Common Portal for GSTN, OIDAR being included in the settlement process, reference to UN refunds etc.

6.2 DEMYSTIFY SETTLEMENT FORMS

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Issue 4: Settlement forms are not aligned with the Rules

- STL Form 1.06 captures various - ineligible ITC (on domestic), ITC lapsed due to shift to composition scheme and ITC lapsed upon cancellation of registration.
- However, the rules are not elaborate enough to cover all these situations.
- Similarly, in STL Form 1.04, while settlement is being made for certain items like OIDAR etc, these are not prescribed explicitly in the rules.
- Sources of each form are also not delineated properly.

Recommendations:

- Amend the relevant Rules and Forms to clearly delineate the various categories of settlement items contained in this form.
- Sources for all the forms as per the updated amendments are to be specified in the headings of the forms. See Annexure for samples

6.3 RESOLVE THE ANOMALIES IN REPORTING (1/4)

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Issue 5: Reversals in the settlement pertaining to Imports by Unregistered Persons (STL Form 1.08)

- During the last 2 financial years, negative settlements were made without any line item-wise details / reasons being shared with the States.
- As per GSTN, this is due to incorrect classification of registered importers as unregistered in the first place which was later corrected in the settlement.

Recommendation:

- GSTN to share sample data with States for Bills of Entry that were wrongly settled, including month, name, and reverse settlement details. If discrepancies are found, States can request complete data from GSTN, which will be provided as needed.
- Going forward the States to be provided with the details of the bills of entry as received from ICEGATE.
- Importer Exporter Code to be included in STL Form 1.08.

6.3 RESOLVE THE ANOMALIES IN REPORTING (2/4)

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Issue 6: Information regarding PoS in case of imports by unregistered persons is not available in the settlement forms (STL Form 1.08)

- For imports by unregistered persons, settlement is done based on inputs received from Customs in ICEGATE systems.
- States have difficulty in verifying the settlement in the absence of place of supply information.

Recommendation:

- Importer Exporter Code along with PAN (if possible) to be included in STL Form 1.08.
- Going forward the States to be provided with the details of the bills of entry as received from ICEGATE (All imports in a State- along with address of the importer).

6.3 RESOLVE THE ANOMALIES IN REPORTING (3/4)

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Issue 7: Settlement of accumulated ITC upon cancellation of GST registration

- Upon cancellation of registration, any accumulated ITC needs to be settled to the States.
- Currently, the settlement is done based on final return filed by taxpayer which may not always be forthcoming.
- An automatic mechanism is needed to settle ITC upon registration cancellation.

Recommendation:

- Many cancellations may involve fake or non-genuine taxpayers, making ITC settlement inappropriate.
- Introducing a mechanism for the 'Proper Officer' to certify credits could also be counterproductive.
- Committee felt that this requires further deliberation and status quo can be maintained for now.

6.3 RESOLVE THE ANOMALIES IN REPORTING (4/4)

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Issue 8: Collections under "97. Other Territory"

- There is lack of clarity on revenue reported in "97. Other Territory".
- Other Territory is intended to capture Exclusive Economic Zone (EEZ) - 200 nautical mile area of the ocean that gives coastal nations jurisdiction over natural resources.
- Presently all transactions where PoS is wrongly mentioned as 'Other Territory' get settled to UT-Centre.

Recommendation:

- GSTN to provide sample data on entries appearing in "97. Other Territory".
- Based on analysis of the same, States to report back anomalies in reporting in the category "97. Other Territory".
- Upon review of the data, Committee to evaluate and recommend if instead of "97. Other Territory", more specific classification can be considered. SRS to be amended appropriately.

6.4 CONTINUOUS REPORTING/MIS TO STATES

Volume II – Pg. 66 to 82

Issue 9: Data pertaining to Place of Supply of OIDAR (Online Information Database Access and Retrieval Services)

- Limited transparency for States on PoS of OIDAR services.

Recommendation:

- GSTN to share data pertaining to OIDAR (TIN of supplier, Name, PoS, IGST collected etc) as it appears in the return filed in GSTR-5A as an MIS on a monthly basis.
- States may seek further data from the jurisdictional officer for OIDAR (i.e) Bengaluru West Zone of CBIC.
- Settlement for OIDAR would be reflected in STL Form 1.04 and the rules would be amended accordingly.



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7. WAY FORWARD & FURTHER ACTIONS

Volume II – Pg. 66 to 82

- Recommendations of the Committee may be implemented by GSTN before March 2025. Committee may review the progress and report to the Council.

- System Requirement Specification (SRS) document for implementing the changes recommended by the Committee may be placed before the Committee and the approval of the Committee be taken before the same is implemented.

- This Committee may continue to review and examine various IT related issues faced by the States and Central formations and provide necessary directions and guidance to GSTN from time to time.



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8. SETTLEMENT: BALANCE IN IGST ACCOUNT (1/2)

Volume II – Pg. 66 to 82

Issue 10: Settlement of balance in IGST Account

- There is a negative balance of Rs.5,500 crore for last FY. During the current year, negative balance as of Nov 2024 is estimated to be Rs.26,000 crore.

- **Apportionment Challenge:** There is a need to establish a fair method for apportionment of positive and negative balances apportionment to States.

- **Options:**
  - **Option 1:** Apportion positive and negative balances using base year revenue ratio (FY 2015-16).
  - **Option 2:** Use actual IGST settlement ratios for both positive and negative balances.



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8. SETTLEMENT: BALANCE IN IGST ACCOUNT (2/2)

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Member States were divided on the method of apportionment.

- UP, Kerala, Punjab supported Option 1.
- Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Tamil Nadu supported Option 2 but felt that negative balance should not be recovered unless it is clear that it would not reverse. They also preferred use of IGST settlement ratio of the previous FY.
- Karnataka opined that positive balance over a threshold can be apportioned but negative balance at the end of the year can be recovered in the first quarter of the subsequent financial year.

Recommendation:

- Recovery of negative balance should be a last resort, only when it is clear that the balance won't reverse within the financial year and shall be recovered within the same financial year by March 15th of every year.
- Since there is no consensus in the Committee, the GST Council may decide on the option. Majority favoured recovery based on actual IGST Settlement ratio of previous FY.





THANK YOU



ANNEXURES

CURRENT LEGISLATIVE FRAMEWORK

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Report	Code	Frequency	Particulars	Settlement Rules	Section IGST/CGST Act
1.02	IITC	Monthly	IGST Liability adjusted against SGST/UTGST and CGST ITC (including cross utilization by ISD)	4(1)(b)(i)	Section 17 of IGST Act & 53 of CGST Act
1.03	SITC	Monthly	SGST/UTGST liability adjusted against IGST ITC	4(1)(b)(ii)	Section 17 of IGST Act
2.02	CITC	Monthly	CGST Liability adjusted against IGST ITC	5(b)	Section 17 of IGST Act
6.02		Monthly	Settlement from Cash Ledger		Section 49(10) of IGST Act & Rule 87(13) and (14) of CGST Rules

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CURRENT LEGISLATIVE FRAMEWORK

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S. No.	Row Labels	Frequency	GSTN Report	Particulars	Settlement Rules	Section IGST/CGST Act
1	B2C	Monthly	1.04	CGST/SGST portion on IGST collected on inter-state supply including Input Service Distributor distribution, to B2C supplies or exports or SEZ on payment of IGST, including non filers who have Integrated Tax credit available with them	4(1)(b)(iii)(a)	17(1)(a) and 17(2) of IGST Act
2	B2BC	Monthly	1.05	CGST/SGST portion of IGST for inter-state supplies made to Composition taxable person/Non-resident taxable person/UIN holders	4(1)(b)(iii)(b)	17(1)(a) and 17(2) of IGST Act
3	B2BN	Monthly	1.06	CGST/SGST portion of IGST collected on B to B supplies where ITC is declared as ineligible, including lapsed ITC due to opting composition scheme and cancellation of registration	4(1)(b)(iii)(c)	17(1)(h) and 17(2) of IGST Act
4	B2SU	Annually	1.07	List of registered persons in a State or Union Territory who have made Inter-State taxable supplies on which ITC remains unutilized till end of September of the subsequent financial year	4(1)(b)(iv)(a)	17(1)(c) and 17(2) of IGST Act
5	IISoC	Monthly	1.08	CGST/SGST portion of IGST collected on import of goods and/or services by unregistered persons	4(1)(b)(iii)(d)	17(3)(d) and 17(2) of IGST Act
6	IISoBC	Monthly	1.09	CGST/SGST portion of IGST for supplies imported by Composition taxable persons/ UIN holders	4(1)(b)(iii)(e)	17(3)(d) and 17(2) of IGST Act

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CURRENT LEGISLATIVE FRAMEWORK

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S. No.	Code	Frequency	GSTN Report	Particulars	Settlement Rules	Section IGST/CGST Act
7	B2BN	Monthly	1.10	CGST/SGST portion of IGST collected on goods/services imported by registered person (other than composition) where ITC is declared as ineligible	4(1)(b)(iii)(d)	17(1)(c) and 17(2) of IGST Act
8	B2BL	Annually	1.11	CGST/SGST portion of IGST collected on goods imported by registered person where ITC remains unutilized till end of September of the subsequent financial year	4(1)(b)(iv)(b)	17(1)(f) and 17(2) of IGST Act
9	RINT	Monthly	1.19	Interest on IGST related to returns and fee deposited for filing advance ruling application under IGST	4(1)(b)(iii)(g)	
10	IDCA_CMP	Monthly	3.05(C)	SGST/UGST portion of IGST- Compounding amount paid	Rule 6(1)	Section 17(3) of IGST Act
11	IDCA_INT	Monthly	3.02(I)	SGST/UGST portion of IGST-Interest demand paid		
12	IDCA_OTH	Monthly	3.02(O)	SGST/UGST portion of IGST-Others demand paid		
13	IDCA_PEN	Monthly	3.02(P)	SGST/UGST portion of IGST-Penalty demand paid		
14	IDCA_TAX	Monthly	3.02(T)	SGST/UGST portion of IGST-Tax demand paid		
15		Monthly	4.00	CGST/SGST portion of IGST collected where place of supply could not be determined	7(b)	1st proviso to Section 17(2) of IGST Act
16		Monthly	4.03	CGST/SGST portion of IGST collected where taxable person making supply is not identifiable	7(c)	2nd proviso to Section 17(2) of IGST Act
17		Monthly	5.01 - 5.09	Reduction due to issue of credit notes	8	Section 17(5) of IGST Act

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CURRENT SETTLEMENT PROCESS

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S. No.	Code	GSTN Report	Particulars	Source of settlement reports
1	ITC	1.02	IGST Liability adjusted against SGST/UTGST and CGST ITC (including cross utilization by PO)	GSTR-3B, GSTR-6, GSTR-10
2	SGV	1.03	SGST/UTGST liability adjusted against IGST ITC	GSTR-3B, GSTR-6, GSTR-10
3	CTC	1.01	CGST Liability adjusted against IGST ITC	GSTR-3B, GSTR-6, GSTR-10
4		0.07	Settlement from Cash Ledger	PMT-09
5	B2C	1.04	CGST/SGST portion on IGST collected on inter-state supply including Input Service Distributor distribution, to ISD, supplies on exports or SEZ on payment of IGST, including non filers who have Integrated Tax credit available with them	GSTR-3B, GSTR-3 and GSTR-6
6	B2BC	1.05	CGST/SGST portion of IGST for inter-state supplies made to Composition taxable person/Non-resident taxable person/UIN holders	GSTR-1 and GSTR-3B
7	B2BN	1.06	CGST/SGST portion of IGST collected on B to B supplies where ITC is declared as Ineligible, including lapsed ITC due to opting composition scheme and cancellation of registration	GSTR-6, GSTR-4, GSTR-10, ITC-03, GSTR-9 & GSTR-3B
8	B2BL	1.07	List of registered persons in a State or Union Territory who have made inter-State inward supplies on which input tax credit remains unutilised till end of September of the subsequent financial year	From August'2022, settling through Table 4B(2) of Form GSTR-3B in respect of invoices declared by supplier after cutoff date.
9	IB2C	1.08	CGST/SGST portion of IGST collected on import of goods and/or services by unregistered persons	BOE
10	IB2BC	1.09	CGST/SGST portion of IGST for supplies imported by Composition taxable persons/ UIN holders	GSTR-4, GSTR-4X, CMP-08, BOE

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CURRENT SETTLEMENT PROCESS

Volume II – Pg. 66 to 82

S. No.	Row Labels	GSTN Report	Particulars	Source of settlement reports
11	IIGSN	1.11	CGST/SGST portion of IGST collected on goods/services imported by registered person (other than composition) where ITC is declared as ineligible	From August'2022, settling through Table 4B(1) of Form GSTR-3B. Table 4B(1) captures consolidated details of reversal.
12	IIGSI	1.12	CGST/SGST portion of IGST collected on goods imported by registered person where ITC remains unutilized till end of September of the subsequent financial year	Same logic as of 1.07
13	RINT	1.12	Interest on IGST related to returns and fee deposited for filing advance ruling application under IGST	GSTR-3, GSTR-4, GSTR-8, GSTR-7, GSTR-10, CMP-08, ADVRL (Advance Ruling), GSTR-3B, GSTR-5A
14	IDCA_CMP	3.01(C)	SGST/CGST portion of IGST- Compounding amount paid	DRC03, DRC07, DRC08 and APL04
15	IDCA_INT	3.01(I)	SGST/CGST portion of IGST-Interest demand paid	
16	IDCA_OTH	3.01(O)	SGST/CGST portion of IGST-Others demand paid	
17	IDCA_PEN	3.01(P)	SGST/CGST portion of IGST-Penalty demand paid	
18	IDCA_TAX	3.01(T)	SGST/CGST portion of IGST-Tax demand paid	

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SOURCE OF INFORMATION IN FORM

Volume II – Pg. 66 to 82

Report GST STL - 01/06

List of registered persons who have made inter-State inward supplies for which ITC is declared as ineligible or in-admissible including ITC lapsed due to opting into composition scheme and tax paid in lieu of ITC reversal with filing of cancellation applications or final return (for col. 7 of 1.01-04-& 02 & 7.01)

[Sec 17 of IGST Act]

(Source: Forms: GSTR-3B, GSTR-4, GSTR-6, ITC-03, RFD-10/GSTR-10)

Report GST STL - 01/07

List of registered persons who have made inter-state inward supplies on which ITC remains unutilized till specified period (for col. 8 of 01.01 & 02.01)

[Sec 17 of IGST Act]

(Source: Forms: GSTR-4B)

Report GST STL - 01/09

List of composition taxable persons/ UIN holders/persons who have made import / Non-resident taxable persons who have received inward inter-State supplies liable to reverse charge/ TDS& TCS holders making imports

(for col. 10 of 1.01 & 7.01-&-02.01)

[Sec 17 of IGST Act]

(Source: Forms: GSTR-4, CMP-08, Bill of Entry)

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Settlement including reverse settlement in report 1.08 Till Aug 2024 Amount in Rs. (Cr.)

State Code	STATES	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1	Jammu and Kashmir	9.70	3.31	10.81	38.80	(4.48)	(8.28)	39.76
2	Himachal Pradesh	2.89	0.71	36.80	28.86	(14.24)	(20.27)	33.67
3	Punjab	107.12	5.51	64.28	95.43	(16.78)	(34.23)	247.33
4	Chandigarh	50.62	7.93	50.10	8.80	9.37	(1.37)	74.01
5	Uttarakhand	165.38	2.81	78.28	47.58	42.39	(65.12)	272.98
6	Haryana	90.12	28.83	65.66	48.54	6.83	(13.41)	189.08
7	Delhi	1,030.05	352.45	513.05	311.88	264.14	(108.83	1,566.66
8	Rajasthan	20.33	1.82	32.64	98.45	(9.11)	(20.38)	112.51
9	Uttar Pradesh	166.64	82.16	138.83	81.46	11.88	(30.02)	380.20
10	Bihar	12.19	3.81	17.15	38.72	(8.47)	(8.54)	37.07
11	Sikkim	0.37	0.03	9.66	13.08	(8.46)	(5.66)	9.69
12	Arunachal Pradesh	0.10	0.11	0.27	0.35	0.29	0.49	1.42
13	Nagaland	0.83	0.01	0.80	0.41	0.33	0.16	1.80
14	Manipur	0.11	0.01	0.86	0.84	0.28	0.39	0.69
15	Mizoram	0.33	0.05	1.91	1.30	0.85	0.36	4.18
16	Tripura	1.09	0.05	0.20	1.82	(1.09)	(0.13)	0.21
17	Meghalaya	1.49	0.10	3.01	9.26	2.39	0.47	12.10
18	Assam	8.61	3.05	12.13	34.71	(29.82)	(2.00)	25.97
19	West Bengal	160.05	10.48	145.43	212.31	(102.25)	(72.84)	335.18
20	Jharkhand	14.26	0.35	5.89	11.78	(3.58)	0.94	27.24
21	Odisha	6.81	1.27	89.78	30.30	7.35	(34.23)	61.08
22	Chhattisgarh	31.38	3.16	42.66	32.73	(28.62)	(28.48)	51.30
23	Madhya Pradesh	106.79	43.07	138.36	73.10	(9.76)	(84.81)	289.04
24	Gujarat	204.10	31.04	503.87	503.82	(318.81)	(301.25)	623.15
25	Dadra and Nag.	0.69	0.12	0.15	0.06	0.01	-	0.66
26	Dadra and Nagar Haveli	0.54	0.06	116.89	88.88	(34.59)	(84.88)	87.00
27	Maharashtra	3,827.31	88.20	1,103.13	1,413.28	(808.39)	(718.67)	4,885.02
28	Karnataka	420.22	22.01	298.72	496.23	(108.81)	(319.24)	1,049.12
29	Goa	130.11	9.20	34.02	97.51	(19.20)	(11.84)	260.79
30	Lakshadweep	0.12	-	0.01	0.00	0.00	0.00	0.13
31	Kerala	164.43	11.85	101.14	72.87	1.58	(44.24)	287.52
32	Tamil Nadu	866.56	28.85	1,052.81	1,138.83	(698.07)	(748.44)	2,088.13
34	Puducherry	1.87	0.88	3.26	2.75	(1.47)	(6.52)	6.60
35	Andaman and Nicobar Islands	0.13	0.00	0.00	0.14	0.00	0.00	0.41
36	Telangana	280.30	17.01	406.21	1,302.84	(303.81)	(106.26)	1,685.80
37	Andhra Pradesh	205.17	8.46	126.55	100.26	(30.11)	(81.84)	315.00
38	Ladakh	-	-	0.40	1.63	0.01	0.00	2.03
97	Other Territory	0.10	0.01	17.41	21.81	(17.18)	(8.51)	14.76

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7.B. RECOMMENDATIONS - COO ON IGST SETTLEMENT

Volume II – Pg. 16 to 82

Sl. No.	Decision Point	Officer's Committee Deliberation
1	Approval of the Report of the CoO on IGST Settlement. The proposed amendment in the Rules to be vetted by the Law Committee and notified and consequent changes in the GST system to be implemented.	Most of the States wanted the base year as the ratio to be used for recovery. Recovery to be effected in the relevant FY
2	CoO to function as a standing Committee and include IT related issues of Officers in it's ToR. Also, Committee on System enhancement to be merged with the CoO.	Officers' agreed to the Agenda

7.C. GST APPELLATE TRIBUNAL PROCEDURE RULES

Volume II – Pg. 83 to 128

- GST Law provides that the Appellate Tribunal can regulate its own procedure [*section 106 and 111 of the CGST Act, 2017*].
- Accordingly, the GSTAT has proposed draft GSTAT Procedural Rules.
- These rules prescribe procedure for filing of appeals, conduct of daily business, accepting of appeals, powers of registrar, publishing of daily cause list etc.
- Agenda placed before the GST Council for approval.
- Once approved, the same shall be vetted by the Law Committee and notified.

7.C. GST APPELLATE TRIBUNAL PROCEDURE RULES

Volume II – Pg. 83 to 128

Sl. No.	Decision Point	Officer's Committee Deliberation
1	Placing the Draft GSTAT Procedural Rules before the Council for subsequent vetting by the Law Committee and issuance of notification by GSTAT	Officers' agreed to the Agenda. With reference of section 106 removed. Only section 111 to be referred.

7.D. GOA REQUEST ON TECH MEMBER (STATE)

Volume II – Pg. 129 to 130

- 54th GST Council Meeting. - Approval was granted for relaxation in eligibility criteria of Technical member (State).
- Now, State has requested for amendment in the earlier relaxation, as follows: *"Proposal of the State of Goa for notifying an officer of the Government Commercial Tax Department of Goa, who has completed at least twenty-five years of service in the Government, as Gazzetted Officer, to be eligible for the appointment as Technical Member (State) in the State Bench".*
- Approval would be subject to other terms and conditions of section 110(1)(d) of the CGST Act, 2017.

7.D. GOA REQUEST ON TECH MEMBER (STATE)

Volume II – Pg. 129 to 130

Sl. No.	Decision Point	Officer's Committee Deliberation
1	Approval of Goa for amending the approval which was granted in 54th GST Council Meeting in respect of Commercial Tax Department officers to be extended to any officer of the Goa State for relaxation in eligibility criteria for appointment of Technical Member (State) subject to other conditions which was imposed in the earlier approval	Officers' agreed to the Agenda

7.E. POST-FACTO APPROVAL – JHARKHAND

Volume II – Pg. 131 to 141

- On the basis of recommendation by the GIC, approval was granted for relaxation in eligibility criteria of Technical member (State) to the State of Jharkhand to notify
  - *"i. an officer of the Commercial Tax Department of Jharkhand, who has completed at least twenty-five years of service in the Government, as Gazetted Officer, to be eligible for the appointment as Technical Member (State); and*
  - *ii. the rank of an officer of the State of Jharkhand, not below the rank of "Joint Commissioner of State Tax", as a minimum qualifying rank of the officer who shall be eligible for Technical Member (State) subject to other conditions of section 110(1)(d) of the CGST Act, 2017."*
- Request similar to the approvals granted by the Council to other States in the 54th Meeting
- Agenda placed before the GST Council for post-facto approval.

7.E. POST-FACTO APPROVAL – JHARKHAND

Volume II – Pg. 131 to 141

Sl. No.	Decision Point	Officer's Committee Deliberation
1	Post-facto approval of the GIC approval to the State of Jharkhand regarding relaxation in eligibility criteria for appointment as Technical Member (State) in the State of Jharkhand	Officers' agreed to the Agenda

7.F STATUS REPORT – GOM ON COMPENSATION

Volume II – Pg. 142 to 144

- GoM recommended continuing the current Cess collection mechanism and rates until March 2026 and distributing any surplus collection between the Centre and States as provided in the provision of Section 10(3) of the Compensation Act.
- GoM was supposed to conclude its discussion and submit its report to the Council by December 31, 2004.
- However, the GoM needs more time to determine the future course of action post-cess abolition and has requested an extension until June 2025.
- Accordingly, Status update is placed before the Council and approval sought for extending the mandate of the Committee till 30th June 2024.

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7.F STATUS REPORT – GOM ON COMPENSATION

Volume II – Pg. Pg. 142 to 144

Sl. No.	Decision Point	Officer's Committee Deliberation
1	Continuation of the current Cess collection until March 2026; and distribution of any surplus Cess between the Centre and States as provided in Section 10(3) of the GST Compensation Act	Officers' agreed to the Agenda
2	Extension the timeline granted to the Committee till 30th June 2024	Officers' agreed to the Agenda

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THANK YOU

One Nation One Tax One Market

Presentation On GSTN's Agenda Items



55th GST Council Meeting

Jaisalmer,

21st December 2024

Agenda

1. Agenda items for B2C e-Invoicing Project
2. Status on Invoice Management System (IMS) and Planned enhancements



Agenda Items for B2C e-Invoicing

The approval of the GST Council is sought for the following:

i. GSTN to conduct a global technology and policy framework evaluation for B2C e-Invoicing.

ii. A delegation consisting of members from GSTN, CBIC, the Department of Revenue (DoR), and Commercial Tax departments from the States/UTs may visit countries identified by GSTN with successful B2C e-Invoicing implementations to conduct the aforementioned evaluation.

iii. Each team shall submit a report on the findings to GSTN in a standardized format.

iv. The expenditure for the same shall be borne by GSTN.

Status on Invoice Management System (IMS)

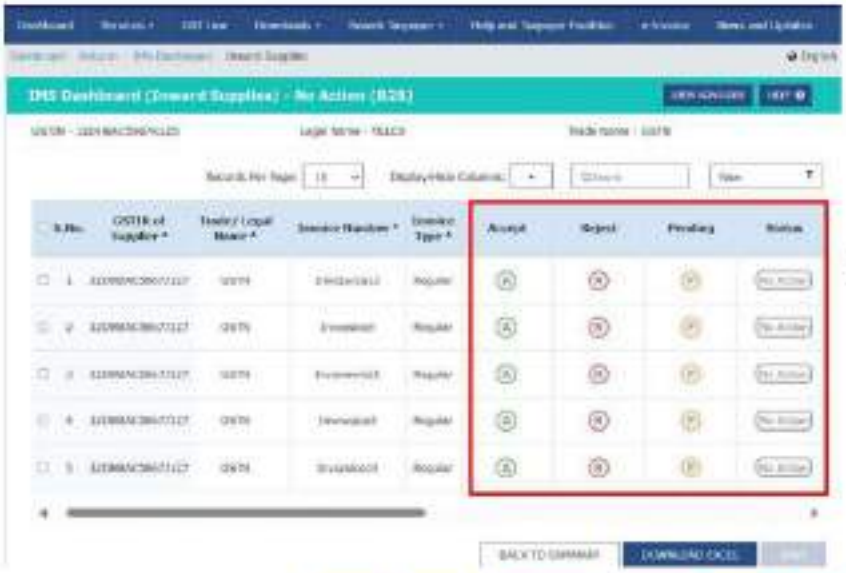


Fig: High level view of IMS

In the **54th** meeting of the **GST Council**, it was informed that the **Invoice Management System** (IMS) would be rolled out by GSTN as an optional facility.

In this regard, the functionality has been **rolled out from the October 2024** return period and is now live on the GST portal.

Features made Available in IMS (1/3)



1

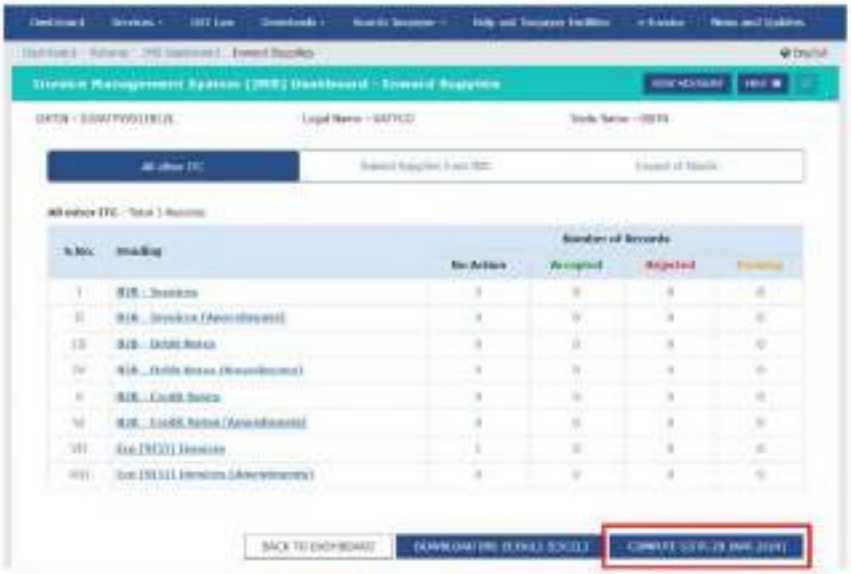
Actions

Accept/Reject/Pending

&

Deemed Accepted

Features made Available in IMS (2/3)



2

GSTR-2B

Computation

&

Re-Generation

Features made Available in IMS (3/3)



3

Supplier View

Enhancements Scheduled in IMS

1 **Handling of Credit Notes**

Taxpayers would have the option to keep credit notes pending until a specified time.

2 **Offline Tool**

An offline tool would be introduced to handle bulk data.

3 **Rejected Section in GSTR-2B**

A new section in GSTR-2B would display all rejected records by recipient taxpayers.

4 **Supplier View for GST Suvidha Providers**

GOODS AND SERVICES TAX NETWORK
(A Government Enterprise)

THANK YOU!!

Performance Report of Anti-Profiteering Authorities: 2nd Quarter (July-September 2024)

- Joint Secretary
GST Council Secretariat

Performance Report (CCI) - Quarter 1st July, 2024 to 30th September, 2024

➢ **Key points:**

- **6 Final Orders and 2 Interim Orders** passed during the quarter.
- **2 cases of real estate sector** sent back to the DGAP for re- investigation for re-working the profiteered amount in terms of judgement dated 29.01.2024 of Hon'ble Delhi High Court.
- **Six Ordinary Meetings** held by the CCI.
- **One hearing** held in Q2.
- **Out 11 complaints in Q2**, 6 forwarded respective Screening Committees/Standing Committee for further action/examination and 5 complaints which related to other GST/Enforcement issues were forwarded to the Jurisdictional State & Central GST authorities for necessary action.

Competition Commission of India (CCI)

➢ **Empowerment of CCI for Anti-Profiteering**

- **45th GST Council Meeting**: Discussed the possibility of transferring all anti-profiteering cases to CCI.
- **Notification No. 23/2022-C.T.** (23rd November, 2022):
  - **Effective from 1st December 2022, CCI** empowered to examine whether **input tax credits** availed by any registered person or the **reduction in the tax rate** have actually resulted in a **commensurate reduction** in the price of the goods or services or both supplied by him.

➢ **Empowerment of GSTAT**

- **Notification No. 18/2024-C.T.** (30th September, 2024):
  - From **1st October 2024**, the principal bench of the **GSTAT** empowered to examine profiteering cases.

Performance Report - Quarter 1st July, 2024 to 30th September, 2024

➢ **State Level Screening Committee (SLSC)***
Opening Balance: 175 cases
Receipt: 70
Cases Referred to Standing Committee: 4
Cases Rejected: 162
Closing Balance: 79 cases

➢ **Standing Committee (SC)**
Opening Balance: 128 cases
Cases Received: 63
Cases Disposed: 97
Closing Balance: 94 cases

➢ **DG (Anti-Profiteering)**
Opening Balance: 141 cases
Receipt: 18
Cases Referred to CCI for closure: 3
Closing Balance: 156 cases

**Report from the Kerala State Screening has not been received*

Performance Report (CCI) - Quarter 1st July, 2024 to 30th September, 2024

➢ Total Cases Managed by CCI:

- **Opening Balance**: 53 cases
- **Investigation Reports received from DGAP**: 3 cases
- **Disposal of Cases**: 10 cases
- **Closing Balance**: 46 cases

➢ Outcome of Cases:

- **Profiteering Established**: 4 cases
- **Profiteering Not Established**: 2 cases
- **Cases Referred Back to DGAP**: 4 cases (2 in Real Estate sector, 2 in Non-Real Estate sector)

THANK YOU

Bringing ATF under GST

JAISALMER
21.12.2024

Constitutional Provisions

Article 279A

"2. GST Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel."

E 84 List 1

- Duties of excise on the following goods manufactured or produced in India, namely:—(a) petroleum crude;(b) high speed diesel;(c) motor spirit (commonly known as petrol);(d) natural gas;(e) aviation turbine fuel; and (f) tobacco and tobacco products."

E 54 List II

- Taxes on the sale of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption, but not including sale in the course of inter-State trade or commerce or sale in the course of international trade or commerce of such goods

Challenges in the Current System

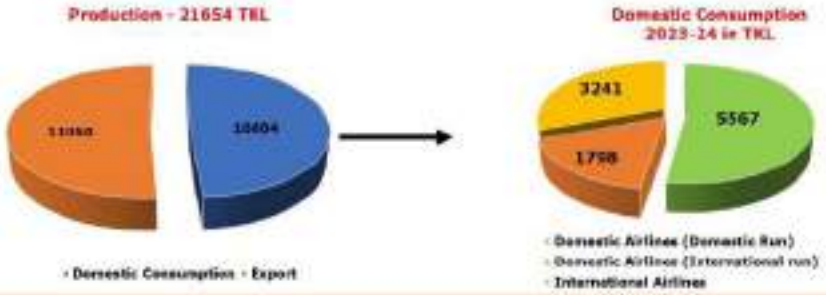
- Most goods and services required for production of ATF are subject to GST but ATF is subject to central excise duty and VAT.
- ATF is not subject to GST but output services of airline industry – passenger and goods freight are subject to GST.
- ATF is a variant of Kerosene oil. Kerosene is in GST.
- Blockage of ITC of the oil industry resulting in loss of working capital.
- Cascading impact as VAT is chargeable on value including Central Excise duty.

Current Tax Structure

Central Excise	VAT
• General Rate – 11% • Regional Connectivity Scheme (RCS) – 2% *(Volume handled at RCS AFS is around 0.1%)*	• Min rate of VAT is 0% (Meghalaya), 1% (UP, AP, Manipur, Arunachal Pradesh, Mizoram, Sikkim, Tripura) • Rates higher than 5%: 29% (Bihar), 26% (Rajasthan), 25% (Delhi), 23.6% (Assam), 20% (Chandigarh), 18% (Karnataka) • VAT Rates varies across and within states ▪ *Bihar: Gaya AFS @ 4% against 29% in other AFS* ▪ *Maharashtra: 18% in Mumbai, Pune, Raigad against 5% in Others* ▪ *West Bengal: 12.5% in Bagdogra AFS, 0% to schedule airlines from Coochbehar & Andal, Others 20%+ addl. tax*

ATF - SNAPSHOT

Aviation Turbine Fuel (ATF) i.e Jet Kero is a primary fuel for Aircraft



- Out of ATF production of **21654 TKL**, taxes are collected only on **5567 TKL (25%)**

(No duty is charged on supply of ATF to domestic Airlines on foreign Run / International Airlines).

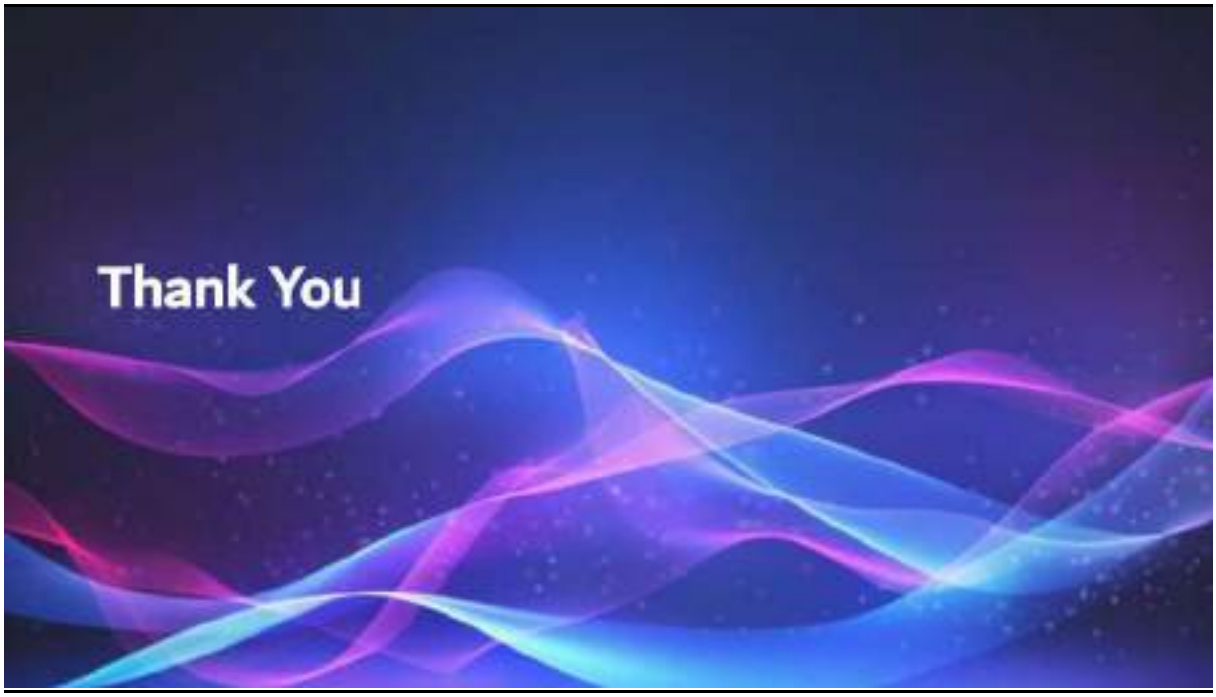
ATF Revenue from Central Excise Duty and VAT

Revenue 2023-24 (Rs Crore)			
	ATF	**Total tax on Petroleum Products**	**ATF %**
Excise Duty	3927	272700	1.44%
VAT	4350	283006	1.54%
Total	**8277**	**555706**	**1.49%**

Issue for Discussion

Whether a structured deliberation on the issue of bringing ATF under GST or otherwise is to be initiated?

If yes, in what manner?

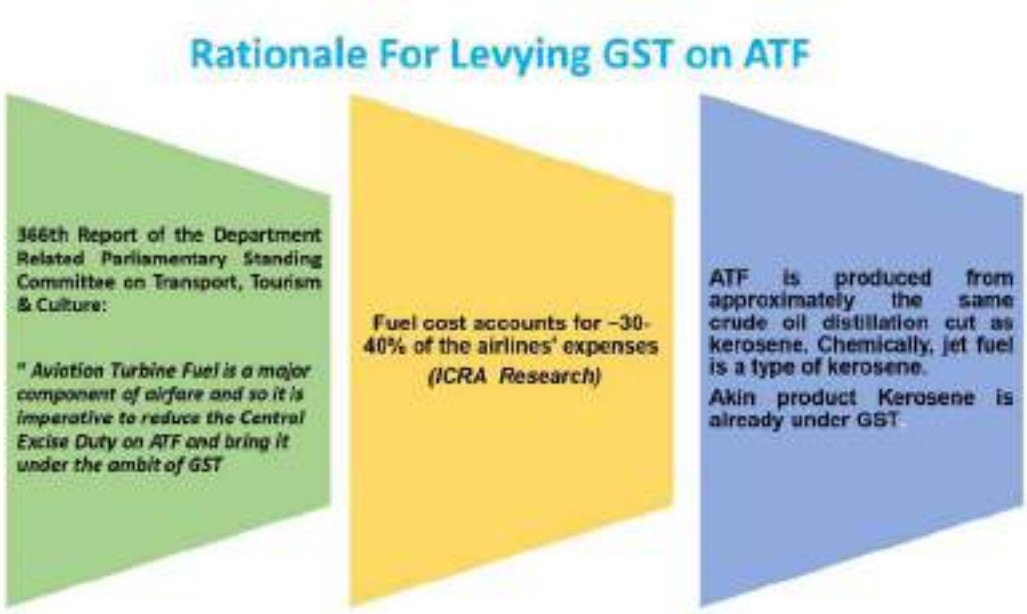


Recent reductions in VAT on ATF

Sl No	State/ UT	VAT Reduction
1	Andaman & Nicobar Islands	From 10% to 1%
2	Uttarakhand	From 20% to 2%
3	Jammu & Kashmir	From 26.25% to 1%
4	Ladakh	From 26.25% to 1%
5	Himachal Pradesh	From 25% to 2%
6	Tripura	From 16% to 1%.
7	Madhya Pradesh	From 25% to 4%
8	Haryana	From 20% to 1% (passenger Flight)
9	Karnataka	From 28% to 18%
10	Uttar Pradesh	From 21% to 1%
11	Gujarat	From 25% to 5%

Recent reductions in VAT on ATF

Sl No	State/ UT	VAT Reduction
12	Dadra and Nagar Haveli & Daman and Diu	From 20% to 3%
13	Arunachal Pradesh	From 20% to 1%
14	Manipur	From 20% to 1%
15	Jharkhand	From 20% to 4%
16	Mizoram	From 10% to 1%
17	Goa	From 18% to 15%
18	Rajasthan	From 26% to 2% (commercial flights)
19	Maharashtra (Mumbai, Pune and Raigad)	From 25% to 18%


Rationale For Levying GST on ATF
366th Report of the Department Related Parliamentary Standing Committee on Transport, Tourism & Culture:
" Aviation Turbine Fuel is a major component of airfare and so it is imperative to reduce the Central Excise Duty on ATF and bring it under the ambit of GST
Fuel cost accounts for ~30-40% of the airlines' expenses
(ICRA Research)
ATF is produced from approximately the same crude oil distillation cut as kerosene. Chemically, jet fuel is a type of kerosene.
Akin product Kerosene is already under GST.

Agenda Item 2: Ratification of Notifications, Circulars and GIC Decisions by the GST Council

In the 22nd meeting of the GST Council held at New Delhi on 6th 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 ratification by the GST Council. Accordingly, in the 55th meeting held on 21st December, 2024, the GST Council had ratified all the notifications, circulars and orders issued up to 10.12.2024.

2. In this respect, the following notifications issued under the GST laws by the Central Government, as available on https://egazette.gov.in/ and circulars issued under the GST laws by the Central Government, as available on www.cbic.gov.in, after 10.12.2024 till 21.08.2025, are placed before the Council for information and ratification: -

Act/Rules	Type	Notification / Circular / Order Nos.	Description/ Subject
Notifications under CGST Act / CGST Rules	Central Tax	1. Notification No. 01/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-1 for the month of December, 2024 and the quarter of October to December, 2024, as the case may be
		2. Notification No. 02/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of December, 2024 and the quarter of October to December, 2024, as the case may be
		3. Notification No. 03/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-5 for the month of December, 2024
		4. Notification No. 04/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-6 for the month of December, 2024
		5. Notification No. 05/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-7 for the month of December, 2024

		6. Notification No. 06/2025-Central Tax dated 10.01.2025	Seeks to extend the due date for furnishing FORM GSTR-8 for the month of December, 2024
		7. Notification No. 07/2025-Central Tax dated 23.01.2025	Central Tax Notification to amend CGST Rules, Central Goods and Services Tax (Amendment) Rules, 2025
		8. Notification No. 08/2025-Central Tax dated 23.01.2025	Central Tax Notification for waiver of the late fee
		9. Notification No. 09/2025-Central Tax dated 11.02.2025	Seeks to bring rules 2, 8, 24, 27, 32, 37, 38 of the CGST (Amendment) Rules, 2024 in to force
		10. Notification No. 11/2025-Central Tax dated 27.03.2025	Seeks to notify Central Goods and Services Tax (Second Amendment) Rules 2025
		11. Notification No. 12/2025-Central Tax dated 20.08.2025	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of July, 2025 upto 27.08.2025 for the taxpayers registered in Mumbai (City), Mumbai (sub-urban), Thane, Raigad and Palghar districts of Maharashtra
	Central Tax (Rate)	1. Notification No. 01/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 01/2017- Central Tax (Rate)
		2. Notification No. 02/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 02/2017- Central Tax (Rate)

		3. Notification No. 03/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 39/2017- Central Tax (Rate)
		4. Notification No. 04/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 08/2018- Central Tax (Rate)
		5. Notification No. 05/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 11/2017 - Central Tax (Rate) dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		6. Notification No. 06/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		7. Notification No. 07/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 13/2017-Central Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		8. Notification No. 08/2025-Central Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 17/2017- Central Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
Notifications under IGST Act / IGST Rules	Integrated Tax (Rate)	1. Notification No. 01/2025-Integrated Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 01/2017- Integrated Tax (Rate)
		2. Notification No. 02/2025-Integrated Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 02/2017- Integrated Tax (Rate)
		3. Notification No. 03/2025-Integrated Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 40/2017- Integrated Tax (Rate)

		4. Notification No. 04/2025-Integrated Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 09/2018- Integrated Tax (Rate)
		5. Notification No. 05/2025-Integrated Tax (Rate) dated 16.01.2025 and corrigendum dated 31.01.2025	Seeks to amend notification No. 8/2017- Integrated Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		6. Notification No. 06/2025-Integrated Tax (Rate) dated 16.01.2025 and corrigendum dated 31.01.2025	Seeks to amend notification No. 9/2017-Integrated Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		7. Notification No. 07/2025-Integrated Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 10/2017-Integrated Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		8. Notification No. 08/2025-Integrated Tax (Rate) dated 16.01.2025 and corrigendum dated 31.01.2025	Seeks to amend notification No. 14/2017-Integrated Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
Notifications under UTGST Act / UTGST Rules	Union Territory Tax (Rate)	1. Notification No. 01/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 01/2017- Union Territory Tax (Rate)
		2. Notification No. 02/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 02/2017- Union Territory Tax (Rate)
		3. Notification No. 03/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 39/2017- Union Territory Tax (Rate)
		4. Notification No. 04/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 08/2018- Union Territory Tax (Rate)

		5. Notification No. 05/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		6. Notification No. 06/2025-Union Territory Tax (Rate) dated 16.01.2025 and corrigendum dated 31.01.2025	Seeks to amend notification No. 12/2017- Union Territory Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		7. Notification No. 07/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 13/2017 - Union Territory (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
		8. Notification No. 08/2025-Union Territory Tax (Rate) dated 16.01.2025	Seeks to amend notification No. 17/2017-Union Territory (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.
Notifications under GST (Compensation to States) Act, 2017	Compensation Cess (Rate)	1. Notification No. 01/2025-Compensation Cess (Rate) dated 16.01.2025	Seeks to prescribe Compensation cess rate of 0.1% on supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions.
Circulars under CGST Act		1. Circular No. 240/34/2024-GST dated 31.12.2024	Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform
		2. Circular No. 241/35/2024-GST dated 31.12.2024	Clarification on availability of input tax credit as per clause (b) of sub-section (2) of section 16 of the Central Goods and Services Tax Act, 2017 in respect of goods which have been delivered by the

		supplier at his place of business under Ex-Works Contract
	3. Circular No. 242/36/2024-GST dated 31.12.2024	Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients
	4. Circular No. 243/37/2024-GST dated 31.12.2024	Clarification on various issues pertaining to GST treatment of vouchers
	5. Circular No. 244/01/2025-GST dated 28.01.2025	Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding /re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer.
	6. Circular No. 245/02/2025-GST dated 28.01.2025	Clarifications regarding applicability of GST on certain services.
	7. Circular No. 246/03/2025-GST dated 30.01.2025	Clarification on applicability of late fee for delay in furnishing of FORM GSTR-9C
	8. Circular No. 247/04/2025-GST dated 14.02.2025	Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer.
	9. Circular No. 248/05/2025-GST dated 27.03.2025	Various issues related to availment of benefit of Section 128A of the CGST Act, 2017

3. It is mentioned that some of the above notifications were issued based on the recommendations made by the GST Implementation Committee (GIC). The details of the recommendations of GIC are enclosed as **Annexure "2"** to this Agenda Note.

4. The GST Council may grant ratification to the notifications and circulars as detailed in para 2 above.

Annexure-2

Decisions of GST Implementation Committee (GIC) for information of the GST Council

The GST implementation Committee (GIC) took the following decisions after the 55th GST Council meeting which are placed before the Council for information. The details of the decisions taken are given below:

1. Decision by circulation on 13.01.2025 regarding extension of due dates for filing GSTR -1 and GSTR - 3B for the month of December, 2024.

a. The agenda note stated that due to an unexpected technical glitch, the GSTN system experienced unplanned downtime on January 09, 2025. As a result, taxpayers were unable to file their GST returns on the GST portal. The agenda note further stated that, approximately 24 lakh taxpayers (including quarterly taxpayers) have filed GSTR-1 in January, 2025, compared to 123 lakh taxpayers (including quarterly taxpayers) who filed their returns in January, 2024. It was also stated in the agenda note that the GSTN technical team has already identified the root cause of the issue and is working diligently to resolve it. Additionally, necessary steps are being taken to prevent such disruptions in the future.

b. The agenda note proposed to extend the due dates for filing GST returns, which were affected due to the aforesaid technical glitch.

c. Accordingly, the approval of GIC was sought to extend the due dates of filing GSTR -1 and GSTR - 3B returns for the month of December, 2024. The GIC members agreed with the proposal. The CCT, Tamil Nadu, suggested that the proposed due date of 13th January 2025 be made applicable for GSTR-1 with a monthly filing frequency, irrespective of turnover (including turnover up to ₹5 crore). This suggestion by the CCT, Tamil Nadu was incorporated into the amended Agenda Note.

Decision: The GIC approved the amended agenda to extend due dates for filing GSTR-1 and GSTR - 3B for the month of December, 2024.

Implementation status: Notification Nos. 01/2025-Central Tax and 02/2025-Central Tax have been issued to extend due dates of GSTR -1 and GSTR - 3B for the month of December, 2024.

2. Decision by circulation on 13.01.2025 regarding GIC Agenda on extension of due dates for filing GSTR-5, GSTR-6, GSTR-7 & GSTR-8.

a. The agenda note stated that due to an unexpected technical glitch, the GSTN system experienced unplanned downtime on January 09, 2025. As a result, taxpayers were unable to file their GST returns on the GST portal. It was initially anticipated that the portal would be operational by noon and other returns like GSTR-5, GSTR-6, GSTR-7 & GSTR-8 would be filed as their volumes are less. However, the portal could not be operationalized within the anticipated time. Considering this delay it was proposed to extend the timeline for filing GSTR-5, GSTR-6, GSTR-7 & and GSTR-8 on similar lines as done for GSTR-1and GSTR -3B.

b. Accordingly, the approval of GIC was sought to extend due dates for filing GSTR-5, GSTR-6, GSTR-7 & and GSTR-8 by 2 days.

Decision: The GIC approved the agenda to extend due dates for filing GST Returns i.e. GSTR-5, GSTR-6, GSTR-7 & GSTR-8 by 2 days.

Implementation Status: Notification Nos. 03/2025-Central Tax, 04/2025-Central Tax, 05/2025-Central Tax, 06/2025-Central Tax have been issued to extend due dates for filing. GSTR-5, GSTR-6, GSTR-7 & GSTR-8.

3. Decision by circulation on 22.01.2025 regarding sharing of domestic sales data of Pepper with Spice Board, Ministry of Commerce & Industry.

a. The Agenda Note stated that the Spice Board, Ministry of Commerce & Industry has requested for sharing aggregated domestic sales data of pepper for the period January, 2022 to June, 2024. The purpose for seeking this data is to get a concise figure of domestic consumption of pepper in the country and report the same to line ministries for submission before International Pepper Community (IPC), Jakarta, Indonesia during its annual session.

b. Accordingly, the approval of GIC was sought for sharing domestic sales data of Pepper with Spice Board, Ministry of Commerce & Industry.

Decision: The GIC approved the agenda regarding sharing of domestic sales data of Pepper with Spice Board, Ministry of Commerce & Industry.

4. Decision by circulation on 14.02.2025 regarding relaxation in the eligibility criteria for selection to the post of Technical Member (State) in GSTAT received from the UT of Jammu and Kashmir

a. The agenda note stated that a representation had been received from Government of Jammu and Kashmir informing that there is no officer in the UT of Jammu & Kashmir who has completed 25 years of service in Group-A or equivalent to be eligible for the post of the Technical member (State) in GSTAT. Therefore, this criteria may be relaxed in accordance with the provisions of Section 110(1)(d) of the CGST Act, 2017 and proviso thereof of the CGST Act, 2017.

b. The Agenda Note further stated that the Government of the Union Territory of Jammu & Kashmir has proposed that number of years of continuous government service at Level 8 and above in the State Government may be considered as the qualifying criteria in place of number of years of service in Group A. The Government of Jammu & Kashmir confirmed that there is no officer currently meeting the existing criteria.

c. The eligibility for the Technical Member (State) is governed by Section 110(1)(d) of the CGST Act, 2017 which states as follows:

"(1) A person shall not be qualified for appointment as—

(a) .....

(d) Technical Member (State), unless he is or has been an officer of the State Government or an officer of All India Service, not below the rank of Additional Commissioner of Value Added Tax or the State goods and services tax or such rank, not lower than that of the First Appellate Authority, as may be notified by the concerned State Government, on the recommendations of the Council and has completed twenty- five years of service in Group A, or equivalent, with at least three years of experience in the administration of an existing law or the goods and services tax or in the field of finance and taxation in the State Government:

Provided that the State Government may, on the recommendations of the Council, by notification, relax the requirement of completion of twenty-five years of service in Group A, or equivalent, in respect of officers of such State where no person has completed twenty-five years of service in Group A, or equivalent, but has completed twenty-five years of service in the Government, subject to such conditions, and till such period, as may be specified in the notification."

d. In light of the above, the Agenda Note proposed relaxation in the qualification criteria for the Technical Member (State) – Jammu & Kashmir, for a period of 10 years and approval of GIC was sought to:

Notify an officer who has completed at least twenty-five years of continuous government service as Gazetted officer in the State Government, to be eligible for appointment as Technical Member (State).

e. The agenda note was circulated among Members of the GIC for decision.

Decision: The GIC approved the agenda regarding relaxation in the eligibility criteria for selection to the post of Technical Member (State) in GSTAT received from the UT of Jammu and Kashmir.

5. Decision in the online meeting held on 24.03.2025 regarding sharing of GSTN data with Department of Food & Public Distribution (DFPD), Ministry of Consumer Affairs.

a. The agenda note stated that **Department of Food & Public Distribution (DFPD)** will share list of its beneficiaries (along with Aadhar IDs) with GSTN. DFPD has requested to match these beneficiaries and provide a corresponding list indicating their GST registration status and turnover. DFPD further suggested to share the GST turnover in range values to ensure data privacy. The agenda note also referred to the 48th meeting of the GST Council wherein the council had approved a data sharing policy with other Ministries and departments.

b. The agenda item was taken up and discussed by the GIC during the online meeting held over Webex platform on 24th March, 2025. The minutes of the meeting are placed as **Annexure-A.**

Decision: GIC approved the agenda regarding s**haring of GSTN data with Department of Food & Public Distribution (DFPD), Ministry of Consumer Affairs.**

6. Decision of GIC by circulation on 19.03.2025 regarding the withdrawal of appeal filed against consolidated adjudication order covering period beyond the one covered under the section 128A of the CGST Act 2017, and seeking clarification with respect to the eligibility of cases where the payment is made by GSTR-3B instead of DRC-03.

a. The agenda note mentions issues regarding the availment of benefit provided under section 128A of the CGST Act, specifically seeking clarity on (i) withdrawal of appeal filed against consolidated adjudication order covering period beyond the one covered under the section 128A, and (ii) eligibility of cases for benefit under the said section where the tax was paid via GSTR-3B instead of DRC-03, prior to the notification of section 128A i.e. 1st November 2024.

b. The agenda note further states that above mentioned difficulties were deliberated by the Law Committee in its meeting dated 06.03.2025 and observed that the mandatory condition provided under rule 164(4) of the CGST Rules, 2017 and clarification issued under circular No. 238/32/2024-GST dated 15th October, 2024 regarding the full payment of tax demanded in the said notice or statement or order covering period beyond the one covered under section 128A of the CGST Act

created an artificial distinction between those taxpayers who have been issued demand notices for each financial year separately and taxpayers who have been issued a consolidated demand notice. The former have been placed at an advantageous position with respect to section 128A benefits vis-à-vis the latter category of taxpayers without any mistake on their part.

c. The agenda note further states that the Law Committee recommended amendment in rule 164(4) and rule 164(7) of the CGST Rules and withdrawal of clarification issued vide point 6 of the Table at para 4 of circular No. 238/32/2024-GST dated 15th October 2024, to allow the taxpayer to file an application after payment of his tax liability only for the periods mentioned under section 128A and it also recommended that the taxpayer, after filing the application under the said section, intimate the appellate authority or Tribunal of his intent to avail the benefit of section 128A and that he does not intend to pursue the appeal for the period covered under the said Section. The Appellate Authority or the Appellate Tribunal, as the case may, shall take note of the said request, pass such order for the period other than that mentioned in the said sub-section, as it thinks just and proper. Further, the Committee recommended to issue a notification notifying the proposed rule amendments and clarify the issue through a circular.

d. The agenda note further stated that the Law Committee also recommended to extend the benefit of section 128A of the CGST Act to the cases where payment has already been made through GSTR 3B before the date 1st November 2024 as the intention of introducing section 128A of the CGST Act was to provide the benefit of waiver of interest and/or penalty to the cases, where the full amount of tax is paid in the prescribed time limit. The Committee recommended to issue a circular for necessary clarification in this regard.

e. In view of the above, the following recommendations were made to GIC:

i. Issuance of a notification for the proposed amendments to the Rule 164(4) and rule 164(7) of the CGST Rules, 2017. (para c refers)

ii. Issuance of clarification for issues mentioned above, through a circular. (para c and d refers)

iii. Withdrawal of clarification issued vide point 6 of the Table at para 4 of circular No. 238/32/2024-GST dated 15th October 2024. (para c refers)

f. The agenda note was circulated among Members of the GIC on 19.03.2025 for decision.

Decision: The Members of the GIC approved the above recommendations in its meeting dated 24.03.2025.

Implementation Status: In pursuance of GIC decision dated 24.03.2025, Notification No. 11/2025 Central Tax dated 27th March,2025 and circular No. 248/05/2025-GST dated 27th March,202 was issued.

7. Decision in online meeting held on 27.03.2025 regarding deferment of the recovery of the negative balance of IGST for FY 2023-24 and 2024-25 from the States and Centre from March, 2025 to April, 2025

a. The agenda note stated that the GST Council in its 55th meeting had *inter-alia* recommended that the cumulative recovery for the deficit in the IGST account for FY 2023-24 and for FY 2024-25, as of 15.03.2025, would be recovered in the ratio of 50:50 from Centre and States within this financial year (i.e. FY 2024-25). It was also recommended that the recovery from the states may be effected in the same ratio as the surplus was distributed in the earlier years i.e., in the ratio of base year revenue.

b. Further, it stated that a few representations, both verbal and written, had been received requesting that such recoveries may not be carried out in this financial year, but may be carried out at a later date. Details of some such representations as given in the agenda note are as follows:

(i) Letter dated 21.03.2025 received from CCT, Odisha, mentioned that recovery of the negative balance in the IGST account would adversely impact the revenue of the State, especially in the month of March.

(ii) Tamil Nadu in the 5th IGST Committee Meeting held on 12th March 2025 mentioned the fact that the recovery of the IGST Settlement amount in the month of March may be avoided, as it would be stressful for the fiscal situation of the State.

(iii) D.O. letter from Hon'ble CM Karnataka has also requested that the said recoveries may not be carried out for now.

c. The Agenda note further stated that as per the flash figures available with the department, till 15.03.2025, the approximate shortfall in the IGST account is estimated to be around Rs. 42,000 crores. Out of which Rs. 21,000 crore is required to be recovered from the Centre and Rs. 21,000 crore is required to be recovered from the States in the ratio of the base year revenue. Accordingly, the requests of States for not recovering the negative balance for FY 2023-24 and 2024-25 of Rs. 42,000 crores in the month of March 2025 but to recover in the month of April 2025 was placed before GIC for an appropriate consideration.

d. A meeting of the GIC was held on 27.03.2025 on Webex platform to discuss the agenda note. The GIC recommended that the proposed recovery of un-apportioned negative balance as on 15.03.2025 in the IGST account be deferred to the Month of April, 2025 (as per the updated balance as on relevant date). The minutes of the meeting are placed as **Annexure-B**.

Decision: The GIC approved the agenda regarding deferment of the recovery of the negative balance of IGST for FY 2023-24 and 2024-25 from the States and Centre from March, 2025 to April, 2025.

8. Decision by circulation on 27.03.2025 regarding issuance of FAQs for clarifying various aspects of 'specified premises' in the context of supply of restaurant services.

a. The agenda note stated that in the 55th Meeting of the GST Council held on 21st December 2024 at Jaisalmer, it was recommended to omit the definition of 'declared tariff' and suitably amend the definition of 'specified premises' (from the services rate and exemption notifications) to link it with actual value of supply of any unit of accommodation provided by the hotel and to make the rate of GST applicable on restaurant services in such hotels, for a given financial year, dependent upon the 'value of supply' of units of accommodation made in the preceding financial year, i.e. 18% with ITC if the 'value of supply' exceeded Rs. 7,500 for any unit of accommodation in the preceding financial

year, and 5% without ITC otherwise. Further, the Council recommended to give an option to pay tax on restaurant service in hotels at the rate of 18% with ITC, if the hotel so chooses, by giving a declaration to that effect on or before the beginning of the financial year or on obtaining registration. The Council had recommended above changes to be made effective from 01.04.2025 to avoid any transition difficulties. It further provides that Notification Nos. 05/2025-Central Tax(Rate), 06/2025-Central Tax(Rate) and 08/2025-Central Tax(Rate) were issued on 16.01.2025 to give effect to these recommendations.

b. It was further stated that while the revised definition of 'specified premises' has been notified to come into effect from 01.04.2025, the three declarations, namely, Annexure VII (opt-in declaration for registered persons), Annexure VIII (opt-in declaration for persons applying for registration) and Annexure IX (opt-out declaration) have been notified with effect from date of notification, i.e., 16.01.2025. Therefore, it was proposed in the agenda note that to enable the taxpayers to understand the purport of these declarations, the modality of filing the same, and for clarifying the specifics of the concept of 'specified premises', a detailed FAQ may be issued. The draft FAQ was placed before the Fitment Committee in its meeting held on 18.02.2025 and wherein it was observed that there is no Council meeting scheduled in the near future and the taxpayers have to file the declarations mandatorily by 31st March 2025, before the beginning of the next Financial Year. Therefore, the Fitment Committee recommended that the FAQ may be issued with the approval of the GST Implementation Committee(GIC) so that all the doubts of the taxpayers are duly addressed before the revised definition of 'specified premises' comes into effect from 01.04.2025 and the assessee i.e. supplier of hotel accommodation service is able to file the declaration after understanding the all possible implication of such declaration.

c. The GIC agenda along with the draft FAQs were circulated to all Members of the GIC. While agreeing with the agenda note, certain observations were also made by some of the GIC members. The draft FAQs incorporating these changes were approved by Chairperson, GIC.

Decision: GIC approved the agenda to issue FAQs for clarifying various aspects of 'specified premises' in the context of supply of restaurant services.

Implementation Status: FAQs for clarifying various aspects of 'specified premises' in the context of supply of restaurant services were placed on CBIC website on 27.03.2025.

9. Decision in online meeting held on 18.03.2025 and 24.03.2025 regarding agenda on the Goods and Service Tax Appellate Tribunal (Procedure) Rules, 2025.

a. The agenda note stated that as decided in the 55th Meeting of the GST Council the draft GSTAT (Procedure) Rules, 2025, duly vetted by the Legislative department, was placed before the GIC for approval.

b. The agenda note was circulated to all the members of GIC and a meeting of the GIC was held on 18.03.2025.

c. In the GIC meeting held on 18.03.2025 it was agreed by all the Members that the following matters should be re-examined by the Department of Revenue (DoR) after due consultation with the Hon'ble President, GSTAT:

i. Rule 9 regarding working hours of the tribunal may be aligned with working hours of Government of India and States.
ii. Sub-rules (1) of Rule 24 may provide "seven working days" instead of "seven days"

iii. Sub-rule (2) of Rule 24 may provide for a limit (of 30 days respectively) for a party for rectification or amendment of appeal, application or any document found to be defective.
iv. Rule 32 may provide for a ceiling of 30 days for rejection or amendment of form of appeal.
v. Rule 108 (Rectification of orders) appears to have been left out.
vi. Chapter containing Rule 124 dealing with electronic filing and processing of appeals may be placed above the Chapter containing Miscellaneous Provisions.

d. Subsequently, a revised draft GSTAT (Procedure) Rules, 2025 was submitted by the Department of Revenue (DoR) on March 23, 2025, incorporating the changes recommended by the GIC. The revised draft GSTAT (Procedure) Rules, 2025 was presented before the GIC in the online meeting of GIC held on 24th March, 2025, through Webex platform. After deliberation, the GIC approved the revised draft Goods and Services Tax Appellate Tribunal (Procedure) Rules, 2025. The minutes of the meeting are placed as **Annexure-A**.

Decision: The GIC approved the agenda on the Goods and Service Tax Appellate Tribunal (Procedure) Rules, 2025.

Implementation status: The Goods and Services Tax Appellate Tribunal (Procedure) Rules, 2025, were notified by the Ministry of Finance on April 24, 2025, under section 111 of the Central Goods and Services Tax Act, 2017.

10. Decision by circulation on 27.06.2025 regarding disaggregated GST data supply to the RBI for assessing sectoral economic activity.

a. The agenda note stated that the agenda was regarding request from RBI for sharing of GSTN data at the HSN 4-digit level on a regular monthly basis along with relevant historical series (preferably for past 3years) for real time monitoring of economic activities to provide a near term growth projection and to improve the responsiveness of monetary policy to the underlying trends.

b. Accordingly, it was proposed in the agenda note to provide GSTN data at the HSN 4-digit level on a regular monthly basis along with relevant historical series (preferably for past 3 years)

c. The GIC Agenda Note was circulated to GIC Members for their consideration. The GIC Members have agreed with the proposal.

Decision: The GIC approved the agenda regarding disaggregated GST data supply to the RBI for assessing sectoral economic activity.

11. Decision in online meeting held on 23.06.2025 on the agenda regarding request made by the Department of Food & Public Distribution (DFPD) for sharing details of Table-12 of GSTR-I filed by specified sugar mills.

a. The agenda note stated that DFPD had requested for sharing of GSTN data of the sale/ dispatch values for all HSN codes reported in Table-12 of GSTR-I filed by the specified sugar mills. The DFPD in their request mentioned that main purpose of the agenda was to enhance the level of data accuracy and to ensure that there is sufficient availability of sugar in domestic market.

b. Vide the Agenda previous reference was provided to the agenda of Department of Food & Public Distribution (DFPD) related to sharing of total quantity of sales of sugar (in MT) and total value of

sales of sugar (in Rs) in respect of 536 GSTINs of sugar mills in monitoring sugar dispatches using HSN SubHeadings 170114 and 170199 and approval of GIC was accorded to the same. In the agenda DFPD made two key requests: first, to provide GSTR-1 (Table-12) data for all HSN codes for month of February 2025 in respect of 107 sugar mills as there was mismatch in data given in P-2 Form and respective GSTR-1s; secondly, to extend monthly data sharing provision to 28 new GSTINs (in addition to the previously approved 536 entities) for the two aforementioned HSN Sub-Headings.

c. The agenda note also referred to the 48th meeting of the GST Council wherein the council had approved a data sharing policy with other Ministries and departments and also to 54th GST Council wherein it has been approved that GIC is empowered to approve other similar 'requests Involving - personally identifiable data on a case-by-case basis adhering to specified safeguards.

d. The agenda item was taken up and discussed by the GIC during the online meeting held over Webex platform on 23rd June, 2025. The minutes of the meeting are placed as **Annexure-C**.

Decision: GIC approved the following:

i. Share GSTR-1 (Table-12) data for all HSN codes with DFPD for the month of February 2025, limited to the 107 GSTINs showing mismatches;
ii. Share monthly data for the two specified HSN Sub-Headings for the 28 additional GSTINs

12. Decision by circulation on 20.08.2025 regarding extension of due date for furnishing of FORM GSTR-3B for the month of July, 2025 by taxpayers in view of incessant rains in Mumbai and neighbouring districts in Maharashtra.

a. The agenda note stated that reference had been received from the Principal Chief Commissioner, CGST & CX Zone, Mumbai requesting to extend the due date for furnishing of FORM GSTR-3B for the month of July, 2025 by taxpayers in Mumbai (City), Mumbai (sub-urban), Thane, Raigad and Palghar upto 27.08.2025 in view of the heavy rainfall that has severely disrupted public transport and internet connectivity across several areas in Mumbai and adjoining districts. Red alert has also been issued by the local administration till 21.08.2025. The agenda note also stated that requests have been received from GST Practitioners Association of Maharashtra (GSTPAMI) and Thane Small Scale Industries Association (TSSIA) for postponement of the due date by a week as the taxpayers in these districts were facing difficulty in filing FORM GSTR-3B for the month of July, 2025 within the due date.

b. In the agenda, it was proposed that the due date for furnishing return in FORM GSTR-3B for the month of July, 2025 be extended upto 27.08.2025, for the taxpayers registered in Mumbai (City), Mumbai (sub-urban), Thane, Raigad and Palghar districts of Maharashtra.

c. Accordingly, approval of the GIC was sought to extend the due date for furnishing of FORM GSTR-3B for the month of July, 2025 by taxpayers in certain districts of Maharashtra.

Decision: The GIC approved the agenda regarding extension of due date for furnishing of FORM GSTR-3B for the month of July, 2025 to 27.08.2025 by taxpayers in Mumbai and neighbouring districts.

Implementation Status: Notification No. 12/2025-Central Tax dated 20.08.2025 was issued for extending the due date for furnishing the return in FORM GSTR-3B for the month of July, 2025 till

the 27.08.2025, for registered persons whose principal place of business is located in the districts of Mumbai (City), Mumbai (sub-urban), Thane, Raigad and Palghar in the State of Maharashtra.

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Annexure-A

MINUTES OF GIC MEETING HELD ON 24TH MARCH 2025 THROUGH VC

A meeting of the GIC was held on 24-03-2025 (by VC). List of members / representatives of GIC members present is at Annexure.

2. The following cases were discussed and approved in the meeting:-

I. Certain issues related to availment of benefit of Section 128A of the CGST Act, 2017

GIC approved the agenda note with amendments as below:

a)Changes proposed by GIC to the draft notification proposed in Agenda Note are as follows-

i. To bring in a provision to the effect that in cases where a combined demand/notice has been issued and a taxpayer has discharged the entire tax, interest and penalty prior to the notification coming into force, no refund shall be available.

ii. Sub-rule 4 and sub- rule 7 of Rule 164 may be amended to give effect to the GIC recommendations.

b) Changes proposed by GIC to the draft Circular proposed in Agenda Note are as follows-

i. Para 1- "Act" word is added after "Tax" in second line and in fourth line "services Tax" is added after the word "and".

ii. Para 2- In first line word "The" is replaced by "that"

iii. Para 4.1.1- Line "and where the taxpayer has contested only interest and penalty" is removed.

iv. Para 4.1.2- word " Up to" is replaced by "prior to".

v. Para 4.2- The word " order" is added after "statement".

vi. Para 4.2.1 – In first line The word " order" is added after "statement".

vii. Para 4.2.1 – in line three "SPL-02 as the case may be" is added after the word "SPL -01"

The revised agenda note along with draft Circular and Notification are circulated along with the minutes

II. Goods and Services Appellate Tribunal (Procedure) Rules, 2025 [GSTAT (Procedure) Rules:

i) GSTAT (Procedure) Rules were earlier discussed in a VC meeting of the GIC on 18-03-2025 where it was agreed that the following may be re-examined by DoR after due consultation with the President, GSTAT:-

a) Rule 9 regarding working hours of the tribunal may be aligned with working hours of Government of India and States.

b) Sub-rules (1) of Rule 24 may provide "seven working days" instead of "seven days"

c) Sub-rule (2) of Rule 24 may provide for a limit (of 30 days respectively) for a party for rectification or amendment of appeal, application or any document found to be defective.

d) Rule 32 may provide for a ceiling of 30 days for rejection or amendment of form of appeal.

e) Rule 108 (Rectification of orders) appears to have been left out.

f) Chapter containing Rule 124 dealing with electronic filing and processing of appeals may be placed above the Chapter containing Miscellaneous Provisions.

ii) JS (DoR) informed that all the above changes have been incorporated with the concurrence of President of GSTAT and the revised draft circulated for GIC approval.

GIC approved the agenda and the revised draft of GSTAT (Procedure) Rules, 2025. The revised draft of GSTAT (Procedure) Rules, 2025 are circulated along with the minutes.

III. Sharing of GSTN data to Department Of Food & Public Distribution (DFPD).

The data sharing request was received from DFPD as an alternative to the request sent by them earlier (which is yet to be approved). DFPD will share its list of beneficiaries with Aadhaar IDs with the GST system, who will match these beneficiaries and provide a corresponding list indicating their GST registration status and turnover (GST turnover will be shared in range values to ensure data privacy).

GIC approved the agenda for data sharing with DFPD.

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ANNEXURE

List of Members who attended the Meeting on 24.03.2025

Centre

1. Shri Shashank Priya, Member (GST), CBIC
2. Shri Rajesh Sodhi, Pr. Chief Commissioner, CGST, Delhi Zone
3. Ms. Arti Agarwal Srinivas, DG, DG Systems, New Delhi, CBIC
4. Shri Balasubramanian Krishnamurthy, Joint Secretary, DoR

Members- States

1. Dr. D. Jagnnathan, CCT, State Tax, Tamil Nadu
2. Shri Harsh Singh, Additional Commissioner, State Tax, Haryana
2. Shri Hemant Kumar, Additional Commissioner, State Tax, Haryana
3. Shri K.D. Shukla, Joint Commissioner, State Tax, Gujarat
4. Shri Rajib Sengupta, Additional Commissioner, State Tax, West Bengal

Member- GSTC Secretariat

1. Shri Pankaj Kumar Singh, Additional Secretary, GST Council Secretariat
2. Shri. Devi Prasad Misra, Joint Secretary, GST Council Secretariat

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Annexure-B

MINUTES OF GIC MEETING HELD ON 27TH MARCH 2025 THROUGH VC

A meeting of the GIC was held on 27-03-2025 (by VC). List of members / representatives of GIC members present is at Annexure.

2. The following case was discussed and approved in the meeting:-

Deferment of the recovery of the negative balance of IGST for FY 2023-24 and 2024-25 from the States and Centre from March, 2025 to April, 2025

1. The GST Council in its 55th meeting had recommended that any recovery for the deficit in IGST account as of March 15, 2025 would be recovered in the ratio of 50:50 from Centre and States within this financial year (i.e. FY 2024-25). The GIC agenda note stated that representations, both verbal and written, have been received requesting that such recoveries may not be carried out in this financial year, but may be carried out at a later date. Reference is made in the agenda to the representation received from States of Karnataka, Odisha and Tamil Nadu. As of March 15, 2025, the estimated shortfall in the IGST account is approximately Rs. 42,000 crores, with Rs. 21,000 crores to be recovered from the Centre and Rs. 21,000 crores from the States, based on the base year revenue ratio.
2. After discussions, while agreeing to the agenda the GIC recommended that the Report of the Committee of Officers on IGST Settlement may be expedited. Also, difficulties faced by States, if any, after the decision to defer the recovery to April, 2025 may be taken up with the Department of Revenue.

GIC recommended that the proposed recovery of un-apportioned negative balance as on 15th March, 2025 in the IGST Account be deferred to the Month of April, 2025 (as per the updated balance as on relevant date).

List of Members who attended the Meeting on 27.03.2025

Centre

1. Shri Shashank Priya, Member (GST), CBIC
2. Shri Rajesh Sodhi, Pr. Chief Commissioner, CGST, Delhi Zone
3. Ms. Arti Agarwal Srinivas, DG, DG Systems, New Delhi, CBIC
4. Shri Balasubramanian Krishnamurthy, Joint Secretary, DoR

Members- States

1. Dr. D. Jagannathan, CCT, State Tax, Tamil Nadu
2. Shri Harsh Singh, Additional Commissioner, State Tax, Haryana
3. Shri Rajeev Topno, Chief Commissioner of State Tax, Gujarat
4. Shri Devi Prasad Karnam, CCT, West Bengal

Member- GSTC Secretariat

1. Shri Pankaj Kumar Singh, Additional Secretary, GST Council Secretariat
2. Shri. Devi Prasad Misra, Joint Secretary, GST Council Secretariat

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Annexure-C

MINUTES OF GIC MEETING HELD ON 23rd JUNE, 2025 THROUGH VC

A meeting of the GST Implementation Committee (GIC) was held on 23rd June, 2025 (by Video Conferencing) to deliberate upon GIC agenda pertaining to a request made by the Department of Food & Public Distribution (DFPD) for sharing details of Table-12 of GSTR-I filed by specified sugar mills. The meeting was chaired by Shri Shashank Priya, Member (GST), CBIC. A list of members/representatives of GIC and DFPD present in the meeting is at **Annexure-I**.

2. At the outset, a brief background on the issue was provided by the Additional Secretary, GSTCS. In December 2023, disaggregated GSTR-1 (Table-12) data for **536 sugar mills** had been shared with DFPD to aid in **monitoring sugar dispatches** using HSN Sub- Headings *170114* and *170199*. Now a fresh agenda has been received vide which DFPD made two key requests: first, to provide GSTR-1 (Table-12) data for all HSN codes for month of February 2025 in respect of 107 sugar mills as there was mismatch in data given in **P-2 Form** and respective GSTR-1s; secondly, to extend monthly data sharing provision to **28 new GSTINs** (in addition to the previously approved 536 entities) for the two aforementioned HSN Sub-Headings. A presentation on the agenda made by the officers from DFPD is at **Annexure-II**.

3. Subsequently, the Chairperson sought views of GIC members on the request made by DFPD. After discussions, it was **agreed to:**

i. **Share GSTR-1 (Table-12)** data for all HSN codes with DFPD for the month of February 2025, limited to the 107 GSTINs showing mismatches;
ii. **Share monthly data** for the **two specified HSN Sub-Headings** for the **28 additional GSTINs**

4. Further, it was recommended that GSTN may be advised that data from **P-2 form**, received from DFPD, be shared with jurisdictional GST officers for analysis regarding any possible short payment of tax as P-2 Form showed more dispatches than the respective GSTR-1s. The proposal for blanket permission for such data requests in future was not recommended and it was agreed that such proposals may be considered on a case-to-case basis.

The meeting ended with thanks to the Chair.

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ANNEXURE-I

List of Members/Representatives attending the Meeting on 23.06.2025

Centre

1. Shri Shashank Priya, Member (GST), CBIC
2. Shri Rajesh Sodhi, Pr. Chief Commissioner, CGST, Delhi Zone
3. Shri Rewat Raja Bahl, ADG, DG Systems, New Delhi, CBIC

Members - States

1. Smt. Ashima Brar, Commissioner and Secretary, Excise and Taxation Department, Haryana,
2. Dr. Uma Sankar S, Commissioner of Commercial Taxes, West Bengal
3. Dr. D. Jagnnathan, CCT, State Tax, Tamil Nadu
4. Sh. Kamal Shukla, Joint Commissioner of State Tax, Gujarat

Member - GSTC Secretariat

1. Shri Pankaj Kumar Singh, Additional Secretary, GST Council Secretariat
2. Shri. Devi Prasad Misra, Joint Secretary, GST Council Secretariat
3. Dr. Shaifali G. Singh, Director, GST Council Secretariat

Officers from DFPD

1. Shri Harit Kumar Shakya, Joint Director, DFPD
2. Ms. Sonia Anand, Section Officer, DFPD

Agenda Item 3: Final Report of Group of Ministers on Life and Health Insurance

1. The issue of GST on life and health insurance policies was placed before the GST Council in its 54th Meeting held on 9th September 2024 at New Delhi. After detailed deliberations, the GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on life insurance and health insurance.

2. A Group of Ministers (GoM) on Life and Health Insurance was constituted in compliance of the recommendation of the GST Council with Sh. Samrat Choudhary, Hon'ble Deputy Chief Minister, Bihar as its Convenor. The other member states of the GoM are Uttar Pradesh, Rajasthan, West Bengal, Karnataka, Kerala, Andhra Pradesh, Goa, Gujarat, Meghalaya, Punjab, Tamil Nadu, and Telangana.

3. The terms of reference for the GoM on Life and Health Insurance were as follows:

i. To examine and review the present tax structure of GST on life and medical insurance; and
ii. To suggest GST rates on
    a. health / medical insurance including individual, group, family floater and other medical insurance for various categories like senior citizens, middle class, persons with mental illness, etc;
    b. life insurance including term insurance, life insurance with investment plans, whether individual or group; and
    c. re-insurance of the above.

4. The first meeting of the GoM on Life and Health Insurance was held on 19th October 2024. The GoM on Life and Health Insurance submitted its Preliminary Report on GST rates for life and health insurance policies which was placed before the GST Council in the 55th meeting of the Council held on 21st December 2024. During discussions in the 55th meeting of the GST Council, some members expressed the view that further deliberations were necessary, especially with Insurance Regulatory and Development Authority of India (IRDAI) so that the regulator's views may be suitably incorporated. Accordingly, the Convenor of the GoM, Hon'ble Deputy Chief Minister of Bihar, sought additional time to finalize the GoM's recommendations. The Council agreed to grant more time to the GoM so that the views of IRDAI may be suitably incorporated. The Council also recommended that the reports of the GoM on Life and Health Insurance and GoM on Rate Rationalization may be placed before the Council simultaneously.

5. Subsequently, the GoM on Life and Health Insurance held a meeting dated 20th August 2025 in New Delhi. The GoM on Life and Health Insurance has examined the issues and has given its recommendations in its Final Report dated 24.08.2025.

6. The final report of the Group of Ministers on Life and Health Insurance is placed before the GST Council.

***

सम्राट चौधरी
उप मुख्यमंत्री
बिहार

बिहार सरकार

Samrat Choudhary
Deputy Chief Minister
Bihar

पत्रांक : D.O. 55/CCT

दिनांक : 24.8.2025

Respected Madam,

During discussions in the 55th GST Council on the subject of GST on Life and Health Insurance, some members expressed the view that further deliberations were necessary so that IRDAI's views may be suitably incorporated while taking any decision. Accordingly, I had sought additional time to finalize the GoM's recommendations. The Council had agreed to grant more time to the GoM for its deliberations.

2. The members of GoM on Life and Health Insurance met again on 20th August 2025 at New Delhi to deliberate upon the issue.

3. In the meeting, the Union's proposal to exempt individual life and health insurance was placed before the members. While most States were in agreement with the Union's proposal, the members from Punjab and Tamil Nadu reiterated that they support the GoM's earlier recommendation of exempting individual term life insurance, senior citizen health insurance and other individual health insurance up to Rs. 5 lakh coverage. A few States were of the view that the Union's proposal is acceptable provided the benefit of the exemptions are passed on to the policy holders. Karnataka also expressed reservations regarding the manner in which it will be ensured that the benefits of a rate cut or exemption are passed on to the consumers. Specifically, all the States emphasized that the consumers should be benefitted from the proposed exemption.

3. Accordingly, I hereby submit the *'Final Report of the Group of Ministers on Life and Health Insurance'*.

Yours respectfully,

Samrat Choudhary
Deputy Chief Minister, Bihar
Convenor, GoM on Life and Health Insurance

Smt. Nirmala Sitharaman
Chairperson, GST Council
Union Finance Minister
Government of India
North Block, New Delhi – 110001

[Encl: Final Report of the Group of Ministers on Life and Health Insurance]

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Final Report of Group of Ministers (GoM) on Life and Health Insurance

August, 2025

Report of the Group of Ministers on Life and Health Insurance

Background

1. The issue of GST on life and health insurance policies was placed before the GST Council in its 54th Meeting held on 09th September 2024 at New Delhi. After detailed deliberations, the GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on life insurance and health insurance. Accordingly, a Group of Ministers (GoM) on Life and Health Insurance was constituted vide OM dated 15th September 2024 based on the recommendation of the GST Council. The members of the GoM are Uttar Pradesh, Rajasthan, West Bengal, Karnataka, Kerala, Andhra Pradesh, Goa, Gujarat, Meghalaya, Punjab, Tamil Nadu, and Telangana, under the convenorship of Sh. Samrat Choudhary, Hon'ble Deputy CM, Bihar.

2. The terms of reference for the GoM on Life and Health Insurance are:

   (i) To examine and review the present tax structure of GST on life and medical insurance; and
   (ii) To suggest GST rates on
      a. health / medical insurance including individual, group, family floater and other medical insurance for various categories like senior citizens, middle class, persons with mental illness, etc;
      b. life insurance including term insurance, life insurance with investment plans, whether individual or group; and
      c. re-insurance of the above.

3. The first meeting of the Group of Ministers (GoM) on Life and Health Insurance was convened under the convenorship of Sh. Samrat Choudhary, Hon'ble Deputy Chief Minister of Bihar on 19th October 2024 at New Delhi. After considering the opinions of all members, the GoM gave the following preliminary recommendations:

   (i) Exempting individual term life insurance policies, along with reinsurance thereof.
   (ii) GST rates on group term life insurance may not be changed at present, but the same may be examined at a later stage.
   (iii) Exempting individual health insurance policies for senior citizens, along with reinsurance thereof.
   (iv) Exempting other individual health insurance policies providing coverage up to Rs 5 lakh, along with reinsurance thereof.
   (v) The issue of GST rate on health insurance for Persons with Mental Illness (PMI) to be examined by the Fitment Committee, with instructions to seek recommendations from the Department of Financial Services.

Developments during and after the 55th GST Council

4. During discussions in the 55th GST Council, some members expressed the view that further deliberations were necessary, especially with Insurance Regulatory and Development Authority of India (IRDAI) so that the regulator's views may be

suitably incorporated. Accordingly, the Convenor of the GoM, Hon'ble Deputy Chief Minister of Bihar, sought additional time to finalize the GoM's recommendations. The Council agreed to grant more time to the GoM so that the views of IRDAI may be suitably incorporated. The Council also recommended that the reports of the GoM on Life and Health Insurance and GoM on Rate Rationalization to be placed before the Council simultaneously.

5. The issue of 'GST on Health Insurance premium for Persons with Mental Illness (PMI)' was examined by the Fitment Committee as recommended by the GoM. The Fitment Committee viewed that an exemption can be considered for GST on premium paid for health insurance policies for persons with mental illness, as certified by "certifying authority" designated under sub-section (1) of section 57 of the RPWD Act, 2016.

Union's Proposal

6. After holding discussions with the relevant stakeholders including IRDAI, the Union placed the following proposals before the GoM:
   (i) Exemption for all individual life insurance policies, along with reinsurance thereof.
   (ii) Exemption for all individual (including family floater) health insurance policies, along with reinsurance thereof.

   The proposed exemption at (ii) above would obviate the requirement of a separate exemption for individual health insurance policies purchased for people with mental illness (PMI).

Discussion during the GoM meeting on 20th August 2025

7. The second meeting of the Group of Ministers (GoM) on Life and Health Insurance was convened under the convenorship of Sh. Samrat Choudhary, Hon'ble Deputy Chief Minister of Bihar on 20th August 2025 at New Delhi.

8. The GoM deliberated the Union's proposal. The coverage of the Union's proposals is wider and more comprehensive. The preliminary recommendations dated 18.12.2024 of this GoM on life and health insurance are fully covered within the scope of the Union's proposals.

9. Thereafter, detailed discussions were held on the subject. The members of the GoM have agreed in principle that the burden of GST on health and life insurance needs to be reduced. All the members have agreed with the Union's proposals of giving exemption to all individual life insurance and health insurance policies other than members from Punjab and Tamil Nadu. However, members from Karnataka, West Bengal, Kerala, Punjab, and Tamil Nadu emphasized that the proposed exemption can be considered favorably and also stated that its full benefit will accrue only if the resulting benefit is passed on to the customers. A few States have also raised an issue that the insurance companies should not make windfall gains by not passing the benefits of this exemption to the policy holder, in view of the fact that the same has not been expressly addressed by the regulator. The primary beneficiaries of the

exemption should be the policy holders and not the insurance companies. Punjab and Tamil Nadu have proposed that they support the earlier recommendation made by this GoM on 18.12.2024. A few members have also expressed concerns about the manner in which it will be ensured that the benefit of the exemption will be passed on to the policy holders.

10. During the course of the above discussion, it was informed to the members of the GoM that the impact on revenue will be to the tune of Rs. 9,900 crores approximately if the Union's proposals are accepted for recommendation.

11. The Convenor expressed his gratitude to the members for their valuable inputs and stated that there is in principle agreement among all members that the burden of GST on individual life and health insurance needs to be reduced, with some concerns and differing views. A report with views of all members of the GoM and the Union's proposal, shall now be placed before the GST Council, for taking a decision in the matter.

12. The GoM recommended that:
    (i) The GST Council may take a final decision on the Union's proposal; and
    (ii) The views expressed by various States may be brought to the notice of the GST Council.

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Agenda Item 4: Report of the GoM on Compensation Cess

The GoM on Compensation Cess was constituted as per the recommendations of the GST Council in the 54th GST Council Meeting. The GoM has been formed to discuss and recommend taxation proposal to replace the compensation cess after its abolition.

2. The GoM held three meetings (on 16.10.2024, 02.12.2024 & 20.08.2025) to deliberate on various issues, as follows:

a. sharing of surplus remaining in the compensation cess account.
b. abolition of the cess – effective date for its abolition.
c. proposal for replacement of the cess after its abolition.

3. After the first two meetings, the GoM had made an interim report to the GST Council in its 55th Meeting and recommended status quo to be maintained until final report of the GoM is submitted. Further, the GoM had sought time until June 2025 to present its final report, which was extended till 30th June, 2025 by the Council.

4. Thereafter, in its third Meeting held on 20.08.2025, based on detailed deliberations, the GoM has recommended the following:

"(a) The timeline for submitting the report expired on 30th June 2025, is the GoM decides to seek *ex-post facto* approval of the GST Council for extension of time until August 31, 2025.

(b) The GoM noted that any surplus remaining in the Compensation cess account at the end of the transition period would be shared in the ratio of 50:50 between centre and states and further amongst the states in the ratio of States' total GST revenues in accordance with the provisions of section 10(3) of the Goods and Services Tax (Compensation to States) Act, 2017.

(c) The GoM recommends that the levy of compensation cess should be ended by October 31, 2025 or by such date by which the obligations under the compensation cess account are completely fulfilled. The GoM further recommends that the concerns raised by the States of Tamil Nadu, Karnataka and Punjab may be placed for discussion before the GST Council.

(d) Regarding the issue of proposal for replacement of the cess after its abolition, there are 2 options: (1) merge the items which are currently subject to compensation cess in the GST framework and the matter of fixation of rate may be addressed by the Group of Ministers on Rate Rationalisation (concurred by States of Assam, Chhattisgarh, Gujarat, Madhya Pradesh and Uttar Pradesh). (2) Continue the levy of cess in the form of an additional levy and must be used to compensate states which are losing revenue arising from the implementation of GST (concurred by States of West Bengal, Tamil Nadu, Punjab and Karnataka). The GoM recommends that both the options may be placed for discussion before the GST Council."

5. Accordingly, the report of the GoM is placed before the GST Council for its consideration and for further deliberations on the recommendations contained therein.

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D.O.NO-M-204 /VIP/MOS(FINANCE)/2025

पंकज चौधरी
PANKAJ CHAUDHARY

वित्त राज्य मंत्री
भारत सरकार
MINISTER OF STATE FOR FINANCE
GOVERNMENT OF INDIA

DATE-25/08/2025

Subject: Submission of the 'Final Report of the Group of Ministers (GoM) on Restructuring Compensation Cess'-reg.

The interim report of the GoM on Restructuring Compensation Cess was presented in the 55th GST Council, and it was requested that status-quo may be maintained till the final report of the GoM is submitted. Accordingly, I had sought additional time to finalize the GoM's recommendations. The Council had agreed to grant time till June 2025 to the GoM for its deliberations.

2 .The GoM could not meet before the deadline of June 2025 due to certain administrative issues and hence, it is requested that the GST Council may kindly approve extension of time until August 31, 2025 to submit the report.

3. The members of GoM on Restructuring Compensation Cess met again on 20th August 2025 at New Delhi to deliberate upon the issue. After extensive deliberations in the said meeting, the GoM decided to place its recommendations on the subject before the GST Council.Accordingly, I hereby submit the *'Report of the Group of Ministers on Restructuring Compensation Cess'*.

4. I want to place my sincere thanks to your goodself for the continued guidance extended throughout the course of the deliberations of the GoM. I also wish to express my gratitude to the Hon'ble Members of the Council for their valuable suggestions and cooperation, which enabled the Group to finalize its report.

Yours respectfully,

Pankaj Choudhary
Minister of State for Finance, Government of India
Convenor, GoM on Restructuring Compensation Cess

Smt. Nirmala Sitharaman
Chairperson, GST Council
Union Finance Minister
Government of India
North Block, New Delhi - 110001

[Encl: Final Report of the Group of Ministers on Restructuring Compensation Cess]

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Report of the Group of Ministers on Compensation Cess

A Group of Ministers on Compensation Cess was constituted vide OM 407/GoMonCompensatonCess/GTSC/2024 dated 25.09.2024 **[Annexure-1]** as per the recommendations of the GST Council in the 54th GST Council Meeting dated 09.09.2025. Under the convenorship of the Hon'ble Union Minister of State for Finance, the GoM consisted of Hon'ble Ministers from 9 States - Assam, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal. The Terms of Reference of the GoM is **"to make taxation proposal to replace compensation cess after its abolition."** The GoM was required to submit its report by 31.12.2024.

2. The GoM held 3 meetings on 16.10.2024, 02.12.2024 & 20.08.2025. In the first two meetings, the GoM deliberated on various issues including the projections on the compensation cess collections for the current fiscal year, the likely date by which the obligations would be fully met on this account and the various options for a taxation proposal to replace the levy of Cess. The GoM made an interim report to the GST Council in its 55th Meeting recommending status quo to be maintained until final report of the GoM is submitted. Further, the GoM sought time until June 2025 to present its final report, which was approved by the Council. In its third and final meeting held on 20.08.2025, the GoM deliberated on the various aspects which are summarized in this report. **In view of the fact that the timeline for submitting the report expired on 30th June 2025, it is decided to seek *ex-post facto* approval of the GST Council for extension of time until August 31, 2025.**

Background and Legal Aspects:

3. Section 18 of the Constitution (101st Amendment) Act, 2016, states that Parliament shall by law provide compensation to the States for a period of five years to cover any loss of revenue arising from the introduction of GST. The States were assured a protected revenue growth of 14% during this period. The said section is extracted below:

"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."

4. Accordingly, the GST (Compensation to States) Act, 2017 (CC Act) was legislated, which provided for release of compensation against 14% year-on-year growth over revenues in 2015-16 from taxes subsumed in GST. Section 7(1) of the CC Act provides that "*The compensation under this Act shall be payable to any State during the transition period.*" The term "transition period" is defined in Section 2(1)(r) of the CC Act as *"a period of five years from the transition date"*. The transition date was July 1, 2017. Thus, compensation to the states as mandated by the Constitutional Amendment Act and the CC Act was for a period of 5 years from July 1, 2017.

5. Section 8(1) of the said Act provides for levy of Cess for a period of 5 years or for such period as may be prescribed on the recommendations of the Council. Section 8(1) of the said Act is extracted below:

(1) There shall be levied a cess on such intra-State supplies of goods or services or both, as provided for in section 9 of the Central Goods and Services Tax Act, and such interstate supplies of goods or services or both as provided for in section 5 of the Integrated Goods and Services Tax Act, and collected in such manner as may be prescribed, on the recommendations of the Council, for the purposes of providing compensation to the States for loss of revenue arising on account of implementation of the goods and services tax with effect from the date from which the provisions of the Central Goods and Services Tax Act is brought into force, for a period of five years or for such period as may be prescribed on the recommendations of the Council:

6. As mandated by Section 8(1) of the CC Act, the levy and collection of Compensation Cess was for a period of 5 years from July 2017. Therefore, the levy was required to be abolished by June, 2022. However, due to the economic impact of the Covid-19 pandemic, higher compensation requirement was faced due to lower GST

revenues of States along with lower collection of GST compensation cess as well. Moreover, the obligation to protect revenue of States at growth of 14% compounded rate continued till June 2022.

7. To ensure that States have adequate and timely resources to combat covid and related issues, with the approval of the GST Council, the Centre borrowed ₹ 1.1 lakh crore in 2020-21 and ₹ 1.59 lakh crore in 2021-22 taking into account the need for resources and overall macro-economic stability and passed it on to States on a back-to-back basis.

8. Based on the guidance received by the then learned AG, Notification No. 1/2022-Compensation Cess dated 24.06.2022 was issued under Section 12 (d) read with section 8 of GST (Compensation to States) Act, 2017. As per the said notification, the period for levy and collection of cess under sub-section (1) of section 8 of the Goods and Services Tax (Compensation to States) Act, 2017 shall be upto the 31st March, 2026. There was no extension in the period of compensation being given to the states which remained as 5 years from July 1, 2017 (i.e) until June 30, 2022. The extension granted was only for levy and collection of cess and that too only to repay the back-to-back loan and interest thereon and any remaining amount of final GST compensation to States/UTs.

Status of collection and utilization of the cess:

9. The status of collection and utilization of the GST Compensation Cess (as at end of July, 2025) as presented by the Department of Revenue, Government of India is as under:

Particulars	**Amount**
Balance in Compensation Fund account (net of CFI adjustments)	18,660
Estimated collections in FY 2025-26 (upto Oct 2025)*	88,000
Excess compensation to be recovered from States	290
Total Amount Available (A)	**1,06,950**
Loan outstanding as of March 31, 2025	67,500
Interest on Loan to be absorbed in FY 2025-26	36,470
Estimated Compensation payable in FY 2025-26	1,100
Total of Outgoings (B)	**1,05,070**

Projected surplus as of Oct 2025 (C= A-B)*	**1,880**

** Flash figures of GST Compensation cess collection till the month of July, 2025 is Rs. 50,157 crores. Extrapolating the same till October, 2025 gives an estimated collection of approx. Rs. 88,000 crores.*

10. It was submitted by Department of Revenue that it expects that the collection of Compensation Cess till October, 2025 shall be sufficient for repayment of admissible GST compensation to States/UTs and the repayment of the back-to-back loan along with applicable interest.

Issues for consideration of the GoM.

11. The terms of reference of the GoM are to "**make taxation proposal to replace compensation cess after its abolition.**" The issues before the GoM are as follows:

(a) sharing of surplus, if any remaining in the compensation cess account.

(b) abolition of the cess – effective date for its abolition.

(c) proposal for replacement of the cess after its abolition.

In this regard, the Hon'ble Members of the GoM during the meeting made their suggestions on the above issues which are summarized below.

Issue 1: Sharing of surplus remaining in the compensation cess account:

12. Some of the states raised the issue of sharing of surplus that would remain in compensation cess account and stated that the said surplus should be shared with the states in a transparent manner. In this regard, it is pertinent to refer to the relevant legal provision which already provides for the sharing of surplus at the end of the transition period. Section 10(3) of the CC Act provides as under:

> *"(3) Fifty per cent. of the amount remaining unutilised in the Fund at the end of the transition period shall be transferred to the Consolidated Fund of India as the share of Centre, and the balance fifty per cent. shall be distributed amongst the States in the ratio of their total revenues from the State tax or the Union territory goods and services tax, as the case may be, in the last year of the transition period."*

13. Accordingly, GoM noted that any surplus remaining in the Compensation cess account at the end of the transition period would be shared in the ratio of 50:50 between centre and states and further amongst the states in the ratio of States' total GST revenues in accordance with the provisions of section 10(3) of the Goods and Services Tax (Compensation to States) Act, 2017.

Issue 2: Abolition of Cess – effective date for its abolition:

14. It may be seen that the current estimates provided by Department of Revenue, it is expected that the collection of Compensation Cess till October, 2025 shall be sufficient for repayment of admissible GST compensation to States/UTs and the repayment of the back-to-back loan along with applicable interest. This implies that the purpose for which the cess was being collected would get fulfilled by October 2025.

15. Once the obligations under the Compensation Cess account are fulfilled by end of October 2025, it was submitted by Department of Revenue that there is no constitutional mandate to continue levy of Compensation cess beyond that period. This view was concurred by most of the States (Assam, Chhattisgarh, Gujarat, Madhya Pradesh, Uttar Pradesh, Tamil Nadu and West Bengal) that the levy of compensation cess can not continue beyond the period of meeting the obligations under the compensation cess account in its present format.

16. Hon'ble Member from Tamil Nadu however stated that, with 2 months' timeline on one hand to end the Compensation Cess in current format and the expected loss on account of proposed reforms to GST rates, it is necessary to address both issues simultaneously and not separately. Considering the revenue loss anticipated due to GST rate reforms and the similarity of purpose, the GST Council may find ways and means to extend levy of Cess as was initially imposed to compensate the revenue loss to the States. Towards this objective, a portion of the Cess rates could be immediately added to the present GST rates to have a cushion period beyond October 2025 for undertaking the Constitutional amendment to extend the mandate to compensate the revenue loss arising out of GST rate reforms.

17. Hon'ble Member from Karnataka objected to the proposal of Department of Revenue and stated that the question of abolition of cess should be decided along with the proposal for replacement of cess. He stated that the State has suffered significant losses due to implementation of GST and hence the Cess should be continued in some form. He reiterated that the decision to end the levy of compensation cess by October 31, 2025, should be taken only after adequately addressing the issue of probable revenue losses, with due consideration to options such as continuing the cess in its present form or restructuring it as an alternative levy, in order to safeguard State revenues.

18. Hon'ble Member from Punjab stated that the mechanism of compensation should not be ended. He pointed out that section 8(1) of the CC Act provided for extension of compensation to states beyond the period of 5 years. Since the State has suffered significant losses due to implementation of GST, continuing the compensation is essential to maintain the fiscal stability of the State and ensure effective implementation of social welfare schemes.

19. Having regard to the views of the Hon'ble Members and considering the legal position, the GoM recommends to end levy of compensation cess by October 31, 2025 or by such date by which the obligations under the compensation cess account are completely fulfilled. The GoM further recommends that the concerns raised by the States of Tamil Nadu, Karnataka and Punjab may be placed for discussion before the GST Council.

Issue 3: Proposal for replacement of the cess after its abolition.

20. Next issue is with respect to the proposal for replacement of the cess after its abolition. The proposal was to merge the taxation of items which are currently in compensation cess with the appropriate GST rates so that the overall incidence of tax on these items is not reduced. In this regard, it was discussed that since there is a separate Group of Ministers on the issue of rate rationalisation, the issue of fixation of rate can be decided by the said GoM. It was also pointed out by Department of Revenue that the Centre is committed to ensuring that tax incidence remains the same on the

items covered currently by the compensation cess. This proposal was agreed to by Assam, Chhattisgarh, Gujarat, Madhya Pradesh and Uttar Pradesh.

21. The Hon'ble Member from West Bengal objected to the proposal stating that Compensation Cess is levied mostly on sin/demerit and luxury goods. Post its abolition, equivalent amount of Cess should continue to be levied on these goods as an additional levy of GST. This may be done by way of amending section 9 of the CGST/SGST Act and section 5 of the IGST Act so that the upper limits of tax rate provided in the aforesaid provisions do not apply to such additional levy. A separate schedule may be inserted listing the items subjected to the additional levy. Deliberation on the levy of appropriate rate of tax on these goods post abolition of cess can only be done after such amendments. The revenue from the said additional levy may be shared between the Centre and the States in 50:50 ratio. The Hon'ble Member also felt that there is no need to refer the matter to the GoM on Rate rationalization and the same should be decided by this GoM.

22. The Hon'ble Member from Tamil Nadu suggested that an additional levy of GST on Cess levied goods, especially Tobacco and Tobacco products, may be considered to equalize the present rate of tax with Cess by amending the GST Acts and Rules to minimize the loss to States consequent to reforms in GST rates. These levy measures are also necessary to prevent market distortions arising out of abolition of Cess by making it price neutral and avoid price reduction of demerit goods. He suggested that the cesses should be fully utilized to compensate the States alone due to the reduction in the tax rates in other goods and services, for a transitional period of 4 to 6 years. If there is a surplus due to these levies after compensating the States, the same may be distributed among states proportional to their contribution in collection of the cess. In any case, beyond that period also, any cess levied on any goods and services should be at least on the GST pattern of 50 : 50 to the Union and the States, keeping in mind the spirit of the Goods and Services Tax. Under the rate rationalization, the fiscal space for State Governments will be squeezed which will be immediate whereas any compensatory mechanism for the taxes foregone by rate rationalization is likely to take time to provide actual cash flow support to the affected State Governments. In addition, this reduction is happening in the second half of the financial year when most of the

indirect taxes are being collected, and the expenditure of state governments is also very high. This will severely impact the ability the ability of State governments to finance expenditures in the next six months. To address this, he proposed that the net borrowing ceiling of the States may be raised to 4% of GSDP without any conditions. The State was of the view that suggestions on the alternative to cess after its abolition need to be decided by this GoM and need not be referred to any other GoM.

23. The Hon'ble Member from Punjab insisted that the levy of cess should not be ended. He pointed out that section 8(1) of CC Act provided for extension of compensation to states for the loss suffered due to implementation of GST. However, if at all due to legal requirements, the levy of Cess is stopped, steps may be taken to ensure that the cess may continue in some form or the other and the compensation be paid only to the States that are having substantial loss in revenue. The Hon'ble Member stated that this GoM should make a decision regarding the future of cess as the GoM on rate rationalization has nothing to do with the issue of Compensation. He further stated that the Union's proposal is completely silent on how the states would be compensated for this huge revenue loss and argued that without a suitable mechanism for fully compensating the states, the rate rationalization will become financially unsustainable for them. He urged that the mechanism of compensation cess through an additional levy should be continued or some other mechanism should be established, concurrently with rate rationalization to ensure full revenue protection for the states. He further stated that:

i. Firstly, the GST is a fundamental restructuring of India's economic and tax structure which has permanently disadvantaged some states – it is estimated that the **permanent structural revenue loss** for several states is 0.3–0.8% of GSDP. Punjab has suffered a loss of Rs 48,000 cr approximately from the year 2022 after the compensation was done away with by the Union. He pointed out that the Union's proposal is completely silent on how the states would be compensated for this huge revenue loss.

ii. Secondly, he pointed out that the compensation cess should be continued at minimum till its full statutory period up to 31.3.2026 even if the repayment schedule is expected to close in October 2025 itself. He further stated that the extension was made by a statutory rule in consonance with the Constitutional Amendment. He stated that Section 8 provides for compensation to states for revenue loss for a period of five years or for such period as may be prescribed on the recommendations of the Council. Therefore, any additional cess may be shared with states.

iii. Thirdly, he stated that while the Union proposal on rate rationalisation is welcome, without a parallel protection mechanism, the subsuming of the compensation cess into the GST rate structure itself will exacerbate the inequity already created by GST. The states which have already suffered a permanent revenue loss will not benefit from this. It is expected that the expected fiscal surge (~0.5% of GSDP) from this measure will go to states which are already favoured by the structure of GST. This is in effect creating a net loss of ~1% of GSDP for the disadvantaged states i.e. affecting specific states very disproportionately.

24. The Hon'ble Member from Punjab further reiterated that all states have effectively given up their federal powers in order to make GST effective in the country, it is imperative for the fiscal health of the Union that the long-term fiscal health of a substantial number of states is not compromised in the process. Without a suitable mechanism for fully compensating the states, the rate rationalization will become financially unsustainable for them. It may be noted that the effective GST rate has fallen from ~14.4% at rollout to ~12% today; which is still far below the revenue neutral rate of 14-15%. For Punjab, the revenue neutral rate was 18.3%. Therefore, it is urged that the mechanism of compensation cess through an additional levy should be continued or some other mechanism should be established, concurrently with rate rationalization to ensure full revenue protection for the states. The compensation cess should be continued not as a support measure but as a fundamental design correction that addresses the inequity created by the current structure.

25. The Hon'ble Member from Karnataka objected to the merger of the levy of cess with the GST framework as there is a limit of 40% on the rate of tax within the GST framework. He drew attention to the earlier proposal discussed in the second meeting regarding the continuing the levy of cess in the form of an additional levy and must be used to compensate states which are losing revenue arising from the implementation of GST. He suggested that the mechanism of sharing of revenue would require a detailed discussion in the GST Council.

26. **Having regard to the views of the Hon'ble Members, there are 2 options: (1) merge the items which are currently subject to compensation cess in the GST framework and the matter of fixation of rate may be addressed by the Group of Ministers on Rate Rationalisation. (concurred by States of Assam, Chhattisgarh, Gujarat, Madhya Pradesh and Uttar Pradesh) (2) Continue the levy of cess in the form of an additional levy and must be used to compensate states which are losing revenue arising from the implementation of GST. (concurred by States of West Bengal, Tamil Nadu, Punjab and Karnataka). The GoM recommends that both the options may be placed for discussion before the GST Council.**

Summary of Recommendation:

27. GoM recommends the following:

(a) **The timeline for submitting the report expired on 30th June 2025, is the GoM decides to seek *ex-post facto* approval of the GST Council for extension of time until August 31, 2025.**

(b) The GoM noted that any surplus remaining in the Compensation cess account at the end of the transition period would be shared in the ratio of 50:50 between centre and states and further amongst the states in the ratio of States' total GST revenues in accordance with the provisions of section 10(3) of the Goods and Services Tax (Compensation to States) Act, 2017.

(c) The GoM recommends that the levy of compensation cess should be ended by October 31, 2025 or by such date by which the obligations under the

compensation cess account are completely fulfilled. The GoM further recommends that the concerns raised by the States of Tamil Nadu, Karnataka and Punjab may be placed for discussion before the GST Council.

(d) Regarding the issue of proposal for replacement of the cess after its abolition, there are 2 options: (1) merge the items which are currently subject to compensation cess in the GST framework and the matter of fixation of rate may be addressed by the Group of Ministers on Rate Rationalisation (concurred by States of Assam, Chhattisgarh, Gujarat, Madhya Pradesh and Uttar Pradesh). (2) Continue the levy of cess in the form of an additional levy and must be used to compensate states which are losing revenue arising from the implementation of GST (concurred by States of West Bengal, Tamil Nadu, Punjab and Karnataka). The GoM recommends that both the options may be placed for discussion before the GST Council.

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Agenda Item 5: Final Report of the Group of Ministers on Rate Rationalisation for consideration of GST Council Meeting

Based on the recommendations of the GST Council, during its 45th Meeting held on 17th September, 2021, a Group of Ministers on Rate Rationalization (GoM) was constituted vide order dated 2nd July 2021. The current composition of the GoM constituted vide order dated 02.07.2024 has Shri. Samrat Chaudhary, Hon'ble Deputy Chief Minister, Bihar as Convenor and following Hon'ble Ministers as members:

S.No.	Name	Designation & State
1	Shri. Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs and Medical Education, Uttar Pradesh
2	Shri. Krishna Byre Gowda	Minister of Revenue, Karnataka
3	Smt. Chandrima Bhattacharya	Minister for Finance, West Bengal
4	Shri. Gajendra Singh	Minister of Medical and Health Services
5	Shri. K N Balagopal	Minister for Finance, Kerala Member

2. The terms of reference (ToR) of the GoM are as:

(i) review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;

(ii) review the instances of inverted duty structure other than where Council has already taken a decision to correct the inverted structure and recommend suitable rates to eliminate inverted duty structure as far as possible so as to minimize instances of refund due to inverted duty structure;

(iii) review the current tax slab rates and recommend changes in the same as may be needed to garner required resources; and

(iv) review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.

3. In addition to the above Terms of Reference, the GST Council in its 46th, 47th and 53rd meetings also referred certain issues to the GoM.

4. The GoM on Rate Rationalization submitted its Interim Report on correction of inverted duty structure and review of GST exemptions which was placed before the GST Council in the 47th meetings of the GST Council held on 28.06.2022 and 29.06.2022. Thereafter the GoM was to submit its final report.

5. The GoM held five meetings on 22nd August, 2024 in Delhi, 25th September, 2024 in Goa, 19th October, 2024, 2nd December, 2024 and 21st August,2025 in New Delhi. The GoM has finalized its report and recommended to maintain status quo on reduction of GST from 5% to Nil on products

made by handloom weavers, to maintain status quo on reduction in GST from 5% to Nil on raw silk and other silk weaving materials, to place the Final Report which contains the Union proposal for consideration of the Council and to bring to the notice of the Council the views expressed by various States.

The Final Report of the GoM is attached for consideration of the Council.

सम्राट चौधरी
उप मुख्यमंत्री
बिहार

बिहार सरकार

Samrat Choudhary
Deputy Chief Minister
Bihar

पत्रांक : D.O. 54/CCT

दिनांक : 24.08.2021

Respected Madam,

The GST Council, during its 45th Meeting held on 17th September, 2021, constituted a Group of Ministers (GoM) on Rate Rationalization. The GoM had submitted the Interim Report which was accepted by the GST Council in its 47th meeting held in Chandigarh.

2. After detailed examination and deliberations on GST rate rationalisation and issues referred to the GoM, the GoM has concluded its Final Report. I am pleased to enclose the Final Report for kind consideration of the GST Council.

With regards,

Yours sincerely,

Samrat Choudhary
Deputy Chief Minister,Bihar
Convenor, GoM on Rate Rationalisation

To

Ms. Nirmala Sitharaman,
Chairperson GST Council,
North Block
New Delhi - 110 011

[Encl : Final Report of the Group of Ministers on Rate Rationalisation]

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FINAL REPORT

OF

THE GROUP OF MINISTERS(GOM)

ON RATE RATIONALISATION

August,2025

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I Background

I.1 A Group of Ministers (GoM) on Rate Rationalization was constituted by the GST Council in its 45th Meeting held on 17th September, 2021.The GoM was constituted with the Hon'ble Chief Minister of Karnataka, Shri Basavaraj Bommai as the convenor, and Hon'ble Ministers from State Governments of Bihar, Goa, Kerala, Rajasthan, Uttar Pradesh and West Bengal as members vide OM No. S-31011/12/2021-DIR(NC) dated 24th September, 2021 to undertake GST rate rationalization, including correction of inverted duty structure with an objective to simplify the rate structure, to reduce classification related disputes and enhance GST revenue. Thereafter, the GoM was reconstituted on 22nd November, 2021, 22nd September, 2022, 1st November, 2023 and 2nd July 2024 (***Annexure I, II, III, IV and V***).

I.2 The composition of the current GoM comprises of the Hon'ble Deputy Chief Minister, Bihar as Convener and Hon'ble Ministers of the State Governments of Karnataka, Uttar Pradesh, Rajasthan, West Bengal and Kerala .

II. Terms of Reference of the GoM

II.1 The terms of Reference assigned to the GoM are as follows:

(i) *review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;*

(ii) *review the instances of inverted duty structure other than where Council has already taken a decision to correct the inverted structure and recommend suitable rates to eliminate inverted duty structure as far as possible so as to minimize instances of refund due to inverted duty structure;*

(iii) *review the current tax slab rates and recommend changes in the same as may be needed to garner required resources; and*

(iv) *review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.*

II.2 In addition to the above Terms of Reference, the GST Council in its 46th, 47th and 53rd meetings also referred the following issues to the GoM for a holistic and comprehensive examination of the issues:

a) Correction of Inverted Duty structure in Textile Sector
b) Rationalisation of rates of inputs in Fertiliser sector
c) Reduction of GST rate on silk and silk weaving material
d) Reduction of GST rate on handloom weavers
e) GST on Flying Training Organisations (FTO) approved by DGCA

The issue of GST on Flying Training Organisations was referred to the GoM in the 48th Council meeting held on 17th December, 2022. However the issue has since been taken up in the 54th Council meeting of the GST Council held on 9th September , 2024 and based on the recommendations it has been clarified that approved flying training courses conducted by DGCA approved Flying Training Organizations (FTOs) are exempt from the levy of GST.

III. Interim Report

The GoM on Rate Rationalization submitted its **Interim Report** on correction of inverted duty structure and review of GST exemptions which was placed before the GST Council in the 47th meetings of the GST Council held on 28.06.2022 and 29.06.2022. Based on the Interim Report, the tax rates were revised on a number of goods and services. Certain exemptions were also withdrawn on both goods and services. Thereafter the GoM was to submit its final report.

IV. Meetings of GoM

The GoM held five meetings on 22nd August, 2024 in Delhi, 25th September, 2024 in Goa , 19th October, 2024 , 2nd December, 2024 and 21st August,2025 in New Delhi

V. Principles Adopted by GoM

V.1 The current GST rate slabs, other than special rates, are 5%, 12%, 18% and 28%. From an analysis of 2023 - 24 revenue calculated based on GST returns filed with GSTN and ICES

import data, the GoM observed that the standard rate of 18% rate contributes maximum cash revenue of about 73%, while 28% contributes about 12%, 12% rate contributes revenue at about 5% and 5% contributes about 8% revenue. The GoM discussed the issue of whether to continue with existing 4 rate slabs or rationalize to three, two slab rates or a single rate. The GoM felt that moving to two or single rate slab has their merits in that it will lead to simplification of tax rate structure and reduce compliance burden. However, the GoM was of the view that, at this stage of GST implementation, given that the existing slab rates have more or less stabilized and the likely impact on essential goods it may not be advisable to move to dual rates or a single rate. The GoM was also not in favour of any alteration to the existing rate slabs by way of merging the 12% rate slab with other slabs for the same reason that the existing rate structure in GST has largely stabilized. The GoM also examined whether or not to increase the lowest slab rate from 5% to 6%. However, GoM members felt that this may not be appropriate time as this may impact prices on essential goods for the common man.

V.2 The GoM decided to approach the issue of rate rationalization, correction of inverted duty structure by looking at sectors holistically and also item wise , keeping in mind both the interest of common man and revenue augmentation. During the meetings, many of the GoM members emphasized the fact that revenues from many goods have fallen significantly as compared to pre-GST regime and hence this aspect also needs to be examined while deliberating on the issue. GoM conducted detailed discussions to examine whether some goods could be moved to the standard rate of 18% or higher slab of 28% for revenue augmentation and mobilization while not losing sight of the likely impact on the essential goods. The GoM also examined whether special rate can be introduced on certain goods that are in the nature of sin goods or luxury goods.

V.3 The Broad principles adopted by GoM include:

a) *undertaking sectoral analysis in key sectors*
b) *keeping items of mass consumption as far as possible at lower rate*
c) *rectifying inverted duty structure to the extent possible*
d) *removing complexities and simplifying the rate structure*
e) *garnering additional revenue resources.*

VI. Examination by GoM

VI.1 The GoM undertook a comprehensive review of the Fertilizer Sector, Agricultural equipment/Machinery, Textile Sector and Food Sector. The GoM also discussed tax rates on renewable energy equipment , medicines and medical equipment, rationalization of tax rates on items of mass consumption, footwear, bicycles, paper, handicrafts, other miscellaneous goods. On services, the GoM examined streamlining of tax rates on certain services that are currently at GST rate of 12%, namely, works contract service provided to Government and job work relating to printing of all goods falling under Chapter 48 or 49 (*Paper and printed paper)* and Job work in relation to manufacture of Umbrella. Further, in line with the Terms of Reference of the GoM, the GoM further looked at GST rates on certain sin or luxury goods as Additional Revenue Mobilization (ARM) Measures.

VI.2 In its first four meetings, detailed line wise examination and discussions were held including correcting inverted duty structure in textiles sector and rationalization of rates on inputs for the fertilizer sector. After its fourth meeting held on 2nd December, 2024 , a draft Report was prepared.

VI.3 In the meanwhile, the GoM received Union proposal for broad based GST rate rationalization and Reform which also comprehensively includes almost all the issues deliberated by the GoM .

VI.4 The Union Proposal is attached as **Annexure A** and the GoM's earlier draft report referred in para VI.2 is attached as **Annexure B.**

There are two issues specifically referred to the GoM which are not part of the Union Proposal which are discussed as below:

(i) GST on products of handloom weavers

The GoM discussed the issue of reduction of GST from 5% to Nil on products made by handloom weavers. Currently, all fabrics attract 5% GST. Handloom weaving machinery attracts Nil GST while other textile machinery attracts 18% GST. The issue of exempting products of handloom weavers was taken up in 45th meeting of the Council. The GST Council decided to approve implementation of the recommendations of the Fitment Committee for increasing GST from 5% to 12% but in the 46th Council Meeting, the Council decided to defer this decision till larger deliberations were carried out and the GoM on Rate Rationalization was tasked to look into this.

The GoM deliberated this issue and was of the view that the rate of 5% is already the lowest slab rate and reduction of GST to Nil would create disparity in rates with other fabrics and will lead to disputes. The benefit of threshold exemption/composition scheme is available to small suppliers.

After in-depth examination and discussions , the GoM recommends to maintain status quo.

(ii) GST on raw silk & other silk weaving materials

As regards the issue of reduction in GST from 5% to Nil on raw silk and other silk weaving materials, GST rate on raw silk is already at Nil. Silk yarn attracts 5% while silk fabric attracts 5% at par with all fabrics of all other material. The GoM deliberated this issue and was of the view that the rate of 5% is already the lowest slab rate and reduction of GST to Nil would create disparity in rates and also lead to disputes. Besides small suppliers can avail thresbold exemption/composition scheme. Hence GoM also recommended that no change is required in the rate.

After in-depth examination and discussions , the GoM recommends to maintain status quo.

Union Proposal

VII.1 The Union Proposal was discussed in GoM meeting held on 21st August, 2025. In this meeting , Shri. Pankaj Chaudhary, Union Minister of State (Finance) & Convener and other members of GoM on Compensation Cess, namely, Hon'ble Ministers of Madhya Pradesh, Chhattisgarh, Punjab, Assam and Telangana were present as Special Invitees. The Hon'ble Minister of Tamil Nadu did not attend in person but sent his written views to the GoM .

VII.2 Hon'ble Minister from West Bengal stated that overall rationalisation of GST rates is likely to benefit the economy in the long term and therefore is a welcome move. However, full dividend of above reforms will accrue only if the resulting benefit is passed on to the consumers. Necessary checks and balances may be needed to make it happen. However, she also added that in the short and medium term the proposed changes in GST rates for various goods will adversely impact state finances which in turn will hit common man since there will be limited resources available for pro-people schemes which various states including West Bengal are implementing. One way to handle this is to adequately pass on the benefit of compensation cess to states. Compensation cess was imposed for a specific purpose and will therefore need to be removed as has been rightly proposed. However, it needs to be continued

in some other form to compensate states for the likely revenue loss. Compensation Cess is levied mostly on sin/demerit and luxury goods. Post its abolition, equivalent amount of Cess should continue to be levied on these goods as an additional levy of GST. This may be done by way of amending section 9 of the CGST/SGST Act and section 5 of the IGST Act so that the upper limits of tax rate provided in the aforesaid provisions do not apply to such additional levy. The revenue from the said additional levy may be shared between the Centre and the States in 50:50 ratio

VII.3 At the outset ,the Hon'ble Minister of Kerala expressed concern that the deliberations of the GOM till date are being replaced in totality by the Union proposal. He acknowledged the rationale of the Union proposal for boosting the economy and benefitting the common man. However, as per past experience, the benefits of tax cuts rarely get passed on to the common man. He emphasized that the benefits of lower tax rates are passed on to the common man as intended. He requested the Secretariat to provide a detailed study on the revenue impact of the proposed changes so that the states can be adequately informed. It also appears that there may be additional costs associated with the possibility of inverted duty structure in some sectors. These may also be factored in while computing the revenue impact. In the absence of a revenue impact study, Hon'ble Minister of Kerala expressed grave concerns about the revenue loss to the state and the centre. On the basis of the consumption pattern of Kerala, it is observed that the goods and services that belong to higher tax rate slabs contribute a higher revenue share and a proposal for broad-based change in tax rates at the higher tax slabs may lead to considerably higher revenue erosion to Kerala relative to other states. This was reflected in the higher compensation released to the state of Kerala due to the revenue gap in the subsequent years after the previous broad-based change in tax rates in November 2017. Hon'ble Minister of Kerala also expressed concern about widening revenue shortfall due to the falling average tax rate relative to the Revenue Neutral Rate (RNR) at the time of introduction of GST. Without a suitable mechanism to fully compensate the State and protect its revenue, the State may be unable to run its wide social commitments and existing welfare programmes for the poor and vulnerable citizens. He reiterated that suitable measures for protecting states' revenue may be explored like compensation as in the past to be met from the continuation of the compensation cess or any such suitable mechanism. The possibility of allowing imposition of state-specific cess and a revenue sharing ratio of 60:40 in favour of the states may also be considered. In addition the Hon'ble Finance Minister of Kerala highlighted the concerns of the State of Kerala regarding the proposal to raise the tax rate of the state run paper lottery, from the existing 28%

to 40%. In addition to the contribution to revenue, the lottery sector in Kerala provides direct employment to around 2 Lakh people, including ticket sellers and distributors. Unlike corporate enterprises, State-run lotteries are designed to percolate profits to these individuals rather than concentrate them. In this context, a proposed increase in the tax rate from the existing 28% to 40% would substantially raise expenses and would lead to a decline in sales volume, thereby adversely affecting the livelihoods of those dependent on this sector. Hence the State of Kerala requested that the proposed hike in the tax rate of state run paper lottery may be reconsidered.

VII.4 All the members of the GoM on Rate Rationalization and Hon'ble Ministers of Special Invitee States expressed an support on the Union proposal keeping in mind the larger interest of common man. While supporting the Union proposal, Hon'ble Minister of Karnataka mentioned that GST is not only about rates but maintaining fiscal health of States and Union. Hon'ble Minister of Tamil Nadu has submitted that any proposal for simplification and reduction of the GST rates is welcome by one and all, while at the same time, the public finances of the States have to be taken into account. Hon'ble Ministers of Punjab, Telangana, Karnataka and West Bengal stated that while they have no objection to the Union's proposal in principle, there is a large revenue loss that has not been factored by the Union proposal. The Union's proposal is silent on how the states would be compensated for this huge revenue loss. These states argued that without a suitable mechanism for fully compensating the states, the rate rationalization will become financially unsustainable for them and will have adverse impact on the implementation of welfare schemes of the states meant for poorer sections and middle classes, besides effecting the infrastructure projects. They urged that the mechanism like compensation cess through a suitable levy should be envisaged or some other mechanism should be established, concurrently with rate rationalization to ensure full revenue protection for the states.

Recommendation

VII.3 The GoM recommends, -

1. To maintain status quo on reduction of GST from 5% to Nil on products made by handloom weavers.
2. To maintain status quo on reduction in GST from 5% to Nil on raw silk and other silk weaving materials

3. To place the Final Report which contains the Union proposal for consideration of the Council
4. To bring to the notice of the Council the views expressed by various States

Annexure A

GST Rate rationalisation and Reform Proposals

The Goods and Services Tax (GST) completed eight years on 1st July 2025. When the GST was launched, its prime objective was to integrate India into a single market with uniform tax rates and procedures and seamless movement across states. The other objectives included a simplified tax structure to address the cascading of taxes at multiple levels to make our industry competitive and benefit the population. GST has achieved its objective of '*One Nation, One Tax'* made possible by the spirit of cooperative federalism wherein the States and Union have partnered to lay the foundation for seamless economic integration.

2. The Goods and Services Tax (GST) has begun to pay dividends. The tax payer base has increased from 66.50 lakh in 2017 to 1.51 crore in 2025. In 2024–25, GST recorded its highest-ever gross collection of ₹22.08 lakh crore, reflecting a year-on-year growth of 9.4 percent. The average monthly collection stood at ₹1.84 lakh crore. Gross GST collections have doubled in the span of 4 years i.e. from ₹11.37 lakh crore in FY 2020-21 to ₹22.08 lakh crore in FY 2024-25 registering a CAGR of 18.06%. The consistent rise in revenue collections and growing base of active taxpayers reflects not only the growing formalization of the economy but also confidence of the Indian economy. To lay down the direction and vision for the coming years while continuing this momentum, the current proposal is to implement a broad-based GST rate rationalisation and reform.

3. A structured approach to GST is essential for ensuring its long-term effectiveness and inclusivity. Our common experience with implementation of GST has paved the way for a comprehensive reform and re-orientation of GST. The focus is on enhancing the ease of living for the common man and the aspirational middle class, strengthening core economic sectors and unleashing the full potential of GST to position India as a global economic power house. With this objective, a meticulous review of critical sectors and individual items has been undertaken, keeping the interest of all stakeholders as also of the overall economy of the country at the forefront.

4. The Union proposal of GST rate rationalisation and reform rides on three key pillars:

Pillar 1: Structural Reforms

- Inverted Duty Structure correction
- Resolving classification issues
- Stability and Predictability

Pillar 2: Rate rationalization

- Reduction of taxes on common man items & aspirational goods
- Reduction of slabs
- Compensation Cess

Pillar 3: Ease of Living

- Registration
- Return Filing
- Refunds

Pillar 1: Structural Reforms

Inverted Duty Structure correction

Goods and Services Tax (GST) is a value added tax. A supplier effectively pays tax on his value addition. When the tax rate on input /intermediates are lower than the tax rate on output supply, it enables the output supplier to pay tax only on his value addition. However, when the tax rate on output supply is lower than the tax rate on input /intermediates, it leads to inverted duty structure. While the refund mechanism under GST neutralizes the accumulated ITC, unless refund claims are expeditiously sanctioned, it affects cash flow and liquidity for small businesses. The Union proposal aims to correct this inverted duty structure in certain key sectors which will improve the liquidity position of especially MSME producers.

Resolving classification issues

For applying GST, the classification of goods is based on customs classification. The customs classification is based on the Harmonized System (HS) developed by the World

Customs Organization (WCO). The HS system has been adopted by India and many countries for facilitating international trade and collecting trade statistics. One of the major areas contributing to proliferation of GST disputes is the classification of goods and services. While classification by itself does not create issues, classification disputes arise from diverse interpretations of complex classification norms and multiplicity of tax rates. However, where there are uniform rates on similar goods or services, the classification norms do not pose any problem as the same tax rate would apply irrespective of their HS classification. The key contributor of classification disputes in GST therefore is the multiplicity of rates and differential rates on similar good and services. Disputes increase the cost of doing business and the burden of litigation can be substantial, especially for smaller businesses. Some of the major sectors plagued by classification disputes in GST include the food sector and automobile parts. The Union proposal seeks to address this by ensuring that similar goods are placed in the same rate slabs so as to avoid any scope for such disputes

Stability and Predictability

A stable policy environment and predictability is key for businesses to effectively plan and make investment decisions besides fostering tax compliance. Stability in tax policies reduces uncertainty and risk, encouraging industry to commit to long-term projects leading to job creation, and economic growth.

Pillar 2: Rate rationalization

5. The second pillar of GST rate structure rationalisation and reform is the rationalization of the current four-tiered tax rate structure into a more coherent and citizen-friendly '*Simple Tax*'. This simplification aims to reduce compliance burden and empower our citizens as partners in the next leg of our GST journey. As economic activity and economy grows, the role of the government must evolve to ensure that tax policies act as enablers for entrepreneurs and industries to thrive. The current multiplicity of rates makes the tax structure complex which directly impacts ease of doing business and ease of trade. This also impacts cost of living for our citizens particularly the poor and the middle class. It further increases the compliance burden, adversely impacting the MSMEs, small businesses, and young entrepreneurs/start-ups the most. Over the

course of its implementation, complexities have crept in with a number of tax disputes highlighting the urgent need for rationalization and simplification.

6. To spur economic growth into its next level of trajectory, ease of doing business and ease of living are complementary imperatives. The multiplicity of rates also creates administrative complexity diverting attention of tax administration from its core functions such as tracking tax evaders, conducting quality audits and carrying out effective assessments, thereby hampering its overall efficiency. Thus, the entire rate structure eco system requires to be re-purposed to provide the enabling eco system for achieving the next generation objectives.

Reduction of slabs

7. The Union proposes a fundamentally two rate structure with a Standard Rate of 18% and a Merit Rate of 5%. The Union also proposes a Special de-merit Rate of 40% for a select few goods and services. In addition, certain sector-specific Special Concessional Rates will continue as they currently stand. Special Rates, by their very nature, are meant to address the unique characteristics or policy needs of a select few goods and services and are not designed or expected to be in the nature of a general structure.

8. A detailed combing exercise of goods and services at each rate was undertaken to study the revenue collection at each rate, the impact on supply chains, the impact on the common man, the aspirational middle class, employment intensive sectors and economic sectors that need support. Analysis of data on rate wise revenue contribution shows that the rate of 18% contributes maximum cash revenue of about 65%, the 28% rate contributes about 11 %, the 12% rate contributes revenue at about 5% and 5% rate contributes about 7% revenue. The analysis of revenue collection shows that the share of 12% rate is the lowest. This points to the fact that this rate has not served the intended economic or distributional benefits. Moreover, having a 12% rate has added to the compliance burden on trade with multiple disputes emerging on classification. Hence the Union proposal is to discontinue the 12% rate and move most of the items in it to the 5% rate with a few items moving to the 18% rate.

Reduction of Taxes on Common Man Items & Aspirational Goods

One critical link in the chain for rate rationalization how to promote of ease of living for the common man, the aspirational middle class and the population at large. Ease of living has many dimensions including access to affordable goods and overall quality of life. Lowering of taxes on consumption particularly for many daily use goods or basic necessities such as food and medicines would improve the quality of life for the common man and the aspirational middle class. The Government has avowedly declared that *Ease of living for common man* is the ultimate objective of good governance. The Union proposal builds on this principle and aims to co-opt citizens, particularly the poor and middle class thereby making it a people-centric and inclusive reform. The Union proposal envisions moving all essential commodities such as food, medicines, and daily-use goods consumed by the common man at either nil rate or 5%. Additionally, it recommends reducing the GST rate on certain aspirational goods from 28% to 18%, reflecting evolving consumption patterns and supporting affordability for the aspirational middle class.

Compensation Cess

The Compensation Cess was initially introduced as a temporary measure under the GST regime to compensate states for revenue losses due to the implementation of GST, which subsumed multiple taxes. This cess was levied on select luxury and sin goods (like tobacco, aerated waters, luxury cars and coal) and transferred to the Compensation Fund.

As recorded in the Statement of Objects and Reasons to the GST (Compensation To States) Act 2017, the purpose was to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax. The statutory period for compensation to states ended as of June 2022 and the proceeds of cess is now being used to repay loan taken by Central Government to meet earlier compensation commitments. Although the validity of the levy is upto 31.3.2026, the repayment schedule is expected to close in October 2025 itself. Therefore, there is no constitutional mandate to continue levy of Compensation cess beyond that period.

Union Government had taken a stand not to levy any extra duty of central excise, except by the way of NCCD in order to ensure that the incidence of tax remained the same even

after levy of Compensation Cess. The Union continues to remain committed to ensuring that the overall tax incidence on these items remains unchanged by following the same principle.

Pillar 3: Ease of Living

Process simplification -Registration, Return Filing & Refunds

9. The third pillar is the process simplification. Simplification of GST processes remains a key objective to enhance ease of living and improve taxpayer experience. The focus here is on registration, return and refund. The Union's proposal envisions further streamlining of the registration process by making it more seamless, technology-driven, and time-bound, especially for small businesses and startups. On return filing, the proposal is to implement pre-filled returns thus reducing manual intervention. This would ultimately eliminate mismatches in returns, which currently consume a significant amount of the tax administration's time in verification processes—often without yielding any substantial revenue gains. This would not only ease the compliance burden on taxpayers, but it would also enhance transparency in settlement of IGST to States. Similarly, on the refund process, the proposal aims to ensure faster and automated processing of refunds for exporters and those with inverted duty structure, where working capital liquidity is critical. These simplification measures aim to minimise compliance burden, promote voluntary compliance, and build a more efficient and responsive tax administration system. These proposals are being worked out separately for presentation to the GST Council.

Reinvigorating Core Economic Sectors

11. The Union's proposal will beneficially impact key sectors that are required for lubricating the engines of our core economy and those that are the major drivers of our economic growth. These include sectors such as Agriculture, Textiles, Fertilizer, Health, Construction, Transport, Renewable Energy, Handicrafts and Insurance. Each key sector has been looked into and the Union proposal is consciously designed to rationalize costs, enable sectoral expansion and stimulate economic activity.

The broader objective is to create a more enabling environment that supports productivity, investment, and inclusive economic growth.

(i) Agriculture Sector

The agriculture sector constitutes approximately 18% of the country's GDP and provides employment to roughly 46% of the country's population. The rationalization of GST rate for agriculture sector is aimed at accelerating farm mechanisation. Overall, the operation-wise average mechanization levels across crops are 70% for seed-bed preparation, 40% for sowing/planting/transplanting, 33% for weeding and inter-culture, and 34% for harvesting and threshing, resulting in an overall average mechanization level of 45%. This measure will benefit over 86% of India's farmers who are small and marginal farmers by making essential machinery more affordable. Similarly the proposed measure on bio pesticides will promote government's effort to substitute the use of chemical pesticide and fertilizer for reduced health hazard and encourage safe, healthy and sustainable agricultural production.

(ii) Fertilizer sector

The fertilizer sector is critically linked to the country's agricultural productivity. Various government initiatives aimed at supporting farmers, such as subsidies on fertilizers, play a crucial role in driving fertilizer consumption. India ranks third in global fertilizer production, second in nitrogen-based fertilizers, and third in phosphate-based fertilizers. However, a significant share of domestic demand of fertilisers is met by imports. The domestic fertilizer production is impacted by inverted duty structure. The Union proposal aims to correct this inverted duty structure and incentivise domestic production, thereby reducing import dependence and strengthening the country's fertiliser self-sufficiency.

(iii) Textile Sector

The textile and apparel industry in India is one of the largest employers, providing direct employment to over 4.5 core million people and indirect employment to another 6 crore, making it the second-largest employment-generating sector after agriculture. The Union proposal is aimed at enhancing the competitiveness of the textile sector by addressing

the long pending issue of inverted duty structure for the manmade fibre segment. This is expected to provide major relief to spinners and weavers, while also supporting value chain efficiency and export potential.

(iv) Handicrafts

Indian handicrafts represent a rich tapestry of cultural heritage, showcasing the creative talents of artisans across the country. The rate on many handicraft goods was kept at 12% to promote handicrafts and artisans. The Union proposal is aimed at promoting Indian handicrafts. This would not only preserve traditional art forms and cultural heritage but also boost rural economic development, generate employment and empower artisans, particularly women and marginalised groups. A thriving handicraft sector strengthens India's position in global markets as a hub of unique, and artistic products. This would also reinforce the vision of inclusive and sustainable growth.

(v) Health Sector

Health sector has been a key focus area for the government. The Government has been taking measures to ensure equitable and affordable access to healthcare for all while also incentivizing domestic manufacture of high-cost drugs and medical devices. Medicines constitute a large share of out-of-pocket (OOP) spending for outpatients, with one study indicating that they account for 60.3% of outpatient OOPE. Access to high-cost drugs is a significant challenge, particularly for those with limited financial resources. Further pharmaceutical sector which employs over 27 lakh people, is also a critical contributor to the economy and public health. The Union proposal adopts a holistic approach and complements existing initiatives to improve access to affordable medicines, medical devices and equipment, and also supports domestic manufacturers of medicines and devices.

(vi) Automotive industry

The auto industry comprising of automobiles and automobile components contributes approx. 49% of manufacturing GDP and 7.1% of India's GDP and directly or indirectly employs over 3.07 crore people. The turnover of the Indian automotive industry is about ₹20 Lakh Crore which translates into a large contribution to the country's economy and

manufacturing sector. This sector also contributes significantly to exports. The '*Make in India*' initiative is fueling the growth prospects of the country's auto industry. Ease of travel is a top priority for India today. Affordable vehicles are vital to drive the future of mobility in India, including the country's large youth population, the expanding aspirational middle class, rapid urbanization and modern infrastructure development.

Similarly, the automobile components sector is another beacon of growth. India's auto component sector contributes 2.3% to GDP and employs 15 lakh people directly. India has become a preferred destination for auto component manufacturing due to its cost competitiveness, skilled workforce, and strong policy support. The auto component sector is expected to reach the $145 billion export target by 2030 making the sector one of the largest job creators in the country. However, this is also one segment that has witnessed maximum GST classification disputes, creating ambiguity and compliance challenges. The Union proposal seeks to resolve these issues, thereby enhancing clarity, reducing litigation, and supporting continued growth in this sector.

(vii) Renewable Energy

At COP26, India announced its 2030 decarbonization targets that includes sourcing 50% of its energy requirements from renewable sources and achieving 500 GW of fossil fuel-free generating capacity by 2030. In alignment with this commitment, the Union proposal adopts a two-pronged strategy, namely, to promote and encourage a sustainable and environmentally conscious way of living and enhance manufacturing competitiveness & reduce import dependency.

(viii) Insurance

In FY24, India's life insurance penetration, measured as the ratio of life insurance premiums to GDP, was 2.8%. Life insurance offers financial security to the beneficiaries in case of the policyholder's untimely death. Hence the uptake of life insurance needs to be advocated and supported as a priority at national level.

Health insurance penetration, measured as premiums as a percentage of GDP, was 3.7% in FY24. Out-of-pocket (OOP) health expenditure makes people especially vulnerable to financial shocks arising from illness or hospitalisation. Health insurance

can protect citizens from such shocks. The Union proposal is targeted towards "Mission Insurance for All by 2047", thereby aligning with the broader objective of building a resilient and inclusive social security framework for all Indians.

12. The details of the union proposal on GST rate rationalisation are at ***Appendix.***

Appendix

A. GOODS

1. FOOD SECTOR

(5% To Nil)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	0401	Ultra-High Temperature (UHT) milk
2.	0406	Chena or paneer, pre-packaged and labelled
3.	1905	Pizza bread
4.	1905 or 2106	Khakhra, plain chapathi or roti

(18% to Nil)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2106	Paratha, parotta and other Indian breads by any name called

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	0402 91 10, 0402 99 20	Condensed milk
2.	0405	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads
3.	0406	Cheese
4.	0801	Brazil nuts, dried, whether or not Shelled or Peeled
5.	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus spp.), Chestnuts (Castanea spp.), Pistachos, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]
6.	0804	Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried
7.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
		hybrids, Grapefruit, including pomelos, Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia), dried
8.	0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of Chapter 8 [other than dried tamarind and dried chestnut (singhada) whether or not shelled or peeled]
9.	1108	Starches; inulin
10.	1501	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503
11.	1502	Fats of bovine animals, sheep or goats, other than those of heading 1503
12.	1503	Lard stearin, lard oil, oleo stearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared
13.	1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified
14.	1505	Wool grease and fatty substances derived therefrom (including lanolin)
15.	1506	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified
16.	1516	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared
17.	1517	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516
18.	1518	Animal or microbial fats and animal or microbial 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, vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included
19.	1601	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products
20.	1602	Other prepared or preserved meat, meat offal, blood or insects
21.	1603	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates
22.	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
23.	1605	Crustaceans, molluscs and other aquatic invertebrates prepared or preserved

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
24.	1701 91, 1701 99	All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes (other than those which attract 5% or nil GST)
25.	1704	Sugar boiled confectionery
26.	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
27.	1905 90 30	Extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion)
28.	2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid
29.	2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid
30.	2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid
31.	2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006
32.	2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006
33.	2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)
34.	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
35.	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
36.	2009	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter
37.	2009 89 90	Tender coconut water, pre-packaged and labelled
38.	2101 30	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof
39.	2102	Yeasts (active and inactive); other single cell micro-organisms, dead (but not including vaccines of heading 3002); prepared baking powders
40.	2103	All goods, including Sauces and preparations therefor, mixed condiments and mixed seasonings; mustard flour and meal and

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
		prepared mustard, Curry paste, mayonnaise and salad dressings
41.	2106	Texturised vegetable proteins (soya bari), Bari made of pulses including mungodi and batters
42.	2106 90	Namkeens, bhujia, mixture, chabena and similar edible preparations ready for consumption form (other than roasted gram), pre-packaged and labelled
43.	2106 90 91	Diabetic foods
44.	2201	Drinking water packed in 20 litre bottles
45.	2202 99 10	Soya milk drinks
46.	2202 99 20	Fruit pulp or fruit juice based drinks [other than Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice]
47.	2202 99 30	Beverages containing milk

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	1107	Malt, whether or not roasted
2.	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 [other than tamarind kernel powder]
3.	1517 10	All goods i.e. Margarine, Linoxyn
4.	1520 00 00	Glycerol, crude; glycerol waters and glycerol lyes
5.	1521	Vegetable waxes (other than triglycerides), Beeswax, other insect waxes and spermaceti, whether or not refined or coloured
6.	1522	Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes
7.	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]
8.	1704	Sugar confectionery [other than mishri, batasha, bura, sakar, khadi sakar, harda, sakariya, gatta, kuliya, elaichidana, lukumdana, chikkis like puffed rice chikki, peanut chikki, sesame chikki, til chikki, til patti, til revdi, sugar makhana, groundnut sweets, gajak and sugar boiled confectionery]
9.	1804	Cocoa butter, fat and oil

10.	1805	Cocoa powder, not containing added sugar or sweetening matter
11.	1806	Chocolates and other food preparations containing cocoa
12.	1901 [other than 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 included [other than mixes and doughs for the preparation of bakers' wares of heading 1905; food preparation of millet flour, in powder form, containing at least 70% millets by weight, pre-packaged and labelled]
13.	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 khoi, parched paddy or rice coated with sugar or gur, commonly known as Murki, Fortified Rice Kernel (FRK)]
14.	1905	Pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products [other than pizza bread, khakhra, plain chapatti or roti, bread, toasted bread and similar toasted products, un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion, extruded or expanded products, savoury or slated]
15.	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
16.	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
17.	2104	Soups and broths and preparations therefor; homogenised composite food preparations
18.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa
19.	2106	Food preparations not elsewhere specified or included [other than roasted gram, sweetmeats, batters including idli/dosa batter, namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form, khakhra, chutney powder, diabetic foods]
20.	2201	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured
21.	2202 99	Plant-based milk drinks, ready for direct consumption as beverages

22.	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
23.	3505	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches

(18% to 40%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2202 91 00, 2202 99	Other non-alcoholic beverages

(28% to 40%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2106 90 20	Pan masala
2.	2202 10	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured
3.	2202 99 90	Caffeinated Beverages
4.	2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice

2. TOBACCO

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	1404 90 10	Bidi wrapper leaves (tendu)
2.	1404 90 50	Indian katha

(28% to 40%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2401	Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]
2.	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
3.	2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences [including biris]
4.	2404 11 00	Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion
5.	2404 19 00	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion

3. AGRICULTURE SECTOR

(*12% to 5%)*

S.No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	8408	Fixed Speed Diesel Engines of power not exceeding 15HP
2.	8414 20 20	Other hand pumps
3.	8424	Nozzles for drip irrigation equipment or nozzles for sprinklers
4.	8424	Sprinklers; drip irrigation system including laterals; mechanical sprayers
5.	8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers; Parts [8432 90]
6.	8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; parts thereof
7.	8436	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders; parts thereof
8.	8479	Composting Machines
9.	8701	Tractors (except road tractors for semi-trailers of engine capacity more than 1800 cc)
10.	8716 20 00	Self-loading or self-unloading trailers for agricultural purposes
11.	8716 80	Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles

4. FERTILIZER SECTOR

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2807	Sulphuric acid
2.	2808	Nitric acid
3.	2814	Ammonia

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	29 or 380893	Gibberellic acid
2.	3808	The following Bio-pesticides, namely - 1 Bacillus thuringiensis var. israelensis 2 Bacillus thuringiensis var. kurstaki 3 Bacillus thuringiensis var. galleriae 4 Bacillus sphaericus 5 Trichoderma viride 6 Trichoderma harzianum 7 Pseudomonas fluoresens 8 Beauveriabassiana 9 NPV of Helicoverpaarmigera 10 NPV of Spodopteralitura 11 Neem based pesticides 12 Cymbopogan
3.	28 or 38	Micronutrients, which are covered under serial number 1(g) 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

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1	4011	Rear tractor tyres and rear tractor tyre tubes
2	4011 70 00	Tyre for tractors
3	4013 90 49	Tube for tractor tyres
4	8408 20 20	Agricultural Diesel Engine of cylinder capacity exceeding 250 cc for Tractor
5	8413 81 90	Hydraulic Pumps for Tractors

6	8708	Following parts of tractors namely: Rear Tractor wheel rim, tractor centre housing, tractor housing transmission, tractor support front axle
7	8708 10 10	Bumpers and parts thereof for tractors
8	8708 30 00	Brakes assembly and its parts thereof for tractors
9	8708 40 00	Gear boxes and parts thereof for tractors
1	8708 50 00	Transaxles and its parts thereof for tractors
1	8708 70 00	Road wheels and parts and accessories thereof for tractors
1	8708 91 00	Radiator assembly for tractors and parts thereof Cooling system for tractor engine and parts thereof
1	8708 92 00	Silencer assembly for tractors and parts thereof
1	8708 93 00	Clutch assembly and its parts thereof for tractors
1	8708 94 00	Steering wheels and its parts thereof for tractor
1	8708 99 00	Hydraulic and its parts thereof for tractors
1	8708 99 00	Fender, Hood, wrapper, Grill, Side Panel, Extension Plates, Fuel Tank and parts thereof for tractors‖

5. COAL

(5% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
2.	2702	Lignite, whether or not agglomerated, excluding jet
3.	2703	Peat (including peat litter), whether or not agglomerated

6. RENEWABLE ENERGY

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	7321 or 8516	Solar cookers
2.	8419 12	Solar water heater and system
3.	84, 85 or 94	Following renewable energy devices and parts for their manufacture:-

		(a) Bio-gas plant; (b) Solar power-based devices; (c) Solar power generator; (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; (h) Photo voltaic cells, whether or not assembled in modules or made up into panels.
4	87	Fuel Cell Motor Vehicles including hydrogen vehicles based on fuel cell technology

7. TEXTILE SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	5401	Sewing thread of manmade filaments, whether or not put up for retail sale
2.	5402, 5403, 5404, 5405, 5406	Synthetic or artificial filament yarns
3.	5508	Sewing thread of manmade staple fibres
4.	5509, 5510, 5511	Yarn of manmade staple fibres
5.	5601	Wadding of textile materials and articles thereof; such as absorbent cotton wool (except cigarette filter rods)
6.	5602	Felt, whether or not impregnate, coated, covered or laminated
7.	5603	Nonwovens, whether or not impregnated, coated, covered or laminated
8.	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
9.	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 [other than-(i) real zari thread (gold) and silver thread combined with textile thread (ii) imitation zari thread or yan known by any name in trade parlance]
10.	5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
		gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn
11.	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 [other than jute twine, coir cordage or ropes]
12.	5609	Articles of yarn, strip or the like of heading 5404 or 5405, twine, cordage, rope or cables, not elsewhere specified or included [other than products of coir]
13.	5701	Carpets and other textile floor coverings, knotted, whether or not made up
14.	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
15.	5703	Carpets and other textile floor coverings (including Turf), tufted, whether or not made up
16.	5704	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up
17.	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 [except the items covered in 219 in Schedule I]
18.	5802	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 5806; tufted textile fabrics, other than products of heading 5703
19.	5803	Gauze, other than narrow fabrics of heading 5806
20.	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
21.	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
22.	5807	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered
23.	5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles[other than saree fall]
24.	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,

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
		zari, kasab, saima, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]
25.	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, saima, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, gizai]
26.	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
27.	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
28.	5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon
29.	5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902
30.	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
31.	5905	Textile wall coverings
32.	5906	Rubberised textile fabrics, other than those of heading 5902
33.	5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like
34.	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
35.	5909	Textile hose piping and similar textile tubing, with or without lining, armour or accessories of other materials
36.	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
37.	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

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
		spindles (weaving beams); Bolting cloth, whether or Not made up; Felt for cotton textile industries, woven; Woven textiles felt, whether or not impregnated or 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
38.	6501	Textile caps
39.	6505	Hats (knitted/crocheted) or made up from lace or other textile fabrics
40.	9404	Products wholly made of quilted textile material not exceeding Rs. 2500 per piece

Change in value. No change in rate (5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs. 2500 per piece
2.	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs. 2500 per piece
3.	63 (other than 63053200, 63053300, 6309)	Other made up textile articles, sets of sale value not exceeding Rs. 2500 per piece
4.	9404	Cotton quilts of sale value not exceeding Rs. 2500 per piece

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	5402, 5404, 5406	All goods other than synthetic filament yarns at 12%
2.	5403, 5405, 5406	All goods other than artificial filament yarns at 12%
3.	5501, 5502	Synthetic or artificial filament tow
4.	5503, 5504, 5506, 5507	Synthetic or artificial staple fibres
5.	5505	Waste of manmade fibres

(12% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value exceeding Rs. 2500 per piece
2.	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value exceeding Rs. 2500 per piece
3.	63 [other than 6309]	Other made up textile articles, sets of sale value exceeding Rs. 2500 per piece [other than Worn clothing and other worn articles; rags]
4.	9404	Cotton quilts of sale value exceeding Rs. 2500 per piece
5.	9404	Products wholly made of quilted textile material exceeding Rs. 2500 per piece

8. HEALTH SECTOR

(5% to Nil)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods	
1.	30	1	Agalsidase Beta
		2	Imiglucerase
		3	Eptacog alfa activated recombinant coagulation factor VIIa

(12% to Nil)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods	
1	30	1	Onasemnogene abeparvovec
		2	Asciminib
		3	Mepolizumab
		4	Pegylated Liposomal Irinotecan
		5	Daratumumab
		6	Daratumumab subcutaneous
		7	Teclistamab
		8	Amivantamab
		9	Alectinib
		10	Risdiplam

			11	Obinutuzumab
			12	Polatuzumab vedotin
			13	Entrectinib
			14	Atezolizumab
			15	Spesolimab
			16	Velaglucerase Alpha
			17	Agalsidase Alfa
			18	Rurioctocog Alpha Pegol
			19	Idursulphatase
			20	Alglucosidase Alfa
			21	Laronidase
			22	Olipudase Alfa
			23	Tepotinib
			24	Avelumab
			25	Emicizumab
			26	Belumosudil
			27	Miglustat
			28	Velmanase Alfa
			29	Alirocumab
			30	Evolocumab
			31	Cystamine Bitartrate
			32	CI-Inhibitor injection
			33	Inclisiran

(12% to 5%)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**
1.	28	Anaesthetics
2.	28	Potassium Iodate
3.	28	Steam
4.	2801 20	Iodine
5.	2804 40 10	Medical grade oxygen

6.	2847	Medicinal grade hydrogen peroxide
7.	30	All Drugs and medicines including: (i) Fluticasone Furoate + Umeclidinium + Vilanterol FF/UMEC/VI (ii) Brentuximab Vedotin (iii) Ocrelizumab (iv) Pertuzumab (v) Pertuzumab + trastuzumab (vi) Faricimab
8.	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
9.	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
10.	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 Ayurvaedic, Unani, Siddha, homoeopathic or Bio-chemic systems medicaments
11.	3004	Medicaments (excluding goods of heading 30.02, 30.05 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 Ayurvaedic, Unani, homoeopathic siddha or Bio-chemic systems medicaments, put up for retail sale
12.	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
13.	3006	Pharmaceutical goods specified in Note 4 to this Chapter [i.e. Sterile surgical catgut, similar sterile suture materials (including sterile 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 and Ostomy appliances]
14.	3822	All diagnostic kits and reagents
15.	4015	Surgical rubber gloves or medical examination rubber gloves
16.	90 or any other Chapter	Blood glucose monitoring system (Glucometer) and test strips

17.	90 or any other Chapter	Patent Ductus Arteriousus / Atrial Septal Defect occlusion device
18.	9004	Spectacles, corrective [including goggles for correcting vision]
19.	9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments
20.	9019	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
21.	9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
22.	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
23.	9804	Other Drugs and medicines intended for personal use

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	9025	Thermometers for medical, surgical, dental or veterinary usage
2.	9027	Instruments and apparatus for medical, surgical, dental or veterinary uses for physical or chemical analysis.

9. EDUCATION

(5% to Nil)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**
1.	4016	Erasers

(12% to Nil)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**

1.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed
2.	8214	Pencil sharpeners
3.	9608, 9609	Pencils (including propelling or sliding pencils), crayons, pastels, drawing charcoals and tailor's chalk
4.	4820	Exercise book, graph book, & laboratory note book and notebooks

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	7310 or 7326	Mathematical boxes, geometry boxes and colour boxes

10. COMMON MAN ITEMS

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	33061010	Tooth powder
2.	3406	Candles, tapers and the like
3.	3605 00 10	All goods-safety matches
4.	3926	Feeding bottles
5.	4014	Nipples of feeding bottles
6.	4202 22 20	Hand bags and shopping bags, of cotton
7.	4202 22 30	Hand bags and shopping bags, of jute
8.	4419	Tableware and Kitchenware of wood
9.	6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)
10.	6603	Parts, trimmings and accessories of articles of heading 6601 or 6602
11.	6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china
12.	6912	Tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china
13.	7319	Sewing needles
14.	7321	Kerosene burners, kerosene stoves and wood burning stoves of iron or steel
15.	7323	Table, kitchen or other household articles of iron & steel; Utensils
16.	7418	Table, kitchen or other household articles of copper; Utensils
17.	7419 80 30	Brass Kerosene Pressure Stove

18.	7615	Table, kitchen or other household articles of aluminium; Utensils
19.	8452	Sewing machines, other than book-sewing machine of heading 8440; furniture, bases and covers specially designed for sewing machines; sewing machines needles and parts of sewing machines
20.	8712	Bicycles and other cycles (including delivery tricycles), not motorised
21.	8714	Parts and accessories of bicycles and other cycles (including delivery tricycles), not motorised, of 8712
22.	9403	Furniture wholly made of bamboo, cane or rattan
23.	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof
24.	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
25.	9619 00 30, 9619 00 40, or 9619 00 90	All goods- napkins and napkin liners for babies, clinical diapers

(18% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	3304	Talcum powder, Face powder
2.	3305	Hair oil, shampoo
3.	3306	Dental floss, toothpaste
4.	3307	Shaving cream, shaving lotion, aftershave lotion
5.	3401	Soap (other than industrial soap) in the form of bars, cakes, moulded pieces or shapes
6.	96032100	Tooth brushes including dental-plate brushes

11. CONSUMER ELECTRONICS

(28% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	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
2.	8422	Dish washing machines, household [8422 11 00] and other [8422 19 00]

3.	8528	Television sets (including LCD and LED television); 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, set top box for television and Television set (including LCD and LED television).

12. PAPER SECTOR

12% to Nil

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1	4802	Uncoated paper and paperboard used for textbook, notebook

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	4701	Mechanical wood pulp
2.	4703	Chemical wood pulp, soda or sulphate, other than dissolving grades
3.	4704	Chemical wood pulp, sulphite, other than dissolving grades
4.	4705	Wood pulp obtained by a combination of mechanical and chemical pulping processes
5.	4706	Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material
6.	4817 30	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery
7.	4819 10, 4819 20	Cartons, boxes and cases of,- (a) Corrugated paper or paper boards; or (b) Non-corrugated paper or paper board
8.	4823	Paper pulp moulded trays
9.	48	Paper splints for matches, whether or not waxed, Asphaltic roofing sheets

(12% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	4702	Chemical wood pulp, dissolving grades
2.	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 [other than Uncoated paper and paperboard for textbook, notebook only]
3.	4804	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 4802 or 4803
4.	4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter
5.	4806 20 00	Greaseproof papers
6.	4806 40 10	Glassine papers
7.	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
8.	4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 4803
9.	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

13. TRANSPORTATION SECTOR

(28% to 18%)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**
1.	4011	New pneumatic tyres, of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three wheeled powered cycle rickshaws; rear tractor tyres; and of a kind used on aircraft]
2.	8701	Road tractors for semi-trailers of engine capacity more than 1800 cc
3.	8702	Motor vehicles for the transport of ten or more persons, including the driver [other than buses for use in public transport, which exclusively run on Bio-fuels]
4.	8703	Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm.

5.	8703	Diesel driven motor vehicles of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm.
6.	8702 or 8703	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles
7.	8703	Three wheeled vehicles
8.	8703 40, 8703 60	Motor vehicles with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm
9.	8703 50, 8703 70	Motor vehicles with both compression-ignition internal combustion piston engine [diesel-or semi diesel] and electric motor as motors for propulsion, of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm
10.	8704	Motor vehicles for the transport of goods [other than Refrigerated motor vehicles]
11.	8706	Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705
12.	8707	Bodies (including cabs), for the motor vehicles of headings 8701 to 8705
13.	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705 [other than specified parts of tractors]
14.	8711	Motorcycles of engine capacity not exceeding 350 cc (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars;
15.	8714	Parts and accessories of vehicles of heading 8711
16.	8903	Rowing boats and canoes
17.	9401 20 00	Seats of a kind used for motor vehicles

(28% to 40%)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**
1.	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 those mentioned at Sr. Nos. 4,5,8 and 9 of above table [wherein 28% to 18% is mentioned]
2.	870340, 870360	Motor vehicles with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, of engine capacity exceeding 1200cc and of length exceeding 4000 mm
3.	870350, 870370	Motor vehicles with both compression-ignition internal combustion piston engine [diesel-or semi diesel] and electric

		motor as motors for propulsion, of engine capacity exceeding 1500cc and of length exceeding 4000 mm
4.	8711	Motor cycles of engine capacity exceeding 350 cc
5.	8802 or 8806	Aircraft (for example, helicopters, aeroplanes), for personal use.
6.	8903	Yacht and other vessels for pleasure or sports

14. SPORTS GOODS AND TOYS

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	4203	Gloves specially designed for use in sports
2.	9503	Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof) [other than electronic toys]
3.	9504	Playing cards, chess board, carom board and other board games, like ludo, etc. [other than Video game consoles and Machines]
4.	9506	Sports goods other than articles and equipment for general physical exercise
5.	9507	Fishing rods, and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds" (other than those of heading 9208 or 9705) and similar hunting or shooting requisites

15. DUTIABLE ARTICLES FOR PERSONAL USE (FOR IMPORTS)

(28% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	9804	All dutiable articles intended for personal use

16. LEATHER SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods

1.	4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 4114
2.	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
3.	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
4.	4114	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather
5.	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
6.	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)

17. WOOD SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	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
2.	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
3.	4405	Wood wool; wood flour
4.	4406	Railway or tramway sleepers (cross-ties) of wood
5.	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]
6.	4409	Bamboo flooring
7.	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
8.	4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves
9.	4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood
10.	4418	Bamboo wood building joinery
11.	4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94
12.	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]
13.	4502 00 00	Natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)
14.	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom
15.	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork

18. DEFENCE

(12% to 5%)

S. No.	**Chapter / Heading / Sub-heading / Tariff item**	**Description of Goods**
1.	8525 60	Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc
2.	8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles

19. FOOTWEAR SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	64	Footwear of sale value not exceeding Rs.2500 per pair

(Maintain at 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	64	Footwear of sale value exceeding Rs.2500 per pair

20. MISCELLANEOUS ITEMS

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	01012100, 010129	Live horses
2.	2515 12 10	Marble and travertine blocks
3.	2516	Granite blocks
4.	29061110	Natural menthol
5.	29061110, 30, 3301	Following goods from natural menthol namely: a. Menthol and menthol crystals b. Peppermint (Mentha oil) c. Fractionated/ de-terpinated mentha oil (DTMO) d. De-mentholised oil(DMO) e. Spearmint oil f. Mentha piperita oil
6.	3701	Photographic plates and film for x-ray for medical use
7.	3705	Photographic plates and films, exposed and developed, other than cinematographic film
8.	3706	Photographic plates and films, exposed and developed, whether or not incorporating sound track or consisting only of sound track, other than feature films
9.	3818	Silicon wafers
10.	3926	Plastic beads
11.	4007	Latex Rubber Thread
12.	4016	Rubber bands
13.	6602	whips, riding-crops and the like
14.	6909	Pots, jars and similar articles of a kind used for the conveyance and packing of goods of ceramic
15.	7015 10	Glasses for corrective spectacles and flint buttons

16.	7020	Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns
17.	7310, 7323, 7612, or 7615	Milk cans made of Iron, Steel, or Aluminium
18.	7317	Animal shoe nails
19.	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; metal bidriware
20.	8420	Hand operated rubber roller
21.	9001	Contact lenses; Spectacle lenses
22.	9003	Frames and mountings for spectacles, goggles or the like, and parts thereof
23.	9404	Coir products [except coir mattresses]
24.	9607	Slide fasteners and parts thereof

(12% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	29061190	Other than natural menthol
2.	29061190, 30, 3301	Following goods made from other than natural menthol, namely: a. Menthol and menthol crystals b. Peppermint (Mentha oil) c. Fractionated/ de-terpinated mentha oil (DTMO) d. De-mentholised oil(DMO) e. Spearmint oil f. Mentha piperita oil
3.	33074100	Odoriferous preparations which operate by burning (other than agarbattis, lobhan, dhoop batti, dhoop, sambhrani)
4.	3826	Biodiesel (other than biodiesel supplied to Oil Marketing Companies for blending with High Speed Diesel)
5.	Any Chapter	Goods specified in the List required in connection with : (1) Petroleum operations undertaken under petroleum exploration licenses or mining leases, granted by the Government of India or any State Government to the Oil and Natural Gas Corporation or Oil India Limited on nomination basis, or (2) Petroleum operations undertaken under specified contracts, or (3) Petroleum operations undertaken under specified contracts under the New Exploration Licensing Policy, or (4) Petroleum operations undertaken under specified contracts under the Marginal Field Policy (MFP), or (5) Coal bed methane operations undertaken under specified contracts under the Coal Bed Methane Policy.

(28% to 40%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	9302	Revolvers and pistols, other than those of heading 9303 or 9304
2.	9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof

21. CONSTRUCTION SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	68	Sand lime bricks or Stone inlay work

(*From 28% to 18%)*

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	2523	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers

22. HANDICRAFTS SECTOR

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	44, 68, 83	Idols of wood, stone [including marble] and metals [other than those made of precious metals]
2.	6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc.; other ornamental goods essentially of stone
3.	6913	Statues and other ornamental articles

4.	9601	Worked ivory, bone, tortoise shell, horn, antlers, mother of pearl, and other animal carving material and articles of these materials, articles of coral (including articles obtained by moulding)
5.	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, mosaics and similar decorative plaques
6.	9702	Original engravings, prints and lithographs
7.	9703	Original sculptures and statuary, in any material
8.	9705	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic interest [other than numismatic coins]
9.	9706	Antiques of an age exceeding one hundred years
10.	3406	Handcrafted candles
11.	4202 22,4202 29, 4202 31 10, 4202 31 90, 4202 32,4202 39	Handbags including pouches and purses; jewellery box
12.	4416, 4421 99 90	Carved wood products, art ware/decorative articles of wood (including inlay work, casks, barrel, vats)
13.	4414	Wooden frames for painting, photographs, mirrors etc
14.	4420	Statuettes & other ornaments of wood, wood marquetry & inlaid, jewellery box, wood lathe and lacquer work [including lathe and lacquer work, ambadi sisal craft]
15.	4503 90 90 4504 90	Art ware of cork [including articles of sholapith]
16.	6117, 6214	Handmade/hand embroidered shawls of sale value exceeding Rs. 2500 per piece
17.	6802	Carved stone products (e.g., statues, statuettes, figures of animals, writing sets, ashtray, candle stand)
18.	68159990	Stone art ware, stone inlay work
19.	691200 10, 6912 00 20	Tableware and kitchenware of clay and terracotta, other clay articles
20.	6913 90 00	Statuettes & other ornamental ceramic articles (incl blue potteries)
21.	7009 92 00	Ornamental framed mirrors
22.	7018 90 10	Glass statues [other than those of crystal]
23.	7020 00 90	Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase]
24.	7326 90 99	Art ware of iron
25.	7419 80	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver
26.	7616 99 90	Aluminium art ware
27.	8306	Bells, gongs and 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; (including Bidriware, Panchloga artware, idol, Swamimalai bronze icons, dhokra jaali)
28.	940510	Handcrafted lamps (including panchloga lamp)
29.	940150, 9403 80	Furniture of bamboo, rattan and cane
30.	9503	Dolls or other toys made of wood or metal or textile material [incl wooden toys of sawantwadi, Channapatna toys, Thanjavur doll)
31.	9504	Ganjifa card
32.	9601	Worked articles of ivory, bone, tortoise shell, horn, antlers, coral, mother of pearl, seashell other animal carving material
33.	9602	Worked vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes etc, (including articles of lac, shellac)
34.	9701	Hand paintings drawings and pastels (incl Mysore painting, Rajasthan painting, Tanjore painting, Palm leaf painting, basoli etc)
35.	9703	Original sculptures and statuary, in metal, stone or any material

23. OTHER MACHINERY

(12% to 5%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	8401	Fuel elements (cartridges), non-irradiated, for nuclear reactors

(28% to 18%)

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1.	8407	Spark-ignition reciprocating or rotary internal combustion piston engine [other than aircraft engines]
2.	8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)
3.	8409	Parts suitable for use solely or principally with the engines of heading 8407 or 8408
4.	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]

5.	8507	Electric accumulators, including separators therefor, whether or not rectangular (including square) other than Lithium-ion battery and other Lithium-ion accumulators including Lithium-ion power banks
6.	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

24. OTHER PROPOSALS

GST 28%/18% to 5%

S.No	**Chapter / Heading / Sub-heading / Tariff item**	**Description of goods**
1.	8806	Unmanned aircrafts with camera

IGST 18% to Nil

S.No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
	49	Technical documentation in respect of goods exempted under notification No. 19/ 2019-Customs dated 06.07.2019.
	71	Natural Cut and Polished Diamonds up to 25 cents (1/4 carats) imported under Diamond Imprest Authorization Scheme
	Any chapter	Works of art and antiques
	88, 8536	Flight Motion Simulator and its parts
	88, 8536	Target Motion Simulator and its parts
	Any chapter	Parts, sub-assemblies of HACFS
	84, 85	Low noise amplifier (Hermetic sealed), vent guide assembly-Return, vent guide assembly-supply, vent guide assembly-NBC for MRSAM system
	84, 85, 87, 90, 93	Parts and sub-assemblies of IADWS
	88	Military transport aircraft (C-130, C-295MW)
	89	Deep Submergence Rescue Vessel
	89	Unmanned Underwater vessels/platforms
	8807	Ejection Seats for fighter aircrafts
	8506	High performance batteries for drones and specialised equipment
	8525	Communication devices including software defined radios with component and accessories

	9019, 9020	Air diving, rebreather sets, diving systems, components and accessories
	89	Sonobuoys for naval air assets
	93	Ship launched missiles
	93	Rockets with calibre more than 100mm
	88	RPA (Remote Piloted Aircraft) for military use
	Any chapter	Parts, sub-assemblies, spares, accessories, tools, testing equipment, literature for goods like artillery weapons, rifles, aircrafts etc. except for 12.7mm SRCG, 155mm/45 Cal. Dhanush, L-70 Gun, 84mm RL Mk-III, AK-630 Naval Gun, Light machine gun, MAG Gun.

B. SERVICES

1. INSURANCE

(18% with ITC to Nil)

S.No.	Entry	From	To
1	All individual health insurance, along with reinsurance thereof	18% with ITC	Exemption
2	All individual Life Insurance, along with reinsurance thereof	18% with ITC	Exemption

2. TRANSPORTATION SECTOR

S.No.	Entry	From	To
1	Supply of Air transport of passengers in other than economy class	12% with ITC	18% with ITC
2	Supply of Passenger transport by any motor vehicle where fuel cost is included	5% with ITC of input services (in the same line of business)	5% with ITC of input services (in the same line of business)
		12% with ITC	18% with ITC
3	Supply of transport of goods in containers by rail by any person other than Indian Railways	12% with ITC	5% without ITC
			18% with ITC
4	Supply of transportation of natural gas, petroleum crude, motor spirit, high speed diesel or ATF through pipeline	5% without ITC	5% without ITC
		12% with ITC	18% with ITC
5	Supply of Transport of goods by GTA	5% without ITC (RCM/FCM)	5% without ITC (RCM/FCM)
		12% with ITC	18% with ITC

6	Supply of Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in consideration	5% with ITC of input services (in the same line of business)	5% with ITC of input services (in the same line of business)
		12% with ITC	18% with ITC
7	Supply of Renting of goods carriage where fuel cost is included in consideration	12% with ITC	5% with ITC of input services (in the same line of business)
			18% with ITC
8	Supply of Multimodal transport of goods within India	12% with ITC	5% where no leg of transport is through air, with restricted ITC (i.e, 5% of inputs services of goods transportation)
			18% with ITC

3. JOB WORK SECTOR

(12% with ITC to 5% with ITC)

S.No.	Entry	From	To
1	Supply of job work in relation to manufacture of umbrella	12% with ITC	5% with ITC
2	Supply of job work or any treatment or process in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @12%	12% with ITC	5% with ITC
3	Supply of job work in relation to manufacture of bricks	12% with ITC	5% with ITC
4	Supply of job-work in relation to manufacture of goods falling under Chapter 30 (pharmaceutical products)	12% with ITC	5% with ITC
5	Supply of job-work in relation to manufacture of tanned or crust hides and skins falling under Chapter 41;	12% with ITC	5% with ITC
6	Supply of job-work not elsewhere covered (residual entry)	12% with ITC	18% with ITC

4. CONSTRUCTION SECTOR

(12% with ITC to 18% with ITC)

S.No.	Entry	From	To

1	Composite supply of works contract and associated services, in respect of offshore works contract relating to oil and gas exploration and production in offshore area	12% with ITC	18% with ITC
2	(i) Composite supply of works contract involving predominantly earth work (that is, constituting more than 75per cent. of the value of the works contract) provided to Government AND (ii) Composite supply of works contract provided by a sub-contractor to the main contractor providing services at (i) above to Government	12% with ITC	18% with ITC

5. LOCAL DELIVERY SERVICES

S.No.	Entry	From	To
1	Local delivery services	18% with ITC	18% with ITC (no change)
	Supply of local delivery services through Electronic Commerce Operator (ECO) under section 9(5) of the CGST Act	Not currently notified under section 9(5) of the CGST Act	• Rate of GST at 18%. • Local delivery services, including restaurant delivery, to be notified under section 9(5) of the CGST Act in cases where the person supplying such services through electronic commerce operator is not liable for registration under GST • The applicable rate on such services to be 18%. • To be excluded from the scope of GTA services.

6. OTHER SERVICES

(12% with ITC to 5% with ITC)

S.No.	Entry	From	To

1	Supply of Service of third-party insurance of "goods carriage"	12% with ITC	5% with ITC
2	Services by way of admission to exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.	12% with ITC	5% with ITC
3	Services by way of treatment of effluents by a Common Effluent Treatment Plant; AND Services by way of treatment or disposal of biomedical waste or the processes incidental thereto by a common bio-medical waste treatment facility to a clinical establishment.	12% with ITC	5% with ITC
4	Supply of "hotel accommodation" having value of supply of a unit of accommodation less than or equal to seven thousand five hundred rupees per unit per day or equivalent	12% with ITC	5% without ITC
5	Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both; AND Support services to exploration, mining or drilling of petroleum crude or natural gas or both.	12% with ITC	18% with ITC
6	Beauty and physical well-being services	18% with ITC	5% without ITC

(28% With ITC to 40% with ITC)

S.No.	Entry	From	To
1	Admission to casinos, race clubs, any place having casinos or race clubs, or sporting events like the IPL.		
2	Services by a race club for licensing of bookmakers in such club.	28% With ITC	40% with ITC

3	Leasing or rental services, without operator, of goods which will attract (28%) 40% GST	28% With ITC	40% with ITC
4	Specified Actionable Claims (betting, casinos, gambling, horse racing, lottery, online money gaming)	28% With ITC	40% with ITC

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Annexure B

Draft Report of the GoM

VII.1 AGRICULTURAL EQUIPMENT

VII.1.1 Currently, agricultural implements, manually operated, such as, spades, shovels, pieks, hoes, scythes, shear, sickles etc are fully exempt from GST. Similarly, services such as, storage, transportation and Agriculture support services etc are also exempt. However, tractors, agricultural machinery and implements like sprinklers, drip irrigation machinery, harvesting, threshing, horticultural, composting machinery; rubber roller; fixed speed diesel engines (not exceeding 15HP) and hand pumps attract 12% GST. The GoM examined and discussed the tax rates on these goods. All the GoM members agreed that agricultural sector needs to be supported but at the same time, there should not be significant revenue loss.

Recommendation

VII.1.2 After detailed deliberations, the GoM recommends to fully exempt tractors , agricultural machinery and implements like sprinklers, drip irrigation machinery, harvesting, threshing, horticultural, composting machinery, rubber roller, Diesel Engines (not exceeding 15HP) and Hand Pumps from GST.

VII.2 FERTILIZER SECTOR

VII.2.1 The fertilizer sector in India plays a crucial role in supporting the country's agricultural productivity and food security. Presently, all fertilizers attract a GST rate of 5%. However, most inputs for the fertilizers, such as, ammonia, nitric acid, sulphuric acid etc attract 18% GST leading to inversion in duty structure (IDS) . IDS (where inputs were taxed at a higher rate than the final products) not only impacts cash liquidity but also has impact on net GST revenue on account of refunds arising out of inversion in duty structure. The refund outgo in this sector is approximately Rs 5000 crore on annual basis . The Parliamentary Standing Committee on Chemicals & Fertilisers in its 43rd Report also recommended that the issue of further reduction of GST on fertilisers and fertiliser inputs be placed before the GST Council.

VII.2.2 The GoM examined and had a detailed discussion on the impact of the rate calibration for the entire value chain on rectification of IDS as well as the likely impact on revenue. The GoM noted that out of the total fertilizer consumption of 579.57 LMT, Urea

accounts for about 341.73 LMT (59%), followed by NPKs at 121.37 LMT (21%), DAP at 92.64 LMT (16%) and MOP at 23.93 LMT (4%). Domestic production stands at 435.95 LMT and Indian fertilizer manufacturers produce around 75% of Urea, 40% of DAP and 85% of NPKs. GoM also noted that about 95% of ammonia , 65 % of Nitric acid and 65% sulphuric acid goes for manufacture of fertilizers. The remaining goes into manufacture of goods that attract 18% GST. Similarly, phosphoric acid is used mainly as an intermediate by the fertiliser industry and a small proportion is used in soaps, detergents, metal treatment, food and beverage, etc. Agricultural inputs also include Micronutrients, Gibberellic Acid and specified Bio pesticides which currently attract 12% GST.

VII.2.3 On fertilizer inputs, to correct inverted duty structure, the GoM examined the option of reducing GST on fertilizer inputs to 5% and studied the revenue implication of such rate reduction based on revenue of 2023-24. The GoM observed that it would largely be a revenue neutral exercise and hence there is merit in considering this measure given that this will largely benefit the agriculture sector.

Recommendation

VII.2.4 After in-depth examination and detailed discussions, to correct inversion in duty structure in fertiliser sector as also to simplify the tax structure, GoM recommends reduction of GST rate to 5% on Ammonia, Nitric Acid , Sulphuric Acid , all grades of phosphoric acid , Micronutrients, Gibberellic Acid and specified Bio pesticides.

VII.3 TEXTILE SECTOR

VII.3.1 The GST Council in its 45th Meeting had, inter alia, recommended rationalizing the rate on various items in the textile chain in order to correct the inverted duty structure (IDS) in textile sector, with effect from 1st January, 2022. Accordingly, based on the said recommendations, Notification No. 14/2021- Central Tax (Rate) dated 18th November, 2021 and corresponding IGST/ UT rate notifications were issued to implement this recommendation. However, on account of concerns raised by stakeholders, especially , those in the downstream MMF textile segments and state governments, especially Gujarat and Tamil Nadu, this decision was deferred. The main contentions were that the uniform 12% GST rate applied across all MMF products and fabrics would adversely impact the lower-value fabric and garment producers as this would increase the cost structure, have a negative impact on textile sector employment which otherwise is a major employment provider in India and lead to increase in prices of MMF textiles which cater to a large market segment. It was also brought out that any

increase in price could disproportionately affect low and middle-income consumers. Accordingly, the GST Council in its 46th Meeting held on 31st December, 2021 recommended that the decision to revise GST rates in textiles sector to correct the IDS be deferred and this issue be examined by the GoM on Rate Rationalization.

VII.3.2 The GoM noted that the issue of inverted duty structure for textiles is confined to the man made sector, mainly comprising of polyester , nylon and viscose segments. This inversion in duty structure has long posed challenges for MMF textile producers, particularly regarding accumulated input tax credits which affects liquidity and cash flows. For the natural textile sector there is no inversion as the GST rate is 5% across the chain (except inputs , such as, raw jute, silk or wool at Nil). Both Polyester and Nylon emanate from petroleum crude while Viscose is produced out of Dissolving Wood Pulp.

VII.3.3 The GoM examined various options to address the issue of inversion without causing loss to the exchequer and segment wise examination is given below:

Viscose-Rayon Segment

The viscose -rayon segment accounts for around 17% of the MMF sector in India. Viscose is manufactured from wood pulp or cotton linter while rayon is manufactured from wood pulp . Currently, dissolving grade wood pulp attracts 12% GST, fibre attracts 18% GST, yarn attracts 12% and fabric attracts 5% GST. About 4% to 5% of the dissolving grade wood is also used as input by manufacturers of cellophane cellulose nitrate. Cellophane is a polymeric cellulose film made from the cellulose from wood, cotton, hemp, or other sources. The GoM agreed that reducing the GST rate on wood pulp, fibre and yarn to 5% will correct the inversion in duty structure and has no significant revenue implication for this segment.

After examining the issue, the GoM agreed that to correct the inverted duty structure while balancing revenue considerations , the GST rate on wood pulp, rayon-viscose fibre and rayon-viscose yarn may be reduced to 5% subject to the condition that no refunds of accumulated input tax credit would be permitted.

Polyester Segment

Currently, polyester fibre attract 18% GST and polyester yarn attract 12% GST while fabric attracts 5% GST rate . The GoM examined the option of reducing the GST rate on fibre and yarn to 5% and observed that while this may help power loom, weaver and spinners, this

will not only push back inversion to the earlier stage but also result in revenue loss as a result of reduction on tax rates on fibre and yarn. Hence, another option was examined, which was to assess the implication of reducing GST at earlier stages in the chain. Polyester has its originating source in petroleum crude. It is manufactured from polyethylene terephthalate (PET) chips, which in turn, is manufactured from reacting Purified Terephthalic Acid (PTA) with Monoethylene Glycol (MEG). PTA is manufactured from Paraxylene and both Paraxylene and MEG are both produced from Naphtha . PET chips is also used for making PET bottles and 25% of PET chips is reportedly used for PET Bottles with remaining going to textiles. Presently both Paraxylene and MEG attract 18% GST. If GST rate is reduced from 18% to 5% on fibre and yarn, there would be some revenue loss and would push back inversion to earlier stages of the chain. Reduction in GST rate from 18% to 5% on Paraxylene, PTA, PET Chips and MEG would essentially mean reduction in the rate of tax in the Chemical Sector which may not be done.

After examining both the options, the GoM agreed that to correct the inverted duty structure while balancing revenue considerations , the GST rate on polyester fibre attracting 18% GST and polyester yarn attracting 12% GST may be reduced to 5% subject to the condition that no refunds of accumulated input tax credit would be permitted. This would rectify the inversion in duty structure so far as downstream textile sector is concerned.

Nylon segment

Currently, fibre attract 18% GST and yarn attract 12% GST while nylon fabric attracts 5% GST. It is manufactured from nylon chips. Nylon chips are manufactured from caprolactam which also currently attract 18% GST. The GoM examined the option of reducing GST from 18% to 5% on nylon fibre and Nylon yarn and the option of reducing GST from 18% to 5% starting from caprolactam in the nylon chain. GoM noted that most caprolactam is reportedly used to make nylon 6, which is the starting material for fibers and reportedly about 90% of caprolactam is used to make nylon chips.

After examining both the options the GoM agreed that to correct the inverted duty structure while balancing revenue considerations, the GST rate on nylon fibre attracting 18% GST and nylon yarn attracting 12% GST may be reduced to 5% subject to the condition that no refunds of accumulated input tax credit would be permitted.

Recommendation

VII.3.4 After in-depth examination and detailed discussions , to correct inverted duty structure in manmade textiles, the GoM recommends reduction in GST rate on wood pulp, viscose fibre , viscose yarn, polyester fibre , polyester yarn, Nylon fibre, nylon yarn to 5% subject to the condition that no refunds of accumulated input tax credit would be permitted. The same would also apply on other synthetic or artificial fibres, filaments and yarns.

VII.4 TEXTILE APPARELS/GARMENTS

VII.4.1 The GoM also reviewed the GST rate structure on textile apparels/garments. Currently apparels/garments are subject to value based levy. Articles of apparels /clothing accessories with sale value not exceeding ₹1,000 per piece attracts 5% GST while Articles of apparels /clothing accessories with sale value exceeding ₹1,000 per piece attracts 12% GST. The existing entry also covers clothing accessories.

VII.4.2 The GoM discussed at length and it was observed that taking inflation into consideration there is merit in increasing the lower value slab to provide relief to the common man. At the same time, the GoM also discussed that high value apparels and garments need not be kept at a lower concessional rate and recommended a graded duty structure.

Recommendation

VII.4.3 After in-depth examination and detailed discussions over few meetings, the GoM recommends that the 5% GST rate may be prescribed on Articles of apparels and clothing accessories with sale value not exceeding ₹ 1500 per piece instead of ₹1000 per piece and increase GST rate to 18% on Articles of apparels and clothing accessories of sale value exceeding ₹1500 per piece but not exceeding ₹ 10000 per piece and increase the GST rate to 28% on articles of apparels and clothing accessories of sale value exceeding ₹ 10,000 per piece.

VII.5 FOOD SECTOR

VII.5.1 Most primary foods attract Nil GST. Intermediates and processed foods generally attract GST of 5%/12% and 18%. The food sector , broadly covered by HS chapters 1 to 21, barring pan masala, was examined by the GoM. The key principles followed by the GoM for the food sector was to keep items of mass consumption/essential goods at a lower rate and to keep rates on akin products at the same rate so as to avoid classification disputes

due to rate arbitrage. During the discussions, the GoM also observed that currently, khakhra, plain chapati or roti attracts 5% GST vide S.No 88A (Sch-I) of Notification No.1/2017-CT(R). However regional variants of such products are not mentioned leading to disputes. The GoM recommended that the existing entry be expanded to include paratha, parotha or Whatever name called locally.

Recommendation

VII.5.2 After in-depth examination and detailed discussions, the GoM recommends revision in GST rates on certain food items.

VII.6 FOOTWEAR

VII.6.1 At the time of roll out of GST, the tax rate was 5% on pair of footwear of sale value not exceeding Rs.0 to ₹ 500 and 18% on others. With effect from 26th July 2018 , the value limit of ₹ 500 was enhanced to ₹ 1000. Thereafter, with effect from from 1st January 2022, based on the recommendations of the GST Council in its 45th meeting, the GST rate on footwear of sale value not exceeding ₹ 1000 per pair was increased to 12% to address inversions in duty structure.

VII.6.2 Thus, currently footwear having sale value not exceeding ₹ 1000 per pair attracts 12% GST, while footwear having sale value exceeding ₹ 1000 per pair attracts 18% GST. Reportedly, the total Industry Size of footwear is about ₹1,74,000 Crore of which domestic supply accounts for about ₹1,45,000 Crore. Of the domestic supply, footwear having sale value not exceeding ₹ 1000 per pair accounts for 68% share while exports are dominated by high value footwear, that is, footwear having sale value exceeding ₹ 1000 per pair (73%) . The structure of the production units is fragmented nature of manufacturing. The GoM also noted that there is significant imports of footwear with value of imports at about ₹7,100 Crore while exports account for about ₹21,400 Crore.

VII.6.3 The GoM discussed the issue of GST rate on footwear and recognising that footwear having sale value not exceeding ₹ 1000 per pair are items of mass consumption and hence the rate needs to be reduced but subject to the condition that refunds of accumulated credit would not be allowed. The GoM also opined that footwear having sale value exceeding ₹ 15,000 per pair may attract 28% GST as these are in the nature of luxury goods while the

GST rate on footwear having sale value exceeding ₹ 1000 per pair and upto ₹ 15000 per pair may be kept at 18% GST.

Recommendation

VII.6.4 After in analysis and depth deliberations, the GoM recommends to reduce the GST rate on footwear having sale value not exceeding ₹ 1000 per pair from 12% to 5% subject to the condition that no refunds of accumulated credit would be permitted. The GoM also recommends to continue with GST rate of 18% on footwear having sale value exceeding ₹ 1000 per pair but not exceeding ₹ 15000 per pair and to increase the GST rate from 18% to 28% on footwear having sale value exceeding ₹ 15,000 per pair.

VII. 7 BICYCLES

VII.7.1 Currently, bicycles and its parts attract 12% GST. Low value bicycles are used as means of transportation in rural areas, especially among low-income populations . Even in urban areas, it is used as a means of transportation for people who use bicycles for their livelihood purpose by low-income working population on a daily basis. However, there are other high end bicycles that are also used for leisure activities.

VII.7.2 The GST rate calibration on bicycles was discussed at length in the GoM meetings and keeping in view, the needs of the user, the GoM opined that GST rate based on sale value may serve the purpose of balancing the need of those who are dependent on bicycles as the only mode of transportation as well as revenue consideration.

Recommendation

VII.7.3 After detailed discussions, the GoM recommends to reduce the GST rate from bicycles with sale value not exceeding ₹10,000 per piece from 12% to 5% and to increase GST rate to 18% on bicycles with sale value exceeding ₹10,000 per piece. The GoM also recommends to reduce the GST rate from 12% to 5% on bicycle parts to ensure there is no inversion in duty structure. This is expected to be largely revenue neutral exercise.

VII.8 PAPER

VII.8.1 Currently, paper pulp , specialty paper, writing and printing paper , exercise books and note books attract 12% GST . The issue of GST rates on these goods was deliberated by the GoM and as a rationalization measure, the GoM opined that there is merit in increasing

the GST rate on specialty paper, writing and printing Paper from 12% to 18% while reducing the GST rate on paper pulp , exercise books/ note books to 5%.

Recommendation

VII.8.2 After detailed discussions, the GoM recommends to increase the GST rate on specialty paper writing and printing paper from 12% to 18% and reduce the GST rate on paper pulp , exercise books and note books from 12% to 5%.

VII.9 COMMON MAN AND MISCELLANEOUS ITEMS

VII.9.1 The GST rates on a list of goods that were largely at 12% and few others at 18% were also examined in detail as part of rate rationalization for simplification as also to provide relief to the common man. In doing this , the GoM was guided by the felt need to shield the common man from the burden of taxes in their daily life as well as for ease of doing business for the trade and industry by keeping akin products at the same rates.

Recommendation

VII.9.2 After in-depth examination and detailed discussions, the GoM recommends revision in GST rates on certain items.

VII.10 TAX ON SIN /LUXURY GOODS & OTHERS

VII.10.1 One of the Terms of Reference of the GoM is to review the current tax slab rates and recommend changes in the same as may be needed to garner required resources. The GoM discussed whether a "Special Rate" could be introduced on certain sin goods/luxury goods.

The GoM also reviewed the GST rates on items on which the GST rates were reduced to lower rates from 28% in November 2017 and examined whether the tax rates on some could be increased from 18% to 28% to garner revenue. The GST rates on the following goods were examined:

Tobacco and Tobacco Products

VII.10.2 Currently, tobacco and tobacco products attract Compensation Cess in addition to 28% GST. The validity of the Compensation Cess levy is extended upto March 2026. One of the options examined by the GoM was to introduce Special GST rate on these goods by increasing the GST rate from 28% to 35% and adjust the proposed increase with

commensurate reduction in Compensation Cess. While this may smoothen the transition to GST after lapse of Compensation Cess levy, the implication of this option would be that this will not fetch immediate revenue to states, besides leading to extension of loan period.

VII.10.3 The second option discussed was to apply the Special GST rate of 35% on tobacco and tobacco products without any adjustment in Compensation Cess rates. This was discussed at length over few meetings in light of the fact that there has been a status quo on GST rates on tobacco products, particularly on cigarettes, since the roll out of GST in 2017. WHO publication and other reports suggest that the current level has made tobacco products more affordable. The Parliamentary Standing Committee in its 139th Report has observed that the most economical method of reducing tobacco use would be through taxes. Hanging in consonance with the same reasoning, the Parliamentary Standing Committee further determined that India has the lowest tobacco product pricing, thus it must consider raising taxes. While, some Members expressed the apprehensions that high tax rates may lead to increased smuggling, it was agreed that smuggling or illicit manufacturing were enforcement issues. Various reports shared by Karnataka were also examined by the GoM including data on trend and incidence of smuggling of cigarettes worldwide and in India as well CBIC data on smuggling from financial year 2015-16 onwards. The GoM noted that as per the data, there has been an increasing trend on smuggling of cigarettes despite tax rates continuing unchanged from 2017-18 onwards. This may point to the fact that tax rates may not be directly linked to incidence of smuggling. The GoM also noted that the issue of smuggling /illicit production of cigarettes may be addressed through strengthened enforcement measures. GoM recommends that some targeted and effective enforcement mechanism needs to be put in place.

VII.10.4 Considering the ill effects of tobacco products on health which contribute to significant Non Communicable Disease (NCD) burden and high mortality rates and the high healthcare costs associated with such diseases particularly for those who can ill afford such cost, GoM was of the view there is merit in applying a Special GST rate on tobacco products except Bidis.

Recommendation

VII.10.5 After in-depth examination and detailed discussions, the GoM recommended that the GST rates on tobacco and tobacco products, except bidi, be subject to a special rate by increasing the GST rate from 28% to 35%. However GoM also recommended that some

targeted measures need to be devised to strengthen enforcement and to curb smuggling and illicit production of such tobacco products.

Aerated beverages

VII.10.6 Currently, aerated beverages attract Compensation Cess in addition to 28% GST. One of the options examined by the GoM was whether to subject aerated beverages also to special rate of 35% and adjust the proposed increase with commensurate reduction in Compensation Cess. The second option discussed was to apply the special rate of 35% aerated beverages without any adjustment in Compensation Cess rates. During discussions it was brought out that these goods are not essential items and they are high in sugars making them a significant contributor to weight gain and obesity. As per WHO, taxing sugary drinks can lower consumption and reduce obesity, type 2 diabetes and tooth decay and recommends that fiscal policies that lead to at least a 20% increase in the retail price of sugary drinks would result in proportional reduction in consumption of such products [*"Fiscal policies for Diet and Prevention of Noncommunicable Diseases (NCDs);*

Recommendation

VII.10.7 After in-depth examination and given that these are not essential goods and are have ill effects on health, the GoM recommended that the GST rates on aerated/carbonated water/ beverages that are currently at 28% GST may be subject to the special rate of 35% as has been recommended for tobacco and tobacco products (other than bidis).

Electric vehicles (4 Wheeled) other than electric buses

VII. 10.8 Electric vehicles (4 wheeled) currently attract a concessional GST rate of 5% and are fully exempt from Compensation Cess. The concessional rate is intended to encourage the uptake of electric vehicles. The GoM discussed the issue of increasing the tax rate on electric vehicles with sale value exceeding ₹ 40 lakhs. During the discussion, the GoM members opined that the uptake of electric vehicles is increasing and while, the low rate of 5% is to incentivize faster adoption of electric vehicles, it is also important to signal that higher priced EVs can be taxed at higher rates. The GoM noted that electric vehicles in this price bracket of sale value exceeding ₹ 40 lakh are mainly used by upper segment of the society and also that such cars are not manufactured in the country. The GoM also discussed whether a graded GST can be applied to Electric vehicles (4 wheeled), other than electric buses. The GoM

agreed that electric vehicles with sale value exceeding ₹ 20 lakhs and ₹ 40 lakhs should be taxed at the higher rate on "Ability to pay" principle.

Recommendation

VII.10.9 After in-depth examination and detailed discussions, the GoM recommended that the GST rates may be increased from 5% to 18% on four wheeled electric vehicles (other than electric buses) with sale value exceeding₹ 20 lakhs but not exceeding ₹ 40 lakhs and from 5% to 28% on four wheeled electric vehicle (other than electric buses) with sale value exceeding ₹ 40 lakhs.

Other Luxury goods

VII.10.10 The GoM examined the GST rate on other luxury goods such as wristwatch including smartwatches of sale value exceeding ₹ 25,000 per piece, Leather bags, cases, purses and wallets of sale value exceeding ₹ 15,000 pet piece, Sunglasses/Goggles of sale value exceeding ₹ 15,000 per piece and discussed whether to tax such goods at a higher rate of 28% for revenue augmentation.

Recommendation

VII.10.11 After detailed discussions, the GoM recommends increase in GST rates from 18% to 28% on wristwatch including smartwatches of sale value exceeding ₹ 25,000 per piece, Leather bags, cases, purses and wallets of sale value exceeding ₹ 15,000 per piece, Sunglasses/Goggles of sale value exceeding ₹ 15,000 per piece.

Increase in Rates from 18% to 28%

VII.10.12 The GoM also reviewed the items on which the GST rates were reduced to lower rates from 28% in November 2017 and identified certain goods on which the tax rate could be increased from 18% to 28%. The GoM examined lists shared by members and discussed the GST rate item by item.

Recommendation

VII.10.13 After detailed discussions, the GoM recommends revision in rates from 18% to 28% on certain goods.

VII.11 MEDICINES & MEDICAL EQUIPMENT & RENEWABLE ENERGY DEVICES

VII.11.1 Currently, certain medicines, diagnostic kits and medical equipment attract 12% GST. Similarly, renewable energy devices also attract 12%. On medicines, iagnostic kits and medical equipment, the GoM was of the view that since the issue of the GST rate on health insurance is under active consideration of the GoM on Health Insurance and taking into account the revenue implication, status quo on the GST rate may be maintained at this stage.

VII.11.2 As regards renewable energy devices, the rate was increased from 5% to 12% with effect from 1st October, 2021 based on the recommendation of 45th GST Council in order to reduce the inversion on these devices as their raw material attract 18% GST. Since the thrust of the Government is to promote renewable energy, the GoM took a view that status quo on the GST rate on renewable energy devices may also be maintained at this stage.

Recommendation

VII.11.3 After detailed deliberations, the GoM recommends to continue 12% GST on medicines, diagnostic kits , medical equipment and renewable energy devices.

VII.12 GST ON PRODUCTS OF HANDLOOM WEAVERS

VII.12.1 The GoM discussed the issue of reduction of GST from 5% to Nil on products made by handloom weavers. Currently , all fabrics attract 5% GST. handloom weaving machinery attracts Nil GST while other textile machinery attracts 18% GST. The issue of exempting products of handloom weavers was taken up in 45th meeting of the Council. The GST Council decided to approve implementation of the recommendations of the Fitment Committee for increasing GST from 5% to 12% but in the 46th Council Meeting, the Council decided to defer this decision till larger deliberations were carried out and the GoM on Rate Rationalization was tasked to look into this.

VII.12.2 The GoM deliberated this issue and was of the view that the rate of 5% is already the lowest slab rate and reduction of GST to Nil would create disparity in rates with other fabrics a and will lead to disputes. The benefit of threshold exemption/composition scheme is available to small suppliers.

Recommendation

VII.12.3 After in-depth examination and discussions , the GoM recommends to maintain status quo.

VII.13 GST ON RAW SILK & OTHER SILK WEAVING MATERIALS

VII.13.1 As regards the issue of reduction in GST from 5% to Nil on raw silk and other silk weaving materials. GST rate on raw silk is already at Nil. Silk yarn attracts 5% while silk fabric attracts 5% at par with all fabrics of all other material. The GoM deliberated this issue and was of the view that the rate of 5% is already the lowest slab rate and reduction of GST to Nil would create disparity in rates and also lead to disputes. Besides small suppliers can avail threshold exemption/composition scheme. Hence GoM also recommended that no change is required in the rate.

Recommendation

VII.13.2 After in-depth examination and discussions , the GoM recommends to maintain status quo.

VIII. Services

VIII.1 On the services side, the GoM took up limited issues. The first issue was services relating to composite supply of Works Contract Service to government involving predominantly earth work /Job Work provided by a sub-contractor to main contractor in relation to earth work. These services currently attracts 12% GST while all composite Works Contract Services attract the standard rate of 18%. The GoM deliberated the issue and agreed that there is no particular merit in continuing with the 12% GST only on this service. GoM agreed that the rate may be moved to the standard rate of 18% at par with other works contract service. However, the GoM was mindful of the fact that contracts may have already been signed/partially executed and the implication that the proposed tax rate change may have on such contracts. After in-depth discussions, the GoM felt that the rate of 12% may be continued for such contracts signed or partially executed prior to the revision in rate to avoid implementation challenges and disputes.

VIII.2 The second issue was services relating to Job work /manufacturing services in relation to printing of all goods falling under Chapter 48 or 49 (*paper and printed paper)* and Job work in relation to manufacture of Umbrellas. Currently, these services attract 12% GST with full ITC. The GoM has, as part of this exercise, recommends that the tax rate to be reduced to 5% on umbrellas while for paper and printed paper, the GoM has proposes to rationalize the

rate to 18%. The GoM discussed the issue and agreed that the rate on these services should be the same rate as applicable to the goods in respect of which the job work is being undertaken.

VIII.3 The third issue was the GST rate on Job Work services under the residuary entry against S.No 26(id) of notification no.11/2017 -Central Tax (Rate), which currently is at 12% GST with full ITC. Generally, the tax rate under the residuary entry for all goods and services attract the standard rate. As a rationalization measure, the GoM agreed that the GST rate may be revised to 18% with full ITC.

Recommendation

VIII.4 After detailed discussions , the GoM recommends as follows:

(i) the GST rate on composite supply of Works Contract Service to government involving predominantly earth work , Job Work provided by a sub-contractor to main contractor in relation to earth work may be moved to the standard rate of 18% at par with other works contract service . For contracts already signed prior to the revision in rate, the rate of 12% may be continued to avoid implementation challenges and disputes.

(ii) The GST rate on services relating to Job work /manufacturing services in relation to printing of all goods falling under Chapter 48 or 49 (*paper and printed paper*) and Job work in relation to manufacture of Umbrella should be at the same GST rate as applicable to the goods in respect of which the job work is being undertaken .

(iii) The GST rate on residuary Job Work services covered by S.No 26(id) of notification no.11/2017 may be revised to 18% with full ITC.

IX. Summary of Recommendations:

(1) To fully exempt GST on tractors , agricultural machinery , implements like sprinklers, drip irrigation machinery, harvesting, threshing, horticultural, composting machinery, rubber roller, Diesel Engines (not exceeding 15HP) and Hand Pump. This will provide substantial relief to the agriculture sector.

(2) To correct inversion in duty structure and simplify the tax structure, to reduce GST rate to 5% on fertilizer inputs namely, Ammonia, Nitric Acid , Sulphuric Acid ,

all grades of phosphoric acid , Micronutrients, Gibberellic Acid and specified bio pesticides

(3) To correct the inversion in manmade textile sector, to reduce GST rate to 5% on polyester fibre and yarn, nylon fibre and yarn, dissolving grade wood pulp, rayon - viscose fibre and yarn, other synthetic and artificial fibres, filaments and yarn subject to condition that no inverted duty refund of Input Tax credit shall be allowed

(4) To apply 5% GST rate on increased sale value of articles of apparels and clothing accessories not exceeding ₹1500 per piece in place of ₹1000 per piece and prescribe GST rate to 18% on articles of apparels and clothing accessories with sale value exceeding ₹1500 per piece but not exceeding ₹10000 per piece and the GST rate to 28% on articles of apparels and clothing accessories of sale value exceeding ₹10,000 per piece.

(5) To revise GST rates on certain goods in the food sector

(6) To reduce the GST rate on footwear having sale value not exceeding ₹ 1000 per pair from 12% to 5% subject to the condition that no refunds of accumulated credit would be permitted. The 18% GST will be applicable on footwear having sale value exceeding ₹ 1000 per pair but not exceeding sale value of ₹ 15,000 per pair and the GST rate of 28% to apply on n footwear having sale value exceeding ₹ 15,000 per pair.

(7) To reduce the GST rate from 12% to 5% on bicycles with sale value not exceeding ₹10,000 per piece and increase the GST rate to 18% on bicycles with sale value exceeding ₹10,000 per piece.

(8) To reduce the GST rate from 12% to 5% on bicycle parts.

(9) To enhance the GST rate on specialty paper, writing and printing paper from 12% to 18% and reduce the GST rate on paper pulp , exercise books and note books from 12% to 5%.

(10) To revise the GST rates on certain miscellaneous and common man items

(11) To subject specified Sin Goods, namely, tobacco and tobacco products except bidis and aerated/carbonated water/ beverages that are currently at 28% to a special rate of 35%

(12) To revise GST rates on four wheeled Electric vehicles (other than buses) from 5% to 18% on such EVs with sale value exceeding Rs 20 lakhs but not exceeding Rs 40 lakhs and from 5% to 28% on such EVs with sale value exceeding Rs 40 lakhs.

(13) To increase the GST rate from 18% to 28% on wristwatch including smartwatches of sale value exceeding ₹ 25,000 per piece, Leather bags, cases, purses and wallets of sale value exceeding ₹ 15,000 per piece, Sunglasses/Goggles of sale value exceeding ₹ 15,000 per piece.

(14) To increase the GST rate from 18% to 28% on certain goods.

(15) To continue 12% GST on medicines/diagnostic kits and medical equipment and renewable energy devices

(16) To maintain status quo on request for reduction of GST on products of Handloom sector

(17) To maintain status quo on the request for reduction to Nil on other silk weaving materials/Services.

(18) On services , the GoM recommends:

(i) the GST rate on composite supply of Works Contract Service to government involving predominantly earth work; Job Work provided by a sub-contractor to main contractor in relation to earth work may be moved to the standard rate of 18% at par with other works contract service but for contracts already signed prior to the revision in rate, the rate of 12% may be continued to avoid implementation challenges and disputes.

(ii) The GST rate on services relating to Job work /manufacturing services in relation to printing of all goods falling under Chapter 48 or 49 (paper and printed paper) and Job work in relation to manufacture of Umbrella should be rate as applicable to the goods in respect of which the job work is being undertaken .

(iii) The GST rate on residuary Job Work services under S.No 26(id) of notification no.11/2017- Central Tax (Rate) may be revised from 12% to 18% with full ITC. (Para 6.15.4)

The GoM in this Final report has made certain recommendations on goods and services after review of the current tax slab rates to provide relief for agricultural sector , provide relief on items of mass consumption, correct inversion in duty structure, to rationalize rate structure to

simplify GST rate structure, augment revenue and have made some recommendations which are at **List 1 and List 2** to this Annexure.

List 1

Goods

1. Fertilizer- Correction of inverted duty structure (18%/12% to 5%)

S. No.	HS Code	Item	Existing	Recommended
1.	2814	Ammonia	18%	5%
2.	2807	Sulphuric Acid	18%	5%
3.	29 or 3808 93	Gibberellic acid	12%	5%
4.	2808	Nitric Acid	18%	5%
5.	28 or 38	Micronutrients, which are covered under serial number 1(g) 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	12%	5%
6.	2809	Phosphoric Acid, All grades (other than which are at 5%)	18%	5%
7.	3808	The following Bio-pesticides, namely – 1 Bacillus thuringiensis var. israelensis 2 Bacillus thuringiensis var. kurstaki 3 Bacillus thuringiensis var. galleriae 4 Bacillus sphaericus 5 Trichoderma viride 6 Trichoderma harzianum 7 Pseudomonas fluoresens 8 Beauveriabassiana 9 NPV of Helicoverpaarmigera 10 NPV of Spodopteralitura 11 Neem based pesticides 12 Cymbopogan	12%	5%

2. Agriculture Goods (12% to NIL)

S. No.	HS Code	Item	Existing	Recommended
1.	8420	Hand operated rubber roller	12%	0%
2.	8424	Nozzles for drip irrigation equipment or nozzles for sprinklers	12%	0%
3.	8424	Sprinklers; drip irrigation system including laterals; mechanical sprayers	12%	0%
4.	8432	Agricultural, horticultural or forestry machinery for soil preparation or	12%	0%

		cultivation; lawn or sports-ground rollers [Parts [8432 90]		
5.	8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers and parts thereof	12%	0%
6.	8436	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment: poultry incubators and brooders, parts thereof	12%	0%
7.	8479	Composting Machines	12%	0%
8.	8701	Tractors (except road tractors for semi-trailers of engine capacity more than 1800 cc)	12%	0%
9.	8716 20 00	Self-loading or self-unloading trailers for agricultural purposes	12%	0%
10	8408	Fixed Speed Diesel Engines of power not exceeding 15HP	12%	0%
11	84142020	Other hand pumps	12%	0%
12	871680	Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles	12%	0%

3. Textile - Correction of inverted duty Structure subject to No Inverted Duty Refund (18%/12% to 5%)

S. No.	HS Code	Item	Existing	Recommended
1	5501,5503,5506	Polyester Fibre, filament tow	18%	5%
2	5402,5406,5509	Polyester yarn	12%	5%
3	5501,5503,5506	Nylon Fibre, filament tow	18%	5%
4	5402,5406,5509	Nylon yarn	12%	5%
5	4702	Chemical wood pulp dissolving grade	12%	5%
6	5502,5504,5506,5507	Viscose-Rayon fibre, filament tow	18%	5%
7	5403,5406,5510	Viscose-Rayon yarn including filament yarn	12%	5%
8	54,55	Other synthetic fibres, artificial staple fibres, filament tow, waste of such fibres, yarns	12%/18%	5%

4. Food Sector (12% to 5%)

S. No.	HS Code	Item	Existing	Recommended

1.	170199	Refined sugar containing added flavouring or colouring matter (other than sugar cubes and those which attract 5% or nil GST)	12%	5%
2.	2201	Drinking water packed in 20 litre bottles and above	12%	5%
3.	0405	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads	12%	5%

5. Food Sector (12% to 18%)

S. No.	HS Code	Item	Existing	Recommended
1.	170199	Sugar cubes	12%	18%
2.	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	12%	18%
3.	2103	All goods, including Sauces and preparations therefor, mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard, Curry paste, mayonnaise and salad dressings	12%	18%
4.	0801	Brazil nuts, dried, whether or not Shelled or Peeled	12%	18%
5.	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus spp.), Chestnuts (Castaneaspp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]	12%	18%
6.	0804	Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried	12%	18%
7.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia), dried	12%	18%
8.	0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of Chapter 8 [other than dried	12%	18%

		tamarind and dried chestnut (singhada) whether or not shelled or peeled]		
9.	1501	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503	12%	18%
10	1502	Fats of bovine animals, sheep or goats, other than those of heading 1503	12%	18%
11	1503	Lard stearin, lard oil, oleo stearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared	12%	18%
12	1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified	12%	18%
13	1505	Wool grease and fatty substances derived therefrom (including lanolin)	12%	18%
14	1506	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified	12%	18%
15	1516	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	12%	18%
16	1517	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516.	12%	18%
17	1518	Animal or microbial fats and animal or microbial 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, vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified or included	12%	18%
18	1601	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products	12%	18%
19	1602	Other prepared or preserved meat, meat offal, blood or insects	12%	18%
20	1603	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates	12%	18%

21	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	12%	18%
22	1605	Crustaceans, molluscs and other aquatic invertebrates prepared or preserved	12%	18%
23	1704	Sugar boiled confectionery	12%	18%
24	2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid	12%	18%
25	2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	12%	18%
26	2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid	12%	18%
27	2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006	12%	18%
28	2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006	12%	18%
29	2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glace or crystallised)	12%	18%
30	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	12%	18%
31	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	12%	18%
32	2009	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	12%	18%
33	2101 30	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	12%	18%

34	2102	Yeasts (active and inactive); other single cell micro-organisms, dead (but not including vaccines of heading 3002); prepared baking powders	12%	18%

6. Footwear (Price Based)

S. No.	HS Code	Item	Existing	Recommended
1.	64	Footwear having a sale value not exceeding *₹ 1,000 per pair*	12%	5% (with no refunds of accumulated ITC on inverted duty)
2.	64	Footwear having a sale value greater than *₹ 1,000 per pair and not exceeding ₹ 15,000 per pair*	18%	18%
3.	64	Footwear having a sale value exceeding *₹ 15,000 per pair*	18%	28%

7. Bicycles (value based)

S. No.		Item	Existing	Recommended
1.	8712	Bicycles not motorised having a sale value not exceeding *₹ 10,000 per piece*	12%	5%
2.	8712	Bicycles not motorised having a sale value exceeding *₹ 10,000 per piece*	12%	18%
3.	8714	Parts and accessories of Bicycle not motorised of heading 8712	12%	5%

8. Sin/Luxury Goods

S. No.	HS Code	Item	Existing	Recommended
1.	24	Cigarettes, Chewing Tobacco, cigars, cigarillos, cheroots, tobacco refuse other than tobacco leaves, other manufactured tobacco and manufactured tobacco substitutes, Gutka, homogenised or reconstituted tobacco, tobacco extracts and essence (other than *Bidis*), products containing tobacco or reconstituted tobacco or nicotine substances and intended for inhalation without combustion	28%	35%
2.	2202	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured; carbonated beverages of fruit drink or carbonated beverages with	28%	35%

		fruit juice; caffeinated beverages [other than soya milk drinks; fruit pulp or fruit juice based drinks; beverages containing milk]		
3.	8478	Machinery for preparing/making tobacco	18%	28%
4.	9613	Cigarette lighters	18%	28%
5.	85, 91	Wristwatch including smartwatches of sale value exceeding ₹ 25,000 per piece	18%	28%
6.	42	Leather bags, cases, purses, wallets of sale value exceeding ₹ 15,000 per piece	18%	28%
7.	9004	Sunglasses/Goggles of sale value exceeding ₹ 15,000 per piece	18%	28%
8.	87	4W Electrically operated Vehicle (other than Buses) with sale value exceeding Rs. 20 lakh but not exceeding Rs. 40 lakh	5%	18%
9.	87	4W Electrically operated vehicle (other than Buses) with sale value exceeding Rs. 40 lakh	5%	28%

9. Apparel (Value Based)

S. No.	HS Code	Item	Existing	Recommended
1	61,62	Articles of Apparels and clothing accessories of sale value not exceeding ₹. 1500 per piece	12%/5%	5%
2	61,62	Articles of Apparels and clothing accessories of sale value exceeding ₹1500 per piece but not exceeding ₹. 10000 per piece	12%	18%
3	61,62	Articles of Apparels and clothing accessories of sale value exceeding ₹. 10,000 per piece	12%	28%

10. Common Man Items (12%/18% to 5%)

S. No.	HS Code	Item	Existing	Recommended
1.	2801 20	Iodine	12%	5%
2.	3306 10 10	Tooth powder	12%	5%
3.	3307 41 00	Odoriferous preparations which operate by burning (other than Agarbattis, lobhan, dhoop, batti, dhoop, sambhrani)	12%	5%
4.	3406	Candles, tapers and the like	12%	5%
5.	3406	Handcrafted candles	12%	5%
6.	3605	Matches	12%	5%

7.	3926	Feeding bottles	12%	5%
8.	3926	Plastic beads	12%	5%
9.	4014	Nipples of feeding bottles	12%	5%
10	4016	Rubber bands	12%	5%
11	4202 22 20, 4202223 0	Hand bags and shopping bags, of cotton or jute	12%	5%
12	44, 68, 83	Idols of wood, stone [including marble] and metals [other than those made of precious metals]	12%	5%
13	6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)	12%	5%
14	4404	Wood for manufacture of walking-sticks, umbrellas, tool handles or the like	12%	5%
15	6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	12%	5%
16	6912	Tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china	12%	5%
17	6913	Statues and other ornamental articles	12%	5%
18	7015 10	Glasses for corrective spectacles and flint buttons	12%	5%
19	7020	Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns	12%	5%
20	7310 or 7326	Mathematical boxes, geometry boxes and colour boxes	12%	5%
21	7319	Sewing needles	12%	5%
22	7321	Kerosene burners, kerosene stoves and wood burning stoves of iron or steel	12%	5%
23	7323	Table, kitchen or other household articles of iron and steel; Utensils	12%	5%
24	7418	Table, kitchen or other household articles of copper; Utensils	12%	5%
25	7419 8030	Brass Kerosene Pressure Stove	12%	5%
26	7615	Table, kitchen or other household articles of aluminium; Utensils	12%	5%
27	8214	Pencil Sharpener	12%	5%
28	8452	Hand Sewing Machines and their parts	12%	5%
29	9004	Spectacles, corrective [other than goggles for correcting vision]	12%	5%

30	9401,9403	Furniture wholly made of bamboo, cane or rattan	12%	5%
31	9404	Coir products (except coir mattresses)	12%	5%
32	9404	Products wholly made of quilted textile materials with sale value not exceeding ₹ 1500	12%	5%
33	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	12%	5%
34	9503	Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof) [other than electronic toys]	12%	5%
35	9504	Playing cards, chess board, carom board and other board games, like ludo, etc. [other than Video game consoles and Machines]	12%	5%
36	9608, 9609	Pencils (including propelling or sliding pencils), crayons, pastels, drawing charcoals and tailor's chalk	12%	5%
37	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	12%	5%
38	9619	All goods including Napkins and napkin liners for babies, clinical diapers [other than sanitary towels (pads) and tampons]	12%	5%
39	3304	Talcum Powder, Face Powder	18%	5%
40	3307	Shaving Cream or lotion or aftershave	18%	5%
41	3401	Soap (other than liquid/cream/gel form)	18%	5%
42	9603	Tooth Brush including dental plate brush	18%	5%
43	5401,5508	Sewing thread	12%	5%

11. Other Miscellaneous Items (12% to 5%)

S. No.	HS Code	Item	Existing	Recommended
1.	28	Potassium Iodate	12%	5%
2.	29, 30, 3301	Following goods (other than Synthetic) 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	12%	5%

3.	4203	Gloves specially designed for use in sports	12%	5%
4.	4405	Wood wool; wood flour	12%	5%
5.	4409	Bamboo flooring	12%	5%
6.	4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood	12%	5%
7.	4418	Bamboo wood building joinery	12%	5%
8.	4419	Tableware and Kitchenware of wood	12%	5%
9.	6603	Parts, trimmings and accessories of articles of heading 6601 or 6602	12%	5%
10.	68	Sand lime bricks [or Stone inlay work]	12%	5%
11.	6909	Pots, jars and similar articles of a kind used for the conveyance and packing of goods of ceramic	12%	5%
12.	7317	Animal shoe nails	12%	5%
13.	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; bidriware	12%	5%
14.	9506	Sports goods other than articles and equipment‘s for general physical exercise	12%	5%
15.	4820	Exercise book, graph book, and laboratory note book and notebooks	12%	5%
16.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	12%	5%
17.	4817 30	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	12%	5%
18.	4701	Mechanical wood pulp	12%	5%
19.	4703	Chemical wood pulp, soda or sulphate, other than dissolving grades	12%	5%
20.	4704	Chemical wood pulp, sulphite, other than dissolving grades	12%	5%
21.	4705	Wood pulp obtained by a combination of mechanical and chemical pulping processes	12%	5%
22.	4706	Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material	12%	5%
23.	4823	Paper pulp moulded trays	12%	5%
24.	48	Paper splints for matches, whether or not waxed, Asphaltic roofing sheets	12%	5%

25.	5601	Wadding of textile materials and articles thereof; such as Absorbent cotton wool (except cigarette filter rods)	12%	5%
26.	5602	Felt, whether or not impregnated, coated, covered or laminated	12%	5%
27.	5603	Nonwovens, whether or not impregnated, coated, covered or laminated	12%	5%
28.	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	12%	5%
29.	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, other than-(i)real zari thread (gold) and silver thread combined with textile thread (ii)imitation zari thread or yarn known by any name in trade parlance	12%	5%
30.	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	12%	5%
31.	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 other than jute twine, coir cordage or ropes	12%	5%
32.	5609	Articles of yarn, strip or the like of heading 5404 or 5405, twine, cordage, rope or cables, not elsewhere specified or included (other than products of coir)	12%	5%
33.	5802	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 5806; tufted textile fabrics, other than products of heading 5703	12%	5%
34.	5803	Gauze, other than narrow fabrics of heading 5806	12%	5%
35.	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	12%	5%
36.	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	12%	5%

37.	5807	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered	12%	5%
38.	5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles [other than saree fall]	12%	5%
39.	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, saima, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]	12%	5%
40.	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, saima, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]	12%	5%
41.	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	12%	5%
42.	6501	Textile caps	12%	5%
43.	6505	Hats (knitted/crocheted) or made up from lace or other textile fabrics	12%	5%
44.	9601	Worked ivory, bone, tortoise shell, horn, antlers, mother of pearl, and other animal carving material and articles of these materials, articles of coral (including articles obtained by moulding)	12%	5%
45.	As per Notification no 21/2018 -CTR	Handicraft Items,- (i) Handbags including pouches and purses; jewellery box (ii) Wooden frames for painting, photographs, mirrors etc (iii) Carved wood products, art ware/decorative articles of wood (including inlay work, casks, barrel, vats)	12%	5%

		(iv)	Statuettes and other ornaments of wood, wood marquetry and inlaid, jewellery box, wood lathe and lacquer work [including lathe and lacquer work, ambadi sisal craft]		
		(v)	Art ware of cork [including articles of sholapith]		
		(vi)	Carved stone products (e.g., statues, statuettes, figures of animals, writing sets, ashtray, candle stand)		
		(vii)	Ornamental framed mirrors		
		(viii)	Glass statues [other than those of crystal]		
		(ix)	Art ware of iron		
		(x)	Art ware of brass, copper/copper alloys, electro plated with nickel/silver		
		(xi)	Aluminium Art ware		
		(xii)	Handcrafted lamps (including panchloga lamp)		
		(xiii)	Dolls or other toys made of wood or metal or textile material [incl wooden toys of sawantwadi, Channapatna toys, Thanjavur doll]		
		(xiv)	Ganjifa card		
		(xv)	Worked articles of ivory, bone, tortoise shell, horn, antlers, coral, mother of pearl, seashell and other animal carving material		
		(xvi)	Worked vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes etc, (including articles of lac, shellac)		
		xvii)	Hand painting drawings and pastels (incl Mysore painting,		

		Rajasthan painting, Tanjore painting, Palm leaf painting, basoli etc)		
		(viii) Original sculptures and statuary, in metal, stone or any other material		

12. Other Miscellaneous Items (12% to 18%)

S. No.	HS Code	Item	Existing	Recommended
1.	01012100, 010129	Live horses	12%	18%
2.	28	Steam	12%	18%
3.	2515 12 10	Marble and travertine blocks	12%	18%
4.	2516	Granite blocks	12%	18%
5.	2906 11 90, 30,3301	Synthetic Menthol and menthol crystals, synthetic mentha oil	12%	18%
6.	3701	Photographic plates and film for x-ray for medical use	12%	18%
7.	3705	Photographic plates and films, exposed and developed, other than cinematographic film	12%	18%
8.	3706	Photographic plates and films, exposed and developed, whether or not incorporating sound track or consisting only of sound track, other than feature films.	12%	18%
9.	3826	Bio-diesel (other than bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel)	12%	18%
10	4007	Latex Rubber Thread	12%	18%
11	4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 4114	12%	18%
12	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	12%	18%

13	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	12%	18%
14	4114	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather	12%	18%
15	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	12%	18%
16	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	12%	18%
17	4406	Railway or tramway sleepers (cross-ties) of wood	12%	18%
18	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]	12%	18%
19	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	12%	18%
20	4416	Casks, barrels, vats, tubs and other coopers‘ products and parts thereof, of wood, including staves	12%	18%
21	4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94	12%	18%
22	4421	Other articles of wood; such as clothes hangers, Spools, cops, bobbins, sewing	12%	18%

		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]		
23	4502 00 00	Natural cork, de-backed or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)	12%	18%
24	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	12%	18%
25	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork	12%	18%
26	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	12%	18%
27	5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon	12%	18%
28	5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902	12%	18%
29	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	12%	18%
30	5905	Textile wall coverings	12%	18%
31	5906	Rubberised textile fabrics, other than those of heading 5902	12%	18%
32	5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	12%	18%
33	5908	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular	12%	18%

		knitted gas mantle fabric therefore, whether or not impregnated		
34	5909	Textile hose piping and similar textile tubing, with or without lining, armour or accessories of other materials	12%	18%
35	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	12%	18%
36	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 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	12%	18%
37	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)	12%	18%
38	6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc.; other ornamental goods essentially of stone;	12%	18%
39	8401	Fuel elements (cartridges), non-irradiated, for nuclear reactors	12%	18%

40	8525 60	Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc.	12%	18%
41	8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	12%	18%
42	9001	Contact lenses	12%	18%
43	9003	Frames and mountings for spectacles, goggles or the like, and parts thereof	12%	18%
44	9404	Cotton quilts of sale value exceeding ₹ 1500 per piece	12%	18%
45	9507	Fishing rods and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds"(other than those of heading 9208 or 9705) and similar hunting or shooting requisites	12%	18%
46	9607	Slide fasteners and parts thereof	12%	18%
47	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, mosaics and similar decorative plaques	12%	18%
48	9702	Original engravings, prints and lithographs	12%	18%
49	9703	Original sculptures and statuary, in any material	12%	18%
50	9705	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic interest [other than numismatic coins]	12%	18%
51	9706	Antiques of an age exceeding one hundred years	12%	18%
52	6602	Whips, riding-crops and the like	12%	18%
53	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	12%	18%
54	4804	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 4802 or 4803	12%	18%
55	4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or	12%	18%

		processed than as specified in Note 3 to this Chapter		
56	4806 20 00	Greaseproof papers	12%	18%
57	4806 40 10	Glassine papers	12%	18%
58	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	12%	18%
59	4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 4803	12%	18%
60	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	12%	18%
61	1108	Starches; inulin	12%	18%
62	63 (other than 6309, 6310)	Other made up textile articles, sets of sale value exceeding Rs. 1500 per piece [other than Worn clothing and other worn articles; rags]	12%	18%
63	5701 to 5705	Carpets and other textile floor coverings (other than handmade/handicrafi)	12%	18%

13. Other Miscellaneous Items (18% to 28%)

S. No.	HS Code	Item	Existing	Recommended
1.	1704,1806	White chocolate	18%	28%
2.	1804	Cocoa butter, fat and oil	18%	28%
3.	1805	Cocoa powder, not containing added sugar or sweetening matter	18%	28%
4.	1806	Chocolates and other food preparations containing cocoa	18%	28%
5.	190190 (other than 190110,19012000)	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	18%	28%

		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 included (other than goods at 5%)		
6.	1905 32	Waffles and wafers coated with chocolate or containing chocolate	18%	28%
7.	210111, 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	18%	28%
8.	3303	Perfumes and Toilet waters (with spirit) other than Rose water and Keora Water	18%	28%
9.	9616	Scent sprays and similar toilet sprays and mounts and heads therefor; powder -puffs and pads for the application of cosmetics or toilet preparations.	18%	28%
10	3305	Preparations for use on hair (*Other than hair oil)*	18%	28%
11	3307	Pre-shave, shaving or after shave preparations (*Other than shaving cream),* 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 *[other than odoriferous preparations which operate by burning, agarbattis, lobhan, dhoop batti, dhoop, sambhrani]*	18%	28%
12	3401	Organic surface-active products and preparations for washing the skin in the form of Liquid, gel or cream	18%	28%
13	3602	Prepared explosives, other than propellant powders; such as Industrial explosives	18%	28%

14	3604	Fireworks, signalling flares, rain rockets, fog signals and other pyrotechnic articles.	18%	28%
15	4203	Articles of apparel and clothing accessories, of leather or of composition leather [other than gloves specially designed for use in sports]	18%	28%
16	4303	Articles of apparel, clothing accessories and other articles of fur skin	18%	28%
17	4304	Artificial fur and articles thereof	18%	28%
18	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	18%	28%
19	8508	Vacuum cleaners	18%	28%
20	8510	Shavers, hair clippers and hair-removing appliances, with self-contained electric motor	18%	28%
21	8525	Digital cameras and video camera recorders [other than CCTV]	18%	28%
22	9005	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radio-astronomy	18%	28%

List 2

Services

Notification Entry No	SAC	Description	Current Rate	Proposed Rate
3 (vii) of Notification no.11/2017	9954	Composite supply of WCS to as defined in clause 119 of Section 2 of the CGST Act 2017 involving predominantly earth work. (that is, constituting more than 75% of the value of the works contract) provided to the central government, state government, Union Territory or a local Authority	12% with full ITC	18% with full ITC Provided that the revised rate will not be applicable to contracts signed or executed prior to date of effect of the revised rate.
3 (x) of Notification no.11/2017	9954	Composite supply of WCS to as defined in clause 119 of Section 2 of the CGST Act 2017 and provided by a sub-contractor to main contractor providing services specified in item (vii) above to the central government, state government, Union Territory or a local Authority.	12% with full ITC	18% with full ITC Provided that the revised rate will not be applicable to contracts signed or executed prior to date of effect of the revised rate.
26 (ia) of Notification no.11/2017	9988	Job work in relation to,- a)manufacture of Umbrella b) printing of all goods falling under Chapter 48 or 49 which attract CGST at the rate of 6%	12% with full ITC	Same rate as applicable to the goods

26 (id) of Notification no.11/2017	9988	Services by way of job work other than (i), (ia), (ib), (ic), and (ica) above	12% with full ITC	18% with full ITC
26 (iia) of Notification no.11/2017	9988	Services by way of any treatment or process on goods belonging to another person in relation to printing of all goods falling under Chapter 48 or 49 which attract CGST at the rate of 6%	12% with full ITC	Same rate as applicable to the goods

Annexure – I

S-31011/12/2021-DIR(NC)
Government of India
Ministry of Finance
Department of Revenue
***

New Delhi, dated 24th September, 2021

OFFICE MEMORANDUM

Subject: Constitution of Group of Ministers (GoM) on Rate Rationalization.

In its 45th meeting held on 17.09.2021 in Lucknow, the GST Council discussed the need to undertake GST rate rationalization including correction of inverted duty structure with an objective to simplify the rate structure, to reduce classification related disputes and enhance GST revenues. In the said meeting, the Council has already approved changes in GST rates to correct inverted duty structure in many sectors, including that in textile and footwear to be implemented with effect from 01.01.2022.

2. In the aforesaid meeting, the Council has decided to constitute a GoM to look into matters related to rate rationalization and correction of inverted duty structure. Accordingly, a **Group of Ministers on Rate Rationalization** is being constituted with following composition:

	Name	Designation and State	
1.	**Sh. Basavaraj S. Bommai**	**Chief Minister, Karnataka**	**Convenor**
2.	Sh. Tarkishore Prasad	Deputy Chief Minister, Bihar	Member
3.	Sh. Mauvin Godinho	Minister for Transport and Panchayat Raj, Housing, Protocol, and Legislative Affairs, Goa	Member
4.	Sh. K N Balagopal	Minister for Finance, Kerala	Member
5.	Sh. Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development and Housing, Law and Legal Affairs, Rajasthan	Member
6.	Sh. Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs and Medical Education, Uttar Pradesh	Member
7.	Dr. Asim Mitra	Minister for Finance, West Bengal	Member

3. The GoM on Rate Rationalization shall—

(a) review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;

(b) review the instances of inverted duty structure other than where Council has already taken a decision to correct the inverted structure and recommend suitable rates to eliminate inverted duty structure as far as possible so as to minimize instances of refund due to inverted duty structure;

(c) review the current tax slab rates and recommend changes in the same as may be needed to garner required resources; and

(d) review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.

4. The GoM may suggest changes that may be implemented immediately and the roadmap for implementation for the changes that should be implemented in short and medium term. The Group may submit interim report for such immediate measures as it may deem fit. The Group shall submit its report in two months.

5. The GoM shall be assisted by the Fitment Committee and Joint Secretary (TRU-1) shall provide the necessary secretarial support to the Group.

24/7/2017

(Dr.N. Gandhi Kumar)
Director(State Taxes)
Tel. 23092613

To,

1. All Members of GoM and Officers,
2. Revenue Secretary, North Block, New Delhi
3. Chairperson, CBIC, North Block, New Delhi
4. Joint Secretary(TRU-I), CBIC
5. All members of Fitment Committee
6. GST Council Secretariat, New Delhi
7. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi
8. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi

Annexure - II

S-31011/12/2021-DIR(NC)-DOR-DOR

2405281/2021/ST-I-DOR

S-31011/12/2021-DIR(NC)-DOR
Government of India
Ministry of Finance
Department of Revenue

275, North Block, New Delhi
Date: 22nd November, 2021

OFFICE MEMORANDUM

Subject: Constitution of Group of Ministers (GoM) on Rate Rationalization - reg.

In partial modification to this Department's OM of even number dated 24.09.2021 regarding Constitution of Group of Ministers (GoM) on Rate Rationalization, it is stated that Smt. Chandrima Bhattacharya, Minister of State for Urban Development & Municipal Affairs Department (I/C), West Bengal is hereby appointed as Member of GoM on Rate Rationalization in place of Dr. Amit Mitra, Minister for Finance, West Bengal.

2. The other terms of reference (ToR) for the GoM on Rate Rationalization shall remain unchanged.

3. This issues with the approval of competent authority.

(Sunil Kumar)
Under Secretary (State Taxes-1)
Tel.011-23095376

To,

1. All Members of GoM and Officers
2. Revenue Secretary, North Block, New Delhi
3. Chairperson, CBIC, North Block, New Delhi
4. Joint Secretary, TRU-I, CBIC
5. All Members of Fitment Committee
6. GST Council Secretariat, New Delhi
7. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi
8. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi.

Annexure - III

S-31011/12/2021-DIR(NC)-DOR
Government of India
Ministry of Finance
Department of Revenue
*****

New Delhi, dated 22nd September, 2022

OFFICE MEMORANDUM

Subject: Constitution of Group of Ministers (GoM) on Rate Rationalization - reg.

In partial modification to the OM of even number dated 24.09.2021 on the subject cited above, it is stated that reconstituted membership of the GoM is as follows: -

S. No.	Name	Designation	Position
1.	**Shri Basavaraj S. Bommai**	**Chief Minister, Karnataka**	**Convenor**
2.	Smt. Chandrima Bhattacharya	Minister for Finance, West Bengal	Member
3.	Shri K N Balagopal	Minister for Finance, Kerala	Member
4.	Shri Mauvin Godinho	Minister for Transport, Industries, Panchayat and Protocol, Goa	Member
5.	Shri Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development and Housing, Law & Legal Affairs and Legal Consultancy Office, Parliamentary Affairs Department, Rajasthan	Member
6.	Shri Suresh Kumar Khanna	Minister for Finance and Parliamentary Affairs, Uttar Pradesh	Member
7.	Shri Vijay Kumar Chaudhary	Minister for Finance, Commercial Taxes and Parliamentary Affairs, Bihar	Member

2. The other terms of reference (ToR) for the GoM on Rate Rationalization shall remain unchanged.

3. This issues with the approval of competent authority.

23/9/2022
(Dr. N Gandhi Kumar)
Director (State Taxes)
Tel.011-23092613

To
1. All Members of GoM and Officers
2. Revenue Secretary, North Block, New Delhi
3. Chairperson, CBIC, North Block, New Delhi
4. Joint Secretary (TRU-I), CBIC
5. All members of Fitment Committee
6. GST Council Secretariat, New Delhi
7. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi
8. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi.

366/GoMonRateRationalization/GSTC/2022 /9972-81
1/11/23

1/16213/2023

Office of the Goods and Services Tax Council

5th Floor, Tower-II, Jeevan Bharti Building, Connaught Place, New Delhi-110001

F.No. 366/GoMonRateRationalization/GSTC/2022

01.11.2023

OFFICE MEMORANDUM

Subject : Partial Modification to the Group of Ministers (GoM) on Rate Rationalizaton.

In partial modification to the Office Memorandum No. S-31011/12/2021-DIR(NC) dated 24.09.2021 and OM No. S-31011/12/2021-DIR(NC) dated 22.11.2021 on the subject cited above, it is stated that reconstituted membership of the GoM on Rate Rationalization is as follows:

S. No.	Name	Designation & State	Position
1	Shri Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs and Medical Education, Uttar Pradesh	Convenor
2	Shri Mauvin Godinho	Minister for Transport and Panchayat Raj, Housing, Protocol and legislative Affairs, Goa	Member
3	Shri Vijay Kumar Chaudhary	Minister of Finance, Bihar	Member
4	Shri Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development and Housing, Law and Legal Affairs, Rajasthan	Member
5	Smt. Chandrima Bhattacharya	Minister of Finance, West Bengal	Member
6	Shri Krishna Byre Gowda	Minister of Revenue, Karnataka	Member
7	Shri K. N. Balagopal	Minister of Finance, Kerala	Member

366/GoMonRateRationalization/GSTC/2022

U/76221/2021

2. The other terms of reference (ToR) for the GoM on Rate Rationalization shall remain unchanged.

3. This issues with the approval of competent authority.

Saurav Suman Shardool
DIRECTOR

To,

The Hon'ble Members of the GoM.

Copy to:

1. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi;
2. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi;
3. The Nodal Officers of the States of Uttar Pradesh, Goa, Rajasthan, Bihar, West Bengal, Karnataka and Kerala with the request to intimate the Hon'ble Minister regarding their nomination as Members of the Group of Minister on **Rate Rationalization.**
4. The Revenue Secretary, North Block, New Delhi;
5. The Chairman, CBIC, North Block, New Delhi;

Annexure – V

Office of the Goods and Services Tax Council
5th Floor, Tower-II, Jeevan Bharti Building, Connaught Place, New Delhi-110001

F.No. 366/GoMonRateRationalization/GSTC/2022 **02-07-2024**

OFFICE MEMORANDUM

Subject : Partial Modification to the Group of Ministers (GoM) on Rate Rationalizaton.

In partial modification to the Office Memorandum 366/GoMonRateRationalization/GSTC/2022/10514-22 dated 28.02.2024 on the subject cited above, the reconstituted membership of the GoM on Rate Rationalization is as follows:

S. No.	Name	Designation & State	Position
1	Shri Samrat Chaudhary	Deputy Chief Minister, Bihar	Convenor
2	Shri Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs and Medical Education, Uttar Pradesh	Member
3	Shri Gajendra Singh	Minister of Medical and Health Services	Member
4	Smt. Chandrima Bhattacharya	Minister of Finance, West Bengal	Member
5	Shri Krishna Byre Gowda	Minister of Revenue, Karnataka	Member
6	Shri K. N. Balagopal	Minister of Finance, Kerala	Member

2. The other terms of reference (ToR) for the GoM on Rate Rationalization shall remain unchanged.

3. This issues with the approval of competent authority.

02/07/24
Saurav Suman Shardool
DIRECTOR

To,

The Hon'ble Members of the GoM.

Copy to:

1. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi;
2. PS to Hon'ble Minister of State (Finance), Governmentof India, North Block, New Delhi;
3. The Nodal Officers of the States of Bihar, Uttar Pradesh, Rajasthan, West Bengal, Karnataka and Kerala with the request to intimate the Hon'ble Minister regarding their nomination as Members of the Group of Minister on **Rate Rationalization.**
4. The Revenue Secretary, North Block, New Delhi;
5. The Chairman, CBIC, North Block, New Delhi;
6. Joint Secretary, TRU-I, CBIC
7. All members of Fitment Committee
8. Nodal officers of all the States.

02/07/24

Saurav Suman Shardool
DIRECTOR

Addendum in the form of Annexure to the Agenda Item 4 (Vol-I) :
Report of the GoM on Compensation Cess

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1	Proposal of the States of Himachal Pradesh, Jharkhand, Karnataka, Kerala, Punjab, Tamil Nadu, Telangana and West Bengal on GST Rate Rationalisation being circulated as addendum in the form of Annexure to Agenda Item 4 (Vol-I): Report of the Group of Ministers on Restructuring Compensation Cess	3-13

Proposal of the States of Himachal Pradesh, Jharkhand, Karnataka, Kerala, Punjab, Tamil Nadu, Telangana and West Bengal

on

GST Rate Rationalisation

New Delhi
August, 2025

I. Background

1. GST was rolled out in July 2017 as a destination-based tax to create a unified indirect tax regime across the country. The principle of revenue neutrality was central to this design. The GST (Compensation to States) Act, 2017 was enacted to guarantee revenue protection to the States against any revenue shortfall for a period of five-years. This was also an explicit acknowledgement of the fact that the GST had subsumed significant fiscal powers of States, and that a compensation mechanism was essential to preserve cooperative federalism.

2. Since the introduction of GST in July 2017, multiple rounds of rate rationalisation have been undertaken. The present proposal by the Union for rationalisation seeks to further simplify the rate structure by reducing the number of slabs and shifting many items to lower tax slabs. Such rationalisations have always been premised on the expectation of significant medium- to long-term revenue gains, driven by efficiency improvements and higher consumption.

3. However, each round of rationalisation so far has had an adverse impact on State revenues as the buoyancy expected to compensate for these revenue losses has not materialised. It is estimated that between FY18 and FY24, the net effective GST rate fell down from 14.4 percent to 11.6 percent due to rationalisation of rates. Notably, GST revenue (post-refunds), as a percentage of GDP, has still not surpassed the levels recorded in the pre-GST era. With the latest rate rationalisation proposals, it is expected that the net effective GST rate would fall below 10 percent. It is therefore not correct to assume that future

rationalisation will automatically deliver the buoyancy required to offset revenue loss.

4. Consequently, any new proposal for rate rationalisation must be tempered by a realistic assessment of the extent to which buoyancy can compensate for revenue losses. It should be accompanied with clear safeguards built-in to the GST framework to protect the fiscal interests of the States, given the very high likelihood of a substantial revenue shortfall post rate rationalisation.

II. Concerns of States:

5. The first and foremost concern is the severe impact on State revenues. States depend heavily on GST as their principal source of revenue whereas the Centre has a far broader revenue base with substantial inflows from direct taxes, large dividends from public institutions, custom & excise duties, cesses and surcharges. It also has a much larger capacity to raise borrowings which can act as an effective counter-cyclical measure in times of revenue uncertainty. While the Union's GST collections account for about 28 percent of its Own Tax Revenue, the States' dependency on GST is much higher, comprising up to one-half of their own tax revenues. Therefore, a reduction in rates will create significant uncertainty in States' revenue receipts and undermine their fiscal stability.

6. The Government of India has not provided an estimate of the potential revenue loss arising from the implementation of GST rate rationalisation and the cessation of the compensation cess. The estimates provided by various financial research institutions are ranging from Rs.85,000 crores to more than Rs. 2,00,000 crores per annum. This lack of clarity is creating significant uncertainty for the States, as it directly impacts their revenue planning and fiscal stability. A comprehensive assessment and transparent communication are essential to enable States to evaluate the extent of revenue shortfalls and mitigate adverse effects on public expenditure and developmental commitments.

7. The States anticipate significant revenue reduction ranging between 15 to 20 percent of the current GST revenues on account of the

rationalisation of current tax rates, and the additional revenue forgone due to not merging the Compensation Cess fully into the GST Rate structure (as discussed in the GoM on Compensation Cess 2nd meeting, 02.12.2024). Such a revenue shock cannot be absorbed by the States without drastically reducing developmental expenditure. Therefore, any rate rationalisation will have to be accompanied with adequate safeguards to protect the fiscal stability of the States.

8. The Second concern is regarding the cess on sin and luxury goods which contributes about 7-8% of GST collections. There is no clarity in the Centre's proposal on the mechanism to retain the effective tax incidence on such goods. For instance, pan masala presently bears an effective incidence of nearly 88 percent. A reduction to 40 percent would create a substantial shortfall of 48 percent. While the Centre's proposal asserts that the tax incidence will remain at 88 percent, it provides no clarity on how the additional 48 percent will be allocated and if the States will receive any part of the collections. Similar risks exist across all sin and luxury goods that are presently subjected to compensation cess. It is essential that the Centre clarifies on the treatment of such cesses in order to assuage the revenue concerns of the States.

9. The third concern relates to the absence of a compensation framework in the current rationalisation proposal. The Compensation Cess of 2017 was an essential safeguard that assured States of revenue stability during the GST transition. It generated trust and cooperation necessary for the introduction of GST, despite the significant loss of fiscal

autonomy for the States. When the compensation period ended in 2022, States' GST-to-GDP ratio fell sharply from 3.7 percent in FY22 to 2.8 percent in FY24, with each State experiencing an average revenue decline of about 0.6 percent of GSDP. This sudden shortfall exposed the vulnerability of State finances once the compensation framework was withdrawn. Today, the States are once again facing the prospect of a substantial revenue loss. Without the assurance of a revenue guarantee, the risk of another fiscal cliff, destabilising state finances, looms large.

III. Proposal by States – Balancing Rate Rationalisation and Revenue neutrality

10. The States have no objection to the principle of rate rationalisation. However, any such rationalisation exercise must be accompanied by a revenue compensation mechanism to fully compensate the states for the reduction in GST revenues.

11. An additional levy should be imposed on sin and luxury goods, over and above the proposed 40 percent rate, to maintain the current effective tax incidence. The proceeds of this levy should be fully distributed among the states as a necessary measure to safeguard States' revenues, discourage the use of sin goods and promote public health.

12. Should there be a deficit even after the imposition of the proposed additional levy, the Union Government should raise loans secured against the future receipts of the additional levy, as there is a successful precedence to such a mechanism.

13. The base year for revenue protection may be fixed as the financial year 2024–25. The state revenue for the year 2024-25 should comprise the GST revenues of the state and the compensation cess due to the state based on place of supply, as this would best reflect the revenue potential of States. The revenue protection, as stated earlier, is required both for the loss due to rate rationalisation and potential loss on account of non-receipt of compensation cess as an additional levy as

discussed in the last meeting of the GoM on Rate Rationalisation held on 02.12.2024.

14. Further, protection should be granted at the rate of 14% p.a. which is also the average of the growth rates of the preceding three financial years, following the precedent set during the first, third, and fourth GST Council meetings.

15. Revenue protection must be guaranteed for a minimum of five years. This duration is necessary to provide States with the stability required for medium-term fiscal planning. Beyond this period, the arrangement may be reviewed periodically in line with GST growth and buoyancy.

IV. Summary of proposals

a. Rationalisation should be supported by a robust revenue protection framework.

b. States' revenue loss must be fully compensated through a mechanism similar to the GST Compensation Cess.

c. An additional levy on sin and luxury goods to be imposed in order to maintain the current effective level of taxation. These proceeds must be fully transferred to the States, which are already experiencing rising fiscal stress alongside an erosion of fiscal autonomy.

d. The Union should raise loans to compensate the balance revenue loss of States (both due to rate rationalisation and loss of compensation cess) and repay the same through extension of the compensation cess beyond 5 years, as per the past precedence.

e. Base year for compensation should be FY 2024–25. The state revenue for the year 2024-25 should comprise the GST revenues of the state and the compensation cess due to the state based on place of supply. Protection should be granted at the rate of 14% p.a. which is also the average of the growth rates of the preceding three financial years.

f. Compensation should be assured for a minimum of five years, beyond which it may be reviewed based on GST buoyancy.

V. Conclusion

16. The Goods and Services Tax is a shared fiscal framework between the Centre and the States, built on the principle of consensus and cooperative federalism. Simplification and rationalisation of rates are desirable objectives, but they should not be pursued at the expense of the fiscal stability of States. The present proposal, if implemented without compensation, will cause severe damage to State revenues, widen fiscal imbalances and thus is unacceptable in the current form.

17. Therefore, it is the considered recommendation of the States that rate rationalisation should be supported by a robust revenue protection framework, a supplementary levy on sin and luxury goods, and a guaranteed compensation mechanism for at least five years. Only such a balanced approach will protect the fiscal autonomy of States while advancing the objectives of GST reform in the true spirit of cooperative federalism.

Confidential



Agenda for

56th GST Council Meeting

3rd and 4th September, 2025

Volume - II



GST Council Secretariat New Delhi

5th Floor, Tower-II, Jeevan Bharti Building, New Delhi
22th August, 2025

OFFICE MEMORANDUM

Subject: Notice for the 56th GST Council Meeting to be held on 3rd and 4th September, 2025-reg

The undersigned is directed to refer to the above subject and to convey that the 56th Meeting of the GST Council will be held on 3rd and 4th September, 2025 at New Delhi. The schedule of the meeting is as follows:-

- **Wednesday, 3rd September, 2025, from 11.00 A.M. onwards**
- **Thursday, 4th September, 2025, from 11.00 A.M. onwards**

2. In addition, an Officers' Meeting will be held on 2nd September, 2025 at New Delhi as per the following schedule:

- **Tuesday, 2nd September, 2025, from 11.00 A.M. onwards**

3. The details of the venue of the meeting and agenda items for the 56th Meeting of the GST Council and officers' Meeting will be communicated in due course of time.

4. Kindly convey the invitation to the Hon'ble Members of the GST Council to attend the 56th Meeting of the GST Council.

Sd/-
(Arvind Shrivastava)
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 the 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 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 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. CEO, GST Network

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Discussion on Agenda Items

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

Agenda item 6(a): Sanction of risk-based provisional refund to facilitate refund claims on account of zero-rated supply of goods or services or both.

Section 16(1) of the IGST Act defines "zero-rated supplies" as export of goods or services, or both, or, supply of goods or services or both for authorized operations to a Special Economic Zone developer or a Special Economic Zone unit. The refund claim on account of zero-rated supply has to be filed with jurisdictional GST officer under provisions of rule 89 of CGST Rules. However, in case of export of goods with payment of tax, shipping bill is treated as refund application and such refund is processed through Customs automated process in accordance with rule 96 of CGST Rules, 2017.

2. On the basis of data received from GSTN, it has been observed that a significant amount of refund claim filed with jurisdictional GST officer is attributable to refund on account of zero-rated supplies. Therefore, through introduction of suitable reforms, the exporters can be significantly benefited by ensuring faster release of funds, thus preventing capital blockage to large extent.

3. **Provisional Refund:** Section 54(6) of CGST Act allows for the grant of refund of 90% of the claimed amount on provisional basis, pending detailed scrutiny, subject to prescribed limitations and safeguards. The provisional refund order is required to be passed within seven days of grant of acknowledgement (which is to be done within 15 days of filing of claim).

3.1 Data analysis has revealed that sanctioning percentage of provisional refunds has been quite low. Further, on average, final refund is granted after complete verification of documents.

4. **GST Council deliberations on the issue in the past:**

4.1 Reference is drawn to Agenda placed before 2nd GST Council, in which it was proposed that:

"2. Grant of provisional refund (1) The provisional refund under sub-section (4A) of section 38 shall be granted subject to the following conditions - (a) the person claiming refund has, during any period of five years immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an earlier law where the amount of tax evaded exceeds two hundred and fifty lakh rupees; (b) the GST compliance rating of the applicant is not less than five on a scale of ten; (c) no proceedings of any appeal, review or revision is pending on any of the issues which form the basis of the refund and if pending, the same has not been stayed by the appropriate authority or court."

4.2 However, in the agenda placed before 14th meeting of GST Council while finalizing the rules, the conditions for grant of provisional refund were liberalized by removing the conditions (b) and (c) mentioned in Para above.

4.3 In the 21st GST Council meeting, the agenda 5(i) was placed for consideration of GST Council. In the said agenda, it was proposed that certain category of registered persons who shall not be eligible for facility of grant of refund on provisional basis in relation to zero rated supplies would be as follows:

i. any registered person who has been granted registration under the said act or under the existing law within a period of six months from the date of application of refund

ii. any registered person who has not furnished returns for three consecutive tax period immediately preceding the date of application for refund.

The said Agenda was however deferred by the Council owing to the formation of Committee on Exports and pending their recommendations.

4.4 The Council in its 22nd meeting agreed with the recommendations contained in report of Committee of Exports as follows:

i. New exporters i.e. those exporters who have obtained registration under CGST/SGST/existing law within 6 months of applying for refunds should not be denied provisional refunds as the need of the hour was to encourage exports and also refund was linked to the factum of export which is to be necessarily established.

ii. Proposal to deny provisional refund on account of not filing tax returns for 3 consecutive tax periods immediately preceding the date of application of refund is infructuous because without filing of returns, the refund application cannot be processed.

4.5 Thus, it may be stated that the GST Council has always taken a conscious decision to facilitate exports by keeping the conditions for provisional refunds simple.

5.1 Rule 91(1) of CGST Rules, 2017 prescribes that the person claiming refund should not have been prosecuted for any offence under the CGST Act or under an existing law where the amount of tax evaded exceeds 2.5 crore rupees, in past five years immediately preceding the tax period to which the claim for refund relates. This condition appears to be very wide in scope as at present, the prosecution rate is almost negligible. Therefore, effectively anyone who applies for refund on account of zero-rated supplies is eligible for provisional refund.

5.2 Further, rule 91(2) of CGST Rules, 2017 specifies the requirement of prima face satisfaction of the proper officer after scrutiny of documents, but the same has not been further clarified or elaborated, leading to varied interpretations and application at field level. The lack of clear guidance has led to the sanctioning of nominal provisional refunds, which is not aligned with the intent underlying the provision. Also, an inherent limitation in the said provisions is its reliance on officer's discretion for sanctioning provisional refund. Usually, officers choose the risk-averse option of sanctioning refund only after detailed scrutiny, thus, the proportion of provisional refund sanction is expected to remain low in the existing legal landscape and practical application of the relevant provisions.

5.3. Presently, GSTN assigns risk scores to all refund applications filed before jurisdictional officers on account of zero-rated supply, which are thereafter categorized as low risk, medium risk and high risk. Analysis of data of refund sanctioned vis-à-vis refund claimed also supports the proposal for introduction of a risk-based approach to export facilitation through provisional sanction of refund for zero rated supply refund claims. For example in case of refunds which have been assigned a low risk score, in 87% of the cases, the taxpayer has finally received refund more than 90% of the claimed amount.

5.4 In light of the above discussion, the Law Committee felt that a case is made that risk score and data analysis may be introduced for provisional refund which may be granted on the basis of automated risk evaluation mechanism replacing the officer's discretionary satisfaction with a structured, system-based risk assessment. These parameters may be revised periodically by integrating feedback and insights from their execution and application, so as to enhance the robustness of this risk-based system and to ensure that these facilitation measures are not misused by unscrupulous elements. However, on case-by-case basis, in case the proper officer is of the opinion that in a particular case provisional refund should not be given owing to some investigation going on against the assessee or some alert circular etc., he may, for reasons to be recorded in writing, instead of grant of refund on provisional basis, proceed with detailed examination of the application.

6. To enable the sanction of provisional refund on the basis of system determined risk analysis, amendment may be required in sub-rule (2) of rule 91 of CGST rules to provide for risk-based sanctioning of provisional refund. In its meeting held on 29.05.2025, the Law Committee recommended amending rule 91(2) of CGST Rules, 2017. The proposed amendment (in red) is as follows:

Rule 91(2): The proper officer, ~~after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of sub-section (6) of section 54,~~ on the basis of data analysis and risk evaluation, shall make an order in FORM GST RFD-04, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of rule 90.

Provided that the proper officer may, for reasons to be recorded in writing, instead of grant of refund on provisional basis, proceed with the examination of the application in accordance with the provisions of rule 92. "

7. Section 54 (6) of CGST Act provides for notification of category of registered persons to whom no refund on provisional basis shall be given. Law Committee examined the categories of supplies notified under section 16 (4) of the IGST Act, 2017 wherein they have to mandatorily apply for refund with the jurisdictional tax officers and recommended that the following class of persons may be notified under section 54(6) of CGST Act, who may not be sanctioned provisional refund:

a. Any person, who is engaged in the supply of Areca nuts (HS Code under sub-heading 0802 80), Pan Masala (HS Code under Tariff item 2106 90 20), Tobacco products (Chapter code 24) and Essential Oils (HS Code under heading 3301); and

b. Any person, who has not undergone Aadhaar authentication in the manner provided in rule 10B of Central Goods and Services Tax Rules, 2017.

8. Draft notification is placed at Annexure 'A'.

9. The agenda note is placed before the GST Council for deliberation and approval.

ANNEXURE-A

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (I)]

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs

Notification No. XX/2025 – Integrated Tax

New Delhi, the ..th August, 2025

G.S.R (E) - In exercise of the powers conferred by sub-section (6) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter referred to as the "said Act"), the Central Government on the recommendations of the Council, hereby notifies the following persons as category of registered persons whose application for claim of refund shall not be sanctioned on provisional basis under the said Act, namely, -

i. Any person, who is engaged in the supply of Areca nuts (HS Code under sub-heading 0802 80), Pan Masala (HS Code under Tariff item 2106 90 20), Tobacco products (Chapter code 24) and Essential Oils (HS Code under heading 3301); and
ii. Any person, who has not undergone Aadhaar authentication in the manner provided in rule 10B of Central Goods and Services Tax Rules, 2017.

Explanation:

(A) In this notification, "tariff item", "sub-heading", "heading" and "chapter" shall mean respectively a tariff item, sub-heading, heading and chapters as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(B) The rules for the interpretation of the First Schedule to the said 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 xxth day of XX, XXX.

[F.No….]
(Name)
Designation

Agenda Item 6(b): Proposal for Risk-Based Provisional Sanction of refunds arising out of inverted duty structure.

Under the Goods and Services Tax (GST) regime, refund processing mechanism has been made fully electronic. Such refund processing, however, involves detailed verification of supporting documents submitted by refund applicants. Insights drawn from data provided by GSTN suggest that the current level of scrutiny, while aimed at ensuring compliance, often contributes to considerable time taken in the overall refund processing. Such time taken, particularly in cases of refund applications filed on account of Inverted Duty Structure, have implications on the liquidity and working capital of businesses, thereby necessitating a re-evaluation of the provisions so as to balance interests of revenue with ease of doing business.

2. An analysis of refund claims related data pertaining to previous two financial years has revealed that on an average, out of all refund applications filed with jurisdictional GST officers, almost 38% of refund applications arise out of inverted duty structure. Value wise, the proportion of refund amount claimed under inverted duty refund out of total refund amount claimed before jurisdictional GST officers stands at approx 22%. Thus, it may be seen that a significant proportion of refund claims pertain to cases arising out of the inversion in rate structure, commonly known as the Inverted Duty Structure (IDS).

3 Under the extant provisions of the CGST Act, 2017 and the rules made thereunder, provisional refund is permissible in case of zero rated supply only, as provided in section 54(6) of CGST Act. However, IDS refund applications constitute a very large number group of refund applications. Therefore, if such refund applications are facilitated, its impact on ease of doing business in India will be quite significant. In this context, it is desirable that provisional refund may be sanctioned in IDS refund claims also, on similar lines as the zero rated supply refund claims.

4. Law Committee in its meeting held on 25th August, 2025 examined the issue and recommended that the provision of provisional refund may be extended to refunds arising out of inverted duty structure. Accordingly, to provide for sanction of refund on provisional basis for refund on account of inverted rated supply, section 54(6) of CGST Act may be amended to provide that provisional refund shall be sanctioned by the proper officer in cases of refund on account of zero-rated supply of goods or services or both as well as on account of inverted rated structure.

5. Law Committee recommended that an amendment may be made in section 54(6) of the CGST Act as follows (in red):

Section 54(6): *Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both or of unutilized input tax credit under clause (ii) of the first proviso to sub-section (3) made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent of the total amount so claimed, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub- section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.*

6. It is further submitted that amendment in rule 91 of CGST Rules, 2017 to provide for sanction of risk based provisional refund in respect of refund on account of zero-rated supply is already placed

as Agenda Item No. 1. The said amended rules shall squarely cover the provisional refund in case of inverted rated structure as well. The risk parameters shall be developed by Law Committee.

7. The agenda note is placed before the GST Council for deliberation and approval.

Agenda Item 6(c): GST Refunds for low-value Export Consignments.

Reference has been received from Directorate General of Foreign Trade (DGFT), Department of Commerce highlighting the problems faced by exporters making frequent, low-value shipments (especially via courier or postal mode) and the cumulative loss of unclaimed refunds due to the minimum limit of Rs. 1000/- applicable on refund claims. This threshold has the unintended consequence of converting GST paid on inputs (ITC availed) in manufacturing of such goods into a non-recoverable cost for such low-value goods exporters, especially from Tier-2, Tier-3 cities and rural India, who are primarily MSMEs and cottage industries. This often leads to negative impact on price competitiveness and disincentives international trade as denial of refund leads to increased cost, which affects cash flow of low value goods exporters.

1.1 Threshold of Rs. 1000/- for refund was put on grounds of administrative efficiency to reduce cost and time taken while processing low value refund claims.

Legal provisions:

2.1 Explanation to section 54 explains the scope of the term refund. The said explanation reads as follows:

Explanation.- For the purposes of this section,-

(1) "refund" includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3).

2.2. **Limit of Rs. 1000/- for refund claims:** Sub-section (14) of Section 54 of the CGST Act, 2017 provides that no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if amount is less than one thousand rupees.

2.3. **Refund in case of supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking:** Sub-section (3) of Section 16 of IGST Act, 2017 provides that a registered person making zero rated supply shall be eligible to claim refund of unutilized input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking. In respect of such claims filed under rule 89(4) before jurisdictional GST authorities, refund claim may be filed for a tax period or by clubbing successive tax period. Thus, in this case, the taxpayer may, by virtue of clubbing, cover more than one shipping bill and not be affected by limit of one thousand rupees for a particular month.

2.4. **In case of refund of integrated tax paid on the goods exported out of India:** Rule 96 of CGST Rules, 2017, provides that the shipping bill filed by an exporter of goods is deemed to be an application for refund in itself. In such cases, the exporter has no option to club shipping bills which would otherwise have ensured the claimed refund amount to not have been restricted by the statutorily prescribed limit of thousand rupees. This limitation thus leads to denial of low value refund claims having significant cumulative impact for small and medium exporters in long term and the relative competitiveness of their products in global markets.

3. Data has been taken in this regard, which shows the following:

Financial Year	No. of Shipping bills filed, involving tax value less than Rs. 1000	Total IGST amount involved in such shipping bills	Average IGST amount per shipping bill
2023-24	1,49,336	Rs. 4.03 crore	Rs. 270
2024-25	1,58,227	Rs. 4.21 crore	Rs. 266

4. However, if such refund claims are automated and routed through Customs automated system, processing time and cost would be significantly reduced, which would be conducive to promoting low value exports from India by strengthening their competitiveness.

5. In view of the above, Law Committee in its meeting held on 29.05.2025 and 30.05.2025 proposed to remove the threshold limit for sanction of IGST refund under rule 96 of CGST Rules to a refund applicant in cases where low value export consignments are exported out of India with payment of tax. To ensure the same, the following amendment has been proposed to be made in provisions of sub-section (14) of Section 54 of the CGST Act, 2017 so as to enable sanctioning of refund claim below one thousand rupees to the refund applicant (in red):

Section 54(14): *Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6), other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax, shall be paid to an applicant, if the amount is less than one thousand rupees.*

6. The agenda note and the recommendations of the Law Committee are placed before the GST Council for deliberation and approval.

Agenda Item 6(d): Simplified GST Registration Scheme for small and low risk businesses.

Various representations from trade and industry were received highlighting the difficulties faced by taxpayers in obtaining new GST registrations. It was pointed out that the current GST registration process is complex, often leading to unnecessary queries being raised and the registration application being denied on flimsy grounds causing harassment to genuine taxpayers. On the other hand, unscrupulous persons exploit the GST registration process by using fabricated or fake identities to obtain multiple GST registrations. These fake registrations are then used to pass on fraudulent Input Tax Credits (ITC), resulting in significant revenue losses to the Government.

1.2 In light of these dual challenges under GST, the matter was examined and placed by the Law Committee before the GST Council in its 55th meeting held on 21.12.2024 with a recommendation to revisit and refine the existing GST registration process.

1.3 The GST Council deliberated on the need for streamlining and easing the process of registration for genuine and smaller taxpayers while at the same time tightening the controls for registration and passing on of input tax credit by risky applicants. The GST Council agreed in-principle with the concept of providing simplified registration process to small and low-risk businesses and recommended the constitution of a Group of Officers to deliberate and recommend detailed guidelines and parameters for the same.

2. Accordingly, a Group of Officers (GoO) was constituted by the GST Council Secretariat comprising officers from the Central and State governments (States of Gujarat, Andhra Pradesh, Bihar, Delhi, Goa, Karnataka, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh) and Goods and Services Tax Network (GSTN). The GoO submitted its report based on which this agenda was placed before the Law Committee for deliberations.

3. Based on the Group of Officers' report, to smoothen and streamline the GST registration process the Law Committee deliberated the matter in its meeting dated 27.06.2025. Accordingly, Law Committee recommended to streamline GST registration process for genuine taxpayers by providing the simplified mechanism for grant of registration electronically:

i. To provide a risk-based registration mechanism wherein applicants having very low risk, based on risk parameters and data analysis, shall be granted registration automatically within three working days from the date of submission of the application.

ii. To provide an optional simplified registration scheme for granting registration automatically within three working days, to those applicants who on the basis of their own assessment, determine that their total output tax liability under the Central GST Act and State GST, 2017/Union Territory GST Act, 2017 and IGST Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017, as the case may be, on supply of goods or services or both made to registered persons, will not exceed Rs. 2.5 lakh per month.

iii. To revisit the said monthly limit of Rs. 2.5 lakhs by the Law Committee on the basis of impact analysis done by GSTN after the first three months of implementation.

iv. To provide a mechanism for withdrawal from the aforesaid scheme based on risk score to be determined on the basis of performance of the applicant as the registered person. Accordingly,

the applicant will have to undergo existing procedure similar to as in the case of a new registration.

v. To formulate the corresponding rules along with the corresponding changes in the GST forms in coordination with GSTN for implementation of the above simplified registration mechanism.

4. The agenda on simplified GST Registration process is placed before the GST Council for deliberation and approval.

Agenda Item 6(e): Amendment in place of supply provisions for intermediary services under section 13(8) of the IGST Act.

Representations were received from trade and industry highlighting difficulties arising from differing interpretations of the terms "intermediary" and "intermediary services," particularly concerning the place of supply provisions under the Integrated Goods and Services Tax Act, 2017 ("IGST Act"). While section 13 of the IGST Act generally provides that the place of supply for services where either the supplier or recipient is located outside India, is the recipient's location, intermediary services under Section 13(8)(b) are deemed to have the place of supply at the supplier's location. As a result, suppliers in India providing intermediary services to recipients abroad are being denied export benefits. Despite the CBIC Circular No. 159/15/2021-GST dated 20th September 2021 clarifying the matter, disputes persist. Consequently, the issue was placed before the GST Council in its 55th meeting held on 21st December 2024, with a recommendation to amend the place of supply provisions for intermediary services.

2. The Council deliberated the issue and recommended that a Group of Officers (GoO) be constituted to study and review the place of supply provisions of intermediary services.

3. The GoO examined and deliberated the issue in its meetings held on 18.02.2025, 04.04.2025 and 28.04.2025 and placed its recommendations before the Law Committee for further deliberation.

4. The Law Committee, based on the recommendations of the GoO, deliberated the issue in its meeting held on 29.05.2025 and agreed that the current provision is against the destination-based principle adversely impacting India's export sector and any delay in settling the issue would further impact exports and investments in these sectors. In view of the same, Law Committee recommended the following:

i. To bring prospective amendment to the provision of Section 13(8)(b) of the IGST Act, 2017 by omitting the provision of the place of supply of intermediary services so that the place of supply of intermediary services shall be determined as the location of the recipient (destination basis), as per the default rule i.e. section 13(2) of the IGST Act, 2017. Thus, the past demand liabilities will not be affected by the said amendment.

ii. In respect of the recommendation of GoO that the amendment should be done in consonance with the amendments in FORM GSTR-3B and consequential changes in other returns, in order to capture the taxable turnover in case of import of services, the Law Committee recommended that for such amendment in FORM GSTR-3B, a separate agenda may be brought for the deliberation of the Law Committee.

5. In view of the above, the Law Committee recommended that the **clause (b) may be omitted from sub-section (8) of section 13 of IGST Act, 2017 so as to provide that the place of supply for "intermediary services" will be determined as per the default provision under section 13(2) of the IGST Act i.e. the location of the recipient of such services.**

6. Accordingly, the Agenda Note with recommendation in para 5 above is placed before the GST Council for deliberation.

Agenda Item 6(f)(I): Amendment of section 15 and section 34 of CGST Act, 2017 in respect of Post Sale Discount.

Section 15(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act) provides for the taxable value of a supply to be the transaction value, i.e. price paid or payable, provided that the supplier and the recipient are not related, for which the price is the sole consideration.

2. Challenges are being faced by the taxpayers in offering post-sales discounts, particularly in linking the discount to the relevant invoices and establishing the quantum thereof with reference to the agreement, in cases where it is not known about the quantum of discount at or before the time of supply. The reduction in value under the CGST Act is allowed through GST Credit notes under section 34. The requirement of condition to one-to-one linking of invoices to the credit notes has been dispensed away w.e.f. 01.02.2019.

3. Section 34 of the CGST Act, 2017 was amended through Finance Act, 2025 to explicitly provide for requirement of reversal of corresponding input tax credit by the registered recipient, if availed in respect of a credit-note, for the purpose of reduction of tax liability of the supplier in respect of the said credit note. This amendment will allow the taxpayers to link their invoices and credit notes with the flow of Input Tax Credit and to reverse the credit, if availed, in respect of any supply where the credit-note is issued.

4. The Law committee after due deliberation in its meetings dated 06.03.2025, 07.04.2025 and 30.05.2025, noted that the current requirements impose an onerous compliance burden on the trade and industry, particularly in instances where the quantum of discount cannot be determined at or before the time of supply. Further, the present provision mandates such discount has to be established in terms of an agreement entered into at or before the time of such supply. This may potentially lead to disputes and litigation. The linking of discount with relevant invoices and agreement is practically not possible in cases where the quantum and nature of discount cannot be envisaged in advance. The same is also difficult in the cases where there is huge volume of transactions and the discount is provided after the supply has been effected.

5. Accordingly, the Law Committee after due deliberation recommended that the requirement of linking the post-sale discount with an agreement may be done away with. The agreement clauses are generic in nature and are prone to interpretational issues. This may potentially lead to disputes and litigation..

6.1. Law Committee recommended that the sub-clause (i) of clause (b) of sub section (3) of section 15 of CGST Act may be omitted, thereby omitting the requirement of agreement and linking of discount with relevant invoices and agreement. The draft amendment reads as follows:

"15(3). The value of the supply shall not include any discount which is given-

….

(b) after the supply has been effected, if—

~~*(i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and*~~

~~*(ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.*~~

if for such discount, a credit note has been issued by the supplier under section 34 and input tax credit as is attributable to such discount has been reversed by the recipient of the supply in such manner and subject to such conditions, as specified under the said section.

The amended section 15(3)(b) of the CGST Act would read as follows:

"15(3). The value of the supply shall not include any discount which is given-

….

(b) after the supply has been effected, if for such discount, a credit note has been issued by the supplier under section 34 and input tax credit as is attributable to such discount has been reversed by the recipient of the supply in such manner and subject to such conditions, as specified under the said section.

6.2. The Law Committee further recommended to include the reference of section 15 in the section 34 of the CGST Act, 2015. The amended section 34 would read as follows:

"34. (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 or where a discount is given in accordance with clause (b) of sub-section (3) of section 15, 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."

6.3. The Law Committee further recommended to rescind circular No.-212/6/2024-GST dated 26th June, 2024 which mandated the mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers. The said circular would not be required after the amendment is made in section 15(3)(b) of the CGST Act, and the same comes into force.

7. The agenda is placed before the GST Council for deliberation and approval for proposal in para 6 above.

Agenda Item 6(f)(II): Clarification of certain issues pertaining to Post Sale Discount.

Based on the recommendations of the GST Council in its 34th meeting held on 19 March 2019, circular No. 92/11/2019-GST dated 07.03.2019 was issued which clarified the issues related to treatment of sales promotion schemes under GST. Para 2 (D) of the said circular specifically clarified issues related to secondary / post-sales discount. However, further representations were received at that time from trade and industry regarding treatment of post-sales discount and accordingly the additional issues were clarified in circular No. 105/24/2019-GST dated 28.06.2019. However, the circular No. 105/24/2019-GST dated 28th June 2019 was later withdrawn vide circular No. 112/31/2019-GST dated 3rd October 2019, on the recommendations of the GST Council mainly on account of other issues covered in para 3 and para 4 of the said circular. The GST Council in its 37th meeting had recommended that the whole issue requires holistic examination. The para 3 and 4 are reproduced as below:

"3. It is clarified that if the post-sale discount is given by the supplier of goods to the dealer without any further obligation or action required at the dealer's end, then the post sales discount given by the said supplier will be related to the original supply of goods and it would not be included in the value of supply, in the hands of supplier of goods, subject to the fulfilment of provisions of sub-section (3) of section 15 of the CGST Act. However, if the additional discount given by the supplier of goods to the dealer is the post-sale incentive requiring the dealer to do some act like undertaking special sales drive, advertisement campaign, exhibition etc., then such transaction would be a separate transaction and the additional discount will be the consideration for undertaking such activity and therefore would be in relation to supply of service by dealer to the supplier of goods. The dealer, being supplier of services, would be required to charge applicable GST on the value of such additional discount and the supplier of goods, being recipient of services, will be eligible to claim input tax credit (hereinafter referred to as the "ITC") of the GST so charged by the dealer.

4. It is further clarified that if the additional discount is given by the supplier of goods to the dealer to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by dealer to the customer. This additional discount as consideration, payable by any person (supplier of goods in this case) would be liable to be added to the consideration payable by the customer, for the purpose of arriving at value of supply, in the hands of the dealer, under section 15 of the CGST Act. The customer, if registered, would be eligible to claim ITC of the tax charged by the dealer only to the extent of the tax paid by the said customer to the dealer in view of second proviso to sub-section (2) of section 16 of the CGST Act."

2. Subsequently, numerous representations were received in this regard from retailers, trade associations and field formations seeking clarity on the implications of the earlier circulars on the issues related to treatment of post-sale discounts.

3.1 Representations have been received from trade associations as well as field formations seeking clarification on the eligibility of full input tax credit to the recipient of goods, in cases where the consideration paid to the supplier is reduced pursuant to financial or commercial credit notes issued by the said supplier.

3.2 The matter was deliberated by the Law Committee in its meetings held on 06.03.2025, 07.04.2025 and 30.05.2025. Section 16 (1) of the CGST Act, 2017 provides that every registered

person is entitled to **take credit of input tax charged** on any supply of goods or services or both from him which are used or intended to be used in the course or furtherance of his business. It had been clarified vide circular No. 92/11/2019-GST dated 7th March 2019, that the supplier of goods can issue financial/ commercial credit notes, and in such cases he will not be eligible to reduce his original tax liability. Since the value of supply, for the purpose of tax computation, cannot be reduced on account of the issuance of financial or commercial credit notes, the amount of tax charged to the recipient remains unaffected and is not subject to downward revision. It was further clarified in para 5 of circular No. 105/24/2019-GST dated 28th June, 2019, that the dealer will not be required to reverse ITC attributable to the tax paid on such post-sale discount received by him through issuance of financial/ commercial credit notes by the supplier of goods as long as the dealer pays the tax initially on full value of the goods received by him and a financial/ commercial credit note is issued after the supply of such goods. The para 5 is reproduced as below:

"5. There may be cases where post-sales discount granted by the supplier of goods is not permitted to be excluded from the value of supply in the hands of the said supplier not being in accordance with the provisions contained in sub-section (3) of section 15 of CGST Act. It has already been clarified vide Circular No. 92/11/2019-GST dated 7th March, 2019 that the supplier of goods can issue financial / commercial credit notes in such cases but he will not be eligible to reduce his original tax liability. Doubts have been raised as to whether the dealer will be eligible to take ITC of the original amount of tax paid by the supplier of goods or only to the extent of tax payable on value net of amount for which such financial / commercial credit notes have been received by him. It is clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods in view of the provisions contained in second proviso to sub-rule (1) of rule 37 of the CGST Rules read with Page 2 of 3 Circular No. 105/24/2019-GST second proviso to sub-section (2) of section 16 of the CGST Act as long as the dealer pays the value of the supply as reduced after adjusting the amount of post-sale discount in terms of financial / commercial credit notes received by him from the supplier of goods plus the amount of original tax charged by the supplier."

4.1 The GST Council in its 37th meeting recommended to rescind the circular No. 105/24/2019-GST dated 28th June 2019 mainly on account of issues covered in para 3 and para 4 of the said circular. The same was done vide circular No. 112/31/2019-GST dated 3rd October 2019. The relevant para from the agenda note of 37th Meeting of GST Council reads as follows:

"6. There is possibility that field officers may have initiated actions based on interpretation in para 3 and 4 of Circular No. 105/24/2019-GST dated 28.06.2019. This would adversely affect the taxpayers and retail sectors as explained in above paras and the same requires corrective action and clarification. The Law Committee in its meeting held on 13th September, 2019 has deliberated on the issue along with the proposed Circular (enclosed as Annexure). Law Committee recommended that the whole issue requires holistic examination, and Circular No. 105/24/2019-GST dated 28.06.2019 may be rescinded. Accordingly, it is proposed to rescind Circular No. 105/24/2019-GST dated 28.06.2019, ab-initio."

4.2 Law Committee deliberated upon the issue and recommended that a clarification may be issued that the recipient will not be required to reverse the Input Tax Credit attributable to the discount provided on the basis of said financial/ commercial Credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.

5.1 As regards the issue as to **whether or not a post-sale discount offered by a manufacturer to its dealer/distributor would be treated as an additional consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer, as a monetary value of the inducement to supply, the Law Committee deliberated that i**n cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions-one from the manufacturer to the dealer, and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer. This transaction between the manufacturer and dealer operates on a **principal-to-principal** basis. These discounts are simply extended for competitive pricing to push sales and reduce the sale price of the goods and are not linked to any independent activity rendered by the distributor/dealer to the manufacturer. The Law Committee deliberated upon the issue and recommended that it may be clarified that in this situation, such a discount cannot be included in the consideration as the monetary value of the inducement of further supply of these goods.

5.2. Law Committee further discussed the issue wherein the manufacturer has an agreement with the end customer to supply goods at a discounted price. Here, the manufacturer may issue financial or commercial credit notes to the dealer, enabling such a dealer to provide the goods at the agreed discounted rate to the end consumer. The Law Committee deliberated upon the issue and recommended issuance of a clarification that such a discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration, as it is an inducement towards the supply of goods by the dealer to the end customer.

6.1 Another issue for consideration is w**hether or not a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods.** The matter has been examined and deliberated by the Law Committee. When suppliers (manufacturers) give dealers/distributors additional discounts after a sale (like for vehicles), these are not considered payment for a separate service if the dealer is simply selling goods they already own. When dealers run promotions or advertising campaigns for these goods, they are primarily benefiting themselves by selling their own inventory and increasing their own revenue, even though the supplier also benefits indirectly. Since in this case, the dealer is not contractually obligated to provide these services, such activities do not constitute a separate taxable supply of services. The relationship between supplier and dealer is fundamentally a single sales transaction and not two separate transactions. In such cases there is no such express or implied agreement establishing that the dealer is providing a specific service to the manufacturer in exchange for the post-sale discount received. Therefore, these post sales discount in the course of transaction of sale and purchase of the goods cannot be considered as a service which attracts the levy of GST. Law Committee deliberated upon the issues and recommended issuance of a clarification that post-sales discounts offered by manufacturers to dealers, in such cases shall not be treated as consideration for a separate transaction of supply of services.

6.2 Law Committee further observed that GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertisement campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc. only when such services are explicitly stated in the agreement with a clearly defined consideration

payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, Law Committee recommended to issue a clarification that GST would be chargeable in such cases.

7. The agenda note is placed before the GST Council for further deliberation.

Annexure-A

CBIC-XX/YY/ZZ/2025-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing
****

New Delhi, Dated the XXth _____, 2025

To,

The Principal Chief Commissioners / Chief Commissioners of Central Tax (All)
The Principal Director Generals / Director Generals (All)

Madam / Sir,

Subject: Clarification on various doubts related to treatment of secondary or post-sales discounts under GST - reg.

Representations have been received seeking clarifications in respect of tax treatment in cases of secondary discounts or post sales discount.

2. The matter has been examined. In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the issues as under.

S. No.	Issue	Clarification
1.	Whether the full input tax credit is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/ commercial credit notes issued by the said supplier?	Section 16 (1) of the CGST Act, 2017 provides that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both, which are used or intended to be used in the course or furtherance of his business. It has been clarified vide circular No. 92/11/2019-GST dated 7th March 2019 that the supplier of goods can issue financial / commercial credit notes and in such cases, he will not be eligible to reduce his original tax liability. As the transaction value is not allowed to be reduced on account of issuance of financial / commercial credit note, accordingly the tax charged from the recipient would also not get reduced. Thus, it is clarified that the recipient will not be

S. No.	Issue	Clarification
		required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial / commercial Credit notes issued by the supplier as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.
2.	Whether a post-sale discount offered by a manufacturer to its dealer/ distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer?	Section 2 (31) of the CGST Act, 2017 defines consideration as to include the monetary value of any act for the inducement of the supply of goods or services, whether by the recipient or by any other person. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates on a principal-to-principal basis. These discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer. Therefore, it is clarified that such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods. However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, the manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer. Therefore, it is clarified that such a post-sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.
3.	Whether a post-sale discount extended	

S. No.	Issue	Clarification
	by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods?	The matter has been examined. When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sales discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services. However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

4. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)

Commissioner (GST)

Agenda Item 6(g): Insertion of a new Rule 31D in CGST Rules, 2017 to provide retail sale price based valuation for Pan Masala, Gutkha, Cigarettes and Chewing tobacco.

The Central Goods and Services Tax, Act, 2017 (hereinafter referred to as CGST Act) provides for valuation of taxable supplies under Section 15. The general principle of valuation is established under Section 15(1) of the CGST Act, which reads as follows:

"Section 15 Value of taxable supply…

(1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

1.2. This provision allows for transaction value as the primary basis for valuation of any goods or services for levy of tax. Transaction value represents the actual consideration paid between unrelated parties where price is the sole consideration for the supply. However, Section 15(5) of the CGST Act provides for valuation in the manner as may be prescribed. Section 15(5) of the CGST Act reads as follows:

"Section 15 Value of taxable supply …

(5) Notwithstanding anything contained in sub-section (1) or sub-section (4), the value of such supplies as may be notified by the Government on the recommendations of the Council shall be determined in such manner as may be prescribed."

2.1 The provision under section 15(5) of the CGST Act empowers the Government to prescribe valuation in such manner for specified goods, as may be prescribed. This is notwithstanding anything contained in section 15(1) of the CGST Act, 2017.

3.1 Presently the taxation in GST Acts is based on the basis of transaction value of the supply of goods or services or both. Going forward, the taxation of specified goods can be based on Retail Sale Price (RSP) or on the basis of value, quantity or on such basis which may be specified by the Government on the basis of recommendation of GST Council. There appears a need to provide for an enabling provision in CGST Act and Central Goods and Services Tax Rules, 2017 (hereinafter referred as CGST Rules) for situations where tax can be levied on the basis of factors other than the transaction value of the supply of goods or services. However, no such enabling provision has been prescribed in the CGST Act and CGST Rules, 2017 for the same yet.

3.2 Fitment Committee in its meeting on 22.08.2025 has proposed that for evasion prone commodities namely, Pan Masala, Gutkha, Cigarette and Chewing Tobacco, the valuation for which shall be based on the Retail Sale Price of such goods declared on the packages thereof.

3.3 The Goods and Services Tax (Compensation to States) Act, 2017 allow for the levy of compensation cess on certain specified goods at prescribed rates. The key provisions of the said act are as follows:

Section 8 - Levy and collection of cess

(2) The cess shall be levied on such supplies of goods and services as are specified in column (2) of the Schedule, on the basis of value, quantity or on such basis at such rate not exceeding the rate set

forth in the corresponding entry in column (4) of the Schedule, as the Central Government may, on the recommendations of the Council, by notification in the Official Gazette, specify:

Provided that where the cess is chargeable on any supply of goods or services or both with reference to their value, for each such supply the value shall be determined under section 15 of the Central Goods and Services Tax Act for all intra-State and inter-State supplies of goods or services or both:

Provided *further that the cess on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 (51 of 1975), at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962 (52 of 1962), on a value determined under the Customs Tariff Act, 1975.*

3.4 The explanation to the Schedule 1 reads as follows:

*"**[Explanation:***

For the purposes of this Schedule,—

(i) "retail sale price" means the maximum price at which the concerned goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like and the price is the sole consideration for such sale:

Provided that where the provisions of the Legal Metrology Act, 2009 or the rules made thereunder or any other law for the time being in force require to declare on the package, the retail sale price excluding any taxes, local or otherwise, the retail sale price shall be construed accordingly;

(ii) where on the package of any concerned goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;

(iii) where the retail sale price, declared on the package of any concerned goods at the time of its clearance from the place of manufacture, is altered to increase the retail sale price, such altered retail sale price shall be deemed to be the retail sale price;

*(iv) where different retail sale prices are declared on different packages for the sale of any concerned goods in packaged form in different areas, each such retail sale price shall be the retail sale prices for the purposes of determination of the rate of cess for the said goods intended to be sold in the area to which the retail sale price relates.**]"***

3.5. The Government under the powers conferred by sub-section (5) of section 15 of the CGST Act, on the recommendation of the GST Council has issued the notification No. 49/2023 – Central Tax dated the 29th September, 2023 to notify the following supplies under the said sub-section, namely: —

(i) supply of online money gaming;

(ii) supply of online gaming, other than online money gaming; and

(iii) supply of actionable claims in casinos.

4. The Law committee in its meeting on 22.08.2025 deliberated upon the issue and recommended to insert a new rule 31D after Rule 31C in the Central Goods and Services Tax Rules, 2017 for valuation of certain specified goods as recommended by the Fitment Committee based on the Retail Sale Price declared on the packages of such goods, namely Pan Masala, Gutkha, Cigarettes and Chewing Tobacco.

5. The Law Committee recommended to approve draft of the proposed Rule 31D, subject to vetting by the Union Ministry of Law and Justice. The draft Rule reads as follows:

Rule 31D. Value of specified goods on the basis of Retail Sale Price:

(1) Notwithstanding anything contained in this chapter, the value of supply of Pan Masala, Gutkha, Cigarettes and Chewing tobacco, shall be deemed to be the retail sale price declared on such goods, less the amount of integrated tax or, as the case may be, Central tax, State tax, Union territory tax.

(2) For the purpose of this rule, the tax amount referred to in sub-rule (1) shall be determined in the following manner, namely -

Tax amount = (Retail sale price X tax rate in % of IGST or as the case may be CGST, SGST or UTGST) / (100+ sum of tax rate, as applicable, in %, of IGST or as the case may be CGST, SGST or UTGST)

***Explanation.** - For the purposes of this rule, —*

(i) "retail sale price" means the maximum price declared on specified goods at which such goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, or cess;

(ii) where on the package of any specified goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;

(iii) where the retail sale price declared on packages of any specified goods is altered to increase the retail sale price at any stage before, during, or after the supply, such altered retail sale price shall be deemed to be the retail sale price;

(iv) where different retail sale prices are declared on different packages for the sale of any specified goods in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of valuation of the specified goods intended to be sold in the area to which the retail sale price relates.

6. The Law Committee further deliberated upon this issue, and it was discussed that the first proviso to the Rule 86B of the CGST Rules may also be amended to exclude such supply of goods from the provisions of Rule 86B except for manufacturers. The Law Committee recommended to amend the Rule 86B is as follows:

"Rule 86B …

Provided that….

(f) the registered person other than a manufacturer, who has supplied goods on which the tax has been paid on the basis of Retail Sale Price of the said goods as specified under Rule 31D;

Provided further that…"

7. The Law Committee also recommended that the notification No. 49/2023 – Central Tax dated the 29th September, 2023, may be amended to include the goods, namely Pan Masala, Gutkha, Cigarettes and Chewing Tobacco. The draft notification for the same is attached at **Annexure-A**.

8. The agenda is placed before the GST Council for further deliberation.

Annexure-A

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs

Notification
No. ___/2025 – Central Tax

New Delhi, the ___day of ___, 2025

G.S.R. _____(E).– In exercise of the powers conferred under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Government, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 49/2023-Central Tax, dated the 29th September, 2023 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 705(E), dated the 29th September, 2023, namely:—

In the said notification,

after clause (iii), the following clauses shall be inserted, namely: —

"(iv) Supply of the following goods, on the packages of which thereof, Retail Sale Price is declared:

(a) Pan masala
(b) Gutkha
(c) Cigarettes
(d) Chewing tobacco

Explanation. *- For the purposes of this clause, —*

(i) "retail sale price" means the maximum price declared on specified goods at which such goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, or cess;

(ii) where on the package of any specified goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;

(iii) where the retail sale price declared on packages of any specified goods is altered to increase the retail sale price at any stage during, or after the supply, such altered retail sale price shall be deemed to be the retail sale price;

(iv) where different retail sale prices are declared on different packages for the sale of any specified goods in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of valuation of the specified goods intended to be sold in the area to which the retail sale price relates.

2. This notification shall come into force on the _____ day of _____, 2025.

[F. No. AAA-____/__/2025-GST]

(_____)
Under Secretary

Agenda Item 6(h): Notifying Annual Return in FORM GSTR-09 for Financial Year 2024-25 and extending exemption from filing FORM GSTR-09 for taxpayers with turnover up to Rs. 2 crore.

Section 44 of the CGST Act provides for filing of Annual Return (FORM GSTR-9/9A) and Annual Reconciliation Statement (FORM GSTR-9C) by specified taxpayers for every financial year.

2. Further, through various notifications issued from time to time, filing of the Annual Return (in **FORM GSTR-9/9A)** has been exempted for the FY 2017-18 to FY 2023-24, for taxpayers having aggregate annual turnover upto two crore rupees. Further also, through various notifications issued from time to time, filing of the Annual Return in FORM GSTR-9 & Annual Reconciliation Statement in FORM GSTR-9C was simplified by making few entries/tables optional**.**

3. The Law Committee observed that as the said exemption has been extended for all the previous years, in order to provide relaxation to the small taxpayers, the same may be extended for the annual returns to be filed for the FY 2024-25 onwards, unless otherwise rolled back. Further, in respect of the relaxations provided in FY 2023-24, by way of making few entries/tables of FORM GSTR-9 and FORM GSTR-9C optional, the Law Committee recommended that except for Table 6E, Table 7, Table 12 and Table 13 of FORM GSTR-9, for the reasons stated in **Annexure A,** the same may be continued for FY 2024-25**.**

4. In addition to the same, certain issues in respect of various Tables of FORM GSTR-9 and their corresponding instructions were brought before the Law committee, which often results in queries from tax administrations:

1) **FORM GSTR-9:**

a) Table 6A of FORM GSTR-9, is auto-populated from Table 4A of FORM GSTR-3B of the financial year to which the annual year pertains and may have the input tax credit of the previous financial years, which has been availed in the financial year till the time limit specified under section 16(4) of CGST Act. This often results in difference in Table 6J, which should ideally be zero.

In order to address the same, the Law Committee recommended to separately capture the input tax credit of previous financial years availed in the financial year.

b) If input tax credit is claimed, reversed and then re-availed within the financial year then such amount appears twice in the Table 6A. As per the instructions to Table 6B and Table 6H, taxpayers report such input tax credit either in Table 6B or in Table 6H, which results in a difference in Table 6J. Further, if such input tax credit is reported at both Table 6B and Table 6H, it results in a difference in Table 8D.

In order to address the same, the Law committee recommended to make requisite changes in FORM GSTR-9 and its instructions to provide that such input tax credit which is availed, reversed and re-availed should be reported once (at the first instance) in Table 6B and again the re-availed amount should be reported in Table 6H. Further, Table 8B has been recommended to be delinked with Table 6H.

c) Table 8G to Table 8I compare the IGST paid on import of goods(including supplies from SEZ) vis-a-vis IGST credit availed on import of goods during the financial year (as per Table 6E). There does not appear to be any Table to report the input tax credit on import of goods which is availed in the next financial year, and thus the reporting in Table 8G to 8J projects as if such ITC has lapsed.

In order to address the same, the Law committee proposed to make requisite amendments to separately capture the amount of input tax credit on import of goods which is availed by the taxpayer in the next financial year.

d) As per current instructions of FORM GSTR-9, the additional liability declared in the FORM has to be paid through electronic cash ledger only.

In view of various representations received, in terms of section 49(4) of CGST Act, the Law Committee recommended to allow payment of the additional liability declared in the FORM through electronic credit ledger as well, and accordingly recommended requisite amendments in the FORM.

2) **FORM GSTR-9C**:

a) In view of insertion of table 14 & 15 and amendment thereof in FORM GSTR-1 vide notification No. 26/2022 – Central Tax dated 26.12.2022 for reporting supplies made through e-commerce platforms under section 9(5), the Law Committee recommended requisite changes in FORM GSTR-9C as well.

b) As per current instructions of FORM GSTR-9C, the additional liability declared in the FORM has to be paid through electronic cash ledger only.

In view of various representations received, in terms of section 49(4) of CGST Act, the Law Committee recommended to allow payment of the additional liability declared in the FORM through electronic credit ledger as well, and accordingly recommended requisite amendments in the FORM.

c) In view of circular No. 246/03/2025-GST dated 30th January, 2025, wherein applicability of late fee for delay in furnishing of FORM GSTR-9C was clarified, there appears to be requirement of a Table for computation of late fee paid and payable.

Accordingly, the Law committee recommended insertion of a new Table in FORM GSTR-9C, regarding payment of late fee in respect of FORM GSTR-9C.

5. Based on the above, the Law Committee recommended the following in respect of Annual Return for FY 2024-25:

(i) For the FY 2024-25 onwards, the filing of annual return of a financial year (in **FORM GSTR-9/9A**), be exempted for taxpayers having aggregate annual turnover upto two crore rupees in the said financial year. (The draft notification for the same is enclosed as **Annexure B)**;

(ii) Amendments may be made in FORM GSTR-9 and FORM GSTR-9C **(as detailed in Annexure C and Annexure D)** for the financial year 2024-25.

6. In view of the above, the proposal in para 5 is placed for deliberation and approval of the Council.

Annexure A

The details of relaxations provided in FY 2023-24, and recommendations for FY 2024-25

Table 1: Simplification of FORM GSTR-9		
Table No.	**Details of relaxations in previous FYs**	**Status of relaxations in FY 2023-24, and recommendations for FY 2024-25**
5D, 5E and 5F	**2017-18, 2018-19, 2019-20 & 2020-21**: The registered person was given an option to either separately report his supplies as exempted, nil rated and non-GST supply or report consolidated information for all these three heads in the "exempted" row only. **2021-22, 2022-23 &2023-24**: The registered person was required to report Non-GST supply (5F) separately and was given an option to either separately report his supplies as exempted and nil rated supply or report consolidated information for these two heads in the "exempted" row only.	The relaxation on the pattern of 2023-24 is proposed to be continued for 2024-25.
5H to 5K	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to fill Table 5A to 5F net of credit notes/ debit notes/ amendments or report such details separately in 5H to 5K.	The relaxation is proposed to be continued for FY 2024-25 as there is marginal or no revenue implication.
6B, 6C, 6D and 6E	**2017-18 & 2018-19**: The registered person was given an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the "inputs" row only. **2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was required to report the breakup of input tax credit as capital goods and was given an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" row only.	The relaxation on the pattern of 2023-24 is propose to be was continued for 2024-25, except **in respect of 6E, the relaxation continued for 2023-24, was found to be not relevant, as the row pertains to credit pertaining to "Import of goods" and therefore recommended to be discontinued.**
7A to 7E	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**:The registered person was given 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) were to be mandatorily reported.	**In view to provide clarity of the reason for reversals, the relaxation has been recommended to be discontinued for FY 2024-25.**
12 and 13	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to not fill these tables.	**In view to improve system based reconciliation, this relaxation has been recommended to be**

	It was felt that this information is not essential for the tax administration.	**discontinued for FY 2024-25.**
15	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to not fill this table. It was felt that tax administration already has all the data on refund and demands for the taxpayers.	The data is already available with tax officer in the form of MIS reports. Therefore, the relaxation on the pattern of 2023-24 is recommended to be continued for FY 2024-25.
16A, 16B and 16C	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to not fill these tables.	The relaxation is recommended to be continued for FY 2024-25.
18	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24:** The registered person was given an option to not fill this table.	Since HSN details are not communicated in GSTR-2A, and HSN requirements for suppliers may be different from that for the annual return filer, it may be difficult for the annual return filer to reconcile HSN wise details of inward supplies. Therefore, the relaxation is recommended to be continued for FY 2024-25.

Table 2: Simplification of FORM GSTR-9C		
Table No.	**Details of relaxations in previous FYs**	**Status of relaxations in FY 2023-24, which may be continued for FY 2024-25**
5B to 5N	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to not fill these tables. If any adjustments were required to be reported, then the same could be reported in Table 5O. It was felt 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 also felt 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. 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).	The relaxation is proposed to be continued for FY 2024-25.

Table 14	**2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24**: The registered person was given an option to not fill this table. Trade and industry have widely represented that neither the internal accounts nor the audited financial statements mandate maintaining of expense-head wise input tax credit.	The relaxation is proposed to be continued for FY 2024-25.

Annexure B

Draft notification to exempt taxpayers having AATO upto Rs. 2 crores from the requirement of furnishing annual return for FY 2024-25

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS

NOTIFICATION
No. --/2024 – Central Tax

New Delhi, the -- June, 2025

G.S.R. .....(E).— In exercise of the powers conferred by the first proviso to section 44 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the government, on the recommendations of the Council, in respect of filing of annual return for the financial year 2024-25 onwards, hereby exempts the registered person whose aggregate turnover in a financial year is up to two crore rupees, from filing annual return for the said financial year.

[F. No. CBIC-20001/2/2022-GST]

(Raushan Kumar)

Under Secretary

Annexure C

Draft amendment to FORM GSTR-9 for FY 2024-25

FORM GSTR-9

(See rule 80)

Annual Return

Pt. I	Basic Details					
1	Financial Year					
2	GSTIN					
3A	Legal Name					
3B	Trade Name (if any)					
Pt. II	Details of Outward and inward supplies made during the financial year					
			(Amount in Rs. in all tables)			
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
4	**Details of advances, inward and outward supplies made during the financial year on which tax is payable**					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					
E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered					

	under (A) to (E) above)					
G	Inward supplies on which tax is to be paid on reverse charge basis					
G1	Supplies on which e-commerce operator is required to pay tax as per section 9(5) (including amendments, if any) [E-commerce operator to report]					
H	Sub-total (A to G1 above)					
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)					
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					
M	Sub-total (I to L above)					
N	Supplies and advances on which tax is to be paid (H + M) above					
5	**Details of Outward supplies made during the financial year on which tax is not payable**					
A	Zero rated supply (Export) without payment of tax					
B	Supply to SEZs without payment of tax					
C	Supplies on which tax is to be paid by the recipient on reverse charge basis					
C1	Supplies on which tax is to be paid by ecommerce operators as per section 9(5) [Supplier to report]					

D	Exempted					
E	Nil Rated					
F	Non-GST supply (includes _no supply‘)					
G	Sub-total (A to F above)					
H	Credit Notes issued in respect of t ansactions specified in A to F above (-)					
I	ebit Notes issued in respect of transactions specified in A to F above (+)					
J	Supplies declared through Amendments (+)					
K	Supplies reduced through Amendments (-)					
L	Sub-Total (H to K above)					
M	Turnover on which tax is not to be paid (G + L above)					
N	Total Turnover (including advances) (4N + 5M - 4G - 4G1 above)					
Pt. III	Details of ITC for the financial year					
	Description	Type	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
6	**Details of ITC availed during the financial year**					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)					
A1	ITC of preceding financial year availed in the financial year (which is included in 6A above) other than ITC reclaimed					

	under rule 37 and rule 37A					
A2	Net ITC of the financial year =(A-A1)					
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs				
		Capital Goods				
		Input Services				
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs				
		Capital Goods				
		Input Services				
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs				
		Capital Goods				
		Input Services				
E	Import of goods (including supplies from SEZs)	Inputs				
		Capital Goods				
F	Import of services (excluding inward supplies from SEZs)					
G	Input Tax credit received from ISD					
H	Amount of ITC reclaimed ~~(other than B above)~~ under the provisions of the Act					
I	Sub-total (B to H above)					
J	Difference (I – A2 above)					
K	Transition Credit through TRAN-I (including revisions if any)					
L	Transition Credit through TRAN-II					
M	~~Any other~~ ITC availed through ITC-01, ITC 02 and ITC-02A (other than GSTR-3B and TRAN Forms)~~but not specified above~~					

N	Sub-total (K to M above)				
O	Total ITC availed (I + N above)				
7	**Details of ITC Reversed and Ineligible ITC for the financial year**				
A	As per Rule 37				
A1	As per Rule 37A				
A2	As per rule 38				
B	As per Rule 39				
C	As per Rule 42				
D	As per Rule 43				
E	As per section 17(5)				
F	Reversal of TRAN-I credit				
G	Reversal of TRAN-II credit				
H	Other reversals (pl. specify)				
I	Total ITC Reversed (Sum of A to H above)				
J	Net ITC Available for Utilization (6O - 7I)				
8	**Other ITC related information**				
A	ITC as per GSTR-2B (table 3 thereof)	< Auto >	< Auto >	< Auto >	< Auto >
B	ITC as per ~~sum total of~~ 6(B) ~~and 6(H)~~ above				
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year up to specified period]				
D	Difference [A-(B+C)]				
E	ITC available but not availed				
F	ITC available but ineligible				

G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above) in the financial year				
H1	IGST Credit availed on Import of goods in next financial year				
I	Difference [(G-(H+H1)]				
J	ITC available but not availed on import of goods (Equal to I)				
K	Total ITC to be lapsed in current financial year (E + F + J)				

Pt. IV	Details of tax paid as declared in returns filed during the financial year								
9	Description	Tax Payable	Paid through cash	Paid through ITC				Total Tax Paid	Difference between Tax payable and paid
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess		
	1	2	3	4	5	6	7	8 = 3+4+5+6+7	2-8
	Integrated Tax								
	Central Tax								
	State/UT Tax								
	Cess								
	Interest								
	Late fee								
	Penalty								

	Other								

Pt. V	Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period.					
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
10	Supplies / tax declared through Invoices / Debit Note / Amendments (+) ~~(net of debit notes)~~					
11	Supplies / tax reduced through Amendments / Credit Note (-) ~~(net of credit notes)~~					
12	ITC of the financial year reversed in the next ~~Reversal of ITC availed during previous~~ financial year					
13	ITC of the financial year availed ~~for the previous~~ in the next financial year					
14	Differential tax paid on account of declaration in 10 & 11 above					
	Description		Payable	Paid	Difference	
	1		2	3	2-3	
	Integrated Tax					
	Central Tax					
	State/UT Tax					
	Cess					
	Interest					
Pt. VI	Other Information					

15	Particulars of Demands and Refunds							
	Details	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee / Others
	1	2	3	4	5			
A	Total Refund claimed							
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							
E	Total demand of taxes							
F	Total taxes paid in respect of E above							
G	Total demands pending out of E above							

16	Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis					
	Details	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
A	Supplies received from Composition taxpayers					

B	Deemed supply under Section 143							
C	Goods sent on approval **basis** but not returned							
17	HSN Wise Summary of outward supplies							
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9
18	HSN Wise Summary of Inward supplies							
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9
19	Late fee payable and paid							
	Description				Payable		Paid	
	1				2		3	
A	Central Tax							
B	State Tax							

Verification:

I hereby solemnly **affirm** and declare that the information given herein above is true and correct to the

best of my knowledge and belief and nothing has been concealed there from and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.

Place

Signatory

Date

Signature

Name of Authorised

Designation / Status

Instructions: –

1. Terms used:

a. GSTIN: Goods and Services Tax Identification Number

b. UQC: Unit Quantity Code

c. HSN: Harmonized System of Nomenclature Code

d. ITC: Input Tax Credit

2. It is mandatory to file all **FORM GSTR-1** and **FORM GSTR-3B** for the financial year for which the return is being filed for before filing this return and for FY 2017-18, the details for the period between July 2017 to March 2018 are to be provided in this return.

2A. In the Table, against serial numbers 4, 5, 6 and 7, the taxpayers shall report the values pertaining to the financial year only for which annual return is being filed. The value pertaining to the preceding financial year shall not be reported here until unless specifically required.

3. Omitted

4. Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed. For FY 2017-18 It may be noted that all the supplies for which payment has been made through **FORM GSTR-3B** between July 2017 to March 2018 shall be declared in this part. It may be noted that additional liability for the FY 2017-18 or FY 2018-19 or FY 2019-20 of FY 2020-21 or FY 2021-22 or FY 2022-23 or FY 2023-24 or FY 2024-25 not declared in **FORM GSTR-1** and **FORM GSTR-3B** may be declared in this return. However, taxpayers cannot claim input tax credit through this return.

The instructions to fill Part II are as follows:

Table No.	**Instructions**
4A	Aggregate value of supplies made to consumers and unregistered persons on which tax has been paid shall be declared here. These will include details of supplies made through E-Commerce operators and are to be declared as net of credit notes or debit notes issued in this regard. Table 5, Table 7 along with respective amendments in Table 9 and Table 10 of **FORM GSTR-1** [4]as amended by FORM GSTR-1A, if any may be used for filling up these details.

4B	Aggregate value of supplies made to registered persons (including supplies made to UINs) on which tax has been paid shall be declared here. These will include supplies made through E-Commerce operators but shall not include supplies on which tax is to be paid by the recipient on reverse charge basis. Details of debit and credit notes are to be mentioned separately. Table 4A and Table 4C of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details.
4C	Aggregate value of exports (except supplies to SEZs) on which tax has been paid shall be declared here. Table 6A of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details.
4D	Aggregate value of supplies to SEZs on which tax has been paid shall be declared here. Table 6B of GSTR-1 may be used for filling up these details.
4E	Aggregate value of supplies in the nature of deemed exports on which tax has been paid shall be declared here. Table 6C of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details.
4F	Details of all unadjusted advances i.e. advance has been received and tax has been paid but invoice has not been issued in the current year shall be declared here. Table 11A of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details.
4G	Aggregate value of all inward supplies (including advances and net of credit and debit notes) on which tax is to be paid by the recipient (i.e.by the person filing the annual return) on reverse charge basis. This shall include supplies received from registered persons, unregistered persons on which tax is levied on reverse charge basis. This shall also include aggregate value of all import of services. Table 3.1(d) of **FORM GSTR-3B** may be used for filling up these details.
4G1	Aggregate values of all the supplies (net of amendments) on which tax is to be paid by the ecommerce operators under section 9(5) is to be reported by e-commerce operator. Table 15 and 15A of FORM GSTR-1 may be referred for filling up these details.
4I	Aggregate value of credit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) shall be declared here. Table 9B of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details. For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to fill Table 4B to Table 4E net of credit notes in case there is any difficulty in reporting such details separately in this table.
4J	Aggregate value of debit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) shall be declared here. Table 9B of **FORM GSTR-1** as amended by FORM GSTR-1A, if any may be used for filling up these details. For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to fill Table 4B to Table 4E net of debit notes in case there is any difficulty in reporting such details separately in this Table.
4K & 4L	Details of amendments made to B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E), credit notes (4I), debit notes (4J) and refund vouchers shall be declared here. Table 9A and Table 9C of **FORM GSTR-1** as amended by FORM GSTR-

	1A, if any may be used for filling up these details. For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to fill Table 4B to Table 4E net of amendments in case there is any difficulty in reporting such details separately in this table.
5A	Aggregate value of exports (except supplies to SEZs) on which tax has not been paid shall be declared here. Table 6A of FORM GSTR-1 as amended by FORM GSTR-1A, if any may be used for filling up these details.
5B	Aggregate value of supplies to SEZs on which tax has not been paid shall be declared here. Table 6B of GSTR-1 may be used for filling up these details.
5C	Aggregate value of supplies made to registered persons on which tax is payable by the recipient on reverse charge basis. Details of debit and credit notes are to be mentioned separately. Table 4B of FORM GSTR-1 as amended by FORM GSTR-1A, if any may be used for filling up these details.
5C1	Aggregate values of supplies (net of amendments) made by suppliers through e-commerce operators on which e-commerce operators are liable to pay taxes under section 9(5) is required to be reported here by supplier. Table 14(b) and 14A(b) of FORM GSTR-1 may be referred for filling up these details.
5D, 5E and 5F	Aggregate value of exempted, Nil Rated and Non-GST supplies shall be declared here. Table 8 of FORM GSTR-1 as amended by FORM GSTR-1A, if any may be used for filling up these details. The value of "no supply" shall be declared under Non-GST supply (5F). For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to either separately report his supplies as exempted, nil rated and Non-GST supply or report consolidated information for all these three heads in the "exempted" row only. For FY 2021-22, the registered person shall report Non-GST supply (5F) separately and shall have an option to either separately report his supplies as exempted and nil rated supply or report consolidated information for these two heads in the "exempted" row only. For FY 2022-23, the registered person shall report Non-GST supply (5F) separately and shall have an option to either separately report his supplies as exempted and nil rated supply or report consolidated information for these two heads in the "exempted" row only. For FY 2023-24 and FY 2024-25, the registered person shall report Non-GST supply (5F) separately and shall have an option to either separately report his supplies as exempted and nil rated supply or report consolidated information for these two heads in the "exempted" row only.
5H	Aggregate value of credit notes issued in respect of supplies declared in 5A, 5B, 5C, 5D, 5E and 5F shall be declared here. Table 9B of FORM GSTR-1 as amended by FORM GSTR-1A, if any may be used for filling up these details. For FY 2017-18, 2018-19 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to fill Table 5A to Table 5F net of credit notes in case there is any difficulty in reporting such details separately in this Table.
5I	Aggregate value of debit notes issued in respect of supplies declared in 5A, 5B, 5C, 5D, 5E and 5F shall be declared here. Table 9B of FORM GSTR-1 as amended by FORM GSTR-1A, if any may be used for filling up these details. For FY 2017-18, 2018-19 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have

	an option to fill Table 5A to Table 5F net of debit notes in case there is any difficulty in reporting such details separately in this Table.
5J & 5K	Details of amendments made to exports (except supplies to SEZs) and supplies to SEZs on which tax has not been paid shall be declared here. Table 9A and Table 9C of FORM GSTR-1 as amended by FORM GSTR-1A, if any**]** may be used for filling up these details. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to fill Table 5A to Table 5F net of amendments in case there is any difficulty in reporting such details separately in this Table.
5N	Total turnover including the sum of all the supplies (with additional supplies and amendments) on which tax is payable and tax is not payable shall be declared here. This shall also include amount of advances on which tax is paid but invoices have not been issued in the current year. However, this shall not include the aggregate value of inward supplies on which tax is paid by the recipient (i.e. by the person filing the annual return) on reverse charge **basis** and supplies on which e-commerce operators are required to pay taxes under section 9(5).

5. Part III consists of the details of all input tax credit availed and reversed in the financial year for which the annual return is filed. The instructions to fill Part III are as follows:

Table No.	**Instructions**
6A	Total input tax credit availed in Table 4A of **FORM GSTR-3B** for the ~~taxpayer~~ financial year would be auto-populated here.
6A1	ITC in respect of the preceding financial year, but availed through FORM GSTR-3B of April to October of the Financial Year for which annual return is furnished, filed till 30th November of the Financial Year for which annual return is furnished and included in auto populated values in table 6A above, should be declared here. Also, if any ITC which was claimed and reversed (due to rule 37 or rule 37A) in any of the preceding financial year but reclaimed during the financial year for which this return is being filed, shall not be reported here as this will be reported in the Table 6H below. Also, if any ITC which was claimed and reversed (other than due to rule 37 or rule 37A) in preceding financial year but reclaimed during the financial year for which this return is being filed, shall be reported here and this will not be reported in the Table 6H below.
6B	Aggregate value of input tax credit availed on all inward supplies except those on which tax is payable on reverse charge **basis** but includes supply of services received from SEZs shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(5) of **FORM GSTR-3B** may be used for filling up these details. This shall not include ITC which was availed, reversed and then reclaimed in the ITC ledger. This is to be declared separately under 6(H) below. However, for FY 2024-25 onwards, in case of ITC availed, reversed and then reclaimed, ITC which was availed (for the first time) should be declared in this table. ITC which was reversed should be declared in the Table 7 and ITC that is reclaimed should only be declared in Table 6H. For FY 2017-18 and 2018-19, the registered person shall have an option to either report

	the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the “inputs” row only. For FY 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only.
6C	Aggregate value of input tax credit availed on all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge **basis** shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of **FORM GSTR-3B** may be used for filling up these details. For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the “inputs” row only. For FY 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only. For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only.
6D	Aggregate value of input tax credit availed on all inward supplies received from registered persons on which tax is payable on reverse charge **basis** shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of **FORM GSTR-3B** may be used for filling up these details. For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the “inputs” row only. For FY 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only. For FY 2017-18, 2018-19 and, 2019-20 and 2020-21, the registered person shall have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only.
6E	Details of input tax credit availed on import of goods including supply of goods received from SEZs shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs and capital goods. Table 4(A)(1) of **FORM GSTR-3B** may be used for filling up these details. For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs and capital goods or report the entire input tax credit under the “inputs” row only. For FY 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24, the registered person shall

	report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" row only.
6F	Details of input tax credit availed on import of services (excluding inward supplies from SEZs) shall be declared here. Table 4(A)(2) of **FORM GSTR-3B** may be used for filling up these details.
6G	Aggregate value of input tax credit received from input service distributor shall be declared here. Table 4(A)(4) of **FORM GSTR-3B** may be used for filling up these details.
6H	Aggregate value of input tax credit availed, reversed and reclaimed, in the financial year under the provision of the act shall be declared here. However, for FY 2024-25 onwards, in case of ITC availed, reversed and then reclaimed, ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) which was availed (for the first time) should be declared in Table 6B above. ITC which was reversed should be declared in the Table 7 and ITC that is reclaimed should only be declared in here. Also, if any ITC which was claimed and reversed (due to rule 37 or rule 37A) in any of the preceding financial year but reclaimed during the financial year for which this return is being filed, shall be reported here. Also, if any ITC which was claimed and reversed (other than rule 37 or rule 37A) in preceding financial year but reclaimed during the financial year for which this return is being filed, shall not be reported here as it is to be reported in the Table 6A1 above.
6J	The difference between the total amount of input tax credit availed through **FORM GSTR-3B** and input tax credit declared in row B to H shall be declared here. Ideally, this amount should be zero. However, for FY 2024-25 onwards, the difference between the total amount of net ITC of the financial year availed through FORM GSTR-3B as per Table 6A2 and input tax credit declared in row B to H shall be auto populated here. Ideally, this amount should be zero.
6K	Details of transition credit received in the electronic credit ledger on filing of **FORM GST TRAN-I** including revision of **TRAN-I** (whether upwards or downwards), if any shall be declared here.
6L	Details of transition credit received in the electronic credit ledger after filing of **FORM GST TRAN-II** shall be declared here.
6M	~~Details of ITC availed but not covered in any of heads specified under 6B to 6L above shall be declared here.~~ Details of ITC availed through **FORM ITC-01**, ~~and~~ **FORM ITC-02**, and ITC-02A (i.e. ITC availed through Forms other than GSTR 3B, TRAN-1 and TRAN-II) in the financial year shall be declared here.
7A, 7A1, 7A2, 7B, 7C, 7D, 7E, 7F, 7G and	Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 37A, 38, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under **FORM GST**

7H	**TRAN-I** or **FORM GST TRAN-II** and then subsequently reversed. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details. Any ITC reversed through **FORM ITC -03** or any other reversal not specified in any row above shall be declared in 7H.~~If the amount stated in Table 4D of FORM GSTR-3B was not included in table 4A of FORM GSTR-3B, then no entry should be made in table 7E of FORM GSTR-9. However, if amount mentioned in table 4D of FORM GSTR-3B was included in table 4A of FORM GSTR-3B, then entry will come in 7E of FORM GSTR-9.~~ For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, the registered person shall have 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) are to be mandatorily reported.~~
8A	The total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs and supplies received from E-commerce operators) pertaining to the financial year for which the return is being for and reflected in **FORM GSTR-2A** (table 3 & 5 only) shall be auto-populated in this table. This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers including e-commerce operators in their **FORM GSTR-1** For FY 2017-18, It may be noted that the **FORM GSTR-2A** generated as on the 1st May, 2019 shall be auto-populated in this table**.** For FY 2018-19, It may be noted that the FORM GSTR-2A generated as on the 1st November, 2019 shall be auto-populated in this table. For FY 2017-18 and 2018-19, the registered person shall have an option to upload the details for the entries in Table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without the CA certification). For FY 2019-20, it may be noted that the details from FORM GSTR-2A generated as on the 1st November, 2020 shall be auto-populated in this table. However, for FY 2023-24 onwards, the total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs) pertaining to the financial year for which the return is being furnished and reflected in table 3(I) of FORM GSTR-2B shall be auto-populated in this table.
8B	The input tax credit as declared in Table 6B and 6H shall be auto-populated here. For FY 2017-18 and 2018-19, the registered person shall have an option to upload the details for the entries in Table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without the CA certification). However, for FY 2024-25 onwards, the input tax credit as declared in Table 6B shall be auto-populated here.
8C	Aggregate value of input tax credit availed on all inward supplies (except those on which tax is payable on reverse charge **basis** but includes supply of services received from SEZs) received during the financial year for which the annual return is being filed for but credit on which was availed in the next financial year within the period specified under Section 16(4) of the CGST Act, 2017.
8D	Aggregate value of the input tax credit which was available in **FORM GSTR-2A** (table 3 & 5 only) but not availed in **FORM GSTR-3B** returns shall be computed based on values of 8A, 8B and 8C. However, there may be circumstances where the credit availed in FORM GSTR-3B was greater than the credit available in **FORM GSTR-2A.** In such cases, the value in row 8D shall be negative. For FY 2017-18 and 2018-19, the registered

	person shall have an option to upload the details for the entries in Table 8A to Table 8D duly signed, in PDF format in FORM GSTR-9C (without the CA certification).
8E & 8F	The credit which was available and not availed in **FORM GSTR-3B** and the credit was not availed in **FORM GSTR-3B** as the same was ineligible shall be declared here. Ideally, if 8D is positive, the sum of 8E and 8F shall be equal to 8D.
8G	Aggregate value of IGST paid at the time of imports (including imports from SEZs) during the financial year shall be declared here.
8H	The input tax credit availed in the financial year as declared in Table 6E shall be auto-populated here.
8H1	Out of 8G, the input tax credit on Import of goods which is availed in next financial year shall be declared here.
8K	The total input tax credit which shall lapse for the current financial year shall be computed in this row.

6. Part IV is the actual tax paid during the financial year. Payment of tax under Table 6.1 of **FORM GSTR-3B** may be used for filling up these details.

7. For FY 2017-18, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** of between April 2018 to March 2019. For FY 2018-19, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** between April 2019 to September 2019. For FY 2019-20, Part V consists of particulars of transactions for the previous financial year but paid in the FORM GSTR-3B between April 2020 to September 2020. For FY 2020-21, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** between April 2021 to September 2021. For FY 2021-22, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** of April, 2022 to October, 2022 filed upto 30th November, 2022. For FY 2022-23, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** of April, 2023 to October, 2023 filed upto 30th November, 2023 For FY 2023-24, Part V consists of particulars of transactions for the previous financial year but paid in the FORM GSTR-3B of April, 2024 to October, 2024 filed upto 30th November, 2024.

From FY 2024-25 onwards, Part V consists of particulars of transactions for the financial year for which annual return is furnished but declared in the FORM GSTR-3B of April to October of next financial year filed upto 30th November of next financial year. The instructions to fill Part V are as follows:

Table No.	**Instructions**
10 & 11	For FY 2017-18, Details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of **FORM GSTR-1** of April 2018 to March 2019 shall be declared here. For FY 2018-19, Details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of **FORM GSTR-1** of April 2019 to September 2019 shall

	be declared here. For FY 2019-20, Details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April 2020 to September 2020 shall be declared here. For FY 2020-21, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April 2021 to September 2021 shall be declared here. For FY 2021-22, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of **FORM GSTR-1** of April, 2022 to October, 2022 filed upto 30th November, 2022 shall be declared here. For FY 2022-23, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of **FORM GSTR-1** of April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here. For FY 2023-24, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April, 2024 to October, 2024 filed upto 30th November, 2024 shall be declared here. From FY 2024-25 onwards, for Table 10, details of supplies / tax increased through invoices or Debit Note or upward amendment of the same pertaining to the financial year but furnished in FORM GSTR-1 or as amended in FORM GSTR-1A or furnished through Invoice furnishing facility of April to October of the next financial year, filed upto 30th November, of next financial year shall be declared here. From FY 2024-25 onwards, for Table 11, details of supplies / tax reduced through invoices or Credit Note pertaining to the financial year but furnished in FORM GSTR-1 or as amended in FORM GSTR-1A or furnished through Invoice furnishing facility of April to October of the next financial year, filed upto 30th November, of next financial year shall be declared here.
12	For FY 2017-18, Aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April 2018 to March 2019 shall be declared here. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details. For FY 2019-20, Aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April 2020 to September 2020 shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details. For FY 2019-20, the registered person shall have an option to not fill this table. For FY 2020-21, aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April 2021 to September 2021 shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details. For FY 2021-22, aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April, 2022 to October, 2022 upto 30th November, 2022 shall be declared here. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details. For FY 2022-23,

	aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details. For FY 2023-24, aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April, 2024 to October, 2024 filed upto 30th November, 2024 shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details. For FY 2018-19, Aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April 2019 to September 2019 shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, the registered person shall have an option to not fill this table. For FY 2024-25 onwards, aggregate value of reversed ITC of the financial year which has been reversed through the return filed in next financial year filed upto 30th November, shall be declared here (This will not be part of Table 7). Table 4(B) of FORM GSTR-3B of next financial year may be used for filling up these details.
13	For FY 2017-18, Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 2018 to March 2019 shall be declared here. Table 4(A) of **FORM GSTR-3B** may be used for filling up these details. However, any ITC which was reversed in the FY 2017-18 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2018-19, the details of such ITC reclaimed shall be furnished in the annual return for FY 2018-19. For FY 2018-19, Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 2019 to September 2019 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2018-19 as per second proviso to subsection (2) of section 16 but was reclaimed in FY 2019-20, the details of such ITC reclaimed shall be furnished in the annual return for FY 2019-20. For FY 2019-20, Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 2020 to September 2020 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2019-20 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2020-21, the details of such ITC reclaimed shall be furnished in the annual return for FY 2020-21. For FY 2020-21, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 2021 to September 2021 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2020-21 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2021-22, the details of such ITC reclaimed shall be furnished in the annual return for FY 2021-22. For FY 2021-22, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April, 2022 to October, 2022 upto 30th November, 2022 shall be declared here. Table 4(A) of **FORM GSTR-3B** may be used for filling up these details. However, any ITC which was reversed in the FY 2021-22 as per second proviso to sub- section (2) of section 16 but was reclaimed in FY 2022-23, the details of such ITC reclaimed shall be furnished in the annual return for FY 2022-23. For FY 2022-23, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of

	April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2022-23 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2023-24, the details of such ITC reclaimed shall be furnished in the annual return for FY 2023-24. For FY 2023-24, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April, 2024 to October, 2024 filed upto 30th November, 2024 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2023-24 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2024-25, the details of such ITC reclaimed shall be furnished in the annual return for FY 2024-25. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, the registered person shall have an option to not fill this table. For FY 2024-25 onwards, details of ITC on supply of goods or services received pertaining to the financial year but ITC for the same was availed in return from April to October of next financial year filed upto 30th November, of next financial year shall be declared here. Table 4(A) of FORM GSTR-3B of April to October of next financial year may be used for filling up these details. However, any ITC which was reversed in any of the financial years as per rule 37 or rule 37A but was reclaimed in next financial year, the details of such ITC reclaimed shall be furnished in the Table 6H of GSTR-9 to be filed for next financial year only. Hence, same shall not to be reported here for this financial year.

8. Part VI consists of details of other information. The instructions to fill Part VI are as follows:

Table No.	**Instructions**
15A, 15B, 15C and 15D	Aggregate value of refunds claimed, sanctioned, rejected and pending for processing shall be declared here. Refund claimed will be the aggregate value of all the refund claims filed in the financial year and will include refunds which have been sanctioned, rejected or are pending for processing. Refund sanctioned means the aggregate value of all refund sanction orders. Refund pending will be the aggregate amount in all refund application for which acknowledgement has been received and will exclude provisional refunds received. These will not include details of non-GST refund claims. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this Table.
15E, 15F and 15G	Aggregate value of demands of taxes for which an order confirming the demand has been issued by the adjudicating authority shall be declared here. Aggregate value of taxes paid out of the total value of confirmed demand as declared in 15E above shall be declared here. Aggregate value of demands pending recovery out of 15E above shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this Table.**s**
16A	Aggregate value of supplies received from composition taxpayers shall be declared here. Table 5 of **FORM GSTR-3B** may be used for filling up these details. For FY 2017-18, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person

	shall have an option to not fill this Table.
16B	Aggregate value of all deemed supplies from the principal to the job-worker in terms of sub-section (3) and sub-section (4) of Section 143 of the CGST Act shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table.
16C	Aggregate value of all deemed supplies for goods which were sent on approval **basis** but were not returned to the principal supplier within one eighty days of such supply shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, ~~and~~ 2022-23 and 2024-25, the registered person shall have an option to not fill this table.
17 & 18	Summary of supplies effected and received against a particular HSN code to be reported only in this table. It will be optional for taxpayers having annual turnover upto Rs.1.50 Cr. It will be mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above Rs.1.50 Cr but upto Rs.5.00 Cr and at four digits 'level for taxpayers having annual turnover above Rs.5.00 Cr. From FY 2021-22 onwards, it shall be mandatory to report HSN code at six digits level for taxpayers having annual turnover in the preceding year above Rs. 5.00 Cr and at four digits level for all B2B supplies for taxpayers having annual turnover in the preceding year upto Rs. 5.00 Cr. UQC details to be furnished only for supply of goods. Quantity is to be reported net of returns. Table 12 of **FORM GSTR-1**as amended by FORM GSTR-1A, if any**]** may be used for filling up details in Table 17. It may be noted that this summary details are required to be declared only for those inward supplies which in value independently account for 10 % or more of the total value of inward supplies. For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option to not fill this table. For FY 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill Table 18.
19	Late fee will be payable if annual return is filed after the due date.

9. 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 "Annual Return" in the drop down provided in **FORM DRC-03.** It may be noted that such liability can be paid through electronic cash ledger or electronic credit ledger ~~only~~.

Annexure D

Draft amendment to FORM GSTR-9C for FY 2024-25

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)		
4	Are you liable to audit under any Act? << Please specify >>		
		(Amount in Rs.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		
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 B	Reason 1	<>
	Reason 2	<>
C	Reason 3	<>

7	**Reconciliation of Taxable Turnover**	
A	Annual turnover after adjustments (from 5P above)	
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	

D1	Supplies on which tax is to be paid by ecommerce operators as per section 9(5) [Supplier to report]	
E	Taxable turnover as per adjustments above (A-B-C-D-D1)	
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)					
B-1	6%					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
G	28%					
H	28% (RC)					
I	3%					
J	0.25%					
K	0.10%					
K-1	Others]					
K-2	Supplies on which e-commerce operator is required to pay tax as per section 9(5) (including amendments, if any) [E-commerce operator to report]	NA				
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					
P	Total amount to be paid as per tables above					
Q	Total amount ~~paid~~ payable as declared in Annual Return (GSTR 9)					
R	Un- reconciled payment of amount **(PT1)**					
10	**Reasons for un-reconciled payment of amount**					

A	Reason 1	<>
B	Reason 2	<>
C	Reason 3	<>

11	**Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)**					
			To be paid through Cash/ITC			
	Description	'axable Value	ntral tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	6%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Others					
	Supplies on which e-commerce operator is required to pay tax as per section 9(5) (including amendments, if any) [E-commerce operator to report]	NA				
	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		
E	ITC claimed in Annual Return (GSTR9)		
F	Un-reconciled ITC		**ITC 1**

13	**Reasons for un-reconciled difference in ITC**
A	Reason 1 <>
B	Reason 2 <>
C	Reason 3 <>

14	**Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account *(Optional)**			
	Description	Value	t of Total ITC	mount 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			<>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC (ITC 2)			

15	**Reasons for un - reconciled difference in ITC**	
A	Reason 1	<>
B	Reason 2	<>
C	Reason 3	<>

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	**Additional Liability due to non-reconciliation**

			To be paid through Cash/ITC			
	Description	Value	ntral tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	6%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Others					
	Supplies on which e-commerce operator is required to pay tax as per section 9(5) (including amendments, if any) [E-commerce operator to report]					
	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)					

17	Late fee payable and paid		
	Description	Payable	Paid
	1	2	3
A	1ntegrated Tax		
B	Central Tax		
C	State Tax/UT Tax		

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 am uploading this self-certified reconciliation statement in FORM **GSTR-9C**. 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

Designation/status

Instructions: –

1. Terms used:

(a) GSTIN: Goods and Services Tax Identification Number

2. It is mandatory to file all your **FORM GSTR-1, FORM GSTR-3B** and **FORM GSTR -9** for the current financial year before filing this return. For FY 2017-18, 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 :-

Table No.	**Instructions**
5A	The turnover as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their GSTIN wise turnover and declare the same here. This shall include export turnover (if any). It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
5B	Unbilled revenue which was recorded in the books of accounts on the **basis** of accrual system of accounting in the last financial year and was carried forward to the current financial year shall be declared here. For FY 2017-18, 2018-19,2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O. In other words, when GST is payable during the financial year on such revenue (which was recognized earlier), the value of such revenue shall be declared here. (For example, if rupees Ten Crores of unbilled revenue existed for the financial year 2016-17, and during the current financial year, GST was paid on rupees Four Crores of such revenue, then value of rupees Four Crores rupees shall be declared here)

5C	Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited Annual Financial Statement shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5D	Aggregate value of deemed supplies under Schedule I of the CGST Act, 2017 shall be declared here. Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5E	Aggregate value of credit notes which were issued after 31st of March for any supply accounted in the current financial year but such credit notes were reflected in the annual return (GSTR-9) shall be declared here. For FY 2017-18,2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5F	Trade discounts which are accounted for in the audited Annual Financial Statement but on which GST was leviable (being not permissible) shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.

5G	Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here. For FY 2017-18, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5H	Unbilled revenue which was recorded in the books of accounts on the **basis** of accrual system of accounting during the current financial year but GST was not payable on such revenue in the same financial year shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5I	Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.

5J	Aggregate value of credit notes which have been accounted for in the audited Annual Financial Statement but were not admissible under Section 34 of the CGST Act shall be declared here. For FY 2017-18,2018-19,2019-20, 2020-21, 2021-22, 2022-23 , ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5K	Aggregate value of all goods supplied by SEZs to DTA units for which the DTA units have filed bill of entry shall be declared here.For FY 2017-18, 2018-19, 2019-20,2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5L	There may be cases where registered persons might have opted out of the composition scheme during the current financial year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared here. For FY 2017-18, 2018-19, 2019- 20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5M	There may be cases where the taxable value and the invoice value differ due to valuation principles under section 15 of the CGST Act, 2017 and rules thereunder. Therefore, any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.
5N	Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to foreign exchange fluctuations shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, ~~and~~ 2023-24 and 2024-25, the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.

5O	Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to reasons not listed above shall be declared here.
5Q	Annual turnover as declared in the Annual Return (GSTR 9) shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual Return (GSTR 9).
6	Reasons for non-reconciliation between the annual turnover declared in the audited Annual Financial Statement and turnover as declared in the Annual Return (GSTR 9) shall be specified here.
7	The table provides for reconciliation of taxable turnover from the audited annual turnover after adjustments with the taxable turnover declared in annual return (GSTR- 9).
7A	Annual turnover as derived in Table 5P above would be auto-populated here.
7B	Value of exempted, nil rated, non-GST and no-supply turnover shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7C	Value of zero rated supplies (including supplies to SEZs) on which tax is not paid shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7D	Value of reverse charge supplies on which tax is to be paid by the recipient shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7D1	Supplies on which tax is to be paid by ecommerce operators as per section 9(5) [Supplier to report] shall be declared here.
7E	The taxable turnover is derived as the difference between the annual turnover after adjustments declared in Table 7A above and the sum of all supplies (exempted, non-GST, reverse charge, supplies made through 9(5) etc.) declared in Table 7B, 7C, ~~and~~ 7D and 7D1 above.
7F	Taxable turnover as declared in Table (4N – 4G-4G1) + (10-11) of the Annual Return (GSTR9) shall be declared here.
8	Reasons for non-reconciliation between adjusted annual taxable turnover as derived from Table 7E above and the taxable turnover declared in Table 7F shall be specified here.

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 :-

Table No.	**Instructions**
9	The table provides for reconciliation of tax paid as per reconciliation statement and amount of tax paid as declared in Annual Return (GSTR 9). Under the head labelled—RC', supplies where tax was paid on reverse charge **basis** by the recipient (i.e. the person for whom reconciliation statement has been prepared) shall be declared.
9P	The total amount to be paid as per liability declared in Table 9A to 9O is auto populated here.
9Q	The amount payable as declared in Table 9 of the Annual Return (GSTR9) shall be declared here. It should also contain any differential tax paid on Table 10 or 11 of the Annual Return (GSTR9).
10	Reasons for non-reconciliation between payable / liability declared in Table 9P above and the amount payable in Table 9Q shall be specified here.
11	Any amount which is payable due to reasons specified under Table 6, 8 and 10 above shall be declared here.

6. Part IV consists of reconciliation of Input Tax Credit (ITC). The instructions to fill Part IV are as under:-

Table No.	**Instructions**

12A	ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their ITC for each individual GSTIN and declare the same here. It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
12B	Any ITC which was booked in the audited Annual Financial Statement of earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed during Financial Year 2017-18. For FY 2017-18, 2018-19,2019-20, 2020-21 and 2021-22, the registered person shall have an option to not fill this Table.
12C	Any ITC which has been booked in the audited Annual Financial Statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here. For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, the registered person shall have an option to not fill this Table.
12D	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto-populated here.
12E	Net ITC available for utilization as declared in Table 7J of Annual Return (GSTR9) shall be declared here.
13	Reasons for non-reconciliation of ITC as per audited Annual Financial Statement or books of account (Table 12D) and the net ITC (Table12E) availed in the Annual Return (GSTR9) shall be specified here.
14	This table is for reconciliation of ITC declared in the Annual Return (GSTR9) against the expenses booked in the audited Annual Financial Statement or books of account. The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here. 4[For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24 and 2024-25, the registered person shall have an option to not fill this Table.
14R	Total ITC declared in Table 14A to 14Q above shall be auto populated here.

14S	Net ITC availed as declared in the Annual Return (GSTR9) shall be declared here. Table 7J of the Annual Return (GSTR9) may be used for filing this Table.
15	Reasons for non-reconciliation between ITC availed on the various expenses declared in Table 14R and ITC declared in Table 14S shall be specified here.
16	Any amount which is payable due to reasons specified in Table 13 and 15 above shall be declared here.
17	Late fee will be payable as per section 47(2).

7. Part V consists of the additional liability to be discharged by the taxpayer due to non- reconciliation of turnover or non-reconciliation of input tax credit. 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 demand which is to be settled by the 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 or electronic credit ledger ~~only~~.

[5][***Part B Certification

Agenda Item 6(i): Miscellaneous issues related to the Goods and Services Tax Appellate Tribunal.

The Goods and Services Tax Appellate Tribunal (hereinafter referred as "the GSTAT") comprises a Principal Bench in New Delhi and thirty-one State Benches across the country. The Law Committee has reviewed the parameters for assigning cases to different Benches and has made suitable recommendations.

Issue 1: Cases to be heard only by the Principal Member Bench of the GSTAT:

2. Section 109(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred as "the CGST Act") provides that the Principal Bench and the State Bench shall hear appeals against the orders passed by the Appellate Authority or the Revisional Authority. Further, proviso to the said section provides that the cases where one of the issues involved relates to the place of supply or referred to in section 171(2) of the CGST Act shall be heard **only** by the Principal Bench, and empowers the Government to notify the cases or class of cases which shall be heard only by the Principal Bench.

2.1 In view of the above legal provisions, the Law Committee deliberated following class of cases to be heard only by the Principal Bench:

i. Cases where, in the opinion of the President, one or more issues of a similar nature arise in appeals pending in respect of one or more establishments of distinct persons
ii. Cases where one or more issues involved is covered by section 14, section 14A of the IGST Act, 2017.
iii. Cases where one or more issues involved is covered by section 20 of the CGST Act.

2.2 **However, consensus could not be reached amongst the Law Committee members on the item at Sr. No. (i), and at Sr. No. (iii) above. Therefore, the same is placed before the GST Council for further deliberation.**

2.3 The copy of the proposed draft notification is attached as **"annexure A"** to this note.

Issue 2: Prescribing conditions regarding the cases to be heard only by the Single Member Bench of the GSTAT:

3. Section 109(8) of CGST Act provides that the appeals, where the tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed fifty lakh rupees, and which does not involve any question of law may, with the approval of the President**, and subject to such conditions as may be prescribed** on the recommendations of the Council, be heard by a single member, and in all other cases, shall be heard together by one Judicial member and one Technical Member.

3.1 Based on the above legal provisions, the Law Committee recommended inserting a new rule 110A after rule 110 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred as "the CGST Rules") prescribing conditions, subject to which appeals can be heard by the Single Member as follows (in red):

"***Conditions for the Appeals to be heard by a Single Member Bench***.

Rule 110A. *(1) The President, or the Vice-President if so authorised by the President in respect of any State Bench, as the case may be, may either on his own motion or an application filed by the parties to the appeal, scrutinize the Appeal and allot such Appeal to any Single Member Bench within the respective State if the Appeal does not involve a question of law.*

(2) In case the Single Member Bench, while hearing the Appeal allotted under sub-rule (1), comes to a conclusion that the Appeal may involve a question of law, the Appeal shall be sent back to the President or the Vice-President, as the case may be, for reconsideration.

(3) During the scrutiny of appeals under sub-section (1), or the reconsideration of appeals under sub-section (2), the fact whether , in respect of the same taxable person within a State, the same issue for the same or a different tax period, has already been heard or decided by a Bench comprising a Technical Member and a Judicial Member, shall be taken into consideration and where such a matter exists, the appeal shall be heard only by a Bench comprising a Technical Member and a Judicial Member. *******

(4) For the purpose of reckoning the amount of fifty lakh rupees under sub-section (8) of section 109, the cumulative tax or input tax credit involved, or the amount of fine, fee or penalty, shall be determined with reference to all issues and all tax periods covered in the order appealed against."

******The draft formulation of sub-rule (3) shall be finalised after consultation with the Union Ministry of Law and Justice.

3.2 The copy of the draft notification is attached as **"annexure B"** to this note.

Issue 3: Notifying a date of limitation for filing of appeals in GSTAT:

4. Section 112(1) of the CGST Act provides that the order issued under section 107 or section 108 of the CGST Act or SGST Act or the UTGST Act may be appealed to the GSTAT, within three months from the date, the said order is communicated or the **date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later**. Further, the Department of Legal Affairs interpreted the said section and confirmed that the cases where the limitation period of three months have expired, a notification is warranted by the **Government, on the recommendations of the Council, for filing appeal before the GSTAT under the Act.**

4.1 The matter has been examined by the Law Committee and it was felt that a date is imperative to be notified to serve as a limitation for filing of the legacy appeals otherwise, the appeals would get restricted only to those taxpayers who received the order within last three months. It was also felt by the Committee that taxpayers should be given adequate time to address the significant backlog of filings, and also the initial challenges in the newly developed GSTAT IT system should be taken into account before finalizing the last date.

4.2 It was also felt by the Law Committee that notifying separate date for separate class of cases and separate benches may not be convenient for the taxpayers and may also be difficult to manage in

the IT system and therefore, a single date needs to be identified. If administratively, staggering of filing appeals is desired, the President may do so in consultation with GSTN/NIC and this would not require to be incorporated in the notification.

4.3 In order to finalize the date, the Law Committee observed that the software for operation of the GSTAT system has been prepared and can be made operational by end of October, 2025 and it is expected that the initial appointments will be in place shortly. Further the system readiness for filing of appeals can start as soon as the Members appointments are completed which is tentatively estimated to be October 2025. Therefore, the Law Committee recommended notifying **30.06.2026** as the date by which the legacy appeals need to be filed, without the limitation of three months from receipt of the order and mentioned that the condition of 3 months from the date of receipt of the order would apply from 1st April 2026.

4.4 The copy of the draft notification is attached as **"Annexure C"** to this note.

5. The above agenda note is place before the GST Council for deliberation and approval please.

Annexure A

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINATY, PART II, SECTION 3, SUB-SECTION(i)]

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, dated September, 2025

G.S.R. (E).— In exercise of the powers conferred by the third proviso to sub-section (5) of section 109 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Goods and Services Tax Council, hereby notifies the following cases or the class of cases, that shall be heard only by the Principal Bench, namely:—

i) Cases where, in the opinion of the President, one or more issues of a similar nature arise in appeals pending in respect of one or more establishments of distinct persons; or

ii) Cases where one or more issues involved is covered by section 14 or section 14A of Integrated Goods and Services Tax Act, 2017(13 of 2017); or

iii) Cases where one or more issues involved is covered under section 20 of the Central Goods and Services Tax Act, 2017(12 of 2017).

[F. No. A-50050/150/2018-CESTAT-DoR]

Jt. Secy.

Annexure B

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINATY, PART II, SECTION 3, SUB-SECTION(i)]

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, dated September, 2025

G.S.R. (E).— G.S.R... (E). –In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), read with sub-section (8) of section 109 of said Act, the Central Government, on the recommendations of the Council, hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely: —

1. Short title and commencement. -(1) These rules may be called the Central Goods and Services Tax (Amendment) Rules, 2025.

(2) Save as otherwise provided in these rules, they shall come into force on the date of their publication in the Official Gazette.

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), after rule 110, the following rule shall be inserted, namely:—

"**110A. Conditions for the Appeals to be heard by a Single Member Bench**.-(1) The President, or the Vice-President if so authorised by the President in respect of any State Bench, as the case may be, may either on his own motion or an application filed by the parties to the appeal, scrutinize the Appeal and allot such Appeal to any Single Member Bench within the respective State if the Appeal does not involve a question of law.

(2) In case the Single Member Bench, while hearing the Appeal allotted under sub-rule (1), comes to a conclusion that the Appeal may involve a question of law, the Appeal shall be sent back to the President or the Vice-President, as the case may be, for reconsideration.

(3) During the scrutiny of appeals under sub-section (1), or the reconsideration of appeals under sub-section (2), the fact whether , in respect of the same taxable person within a State, the same issue for the same or a different tax period, has already been heard or decided by a Bench comprising a Technical Member and a Judicial Member, shall be taken into consideration and where such a matter exists, the appeal shall be heard only by a Bench comprising a Technical Member and a Judicial Member.*****

(4) For the purpose of reckoning the amount of fifty lakh rupees under sub-section (8) of section 109, the cumulative tax or input tax credit involved, or the amount of fine, fee or penalty, shall be determined with reference to all issues and all tax periods covered in the order appealed against."

[F. No. A-50050/150/2018-CESTAT-DoR]

Jt. Secy.

***(The draft formulation of sub-rule (3) shall be finalised after consultation with the Union Ministry of Law and Justice.)**

Annexure C

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINATY, PART II, SECTION 3, SUB-SECTION(i)]

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, dated September, 2025

G.S.R. (E).— In exercise of the powers conferred by the sub-sections (1) of section 112 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendation of the Goods and Services Tax Council, hereby notifies the 30th June, 2026, as the date for filing appeal before the Appellate Tribunal under this Act.

[F. No. A-50050/150/2018-CESTAT-DoR]

Jt. Secy

Explanation:- The above date will apply in cases where the order sought to be appealed against was communicated more than three months before 30th June 2026 (i.e., before 1st April 2026) and no appeal to the Appellate Tribunal has been filed upto 30th June 2026. For orders communicated on or after 1st April 2026, the three-month time limit for filing an appeal before the Appellate Tribunal will be counted from the actual date of communication of the order.

Agenda Item 6(j): Amendment in CGST Act, 2017 to empower an existing Authority, including the Appellate Tribunal, to function as National Appellate Authority for Advance Ruling.

Section 101A of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") empowers the Central Government, on the recommendation of the GST Council, to constitute the National Appellate Authority for Advance Ruling (hereinafter referred to as "NAAAR") through a notification, with effect from a date to be specified. The NAAAR shall comprise a President, a Technical Member (Centre), and a Technical Member (State).

2. In view of the above provision, the matter has been examined by the Law committee in its meeting held on 13.08.2025 and it was observed that the eligibility criteria for the President and the Members of the NAAAR is either similar to or lesser than the eligibility criteria of the President and Technical Members of the Goods and Services Tax Appellate Tribunal (hereinafter referred as "the GSTAT") as provided under section 110 of the CGST Act. The comparison is shown in the Table below:

Post	GSTAT	NAAAR
President	has been a Judge of the Supreme Court or is or has been the Chief Justice of a High Court	has been a Judge of the Supreme Court or is or has been the Chief Justice of a High Court, or is or has been a Judge of a High Court for a period not less than five years
Technical Member (Centre)	is or has been a member of the Indian Revenue (Customs and indirect Taxes) Service, Group A, or of the All India Service with at least three years of experience in the administration of an existing law or goods and services tax in the Central Government, and has completed at least twenty-five years of service in Group A	who is or has been a member of Indian Revenue (Customs and Central Excise) Service, Group A, and has completed at least fifteen years of service in Group A
Technical Member (State)	is or has been an officer of the State Government or an officer of the All India Service, not below the rank of Additional Commissioner of Value Added Tax or the State goods and services tax or such rank, not lower than that of the First Appellate Authority, as may be notified by the concerned State Government, on the recommendations of the Council and has completed twenty-five years of service in Group A, or equivalent, with at least three years of experience in the administration of an existing law or the goods and services tax or in the field of finance and taxation in the State Government	who is or has been an officer of the State Government not below the rank of Additional Commissioner of Value Added Tax or the Additional Commissioner of State tax with at least three years of experience in the administration of an existing law or the State Goods and Services Tax Act or in the field of finance and taxation

3. Further, the Law Committee noted that the procedure for appointing the President of the NAAAR is quite similar to the procedure for appointing the President of the GSTAT. It also observed that the Members of the NAAAR are appointed by the Government based on the recommendations of a Search-cum-Selection Committee, and this process is broadly similar to the

one followed for appointing the Technical Members of the GSTAT.

4. The Law Committee also noted that the purpose of establishing the NAAAR, as outlined in the agenda of the 31st GST Council Meeting dated 22.12.2018, was to address conflicting rulings issued by two or more State Appellate authority for advance Rulings on the same matter concerning a taxable person registered in multiple States. Since such disputes generally involve more than one State, it was considered essential to handle them at the national level to ensure consistency across the country.

5. In view of the above, the **Law Committee considered appropriate that the Principal Bench of the GSTAT be entrusted with the additional responsibility of functioning as the NAAAR** as the President, Technical Member (Centre), and Technical Member (State) of the GSTAT would be having a national outlook on GST related matters along with the requisite experience and technical expertise, which would ensure finality to disputes where distinct persons (different registrations of the same taxpayer) have received conflicting advance rulings on the same issue in different States. The Law Committee felt that such measure would be a positive development for taxpayers and also addresses one of the key demands consistently raised by Trade Bodies.

6. Accordingly, the Law Committee recommended amendment in sub-section (1) of section 101A of the CGST Act as follows (in red):

> *"The Government shall, on the recommendations of the Council, by notification, constitute, with effect from such date as may be specified therein, an Authority known as the National Appellate Authority for Advance Ruling, or empower an existing Authority, including the Appellate Tribunal, for hearing appeals made under section 101B."*

7. The Law Committee also recommended insertion of new sub-section (1A) to section 101A of the CGST Act as follows (in red):

> *"(1A) Where an existing authority is empowered under sub-section (1), the provisions of sub-sections (2) to (13) shall not be applicable."*

8. The Law Committee further recommended that, following above amendment, the President, the Technical Member (Centre), and the Technical Member (State) of the Principal Bench of the GSTAT be empowered to act as the NAAAR with effect from **01.04.2026**.

9. The agenda note is place before the GST Council for deliberation and approval please.

Agenda Item 6(k): Amendments to CGST Rules, 2017, for facilitating the processing of application filed before GSTAT.

At present, certain procedures in the second stage of the appellate process do not have prescribed GST FORMs for capturing the required details in the system. The matter has been examined by the Law Committee and it was observed that with the complete automation of the GST Appellate Tribunal (hereinafter referred as "the GSTAT") functionality by GSTN, it is important to ensure that all the procedures are documented in some form and manner. Accordingly, amendments to Central Goods and Services Tax Rules, 2017 (hereinafter referred as "the CGST Rules") along with GST FORMs are recommended for being developed in the GSTAT system.

2. Amendment to rule 110 of the CGST Rules:

2.1 The Law Committee recommended a new **"FORM GST APL-02A",** comprising two parts for provisional and final acknowledgment of appeals/applications by the GSTAT, and amendment in rule 110(1) of the CGST Rules to incorporate the effect of the said FORM as follows (in red):

Amendment in rule 110(1):

"An appeal to the Appellate Tribunal under sub-section (1) of section 112 shall be filed in FORM GST APL-05, along with the relevant documents, electronically and provisional acknowledgement in Part A of FORM GST APL-02A shall be issued to the appellant immediately….."

2.2 Further, the Law Committee recommended to do away with the facility of manual filing of appeal as provided under rule 110(1) of the CGST Rules and recommended to strike out the proviso to rule 110(1) and proviso to rule 110(2) of the CGST Rules as follows (in red):

(i) Amendment in rule 110(1):

"An appeal to the Appellate Tribunal under sub-section (1) of section 112 shall be filed in FORM GST APL-05, along with the relevant documents, electronically and provisional acknowledgement shall be issued to the appellant immediately~~:~~

~~Provided that an appeal to the Appellate Tribunal may be filed manually in FORM GST APL-05, along with the relevant documents, only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order, and in such case, a provisional acknowledgement shall be issued to the appellant immediately~~."

(ii) Amendment in rule 110(2):

"A memorandum of cross-objections to the Appellate Tribunal under sub-section (5) of section 112, if any, shall be filed electronically in FORM GST APL-06~~:~~.

~~Provided that the memorandum of cross-objections may be filed manually in FORM GST APL-06, only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order."~~

2.3 Further, the Law Committee recommended amendments in rule 110(4) of the CGST Rules, to incorporate the effect of recommended new "FORM GST APL-02A". Amended rules would be as follows (in red):

Amendment in rule 110(4):

"Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1):

Provided that where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of seven days from the date of filing of FORM GST APL-05 and a final acknowledgement, indicating appeal number, shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

Provided further that where the said self-certified copy of the order is submitted or uploaded after a period of seven days from the date of filing of FORM GST APL-05, a final acknowledgement, indicating appeal number, shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.

Explanation.—For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued."

2.4 The Law Committee observed that amendments in rule 111(1), rule 111(2), and rule 111(4) of the CGST Rules are also required in respect of appeals filed by the tax department, to incorporate the effect of new "FORM GST APL-02A" and to do away with the manual filing of appeal. Recommended amended rules would be as follows (in red):

(i) Amendment in rule 111(1):

"An application to the Appellate Tribunal under sub-section (3) of section 112 shall be filed in Form GST APL-07, along with the relevant documents, electronically and a provisional acknowledgement in Part A of FORM GST APL-02A shall be issued to the appellant immediately~~:~~.

~~*Provided that an application to the Appellate Authority may be filed manually in FORM GST APL-07, along with the relevant documents, only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order, and in such case, a provisional acknowledgement shall be issued to the appellant immediately."*~~

(ii) Amendment in rule 111(2):

"A memorandum of cross-objections to the Appellate Tribunal under sub-section (5) of section 112, if any, shall be filed electronically in FORM GST APL-06~~:~~.

~~*Provided that the memorandum of cross-objections may be filed manually in FORM GST APL-06, only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order"*~~

(iii) Amendment in rule 111(4):

"Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1):

Provided that where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of seven days from the date of filing of FORM GST APL-07 and a final acknowledgment, indicating appeal number shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

Provided further that where the said self-certified copy of the order is submitted or uploaded after a period of seven days from the date of filing of FORM GST APL-07, a final acknowledgement, indicating appeal number, shall be issued in part B of FORM GST APL-02A on removal of defects, if any, and the date of submission or uploading of such self-~~certified~~ attested copy shall be considered as the date of filing of appeal.

2.5 The Law Committee also recommended to substitute rule 113(2) of the CGST Rules by the following to incorporate the provision for uploading GSTAT order summary (in red):

Amendment in rule 113(2)-

~~*The jurisdictional officer shall issue a statement in FORM GST APL-04 clearly indicating the final amount of demand confirmed by the Appellate Tribunal.*~~

"The Appellate Tribunal shall, along with its order under sub-section (1) of section 113, issue, or cause to be issued, a summary of the order in FORM GST APL-04A clearly indicating the final amount of demand confirmed."

3. Further, in order to ensure documentation of all procedures prescribed for functioning of the GSTAT, the Law Committee recommended some new GST FORMs along with the changes in existing FORMs, which are as follows-

3.1 A new **"FORM GST APL-02A",** (as mentioned in para 2.1 above), comprising two parts for provisional and final acknowledgment of appeals/applications by the GSTAT is recommended by the Law Committee as follows (in red):

“FORM GST APL-02A

[See Rule 110, 111]

Part A

Provisional Acknowledgment for submission of Appeal/Application

<Name of applicant> <GSTIN/Temp ID/UIN/Reference Number/BO ID with date>

“Your appeal has been successfully filed against <Application Reference Number>.
An Appeal/Application has been submitted by you on the GST Appellate Tribunal portal which is hereby being provisionally acknowledged and its acceptance/admission is subject to scrutiny by the Registry/Bench. The Provisional Acknowledgement number is <Daily Number > dated _____. “

GSTIN/Temporary ID/UIN/ENR -

Date of filing -

Time of filing -

filing/provisional acknowledgement number -

Name of the person filing the appeal -

Appeal fees -

Transaction Id -

<Signature>

Place:

Date:

Name

Designation

ON Behalf of GST Appellate Tribunal

Part B

Final Acknowledgement communicating registration/rejection of Appeal/Application

Your Appeal/Application has been successfully filed/registered against <Application reference number > dated < Date>.

GSTIN/Temporary ID/UIN/ENR -

Case Registration Number -

Date of acceptance –

Date of appearance: Time:

Court Number: Bench:

AR/JR/DR/R

GSTAT ……..…… Bench”

OR

Your Appeal/application filed vide provisional acknowledgment reference number ------ dated ------ has been rejected

Date of rejection: AR/JR/DR/R

GSTAT ..

Bench

OR

Your Appeal/application filed vide provisional acknowledgment reference number ------ dated ------ has been Dismissed as Withdrawn

Date of Dismissal: AR/JR/DR/R

GSTAT ..

Bench

OR

Your Appeal/application filed vide provisional acknowledgment reference number ------ dated ------ has been Rejected due to Wrong Jurisdiction

Date of Rejection: AR/JR/DR/R GSTAT .. Bench

OR

Your Appeal/application filed vide provisional acknowledgment reference number ------ dated ------ has been Rejected due to Wrong Applicability of Place of Supply issue

Date of Rejected: AR/JR/DR/R GSTAT .. Bench"

3.2 Further, the Law Committee recommended insertion of the following new "**FORM GST APL-04A"** after "FORM GST APL-04" appended to the CGST Rules (in red):.

"Form GST APL-04 A

[See rule 113(2)]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

Whether remand order: Yes / No

Order Reference no.- Date of order-

1. GSTIN/Temporary ID/UIN –
2. Appeal Case Reference no. – Date:-
3. Name of the appellant –
4. Name of the Respondent –
5. Order appealed against –
   a. Order Type -- *Demand, Registration, Refund, Enforcement, Refund & Others*
   b. Ref Number – Date –
6. Personal Hearing – *(All hearing dates)*
7. Status of Order under Appeal- *Confirmed/Modified/Rejected*
   Confirmed – Order under Appeal is confirmed
   Modified – Order under Appeal is modified
   Rejected - - Order under Appeal is annulled
8. Order in brief: *(Free text, Max 2500 characters)–*
9. If demand order, then whether demand quantified: *(Yes/No)*
   (If the answer is YES, the demand quantified as follows:)

Section-I

Particulars	**Central tax**		**State/UT tax**		**Integrated tax**		**Cess**		**Total**	
	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount
1	2	3	4	5	6	7	8	9	10	11
(a) Tax										
(b) Interest										
(c) Penalty										
(d) Fees										
(e) Others										
(f) Refund										

Section-II

Place of Supply/ Name of State/UT **1**	**Demand** **2**	**Tax** **3**	**Interest** **4**	**Penalty** **5**	**Other** **6**	**Total** **7**
	Amount in dispute					
	Amount Determined					

Add rows						

10. For Other orders and Demand orders which are not quantified

Issues as raised by proper officer	**Issues as determined by Appellate/Revisional authority**	**Order by GST Appellate Tribunal**

11. If remanded with directions:

a) Remanded to: *(specify authority to whom remanded. Adjudicating Authority, Appellate authority, Revisional authority, any other)*

b) Directions subject to which remanded, if any: *(Free text, Max 1000 words)*

Section-III (Anti-profiteering)

12. Order In brief: *(Drop -Down Values)*

a) Reduction in Price
b) Return to Recipient of Amount not passed on, along with interest
c) Deposit in Consumer Welfare Fund/s
d) Penalty Imposed (Amount to be specified)
e) Cancellation of Registration

Place: Signature:

Date: Designation:

Jurisdiction:"

3.3 Further, the Law Committee recommended to substitute the existing "FORM GST APL-05" by following new **"FORM GST APL-05"** (in red):

"Form GST APL-05

See rule 110(1)

Appeal to the GST Appellate Tribunal

1. GSTIN/Temporary ID/UIN –
2. Name of the appellant –
3. Address of the appellant –
4. Respondent(s):
   (a)
   (b)
   (c)
   .....
   (Specify designation and Office of the Respondent(s))
5. Name of the authorized representative
   (a) Name……. Mobile …… Email …….
   (b) Name……. Mobile …… Email …….
   ……..
6. Order appealed against - *APL-04/Rejected APL-02* Number -
   Date-
7. Is place of supply involved in the dispute – *Yes/No*
8. Designation and Office of the Appellate Authority/Revisional Authority passing the order appealed against -
9. Date of communication of the order appealed against –
10. Details of order challenged before Appellate authority/Revisional Authority:
    a) Number - Date –
    b) Order type (As per Annexure A)
    c) Period of dispute from (DDMMYYYY) To (DDMMYYY)
    (Applicable for demand related orders)
11. Details of the authority passing the order specified at Sl. no. 9: *(Specify designation and Office of the said authority)*
12. Name of the authorized representative
    (a) Name……. Mobile …… Email …….
    (b) Name……. Mobile …… Email …….
    ……..
13. Act (CGST/ SGST/ IGST/ Cess)
14. Details of the case under dispute:
    a) Brief issue of the case under dispute
    b) Category of case under dispute *(As per Annexure B)*
    c) Market value of goods, where goods have been seized
15. Case Summary *(As per Annexure C)*
16. About Appellant *(As per Annexure D)*
17. Statement of facts *(As per Annexure E)*
18. Grounds of appeal
19. Prayer
20. Details of demand created, disputed and admitted.

Particulars	Central Tax			State/UT Tax			Integrated Tax			Cess			Total Amount		
	Amount determined by Appellate / Revisional authority, if any (A	Amount admitted (B)	Amount under dispute (C) (A-B) (Auto-populated from columns 3, 5, 7, 9, 10 & 11 of Table 9 of APL-04, where it is system or as per alternate flow of order	Amount determined by Appellate / Revisional authority, if any (A	Amount admitted (B)	Amount under dispute (C) (A-B) (Auto-populated from columns 3, 5, 7, 9, 10 & 11 of Table 9 of APL-04, where it is system or as per alternate flow of order	Amount determined by Appellate / Revisional authority, if any (A	Amount admitted (B)	Amount under dispute (C) (A-B) (Auto-populated from columns 3, 5, 7, 9, 10 & 11 of Table 9 of APL-04, where it is system or as per alternate flow of order	Amount determined by Appellate / Revisional authority, if any (A	Amount admitted (B)	Amount under dispute (C) (A-B) (Auto-populated from columns 3, 5, 7, 9, 10 & 11 of Table 9 of APL-04, where it is system or as per alternate flow of order	Amount determined by Appellate / Revisional authority, if any (A	Amount admitted (B)	Amount under dispute (C) (A-B) (Auto-populated from columns 3, 5, 7, 9, 10 & 11 of Table 9 of APL-04, where it is system or as per alternate flow of order

a) Tax															
b) Interest															
c) Penalty															
d) Fees															
e) Other charges															

21. Details of payment of admitted amount and pre-deposit:

a) Details of amount payable:

Particulars	Central Tax		State/UT Tax		Integrated		Cess		Total Amount	
	a) Admitted Amount	(b) Pre-deposit (10% of disputed tax)	a) Admitted Amount	(b) Pre-deposit (10% of disputed tax)	a) Admitted Amount	(b) Pre-deposit (10% of disputed tax)	a) Admitted Amount	(b) Pre-deposit (10% of disputed tax)	a) Admitted Amount	(b) Pre-deposit (10% of disputed tax)
a) Tax										
b) Interest										
c) Penalty										
d) Fees										
e) Other charges										

b) Details of payment of admitted amount and pre-deposit (pre-deposit 10% of the disputed admitted tax and cess)

Sr. No.	Description	Tax payable	Paid through Cash/Credit Ledger	Debit entry no.	Amount of tax paid			
					Integrated tax	Central tax	State/UT tax	CESS
1	2	3	4	5	6	7	8	9
1	Integrated tax		Cash Ledger					
			Credit Ledger					
2	Central tax		Cash Ledger					
			Credit Ledger					
3	State/UT tax		Cash Ledger					
			Credit Ledger					
4	CESS		Cash Ledger					
			Credit Ledger					

c) Interest, penalty, late fee and any other amount payable and paid:

Sr. No.	Description	Amount payable				Debit entry	Amount paid			

						no.				
		Integrated tax	**Central tax**	**State/UT tax**	**CESS**		**Integrated tax**	**Central tax**	**State/UT tax**	**CESS**
1	2	3	4	5	6	7	8	9	10	11
1	**Interest**									
2	**Penalty**									
3	**Late fee**									
4	**Others (specify)**									

Verification

I, < _____ >, hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and the same is derived from information, documents and records in my possession and further that nothing has been concealed therefrom. I further declare that no appeal against the impugned order has been preferred by me or my behalf before any Court or Authority or is pending before any Court or Authority.

Verified today, the _____ day of _____month_____ 20..._____

< Signature>

Place:
Name of the Applicant

Date:
Designation/Status

Annexure A (Order Type (for sl no. 10(b) of the Main Form)

S No	List of 'Order Type'
1	Demand Order
2	Refund Order
3	Registration Order
4	Enforcement Order
5	Recovery Order
6	Other order

Annexure B (Category of case under dispute or issues involved (for sl no. 14(b) of the Main Form)

S No	List of 'Category of case under dispute	Tab	Tab Amount involved (where quantifiable)
1	Misclassification of any goods or services or both	Mention HSN	
2	Wrong applicability of a notification issued under the provisions of this Act	Mention notification no. and date	
3	Incorrect determination of time of supply of goods or services or both	Mention section and rule specified in App/Rev order	
4	Incorrect determination of value of supply of goods or services or both	Mention section and rule specified in App/Rev order	
5	Incorrect admissibility of input tax credit of tax paid or deemed to have been paid/credit to credit ledger/denial of ITC/blocking of credit	Mention section and rule specified in App/Rev order	
6	Incorrect determination of the liability to pay tax on any goods or services or both	Mention section and rule specified in App/Rev order	
7	Whether applicant is required to be registered or has been granted suo moto registration	Mention section and rule specified in App/Rev order	
8	Whether any particular thing done by the applicant results in supply of goods or services or both	Mention section and rule and Schedule specified in App/Rev order	
9	Rejection/acceptance of application for registration	Mention section and rule specified in App/Rev order	
10	Rejection/acceptance of application for amendment to registration	Mention section and rule specified in App/Rev order	
11	Suspension of registration	Mention section and rule specified in App/Rev order	
12	Order dropping show-cause in relation to registration	Mention section and rule specified in App/Rev order	
13	Denial of facility to pay tax under composition scheme	Mention section and rule specified in App/Rev order	
14	Cancellation of registration	Mention section and rule	

		specified in App/Rev order	
15	Rejection/acceptance of application for revocation of cancellation of registration	Mention section and rule specified in App/Rev order	
16	Order accepting reply of taxpayer/order dropping show cause notice	Mention section and rule specified in App/Rev order	
17	Order of disqualification of GSTP/cancellation of enrolment of GSTP	Mention section and rule specified in App/Rev order	
18	Transfer/Initiation of recovery/ Special mode of recovery (all kinds of garnishee)	Mention section and rule and Form of order specified in App/Rev order	
19	Tax wrongfully collected/Tax collected not paid to Government.	Mention section and rule specified in App/Rev order	
20	Order of assessment including that of a non-filer or evading registration or protective assessment	Mention section and rule specified in App/Rev order	
21	Determination of tax not paid or short paid on outward supply u/s 73	Mention section and rule specified in App/Rev order	
22	Excess ITC availed/utilized u/s 73	Mention section and rule specified in App/Rev order	
23	Order for re-credit in credit ledger of claim for refund rejected or of wrongly obtained refund being deposited	Mention section and rule specified in App/Rev order	
24	Order rejecting/granting provisional refund	Mention section and rule specified in App/Rev order	
25	Order denying/reducing/withholding/granting refund	Mention section and rule specified in App/Rev order	
26	Issue related to provisional assessment	Mention section and rule specified in App/Rev order	
27	Fraud or wilful suppression of fact leading to non-payment/short payment of tax determined u/s 74	Mention section and rule specified in App/Rev order	
28	Excess ITC availed/utilized determined u/s 74	Mention section and rule specified in App/Rev order	

29	Issues related to seizure/confiscation of goods/books/property or release of such goods/books/property	Mention section and rule specified in App/Rev order	
30	Order relating to rectification/withdrawal of an earlier order	Mention section and rule specified in App/Rev order	
31	Order creating/modifying/withdrawing demand under earlier law	Mention section and rule specified in App/Rev order	
32	Order permitting payment in instalments	Mention section and rule specified in App/Rev order	
33	Order relating to provisional attachment of property	Mention section and rule specified in App/Rev order	
34	Order imposing penalty	Mention section and rule specified in App/Rev order	
35	Order permitting compounding of any offense or withdrawing such order	Mention section and rule specified in App/Rev order	
36	Anti profiteering related matter		
37	Others-		
38	Issues related to Place of supply of goods and/or services		

Annexure C (for sl no. 15 of the Main Form)
Case Summary *(indicate Amount in INR, wherever quantified and wherever applicable, Not exceeding 1000 characters in each cell)*

Sl No	Issue related to	As per order of adjudicating authority	As determined by Appellate/Revisional authority	As per stand of appellant before Tribunal	As declared/ claimed by present Appellant
1	Registration				
2	Revocation of registration				
3	Denial/blocking of ITC				
4	Short or non-payment of tax				
4	Erroneous refund				
5	Levy of Penalty				
6	Levy of interest or late fee or fine				

7	Classification dispute *(mention HSN in corresponding columns of this row)*				
8	Any other				

User can add more than one Issue

Order Type and Issue Related to mapping		
S No	**Type of 'Order Type'**	**Case Summary- Issue related to**
1	Demand Order	1) Short or non payment of tax 2) Levy of penalty 3) Levy of interest or late fee or fine 4) Classification dispute
2	Refund Order	1) Erroneous refund
3	Registration Order	1) Registration 2) Revocation of registration
4	Enforcement Order	1) Levy of penalty 2) Levy of interest or late fee or fine
5	Recovery Order	1) Denial/blocking of ITC
6	Other order	Any other

Annexure D (for sl no. 16 of the Main Form)

About Appellant

Constitution/ Identification Number	Constitution of Business	Statute under which incorporated	Date of Commencement of business	Address	Nature of Business	Any other relevant fact

Appellant to state in free text form as follows:

Appellant to mention:

a) his constitution of business (e.g. Company, Partnership, HUF, Trust, etc.)

b) Statute under which incorporated, if any (e.g. Companies Act, Trust Act, Societies Registration Act, etc.)

c) date of its constitution

d) constitution/identification number assigned to it by constituting authority (e.g. Corporate Identification Number in case of a company, etc.)

e) Address of its Head Office and address of its principal place of business in State

f) GSTIN/Temp Id and date from which registered under GST

g) Nature of the business in which he/it is engaged (e.g. manufacturer /wholesaler /retailer / supplier of services, etc.)

h) Any other relevant fact in view of the appellant"

Annexure E (for sl no. 17 of the Main Form)

Statement of Facts (Case History)
(indicate Amount in INR, wherever quantified and wherever applicable, not exceeding 1000 characters in each cell, Upload documents if necessary)

Reference/ acknowledgment no.	Action By	Date	Brief Narration
<Add rows, if required>"			

3.4 The Law Committee recommended to substitute the existing "FORM GST APL-06" by following new **"FORM GST APL-06"** (in red):

"FORM GST APL-06

[See rule 110(2)]

Cross-objections before the Appellate Tribunal under sub-section (5) of section 112

Sr. No.	Particulars
1	Appeal No. – Date of filing –
2	Present Cross-objection being filed by: o GSTIN/Temporary ID/UIN/CRN/ARN – o Name – o e-mail id – o Contact number – o Address for communication – o Designation of officer – o Office details – o e-mail id – o Contact number -
2	*Order no. – (**Order of the Appellate/Revisional authority**) -* *Date-*

3	*Designation alongwith jurisdiction of the officer passing the order appealed against –* *Designation:* *Jurisdiction:* *Order Passed by:*				
~~4~~	Date of communication of the order appealed against –				
5	Name of the authorized representative, where available –				
	e-mail id of said representative –				
	Contact number of said representative				
6.	Details of the case under dispute –				
(i)	Period of dispute -				
(ii)	Amount under dispute	Central tax	State/UT tax	Integrated tax	Cess
	(a) Tax				
	(b) Interest				
	(c) Penalty				
	(d) Fees				
	(e) Other charges (specify)				
(iii)	Market value of seized goods, where one of the issues involved is seizure/confiscation of goods -				
7	Summary of Issues involved and summary of reply thereto – ***Annexure A***				
8	Date of receipt of notice of appeal or application filed with the Appellate Tribunal by the taxpayer or the Commissioner of State/Central tax/UT tax, as the case may be - OR Date of receipt of notice of appeal or application filed with the Appellate Tribunal by the person filing the present cross-objection -				
~~9~~	Demand Table				
	Category	Tax	As per order of adjudicating authority	As determined by Appellate/ Revisional authority	As per the person filing this cross objection
	Tax	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			
	Interest	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			
	Penalty	Central Tax			
		State/UT Tax			

		Integrated Tax			
		Cess			
		Total			
	Penalty	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			
	Fees	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			
	Others	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			
	Refund	Central Tax			
		State/UT Tax			
		Integrated Tax			
		Cess			
		Total			

12	Reliefs claimed in memorandum of cross-objections.
13	Summary of reply ***(Annexure B)***
14	Grounds of Cross-objection
15	Para-wise reply (***upload separately***)
	Verification I, < _____ >, hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and the same is derived from information, documents and records in my possession and further that nothing has been concealed therefrom. Verified today, the _____ day of ____month_____ 20..._____

	Place : Date :	**<Signature>** Name of the person filing this cross-objection :: Designation/Status of Applicant/officer :”

Summary of Issues involved and summary of reply thereto (Sl. no. 7 of Main Form)–

Annexure A

S No	Category of case under dispute or Issues involved	Tab	Tab Amount involved *(where quantifiable)*	Summary of Reply
1.	Misclassification of any goods or services or both	Mention HSN		
2.	Wrong applicability of a notification issued under the provisions of this Act	Mention notification no. and date		
3.	Incorrect determination of time of supply of goods or services or both	Mention section and rule specified in App/Rev order		
4.	Incorrect determination of value of supply of goods or services or both	Mention section and rule specified in App/Rev order		
5.	Incorrect admissibility of input tax credit of tax paid or deemed to have been paid/credit to credit ledger/denial of ITC/blocking of credit	Mention section and rule specified in App/Rev order		
6.	Incorrect determination of the liability to pay tax on any goods or services or both	Mention section and rule specified in App/Rev order		
7.	Whether applicant is required to be registered or has been granted suo moto registration	Mention section and rule specified in App/Rev order		
8.	Whether any particular thing done by the applicant results in supply of goods or services or both	Mention section and rule and Schedule specified in App/Rev order		
9.	Rejection/acceptance of application for registration	Mention section and rule specified in App/Rev order		
10.	Rejection/acceptance of application for amendment to registration	Mention section and rule specified in App/Rev order		
11.	Suspension of registration	Mention section and rule specified in App/Rev order		
12.	Order dropping show-cause in relation to registration	Mention section and rule		

		specified in App/Rev order		
13.	Denial of facility to pay tax under composition scheme	Mention section and rule specified in App/Rev order		
14.	Cancellation of registration	Mention section and rule specified in App/Rev order		
15.	Rejection/acceptance of application for revocation of cancellation of registration	Mention section and rule specified in App/Rev order		
16.	Order accepting reply of taxpayer/order dropping show cause notice	Mention section and rule specified in App/Rev order		
17.	Order of disqualification of GSTP/cancellation of enrolment of GSTP	Mention section and rule specified in App/Rev order		
18.	Transfer/Initiation of recovery/ Special mode of recovery (all kinds of garnishee)	Mention section and rule and Form of order specified in App/Rev order		
19.	Tax wrongfully collected/Tax collected not paid to Government.	Mention section and rule specified in App/Rev order		
20.	Order of assessment including that of a non-filer or evading registration or protective assessment	Mention section and rule specified in App/Rev order		
21.	Determination of tax not paid or short paid on outward supply u/s 73	Mention section and rule specified in App/Rev order		
22.	Excess ITC availed/utilized u/s 73	Mention section and rule specified in App/Rev order		
23.	Order for re-credit in credit ledger of claim for refund rejected or of wrongly obtained refund being deposited	Mention section and rule specified in App/Rev order		
24.	Order rejecting/granting provisional refund	Mention section and rule specified in App/Rev order		
25.	Order denying/reducing/withholding/granting refund	Mention section and rule specified in		

		App/Rev order		
26.	Issue related to provisional assessment	Mention section and rule specified in App/Rev order		
27.	Fraud or wilful suppression of fact leading to non-payment/short payment of tax determined u/s 74	Mention section and rule specified in App/Rev order		
28.	Excess ITC availed/utilized determined u/s 74	Mention section and rule specified in App/Rev order		
29.	Issues related to seizure/confiscation of goods/books/property or release of such goods/books/property	Mention section and rule specified in App/Rev order		
30.	Order relating to rectification/withdrawal of an earlier order	Mention section and rule specified in App/Rev order		
31.	Order creating/modifying/withdrawing demand under earlier law	Mention section and rule specified in App/Rev order		
32.	Order permitting payment in instalments	Mention section and rule specified in App/Rev order		
33.	Order relating to provisional attachment of property	Mention section and rule specified in App/Rev order		
34.	Order imposing penalty	Mention section and rule specified in App/Rev order		
35.	Order permitting compounding of any offense or withdrawing such order	Mention section and rule specified in App/Rev order		
36.	Anti profiteering related matter			
37.	Others-			
38.	Issues related to Place of supply of goods and/or services			

Annexure B (for Sr. No. 13 of the Main Form)

Summary of Reply

(indicate Amount in INR, wherever quantified and wherever applicable)
(Not exceeding 1000 characters in each cell)

Sl No	Issue related to	As per order of adjudicating authority	As determined by Appellate/ Revisional authority	As per stand of appellant before Tribunal	As declared/ claimed by present Appellant	Reply to ground/issue raised in Appeal before GSTAT
1	Registration					
2	Revocation of cancellation of registration					
3	Denial/blocking of ITC					
4	Short or non-payment of tax					
4	Erroneous refund					
5	Levy of Penalty					
6	Levy of interest or late fee or fine					
7	Classification dispute *(mention HSN in corresponding columns of this row)*					
8	Any other					

3.5 Further, the Law Committee recommended to substitute the existing "FORM GST APL-07" by following new **"FORM GST APL-07"** (in red):

"FORM GST APL-07

[See rule 111]

Application to the Appellate Tribunal under sub section (3) of Section 112

1. Name and designation of the appellant/Office of Appellant:
    a. Name
    b. Designation
    c. Jurisdiction
    d. State/Centre

2. GSTIN/Temporary ID/UIN (of the respondent) -
3. Name of the respondent
4. Address of the respondent
5. Order appealed against – Number - Date -
6. Complete Designation, along with jurisdiction of the Appellate Authority/Revisional Authority passing the order appealed against –
7. Date of communication of the order appealed against –
8. Details of the case under dispute:
    a. Brief issue of the case under dispute
    b. Period of dispute –
    c. Case Summary *(As per Annexure A)*
    d. Market value of seized goods, where one of the issues involved is seizure/confiscation of goods
9. About Respondent *(As per Annexure B)*
10. Is place of supply involved in the dispute- Yes/No
11. Statement of facts *(As per Annexure C)*
12. Grounds of appeal –
13. Prayer –
14. Category of case under dispute or Issues involved – *(as per Annexure D)*
15. Details of demand:

Particulars	Central Tax			State/UT Tax			Integrated Tax			Cess			Total Amount		
	Amount of demand as per the order of the adjudicating authority (A) (Auto-populated from APL-01/DRC-07, where it is in the system OR to be manually filled in by appellant)	Amount of demand determined by Appellate/ Revisional authority, if any (Auto-populated from columns, where it is in the system or to be manually filled in by appellant)	Amount as per present appellant (c)	Amount of demand as per the order of the adjudicating authority (A) (Auto-populated from APL-01/DRC-07, where it is in the system OR to be manually filled in by appellant)	Amount of demand determined by Appellate/ Revisional authority, if any (Auto-populated from columns, where it is in the system or to be manually filled in by appellant)	Amount as per present appellant (c)	Amount of demand as per the order of the adjudicating authority (A) (Auto-populated from APL-01/DRC-07, where it is in the system OR to be manually filled in by appellant)	Amount of demand determined by Appellate/ Revisional authority, if any (Auto-populated from columns, where it is in the system or to be manually filled in by appellant)	Amount as per present appellant (c)	Amount of demand as per the order of the adjudicating authority (A) (Auto-populated from APL-01/DRC-07, where it is in the system OR to be manually filled in by appellant)	Amount of demand determined by Appellate/ Revisional authority, if any (Auto-populated from columns, where it is in the system or to be manually filled in by appellant)	Amount as per present appellant (c)	Amount of demand as per the order of the adjudicating authority (A) (Auto-populated from APL-01/DRC-07, where it is in the system OR to be manually filled in by appellant)	Amount of demand determined by Appellate/ Revisional authority, if any (Auto-populated from columns, where it is in the system or to be manually filled in by appellant)	Amount as per present appellant (c)
a) Tax															

b) Interest															
c) Panelty															
d) Fees															
e) Other charges															

I hereby declare that I have been duly authorized/directed by the Commissioner in accordance with sub-section (3) of Section 112 of the Act to file this application before the Appellate Tribunal and a true copy of the said direction/authorization is being uploaded herewith

Place:

Date:

<Signature>

Name of the Officer:
Designation:
Jurisdiction:

Annexure A (for sl no. 8(c) of the Main Form)

Case Summary *(indicate Amount in INR, wherever quantified and wherever applicable, not exceeding 1000 characters in each cell)*

Sl No	Issue related to	As per order of adjudicating authority	As determined by Appellate/Revisional authority	As per stand of appellant before Tribunal	As declared/ claimed by present Appellant
1	Registration				
2	Revocation of cancellation of registration				
3	Denial/blocking of ITC				
4	Short or non-payment of tax				
4	Erroneous refund				
5	Levy of Penalty				
6	Levy of interest or late fee or fine				
7	Classification dispute *(mention HSN in corresponding columns of this row)*				
8	Any other				

Annexure b (for sl no. 9 of the Main Form)

About Respondent

Constitution of Business	Address	Nature of Business	Any other relevant fact

GSTN/Temp ID	Constitution of Business	Any other constitution business	Address	Nature of business	Any other relevant fact

Annexure C (for sl no. 11 of the Main Form)

Statement of Facts (Case History)
(indicate Amount in INR, wherever quantified and wherever applicable, Not exceeding 1000 characters in each cell, Upload documents if necessary)

Reference/ acknowledgment no.	Action By	Date	Brief Narration

Annexure D (Category of case under dispute or issues involved (for sl no. 14 of the Main Form)

S No	List of 'Category of case under dispute	Tab	Tab Amount involved (where quantifiable)
1	Misclassification of any goods or services or both	Mention HSN	
2	Wrong applicability of a notification issued under the provisions of this Act	Mention notification no. and date	
3	Incorrect determination of time of supply of goods or services or both	Mention section and rule specified in App/Rev order	
4	Incorrect determination of value of supply of goods or services or both	Mention section and rule specified in App/Rev order	
5	Incorrect admissibility of input tax credit of tax paid or deemed to have been paid/credit to credit ledger/denial of ITC/blocking of credit	Mention section and rule specified in App/Rev order	
6	Incorrect determination of the liability to pay tax on any goods or services or both	Mention section and rule specified in App/Rev order	
7	Whether applicant is required to be registered or has been granted suo moto registration	Mention section and rule specified in App/Rev order	
8	Whether any particular thing done by the applicant results in supply of goods or services or both	Mention section and rule and Schedule specified in App/Rev order	
9	Rejection/acceptance of application for registration	Mention section and rule specified in App/Rev order	
10	Rejection/acceptance of application for amendment to registration	Mention section and rule specified in App/Rev order	
11	Suspension of registration	Mention section and rule specified in App/Rev order	
12	Order dropping show-cause in relation to registration	Mention section and rule	

		specified in App/Rev order	
13	Denial of facility to pay tax under composition scheme	Mention section and rule specified in App/Rev order	
14	Cancellation of registration	Mention section and rule specified in App/Rev order	
15	Rejection/acceptance of application for revocation of cancellation of registration	Mention section and rule specified in App/Rev order	
16	Order accepting reply of taxpayer/order dropping show cause notice	Mention section and rule specified in App/Rev order	
17	Order of disqualification of GSTP/cancellation of enrolment of GSTP	Mention section and rule specified in App/Rev order	
18	Transfer/Initiation of recovery/ Special mode of recovery (all kinds of garnishee)	Mention section and rule and Form of order specified in App/Rev order	
19	Tax wrongfully collected/Tax collected not paid to Government.	Mention section and rule specified in App/Rev order	
20	Order of assessment including that of a non-filer or evading registration or protective assessment	Mention section and rule specified in App/Rev order	
21	Determination of tax not paid or short paid on outward supply u/s 73	Mention section and rule specified in App/Rev order	
22	Excess ITC availed/utilized u/s 73	Mention section and rule specified in App/Rev order	
23	Order for re-credit in credit ledger of claim for refund rejected or of wrongly obtained refund being deposited	Mention section and rule specified in App/Rev order	
24	Order rejecting/granting provisional refund	Mention section and rule specified in App/Rev order	
25	Order denying/reducing/withholding/granting refund	Mention section and rule specified in App/Rev order	
26	Issue related to provisional assessment	Mention section and rule specified in App/Rev	

		order	
27	Fraud or wilful suppression of fact leading to non-payment/short payment of tax determined u/s 74	Mention section and rule specified in App/Rev order	
28	Excess ITC availed/utilized determined u/s 74	Mention section and rule specified in App/Rev order	
29	Issues related to seizure/confiscation of goods/books/property or release of such goods/books/property	Mention section and rule specified in App/Rev order	
30	Order relating to rectification/withdrawal of an earlier order	Mention section and rule specified in App/Rev order	
31	Order creating/modifying/withdrawing demand under earlier law	Mention section and rule specified in App/Rev order	
32	Order permitting payment in instalments	Mention section and rule specified in App/Rev order	
33	Order relating to provisional attachment of property	Mention section and rule specified in App/Rev order	
34	Order imposing penalty	Mention section and rule specified in App/Rev order	
35	Order permitting compounding of any offense or withdrawing such order	Mention section and rule specified in App/Rev order	
36	Anti profiteering related matter		
37	Others-		
38	Issues related to Place of supply of goods and/or services”		

4. The above agenda is placed before the GST Council for deliberation and approval please.

Agenda Item 7: Issues recommendations by the Fitment Committee for the consideration of the GST Council:

1. This agenda note deals with changes in GST rate for supply of goods and services. The proposed changes in GST rates emanate from the recommendations made by the Fitment Committee as detailed below.

2. Briefly stated, representations/recommendations have been received from various stake holders including Ministries and other offices of Centre and States, seeking changes in GST rate and certain clarifications regarding applicability of GST on supply of certain goods/services.

3. Meetings of the Fitment Committee were held on 18.02.2025, 07.03.2025, 08.05.2025,26.06.2025 and 22.08.2025 to consider issues referred by industry, line Ministries, States and other bodies for issuing clarifications, granting exemptions or making changes in GST rates. The Fitment Committee discussed the issues in details and made various recommendations on the same. However, most of the issues have been taken up by the GoM on Rate Rationalisation. The issues of only urgent importance are being taken to 56th GST Council. The remaining issues will be taken in the 57th GST Council.

4. Accordingly, Fitment Agenda for consideration of the GST Council is summarized as below:

a) Recommendations made by the Fitment Committee for making changes in GST rates or for issuing clarifications in relation to goods (2 issues) - Annexure-I.

Goods:

(i) To levy GST on Retail Sale Price (RSP) on cigarettes, Chewing tobacco and Pan Masala
(ii) Adhoc IGST exemption on new Armoured Sedan Car procured by the President's Secretariat for the President of India.

b) Recommendations made by the Fitment Committee for making changes in GST rates or for issuing clarifications in relation to services (1 issue) - Annexure- IV.

Services:

(i) To insert explanations in the definition of 'specified premises' given in para 4(xxxvi) of notification No. 11/2017-Central Tax (Rate), using the powers given under section 11(3) of the CGST Act, 2017.

(a) Recommendations made by the Fitment Committee for making changes in GST rates or for issuing clarifications in relation to goods

Annexure-I

A. Recommendations for making changes in GST rates /issuing clarifications- Goods

Agenda 1 - To Adopt Retail Sale Price (RSP) based levy on Cigarettes, Pan Masala, Gutkha &Chewing Tobacco

1. Currently, levy of GST on Cigarettes, Pan Masala, Gutkha & Chewing Tobacco is on transaction value.

2. Based on the Report of the GoM on Capacity Based Taxation and Special Composition Scheme in Certain Sectors in GST, which was accepted by the GST Council in its 49th meeting held on 18.2.2023 the compensation cess levy was revised from *ad valorem* tax to specific tax-based levy linked to RSP vide Notification no 2/2023-Compensation Cess (Rate) dated 31.3.2023. The GoM had observed that there exist greater leakages in the revenue at the later stages of the supply chain (distributor/retailer) of tobacco products. Although vide notification 10/2019-Central Tax dated 7.3.2019 there is no exemption from obtaining registration for suppliers of pan masala, tobacco and manufactured tobacco substitutes based on threshold limit, it is possible that many end retailers are not paying tax causing leakages in revenue.

Proposal:

To adopt Retail Sale Price (RSP) based GST levy on Cigarettes, Pan Masala , Gutkha & Chewing Tobacco

Sr. No.	Description/ HSN	Present Rate	Requested rate	Comments
2.	Request for Adhoc IGST exemption on new Armoured Sedan Car procured by the President's Secretariat for the President of India **(HSN 8703)**	28% + Cess	Nil	• The Secretariat of Her Excellency, the President of India has placed an order for 1 Armoured Sedan Car for the President of India from M/s BMW India Pvt. Ltd. The vehicle is under shipment and is expected to reach India shortly.

				• The above-mentioned car is in replacement of the existing Mercedes Benz S600 Pullman Limousine of 2011 vintage. • The President's Secretariat has informed that cost of the vehicle is Rs. 3.66 crores (approx.) (excluding insurance and freight charges). They have requested for exemption from Basic Customs duty, Social Welfare Surcharge along with IGST and Compensation Cess on the import of the said vehicle. • Customs privileges, excluding IGST, are already available for cars imported by the President of India under Circular No. 3(3) – Cus IV/50 dated 08.08.1950. For adhoc IGST exemption, Customs Wing has forwarded the request to TRU for placing before the GST Council. • Currently, this segment of car attracts 28% GST with applicable compensation Cess. Given the security considerations and in the public interest also, the proposal for adhoc IGST exemption of the armoured sedan may be recommended. • Fitment Committee has recommended for granting adhoc IGST exemption to the Armoured Sedan Car.

b. Recommendations made by the Fitment Committee for making changes in GST rates or for issuing clarifications in relation to services

Annexure IV

Sl. No.	Proposal	Details of request	Discussions in Fitment Committee and its recommendations
1.	To insert explanations in the definition of 'specified premises'.	• In the 55th GST Council meeting held on 21.12.2024, it was recommended to revise the definition of 'specified premises' which referred to the declared tariff of any unit of accommodation above Rs 7500 per unit per day or equivalent, for the purpose of determining the GST rate on supply of restaurant service in specified premise and to clarify the period for which 18% is to be charged for restaurant located in specified premises. • The revised definition of 'specified premises' has been notified vide notification No. 05/2025-CTR dated 16.01.2025 and notification No. 08/2025-CTR, both dated 16.01.2025. • As per the feedback received on the revised definition of 'specified premises', certain apprehensions have been highlighted for sub-clause (b) and (c) of the said definition wherein the scope of the definition appears to be	• The revised definition of 'specified premises' has been notified to come into effect from 01.04.2025. The revised definition is as follows: *"'Specified premises", for a financial year, means,-* *(a) A premises from where the supplier has provided in the preceding financial year, 'hotel accommodation' service having the value of supply of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent; or* *(b) A premises for which a registered person supplying 'hotel accommodation' service has filed a declaration, on or after the 1st of January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises; or* *(c) A premises for which a person applying for registration has filed a declaration, within fifteen days of obtaining acknowledgment for the registration application, declaring the said premises to be*

		broader than the intention of the Council.	*a specified premises;'* • As per feedback received on the above revised definition, the following issues have emerged: o As per sub-clause (b), the declaration can be filed by a registered person supplying 'hotel accommodation' services even for those additional places of business where only a 'stand-alone' restaurant of the registered person is operational. Thus, this may be interpreted as opening up the scope of the term 'specified premises' to restaurants outside the premises from where hotel accommodation services are being provided. o Further, as per sub-clause (b), the declaration can be filed by a registered person only within the period from 1st January to 31st March of the preceding financial year. This clause therefore does not allow the registered person to file opt-in declaration for an additional place of business if such an additional place of business is registered outside the period from 1st January to 31st March. o As per sub-clause (c), the declaration can be filed by a person other than who is applying for registration to supply hotel accommodation

			services. Therefore, it may be interpreted that this declaration can be filed by 'stand-alone' restaurants obtaining a fresh registration. • To make sure that the revised definition of 'specified premises' does not leave scope for any interpretation beyond the original intent of the Council, it is proposed that the following explanatory clauses may be inserted in the definition of specified premises: *Explanation 1.- For the purpose of this clause, premises means a place from where 'hotel accommodation' services are being supplied or are to be supplied* *Explanation 2.- For the purpose of sub-clause (c), the phrase 'a person applying for registration' shall include a person applying for amendment of registration to declare an additional place of business.* • The above explanations may be inserted using section 11(3) of the CGST Act, which gives Central Government the power to insert an explanation for clarifying the scope or applicability of any notification issued under section 11(1), within one year of the issuance of the said Notification (in this case Notification No. 05/2025-CTR dated 16.01.2025), and such explanation shall have

			effect as if it had always been the part of the first such notification. **After deliberations, Fitment Committee recommended the insertion of explanatory clause(s) in the definition of 'specified premises' to settle the perceived ambiguity relating to the ambit of its application.**

Agenda Item 8: Review of revenue position under Goods and Services Tax

GST Revenue performance

The Figure below shows the trend and Table 1 shows the details of the collection in Apr'25 – July'25 vis-à-vis Apr'24 – July'24.

Figure 1: Monthly gross GST collection (in ₹ lakh crore)

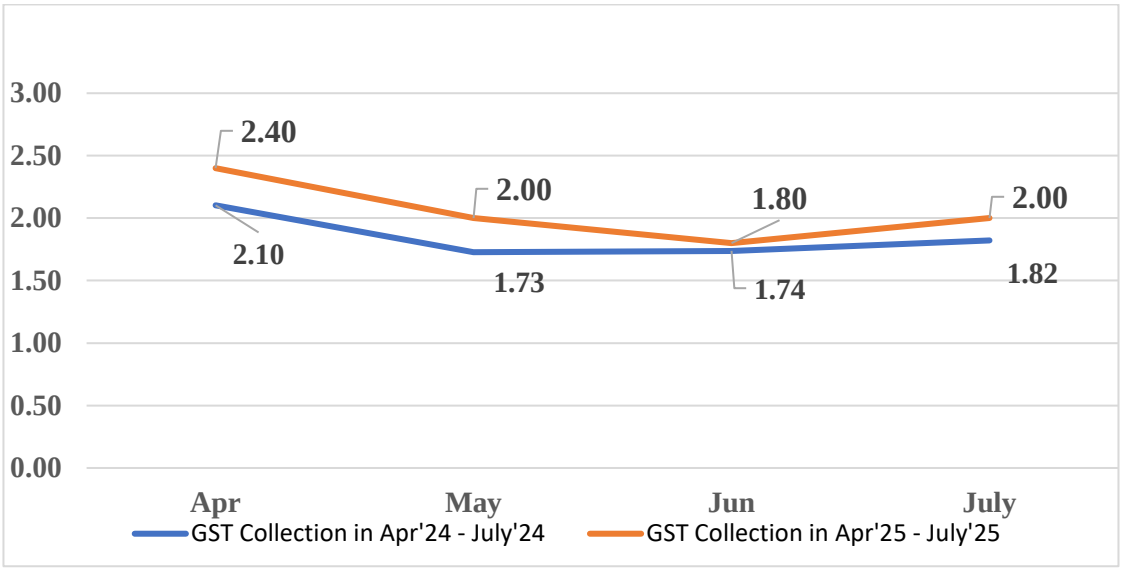


Table 1: Monthly gross GST collection (₹ crore)

GST Collection	Apr'25	May'25	Jun'25	Jul'25
CGST	48,634	35,434	34,558	35,470
SGST	59,372	43,902	43,268	44,059
IGST	1,15,258	1,08,836	93,280	1,03,536
Domestic	69,504	58,767	48,680	51,910
Imports	45,754	50,070	44,600	51,626
Comp Cess	13,452	12,879	13,491	12,670
Domestic	12,293	11,683	12,400	11,584
Imports	1,159	1,196	1,091	1,086
Gross Collection	**2,36,716**	**2,01,050**	**1,84,597**	**1,95,735**
YoY Growth	***13%***	***16%***	***6%***	***8%***
Less – Refunds (Domestic + Imports)	**27,341**	**27,210**	**25,491**	**27,147**
Net Collection	**2,09,375**	**1,73,840**	**1,59,106**	**1,68,588**
YoY Growth	***9.2%***	***20.4%***	***3.4%***	***1.7%***

2. Table 2 shows the IGST collected, refunded, and settled/apportioned during FY 2025-26 till July, 2025.

Table 2: IGST Collection/Settlement/Apportionment/Refund in FY 2024-25 & 2025-26

(Figures in Rs. Crore)

#	Particulars	2024-25	2025-26 (till July 2025)
1	Collections (+)	11,19,935	3,99,758
2	Recovery from IGST Ad-hoc apportionment (+)	-	46,000[#]
3	Refunds (-)	1,73,757	73,845
4	Settlement (-)	9,86,640	3,62,100
	i. CGST	5,29,234	1,95,217
	ii. SGST	4,57,406	1,66,883
5	Ad-hoc Settlement (-)	-	-
	i. CGST ad hoc	-	-
	ii. SGST ad hoc	-	-
6	**Net (1+2-3-4-5)**	-40,462	9,813

Source: Pr. CCA, CBIC

46,000[#]: The said recovery was made in April, 2025 with 23,000 crores recovery made from the from Centre and 23,000 crores from the States (recovery among States was in the ratio of their base year revenues).

States Revenue Comparison

3. A meeting of the Group of Ministers (GoM) on Analysis of Revenue from GST was held on 4th July 2025 in New Delhi in which Hon'ble members deliberated on analytics and enforcement issues, including challenges faced by individual States in GST collection and revenue enhancement, as well as the sectoral revenue trends of the States. The GoM discussed relevant issues but agreed to reconvene to examine specific issues in greater depth in its subsequent meetings.

Further, the State-wise details of comparison of SGST revenue and the post settlement SGST revenue (including ad-hoc settlement) for FY 2025-26 (April-July) as compared to FY 2024-25 (April-July) may be seen in the Table 5.

Table 5: State-wise Revenue Comparison (Apr-July) (FY 2025-26) vs (Apr-July) (FY 2024-25)

(in Rs. Crores)

State Code	State/UT	Pre-settlement (Apr'24-July'24)	Pre-settlement (Apr'25-July'25)	SGST Growth (%)	Post-Settlement (Apr'24-July'24)	Post-Settlement (Apr'25-July'25)	SGST Growth Post settlement (%)
1	Jammu and Kashmir	1,067	1,016	-5%	3,007	2,684	-11%
2	Himachal Pradesh	949	977	3%	2,126	2,135	0%
3	Punjab	3,207	3,478	8%	7,585	8,697	15%
4	Chandigarh	252	257	2%	770	750	-3%

State Code	State/UT	Pre-settlement (Apr'24-July'24)	Pre-settlement (Apr'25-July'25)	SGST Growth (%)	Post-Settlement (Apr'24-July'24)	Post-Settlement (Apr'25-July'25)	SGST Growth Post settlement (%)
5	Uttarakhand	2,075	2,312	11%	3,156	3,401	8%
6	Haryana	7,878	8,765	11%	13,096	15,055	15%
7	Delhi	6,046	7,348	22%	12,027	13,168	9%
8	Rajasthan	6,289	6,763	8%	14,187	14,918	5%
9	Uttar Pradesh	12,574	13,172	5%	29,111	28,429	-2%
10	Bihar	3,073	3,623	18%	9,575	10,264	7%
11	Sikkim	146	203	39%	353	427	21%
12	Arunachal Pradesh	228	331	45%	685	828	21%
13	Nagaland	106	162	53%	367	444	21%
14	Manipur	152	161	5%	439	383	-13%
15	Mizoram	125	88	-30%	362	330	-9%
16	Tripura	186	209	12%	606	577	-5%
17	Meghalaya	222	255	15%	636	594	-7%
18	Assam	2,226	2,462	11%	5,331	5,226	-2%
19	West Bengal	8,466	8,870	5%	15,249	15,153	-1%
20	Jharkhand	3,050	3,364	10%	4,740	5,177	9%
21	Odisha	6,438	6,427	0%	9,139	8,282	-9%
22	Chhattisgarh	3,044	3,179	4%	5,073	4,852	-4%
23	Madhya Pradesh	4,728	5,314	12%	12,167	12,042	-1%
24	Gujarat	15,502	16,975	10%	23,709	25,926	9%
25&26	Dadra and Nagar Haveli & Daman and Diu	264	265	0%	393	340	-14%
27	Maharashtra	38,283	41,789	9%	56,013	62,832	12%
29	Karnataka	15,214	17,125	13%	26,951	27,636	3%
30	Goa	884	892	1%	1,445	1,453	1%
31	Lakshadweep	2	3	85%	28	33	18%
32	Kerala	4,947	5,290	7%	10,704	10,516	-2%
33	Tamil Nadu	14,807	16,306	10%	24,896	25,034	1%
34	Puducherry	180	196	9%	475	425	-11%
35	Andaman and Nicobar Islands	82	85	3%	219	242	10%
36	Telangana	6,892	7,477	8%	14,203	14,561	3%
37	Andhra Pradesh	5,086	5,253	3%	11,182	10,909	-2%
38	Ladakh	74	84	13%	203	221	9%
97	Other Territory	62	125	100%	301	540	80%
	Grand Total	**1,74,808**	**1,90,601**	**9%**	**3,20,509**	**3,34,484**	**4%**

Trends in Return filing

4. The table 6 shows the trend in return filing in FORM GSTR-3B and GSTR-1 as on 31.07.2025 for return period Apr’25 to June’25. Tables 7 and 8 show the State wise filing for **these months.**

Table 6: Return filing (GSTR-3B/GSTR-1) as on 31.07.2025

Return Period	GSTR-3B (%)	GSTR-1(%)
Apr'25	97.8%	97.9%
May'25	96.5%	96.9%
Jun'25	95.6%	96.5%

Figure 2: GSTR-3B/GSTR-1 Filing as on 31.07.2025 (for returns period upto June 2025)

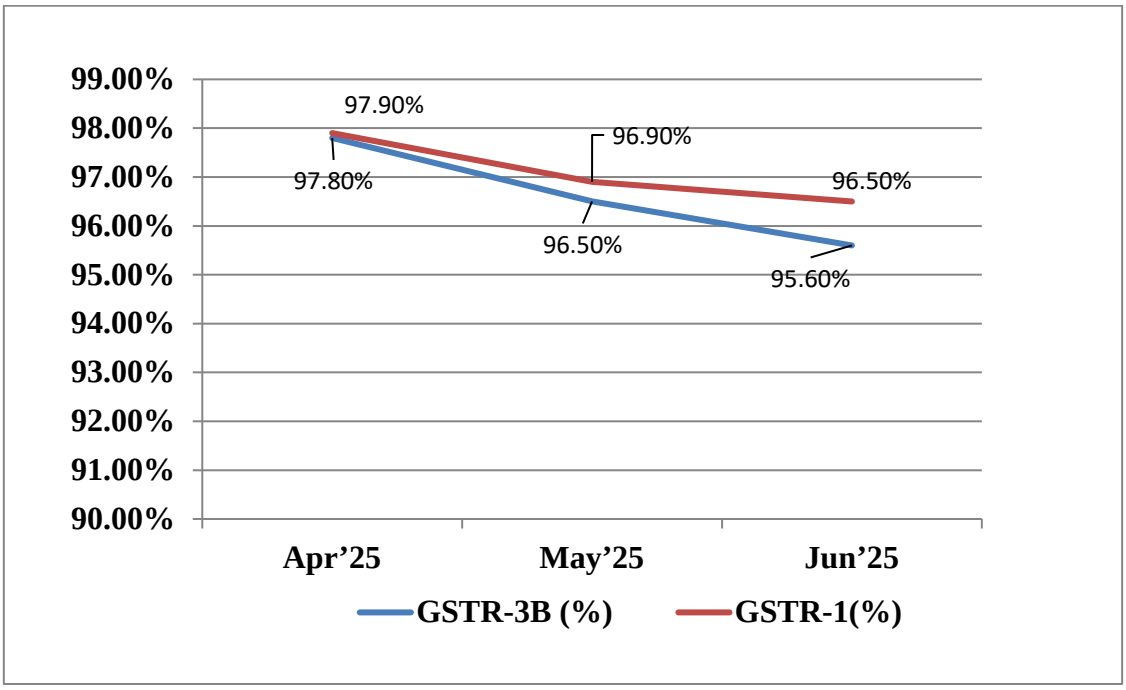


Table 7: State-wise Return filing (GSTR-3B) till 31.07.2025 (Apr'25-June'25)

S. No.	State/UT	Apr-25	May-25	Jun-25
1	Jammu and Kashmir	98.4%	96.3%	96.1%
2	Himachal Pradesh	97.9%	95.7%	95.7%
3	Punjab	98.4%	97.0%	97.0%
4	Chandigarh	98.6%	96.8%	96.2%
5	Uttarakhand	99.0%	97.3%	96.2%
6	Haryana	98.3%	97.0%	96.4%
7	Delhi	97.9%	97.0%	96.3%
8	Rajasthan	98.2%	96.7%	97.3%
9	Uttar Pradesh	97.6%	96.6%	95.6%
10	Bihar	95.0%	93.2%	92.4%

S. No.	State/UT	Apr-25	May-25	Jun-25
11	Sikkim	94.4%	92.2%	89.8%
12	Arunachal Pradesh	93.3%	90.8%	88.1%
13	Nagaland	95.3%	92.9%	90.4%
14	Manipur	91.3%	87.1%	87.0%
15	Mizoram	95.9%	93.9%	91.9%
16	Tripura	96.7%	95.1%	94.0%
17	Meghalaya	95.5%	93.3%	92.5%
18	Assam	95.0%	91.9%	91.6%
19	West Bengal	97.5%	96.2%	95.4%
20	Jharkhand	97.0%	95.4%	93.9%
21	Odisha	97.2%	95.3%	94.2%
22	Chhattisgarh	99.3%	97.1%	96.5%
23	Madhya Pradesh	98.1%	96.3%	95.8%
24	Gujarat	99.8%	99.5%	98.8%
26	Dadra and Nagar Haveli	98.1%	97.3%	95.6%
27	Maharashtra	98.3%	96.7%	95.8%
29	Karnataka	96.9%	95.7%	94.2%
30	Goa	96.0%	93.4%	91.8%
31	Lakshadweep	93.0%	91.2%	90.4%
32	Kerala	96.3%	94.6%	92.9%
33	Tamil Nadu	98.6%	97.8%	96.7%
34	Puducherry	97.1%	95.4%	93.5%
35	Andaman and Nicobar Islands	92.8%	90.1%	86.3%
36	Telangana	96.6%	95.2%	93.7%
37	Andhra Pradesh	98.5%	97.4%	95.9%
38	Ladakh	98.7%	95.6%	94.4%
97	Other Territory	92.7%	109.2%	91.5%
	Total	**97.8%**	**96.5%**	**95.6%**

Table 8: State-wise Return filing (GSTR-1) till 31.07.2025 (Apr'25-June '25)

S. No.	State/UT	Apr-25	May-25	Jun-25
1	Jammu and Kashmir	98.4%	96.5%	96.7%
2	Himachal Pradesh	97.6%	95.9%	96.6%
3	Punjab	98.3%	97.1%	97.6%
4	Chandigarh	98.4%	97.0%	97.1%
5	Uttarakhand	98.9%	97.5%	97.0%
6	Haryana	98.4%	97.3%	97.3%
7	Delhi	97.9%	97.3%	97.2%
8	Rajasthan	97.9%	96.8%	98.0%
9	Uttar Pradesh	97.8%	96.9%	96.4%
10	Bihar	95.2%	93.6%	93.2%
11	Sikkim	94.4%	92.7%	90.6%

S. No.	State/UT	Apr-25	May-25	Jun-25
12	Arunachal Pradesh	93.6%	91.3%	89.0%
13	Nagaland	95.5%	93.3%	91.3%
14	Manipur	91.9%	87.7%	87.8%
15	Mizoram	96.2%	94.3%	92.6%
16	Tripura	97.0%	95.5%	94.8%
17	Meghalaya	95.5%	93.6%	93.2%
18	Assam	95.3%	92.3%	92.7%
19	West Bengal	97.7%	96.5%	96.2%
20	Jharkhand	97.3%	95.8%	94.7%
21	Odisha	97.3%	95.6%	95.0%
22	Chhattisgarh	99.1%	97.1%	97.3%
23	Madhya Pradesh	98.0%	96.5%	96.5%
24	Gujarat	99.7%	99.6%	99.4%
25	Daman and Diu	0.0%	0.0%	0.0%
26	Dadra and Nagar Haveli	98.5%	97.9%	97.0%
27	Maharashtra	98.5%	97.1%	96.8%
29	Karnataka	97.2%	96.2%	95.1%
30	Goa	96.6%	94.0%	93.0%
31	Lakshadweep	94.9%	91.6%	91.5%
32	Kerala	96.8%	95.4%	94.1%
33	Tamil Nadu	98.8%	98.2%	97.5%
34	Puducherry	97.5%	95.9%	94.6%
35	Andaman and Nicobar Islands	93.6%	91.0%	87.8%
36	Telangana	97.0%	95.7%	94.7%
37	Andhra Pradesh	98.6%	97.7%	96.7%
38	Ladakh	98.6%	96.1%	95.9%
97	Other Territory	111.0%	113.3%	94.1%
	Total	**97.9%**	**96.9%**	**96.5%**

5. Sector wise Revenue:

Sector wise Y-o-Y growth in Cash collections for top 30 sectors is given in the charts below:

Figure 3: Sector wise cash collection and growth (Top 10)

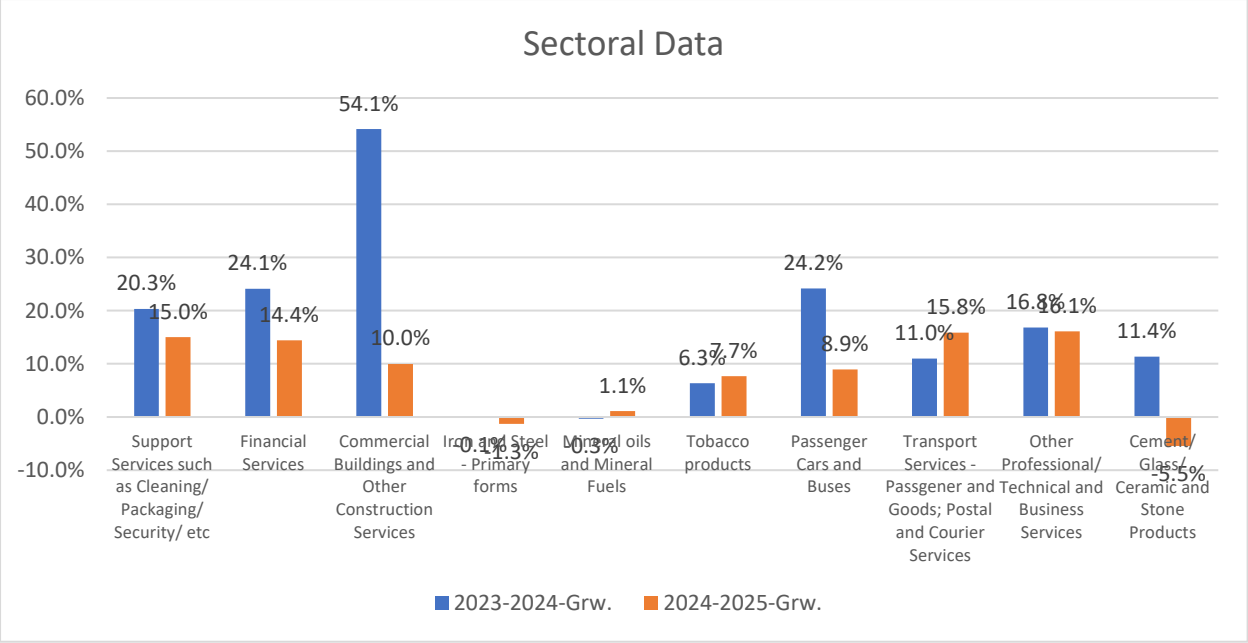


Figure 4: Sector wise cash collection and growth (Top 11-20)

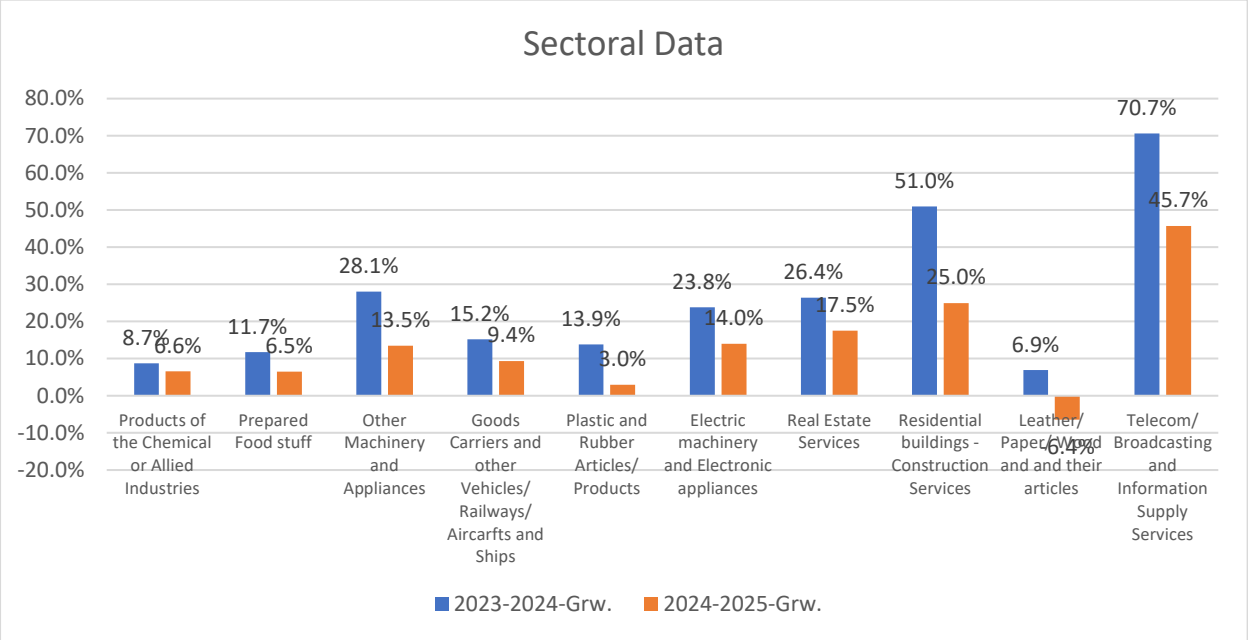


Figure 5: Sector wise cash collection and growth (Top 21-30)

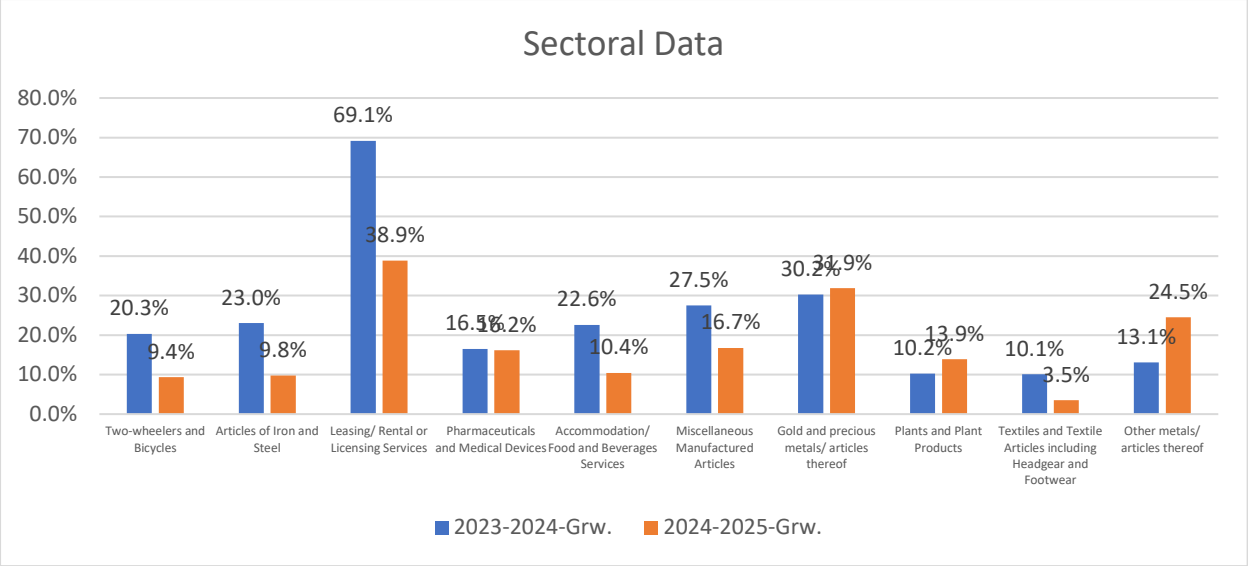

Sectoral Data
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
20.3%
9.4%
23.0%
9.8%
69.1%
38.9%
16.5%
16.2%
22.6%
10.4%
27.5%
16.7%
30.2%
31.9%
10.2%
13.9%
10.1%
3.5%
13.1%
24.5%
Two-wheelers and Bicycles
Articles of Iron and Steel
Leasing/ Rental or Licensing Services
Pharmaceuticals and Medical Devices
Accommodation/ Food and Beverages Services
Miscellaneous Manufactured Articles
Gold and precious metals/ articles thereof
Plants and Plant Products
Textiles and Textile Articles including Headgear and Footwear
Other metals/ articles thereof
2023-2024-Grw.
2024-2025-Grw.

Table 9: Relative contribution of Sectors

Sectors	Relative Contribution in Cash Collection	
	FY 23-24	FY 24-25
Support Services such as Cleaning/ Packaging/ Security/ etc.	6.9%	7.2%
Financial Services	6.1%	6.5%
Commercial Buildings and Other Construction Services	5.7%	5.7%
Iron and Steel - Primary forms	5.8%	5.2%
Mineral oils and Mineral Fuels	5.6%	5.1%
Tobacco products	4.8%	4.7%
Passenger Cars and Buses	4.7%	4.7%
Transport Services - Passgener and Goods; Postal and Courier Services	4.4%	4.7%
Other Professional/ Technical and Business Services	4.2%	4.5%
Cement/ Glass/ Ceramic and Stone Products	4.9%	4.2%
Products of the Chemical or Allied Industries	4.1%	4.0%
Prepared Food stuff	3.9%	3.7%
Other Machinery and Appliances	3.4%	3.5%
Goods Carriers and other Vehicles/ Railways/ Aircarfts and Ships	3.3%	3.3%
Plastic and Rubber Articles/ Products	3.3%	3.1%
Electric machinery and Electronic appliances	2.6%	2.7%
Real Estate Services	2.4%	2.6%
Residential buildings - Construction Services	1.4%	1.5%
Leather/ Paper/ Wood and and their articles	1.8%	1.5%
Telecom/ Broadcasting and Information Supply Services	1.1%	1.4%
Two-wheelers and Bicycles	1.4%	1.4%
Articles of Iron and Steel	1.4%	1.4%
Leasing/ Rental or Licensing Services	1.0%	1.3%
Pharmaceuticals and Medical Devices	1.2%	1.3%
Accommodation/ Food and Beverages Services	1.2%	1.2%
Miscellaneous Manufactured Articles	1.1%	1.2%
Gold and precious metals/ articles thereof	1.0%	1.2%
Plants and Plant Products	1.1%	1.1%
Textiles and Textile Articles including Headgear and Footwear	1.1%	1.1%
Other metals/ articles thereof	0.9%	1.1%

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Agenda item 9: Recommendations of the 23rd and 24th meetings of the IT Grievance Redressal Committee for approval/decision of the GST Council:

(a) Recommendations of the 23rd meeting of the IT Grievance Redressal Committee:

The 23rd meeting of the IT Grievance Redressal Committee (ITGRC) was held on 31st, January 2025 at 03:00 PM in online mode to resolve the grievances of the taxpayers arising out of the technical problems faced by them on the GSTN portal in relation to GST Compliance filings.

The agenda for the 23rd ITGRC covered the following issues:

1. Technical Issues requiring data fixes through back-end utilities
2. Any other agenda with the permission of the chair

2. Recommendations of ITGRC on Data Fix issues:

As per the SOP approved in the 45th GST Council meeting for Technical issues requiring data fix of the processed incorrect data through backend utilities, GSTN presented twenty (20) issues which required data fixes in the 23rd meeting of the ITGRC.

2.1 ITGRC took note of the data fixes carried out by GSTN in 16 issues, covering 1,79,548 cases, with no financial implications, where correct data was known, pertaining to Category-1 (*Technical issues having no financial implications where correct data is known*) of the approved SOP. In the cases mentioned in this category, ITGRC made the following recommendations:

(i) To inform ITGRC in the next meeting about the interest liability, if any, in the cases of 59 ARNs where refund payments were delayed and to obtain an update from PFMS as to when the implementation of rejection of single refund orders instead of the whole payment advice is likely to be done.

(ii) In case of casual taxpayers who are having null registration end date in the database and who are facing issue in returns module, ITGRC directed GSTN to do permanent fix within three months.

(iii) In case of Duplicate entries in Ledger and Filing Status, ITGRC directed GSTN to follow-up after due diligence to ensure there were no other cases of duplicate entries.

2.2 For the 4 technical issues pertaining to Category-2 (*Technical issues where there were financial implications and the correct data was known*), ITGRC took note of the data fixes carried out by GSTN covering 4 cases involving an amount Rs. 4,22,142/-. In the cases mentioned in this category, ITGRC made the following recommendations:

(i) In case where while filing GSTR3B some of user are getting the error “Issue while filing GSTR-3B - Error! Payment amount should not exceed the outstanding”, ITGRC concluded with an understanding that while this issue was specific to a particular case, a more detailed solution would be required, and the system's handling of such cases would be further refined to prevent similar issues from arising in the future.

(ii) In case of refund for GSTR 3B Late fee due to RESET done by system in Hbase & Ledger Mismatch, ITGRC took note of the data fix done by the GSTN and underscored the need for better coordination between GSTN and State governments, improved tracking of taxpayer grievances, and structured reporting of IT-related issues to ensure effective resolution and prevent revenue losses.

2.3 In case of status update on the issue of mismatch between ledger and Hbase reported in previous ITGRC meetings, ITGRC instructed GSTN to draft a comprehensive agenda detailing all relevant aspects, and obtain the views of the Law Committee before further discussion in the next ITGRC meeting.

The GST Council may approve the recommendations of the ITGRC and the data fixes carried out by GSTN as mentioned in Para 2 above and the attached Minutes of the 23rd meeting of the ITGRC.

Minutes of the 23rd Meeting of the IT Grievance Redressal Committee (ITGRC) held on 31.01.2025.

The 23rd meeting of the IT Grievance Redressal Committee (ITGRC) was held in online mode on 31st January 2025 at 03:00 pm. The list of officers who attended the meeting is attached as **Annexure-1**. The agenda and annexure to agenda circulated for the meeting is at **Annexure-2.**

2. Shri Shashank Priya, Member (GST), CBIC and Chairperson, ITGRC welcomed all the members of ITGRC and invited EVP, GSTN to proceed with the agenda.

3. Shri Alok Kumar**,** Executive Vice President (EVP), GSTN stated that the agenda for the meeting consisted of issues where data fixes have been carried out by GSTN as per the SOP developed and approved in the 45th meeting of the GST Council. There were 16 technical issues with no financial implications where correct data was known with certainty and some of these issues had already been approved in the previous ITGRC meetings, However, more tickets were received on the same issues and same were taken up for data fixes. He added that there were 04 technical issues affecting locally with financial implications where data was known with certainty, have also been data fixed. He further added that status update on 1 previous ITGRC issue was also being brought before the Committee for information.

4. EVP, GSTN then proceeded with the presentation **(Annexure-3)**. First the technical issues having no financial implications were taken up.

5 (a) Technical issues having no financial implications where correct data known:

5(a).1

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Taxpayer is Unregistered Applicant and wants to file Refund application. Taxpayer is not able to perform Aadhaar Authentication as there is mismatch between name in Aadhaar and GST application.	1	Registration	Unregistered Taxpayer updated the Name as GEETA SHARMA in Aadhaar but in GST portal her old name GEETA KAUSHIK was reflecting and due to this, applicant was getting name mismatch error while doing Aadhaar Authentication. Taxpayer cannot do the correction in name via amendment as Amendment option is not applicable for Unregistered type of Taxpayers.	Through data fix her name was updated in GST database and a new link for Aadhar authentication was shared.

Discussion:

EVP, GSTN stated that in this case an unregistered taxpayer had updated her name in Aadhaar but the old name was still reflecting in the GST portal and on account of this name mismatch, the applicant was getting name mismatch error while doing Aadhaar Authentication. He stated that amendment option is not available for Unregistered Taxpayers in law and therefore, a ticket was raised by the unregistered taxpayer and thereafter, the updation of the name was done through data fix.

Joint Secretary, GST Council Secretariat (JS, GSTCS) enquired as to why the option for amendment was not made available for unregistered taxpayers.

EVP, GSTN clarified that unregistered taxpayers get a temporary id for purpose of claiming refunds etc and therefore, they are not being given this facility.

JS, GSTCS enquired as to whether data fix is the solution for a similar issue in the future. EVP, GSTN clarified that similar issues will need to be resolved through data fix in future as well.

JS, GSTCS added that in a previous ITGRC meeting, approval was given for allowing special characters in the name. She enquired as to whether this has been enabled in the system through permanent fix.

EVP, GSTN informed that approval was received from ITGRC for adding only the special character – 'semi colon' and that this has been done. He added that there were security concerns over enabling all special characters.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).2

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
2	Tax officers vide a revision order for a cancellation order cancelled the taxpayer's registration ab-initio i.e. *change in the effective date of cancellation* but currently there is no provision available in the system for changing the cancellation date in respect of any revision order. Therefore, cancellation date was required to be updated through data fix.	477	Registration	As per the Revision orders u/s 108 of MGST Act 2017, passed to give the appropriate date of effect to the Order of Cancellation of registration certificate, as per Administrative Instructions no. B 698 dated 22/07/2021. Maharashtra State had requested to change the date of cancellation from the date of approval of registration.	Data fix done and issue resolved. CR has been raised to develop the functionality for passing orders under section 108

Discussion:

EVP, GSTN stated that in these cases, the tax officers had cancelled the taxpayer's registration ab-initio vide revision orders and that, at present there is no option available on the portal for changing the cancellation date in respect of any revision order. He added that therefore a data fix has been done to resolve the issue in respect of all 477 cases and that a CR has also been raised for developing the functionality for giving effect to an order issued under section 108.

CCT, Tamil Nadu stated that out of the total 477 number of cases a break up may be given in respect of cases pertaining to the State of Tamil Nadu. He also brought it to the notice of the Chairperson, ITGRC that at the time of inception of ITGRC, it was agreed that the nodal officers of the respective States will bring these technical cases to the notice of the Committee. He added that the State has not been receiving any such queries and that they have not forwarded any such issues for the consideration of the Committee; however, some of the issues raised in the meeting pertains to the State. He requested a clarification as to whether the State will be getting access to these tickets pertaining to the State of Tamil Nadu so that they can have a better understanding of the issues that are getting flagged to the Committee.

EVP, GSTN clarified that the 477 cases mentioned are pertaining to revision orders passed under Maharashtra GST Act, 2017.

Chairperson, ITGRC clarified that in many cases tickets are raised directly with GSTN and that if the State desires to have these details, then a mechanism may be devised by GTSN to share these details with State.

EVP, GSTN stated that they will share the details of the tickets with the concerned State.

CCT, Tamil Nadu stated that this sharing mechanism will be beneficial to GSTN also as it will reduce the duplication of work as the State wouldn't need to raise a ticket on an issue that is already flagged to the GSTN by the taxpayer.

EVP, GSTN also clarified that before carrying out a permanent fix, they do scan the data base to look for the similar cases in the System and all such cases are also covered before carrying out any data fix.

Senior Joint Commissioner, West Bengal stated that there were similar issues in West Bengal and that this was discussed in the 20th ITGRC meeting that 04 such cases pertaining to West Bengal were identified. Of these, three cases have been resolved but the issue relating to Randhir Paswan is still pending for resolution.

Chairperson, ITGRC directed EVP, GSTN to look into the issue and to provide an update to the State of West Bengal

Senior Joint Commissioner, West Bengal stated that the effective date of cancellation of registration should be given effect to instead of the date of approval of the cancellation application. This has been done in three cases and only one issue relating to Randhir Paswan is still pending for resolution.

Chairperson, ITGRC stated that this will be looked into and resolved by GSTN.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to

i. share details of tickets raised by taxpayers with the respective States

ii. resolve pending similar cases and submit an action taken report for the same.

5(a).3

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
3	Amendment of Export invoices in GSTR 1 (For filling Shipping Bill details)	1	Refund	M/s RESQ Power has done export of goods with payment of tax. For this invoice, shipping bill details are not mentioned by the taxpayer at the time of filing of GSTR 1 and that is why it is not forwarded to ICEGATE for IGST refund purpose. Meanwhile, using this invoice, the taxpayer has filed refund under the category "Export of Services with payment of duty". The officer rejected the application saying it was filed under the wrong category. Now, the taxpayer wants to enter the shipping bill details in the invoice. However, there is a validation in GST system which disallows the taxpayer to amend invoice, if any refund application is filed. A data fix has to be given to remove the refund filing status in this case so that the taxpayer can amend the invoice for shipping bill details.	A data fix was given to remove the refund filing status in these invoices so that the taxpayer can amend the invoice with shipping bill details.

Discussion:

EVP, GSTN stated that in this case the taxpayer was not able to amend the Shipping Bill details in GSTR 1 in respect of export of goods done with payment of tax. He stated that this was on account of the fact that the taxpayer had filed these invoices earlier for refund under a different category and this was rejected by the officer on the ground that it was the wrong category. He stated that if any invoice is used for filing refund application, then the amendment of such invoice is not allowed in the GST system and therefore, a data fix was done to remove the refund filing status so as to enable the taxpayer to amend the invoice with shipping bill details.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).4

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
4	Issue in amendment of SB details in GSTR-1	Two (27ABGPB0020L1Z7) & (24AAEFI1914R1Z6)	Refund	Two taxpayers have entered incorrect SBs (Details in below table). When they try to amend the GSTR 1 with correct SB details, the GST System is not allowing the amendment. The reason is explained below. For these issues, taxpayers have entered wrong Shipping bill particulars (Number, Date and Port code) against invoices in GSTR 1. These invoices/SB are also validated by ICEGATE successfully. Once it is validated, GST system will not allow further amendment against such invoices. As wrong SB details are entered by taxpayers, the taxpayers want to amend the invoices with right SB details. In ICEGATE, IGST refund is Shipping bill wise. As the invoices are not mapped with the right SB, the taxpayer will not get refund for the same. From the ICEGATE, the invoices furnished in both right and wrong SBs are sought and verified which is in the trail mail. In ICEGATE system, the invoices in the wrong SB are not matching with the invoices that the taxpayer wants to enter. Further, for the shipping bills the taxpayer wants to enter, IGST refund is not given. Therefore, the taxpayer may be given an option to amend the invoice. To enable the invoice for amendment, a backend fix has to be provided.	Information is received from ICES regarding the invoices furnished in the Shipping Bills (Both correct and incorrect one) and the details of the IGST refund given. No IGST refund is given for the correct shipping bill. Data fix is given to allow the taxpayer to enter correct Shipping bill details in the invoice.

Discussion:

EVP, GSTN stated that in this case the taxpayer had entered incorrect Shipping Bill details in GSTR 1. However, the Shipping Bill was a valid Shipping Bill although the same did not relate to the particular invoices. He stated that when the Shipping Bill is incorrect, ICEGATE sends an error code SB001. In this case, as the Shipping Bill was a valid one although not the correct one, the Shipping

Bill got validated by the ICEGATE and therefore, the taxpayer was not able to amend the invoice in GSTR 1. He added that information was received from ICEGATE regarding the IGST refund status in respect of given Shipping Bills hence no refund was given in case of the correct Shipping Bill. Therefore, data fix was given to allow the taxpayer to enter the correct Shipping Bill details against the invoice in GSTR 1.

CCT, Tamil Nadu stated that it is mentioned in the agenda that ICEGATE had send validation status for the entered incorrect Shipping Bill detail but a valid Shipping Bill. He added that this is purely on account of negligence of the taxpayer and that therefore, caution needs to be exercised while amending the invoice to prevent improper issue of refund. He added that care needs to be taken to verify the refund already issued against the Shipping Bill and it needs to be seen as to why ICEGATE validated the incorrect Shipping Bill.

The Chairperson, ITGRC stated that in this case it is his understanding that the Shipping Bill detail entered was valid although it did not correspond to that particular invoice and that ICEGATE had validated the wrong Shipping Bill. He requested EVP, GSTN to clarify the issue in detail.

EVP, GSTN stated that the ICEGATE had thrown an error message other than SB001 and on account of this the system was not allowing amendment.

Chairperson, ITGRC enquired as to what error message SB001 means.

AVP, GSTN explained that when the export invoices are transmitted to ICEGATE, the same gets validated against Shipping Bill No, Date of Shipping Bill and Port Code. If any of these are not matched, SB001 is the error code transmitted to the GST system, and amendment is allowed. In this case, when an incorrect but valid Shipping Bill detail had been entered, that Shipping Bill already had a validation status (SB005, SBV00) which means that the refund had been granted with Officer's intervention for all the invoices of that shipping bill. Hence, once such a status is received, further amendments are stopped. However, the taxpayer did not get a refund in this case. The correct Shipping Bill number was cross verified with ICEGATE and the amendment was allowed.

Chairperson, ITGRC clarified that this amendment was allowed as the Shipping Bill detail entered though not pertaining to that particular invoice was correct.

CCT, Tamil Nadu stated that the explanation is clear but the agenda should have been more elaborated with these details.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).5

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
5	Incorrect assignment of appeal applications to State Appellate	414 ARNs	Appeal	This is with respect to incorrect assignment of appeal filed by Central taxpayer to State Appellate authority. There are some cross empowerment cases of	Data fix is given to reassign the applications from State Appellate authorities to

	authorities instead of Central Appellate authorities.			Centre's orders being assigned to State Appellate Authorities even if it is created by Centre's officers. Around 414 ARNs are found in production, and we are receiving tickets related to this. For the impacted cases, there is a need to remove the incorrect state assignments and assign the appellate authorities based on taxpayer central jurisdiction. If there is any action taken by state officers, we need to change the ARN back to submitted status. PFA impacted cases. Team will be working on a permanent code fix.	Central Appellate authorities. The issue is resolved permanently through ICR 28123. For the impacted cases, the ARNs incorrectly assigned to State authorities were assigned to Centre's appellate authorities based on taxpayer's central jurisdiction. For ARNs where some action was taken by State officers, the applications were changed to 'Submitted' status.

Discussion:

EVP, GSTN stated that this issue was pertaining to incorrect assignment of appeal applications to State Appellate authorities instead of Central Appellate authorities. He added that for cross empowerment cases, the appeals filed against the orders issued by Central tax officers against State taxpayers should ideally be assigned to Central Appellate authorities but due to some technical glitches these got assigned to State authorities. He also mentioned that this couldn't be handled during CBIC migration. He stated that data fix was done with respect to such 414 ARNs to reassign these applications.

Chairperson, ITGRC enquired as to what happened to the ARNs where some action was taken by the State tax officers with respect to these appeals.

EVP, GSTN stated that these actions were nullified and the status of applications were changed to submitted, as if no action was taken by the tax authorities.

Chairperson, ITGRC enquired as to the communications that had already gone to the taxpayers and as to whether the taxpayers were informed that these were nullified, and no action was required on these communications. He wanted to know the safeguards put in place in the system. EVP, GSTN informed that the taxpayers get these updates on their dashboard.

Decision: ITGRC took note of the data fixes done by the GSTN.

5(a).6

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
6	Refund disbursement issue due to withholding of refund of 1 ARN at PFMS's end.	59 ARNs	Refund	After issuance of payment advice (RFD 05 ZD030724024392Q: ARN AA030524021938A), tax officer from Punjab has approached PFMS for stopping the refund. Accordingly, PFMS has stopped the refund of the entire batch of payment advices (60 in count) which contains the payment advice ZD030724024392Q.The said payment advice (ZD030724024392Q) was put as rejected in GST system so that the rest of the payment advices (59) could be sent to PFMS for disbursement. When 59 ARNs were resent, PFMS has said that they couldn't process these ARNs. RFD 05s will be considered as duplicate and will get rejected. PFMS has asked GST system to send these RFD 05s with new reference number. A data fix is required to generate new reference number for these RFD 05s so that it can be sent to PFMS for re-processing. Kindly give the approval for data fix.	A data fix was required to remove the payment order ZD030724024392Q from 'Payment File' and for resending the Payment File to PFMS for other than the referred payment advice of Punjab. Data fix was done to remove the payment order ZD030724024392Q from 'Payment File' and the same is sent back to PFMS for reprocessing.

Discussion:

EVP, GSTN stated that this issue was earlier discussed in a meeting which was also attended by the officers of Chief Controller of Accounts (CCA), GST Policy wing, CBIC and GSTN. He added that the processing at PFMS would be at file level and even if there are issues with respect to one particular refund payment advice (ARN) the whole payment file will be rejected. He stated that in this case a tax officer from Punjab had approached PFMS for stopping the refund of a particular GSTIN on account of its fraudulent nature. Thereafter, PFMS rejected the entire payment file and as a result 59 unrelated (ARN) payment advices also got rejected as they were also being processed through the same payment file. Resultantly 59 refund were sent back to GSTN for generation of new payment advices as PFMS System can't process same payment advice again, once rejected.

Therefore, a data fix was done to remove the last character of the already generated RFD 05 reference number for re-processing these 59 ARNs through the same payment advice (RFD 05) by PFMS. This was done so that there is no necessity of the refund processing officer to re-issue RFD 05.

Chairperson, ITGRC enquired whether GSTN had agreed with the proposition of officers from CCA according to which PFMS payment advices would be processed in batches and whether in this case the original payment file was cancelled and the remaining refunds are to be reprocessed under a different payment file.

EVP, GSTN stated that it was communicated to PFMS that such ad-hoc rejection of payment file has not been recommended during the said meeting between GSTPW, CCA and GSTN and therefore before such a rejection is made, the issue needs to be discussed in the Law Committee. He also informed that PFMS has informed that it is in the process of developing a mechanism for rejecting a refund pertaining to a particular refund advice (ARN) so that the entire payment file won't be required to be cancelled. However this process will take some more time for completion.

CCT, Tamil Nadu enquired as to whether any delay had occurred on account of this rejection as this would involve payment of interest in case of delay. He added that there is no information available in the agenda as to the period of delay with regard to 59 ARNs where the refund was delayed.

Chairperson, ITGRC enquired as to whether this rectification was done immediately or was there any delay that had occurred in this case.

AVP, GSTN informed that there was a delay of approximately 5-6 weeks and that this delay was the reason, it was communicated to PFMS to not to do this kind of ad-hoc rejection. He explained that PFMS takes around 2-3 weeks to communicate the rejection of payment file to GSTN through the response file and that GSTN took around a week to make the corrections in the response file and send it back to PFMS.

Chairperson, ITGRC stated that in such a scenario the query raised by Tamil Nadu is valid and wanted to know in how many cases the time period of 60 days was breached and in how many cases interest liability arose as a result of such rejection.

CCT, Tamil Nadu added that if there are cases where this time limit was breached then it would have some financial implications and in that case, this agenda item would need to be recategorized.

Chairperson, ITGRC directed EVP, GSTN to obtain a status update from PFMS as to when they will be able to put in place the system that will allow for rejection of individual refund payments and to update the Committee in the next meeting.

EVP, GSTN stated that they will schedule a meeting with PFMS and obtain a status update as directed by the Committee.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN

i) to inform ITGRC about the interest liability, if any, in the cases of 59 ARNs where refund payments were delayed in the next ITGRC meeting, and

In this case, the same payment advices (after removal of last digit through data fix) were retransmitted to PFMS through a fresh payment file. As the same payment advices are involved, interest liability would not be applicable in these 59 ARNs.

ii) to obtain a update from PFMS as to when the implementation of rejection of single refund instead of the whole payment advice is likely to be completed.
A meeting will be scheduled with PFMS to discuss on processing the payment at record level instead of file level.

5(a).7

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
7	Casual Taxpayer's GSTIN got expired and he was unable to respond to DRC01B form.	1	Returns	Casual taxpayer GSTIN is marked with an 'E' (Expired) flag beyond the expiry date of its registration. This taxpayer was not able to view its DRC01B form and the system was showing "No records found". As the form is not visible to taxpayer, he is not able to proceed with DRC01B reply filing.	This configuration fix was taken to production via ICR: 27812 on 23rd September 2024.

Discussion:

EVP, GSTN stated that in this case, the Casual taxpayer's registration period expired on 5th May, 2024 and in the meanwhile, he got a system generated notice in Form DRC 01 B regarding the difference in GSTR 1 and 3B. However, he was unable to file a reply to DRC 01B as the Taxpayer was not able to view the same in the system on account of his GSTIN being marked with an 'Expired' flag. He added that data fix was done to remove this flag and to enable the taxpayer to file the reply, the same was being brought before the Committee for information.

Chairperson, ITGRC enquired as to whether the Casual taxpayer can avail refund and perform other functions after the expiry of the registration period and whether the Expiry Flag is being given before cancellation of GSTIN. He also stated that this may not be a stray case.

EVP, GSTN explained that when the Casual taxpayers apply for registration, they mention the period for which they need the registration and that they are expected to complete all the formalities such as return filing etc. before the expiry of such time period.

CCT, Tamil Nadu agreed with the Chairman that this will not be an isolated case and there would be many such similar cases.

EVP, GSTN explained that subsequent to this they have done a permanent fix and that the expiry flag will not feature in the system until all the proceedings are done and the GSTIN is cancelled.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).8

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
8	Taxpayers were unable to File GSTR-1 for older return periods (2017-2022) in cases where he had submitted the same return earlier but had not filed the same.	585	GSTR1	During 2017-22, GSTR-1 had the flow of Save, Submit & File. This was changed in 2022 to Save & Proceed to File (PTF). On submission of GSTR 1, the system marks 'FRZ' flag in the backend table. When a taxpayer tries to file their GSTR 1 for an older return period (when the system had submitted "FRZ" flow), the taxpayers were getting error message as "Preparing data for filing, please try again later".	Datafix Done.

Discussion:

EVP, GSTN stated that during 2017-22, GSTR-1 had the flow of Save, Submit and File and that this was changed in 2022 to Save and Proceed to File. The saved data used to be stored in a cache file and at the time of filing it used to come in the HBase. However, on account of data archival policy all the records of 2017-18 got archived as these were considered data load and when taxpayers were trying to file GSTR 1 for older periods (2017-18) they were getting error messages as the backend tables were frozen. He stated that by data fix, the archived data was brought back to the table and that the filing button has been now enabled.

CCT, Tamil Nadu stated that this issue might not be limited to 2017 -18 period and requested that a permanent fix be done in this regard.

EVP, GSTN informed that a permanent fix was done in this regard.

Decision: : ITGRC took note of the data fix done by the GSTN.

5(a).9

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
9	Taxpayers were not getting unblocked when they converted from composition to regular taxpayer	2	Eway bill	Two taxpayers (GSTIN-09EYTPS8823Q1ZV and 05DYGPK0951M1Z8) raised tickets stating that they were unable to generate EWB despite filing all the returns. The issue had been analysed and found that due to some failure in updating the return type status in DB, this issue has occurred. Those taxpayers have changed their category from Composition to Regular, however the same was not updated in the EWB database by default, on the date of conversion of taxpayer category. Due to this failure, the new taxpayer category was not updated in the database, system checked their CMP-08 status and in absence of the same, system recognized them as return defaulters and blocked their EWB whereas taxpayer was filing regular GSTR-3B returns.	RQM 27310 has been deployed in production on 7th November for permanent fix. This ticket has been resolved via ICR#27091 on 30-07-2024.

Discussion:

EVP, GSTN stated that in this case the 02 taxpayers had moved from the category of composition taxpayers to regular taxpayers however the same was not updated in the EWB database. He added that due to the defect in the system, their return frequency was not getting changed from CMP -08 to GSTR-3B and therefore, they were getting blocked wrongly for EWB generation even though they had filed all their GSTR -3B returns. He added that EWB blocking is done in case of failure to file 02 consecutive returns and in this case the system was checking their CMP -08 status not GSTR- 3B status and they were therefore, getting recognized as return defaulters and were not allowed to generate the e-way bills. He stated that issue was resolved through a data fix and the permanent fix was done on 07th November, 2024. .

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).10

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
10	Data Flow issues from GSTR-6 to the recipient's GSTR-2A.	1,77,821 (Same issue was discussed and approved in 21st ITGRC)	GSTR 6	When the Input Service Distributor (ISD) uploaded invoices in Form GSTR-6 for February 2022 return period, some ISD invoices were not reflected in GSTR-2A for the said period. So, these ISDs were unable to view all the invoices on the portal in their GSTR-2A.	Permanent fix had already gone into production through RQM#22445 via ECR#15337 on 15th Feb,2022. Activity to fix all cases in one go was completed on 16-Aug-2024 via ICR#27077.

Discussion:

EVP, GSTN stated that this issue was raised and approved in the 21st ITGRC meeting. He added that in this case, some of the invoices uploaded in GSTR- 6 by the Input Service Distributor for February, 2022 return period were not getting reflected in GSTR 2A of the recipient. He stated that permanent fix for this issue had gone into production on 15th February, 2022. However these cases are of the period prior to that. He informed that all the cases were fixed on 16th August, 2024 and it consisted of 1,77, 821 GSTINs.

CCT, Tamil Nadu stated that this issue was raised in February, 2022. However the data fix was done on 16th August, 2024 that is well beyond the date for filing their Annual return. He added that in the minutes of the 21st ITGRC meeting, it was recorded that number of cases affected by this issue was 333 whereas at present the number of cases has increased to 1,77,821.

EVP, GSTN clarified that at the time of 21st ITGRC meeting, there were 333 cases but when the activity was done to fix all the cases at one go, then these many cases of 1,77,821 were discovered and hence fixed. He also added that some RCA were still pending with Infosys at the time of 21st ITGRC meeting and these were fixed subsequently.

Chairperson, ITGRC enquired as to whether this was the final number of cases under this issue or whether any cases will come up in the future.

EVP, GSTN informed that this was the final number under this issue for the known reason.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).11

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
11	Mismatch in Annual Aggregate Turnover (AATO) because the filed values from GSTR-3B and CMP-08 were not picked up and processed by the system.	157 (Same issue was discussed and approved in 22nd ITGRC)	AATO	Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact AATO could not be updated to the MySQL master tables	Permanent fix is under progress and reference RQM No: 28357.

Discussion:

EVP, GSTN stated that this case related to the mismatch in Annual Aggregate Turn Over (AATO) of the taxpayers because the filed values in GSTR-3B and CMP-08 were not getting picked up and processed by the system. He added that the system process data from GSTR-3B and CMP-08 to calculate AATO but in case of these taxpayers, few records were getting missed from Hbase tables for AATO calculation. He informed the Committee that the same issue was discussed and approved in the 22nd meeting of the ITGRC. He added that the 157 cases have been fixed but the permanent fix in this regard is still under progress.

Chairperson, ITGRC enquired as to the time required for carrying out the permanent fix.

EVP, GSTN stated that the whole process will take around 4 months to complete.

CCT, TN stated that there will be financial implication, if the AATO of a composition taxpayer exceeds the threshold limit and requested that permanent fix in this regard may be done as early as possible. EVP, GSTN agreed to look into this aspect also.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to complete the permanent fix for the issue within the next 3 months.

5(a).12

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
12	Adding Additional Places of Business (APoB) and RC generation for TaxPayers having high count of APoBs as mentioned below:- 1. Creation of missing APOB entries in ADDR_DETL for large firms. 2. RC regeneration for missing APOB of large firms.	11(Same issue was discussed and approved in 20th & 21st ITGRC)	Registration	1. End user is not able to see list of newly added APOB in amended RC as database transaction is not getting completed within optimized time limit and as a result, master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go. 2. End user is not able to see amended RC as database transaction is not getting completed within optimized time limit as a result master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go. Below Taxpayers are impacted by the data-fix: 29AADCP9147P1ZJ 20AAPCS9575E2Z0 19AAGCB1323G1Z0 27AAGCP7465F1Z4 21AABCR1718E1Z1 27AADCO3578R1ZL 36AAIFR4989D1ZS 27AAICS6213N1ZY 06AAACI1195H1ZQ 37AAACB2894G1ZM 03AAMCR3834Q1ZU	Data fix done. For permanent fix CR No. 26195 will be deployed on 29.10.2024

Discussion:

EVP, GSTN stated that in this case, there was some issue related to adding Additional Places of Business (APoB) and that the address details were not getting reflected for the large firms on account of the large number of APoBs getting added. Also, the user was not able to see the details of the added APoBs in the Registration Certificate (RC) as the database transaction was not getting completed within the optimized time limit. He also informed that the same issue was discussed and approved in the 20th and 21st ITGRC meeting. He informed the Committee that data fix has been carried out in respect of these 11 cases and that permanent fix for this issue has been deployed on 29.10.2024.

Chairperson, ITGRC enquired as to whether the issue has been resolved permanently.

EVP, GSTN stated that the issue has been fixed permanently.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).13

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
13	Taxpayers (GSTIN: 18CKUPG1203 R1ZN) are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in the previous FY.	1 (Same issue was discussed in 21st ITGRC Meeting)	Registration	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/application for withdrawal is being filed. System restricts the taxpayer if he wants to file the application in current financial year by selecting the opt out date from the Previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted with Late fee and interests.	Data fix done and issue resolved. For making changes as approved by LC, CR is being raised.

Discussion:

EVP, GSTN stated that this issue was discussed in the 21st ITGRC meeting. The taxpayer was unable to select the composition opt-out date from the previous financial year, even though their turnover had exceeded the threshold in that year only. This issue arose due to Circular No. CBEC-20/16/04/2018-GST dated 31.12.2018, which stated that the date of withdrawal from the composition scheme could not be prior to the commencement of the financial year in which the withdrawal application was filed. This created a problem for taxpayers who experienced a change in their turnover in the last quarter of the financial year, for example, from March to April. Due to this shift, the taxpayers could not opt out of the composition scheme, as it fell into the following financial year.

EVP, GSTN further explained that they raised the issue with the Law Committee (LC), and the LC acknowledged the problem. The Committee agreed that a new circular would be issued to clarify that taxpayers could opt out of the composition scheme, even when the change of financial year occurred, addressing the concern where taxpayers wanted to withdraw from the scheme after the financial year change. This fix was implemented and the issue was resolved.

Chairperson, ITGRC sought confirmation that the resolution would be addressed on a case-by-case basis, depending on the circular issued by the LC. GSTN affirmed that the circular would clarify the process.

CCT, Tamil Nadu emphasized that, according to the circular, the optional date should fall within the same financial year, which was the root cause of the issue.

EVP, GSTN further elaborated that the circular, which was under review by the LC, would address cases where composition taxpayers wished to opt out at the end of the financial year, such as in the last week, which led to complications. The LC had discussed this issue in the last meeting and acknowledged the difficulty faced by taxpayers in this situation, deciding that a new circular would be issued to provide clarity.

Pr. DG, DG, Systems mentioned that a couple of examples were shared in the agenda to illustrate the issue, which had helped clarify the situation. He requested the agenda to be shared so others could better understand the problem. GSTN agreed to provide the relevant details.

Chairperson, ITGRC clarified that if a composition taxpayer realized by the end of the quarter (January to March) that they would exceed the turnover threshold, they could opt out on April 1 for the previous financial year. He pointed out that this would have tax implications, and the circular needed to be issued quickly. If the circular had not been presented at the most recent GST Council meeting, it could be discussed and approved in the next one..

In conclusion, GSTN agreed to share the records of the Law Committee's discussions to provide further clarity on the issue and the steps being taken to resolve it.

Decision: ITGRC took note of the data fix done by the GSTN**.**

5(a).14

S. No.	**Issue reported**	**No. of Cases Impacted**	**Module**	**Detailed Description**	**Status**
14	Casual taxpayers who are having null registration end date in the database are facing issue in returns module.	6 (Same issue was discussed and approved in 20th & 21st ITGRC)	Registration	As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. 1. Drop proceedings of Suo-moto cancellation. 2. Rejection of self-cancellation application.	Data fix done and issue resolved. CR has been raised for making required changes in the code.

				3.Withdrawal of self-cancellation application. Below are the taxpayers details that are impacted: 1. 07AADCG5455BBZM 2. 07AALCA4754B1ZU 3. 33AAEFW7547C1Z7 4. 33BTKPV7219J2Z4 5. 04AAVFN9694G1ZG 6. 27AGDPK3125H1ZO	

Discussion:

EVP, GSTN then raised another issue regarding casual taxpayers, whose registration period end date was not reflected in the database, causing difficulties in updating invoices in GSTR-1. This issue had been discussed in the 20th and 21st ITGRC meetings, and while a data fix had been applied, a permanent solution would take more time. Six cases from the previous period had been fixed.

Chairperson, ITGRC sought clarification on the registration period for casual taxpayers, which can range up to nine months, and questioned why the issue occurred with null registration dates.

EVP, GSTN clarified that this was a technical error, where the end date was not reflected in the system, not because the date was missing.

EVP, GSTN further addressed three specific issues: the dropping of proceedings for suo-moto cancellations, rejection of self-cancellation applications, and withdrawal of self-cancellation applications and stated that these cases were handled individually, and a permanent fix was in the pipeline but had not yet been prioritized.

Chairperson, ITGRC suggested that the issue should be resolved within three months, which was noted by EVP, GSTN.

CCT, Tamil Nadu raised a follow-up regarding two cases related to specific circles, and EVP, GSTN provided the CR number for further reference.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to do permanent fix within three months.

5(a).15

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
15	GSTR 9 tile is not enabled for FY. 2020-21.	3 (Same issues were discussed in 21st ITGRC Meeting).	GSTR-9	GSTR9 is a Annual return which is to be filed by regular taxpayers – including SEZ units and SEZ developers. The tab is enabled when all GSTR1 and GSTR3B returns are filed by a Taxpayer for a complete Financial Year. Annual return tile was disabled due to which taxpayers were unable to file GSTR9 return.	This is getting handled on ticket basis. These tickets were resolved on 22-08-2024.

Discussion:

EVP, GSTN stated that in cases related to GSTR-9, the system typically populates the relevant tiles for taxpayers who are active on the GST portal. However, during the filing period of the annual return for the financial year 2020-21, certain taxpayers were not active due to suspension or cancellation of their registration. If their suspension or cancellation was later revoked, and they became active again, their GSTR-9 tiles were not automatically enabled for that financial year. As a result, these taxpayers were unable to file their annual returns at a later date. Upon encountering this issue, affected taxpayers raised tickets, which were resolved on a case-by-case basis. This matter was previously discussed in the 21st ITGRC meeting, where it was acknowledged that there is no permanent or automated solution to address such cases. Instead, each instance must be handled individually as it arises.

Chairperson, ITGRC agreed to accept this approach.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).16

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
16	Duplicate entries in Ledger and Filing Status	7	GSTR3 B	Taxpayer has raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries are reflecting on the electronic credit	Permanent fix has been deployed in production on 27th April 2024 via ICR-25546.

				ledger statement for the same return period.	

Discussion:

EVP, GSTN stated another technical issue which was identified in the electronic credit ledger where duplicate entries were reflecting after the filing of GSTR-3B. This resulted in certain taxpayers receiving excess ITC due to specific invoices being recorded twice in the ledger. The duplicate entries affected liabilities, cash balances, and offsets in the backend tables. This matter was addressed through a permanent fix implemented on April 27, 2024. However, prior to this fix, seven such cases were identified and were discussed in the 22nd ITGRC meeting. EVP, GSTN further stated that the issue was first identified when a taxpayer raised a ticket, prompting a backend system check, which led to the discovery of six additional cases.

Chairperson, ITGRC raised concern about the possibility of other taxpayers benefiting from duplicate ITC without reporting it, as they would have no incentive to raise a ticket.

EVP, GSTN emphasized that the system does not currently allow for a comprehensive scan to detect all instances of duplicate credit, making it challenging to ensure that no additional cases exist.

Chairperson, ITGRC expressed concern over the severity of the issue, emphasizing that taxpayers should not receive excess ITC or cash benefits. He questioned whether the identification of only seven cases was definitive, stressing the need for a thorough verification process to ensure that no other taxpayers had received undue credit.

CCT-Tamil Nadu supported this concern, pointing out that taxpayers would likely not report such discrepancies if they were in their favour.

Chairperson, ITGRC directed GSTN to conduct a comprehensive review and ensure that no additional cases exist.

GSTN agreed that they would report back to the Committee with a complete analysis and confirmation of the final number of cases in the next meeting.

The Committee accepted the matter with the understanding that due diligence would be performed to verify the extent of the issue and ensure that no undue benefits had been granted beyond the identified cases.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to present complete analysis of the issue.

5 (b). Thereafter, EVP, GSTN explained 04 cases where there were technical issues affecting locally with financial implications and where the correct data was known.

The details of the cases are mentioned as follows:

5 (b).1

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Recredit of ITC for GSTIN-27BDZPM9631A1Z4 utilised to offset while filing of GSTR 3B, October 2017, as his ITC was not reversed after clicking on reset button on GST portal.	1	GSTR3B	A ticket was raised by taxpayer in April 2024. On 20/11/2017, in the GSTR 3B for Oct'17, the taxpayer (GSTIN-27BDZPM9631A1Z4) had claimed ITC of Rs 3,17,540/- CGST and Rs 3,17,540/- SGST. Out of that, ITC of Rs 1,99,546/- CGST and 1,99,546/- SGST was used for offsetting the liability. Once offset is done then the balance of ITC was reduced by Rs 1,99,546/- CGST and 1,99,546/- SGST. This GSTR 3B was not filed and at a later stage, on 23-01-2018, the taxpayer reset this GSTR 3B of Oct'17 using the RESET FUNCTIONALITY. As a result of RESET, the ITC claimed earlier of Rs 3,17,540/- CGST and Rs 3,17,540/- SGST was reversed by the system. However, the ITC used for payment of liability of Rs 1,99,546/- CGST and 1,99,546/- SGST, was not credited back to the ITC ledger.	Datafix Done. ITC was credited back to the ITC Ledger.

Discussion:

EVP, GSTN further stated that technical issue was identified in four cases where financial implications were involved. In one such instance, a taxpayer raised a ticket concerning discrepancies in their GSTR-3B filing. The taxpayer had initially claimed an ITC of ₹3,17,540 for both CGST and SGST. However, they utilized only ₹1,99,546 each for CGST and SGST. Upon investigation, it was found that the GSTR-3B return had not actually been filed but only saved, during which the taxpayer had offset their liability with the claimed ITC. When the taxpayer approached GSTN, the system functionality was reset. However, during the reset, the offset liability could not be reversed, and the

full claimed ITC amount of ₹3,17,540 for both CGST and SGST was debited . As a result, the already utilized ₹1,99,546 for CGST and SGST needed to be credited back to the taxpayer.

Chairperson, ITGRC acknowledged the fairness of this resolution and asked for comments from the members.

CCT, Tamil Nadu emphasized the need for a permanent solution, highlighting that this might not be an isolated case.

GSTN clarified that the system previously had three stages—save, submit, and file—but has since been updated to a streamlined process of "save and proceed to file."

Chairperson, ITGRC emphasized that this particular issue arose because the taxpayer had only reached the "save" stage but had already offset their liability, which was not properly reflected when the reset occurred. It was noted that while this might be an older issue, similar cases might still exist, and taxpayers would need to raise tickets to have them addressed.

CCT, Tamil Nadu further pointed out that the issue dated back to October 2017, yet the ticket was raised only in April 2024.

When enquired by Chairperson about the delay, EVP, GSTN suggested that such issues often come to light only during audits or when a taxpayer receives a show cause notice. EVP, GSTN stated that this case was identified during reconciliation in an audit, suggesting that other similar cases may exist but remain unreported due to a lack of thorough reconciliation by taxpayers.

CCT, Tamil Nadu agreed that while such cases should be handled individually as they arise, there must also be a recognition that the system is not infallible. He further stressed the importance of caution and proactive monitoring, rather than relying solely on taxpayer-raised tickets.

Chairperson, ITGRC advised that a Standard Operating Procedure (SOP) should be in place to ensure that all values, including any offsets, are properly reflected when a reset occurs.

EVP, GSTN confirmed that in many cases, verification is conducted, either within the system or through the jurisdictional office. In this particular case, the issue was evident from the ledger and GSTR-3B records, allowing GSTN to resolve it.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).2

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
2	Late fee applied twice to the taxpayer who got cancelled in between a quarter.	1	GSTR3B	Taxpayer was in monthly filing scheme from 01-01-2021 till 31-12-2023 and has filed his NIL GSTR3B for the month of December 2023 as a monthly filer on 04-02-2024, which is 15	Datafix Done. Late fee was reversed.

				days after the due date which was 20-01-2024 and calculated late fee was 15xRs.10=Rs.150. As taxpayer changed his filing preference from monthly to quarterly from 01-01-2024, his next applicable return period was March 2024, but taxpayer got cancelled on 27-02-2024, which was in-between the quarter. February 2024 is his last return period and system collected late fee (Rs 300) of December 2023 in February 2024.Taxpayer again got active on 29-03-2024, and as taxpayer was in quarterly scheme, as per system, December 2023 was his last filed month, so system again collected the late fee of December 2023 in March 2024 which taxpayer filed on 23-04-2024.	

Discussion:

EVP, GSTN explained an issue where a taxpayer was mistakenly charged a late fee twice. The taxpayer had been cancelled between quarters, and during this period, a late fee was charged. When the taxpayer filed the final return, another late fee was calculated due to a 15-day delay. Subsequently, when the taxpayer reverted back to being a normal taxpayer, the system again calculated the late fee for the two-month period, causing the taxpayer to pay the fee twice. The system had erroneously calculated a duplicate late fee of ₹300, which was incorrect, and GSTN acknowledged the need to reverse the duplicate payment. The taxpayer had been a normal taxpayer until December 23, and the return for that period was due on January 20. However, the taxpayer filed the return on February 4, incurring a late fee for the delay. Following that, the taxpayer shifted to a quarterly filing regime starting from January, with their next return due in April. However, when the taxpayer's registration was canceled on January 27, the system mistakenly applied the December late fee in GSTR 3B to be filed for the two months (December and January). When the taxpayer was reinstated as a regular taxpayer in March, the system again charged the late fee for the same period, resulting in the taxpayer paying the fee twice. EVP, GSTN confirmed that a data fix had been applied to resolve this issue.

Chairperson, ITGRC inquired about the reason for the taxpayer's registration cancellation, to which GSTN responded that, while the exact reason was unclear, it typically occurs when tax officers cancel the registration and the taxpayer later files a revocation application, leading to reactivation.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).3

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
3	While filing GSTR3B some of the users are getting the error "Issue while filing GSTR-3B - "Error! Payment amount should not exceed the outstanding	1 (Same issue was discussed and approved in 22nd ITGRC).	GSTR3B	This issue was reported for a taxpayer who was registered under composition scheme and filed GSTR-4. In GSTR 4, the system allowed taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the system, the late fees paid by the taxpayer in excess of Rs 5000 was considered as a negative entry in the system, though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability.	Amount was recovered by adding in additional liability.

Discussion:

GSTN then discussed another issue flagged in the 22nd ITGRC meeting, where a cap of ₹5000 had been incorrectly applied in the system regarding late fee calculations for composition taxpayers. In some cases, the late fee could be paid partially, and the balance would carry over to the next period. However, when the amount exceeded ₹5000, the system erroneously flagged the late fee as exceeding this cap, causing the remaining balance to be recorded as a negative value in the taxpayer's account. This error prevented the taxpayer from filing their 3B return after transitioning from composition to a regular taxpayer. GSTN clarified that this issue occurred due to the system wrongly flagging the late fee amount and displaying a negative value for the unpaid balance. The issue has been resolved, and

the taxpayer's account was corrected, with ₹250 being added as an additional liability to rectify the discrepancy.

Chairperson, ITGRC sought clarification on whether the amount was being shown as an additional payment or as a negative balance, which GSTN confirmed was due to the system incorrectly marking excess payments as negative values.

CCT, Tamil Nadu raised concerns about the potential for this issue to occur with other cases in the future and requested a permanent solution. GSTN assured that the introduction of CMP-08 has resolved this issue for the current period, and it was primarily an issue from the past period. However, CCT-Tamil Nadu pointed out that the details of the period or month affected were not provided in the explanation, leading to confusion. GSTN agreed to include these specific details and communicate them to the committee for clarity in next ITGRC meeting.

Decision: ITGRC took note of the data fix done by the GSTN and concluded with an understanding that while this issue was specific to a particular case, a more detailed solution would be communicated, and the system's handling of such cases would be further refined to prevent similar issues from arising in the future**.**

5 (b).4

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
4	Refund for GSTR 3B Late fee due to RESET done by system in Hbase & Ledger Mismatch.	1	GSTR 3B	As per the decision in ITGRC for the Hbase and Ledger mismatch cases, the GSTR 3B for these identified cases were done RESET by the system. Due to technical glitch the taxpayer had to pay Late fee while filing of GSTR3B for the Month of Dec 2023 in March,2024 which needs to be refunded to the taxpayer.	Datafix Done. Refund for late fee was given.

Discussion:

EVP, GSTN state that in the 22nd ITGRC meeting, an issue concerning the refund of the GSTR-3B late fee due to a system reset in HBase and a ledger mismatch was highlighted. The problem stemmed from a discrepancy between the values stored in HBase and those in the taxpayer's ledger, which ideally should be identical. When such discrepancies occur, GSTN resets the system at the backend. However, when a taxpayer files a return for a reset period, , the system incorrectly charges a late fee. The refund in question pertains to such cases where the late fee was imposed due to a system-initiated reset.

Chairperson, ITGRC noted that only one case had been reported.

GSTN clarified that although the HBase and ledger reconciliation issue had been largely addressed for identified causes, occasional older cases still emerge. These cases are addressed as they arise and are included in ITGRC meeting notes for further resolution.

CCT, Tamil Nadu raised concerns about the significant number of past cases. In the 22nd meeting, it was recorded that 15,960 cases involved cancelled taxpayers, and 4,470 cases were related to insufficient ITC balances. Given the large number of historical cases, CCT-Tamil Nadu questioned why only one case was being reported now.

GSTN responded that this case was different from the previously identified cases. Earlier, GSTN had proactively identified discrepancies where tax liabilities were not properly recorded, or ITC was claimed disproportionately to HBase values, leading to potential revenue losses. The reported figures from previous years were based on system analysis, while the current case was identified by a taxpayer through a raised ticket, which was subsequently reset by the system.

Chairperson, ITGRC inquired about the broader impact of the mismatch between HBase and ledger values, specifically regarding the extent of tax exposure and the status of recoveries or field-level verifications.

EVP, GSTN confirmed that a status report had been created and presented in a GST Council meeting, highlighting recoveries of approximately ₹2,500 crores from recent returns, with 9,000 returns being filed after system resets.

Chairperson, ITGRC emphasized the need for a comprehensive status update, asking whether full verification had been completed or if further cases remained unresolved.

EVP, GSTN stated that out of 40,000 reset cases, only 10,000 returns had been filed, and reminders had been sent to jurisdictional authorities to expedite the remaining cases. GSTN also confirmed that this issue was being escalated through the GST Council.

Chairperson, ITGRC instructed GSTN to provide a status report at every ITGRC meeting detailing progress on pending cases.

CCT, Tamil Nadu recommended that meetings should begin with a recap of previous discussions and follow-up actions, including updates on recommendations sent to the Law Committee.

GSTN agreed to incorporate this feedback, adding a slide at the beginning of ITGRC meetings summarizing follow-up actions and directions issued by ITGRC.

CCT, Tamil Nadu further raised concerns regarding the lack of visibility for State governments regarding taxpayer-raised tickets. A circular dated April 3, 2018, mandated the appointment of State government nodal officers responsible for collecting and forwarding taxpayer applications to GSTN. However, States currently have no visibility into which tickets have been raised, addressed, or remain pending. As a result, during meetings, States often lack clarity on agenda items and ongoing cases. CCT-Tamil Nadu suggested a mechanism to ensure that States are informed about raised tickets to facilitate better coordination and avoid duplication.

Chairperson, ITGRC acknowledged this concern, clarifying that States should have access to both taxpayer-raised tickets and grievance cases forwarded by nodal officers. He proposed that GSTN

provide States with a view facility to track tickets raised each month, allowing States to understand common issues and follow up accordingly.

EVP, GSTN confirmed that GSTN will follow all the directions of GST Council given in this regard, this could be implemented, State nodal officers are supposed to communicate compilation of all the grievances raised with State authorities on account of technical glitch for resolution of the same. EVP also informed that the number of tickets raised with GSTN are of all India level which get handled with outsourced helpdesks at various levels including Infosys team at highest level. Tickets shall be segregated after resolution of the said ARNs along with GSTINs for review if any by the concerned State or Centre authorities.

CCT, Tamil Nadu also emphasized the need to categorize state-sponsored cases separately, ensuring that only technical glitches are escalated. Chairperson, ITGRC reinforced that State-sponsored issues should be clearly categorized, and only technical glitches should be taken up by ITGRC. EVP, GSTN agreed that States must first confirm whether an issue is due to a system error before forwarding it.

Decision: ITGRC took note of the data fix done by the GSTN and underscored the need for better coordination between GSTN and State governments.

5(c).1 Status update on Hbase-Ledger mismatch issue.

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Taxpayers not able to file their GSTR 3B post the Reset done from the backend due to data mismatch issue between Hbase & Ledger in GSTR-3B.	Not Quantified.	GSTR -3B	1)An issue of mismatch in Hbase and ledger database of taxpayers was reported in 21st ITGRC meeting held on 12.01.2024 and it was decided that in 61,763 identified cases the GSTR-3B returns shall be reset by the system and the taxpayers can file their GSTR-3B again with the correct values. 2)There was a logic built in the system while doing reset of GSTR-3B for these identified cases that at the time of refiling of GSTR 3B, taxpayer won't be allowed to claim ITC more than the ITC amount already posted in the Ledger and can't pay tax liability lesser than already paid in	GSTN Proposal: 1.We may close the tickets with an advisory stating that system has not reversed any ITC from the ledger. Hence, you may procced to file accordingly. 2. We may issue letter to respective tax officer for

				the previously filed GSTR 3B. 3)Further, while doing reset of GSTR 3B, the ITC amount already posted in the ledger of the taxpayer was reversed and the taxpayer are allowed to reclaim an amount which was equal to or less than the amount reversed. 4) Taxpayer are claiming that they have claimed ITC in their GSTR 3B and are showing their filed PDF. However, the same was not available in the backend data.	verification . 3. We may credit the amount in their ledger as per the filed PDF and ask tax officer to verify and carry out recovery.

Discussion:

EVP, GSTN provided a status update regarding taxpayers who were unable to file their GSTR-3B post a backend reset performed to address data mismatches between HBase and the ledger. In such cases, taxpayers had raised tickets indicating that they were unable to claim the ITC available in their originally filed GSTR-3B. During the 21st ITGRC meeting, it was decided that in 61,763 such cases, the system would reset the GSTR-3B, allowing taxpayers to refile their returns with corrected values. To implement this decision, a system logic was introduced to reset the identified cases. As part of this reset process of GSTR-3B, the ITC amount that had already been posted in the taxpayer's ledger was reversed, and taxpayers were permitted to reclaim an amount equal to or less than the reversed ITC. However, taxpayers have since raised concerns, stating that their filed GSTR-3B PDFs reflect an ITC amount that is not appearing in the backend system data. Given this discrepancy, GSTN reported that no immediate action could be taken and sought further guidance from ITGRC on the way forward. GSTN presented three possible solutions for consideration:

1. Closing the tickets, stating that the backend system data is the correct and final record.

2. Assigning the cases to respective tax officers to verify the taxpayers' books of accounts.

3. Validating the ITC claims based on the filed GSTR-3B PDFs provided by the taxpayers, either by directly considering the PDFs as proof or by requiring taxpayers to verify their filed returns before crediting the claimed amount.

Chairperson, ITGRC noted that this issue had not been clearly presented in the advance write-up, leading to some confusion.

EVP, GSTN explained that the direction from the Committee was to provide an update and that while preparing the update, it became evident that key decision points were still pending, prompting the need for further discussion.

CCT, Tamil Nadu suggested that the issue required in-depth discussions, as an immediate resolution might not provide an accurate solution. He added that redirecting the issue to the tax officer without

thorough examination could lead to further complications. He suggested that the decision can be deferred to allow for detailed deliberation.

EVP, GSTN stated that they do not have the back end value and as a result they are not able to quantify the values.

Chairperson, ITGRC observed that since GSTN was being provided with PDF value in all cases where ticket has been raised, they could try quantifying that PDF values. He also suggested referring the matter to the Law Committee for further examination. He also requested GSTN to provide additional details, including the number of such cases and the financial impact involved.

EVP, GSTN responded that they had not yet quantified the total value of ITC claims but confirmed that 25 to 30 taxpayers had raised tickets and submitted their PDF files. When asked about the total quantum of ITC claimed, GSTN acknowledged that the data had not been aggregated but assured that a detailed report would be compiled for the next ITGRC meeting. Additionally, as per the suggestion, an agenda note would be prepared and forwarded to the Law Committee for consideration.

Chairperson, ITGRC emphasized that the matter required urgent attention as it could potentially involve an element of interest but also cautioned against any hasty resolution. He directed that the issue be referred to the Law committee for discussion and decision.

Decision: ITGRC instructed GSTN to draft a comprehensive agenda detailing all relevant aspects, and obtain the views of the Law Committee before further discussions in the next ITGRC meeting.

The meeting ended with a vote of thanks.

To summarize, there were a total of 20 issues which were tabled as agenda to the 23rd meeting of the ITGRC of which 16 were technical issues with no financial implications where correct data was known with certainty and 4 were technical issues affecting locally with financial implications (involving an amount of Rs. 4,22,142/-) where data was known with certainty wherein ITGRC took note of the data fixes done/proposed by GSTN, on the basis of technical analysis done by GSTN.

- inform ITGRC in the next meeting about the interest liability, if any, in the cases of 59 ARNs where refund payments were delayed and to obtain an update from PFMS as to when the implementation of rejection of single refund orders instead of the whole payment advice is likely to be done.

- In case of casual taxpayers who are having null registration end date in the database and who are facing issue in returns module, ITGRC directed GSTN to do permanent fix within three months.

- In case of Duplicate entries in Ledger and Filing Status, ITGRC directed GSTN to follow-up after due diligence to ensure there were no other cases of duplicate entries.

- In case where while filing GSTR3B some of user are getting the error “Issue while filing GSTR-3B - Error! Payment amount should not exceed the outstanding”, ITGRC concluded with an understanding that while this issue was specific to a particular case, a more detailed solution would be required, and the system's handling of such cases would be further refined to prevent similar issues from arising in the future.

- In case of refund for GSTR 3B Late fee due to RESET done by system in Hbase & Ledger Mismatch, ITGRC took note of the data fix done by the GSTN and underscored the need for better coordination between GSTN and State governments, improved tracking of taxpayer grievances, and structured reporting of IT-related issues to ensure effective resolution and prevent revenue losses.

- In case of status update on the issue of mismatch between ledger and Hbase reported in previous ITGRC meetings, ITGRC instructed GSTN to draft a comprehensive agenda detailing all relevant aspects, and obtain the views of the Law Committee before further discussion in the next ITGRC meeting.

Annexure-1

List of officers who had attended the 23rd meeting of the ITGRC

Centre:

i. Member (GST), CBIC – Sh. Shashank Priya (Chairman, ITGRC)
ii. Additional Secretary, DoR – Sh. Vivek Aggarwal
iii. Pr. DG, DG (Systems) – Sh. Yogendra Garg
iv. Pr. Chief Commissioner, CGST, Delhi Zone – Sh. Rajesh Sodhi

States:

i. Commissioner, Commercial Taxes, Tamil Nadu – Dr Jagannathan
ii. Additional Commissioner, Excise and Taxation, Haryana – Dr. Hemant Kumar
iii. Special Commissioner, State Tax, Gujarat – Ms. P Bharathi
iv. Senior Joint Commissioner, State Tax, West Bengal – Sh. Joyjit Banik

GST Council Secretariat:

i. Additional Secretary, GSTCS- Sh. Pankaj Kumar Singh
ii. Joint Secretary, GSTCS- Ms. B. Sumidaa Devi

Special Invitee:

i. Executive Vice President, GSTN – Sh. Alok Kumar
ii. SVP, GSTN – Ms. Nisha Gupta
iii. AVP, GSTN – Sh. Jeyanth Malaiyandi

Annexure-2

Agenda on Data Fix issues

Technical Issues Requiring Data Fix of the Processed Incorrect Data through Backend Utilities

The changes in GST law / Rules, the representations received from taxpayers and other stakeholders require alterations to be continuously made in the GST System. GSTN has therefore adopted an agile methodology of developing applications for GST System keeping it modular to handle frequent changes in law and rules incorporated in a running application. This has necessitated integrating all new application changes downstream being dependent on the module undergoing the change and led to following concerns:

- Some corner scenarios owing to varying taxpayer actions and system behaviour, when subjected to heavy load, go unhandled leading to inconsistent data persisting in GST System.
- The data inconsistencies vary from ledger getting improper debits/credits, the return details stored in the system having incorrect information relating to situations where an irreversible commit has happened in the database.
- No option available to taxpayer to seek remedy in GST System leading to a need of performing data fixes through auditable utilities.

These issues generally have been noticed after

- A complaint is raised by taxpayer/ tax officer
- Result of a periodic internal and external audits.

In order to resolve these issues, the processed incorrect data requires fixing, collecting correct data besides solving the software/platform issues being faced by respective stakeholders. Accordingly, GSTN has initiated fixing of technical issues identified, as per the SOP approved by the ITGRC in the15th meeting held on 12/08/2021, which is as below:

i. Analysis of data discrepancy.
ii. Confirmation of discrepancy sought from MSP.
iii. Upon confirmation, utility to be created by MSP to extract similar cases from GST System data.
iv. A root cause analysis conducted to fix the issue and implemented by MSP in consultation with GSTN to rectify data inconsistency.
v. Scripts created for data fix and tested in multiple cycles by MSP and GSTN.
vi. Approval note presented to competent authority to fix the issue.
vii. After approval, audit entries created for each change affecting the data.
viii. Scripts executed and post execution state of data stored for reference later.
ix. List of all such changes to be presented and explained to GST policy wing & ITGRC and periodic internal audit also to be undertaken.

Data Fix cases are accordingly presented to ITGRC for deliberations and decision as mentioned in the attached Annexure.

Annexure

Technical Issues Requiring Data Fixes through Backend Utility (Period -01st July 2024 to 30st Sep 2024)

Cases Requiring Internal Approval of SVP, EVP/CEO or Post facto Approval of ITGRC

NO FINANCIAL IMPLICATIONS

S. No.	Module	Issue reported By	Issue in Brief	Detailed Description	Approved By	Date of Approval	No. of Cases Impacted	Financial Implication (Yes/ No)	Correct Data Known / Not Known	Status
1	Registration	CPGRAM	Taxpayer is Unregistered Applicant and wants to file Refund application. Taxpayer is not able to perform Aadhaar Authentication as there is mismatch between name in Aadhaar and GST application.	Unregistered Taxpayer updated the Name as GEETA SHARMA in Aadhaar but in GST portal her old name GEETA KAUSHIK was reflecting and due to this applicant was getting name mismatch error while doing Aadhaar Authentication. Taxpayer cannot do the correction in name via amendment	EVP (Services)	01.07.2024	1	No		Through data fix her name was updated in GST database and a new link for Aadhar authentication was shared.

				as Amendment option is not applicable for Unregistered type of Taxpayers.						
2	Registration	SDM raised by Maharashtra	Tax officers vide a revision order for a cancellation order cancelled the taxpayer's registration ab-initio i.e. *change in the effective date of cancellation* but currently there is no provision available in the system for changing the cancellation date in respect of any revision order. Therefore, cancellation date was required to be updated through	As per the Revision orders u/s 108 of MGST Act 2017, passed to give the appropriate date of effect to the Order of Cancellation of registration certificate, as per Administrative Instructions no. B 698 dated 22/07/2021. Maharashtra State had requested to change the date of cancellation from the date of approval of registration.	EVP (Services)	23.09.2024	477	No		Data fix done and issue resolved. CR has been raised to develop the functionality for passing orders under section 108

			data fix.							
3	Refund	Taxpayer ticket	Amendment of Export invoices in GSTR 1 (For filling Shipping Bill details)	M/s RESQ Power has done export of goods with payment of tax. For this invoice, shipping bill details are not mentioned by the taxpayer at the time of filing of GSTR 1 and that why it is not forwarded to ICEGATE for IGST refund purpose. Meanwhile, using this invoice, the taxpayer has filed refund under the category “Export of Services with payment of duty”. The officer rejected the application saying it was filed under the	EVP (Services)	19.08.2024	1	No		A data fix was given to remove the refund filing status in these invoices so that the taxpayer can amend the invoice with shipping bill details.

				wrong category. Now, the taxpayer wants to enter the shipping bill details in the invoice. However, there is a validation in GST system which disallows the taxpayer to amend invoice, if any refund application is filed. A data fix has to be given to remove the refund filing status in this case so that the taxpayer can amend the invoice for shipping bill details.						

4	Refund	Taxpayer tickets	Issue in amendment of SB details in GSTR-1	Two taxpayers have entered incorrect SBs (Details in below table). When they try to amend the GSTR 1 with correct SB details, the GST System is not allowing the amendment. The reason is explained below. For these issues, taxpayers have entered wrong Shipping bill particulars (Number, Date and Port code) against invoices in GSTR 1. These invoices/SB are also validated by			Two (27ABGPB0020L1Z7) & (24AAEFI1914R1Z6)	No		Information is received from ICES regarding the invoices furnished in the Shipping Bills (Both correct and incorrect one) and the details of the IGST refund given. No IGST refund is given for the correct shipping bill. Data fix is given to allow the taxpayer to enter correct Shipping bill details in the invoice.

				ICEGATE successfully. Once it is validated, GST system will not allow further amendment against such invoices. As wrong SB details are entered by taxpayers, the taxpayers want to amend the invoices with right SB details. In ICEGATE, IGST refund is Shipping bill wise. As the invoices are not mapped with the right SB, the taxpayer will not get refund for the same. From the ICEGATE, the invoices furnished in						

				both right and wrong SBs are sought and verified which is in the trail mail. In ICEGATE system, the invoices in the wrong SB are not matching with the invoices what the taxpayer want to enter. Further, for the shipping bills the taxpayer want to enter, IGST refund is not given). Therefore, the taxpayer may be given an option to amend the invoice. To enable the invoice for amendment, a backend fix has to be provided.						

5	Appeal	BO ticket	Incorrect assignment of appeal applications to State Appellate authorities instead of Central Appellate authorities.	This is with respect to incorrect assignment of appeal filed by Central taxpayer to State Appellate authority. There are some cross empowerment cases of centre orders being assigned to State Appellate Authorities even if it is created by Centre officers. Around 414 ARNs are found in production, and we are receiving tickets related to this. For the impacted cases, there is a need to remove the incorrect state assignments and assign the	VP (Technology)	09.10.2024	414 ARNs	No		Data fix is given to reassign the applications from State Appellate authorities to Central Appellate authorities. The issue is resolved permanently through ICR 28123. For the impacted cases, the ARNs incorrectly assigned to state authorities were assigned to centre appellate authorities based on taxpayer's central jurisdiction. For ARNs where some action was taken

				appellate authorities based on taxpayer central jurisdiction. If there is any action taken by state officers, we need to change the ARN back to submitted status. PFA impacted cases. Team will be working on a permanent code fix.						by State officers, the applications were changed to 'Submitted' status.

6	Refund	System impact due to withholding of refund	Refund disbursement issue due to withhold of refund of 1 ARN at PFMS's end.	After issuance of payment advice (RFD 05 ZD030724024392Q: ARN AA030524021938A), tax officer from Punjab has approached PFMS for stopping the refund. Accordingly, PFMS has stopped the refund of the entire batch of payment advices (60 in count) which contains the payment advice ZD030724024392Q.The said payment advice (ZD030724024392Q) was put as rejected in GST system so that the rest of the payment advices (59) could			59 ARNs	No		A data fix was required to remove the payment order ZD030724024392Q from 'Payment File' and for resending the Payment File to PFMS for other than the referred payment advice of Punjab. Data fix was done to remove the payment order ZD030724024392Q from 'Payment File' and the same is sent back to PFMS for reprocessing.

				be sent to PFMS for disbursement. When 59 ARNs were resent, PFMS has said that they couldn't process these ARNs RFD 05s will be considered as duplicate and will get rejected. PFMS has asked GST system to send these RFD 05s with new reference number. A data fix is required to generate new reference number for these RFD 05s so that it can be sent to PFMS for re-processing. Kindly give the approval for data fix.						

7	Returns	Taxpayer	Casual Taxpayer's GSTIN got expired and he was unable to respond to DRC01B form.	Casual taxpayer GSTIN is marked with an 'E' (Expired) flag beyond the expiry date of its registration. This taxpayer was not able to view its DRC01B form and the system was showing "No records found". As the form is not visible to taxpayer, he is not able to proceed with DRC01B reply filing.	EVP Services	09.11.2024	1	No	Known	This configuration fix was taken to production via ICR: 27812 on 23rd September 2024.
8	GSTR1	Taxpayer	Taxpayers were unable to File GSTR-1 for older return periods (2017-2022) in cases where he had submitted the same return	During 2017-22, GSTR-1 had the flow of Save, Submit & File. This was changed in 2022 to Save & Proceed to File	EVP-Services	12.08.2024	585	No	Known	Datafix Done.

			earlier but had not filed the same.	(PTF). On submission of GSTR 1, the system marks 'FRZ' flag in the backend table. When a taxpayer tries to file their GSTR 1 for an older return period (when the system had submitted "FRZ" flow), the taxpayers were getting error message as "Preparing data for filing, please try again later".						

9	Eway bill	Two taxpayers (GSTIN-09EYTPS8823Q1ZV and 05DYGPK0951M1Z8) have raised tickets (11915328 and 11915004)	Taxpayers were not getting unblocked when they converted from composite to regular taxpayer	Two taxpayers (GSTIN-09EYTPS8823Q1ZV and 05DYGPK0951M1Z8) raised tickets stating that they were unable to generate EWB despite filing all the returns. The issue had been analysed and found that due to some failure in updating the return type status in DB, this issue has occurred. Those taxpayers have changed their category from Composition to Regular, however the same was not updated	EVP Services	24.07.2024	2	No	Known	RQM 27310 has been deployed in production on 7th November for permanent fix. This ticket has been resolved via ICR#27091 on 30-07-2024.

				in the EWB database by default, on the date of conversion of taxpayer category. Due to this failure, the new taxpayer category was not updated in the database, system checked their CMP-08 status and in absence of the same, system recognized them as return defaulters and blocked their EWB whereas taxpayer was filing regular GSTR-3B returns.						

10	GSTR 6	Taxpayers	Data Flow issues from GSTR-6 to the recipient's GSTR-2A.	When the Input Service Distributor (ISD) uploaded invoices in Form GSTR-6 for February 2022 return period, some ISD invoices were not reflected in GSTR-2A for the said period. So, these ISDs were unable to view all the invoices on the portal in their GSTR-2A.	EVP(Services)	01.07.2024	1,70,49,177 (Same issue was discussed and approved in 21st ITGRC)	No	Known	Permanent fix had already gone into production through RQM#22445 via ECR#15337 on 15th Feb,2022. Activity to fix all cases in one go was completed on 16-Aug-2024 via ICR#27077.
11	AATO	Taxpayers	Mismatch in Annual Aggregate Turnover (AATO) because the filed values from GSTR-3B and CMP-08 were not picked up and processed by the system.	Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact	EVP(Services)	30.09.2024	157 (Same issue was discussed and approved in 22nd ITGRC)	No	Known	Permanent fix is under progress and reference RQM No: 28357.

				AATO could not be updated to the MySQL master tables						
12	Registration	Taxpayer Tickets	Adding Additional Places of Business (APoB) and RC generation for TaxPayers having high count of APoBs as mentioned below:- 1. Creation of missing APOB entries in ADDR_DETL for large firms. 2. RC regeneration for missing APOB of large firms.	1. End user is not able to see list of newly added APOB in amended RC as database transaction is not getting completed within optimized time limit as a result master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go. 2. End user is not able to see amended RC as database transaction is not getting completed	EVP (Services)	01-07-2024 & 06-09-2024	11(Same issue was discussed and approved in 20th & 21st ITGRC)	No		Data fix done. For permanent fix CR No. 26195 will be deployed on 29.10.2024

				within optimized time limit as a result master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go. Below Taxpayers are impacted by the data-fix: 29AADCP9147P1ZJ 20AAPCS9575E2Z0 19AAGCB1323G1Z0 27AAGCP7465F1Z4 21AABCR1718E1Z1 27AADCO3578R1ZL 36AAIFR4989D1ZS 27AAICS6213N1ZY 06AAACI1195H1ZQ 37AAACB2894G1ZM 03AAMCR3834Q1ZU						

13	Registration	Taxpayer Tickets	Taxpayers (GSTIN: 18CKUPG1203R1ZN) are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in the previous FY.	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/ application for withdrawal is being filed. System restricts the taxpayer if he wants to file the application in current financial year by selecting the opt out date from the Previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted	EVP (Services)	11.07.2024	1 (Same issue was discussed in 21st ITGRC Meeting)	No		Data fix done and issue resolved. For making changes as approved by LC, CR is being raised.

				with Late fee and interests.						
14	Registration	Taxpayer Tickets	Casual taxpayers who are having null registration end date in the database are facing issue in returns module.	As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. 1. Drop proceedings of Suo-moto cancellation. 2. Rejection of self-cancellation application. 3.Withdraw	EVP (Services)	12.08.2024	6 (Same issue was discussed and approved in 20th & 21st ITGRC)	No		Data fix done and issue resolved. CR has been raised for making required changes in the code.

				al of self-cancellation application. Below are the taxpayers details that are impacted: 1. 07AADCG5455BBZM 2. 07AALCA4754B1ZU 3. 33AAEFW7547C1Z7 4. 33BTKPV7219J2Z4 5. 04AAVFN9694G1ZG 6. 27AGDPK3125H1ZO						
15	GSTR-9	Three taxpayers (GSTIN-20AAACD6547Q1ZG,07AANCS3846A1ZD 27AADFI6778C1Z8) have	GSTR 9 tile is not enabled for FY. 2020-21.	GSTR9 is a Annual return which is to be filed by regular taxpayers – including SEZ units and SEZ developers. The tab is enabled when all GSTR1 and GSTR3B returns are	EVP Services	08.02.2024	3 (Same issues were discussed in 21st ITGRC Meeting).	No	Known	This is getting handled on ticket basis. These tickets were resolved on 22-08-2024.

		raised tickets #1192 1239, G-20240 62002 77373, G-20240 70103 28813		filed by a Taxpayer for a complete Financial Year. Annual return tile was disabled due to which taxpayers were unable to file GSTR9 return.						
16	GST R3B	Taxpa yer	Duplicate entries in Ledger and Filing Status	Taxpayer has raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries are reflecting on the electronic credit ledger statement for the same return period.	EVP-Servi ces	26.07.2 024	7	No	Know n	Permanen t fix has been deployed in productio n on 27th April 2024 via ICR-25546.

FINANCIAL IMPLICATIONS										
S. No.	**Module**	**Issue reported by**	**Issue in Brief**	**Detailed Description**	**Approved By**	**Date of Approval**	**No. of Cases Impacted**	**Financial Implication (Yes/ No)**	**Correct Data Known / Not Known**	**Status**
1	GSTR3B	Taxpayer	Recredit of ITC for GSTIN-27BDZPM9631A1Z4 utilised to offset while filing of GSTR 3B, October 2017, as his ITC was not reversed after clicking on reset button on GST portal.	A ticket was raised by taxpayer in April 2024. On 20/11/2017, in the GSTR 3B for Oct'17, the taxpayer (GSTIN-27BDZPM9631A1Z4) had claimed ITC of Rs 3,17,540/- CGST and Rs 3,17,540/- SGST. Out of that, ITC of Rs 1,99,546/- CGST and 1,99,546/- SGST was used for offsetting the liability. Once offset is done then the balance of ITC was reduced by Rs 1,99,546/- CGST and 1,99,546/- SGST. This GSTR 3B was not filed and at a later stage, on 23-01-	EVP-Services	02.08.2024	1	Yes (Rs.3,99,092/-)	Known	Datafix Done. ITC was credited back to the ITC Ledger.

				2018, the taxpayer reset this GSTR 3B of Oct'17 using the RESET FUNCTIONALITY. As a result of RESET, the ITC claimed earlier of Rs 3,17,540/- CGST and Rs 3,17,540/- SGST was reversed by the system. However, the ITC used for payment of liability of Rs 1,99,546/- CGST and 1,99,546/- SGST, was not credited back to the ITC ledger.						
2	GST R3B	Taxpayer	Late fee applied twice to the taxpayer who got cancelled in between a quarter.	Taxpayer was in monthly filing scheme from 01-01-2021 till 31-12-2023 and has filed his NIL GSTR3B for the month of December 2023 as a monthly filer on 04-02-2024, which is 15 days after the due date which was 20-01-2024 and calculated late fee was 15xRs.10=Rs.150.	EVP-Services	24.07.2024	1	Yes (Rs. 300/-)	Known	Datafix Done. Late fee was reversed.

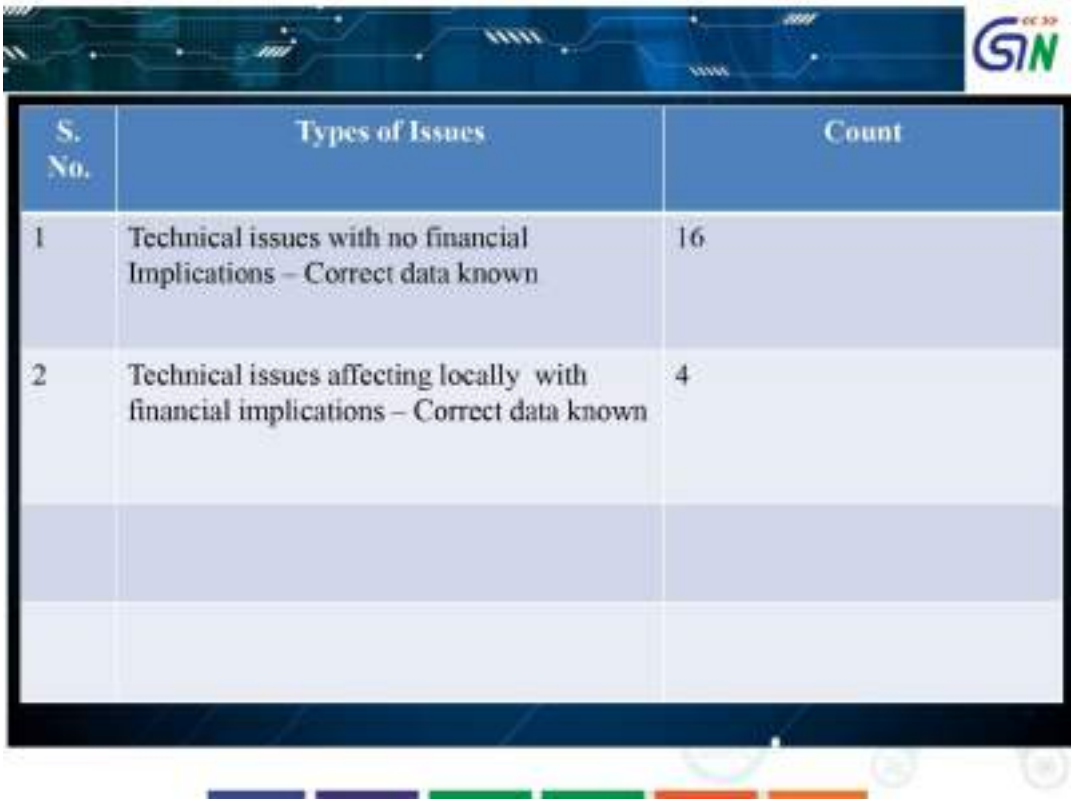
				As taxpayer changed his filing preference from monthly to quarterly from 01-01-2024, his next applicable return period was March 2024, but taxpayer got cancelled on 27-02-2024, which was in-between the quarter. February 2024 is his last return period and system collected late fee (Rs 300) of December 2023 in February 2024.Taxpayer again got active on 29-03-2024, and as taxpayer was in quarterly scheme, as per system, December 2023 was his last filed month, so system again collected the late fee of December 2023 in March 2024 which taxpayer filed on 23-04-2024.						

3	GST R3B	Taxpayer	While filing GSTR3B some of user are getting the error “Issue while filing GSTR-3B - “Error! Payment amount should not exceed the outstanding	This issue was reported for a taxpayer who was registered under composition scheme and filed GSTR-4. In GSTR 4, the system allowed taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the system, the late fees paid by the taxpayer in excess of Rs 5000 was considered as a negative entry in the system, though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did	EVP-Services	14.08.2024	1 (Same issue was discussed and approved in 22nd ITGRC).	Yes (Rs. 250/-)	Known	Amount was recovered by adding in additional liability.

				not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability.						
4	GST R3B	Taxpayer	Refund for GSTR 3B Late fee due to RESET done by system in Hbase & Ledger Mismatch.	As per the decision in ITGRC for the Hbase and Ledger mismatch cases, the GSTR 3B for these identified cases were done RESET by the system. Due to technical glitch the taxpayer had to pay Late fee while filing of GSTR3B for the Month of Dec 2023 in March,2024 which needs to be refunded to the taxpayer.	EVP-Services	02.08.2024	1	Yes (Rs.500/-), As taxpayer filed his dec return period as nil, so maximum upper Cap for late fee is Rs 250 per head which means 500 Rs late fee applicable for march return period.	Known	Datafix Done. Refund for late fee was given.

Annexure-3





S. No.	Types of Issues	Count
1	Technical issues with no financial Implications – Correct data known	16
2	Technical issues affecting locally with financial implications – Correct data known	4

1. Technical Issues With No Financial Implications – Correct Data Known

1. Taxpayer is unable to perform Aadhaar Authentication.

#	Heading	Details
1	**Issue Summary**	An unregistered person required to file Refund under unregistered person category. She was not able to perform Aadhaar Authentication as there was mismatch between name in Aadhaar and in GST application.
2	**Issues Description**	Unregistered person updated the Name as "GEETA SHARMA" in her Aadhaar but in GST portal her old name "GEETA KAUSHIK" was reflecting and due to this applicant was getting name mismatch error while performing Aadhaar Authentication. Taxpayer was not able to made correction in name via amendment as Amendment option is not available for Unregistered type of Taxpayers.
3	**Reason**	Unregistered person cannot do the correction in name via amendment as Amendment option is not available for Unregistered type of Taxpayers.
4	**Status**	Through data fix her name was updated in GST database and a new link for Aadhaar Authentication was shared.
5	**Financial Implications**	No
6	**No. of Impacted Cases**	1

2. Issue in cancellation of registration ab-initio.

#	Heading	Details
1	**Issue Summary**	Tax officer vide a revision order for a cancellation order cancelled the taxpayer's registration ab-initio i.e. *change in the effective date of cancellation* but currently there is no provision available in the system for changing the cancellation date in respect of any revision order. Therefore, cancellation date was required to be updated through data fix.
2	**Issues Description**	Tax officer had already cancelled the registration. Later, revision order was passed under *Section 108 of MGST Act 2017*, wherein the date of cancellation was changed to ab-initio i.e. *from the date of approval of registration itself*. However, in the registration module till now, there is no facility to give revision effect for the change in cancellation date available in system. Hence, data fix was required.
3	**Reason**	Once the cancellation order has been issued, there is no provision available in the system for Tax officer to change the date of cancellation of registration in view of any revised order.
4	**Status**	Data fix has been done and issue resolved. CR 26380 has been raised to develop the functionality for giving effect of an order issued under Section 108.
5	**Financial Implications**	No
6	**No. of Cases**	477

3.Amendment of Export invoices in GSTR-1 (For filling Shipping Bill deta

#	Heading	Details
1	**Issue Summary**	Taxpayer was not able to enter Shipping Bill details in GSTR 1 due to validation in GST system.
2	**Issues Description**	M/s RESQ Power has done export of goods with payment of tax and filed GSTR 1 without corresponding shipping bill details. Mistakenly, using these invoices, the taxpayer has filed refund under the category "*Export of Services with payment of duty*". The officer rejected the application saying it was filed under the wrong category (Export of goods is shown as export of services) . Post rejection by officer, the taxpayer tried to amend the invoice with the Shipping bill details. However, the amendment of invoice is not allowed by GST system as these invoices were flagged as non-amendable by system as the same were used to file refund application which was rejected.
3	**Reason**	If any invoice is used for filing refund application, then amendment of such invoice is not allowed in the GST system.
4	**Status**	A data fix was given to remove the refund filing status in these invoices so that the taxpayer can amend the invoice with shipping bill details.
5	**Financial Implications**	No
6	**No. of Cases**	1

4. Issue in amendment of SB details in GSTR-1.

#	Heading	Details
1	**Issue Summary**	Taxpayer was not able to enter Shipping Bill details in GSTR 1 due to validation in GST system.
2	**Issues Description**	The taxpayers claim that they have entered incorrect SBs (but a valid Shipping bill) against an invoice in GSTR 1. When they try to amend the SB details furnished in GSTR 1 with correct SB details, the GST System didn't allow the amendment. The reason is explained below: The export invoices furnished in Table 6 of GSTR 1 is transmitted to ICEGATE. For each transmitted invoice, ICEGATE sends validation status based on SB details. If the validation status is SB001, then the invoice is allowed for amendment in GSTR 1. For any status other than SB001, the invoice is not allowed for any amendment under the assumption that IGST refund would have been given by Customs.
3	**Reason**	In the instant case, the taxpayer has entered incorrect Shipping bill (*but a valid Shipping bill*) detail in GSTR 1 and it is sent to ICEGATE. ICEGATE sent validation status of the entered incorrect shipping bill. The validation status is other than SB001 and that's why, the invoice is not allowed for amendment in GSTR 1.
4	**Status**	Information is received from ICES regarding the invoices furnished in the Shipping Bills (Both correct and incorrect one) and the details of the IGST refund given. No IGST refund is given for the correct shipping bill. Data fix is given to allow the taxpayer to enter correct Shipping bill details in the invoice.
5	**Financial Implications**	No
6	**No. of Cases**	2 cases (27ABGPB0020L1Z7) & (24AAEFI1914R1Z6)

5. Incorrect assignment of appeal ARNs.

#	Heading	Details
1	**Issue Summary**	Incorrect assignment of Appeal applications to State Appellate authorities instead of Central Appellate authorities.
2	**Issues Description**	For cross empowerment cases, the appeals filed against the orders issued by Central officers against State taxpayers shall ideally be assigned to the Central Appellate authorities. However, due to some technical issue, it got assigned to State Appellate authorities.
3	**Reason**	This scenario was not handled during CBIC migration. Code fix was done through ICR 28123.
4	**Status**	Data fix is given to reassign the applications from State Appellate authorities to Central Appellate authorities. The issue is resolved permanently through ICR 28123. For the impacted cases, the ARNs incorrectly assigned to state authorities were assigned to Centre appellate authorities based on taxpayer's central jurisdiction. For ARNs where some action was taken by State officers, the applications were changed to 'Submitted' status.
5	**Financial Implications**	No
6	**No. of Cases**	414 ARNs

6. Withholding of Refund disbursement by PFMS

#	Heading	Details
1	**Issue Summary**	Rejection of entire 'Payment File' by PFMS due to withhold of refund of 1 ARN at PFMS's end.
2	**Issues Description**	After issuance of payment advice (RFD 05 ZD030724024392Q: ARN AA030524021938A), a Tax officer from Punjab had approached PFMS for stopping the refund for a particular GSTIN. However, PFMS had rejected the entire 'Payment File' (containing 60 payment advices) of impugned payment advice ZD030724024392Q and as once processed file at PFMS cannot be processed twice with same payment advice number, hence sent back the Payment file to GST system.
3	**Reason**	Rejection of payment file by PFMS.
4	**Status**	A data fix was required to remove the payment order ZD030724024392Q from 'Payment File' and for resending the Payment File to PFMS for other than the referred payment advice of Punjab. Data fix was done to remove the payment advice ZD030724024392Q from 'Payment File' and the same is sent back to PFMS for reprocessing.
5	**Financial Implications**	No
6	**No. of Cases**	59 ARNs

7. Casual Taxpayer unable to reply to DRC01B.

#	Heading	Details
1	**Issue Summary**	Casual Taxpayer's GSTIN 36AALCC3246L1ZD got expired on 05/05/2024 and he was unable to file reply to DRC01B form.
2	**Issues Description**	Casual taxpayer's GSTIN is marked with an 'E' (Expired) flag beyond the expiry date of its registration. This taxpayer was not able to view its DRC01B form and the system was showing "*No records found*". As the form is not visible to taxpayer, he is not able to proceed with DRC01B reply filing which is blocking the taxpayer to file returns of subsequent return period.
3	**Reason**	Casual taxpayer is marked with an 'E' (Expired) flag beyond the expiry date of its registration.
4	**Status**	This configuration fix was taken to production via ICR: 27812 on 23rd September 2024 and the issue was resolved.
5	**Financial Implications**	No
6	**No. of Cases**	1

8. Isspe in filing GSTR-1.

#	Heading	Details
1	**Issue Summary**	Taxpayers were unable to File GSTR-1 for older return periods (2017- 2022) in cases where he had submitted the same return earlier but had not filed the same.
2	**Issues Description**	During 2017-22 , GSTR-1 had the flow of **Save, Submit & File. This** was changed in 2022 to **Save & Proceed to File (PTF).** On submission of GSTR 1, the system marks 'FRZ' flag in the backend table. When a taxpayer tries to file their GSTR 1 for an older return period (when the system had submitted "FRZ" flow), the taxpayers were getting error message as *"Preparing data for filing, Please try again later".*
3	**Reason**	On analysis it was found that the system checks for submit status of the return from the RETURN_SUBMIT_STATUS_CACHE table which in turn fetches data from RTN_REQ_DETL table. Due to archival of "RTN_REQ_DETL" table, all the records prior to March 2024 are archived to 'RTN_REQ_DETL_ARCH_29feb24. Hence when system tried to fetch details for returns of older flow (submit flow, Prior to March 2022) it is able to get records with "FRZ" status from RTN_FILING_STATUS table but was unable to get summary generation status from RETURN_SUBMIT_STATUS_CACHE as it is archived for those return periods. Hence the system responds with an error, thereby user was unable to file their returns.
4	**Status**	Data fix is done.
5	**Financial Implications**	No
6	**No. of Cases**	585

9. Isspe in generating E-Way Bill.

#	Heading	Details
1	**Issue Summary**	Taxpayers were getting blocked wrongly for EWB generation when they converted from composition to regular taxpayer even though they had filed all of their GSTR-3B returns.
2	**Issues Description**	Two taxpayers (GSTIN-09EYTPS8823Q1ZV and 05DYGPK0951M1Z8) raised tickets stating that they were unable to generate EWB despite filing all the returns. The issue had been analyzed and found that due to some failure in updating the return type status in DB, this issue has occurred. Those taxpayers have changed their category from Composition to Regular, however the same was not updated in the EWB database by default, on the date of conversion of taxpayers category. Due to this failure, the new taxpayer category was not updated in the database. The system checked their CMP-08 status and in absence of the same, system recognized them as return defaulters and blocked their EWB whereas taxpayer was filing regular GSTR-3B returns.
3	**Reason**	There was a defect in the system that, when taxpayers changed their return frequency from CMP-08 to GSTR-3B (Composition to regular) the same was not getting updated in the EWB database.
4	**Status**	RQM 27310 has been deployed in production on 7th November for permanent fix. This ticket has been resolved via ICR#27091 on 30-07-2024.
5	**Financial Implications**	No
6	**No. of Cases**	2

10. Data flow issues from GSTR6 to GSTR2A.

#	Heading	Details
1	**Issue Summary**	Data Flow issues from GSTR-6 to the recipient's GSTR-2A.
2	**Issues Description**	When the Input Service Distributor (ISD) uploaded invoices in Form GSTR-6 for February 2022 return period, some ISD invoices were not reflected in GSTR-2A for the said period. So, these ISDs were unable to view all the invoices on the portal in their GSTR-2A.
3	**Reason**	While adding the multiple invoices through offline utility, due to the bug in code only the last invoice was getting saved in ISD_UNIT_RelationShip Hbase table. Hence, only the last invoice was available in their FORM GSTR- 2A.
4	**Status**	Permanent fix had already gone into production through RQM#22445 via ECR#15337 on 15th Feb,2022. Activity to fix all cases in one go was completed on 16-Aug-2024 via ICR#27077.
5	**Financial Implication**	No
6	**No. of Cases**	Total no. of invoices are 37,99,663 and Total no. of GSTINs are 1,77,821 (Same issue was discussed and approved in 21st ITGRC)

11. Mismatch in AATO

#	Heading	Details
1	**Issue Summary**	Mismatch in Annual Aggregate Turnover (AATO) because the filed values from GSTR-3B and CMP-08 were not picked up and processed by the system.
2	**Issues Description**	Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact AATO could not be updated to the MySQL master tables.
3	**Reason**	GST system processes data from GSTR 3B and CMP08 filings to calculate turnover (AATO) of the taxpayers. The records are stored in HBase tables in the backend. Every hour, a system process (periodic bolt) calculates the aggregate turnover and updates the MySQL master tables. However, some records are intermittently missed by this hourly process, leading to incomplete turnover data in the MySQL tables.
4	**Status**	Permanent fix is under progress and reference RQM No: 28357.
5	**Financial Implications**	No
6	**No. of Cases**	157 (Same issue was discussed and approved in 22nd ITGRC)

12. Issue in updation of APOB.

#	Heading	Details
1	**Issue Summary**	Adding Additional Places of Business (APoB) and RC generation for Taxpayers having high count of APoBs as mentioned below :- 1. Creation of missing APOB entries in ADDR_DETL for large firms. 2. RC regeneration for missing APOB of large firms.
2	**Issues Description**	1. End user is not able to see list of newly added APOB in amended RC as database transaction is not getting completed with in optimized time limit as a result master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go. 2. End user is not able to see amended RC as database transaction is not getting completed within optimized time limit as a result master tables are not getting updated. This is happening with large firms who are adding 400+ new APOB in one go.
3	**Reason**	Database transaction is not getting completed within optimized time limit as a result master tables were not getting updated.
4	**Status**	Data fix done. For permanent fix CR No. 26195 has been deployed on 29.10.2024.
5	**Financial Implications**	No
6	**No. of Impacted Cases**	11(Same issue was discussed and approved in 20th & 21st ITGRC)

13. Issue in selecting the Composition opt out date.

#	Heading	Details
1	**Issue Summary**	Taxpayers (GSTIN: 18CKUPG1203R1ZN) are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in the previous FY.
2	**Issues Description**	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that the date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/application for which the withdrawal has been filed. System restricts the taxpayer if he wants to file the application in current Financial year by asking him to select the opt out date from the previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted with Late fee and interest.
3	**Reason**	Taxpayers are allowed to select any date as their Composition opt out date across the FY only and not from Previous FY.
4	**Status**	Data fix done and issue resolved. For making changes as approved by LC, CR is being raised.
5	**Financial Implications**	No
6	**No. of Cases**	1 (Same issue was discussed in 21st ITGRC Meeting)

14. Issue in Returns module for Casual Taxpayers.

#	Heading	Details
1	**Issue Summary**	Casual taxpayers who are having null registration end date in the database are facing issue in returns module.
2	**Issues Description**	As the end registration date was null , users were facing issue in updating invoices for certain dates in GSTR-1.
3	**Reason**	As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. 1. Drop proceedings of Suo-moto cancellation. 2. Rejection of self-cancellation application. 3.Withdrawal of self-cancellation application.
4	**Status**	Data fix done and issue resolved. CR has been raised for making required changes in the code.
5	**Financial Implications**	No
6	**No. of Impacted Cases**	6 (Same issue was discussed and approved in 20th & 21st ITGRC)

15. Issue in filing GSTR-9.

#	Heading	Details
1	**Issue Summary**	GSTR 9 tile is not enabled for FY. 2020-21.
2	**Issues Description**	GSTR9 is an Annual return which is to be filed by regular taxpayers –including SEZ units and SEZ developers. The tab is enabled when all GSTR1 and GSTR3B returns are filed by a Taxpayer for a complete Financial Year. Annual return tile was disabled due to which taxpayers were unable to file GSTR9 return.
3	**Reason**	Earlier, at the time of batch run for enabling of GSTR 9 these taxpayer were inactive for the FY: 2020-21.
4	**Status**	This is getting handled on ticket basis the GSTR 9 table was enabled from the backend. . These tickets were resolved on 22-08-2024.
5	**Financial Implications**	No
6	**No. of Cases**	3(GSTIN-20AAACD6547Q1ZG,07AANCS3846A1ZD,27AADFI6778C1Z8) (Same issue were discussed in 21st ITGRC Meeting).

16. Duplicate entries in Ledger and Filing Status

#	Heading	Details
1	**Issue Summary**	Duplicate entries in Ledger and Filing Status.
2	**Issues Description**	Taxpayers have raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries are reflecting on the Electronic credit ledger statement for the same return period.
3	**Reason**	This happened because of two offset requests were getting processed in two different servers for the same return period. The first offset request was running on one pod server, but due to a delay in processing, a second offset request was processed successfully on a different pod server. With respect to second request, offset has been done successfully. However, since the first offset request was still in the queue, it was processed later, leading to duplicate entries in the Ledger, Filing table, and Settlement tables.
4	**Status**	Permanent fix has been deployed in production on 27th April 2024 via ICR-25546.
5	**Financial Implication**	No
6	**No. of Cases**	7 (Similar issue reported in 22nd ITGRC)

2.. Technical issues affecting locally with financial implications – Correct data known

1.Issue in recrediting of ITC utilized to offset liability while filing of GSTR3B.Oct 2017.

#	Heading	Details
1	**Issue Summary**	Recredit of ITC for Taxpayer utilized to offset while filing of GSTR 3B as his ITC was not reversed after clicking on reset button on GST portal.
2	**Issues Description**	A ticket was raised by taxpayer on April, 2024. On 20/11/2017, in the GSTR 3B for Oct'17, the taxpayer (GSTIN- 27BDZPM9631A1Z4) had claimed ITC of Rs 3,17,540/-CGST and Rs 3,17,540/- SGST. Out of that, ITC of Rs 1,99,546/- CGST and 1,99,546/- SGST was used for offsetting the liability. Once offset is done then the balance of ITC was reduced by Rs 1,99,546/- CGST and 1,99,546/- SGST. This GSTR 3B was not filed and at a later stage, on 23-01-2018, the taxpayer reset this GSTR 3B of Oct'17 using the RESET FUNCTIONALITY. As a result of RESET, the ITC claimed earlier of Rs 3,17,540/- CGST and Rs 3,17,540/- SGST was reversed by the system. However, the ITC used for payment of liability of Rs 1,99,546/- CGST and 1,99,546/- SGST, was not credited back to the ITC ledger.
3	**Reason**	RCA for this could not be done as Reset functionality through which Reset was done is no longer available on the GST portal and therefore cannot be replicated, or code analysis is also not possible as required code is no longer available.
4	**Status**	Datafix Done. ITC was credited back to the ITC Ledger.
5	**Financial Implication**	Yes (Rs.3,99,092/-)
6	**No.of Cases**	1

2. Late fee applied twice to the taxpayer who got cancelled in between a quarter.

#	Heading	Details
1	**Issue Summary**	Late fee applied twice to the taxpayer who got cancelled in between a quarter.
2	**Issues Description**	Taxpayer was in monthly filing scheme from 01-01-2021 till 31-12-2023 and has filed his NIL GSTR3B for the month of December 2023 as a monthly filer on 04-02-2024, which is 15 days after the due date which was 20-01-2024 and calculated late fee was 15xRs.10=Rs.150. As taxpayer changed his filing preference from monthly to quarterly from 01-01-2024, his next applicable return period was March 2024, but taxpayer got cancelled on 27-02-2024, which was in-between the quarter. February 2024 is his last return period and system collected late fee (Rs 300) of December 2023 in February 2024.Taxpayer again got active on 29-03-2024, and as taxpayer was in quarterly scheme, as per system, December 2023 was his last filed month, so system again collected the late fee of December 2023 in March 2024 which taxpayer filed on 23-04-2024.
3	**Reason**	The taxpayer incurred late fees twice because of a mix-up involving their shift from a monthly to a quarterly scheme, which was subsequently cancelled and later reinstated.
4	**Status**	Datafix Done. Late fee was reversed.
5	**Financial Implication**	Yes (Rs. 300/-)
6	**No. of Cases**	1

3. Issue in filing GSTR-3B for the taxpayer shifted from composition to regular scheme.

#	Heading	Details
1	**Issue Summary**	While filing GSTR3B some of user are getting the error *" Issue while filing GSTR-3B - "Error! Payment amount should not exceed the outstanding*
2	**Issues Description**	This issue was reported for a taxpayer who was registered under composition scheme and filed GSTR-4. In GSTR 4 , the system allowed taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the system, the late fees paid by the taxpayer in excess of Rs 5000 was considered as a negative entry in the system; though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability.
3	**Reason**	The system considered any amount over Rs. 5000 as excess and recorded it as a negative entry in the liability ledger. This negative balance automatically adjusted any late fee in the subsequent month, even though the taxpayer didn't actually pay the excess amount.
4	**Status**	Amount was recovered by adding in additional liability.
5	**Financial Implication**	Yes (Rs. 250/-)
6	**No. of Cases**	1 (Same issue was discussed and approved in 22nd ITGRC).

4. Refund for GSTR3B Late fee due to RESET done by system in Hbase & Ledger Mismatch.

#	Heading	Details
1	**Issue Summary**	Refund for GSTR 3B Late fee due to RESET done by system in Hbase & Ledger Mismatch.
2	**Issues Description**	As per the decision in 20th ITGRC for the Hbase and Ledger mismatch cases, the GSTR 3B for these identified cases were done RESET by the system. While the taxpayer was filing GSTR3B for the Month of Dec,2023 in March 2024 due to technical glitch the taxpayer had to pay Late fee which needs to be refunded to the taxpayer.
3	**Reason**	As taxpayer filed his return for December 2023 on 09-04-2024 and this GSTR 3B was done reset on 08.04.2024 as there was a mismatch between the Hbase and Ledger. As a result, he had to pay the late fee in March 2024 for the late filing of December 2023.
4	**Status**	Datafix Done. Refund for late fee was given.
5	**Financial Implication**	Yes (Rs.500/-), As taxpayer filed his dec return period as nil, so maximum upper Cap for late fee is Rs 250 per head which means 500 Rs late fee applicable for march return period.
6	**No. of Cases**	1 (Same issue was reported in 22nd ITGRC)

1a. Update on Hbase-Ledger mismatch issue.

#	Heading	Details
1	**Issue Summary**	Taxpayers not able to file their GSTR 3B post the Reset done from the backend due to data mismatch issue between Hbase & Ledger in GSTR-3B.
2	**Issues Description**	Taxpayers have raised tickets claiming that they are not able to claim ITC which was available to them in their originally filed GSTR 3B.
3	**Reason**	1)An issue of mismatch in Hbase and ledger database of taxpayers was reported in 21st ITGRC meeting held on 12.01.2024 and it was decided that in 61,763 identified cases the GSTR-3B returns shall be reset by the system and the taxpayers can file their GSTR-3B again with the correct values. 2)There was a logic built in the system while doing rest of GSTR-3B for these identified cases that at the time of refiling of GSTR 3B, taxpayer won't be allowed to claim ITC more than the ITC amount already posted in the Ledger and can't pay tax liability lesser than already paid in the previously filed GSTR 3B. 3)Further, while doing reset of GSTR 3B, the ITC amount already posted in the ledger of the taxpayer was reversed and the taxpayer are allowed to reclaim an amount which was equal to or less than the amount reversed. 4)Taxpayer are claiming that they have claimed ITC in their GSTR 3B and are showing their filed PDF. However, the same was not available in the backend data.

1b. Update on Hbase-Ledger mismatch issue .

#	Heading	Details
4	**Proposal**	1. We may close the tickets with an advisory stating that system has not reversed any ITC from the ledger. Hence, you may proceed to file accordingly. 2. We may issue letter to respective tax officer for verification . 3. We may credit the amount in their ledger as per the filed PDF and ask tax officer to verify and recovery.
5	**Financial Implication**	Yes. Amount could not be quantified.
6	**No. of Cases**	Not Quantified.



THANK YOU!!

Goods And Services Tax Network

(b) Recommendations of the 24th meeting of the IT Grievance Redressal Committee:

Agenda: Recommendations of the 24th meeting of the IT Grievance Redressal Committee for approval/decision of the GST Council:

The 24th meeting of the IT Grievance Redressal Committee (ITGRC) was held on 16th, July 2025 at 11:00 AM in online mode to resolve the grievances of the taxpayers arising out of the technical problems faced by them on the GSTN portal in relation to GST Compliance filings.

The agenda for the 24th ITGRC covered the following issues:

3. Technical Issues requiring data fixes through back-end utilities
4. Any other agenda with the permission of the chair

2. Recommendations of ITGRC on Data Fix issues:

As per the SOP approved in the 45th GST Council meeting for Technical issues requiring data fix of the processed incorrect data through backend utilities, GSTN presented forty three (43) issues which required data fixes in the 24th meeting of the ITGRC.

2.1 ITGRC took note of the data fixes carried out by GSTN in 34 issues, covering 30,919 cases, with no financial implications, where correct data was known, pertaining to Category-1 (*Technical issues having no financial implications where correct data is known*) of the approved SOP. In the cases mentioned in this category, ITGRC made the following recommendations:

(i) The issue wherein Audit officer (L3) is not able to close the audit case IDs from BO portal; ITGRC decided to defer the issue and directed that the issue be referred to the Law Committee for examination and further review.

(ii) The issue wherein two taxpayers are unable to file ITC01-18(1)(c) with the help of Offline Tool; ITGRC took note of the permanent fix done by the GSTN and directed GSTN to do the date fix for the said two cases.

(iii) The issue wherein Tax officer not able to issue rectification of Refund (RFD 06) order; ITGRC directed GSTN to re-examine the issue and re-submit it before the next meeting of ITGRC after obtaining views from GST Policy Wing.

(iv) The issue wherein System not allowing rectification for a demand order; ITGRC directed GSTN to re-examine the issue and thereafter submit it for final discussion in the next ITGRC meeting after obtaining views from GST Policy Wing.

(v) In issue regarding updation of mobile number and email for UIN type of taxpayers; ITGRC took note of the data fix done by the GSTN and directed GSTN to establish a proper mechanism within the system for updating contact details for UIN holders so that such changes can be managed systematically without relying on data fixes.

(vi) In issue regarding activation of the GSTIN on the request of Raigad Commissionerate, CBIC; ITGRC took note of the data fix done by the GSTN and directed GSTN to refer the matter to GST Policy Wing for further consideration.

(vii) In issue relating to refund filing of a Casual taxpayer whose registration was not granted; ITGRC took note of the data fix done by the GSTN and suggested GSTN to adopt alternating assignment for the current cases. ITGRC also directed GSTN to do permanent fix after taking a view of the GST Policy Wing.

(viii) In issue relating to negative balance in export ledger due to amendment of SEZ invoice; ITGRC directed GSTN to do data fix and permanent fix in the same manner as done in the earlier similar case.

(ix) The issue wherein Refund ARNs (filed before migration) not available for Center officer; ITGRC took note of the data fix done by the GSTN and directed GSTN to scan the database for pending cases and complete the migration process after obtaining validation from DG Systems.

2.2 For the 7 technical issues pertaining to Category-2 (*Technical issues where there were financial implications and the correct data was known*), ITGRC took note of the data fixes carried out by GSTN involving 53 cases including an amount Rs. 3,98,82,799/-. In the cases mentioned in this category, ITGRC made the following recommendations:

(i) In issue relating to filing of GSTR-7 & GSTR-8 for TDS and TCS users; ITGRC directed GSTN to revisit the interest component in the next meeting.

(ii) In issue relating to filing of CMP08 return for Jan-Mar 2024 return period; ITGRC took note of the data fix carried out by GSTN and directed GSTN to ensure that all due payments made by the taxpayer, after opting out of the composition scheme and acting as a normal taxpayer, are properly verified.

(iii) In issue relating to double refund for SB005 shipping bills for Risky exporters; ITGRC directed GSTN to gather more details and send a detailed note to GST Policy Wing for extensive examination, and the matter be revisited in a supplementary or next ITGRC meeting.

2.3 1 issue was related to Court's direction to enable the portal for ITC-01 filing wherein ITGRC took note of the action taken by the GSTN**.**

2.4 1 issue was presented as Table agenda relating to multiple credit entries posted in Liability ledger during issuance of SPL-05 orders wherein ITGRC granted approval for the urgent data fix due to time constraints but directed GSTN to ensure such cases are properly documented and presented in the next regular or supplementary ITGRC meeting.

The GST Council may approve the recommendations of the ITGRC and the data fixes carried out by GSTN as mentioned in Para 2 above and the attached Minutes of the 24th meeting of the ITGRC.

Minutes of the 24th Meeting of the IT Grievance Redressal Committee (ITGRC) held on 16.07.2025.

The 24th meeting of the IT Grievance Redressal Committee (ITGRC) was held in online mode on 16th July 2025 at 11:00 am. The list of officers who attended the meeting is attached as **Annexure-1**. The agenda and annexure to agenda circulated for the meeting is at **Annexure-2.**

2. Shri Vivek Ranjan, Member (GST), CBIC and Chairperson, ITGRC welcomed all the members of ITGRC and invited EVP, GSTN to proceed with the agenda.

3. Shri Alok Kumar**,** Executive Vice President (EVP), GSTN stated that the agenda for the meeting consisted of issues where data fixes have been carried out by GSTN as per the SOP developed and approved in the 45th meeting of the GST Council. There were 34 technical issues with no financial implications where correct data was known with certainty and some of these issues had already been approved in the previous ITGRC meetings. He added that 7 technical issues affecting locally with financial implications where data was known with certainty, have also been data fixed. He further added that one case on direction of the Hon'ble Calcutta High Court wherein the Hon'ble Court had allowed re-filing of Form GST ITC 01 beyond the prescribed date and one table agenda reflecting urgent data fix required under Amnesty Scheme, were also being brought before the Committee.

4. EVP, GSTN then proceeded with the presentation **(Annexure-3)**. First, the 34 technical issues having no financial implications were taken up.

5 (a) Technical issues having no financial implications where correct data known:

5(a).1

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Non-display of B2B invoices in Form GSTR-6A of July & August 2017 return period for one of the ISD taxpayer.	1 GSTIN	GSTR1 and GSTR6A	A ticket (G-2024052811929039) was received wherein a taxpayer informed that B2B invoices filed in GSTR 1 of July and August,2017 are not appearing in GSTR6A of ISD recipients. After analysis, it was found that some values such as "invoice type" in the backend HBase tables, were not properly updated for 69 invoices. Hence, GSTR6A form of the ISD recipient is not able to read the JSON and taxpayer is not able to see those invoices in GSTR6A	Datafix was Done and the missing field ("Invoice Type" and "IsEdit") was added to the JSON column for respective records in GSTR 1.

Discussion:

EVP, GSTN stated that while saving GSTR-1 records, the system typically assigns a flag to identify the type of taxpayer. However, in this case, due to a technical glitch, some details in few invoices did not get updated in the backend and the flag was not captured correctly, which prevented the system from identifying the taxpayer as an ISD (Input Service Distributor). As a result, the B2B invoices did not appear in GSTR-6A, which aggregates ISD-related invoices. To resolve this issue, a data fix was carried out and the matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).2

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
2	Mismatch in the Annual Aggregate Turnover (AATO)	108 (Already reported earlier in 23rd ITGRC)	AATO	GST system processes data from GSTR 3B and CMP08 filings to calculate turnover (AATO) of the taxpayers. The records are stored in HBase tables in the backend. Every hour, a system process (periodic bolt) calculates the aggregate turnover and updates the MySQL master tables. However, some records are intermittently missed by this hourly process, leading to incomplete turnover data in the MySQL tables. Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact AATO could not be updated to the relevant master tables.	The permanent fix of this issue has been incorporated "Changes in computation of aggregate turnover" given for AATO design change which has been deployed to production on 26th May, 2025. The permanent fix made in this case will maintain track of all missed records in future, however the records missed prior to implementation of this fix will be executed through utility only.

Discussion:

EVP, GSTN stated that in this case, a mismatch in the annual aggregate turnover occurred due to an hourly scheduler that populates records into Hbase tables at the backend. Some records were missed during this process. The issue, previously reported in the 23rd ITGRC meeting, was common and was permanently resolved through a fix implemented on 26th May 2025.

A total of 108 cases were identified through tickets raised prior to the permanent fix. The number of taxpayers could not be ascertained through Data base scan, making it difficult to assess the full taxpayer impact. As a result, resolution is being carried out on a ticket-by-ticket basis. Since the implementation of the permanent fix, no further instances of this issue have been reported. The matter, covering cases from the period before the fix, was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).3

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
3	Issue in filing GSTR 3B	1	GSTR3B	The taxpayer is unable to proceed with the filing of GSTR-3B due to duplicate entries in return filing status table. The issue occurred when a taxpayer opens multiple tabs to file GSTR-3B and performs actions on each tab simultaneously. In one of the tab on the questionnaire page, the taxpayer selected to file NIL return directly, thus creating an entry in the system showing the return as filed (FIL) with no payment entries in the ledger. The system timestamps show that this action was completed instantly. Meanwhile, in a second tab that was already open, the taxpayer went through the entire return filing process and completed the offset and filed the return with zero values, thus creating another entry in the system with a status of "FRZ", indicating that offset	Data Fix is done. Permanent Fix: Through CR-22721 Part-B, deployed in production on 23rd August 2024.

				was performed. Since these actions happened simultaneously two entries of NIL and FRZ were created in the backend return filing status table resulting in defect of non filing of GSTR 3B.	

Discussion:

EVP, GSTN stated that the issue occurred during the filing of GSTR-3B due to the system allowing multiple tabs to function simultaneously on the common portal. In one tab, a NIL return was filed, while in another, a return was filed with zero value, resulting in conflicting entries. To resolve this, a data fix was applied, followed by a permanent solution through CR 22721, which was deployed on 23rd August 2024. The matter was presented before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).4

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
4	Mismatch between HBase and Ledger data	32	GSTR3B	Taxpayers have raised tickets reporting that the amount is not reflecting in the Electronic credit ledger statement for the reported return period. On further analysis, it was found that their mismatch in the data entered vis-à-vis payment made. On analysis of the issue, it was found that in certain situations due to technical glitches system is storing different values in the HBase tables and the Ledger entries of the taxpayers. (The table 6 of GSTR 3B i.e. the payment table is auto-populated from values in table 3 i.e. Outward supplies and table 4 i.e. ITC Availed. Post the	A code fix was deployed to production following UAT approval under RQM 16239 as part of ICR 7261 on 15th March 2020. For Points 2 and 3: Fixes were implemented under CR #22721 Tranche B and moved to production after UAT approval on

				payment of the liability, the values are then posted to the respective ledgers i.e., the Cash, ITC and Liability ledgers.). On reporting of these values on the GST portal, the data is thereby stored in Hbase Data. These mismatches have occurred due to the following reasons: 1.Taxpayers could previously open the GSTR-3B form in multiple browser tabs after logging into the GST portal. This unrestricted behavior sometimes caused data conflicts. 2.When values are auto-populated in GSTR-3B from GSTR-1 and/or GSTR-2B, some taxpayers still opted to file a Nil return, ignoring the populated data. 3.In cases where auto-population didn't occur, taxpayers manually entered values and later chose to file a Nil return. 4.In certain instances, 'Save' requests were processed even after the offset process had been completed, leading to inconsistency.	23rd August 2024, under ICR-27321. This issue was addressed under CR #22721 Tranche A, with deployment to production after UAT approval on 1st January 2024, under ICR-24072. With the above mentioned code fix it has been assured that these issues do not reoccur and for the mentioned issues the GSTR 3B of the TP has been reset by the system for re-filing.

Discussion:

EVP, GSTN stated that in this case, a mismatch was identified between the HBase tables and the Ledger data, which is updated after offsetting the liability in GSTR-3B. The discrepancy typically arises between the data saved by the taxpayers while filing their returns and the final paid liabilities reflected in the ledger. This may happen due to technical glitches while filing of returns by the taxpayers. Four key technical reasons were identified for this issue, and all were addressed through a code fix. A total of 32 related tickets were resolved as part of this correction. The matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).5

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
5	Taxpayers were unable to File GSTR-1 for older return periods (2017-2022) in cases where they had submitted the same return earlier but had not filed the same.	278 (Already reported earlier in 23rd ITGRC)	GSTR1	For the period 2017-22, GSTR-1 filing process has three steps: Save, Submit & File which was changed in 2022 to 2 steps: Save & Proceed to File (PTF). On submission of GSTR 1, the system marks 'FRZ' flag in the backend table. When a taxpayer tries to file their GSTR 1 for an older return period (when the system had submitted "FRZ" flow), the taxpayers were getting error message as "Preparing data for filing, please try again later". GST system checks submit status of GSTR 1 return from two tables. RETURN_SUBMIT_STATUS_CACHE table which in turn fetches data from RTN_REQ_DETL table. Due to limited storage in the backend and heavy data load certain tables with the records prior to March 2024 in the backend were archived. However, due to this archival of these tables, the taxpayers who were filing delayed GSTR-1 returns could not file as the system could not fetch their details. Hence the system responds with an error and thereby user was unable to file their returns.	Permanent fix is under testing and for the resolution of the tickets. Data was copied from the achieved table to the new table.

Discussion:

EVP, GSTN stated that in this case, taxpayers were unable to file GSTR-1 for earlier return periods from 2017 to 2022 because, in March 2024, certain backend tables were archived due to limited storage. As a result, the relevant data was unavailable in the cache table, leading to a mismatch with the detail table. A permanent fix is currently under testing, and a data fix was carried out for 278 cases

to enable the affected taxpayers to file their GSTR-1 returns for the older periods. The matter was placed before the ITGRC for approval.

CCT, West Bengal enquired whether the 6 cases that they had forwarded were included in these 278 cases for which the GSTR-1 data fix was already carried out. In response, GSTN clarified that the complete list of cases covered was shared in the initial email sent to the GST Council Secretariat along with the detailed agenda note. It was further assured that any remaining cases can still be forwarded by the States, and the data fix will be done accordingly.

Decision: ITGRC took note of the data fixes done by the GSTN.

5(a).6

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
6	Audit officer (L3) is not able to close the audit case IDs from BO portal.	4	Audit	**Problem Statement:** Three SDM tickets were raised by officers from West Bengal saying that Audit Officers (L3) are unable to close audit case IDs on the BO portal — the cases are still showing as open. As per the current audit module design, an Audit Officer (L3) can only close a case after issuing the ADT-01 notice. In these cases, the officers did not issue ADT-01 but still want to close the cases. Since the system requires ADT-01 to be issued first, it is not allowing the cases to be closed. **Root Cause:** Based on the existing design of the audit module, Audit officer (L3) will be able to close the audit case only when ADT-01 is issued. In these cases, officers have not issued the ADT-01, and they want to close the cases. As the mandatory notice (ADT-01) has not been issued, the system is not allowing officers to close the audit case IDs.	Data fix for these cases is completed via ICR#28808 on 26-Dec-2024. Permanent fix is deployed in production under CR#26203 via ICR#29946 on 7-Mar-2025 and the officer can close cases before issuance of ADT-01.

Discussion:

EVP, GSTN stated that an issue was reported from West Bengal where the ADT-01 notice—meant to initiate an audit—was not issued to the taxpayers. Despite this, the officers requested closure of the audit case IDs in the system. A data fix was carried out to close the audit case IDs from the backend. This matter was placed before the ITGRC for approval.

Addl. ETC, Haryana raised concerns over a permanent system fix allowing closure of audit case IDs without issuing ADT-01 notices, even in the absence of technical issues. He argued that ADT-01 is a mandatory statutory notice for initiating audits, and bypassing it compromises audit integrity and legal compliance.

EVP, GSTN explained that the fix was made to address administrative decisions where audits were not pursued.

PCC Delhi Zone and Addl. ETC, Haryana emphasized that such closures should be allowed only on a case-to-case basis with approval of the senior officer and not as a standard feature.

Chairperson, ITGRC agreed that data fixes may be justified in specific instances, but a permanent change could undermine procedural safeguards. He directed that the issue be referred to Law Committee for examination and further review.

Decision: ITGRC decided to defer the issue and directed that the issue be referred to the Law Committee for examination and further review.

5(a).7

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
7	Two taxpayers are unable to file ITC01-18(1)(c) with the help of Offline Tool.	2	ITC-01	**Problem Statement:** The taxpayers M/s SURJIT STORE prop Parampreet Singh GSTIN 03AMSPS6917J1ZF and M/S KALRA GENERAL STORE GSTIN 03AAXPS6368N1ZM have given letter in office that they had opted for Composition scheme from Normal taxpayer on 1 May 2024 and they had tax paid stock and they were not able to file the ITC 01. On analysis, it was found that both taxpayers were trying to file the ITC01 form using Offline Tool. Whenever taxpayers are uploading the Json file in	Permanent fix under RQM#26742 was deployed to production via ICR#26289 on 5-Jun-2024.Reported cases belong to the period

				the GST portal, system is throwing the validation error as “Error in JSON structure validation for GST ITC01 return”. Due to this, taxpayers were not able to file the ITC01-18(1)(C) within the system’s specified time limit. **Root Cause:** There was a defect in the Offline Tool that, the return period of the JSON file was not in the correct format. Correct format of date in JSON should be in MMYYYY(Eg:082024) format. But the date format available in JSON (generated by offline tool) was in MM(Eg:08) format. Due to this defect, while uploading the JSON on the GST portal, the system is giving a validation error which is “Error in JSON structure validation for GST ITC01 return”.	prior to permanent fix. Data fix will be carried out after the approval of ITGRC.

Discussion:

EVP, GSTN stated that two taxpayers were unable to file GST ITC-01 due to a technical issue in the JSON file format, where the date was incorrectly captured in "MM" format instead of the required "MMYYYY" format. This led to validation errors during upload. A permanent system fix was implemented to correct the format and prevent future occurrences. For these two cases reported prior to this permanent fix, data fix will be carried out after obtaining ITGRC approval.

Decision: ITGRC took note of the permanent fix done by the GSTN and directed GSTN to do the data fix for the said two cases.

5(a).8

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
8	Rejected records by Suppliers(GSTR 2X users) are not visible to TDS user (GSTR7 users)	7	GSTR7	**Problem Statement:** Seven taxpayers (Deductees) have reported that the rejected records in GSTR 2X are not visible to TDS users (Deductors) in Table 4 (Amendments to TDS detail)	Data fix is completed on 22-Feb-2025. No further ticket is raised on this issue.

	for any action.			of GSTR7 to take any action on such rejected records. **Root Cause:** When supplier rejects the record sent by TDS user, the rejected record should be available to the TDS user in Table4 of GSTR7 return form in next available return period. In this case it has not happened. This issue occurred because when the supplier rejected the record, it was sent to Kafka for processing. However, Kafka did not process it, so the rejected record did not appear in Table 4 of GSTR-7 for the TDS user in the next return period. GSTIN of Deductees- 33DEOPM6894H1ZT,06AABCL2635C3ZZ,27AAACL0140P3ZH,29AACCA1237A1ZB,27AABCT2398C1ZD,09BBUPS4185G2ZT,24AABCL2635C1Z3).	

Discussion:

EVP, GSTN stated that in this case, rejected records in GSTR 2X were not visible to TDS users in Table 4 of GSTR-7, due to a processing failure in the "Kafka" tool, which is used to distribute such data. These records, originally rejected in the supplier's GSTR-2X, failed to reflect in the recipient's TDS return. The breach was traced to Kafka's inability to process and relay the data correctly. A data fix was implemented on 22nd February 2025, resolving the issue, and no further tickets have been raised since. The matter was placed before ITGRC for formal approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).9

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
9	Tax officer is unable to issue the Form GST DRC-08A because the details related to Form GST DRC-07A are not getting auto populated in the draft DRC-08A.	1	Recovery	**Problem Statement:** Tax officer is unable to issue the DRC-08A form because the details related to DRC-07A are not getting auto populated in the draft DRC-08A screen. **Root Cause**: When DRC-07A is created, the system automatically creates a Case Folder ID for it (e.g., 23145041). At the same time, the system also pre-creates the next Case Folder ID for DRC-08A, even if it's not issued yet. Later, when DRC-08A is issued, the system uses the DRC-07A Case Folder ID to auto-fill relevant data. In this case, the system should have created Case Folder ID 23145042 for DRC-08A, linked to 23145041 (DRC-07A). But at the exact time 23145042 was supposed to be assigned to DRC-08A, a request from the Audit module used that ID instead. As a result, DRC-08A got Case Folder ID 23145043. Now, when DRC-08A was being created, the system looked at 23145042 (assuming it's the DRC-07A ID), but since that ID belonged to the Audit module, no data was pulled, and DRC-08A remained blank	Data fix is completed on 8-Feb-2025 via ICR#29514. Permanent fix is deployed in production under RQM#28541 via ICR#29514 on 8-Feb-2025.

Discussion:

EVP, GSTN stated that the tax officer was unable to issue Form DRC-08A, which is used for recovering tax arrears prior to 01.07.2017. The system design intended that once DRC-07A is created in GST system, a case folder ID is generated. At the same time, the system also pre-creates the next Case Folder ID for DRC-08A, even if it's not issued yet. However, due to a concurrent request from the audit module, the next serial number case folder ID was assigned elsewhere, leading to a mismatch and failure in auto-population of DRC-08A. This issue, raised by a taxpayer, was resolved

through a data fix on 8th February 2025, and a permanent fix was deployed the same day to prevent recurrence.

On being enquired by Chairperson, ITGRC, EVP, GSTN clarified that the issue related solely to recoveries, not payments, and measures were taken to ensure that there is no double counting or duplication of payment IDs. The matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).10

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
10	GSTR9 tile is not enabled to the taxpayer.	5 (Discussed earlier in 23rd ITGRC)	GSTR9	**Problem Statement:** 5 taxpayers have raised tickets stating that, the Tile to file GSTR9 annual return for FY: 2022-23 is not enabled and due to that they are unable to file the GSTR9 annual return for that financial year. After Analysis it is found that R2A entry is not present in 'Return Summary Request' table for reported taxpayers for the financial year 2022-23. R2A entry in 'Return Summary Request' table is necessary to enable the 'Annual Return GSTR9' tile in GST portal. **Root Cause:** R2A entry is inserted into the mentioned table at the time of batch runs, last time batch runs on 15-Oct-2024. Based on the logic implemented in the batch, R2A entry will be inserted into the 'Return Summary Request' table only for active taxpayers. In this case, taxpayers were not active at the time of batch run.	There is no defect in the system for this issue. Data fix for these cases is completed on 30-Dec-2024 via ICR#29012.

Discussion:

EVP, GSTN stated that GSTR-9 tile is enabled for taxpayers via a scheduled batch in mid-October each year. In this case, Five GSTINs were excluded in the batch run as their status was either inactive or cancelled at the time of batch run. The cancellation of these taxpayers were later revoked and thereafter, the taxpayers raised tickets stating that GSTR-9 tile was not appearing, preventing them from filing the said return. A data fix was carried out to resolve the issue. The matter, initially discussed in the 23rd ITGRC meeting, was brought again to the 24th ITGRC for formal reporting and approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).11

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
11	Issue in auto populating the data in Table 7 of GSTR 4	Impacted GSTIN– 1 No: of Data Fix – 2 (one for FY 2023-24 and another for FY 2024-25)	GSTR-4	**Problem Statement:** Incorrect auto-population of Table 7 of GSTR-4 for the FY 2021-22 with the data belonging to the FY 23-24. The taxpayer received the relevant TDS/TCS credits later, during January and March 2024. Hence, reflecting these entries in Table 7 of GSTR-4 for FY 2021-22 (April 2021 to March 2022) is incorrect, as it does not correspond to the actual period of reporting of the same in Table 3 of GSTR 7. **Root Cause:** As per current functionality, TDS/TCS entries accepted in GSTR-2X reflect in the open period of GSTR-4, irrespective of the actual deduction period. As per current functionality, supplier data pertaining to FY 2023-24 and 2024-25 is being incorrectly auto-populated in Table 7 of GSTR-4 for FY 2021-22, merely because FY 2021-22 is the open period for the GSTR-4X taxpayer. Note: Table 7 of GSTR 4 is auto	This is a defect in the system from the beginning which will be fixed as a new requirement. A tranche of CR#25785 will be created to make the necessary change once ongoing GSTR7 CR goes into production because this requirement having a dependency on ongoing GSTR7 CR(28507B).

				populated from Table 3 of GSTR 7(TDS return), when the supplier (Deductee) accepts the entry in GSTR-2X	Data fix is completed on 13-Mar-2025.

Discussion:

EVP, GSTN stated that an issue was identified in the auto-population of data in Table 7 of GSTR-4, which is auto populated from Table 3 of GSTR-7 (TDS returns) after acceptance by the supplier in GSTR-2X. Due to a flaw in the system logic, data for financial years 2023–24 and 2024–25 was incorrectly populated into the Table 7 of GSTR-4 of FY 2021–22, simply because that period remained open, regardless of actual tax period relevance. As a result, the affected taxpayer could not view the correct data in the GSTR-4 for Jan–Mar 2024. A data fix was implemented on 13th March 2025, and a permanent fix is underway via CR number 28507B. Only one GSTIN was impacted, with fixes applied for both FY 2023–24 and 2024–25. The matter was submitted to ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).12

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
12	Missing Date Fields and Duplicate Audit Officer Names in DAR and ADT-02 Reports.	43 impacted cases in 31 SDM tickets	Audit	**Problem Statement:** It has been observed that due to discrepancy values," Financial Year from and to", "Audit period From and To" and "Commencement of Audit" fields are not populating in DAR (draft audit report) and ADT-02 report. Audit officer names are getting displayed multiple times in the 'Case Details Tab' and 'DAR report'. **Root Cause:** There was a defect in the system when taxpayer was making voluntary payment through DRC-03 for ADT-01 and if payment was failed then the transaction was not rolled back and due to that data	Permanent fix (RQM#26904) was deployed in production on 6-Dec-2024. Data fix is done for impacted cases.

				with null value were getting stored in "Audit Master" and "Audit Form JSON" tables. Next time when voluntary payment was success then the payment data with correct values were stored in the same tables. Now for one case there will be multiple records in the database tables (one record with correct values in payment success scenario and multiple records with null values for payment failure cases).	

Discussion:

EVP, GSTN stated that an issue was reported that while issuance of DAR and ADT-02 reports by Audit officers multiple entries appeared in the 'date' and 'data' fields of those forms. This occurred because, during the initial attempt by the taxpayer to make payment via DRC-03 in response to ADT-01, the transaction failed and the system captured 'null values' in the backend audit master and from JSON tables. When the payment eventually succeeded, correct data was saved, but both sets of entries became visible, resulting in duplication. The issue affected 43 taxpayers, and both a data fix and a permanent fix were implemented on 6th December 2024. The matter was placed before the ITGRC for formal approval.

Decision: ITGRC took note of the permanent fix and data fix done by the GSTN.

5(a).13

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
13	Jurisdictional recovery Officer is unable to view Recovery case ID under his dashboard. The recovery IDs are not available in the state	2 impacted cases in 1 SDM ticket	Recovery	**Problem Statement:** Some of the Recovery cases of Maharashtra's jurisdiction are not appearing in the dashboard of the jurisdictional recovery officer or Recovery Tab of State Admin. Hence the state admin is also not able to reassign the recovery IDs to the correct jurisdictional officer.	Permanent fix for Defect was done via CR#23701 on 27-Mar-2025. Data fix is completed on 27-Jan-2025.

	admin dashboard as well for reassignment .			**Root Cause:** As per the system rules, once the demand is issued by the assessment officer and the due date passes, a recovery ID should automatically be created. This ID is assigned to both the Recovery Officer and the Assistant Recovery Officer (if they exist in that jurisdiction).If there is no role of Recovery Officer in that area, the recovery ID will not be assigned to anyone. Earlier the state admin did not have the option to reassign recovery cases. So, the recovery IDs were not visible on the dashboards of either the Recovery Officer or the state admin.	

Discussion:

EVP, GSTN stated that in this case, two recovery cases were reported where the recovery officer could not view the recovery case IDs on their dashboard, nor were these visible to the State admin for reassignment. This occurred because no officer has been assigned with recovery role in the taxpayer's jurisdiction, preventing initial assignment. During that time, the system also lacked functionality for State admin to reassign such cases. A data fix was completed on 27th January 2025, followed by a permanent fix allowing state admin to view and reassign recovery cases when officers are not jurisdictionally mapped. The matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the permanent fix and data fix done by the GSTN**.**

5(a).14

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
14	Tax officers are not able to issue DAR (draft audit	4 records in 2 SDM tickets	Audit	**Problem Statement:** While submitting the Draft Audit Report (DAR), Discrepancies mentioned in "Notice for	Data fix is completed on 24-Feb-2025 via ICR#29822. This defect was

	report).			Discrepancy" are appearing in duplicate which prevented the tax officer from proceeding further. **Root Cause:** There was a defect in the system, if taxpayer has filed 'Request for Adjournment' before replying to 'Notice for Discrepancy' and if 'Reminder' was issued by the tax officer then when taxpayer was trying to reply to the 'Notice for Discrepancy' in that scenario method for 'Discrepancy Table' was calling multiple times in the code. Due to this defect, same discrepancy values were storing multiple times in the database and due to that same discrepancy values were displaying in the portal as well.	permanently fixed by the code change via RQM-27411, ICR#27185 on 6-Aug-2024.

Discussion:

EVP, GSTN stated that in this case, tax officers were unable to issue Draft Audit Reports (DAR) through the back-office Audit module. This issue occurred due to a system glitch that was triggered when a taxpayer submitted both a reply and a reminder in response to a discrepancy notice. This led to multiple updates in the discrepancy table, causing system inconsistency. Two SDM tickets were raised to correct four affected records, and a data fix was completed on 24th February 2025. A permanent fix was also implemented to eliminate this concurrency issue. The matter, involving cases reported before the fix, was presented to the ITGRC for approval for the October–March period.

Decision: ITGRC took note of the permanent fix and data fix done by the GSTN.

5(a).15

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status

15	Audit officers were unable to issue the ADT-02 after receiving approval from the Senior Audit Officer.	11	Audit	**Problem Statement:** Audit officers were unable to issue the ADT-02 (final Audit Report) after receiving approval from the Senior Audit Officer. Because a required dropdown menu called “MCM Decision” was not working. it did not show any options to select (like "accepted", "rejected", or "modified"). As “MCM decision” was a mandatory field at the time of issuing audit report. Hence, the audit officer was not able to issue the ADT-02 (final Audit Report). **Reason:** In the previous design (before 6-Nov-2024) there were no options to the officers to add, remove or edit paras as per MCM decision before final Audit Report. In this design here were no provision to store the MCM related data. On 6-Nov-2024, CR-26442A went in production which has the functionality to modify the existing UI of Audit Report and to add, remove or edit paras as per MCM decision before final Audit Report. In this case, since audit cases are prior to CR deployment where MCM related data was not available in the data base and officer is trying to issue the Audit report after CR deployment and due to that officer is not able to select MCM decision in UI screen. Data are not available in JSON attribute 'MCM Decision' and 'MCM Decision Error' in 'Audit Case Item Detail' table.	Permanent fix is deployed in production via CR-26442A on 6-Nov-2024. Now Audit officers can issue the ADT-02 after receiving approval from the Senior Audit Officer. These are historical cases prior to permanent fix, Data fix for these cases are completed via ICR#28659 on 29-Nov-2024.

Discussion:

EVP, GSTN stated that in this case, Audit officers were unable to issue ADT-02 after receiving approval from the Senior Audit Officer due to a non-functional “MCM Decision” dropdown, which failed to display mandatory options such as "accepted," "rejected," or "modified." This issue affected transitional cases initiated before the implementation of the MCM (Monitoring Committee Meeting) functionality, which later made MCM decisions mandatory for audit report issuance. A permanent fix was deployed on 6th November 2024, enabling officers to proceed with ADT-02 issuance after receiving approval from the Senior Audit Officer. A data fix for 11 impacted cases was completed on 29th November 2024. The agenda was placed before the ITGRC for approval.

Decision: ITGRC took note of the permanent fix and data fix done by the GSTN.

5(a).16

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
16	Tax officer not able to issue rectification of Refund (RFD 06) order.	1 Tax Office (1119744)	Refund	**Problem Statement:** When the tax officer trying to issue rectification of RFD06, the officer was getting the following error message “Rectification of RFD 06 cannot be issued as demand adjustment has been done in RFD 06”. Hence, the Tax officer could not be able to do rectification of RFD06. **Root Cause:** In the refund functionality, Rectification of refund order is not allowed when tax officer has performed the following activities in the original refund order, i. Payment advice(RFD 05) is issued. ii. Recredit order(PMT 03) is issued. iii. Adjustment of refund amount against a demand order has been made in original order.	Data fix is done to allow the rectification.

				In this case, the officer has issued original refund order and made demand adjustment with ZERO amount. Currently system is allowing to issue demand adjustment with zero amount. However, the system still considered it as a valid adjustment. This is the reason why, the system did not allow the officer to rectify the original order.	

Discussion:

EVP, GSTN stated this case involved the inability of a tax officer to rectify a refund order (Form RFD-06) due to system-imposed validations. The GST system does not permit rectification of RFD-06 in three specific scenarios: (i) when a payment advice has been issued, (ii) when a recredit order has already been issued, and (iii) when there has been an adjustment of refund against a demand order in the original refund processing. In the particular case under discussion, the tax officer had erroneously entered the adjustment amount as zero, despite there being an open demand. This clerical mistake led the system to treat the zero as a valid adjustment, thereby locking the RFD-06 and preventing any further rectification. To resolve this, an one-time data fix was carried out by GSTN. EVP, GSTN clarified that the system validations were not removed and would remain intact for all other cases.

Commissioner, GST Policy Wing, pointed out that rectification of orders is governed by Section 161 of the CGST Act, which allows rectification only for errors apparent on the face of the record. He enquired whether this particular instance qualified under that provision.

PCC Delhi Zone, strongly asserted that once a refund has been adjusted, even for zero amount, the order is considered final, and further rectification is legally restricted unless falling under specific permitted conditions.

CCT, WB raised a concern about cases where the mistake was made by the officer and reported by the taxpayer within the permissible three-month time frame under Section 161, enquiring about whether such cases could be resolved by data fix.

EVP, GSTN responded that in such scenarios, where a valid RFD-06 exists and payment advice has already been issued, rectification cannot be done through data fix; the only legal recourse is through appeal. He further justified the decision taken in the current case by pointing out that a speaking order was uploaded with the RFD-06, and while the speaking order correctly reflected the demand adjustment, the officer mistakenly entered zero in the system, leading to the discrepancy. Since it was a clerical error and not a change of opinion or policy, GSTN allowed a one-time correction through data fix, which was properly documented and justified.

Chairperson, ITGRC concluded that although this may have been a special case, it highlighted the need for policy clarity on whether such mistakes should be treated under Section 161 or a strict legal recourse as provided under the appeal mechanism be followed. The issue should be re-examined and referred to the GST Policy Wing for their views. The matter will be brought back for final discussion in the next ITGRC meeting, given its implications for future system operations and legal compliance.

Decision: ITGRC directed GSTN to re-examine the issue and re-submit it before the next meeting of ITGRC after obtaining views from GST Policy Wing.

5(a).17

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
17	Non-availability of option to remand the case to the original order-issuing authority in instances where First Appellate authority has issued an appeal order.	6	Appeal	**Problem Statement:** A functionality is available in appeal module to upload high court orders and remand back the demand order back to Adjudicating authority for the purpose of re-adjudication. However, it will work only if no appeal is filed before First Appellate authority for the said demand order in GST system. If Appeal is filed before Appellate authority, remand back can be done only to First Appellate authority. In this case, as the appeal is already filed by the taxpayer before Appellate authority, remand back cannot be done to Adjudicating authority. Therefore, the appeals filed before First Appellate authority must be removed to enable remand back option. **Root Cause:** Non availability of option to remand back when Appeal is filed before First Appellate authority.	Data fix has been provided, and status of the appeal applications have been reverted to 'Submission' status. For permanent fix, CR 28625 is raised.

Discussion:

EVP, GSTN highlighted a system limitation concerning the non-availability of an option to remand cases to the original adjudicating authority when such remand is ordered by the High Court. The system had been originally designed to allow remand only to the authority who has last issued the order. It may be either "First Appellate authority" or "Adjudication officer". Moreover, since High Court orders are not directly integrated into the system, officers are required to manually upload such orders and initiate the remand process. However, the remand ~~path~~ back option was restricted to the appellate level only in these cases.

In this particular instance, the High Court had specifically directed remand to the original adjudicating authority, but the system did not permit this. As a result, a data fix was applied to correct six such affected cases, and a permanent fix was raised to enable this functionality in future cases. The agenda was placed before the ITGRC for approval.

Chairperson, ITGRC raised a query regarding the status of the appeal pending before the first appellate authority, particularly in cases where the taxpayer approached the High Court before the appeal progressed.

EVP, GSTN clarified that in the specific case, the appeal before the first appellate authority was only at the submission stage when the High Court was approached. As a result, the first appellate authority could close the case by rejecting the pending appeal by issuance of APL 02 order, thereby allowing the matter to land before the original adjudicating authority, as per the court's order.

Chairperson, ITGRC also pointed out a forward-looking concern, noting that with the GST Appellate Tribunal (GSTAT) likely to become functional soon, similar overlaps or procedural ambiguities may arise. He advised to proactively consider such scenarios and prepare system mechanisms accordingly.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).18

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
18	Creation of Multiple appeal applications due to technical glitch	1 (GSTIN: 19ADVPM 7278C1ZV)	Appeal	**Problem reported:** The taxpayer (GSTIN: 19ADVPM7278C1ZV) had filed an appeal against Demand Order No. ZD1908240621937. However, due to a technical glitch, three separate ARNs (AD191124007090O, AD1911240070897, and AD191124007086D) were generated for the same appeal. Subsequently, the taxpayer withdrew all three appeal applications and now	Data fix done (ICR-28585) to enable the taxpayer to file one more appeal application.

				intends to file a fresh appeal. However, while attempting to refile, the system displayed the following error message: "The maximum time limit for filing an appeal application has exhausted against the Order No. ZD1908240621937". **Root Cause:** In existing appeal module, a taxpayer is permitted to withdraw and refile an appeal against a specific original order only twice. On the third instance, the system restricts further refiling of appeal. In the instant case, since three appeal applications were generated against the same original order, the system has restricted the taxpayer from submitting any further appeal.	

Discussion:

EVP, GSTN stated that in this case, due to a technical glitch, three separate ARNs were generated for a single appeal. The taxpayer utilized the system's provision to withdraw the appeals but later intended to file a fresh one. However, the system did not permit re-filing because the appeal has been withdrawn twice and system has the limit of filing of appeal upto maximum of three times. This resulted in blocking of filing of appeal by the taxpayer. The taxpayer raised a ticket, and a data fix was done to allow submission of one more application. The matter has been placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).19

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
19	Rectification of mistake while giving appeal effect to TRAN-1/2 orders.	2	Appeal	The Appeal module has a functionality to provide "Appeal Effect for APL-04 of TRAN-1/2 Orders", which allows the tax officer to give effect to appeal orders related to TRAN-1/2 applications. For these cases, where	Reset has been provided through data fix so that officer can give appeal

				both the appeal application and the corresponding appellate order are processed manually. However, the Appeal effect functionality does not provide any option for rectification once the appeal effect has been submitted. In two cases, the officers inadvertently committed an error while giving the appeal effect using this functionality.	effect one more time.

Discussion:

EVP, GSTN stated that the issue pertained to the rectification of mistakes while giving appeal effect to TRAN-1 or TRAN-2 orders under APL-04, which is the first appellate authority in such cases. Under the existing system, both the appeal applications and the corresponding TRAN applications are processed manually. However, the GST portal currently lacks functionality to allow rectification once the appeal effect has been submitted for TRAN-1 / 2 orders. In these two cases, tax officers made an error while giving the appeal effect and requested a correction. This was permitted through a data fix that allowed a reset, enabling the officer to reprocess the appeal effect. This matter, involving two such cases, was presented before the ITGRC for approval.

On being enquired by the Chairperson, ITGRC whether the issue was general in nature; EVP, GSTN clarified that rectification is currently being handled only on a case-by-case basis through SDM tickets raised by tax officers, as no dedicated functionality for rectifications has been developed.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).20

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
20	System not allowing rectification for a demand order.	1 (GSTIN: 27AAGCD 8130P1Z7)	Appeal	Request is received from State of M.H to allow second time rectification of a demand order ZD271024067146J with respect to GSTIN 27AAGCD8130P1Z7. In this case, the tax officer has rectified the order ZD271024067146J for the first time and issued rectified demand order with reference number	Data fix is given to revert the appeal application to submission status from withdrawn

				"ZD271024090146K". Against the rectified order "ZD271024090146K", the taxpayer filed an Appeal application (APL 01) before the First Appellate authority vide ARN AD271224039815Z and withdrew the same Appeal application. The tax officer wanted to rectify the demand order "ZD271024090146K". However, the system is not allowing the officer for further rectification when an appeal filed against the said order is withdrawn. Presently, Rectification of demand order is allowed till the filing of appeal application. Also, the rectification is allowed when the filed appeal application is not admitted by the Appellate authority by issuance of rejection order (APL 02). However, rectification is not enabled when the appeal is withdrawn by the taxpayer, and it is a functionality gap in GST back office. For enabling the officer to rectify, the withdrawn appeal (AD271224039815Z) was restored to submission status. When the Appeal is rejected, then the system will allow Officer to rectify an order.	status.

Discussion:

EVP, GSTN stated that a case from Maharashtra highlighted a system limitation where a second rectification of a demand order was not allowed after the taxpayer withdrew their appeal. The system permits rectification only before appeal filing or if the appeal is rejected, not when it is withdrawn. A data fix was used to restore the appeal to "submission" status, enabling the rectification.

Chairperson, ITGRC enquired for the legal permissibility of multiple rectifications under Section 161 of the CGST Act.

Officer from GST Policy Wing stated that Section 161 allows only one rectification and does not provide for re-rectification.

PCC Delhi Zone argued that the term "any order" in the section could include a rectified order, thereby implying the possibility of further rectification.

Chairman, ITGRC observed that even though the section does not explicitly restrict the number of rectifications, allowing multiple corrections could delay finality and set an undesirable precedence. Since there was divergence in interpretation and the issue was linked to an earlier similar matter [5(a).16], it was decided to refer the matter to the GST Policy Wing for further examination and guidance. Both cases, being of similar nature, should be dealt together.

Decision: ITGRC directed GSTN to re-examine the issue and thereafter submit it for final discussion in the next ITGRC meeting after obtaining views from GST Policy Wing.

5(a).21

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
21	Request to change the date of cancellation as per the revised order issued	108 GSTINs (Maharshtra) and 1 GSTIN (Tamil Nadu), 3 (West Bengal)	Registration	Maharashtra, Tamil Nadu and West Bengal have requested to change the date of cancellation as per the revision order passed to give the appropriate date of effect to the Order of Cancellation of registration certificate. Tax officer wants to cancel the registration ab-initio but there is no BO Functionality available to change the effective cancellation date if any order of revision passed by higher authorities. So, cancellation date needs to be updated through data fix from backend. Once the cancellation order has been issued, there is no provision available in the system for Tax officer to change the date of cancellation of registration in view of any revised order.	Data fix has been done and issue resolved. CR 26380 has been raised to develop the functionality for giving effect of an order issued under Section 108.

Discussion:

EVP, GSTN stated that requests were received from the states of Maharashtra, Tamil Nadu, and West Bengal to change the date of cancellation of registration to reflect the actual date of the revision order issued under Section 108 of the CGST Act. However, the system lacked the functionality to make such changes for cancelled taxpayers. As a result, the issue had to be resolved through a data fix. In

response, a change request (CR 26380) was raised to develop system functionality that would allow changes in the cancellation date when a revised order is issued with a different effective date. Until this functionality is implemented, such changes continue to be handled manually through data fixes. The agenda, which involved 108 GSTINs, was placed before the committee for approval.

Chairperson, ITGRC observed that current system functionality only reflects cancellation status on officers' dashboards and questioned if more systemic actions, especially regarding ITC, should be in place.

In response, EVP, GSTN highlighted that a “Non-Genuine Taxpayer” functionality had been implemented as recommended by the Group of Ministers. Under this system, if an enforcement officer flags a taxpayer as non-genuine (NGTP-1), the alert is transmitted to the jurisdictional judicial and assessment officers, who can conduct a physical verification (PV) and, if required, confirm the non-genuine status (NGTP-2). Once flagged as NGTP-2, the taxpayer is marked across the supply chain, allowing other tax officers to take necessary action, particularly with respect to ITC.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).22

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
22	Updation of mobile number and email for UIN type of taxpayers.	1 (UIN: 0721JAM0 0001UNM)	Registra tion	Request For updating mobile number and email address through Data Fix for "High Commission of Jamaica" (UIN: 0721JAM00001UNM) Taxpayer registered under category of “Consulate or Embassy of Foreign Country” was trying to change the email id and mobile number, but such functionality is not available for this type of taxpayers.	Data fix has been done and issue resolved. Tax Officer can update mobile and mail where jurisdiction available.

Discussion:

EVP, GSTN stated that the issue pertained to a request from the High Commission of Jamaica regarding the change of a mobile number or email address for their registered taxpayer account. Such requests are rare and typically arise when officers at the high commissions are replaced. Since the current system does not allow updates to contact details for this taxpayer type (UIN holders), the changes are made through data fixes. A similar case was presented during the 22nd ITGRC meeting, and this new request was similarly placed before the ITGRC for approval.

DG Systems highlighted that there are approximately 2,500 UIN registrations lacking central jurisdiction codes. GSTN had shared this list, which was further circulated to all nodal officers in the commissionerates for jurisdictional updates. DG, DG systems requested GSTN to update the jurisdiction details for 2,420 UIN cases directly from the backend and map them to the designated ranges, as handling each case individually through separate data fixes would be inefficient.

EVP, GSTN replied that they had shared an Excel file listing 2,421 UINs without central jurisdiction codes. Once CBIC provides the appropriate jurisdiction mapping, GSTN can carry out the update through backend data fixes. The data is currently unavailable at GSTN, but if CBIC shares the designated range and jurisdiction, the necessary changes can be made.

DG Systems noted the response.

Chairperson, ITGRC then mentioned that the Commissioner, GST Policy Wing had pointed out the need for a legal provision to authorize such changes for UIN-type taxpayers. He suggested that GSTN formally make a reference for this legal backing.

EVP, GSTN agreed to the suggestion.

Chairperson, ITGRC confirmed that the data fix for the single case involving the Jamaican High Commission was approved but emphasized the importance of having a proper provision in place for such actions in the future.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to establish a proper mechanism within the system for updating contact details for UIN holders so that such changes can be managed systematically without relying on data fixes.

5(a).23

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
23	Issue of Suspended GSTIN.	1 (GSTIN: 33AAOCS6731M1ZU)	Registration	Taxpayer belongs to State Jurisdiction but his GSTIN has been suspended by the Central Authority Due to CBIC migration, one defect was observed where central authority raised SCN for State specific GSTIN. Centre officer has raised SCN for suo moto cancellation against GSTIN 33AAOCS6731M1ZU on 30 Jul 2024. Taxpayer did not file the clarification, and	Data fix has been done and issue resolved. Required validation has been implemented that Center/State jusridiction officers can act upon GSTINs of their jurisdictions only.

				application was automatically submitted to tax officer.	

Discussion:

EVP, GSTN stated this issue involved a taxpayer falling under cross-empowerment, where the taxpayer was originally under state jurisdiction but their GSTIN was suspended by the central authority. The taxpayer failed to file the required clarification, and the application was automatically submitted to the jurisdictional tax officer. During the CBIC migration process, the system check for such scenarios was missed. To address this, a new system facility was implemented to ensure that both central and state officers can act only on GSTINs within their respective jurisdictions. The issue, which affected one specific case, was resolved through a data fix and backend validation.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).24

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
24	Issue in updating the invoices in GSTR-1 for casual taxpayers	9 GSTINs (Earlier discussed 22nd ITGRC meeting)	Registration	Casual taxpayers who are having null registration end date in the database are facing issue in returns module. As the end registration date was null, users were facing issue in updating invoices for certain dates in GSTR-1. As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. • Drop proceedings of Suo-moto cancellation.	Data fix done and issue resolved. CR 26172 has been raised for making required changes in the code.

				• Rejection of self-cancellation application. • Withdrawal of self-cancellation application.	

Discussion:

EVP, GSTN stated that the issue involving a casual taxpayer whose registration end date was missing (null) in the backend database. This caused problems in the returns module, particularly preventing invoice uploads in GSTR-1. Upon root cause analysis, it was found that such null values typically occurred in specific scenarios, such as drop proceedings, suo-moto cancellations, rejection of self-cancellation applications, and withdrawal of self-cancellations. A data fix was applied to resolve the immediate issue, and Change Request (CR) 26172 was raised to implement a permanent system correction. The issue, which affected nine GSTINs, had previously been flagged during the 22nd ITGRC meeting and was now placed before the ITGRC for approval.

On being enquired by Chairperson, ITGRC; EVP, GSTN clarified that the registration end date had not been populated in the database.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).25

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
25	Cancellation filing for unregistered E commerce users	7 E-Com Supplier's Enrolment ID and 2 Advance ruling/Refund	Registration	Unregistered Ecommerce type of Taxpayer wants to file cancellation but as per existing implementation, there is no functionality to file cancellation for unregistered users. Unregistered Ecommerce Type of Taxpayer (E-commerce and Advance Ruling) wants to file cancellation for his GSTIN. But he is not able to do the same as unregistered taxpayers have not been given the facility to file cancellation.	LC agenda prepared to provide cancellation facility.

Discussion:

EVP, GSTN stated that in this case, an unregistered e-commerce taxpayer who had been issued an enrolment ID wanted to cancel it. However, the system had no provision to cancel such enrolment IDs, which continued to appear in the database even when the taxpayer was no longer conducting e-commerce business. This issue was presented to the Law Committee, which approved the introduction of a cancellation feature for such cases. Implementation is currently underway. In the meantime, cancellation of enrolment IDs for 7 e-commerce suppliers and two additional cases involving temporary registrations for advance ruling and refund purposes is being handled through a data fix, which was proposed to the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).26

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
26	Revalidating the bank accounts that were returned as invalid IFSC from Canara Bank	1778 Bank Accounts	Registration	Revalidate the bank accounts that were returned as invalid IFSC from Canara Bank during the period from 28/10/2024 to 29/11/2024 due to Data sync up issue at Canara Bank end. On 28/10/2024, GSTN went live with Canara Bank for the real time bank account validation. For some days, it was observed that for valid IFSC codes also, we were getting Invalid IFSC as response from Canara Bank end. Due to this, even for valid account details (Account number / IFSC), taxpayers were getting Invalid IFSC response and same was updated in the ACCT_DETL table, once the non-core amendment application was submitted. The same was conveyed to Canara Bank and they did fix on 29/11/2024. The issue was with Canara bank, the Canara Bank rejected various a/c validation requests containing correct IFSC code, once correction was done at Canara Bank, we re-initiated the affected a/c numbers for revalidation via data fix.	Data fix is done.

Discussion:

EVP, GSTN stated that this issue related to data sync between Canara Bank (via NPCI) and the GSTN database, where a glitch caused the validation of even valid bank accounts to fail, resulting in incorrect “invalid IFSC” error messages. These errors were recorded in the account detail tables, causing difficulties for taxpayers in validating their bank accounts. To resolve this, a data fix was applied, and 1,778 bank accounts were revalidated. The matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).27

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
27	Tax officer has restored the Self Cancellation approved ARN before Self Cancellation Order got generated.	1 (GSTIN: 27AALHB 4703J1ZB)	Registra tion	A taxpayer (GSTIN: 27AALHB4703J1ZB) had applied for self-cancellation of their GSTIN. Self-cancellation was approved around 14:29:09 on 17 Dec 2024 , but the order to cancel was not yet generated. But before execution of the job, the officer has done Restoration for the Self Cancellation ARN from which the GSTIN became Active around 17 Dec 2024 14:38:11. However, just a few minutes later (at 2:38:37 PM), a system job ("Process New Reg") kicked in and continued processing the old cancellation, unaware that the GSTIN had just been restored. As a result, the system cancelled the GSTIN again.	Data fix done and issue resolved.

Discussion:

EVP, GSTN stated that in this case the tax officer restored a self-cancellation ARN before the cancellation order was generated. Specifically, the self-cancellation was approved at 14:29 on 17th December 2024, but before the system could execute the cancellation order, the officer-initiated restoration. As a result, when the GSTIN became active at 14:38 on the same day, the system, unaware of the restoration, continued processing the cancellation. This led to a system glitch where the taxpayer’s status was incorrectly shown as “cancelled.” The taxpayer raised a grievance, and

GSTN resolved the issue through a data fix. The single affected case was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).28

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
28	Aadhaar Verified date is showing as future date to end user	27834 GSTINs	Registration	Taxpayers have completed Aadhaar authentication but Aadhaar Verified date is showing as future date to end users Taxpayers have completed Aadhaar authentication successfully on 29th, 30th and 31st December 2024 but while checking it is showing year 2025 instead of 2024.	Data fix done and issue resolved

Discussion:

EVP, GSTN stated that in this case, the taxpayer had successfully completed Aadhaar authentication, but the Aadhaar verification date was incorrectly recorded due to a system error. Instead of reflecting a December 2024 date, it showed an incorrect future date "December 2025." This issue was caused by a malfunction in the date format parser due to the wrong method being applied. GSTN corrected the parsing logic, implemented the proper method, and brought this agenda before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).29

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status

29	Activation of the GSTIN on the request of Raigad Commissionerate, CBIC	1 GSTIN (27PNEE01716B1DK)	Registration	Raigad Commissionerate, CBIC has requested for activation of the some GSTIN as these GSTIN were cancelled suo-moto due to non-filing of monthly returns. The TDS user M/s. Executive Engineer National Highway Division Pen Raigad (GSTIN 27PNEE01716B1DK) have been cancelled suo-moto due to non-filing of monthly returns continuously for six months. As per the current Business rule, the TDS type of Taxpayers are eligible to apply for Revocation within 270 days only, but the timeline has already passed for the shared GSTIN and Restoration Registration functionality is not implemented for type of TDS/TCS Taxpayers. Hence GSTIN need to be activated from backend.	Issue was permanently resolved via CR 26349-B deployed in PROD on 02/Dec/2024.

Discussion:

EVP, GSTN stated that the issue was regarding the activation of a GSTIN that was suo-moto cancelled due to non-filing of monthly returns. The cancellation was initiated for a taxpayer filing TDS returns and not the regular GSTR-1. The system allowed revocation only within 270 days as per current validation, but this limit had lapsed. The taxpayer, a PSU Executive Engineer from the National Highway Division Pen Raigad, requested backend restoration. This issue was permanently fixed via CR 26349-B, deployed in production on 2nd December 2024, and the corresponding data fix was placed before ITGRC for approval.

Chairperson, ITGRC questioned the legal basis of the 270 days limit, asserting that such a restriction is not explicitly prescribed in the Act.

EVP, GSTN responded by referencing Rule 23(1) of the CGST Rules, which outlines a 90-day limit extendable by another 180 days by a Joint Commissioner or above, totalling 270 days, implemented as a system validation.

Chairperson, ITGRC further questioned whether relaxing this rule in the case of TDS returns would contravene existing provisions.

EVP, GSTN clarified that TDS returns do not fall under monthly GSTR obligations and that suo motu cancellation for such taxpayers is not envisaged, hence the restoration request was legitimate.

CCT West Bengal expressed that Rule 23 does not make exceptions for TDS registrants.

DS, GST Policy Wing stated that while Rule 23 provides timeframes, it lacks clarity on applicability to TDS cases. Rule 23 references Section 39(1), while TDS returns are filed under Section 39(3) which is not covered under cancellation grounds in Rule 21.

GST Policy Wing further elaborated that Section 29(2)(c) allows cancellation for non-filing of returns "as prescribed," and Rule 21(h) and (i) only refer to non-filing under Section 39(1), not 39(3). Therefore, cancellation for non-filing of TDS returns does not have statutory backing under these rules.

PCC Delhi Zone pointed out that Section 39(3) still pertains to return filing under Section 39.

Chairperson, ITGRC clarified that Rule 21 explicitly applies only to subsection (1) of Section 39.

CCT West Bengal supported this interpretation, reinforcing that current rules do not justify such cancellations for TDS filers.

Chairperson, ITGRC concluded that while compliance enforcement (like cancellation) is necessary for regular return filers, since TDS return filers are not covered under Rule 21(h) and (i), the current restoration is acceptable. He suggested that the broader policy question, whether such provisions should apply to TDS, could be referred to the GST Policy Wing for future consideration.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to refer the matter to GST Policy Wing for further consideration.

5(a).30

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
30	Issue in refund filing of a Casual taxpayer whose registration was not granted.	3	Refund	For Casual Taxpayers (CTP), the GST system assesses a risk score at the time of registration application submission. If the registrant is flagged for Biometric Aadhaar Authentication and fails to complete it within the stipulated time, the system does not generate any Application Reference Number (ARN). Due to this, the registration application does not get assigned to either Central or State tax authorities. However, since CTPs are required to make an advance	Proposed solution: For the CTP registrant's (registration) application where ARNs is not generated and subsequently no tax administration is mapped, it is suggested that these CTPs are mapped with STATE authorities so that the refund application can be filed by the

				deposit at the time of application, the deposited amount remains in the Cash Ledger. When such applicants attempt to file a refund claim for this amount, the system throws an error due to the absence of a mapped jurisdiction (i.e., no approving authority exists).	registrant.

Discussion:

EVP, GSTN stated this case involved refund issues faced by casual taxpayers whose registrations were not granted due to biometric aadhaar authentication failure. In such cases, the system flags the registrant based on risk parameters, and if biometric authentication is not completed, the ARN is not generated. As a result, no tax authority, state or central, is assigned, which blocks the path for filing refund applications for advance tax deposited at the time of applying for registration. Since no tax authority was mapped, the refund was not routed and could not be processed.

EVP, GSTN proposed that in such cases, the casual taxpayer (CTP) be temporarily mapped to either a central or state authority to enable refund processing. The data fix for these cases had not been executed yet, pending for ITGRC approval. It was clarified that the tax was already paid, and the issue pertained only to processing the refund in the absence of jurisdictional mapping.

On being enquired by Chairperson, ITGRC whether an existing rule governs allocation between center and state, Commissioner, GST Policy Wing replied that the "one is to one" distribution model be followed here.

PCC Delhi Zone noted that since this is likely to recur, applying the "one is to one" rule would be the most viable and standardized approach.

Chairperson, ITGRC emphasized that even though such cases may be few, a permanent fix is necessary.

EVP, GSTN explained that manual data fixes could be done for these 3 current cases and agreed to assign them alternately, first to center, then to state and so on based on directions received.

Chairperson, ITGRC concluded the discussion by suggesting the adoption of the second solution i.e. alternating assignment for the current cases and requested GSTN to refer the matter to the GST Policy Wing for a permanent fix.

Decision: ITGRC took note of the data fix done by the GSTN and suggested GSTN to adopt alternating assignment for the current cases. ITGRC also directed GSTN to do permanent fix after taking a view of the GST Policy Wing.

5(a).31

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
31	Negative balance in export ledger due to amendment of SEZ invoice.	1 (Similar issue reported in 22nd ITGRC)	Refund	M/s Dasami Lab Private Limited (GSTIN 36AADCH6634H1ZJ) has initially reported SEZ supply with payment of duty for three invoices in July 2024 under 18% IGST (Total - Rs 1,62,54,567). Subsequently the invoices were amended in August 2024 with 5% IGST (4515,157). However, the SEZ amendment value is not captured in export ledger leading to negative balance of Rs 1,17,39,410/-. The negative value (deficit) in the export ledger is not allowing further eligible invoices to get transmitted to ICEGATE. **Root Cause:** In the export ledger, the amendment of SEZ invoices are not captured and export ledger is not adjusted accordingly. Therefore, although the taxpayer has made downward amendments, the system does not identify the same in calculating in export ledger computation.	The export ledger has to be given offset of Rs 11,739,410.26 through the data fix. Permanent fix has to be given in any upcoming development.

Discussion:

EVP, GSTN stated that the issue pertained to a negative balance in the export ledger due to SEZ invoice amendments (from 18% to 5% IGST) not being captured, resulting in a negative balance, which blocked further transmission of eligible invoices to ICEGATE. A data fix was proposed to offset the negative balance, while a permanent system fix is under development. A similar case reported earlier during the 22nd ITGRC meeting, had previously been resolved in the same manner.

Chairperson, ITGRC acknowledged that there was no financial implication in this case and noted the existence of a precedent, thereby proposing to proceed with the same approach.

Decision: ITGRC directed GSTN to do data fix and permanent fix in the same manner as done in the earlier similar case.

5(a).32

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
32	Refund ARNs (filed before migration) not available for Center officer	56	Refund	Refund ARNs which are filed and processed before migration were not available in dashboard of Center officer Tax officer was unable to process some Refund applications because such ARNs were not included as part of migration activity. During the CBIC ARN migration, certain ARNs with the status Refund Sanctioned Partially (RSP)—where the Payment Order (RFD-05) had been issued but PMT-03 was still pending—were inadvertently excluded from the migration process. Due to this, the officers were not able to issue PMT 03 for the rejected amount. Consequently, a data fix was required to migrate these ARNs and make them visible to the tax officer.	Data fix was provided to make migrate these ARNs to Center tax officer.

Discussion:

EVP, GSTN stated that in this case refund applications were filed and processed before migration were not visible on the central office's dashboard, which hindered the tax officer from processing them. This issue arose because, during the migration, certain ARNs with status Refund Sanctioned Partially (RSP) where RFD-05 was issued but PMT-03 was still pending were specifically excluded. As a result, these refund applications remained in the GSTN database and were not transmitted to the concerned officers. Upon receiving a request from the tax officer, GSTN initiated a backend data fix, transferring 56 such cases, and placed the matter before the ITGRC for approval.

Chairperson, ITGRC questioned the partial implementation, to which EVP, GSTN clarified that only prioritized ARNs were considered during the bulk batch migration, leading to the oversight.

DG, DG Systems informed that an additional 54 ARNs were identified and communicated to GSTN, indicating that another round of migration may be necessary.

Chairperson, ITGRC emphasized the revenue implications, noting that rejected amounts were not posted back in the ledgers.

EVP, GSTN assured that a database scan has been initiated to identify all pending cases, and the list would be shared with DG Systems for validation before proceeding with migration.

Chairperson, ITGRC urged for quick resolution, recognizing this as a positive step.

Decision: ITGRC took note of the data fix done by the GSTN and directed GSTN to scan the database for pending cases and complete the migration process after obtaining validation from DG Systems.

5(a).33

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
33	Issue in sending 'Payment advice' files to PFMS.	600 ARNs	Refund	On 09.01.2025, refund payment files (R1) were sent to PFMS for disbursement. However, due to a technical issue in the GST system, some of the files were not transmitted completely. As a result, about 600 ARNs, involving an amount of ₹114.24 crore, were affected. For these ARNs, the GST portal shows the status as “Disbursement request sent to PFMS”, but on the PFMS portal, the status is “Records not received from GST system”. Payment files are generated state-wise, with each file containing a maximum of 100 records. If a state has more than 100 records, multiple files are created. Once the payment file is generated, the status of each ARN in that payment file is marked as "Work in Progress" (WIP) in the tracking table, which means “Disbursement request sent to PFMS". However, due to a counter issue (in the	The status of the impacted ARNs were changed from "WIP" to "PEN" through data fix so that payment files were regenerated for these impacted ARNs.

				batchdb), the first file (which had the first 100 records) was accidentally overridden by the next file and only latest created file was transmitted to PFMS. However, the status of ARNs of the over ridden files remained as "WIP". As a result, although the GST portal showed that the refund request was sent to PFMS (the payment system), the actual payment information was never transmitted.	

Discussion:

EVP, GSTN stated that in this case, refund payment files were sent to PFMS for disbursement, due to technical glitch some files were not actually transmitted. While the portal indicated that the files were sent, they were not visible on the PFMS portal. As a corrective measure, a reset was performed, which enabled the actual payments to go through. The data fix involved updating the status of approximately 600 ARNs from "work in progress" to "pending" to enable payment file generation.

Chairperson, ITGRC raised a concern about the possibility of double payments or refunds.

EVP, GSTN confirmed that duplication checks were in place during the generation of payment files, and such checks were part of the reset process to prevent any instance of double disbursement.

Decision: ITGRC took note of the data fix done by the GSTN.

5(a).34

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
34	Taxpayers are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in	2 GSTINs (27AEBPL0869B2ZR and 27AEBPL0869B1ZS) (Similar issues were discussed in 21st and 23rd	Registration	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that the date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/application for which the withdrawal has been filed. System restricts the taxpayer if he wants to file the application in current financial year by asking him to select the opt out date from the	Data fix done and issue resolved. Changes will be taken up in CR 28514 C.

	the previous FY.	ITGRC)		previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted with Late fee and interest.	

Discussion:

EVP, GSTN stated that certain taxpayers who exceeded the composition scheme turnover threshold in the previous financial year were unable to opt out of the scheme with retrospective effect due to system limitations. As per the current system design, opting out of the composition scheme for a prior financial year was not permitted, which led to complications. Consequently, affected taxpayers were unable to file their regular GSTR-3B returns and were instead being prompted to file CMP-08, resulting in late fees and interest liabilities. Similar issue was discussed in the 21st and 23rd ITGRC meeting, and the Law Committee was approached for an amendment to the relevant circular. One specific taxpayer had exceeded the turnover limit in December 2023 but was only able to raise a grievance in July 2024 due to system restrictions on selecting a previous opt-out date. A data fix was subsequently implemented, allowing impacted taxpayers to file GSTR-1 from December 2023 onwards. The Law Committee also deliberated on amendments to Rule 6(6) to allow input tax credit (ITC) claims from a backdated period when a taxpayer exits the composition scheme upon crossing the threshold.

Commissioner, GST Policy Wing confirmed that the agenda regarding Rule 6(6) had been submitted by GSTN and was discussed in the Law Committee.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b). Thereafter, EVP, GSTN explained 7 cases where there were technical issues affecting locally with financial implications and where the correct data was known.
The details of the cases are mentioned as follows:

5 (b).1

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Issue in filing of GSTR-3B	5 (Similar issues were discussed in 22nd & 23rd ITGRC meeting)	GSTR3B	While filing GSTR3B some of user are getting the error "Issue while filing GSTR-3B - "Error! Payment amount should not exceed the outstanding This issue was reported for a taxpayer who was registered under composition scheme and filed GSTR-4. In GSTR 4 , the system allowed	Datafix Done. For mentioned 5 cases, Rs. 10870/- were added to additional late fee

				taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the system, the late fees paid by the taxpayer in excess of Rs 5000 was considered as a negative entry in the system, though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability. The system considered any amount over Rs. 5000 as excess and recorded it as a negative entry in the liability ledger. This negative balance automatically adjusted any late fee in the subsequent month, even though the taxpayer didn't actually pay the excess amount.	liability ledger which need to be paid in cash.

Discussion:

EVP, GSTN stated that in this case, users received an error message stating that their late fee should not exceed the outstanding amount. This issue, which had previously been discussed in the 22nd and 23rd ITGRC meetings, was traced back to a negative entry that had been erroneously created in the system. This negative entry affected the functioning of the system and prevented taxpayers from filing their GSTR-3B returns. The system had a cap of Rs. 5,000/- as the maximum late fee, and any excess was being adjusted against the negative liability ledger. However, since this ledger had a negative balance, taxpayers were unable to proceed with filing. A data fix was carried out, and in 5 such cases, an additional late fee liability of Rs. 10,870/- was computed, which had to be paid in cash. This included CGST of Rs. 5,435/- and SGST of Rs. 5,435/-. The matter was placed before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).2

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
2	Late fee applied twice to the taxpayer who got cancelled in between a quarter.	1 (Similar issue was discussed in 23rd ITGRC)	GSTR3B	Taxpayer has raised a ticket that late fee has been paid by him twice for the return period (Jan-March, 2024) due to cancellation and revocation of his registration. As per the analysis the taxpayer was a quarterly filer from 01-07-2022. He filed his Nil 3B for Jan-Mar 2024 quarter as a quarterly filer on 2024-05-29, which is 37 days after the due date which was 22-04-2024. Due to late filing, applicable late fee was Rs.370 per head (37xRs.10=Rs.370) but as per max cap of Rs. 250 per head the final late fee applicable was 250/head. The taxpayer got cancelled on 07-05-2024 with effective date 11-04-2024, which was in-between the quarter. Considering March 2024 as his last filed return period the system collected late fee of Jan to March 2024 quarter in his last return filed for the month of April 2024 on 30-05-2024 with applicable late fee of Rs. 250/head. The taxpayer again got active on 31-05-2024, and as taxpayer was in quarterly scheme, the system again considered Jan-March 2024 quarter as his last filed return and again collected the late fee of Jan-March 2024 in June 2024 which taxpayer filed on 03-08-2024.Thus collecting the late fee twice for the same period.	Datafix Done

Discussion:

EVP, GSTN explained a case where a taxpayer faced double late fee charges due to a cancellation and subsequent revocation of GST registration within the same quarter. Initially, the taxpayer was registered as a quarterly filer and was cancelled during the quarter January–March 2024. After revocation of cancellation, the taxpayer became active again on 30th May 2024. However, the system levied late fees twice for the return period of January to March 2024, once at the time of cancellation and again after the revocation of cancellation. As a result, a duplicate late fee amounting to Rs. 500/- needed to be reversed. The taxpayer had formally raised a request for rectification.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).3

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
3	Refund of GSTR3B late fee	8	GSTR3B	Incorrect late fee was applied to 8 taxpayers because of non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this wrong due date, the late fee was getting calculated incorrectly Due to non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this wrong due date, the late fee was getting calculated incorrectly.	Data fix is Done. permanent fix, reference to RQM 28308, was deployed on 30 Dec 2024 via ICR 28982.

Discussion:

EVP, GSTN presented a case involving 8 taxpayers who were incorrectly charged late fees due to the non-availability of their annual aggregate turnover data in the system. As a result, the system wrongly displayed the return due date as the 20th instead of the 22nd or 24th for quarterly filers in 2024, leading to miscalculation of late fees. The taxpayers requested refunds, and the total late fee amount involved was Rs. 860/-, along with an interest amount of Rs. 176/-. A data fix was implemented and permanent fix was deployed on 30 Dec 2024. The matter was brought before the ITGRC for approval.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).4

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
4	Duplicate entries in Ledger and settlement	7	GSTR3B	7 Taxpayers raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries were reflecting on the electronic credit ledger statement for the same return period. This happened because of two offset requests were getting processed in two different pods for the same return period. The first offset request was running on one pod server, but due to a delay in processing, a second offset request was processed successfully on a different pod server. With respect to second request, offset has been done successfully. However, since the first offset request was still in the queue, it was processed later, leading to duplicate entries in the Ledger, Filing, and settlement tables.	Data fix has been Done. Permanent fix has been deployed in production on 27th April 2024 via ICR-25546.

Discussion:

EVP, GSTN presented a case involving 7 taxpayers who reported duplicate filing entries in their electronic credit ledgers for January 2024. These duplicate entries arose due to a backend processing issue where offset requests, which are usually processed by a single server, were routed simultaneously to two different servers. As a result, both servers processed the same return submission, leading to the same entry being recorded twice in the ledger. This led to excess ITC of Rs. 3,66,913/- being reflected. A data fix was done to reverse the duplicate ITC entries, and a permanent fix was deployed to prevent recurrence of such duplication due to delayed processing across multiple servers.

On being enquired by Chairperson, ITGRC; EVP, GSTN clarified that the issue involved not just ITC but also cash ledger entries, though it was also clarified by GSTN that no actual double payment was made in cash. The duplication was limited to system entries triggered by repeated user clicks during

network latency or peak filing time. The list of impacted taxpayers had already been shared with the respective state and central jurisdictional officers, as per the mandate from the previous ITGRC meeting.

Decision: ITGRC took note of the data fix done by the GSTN.

5 (b).5

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
5	Issue in filing GSTR-7 & GSTR-8 for TDS and TCS users	11	GSTR7 and GSTR8	Four TDS and seven TCS users were not able to file GSTR7 and GSTR8 return forms respectively for May 2024 return period. System was displaying the message which is "Proceed to File in Progress. Please check after some time." **Problem Statement:** On analysis, it was identified that financial year entry for 2024-25 was missing in "Return Amendment Cutoff Date Details" table. Due to which System was displaying the message "Proceed to File in Progress. Please check after some time." Financial (2024-25) year entry was done on 14-Jun-2024 via ECR#26511, after that taxpayers were able to file the mentioned return with late fee because the due date to file the mentioned return was 10-Jun-2024. After that taxpayer re-opens the ticket for the reversal of late fee. **Root Cause:** Entry of Financial Year (2024-25) in "Return Amendment Cutoff Date Details" database table was not present. It is a manual activity that	Datafix is completed via ICR#28694 on 14-Dec-2024.

				happens every year in the month of March. During FY 2024-25 in March 2024, it was missed to add this financial year entry. It is a manual activity that happens every year in the month of March. During FY 2024-25 in March 2024, it is missed to add this financial year entry.	

Discussion:

EVP, GSTN presented a case involving 11 taxpayers, including TDS and TCS filers, who were unable to file their GSTR-7 and GSTR-8 returns for the return period of May 2024. The issue occurred because the financial year (2024–25) entry was missing in the "Return Amendment Cutoff Date Details" table, resulting in a system error message, "Proceed to File in Progress. Please check after some time." This backend data issue was resolved on 14th June 2024 through a code fix, enabling taxpayers to file their returns with a late fee, as the original due date of 10th June 2024 had already passed. Subsequently, taxpayers raised tickets requesting reversal of the late fee, citing technical issues. A data fix was done on 14th December 2024 to reverse the total late fee amount of Rs. 1,05,380/-.

Chairperson, ITGRC also questioned the interest component, which reportedly amounted to Rs. 97,000/-, and sought clarity, especially since the tax involved was only Rs. 7500/- (CGST Rs. 3,750 and SGST Rs. 3,750/-).

EVP, GSTN clarified that TDS/TCS was deducted at the rate of 1% of the transaction amount; however, it appears that interest has been calculated on the entire transaction amount instead of the tax amount, possibly leading to an inflated interest figure. They assured that the exact interest amount would be verified, and the matter would be revisited with accurate details in the next meeting.

GST Policy Wing suggested that the amount might also include late fee along with interest, explaining the higher total.

Chairperson, ITGRC directed to revisit the interest component in the next meeting.

Decision:

ITGRC took note of the data fix done by the GSTN and directed GSTN to revisit the interest component in the next meeting.

5 (b).6

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
6	Issue in filing CMP08 return for Jan-Mar 2024 return period.	2	CMP-08	Two taxpayers were unable to file CMP08 return for Jan – Mar 2024 return period. Two taxpayers have raised tickets stating that, they are not able to file CMP08 return for Jan – Mar 2024 return period. While filing, taxpayers are getting error as 1. The turnover reported exceeds the threshold limit for availing composition scheme. Please check and correct the values before next attempt to file. 2. If the turnover is correct, then please opt out of Composition Scheme from the date when the turnover exceeded the threshold and file CMP-08 return up to the date of exceeding the threshold. 3. After the date of opting out of composition scheme, return shall be filed as a normal taxpayer for the remaining period." Composition taxpayer has a threshold limit of Rs. 1.5cr (when taxpayer deals only in Goods) or Rs. 50 lacs (when taxpayer is Services provider). Here first GSTIN (18CKUPG1203R1ZN) is a 'Goods' dealer and turnover limit applicable is 1.5 Cr and second GSTIN (27AEBPL0869B2ZR) is a 'Services' provider and turnover limit applicable is 50 lacs. Both taxpayers were able to file CMP08 Oct-Dec 2023 despite	The issue of 'turnover calculation topology' was fixed under RQM#26292 , and it was deployed in production on date 07 Feb 2024 via ECR#24603.

				their turnover has crossed the threshold limit. This has happened because turnover calculation topology was not working from 25 Nov 2023 to 07 Feb 2024 in production after CDP upgradation activity (happens on 25 Nov 2023). Turnover of previous return periods were not added to the turnover of current return period and taxpayers were able to file CMP08 return with more turnover than their threshold limit. In this case, taxpayers have filled CMP08 quarter for Oct-Dec FY 2023-24 during the period when turnover calculation topology was not working and due to which system was allowing taxpayers to file the return with more turnover than the allowed turnover. In this case taxpayers have crossed the turnover and have filed the CMP08 quarter for Oct-Dec FY 2023-24. But since taxpayers have already filed the CMP08 quarter for Oct-Dec FY 2023-24 with more turnover than the allowed turnover, the system is not allowing those taxpayers to file CMP08 return for Jan – Mar 2024 return period.	

Discussion:

EVP, GSTN represented that two taxpayers were unable to file CMP-08 for the January to March 2024 period. They raised tickets indicating that errors were encountered stating the reported turnover exceeded the threshold limit for availing the composition scheme. It was advised that if the turnover was indeed correct, the taxpayers should opt out of the composition scheme and file CMP-08 only up to the date of reaching the threshold limit. Additionally, they were instructed to file normal returns post opting out. This issue arose because the turnover calculation functionality was non-operational

between 25th November 2023 and 7th February 2024 due to a system upgrade. This fault remained unnoticed until highlighted by the taxpayers who attempted to file returns.

During this faulty period, the system allowed filing of CMP-08 for October–December 2023, even when the turnover exceeded the composition threshold. However, once the turnover calculation was corrected on 7th February 2024, the system began blocking such filings for January–March 2024, resulting in error messages. The tax amount of Rs. 4,58,984/-, paid under CMP-08, will now be treated as a credit in the cash ledger.

On being enquired by Chairperson, ITGRC queried whether both CMP-08 and GSTR-3B could be filed simultaneously, EVP, GSTN confirmed this is not permitted.

Chairperson, ITGRC further sought clarity on whether GSTR-3B was filed properly after the system fix and if interest liabilities were also discharged, EVP, GSTN confirmed that post the data correction, taxpayers were instructed to file GSTR-1 and GSTR-3B for the relevant period

Chairperson, ITGRC emphasized that the CMP-08 amount reversal should only proceed after ensuring GSTR-3B filing and full tax and interest payments as per normal taxpayer rules.

EVP, GSTN assured that such verifications would be done in the present case and committed to conducting similar data validation and fixes in any future cases before initiating reversals.

Decision: ITGRC took note of the data fix carried out by GSTN and directed GSTN to ensure that all due payments made by the taxpayer, after opting out of the composition scheme and acting as a normal taxpayer, are properly verified.

5 (b).7

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
7	Double refund for SB005 shipping bills for Risky exporters	19 ARNs (6 ARNs were purged and for 13 ARNs recovery to be made by Jurisdictional officer)	Refund	For Risky exporters, shipping bill records are transmitted by ICEGATE, and refund applications are generated by GST system for such records. ICEGATE shared a file containing 330 shipping bill records with SB005 status. Out of these, the GST system successfully processed 323 records, generating 70 ARNs on	Data fix was done for purging of ARNs with Acknowledgement status (for disabling further sanctioning) and Refund rejected status (for disabling appeal) from

				September 17, 2024. On December 6, 2024, ICEGATE informed GSTN that Customs had also disbursed refunds for 127 of these records. Upon analysis of the 127 records, it was found that GST system generated 19 ARNs were generated for these records. Out of these 19 ARNs, 1. 4 ARNs in Acknowledgement status – Amount Involved is Rs 34,59,92,305 2. 2 ARNs in Refund rejected status – Amount involved is Rs 80,84,832.85 3. 13 ARNs in Refund sanctioned status – Amount involved is Rs 3,89,39,116.2 ICEGATE did not lock shipping bills for further disbursement once it was forwarded to GST system for generation of refund application. <u>Proposal:</u> It is proposed before ITGRC to give permission to post negative entries in the electronic cash ledger of the GSTINs where recovery is pending.	GST system. A recovery process was initiated through jurisdictional officers for 13 ARNs due to duplicate refunds amounting to ₹3,89,39,116 .20. As on March 31, 2025, ₹67,11,164 has been recovered for 4 out of these 13 ARNs.

Discussion:

EVP, GSTN stated that highlighted that 330 shipping bills pertaining to "risky exporters" were transmitted from ICEGATE to the GST system. Of these, 323 records were successfully processed by the GST system, generating 70 ARNs on 17th September 2024. Subsequently, on 6th December 2024, ICEGATE informed GSTN that 127 of these shipping bill records had already been disbursed by customs. Upon examination, it was found that GST had already processed refunds for 19 ARNs among these, and refunds for the remaining were halted. The breakdown showed 4 acknowledgments issued, 2 refunds rejected, and 13 refunds fully sanctioned. GSTN purged the remaining entries and

requested judicial officers to initiate recovery proceedings for the 13 sanctioned refunds. Out of a total recovery amount of Rs. 3.89 crore, Rs. 1.52 crore had already been recovered, and the remaining Rs. 2.37 crore was pending. It was proposed that negative entries be made in the electronic cash ledgers of concerned taxpayers to safeguard revenue.

Chairperson, ITGRC raised concerns over how this duplication occurred and why no system check prevented it, especially given that risky exporters' refunds are meant to be handled exclusively by GST formations.

EVP, GSTN clarified that this was the first time that SB005 shipping bills were being processed post a court order, and the customs system likely failed to lock the records, leading to double refunds. They added that the issue appears to have been resolved in later batches.

DG Systems committed to verifying the lapse on ICEGATE’s end.

During deliberations, Members of ITGRC debated whether the recovery should follow Section 73, 74, or 74A of the CGST Act.

Addl. ETC, Haryana emphasized that issuing a show cause notice and simultaneously making a negative ledger entry suggests inconsistency, as one implies a pending demand while the other assumes it is confirmed. The refunds issued twice constitute recoverable amounts due to departmental error and not taxpayer suppression.

PCC Delhi Zone argued that this was not an erroneous refund but a double refund due to duplication resulting from department’s error, therefore creating liability in the register would be the safer route for recovery.

GST Policy Wing stated that there’s no explicit legal definition of "erroneous refund," but this case could be considered under that scope. However, it was stressed that any action must comply with due process to avoid legal challenges.

Chairperson, ITGRC directed GSTN to gather more details and send a detailed note to GST Policy Wing for extensive examination, and the matter be revisited in a supplementary or next ITGRC meeting.

Decision: ITGRC directed GSTN to gather more details and send a detailed note to GST Policy Wing for extensive examination, and the matter be revisited in a supplementary or next ITGRC meeting.

5(c). Court Directions:

Thereafter, EVP, GSTN explained 1 case of Court Directions. The details of the case are mentioned as follows:

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Court direction to enable the portal for ITC-01 filing.	1	ITC-01	M/s Mobile Care (GSTIN 19AJYPA8957B1ZP) missed the 30-day deadline to file Form ITC-01 and claim Input Tax Credit after shifting from Composition to Normal taxpayer. **Problem Statement:** The Hon'ble High Court Calcutta has directed the West Bengal Government to facilitate the filing of ITC-01 by the taxpayer, M/s Mobile Care. In compliance, the West Bengal Government has issued an order requesting GSTN to enable the portal for ITC-01 filing. **Root Cause:** The taxpayer applied to shift from the composition scheme to being a Normal taxpayer by filing CMP 04 on 11th November 2021. However, the petitioner failed to upload the Form GST ITC 01 within the 30-day limit due to COVID 19.	Code fix is not required. ITC-01 was opened to this taxpayer on 21-Jan-2025 by running a utility.

Discussion:

EVP, GSTN stated that this issue pertained to a taxpayer named M/s Mobile Care, who had missed the 30 days deadline for filing Form ITC-01 to claim Input Tax Credit ITC, after transitioning from composition scheme to regular taxpayer. Pursuant to directions from the Delhi High Court, no system code change was required; instead, the ITC-01 form was reopened specifically for this taxpayer on

21st January 2025 to allow filing in compliance with the court order. The matter was placed before the ITGRC for approval.

When Chairperson, ITGRC inquired whether such court-directed deadline relaxations were common, EVP, GSTN confirmed that similar relaxations had occurred previously, such as during the reopening of TRAN-1/2 filing windows.

EVP, GSTN added that such cases are handled individually, with inputs taken from both central and state jurisdictional commissioners and policy wing, though ultimately, compliance with court orders is mandatory.

Chairperson, ITGRC concluded that in this instance, since the Hon'ble High Court order had been complied with, the committee's approval could be considered implicit.

Decision:

ITGRC took note of the action taken by the GSTN**.**

5(d). **Recovery progress in earlier cases**

EVP, GSTN then provided update on recovery progress in earlier cases involving technical glitches.

5(d).1 - CWF issue (Amount inadvertently credited to TP account)

EVP, GSTN stated that in this issue, instead of crediting the Consumer Welfare Fund, the amount was mistakenly credited to the taxpayer's account. This issue, earlier presented in the 20th ITGRC meeting, is being followed up with the concerned state and central authorities, and the current status was shared in the presentation.

Chairperson, ITGRC inquired about progress since the last meeting and suggested expediting the process by writing to the responsible state and central administrations.

EVP, GSTN confirmed that reminders are being sent to the concerned authorities.

Chairperson, ITGRC emphasized the need to track improvements in such cases and recommended reporting progress in subsequent ITGRC meetings.

5(d).2 - Duplicate transmission of Shipping Bills

The next matter highlighted by EVP, GSTN was the duplicate transmission of shipping bills leading to an unrecovered amount of Rs. 1.29 crore, involving multiple taxpayers. This issue was also discussed in the 20th ITGRC meeting.

Chairperson, ITGRC asked for clarity on the impact, to which EVP, GSTN explained that due to a change in date format (DDMM) in the shipping bill data, the system treated the same shipping bill as distinct, resulting in duplicate refund applications. A fix was introduced in the GST system by using a combination of invoice and shipping bill as a unique identifier to avoid such duplications.

Chairperson, ITGRC emphasized the need to track improvements in such cases and recommended reporting progress in subsequent ITGRC meetings.

5(d).3 - Duplicate refund for risky Taxpayers

Another issue was reported by EVP, GSTN involving repetition of customs invoices within a shipping bill due to errors in ICEGATE transmission. Instead of unique invoices, the first invoice was repeated for all entries. Initially, GST refunds were processed based on customs invoices, which led to duplication. The system has since been corrected to use GST invoices for processing and flagging each invoice once a refund application is generated, preventing repetition.

Chairperson, ITGRC again advised monitoring improvement and writing to the concerned authorities to expedite recoveries.

5(e). <u>Table agenda:</u> Technical issue requiring data fix under Waiver Scheme

The details of the case are mentioned as follows:

S. No.	Issue reported	No. of Cases Impacted	Module	Detailed Description	Status
1	Multiple credit entries posted in Liability ledger during issuance of SPL-05 orders.		SPL-05	When SPL-05 orders are issued by the officers, the system correspondingly updates the liability ledger to reflect the waiver granted. However, due to a technical anomaly, multiple credit entries were inadvertently posted in the liability ledger at the time of issuance of such waiver orders (SPL-05). In order to rectify the ledger imbalance, appropriate offsetting entries need to be carried out through a one-time data correction exercise. Root Cause Analysis is in progress.	After receiving the cases from the Centre and States, corresponding reversal entries must be given in the liability ledger through data fix. The details of the data fix will be placed before ITGRC post execution. In principal approval is requested to carry out the data fix.

<u>Discussion:</u>

EVP, GSTN raised an urgent issue related to the amnesty scheme. The problem concerned the filing of SPL-02 applications by taxpayers, followed by officers issuing SPL-05 orders for waiving interest and penalties. Due to a technical glitch, multiple credit entries were erroneously posted to the liability ledger when officers issued SPL-05, thereby crediting extra amounts to taxpayers.

EVP, GSTN clarified that these duplicate credit entries need to be removed from the backend to correct the taxpayer's liability ledger. The team is investigating the root cause, but a data fix is immediately required for the affected cases. GSTN sought in-principle approval from the committee.

When Chairperson, ITGRC asked for specifics about the extent of the issue, EVP, GSTN mentioned that around 15 SDM tickets had been raised, though there may be more cases discovered through database scans. However, they could not provide exact numbers or amounts at that point.

Chairperson, ITGRC expressed concern over approving the fix without knowing the scale of the issue or the underlying cause.

Addl. ETC, Haryana highlighted that urgency was due to fast-approaching deadlines, possibly July 31st, making it impractical to wait for the next ITGRC meeting.

EVP, GSTN confirmed this was why the matter was brought as a table agenda.

Chairperson, ITGRC acknowledging the urgency and past precedent for backend fixes in similar technical error cases, agreed to move forward with the approval as long as future cases are brought to upcoming meetings for transparency.

CCT West Bengal confirmed that they also had multiple similar cases pending and were awaiting central guidance.

EVP, GSTN confirmed that the fix would not constitute an amendment to SPL-05; rather, it would simply reverse the erroneous entries within the same order.

GST Policy Wing enquired as to whether such fixes could be interpreted as legal amendments.

EVP, GSTN assured that no legal amendment would be made; only technical reversal of incorrect credits would occur. Regarding similar errors in SPL-05 due to officer mistakes; EVP, GSTN noted that only certain cases are covered under existing rules for issuance of void orders. Hence, they are proposing a law committee agenda to introduce relevant rule amendments.

Chairperson, ITGRC concluded by granting approval for the urgent data fix due to time constraints but directed GSTN to ensure such cases are properly documented and presented in the next regular or supplementary ITGRC meeting.

Decision: ITGRC granted approval for the urgent data fix due to time constraints but directed GSTN to ensure such cases are properly documented and presented in the next regular or supplementary ITGRC meeting.

The meeting ended with a vote of thanks.

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To summarize, there were a total of 43 issues which were tabled as agenda to the 24th meeting of the ITGRC. Out of these 43 issues:

➢ 34 were technical issues (involving 30919 cases) with no financial implications where correct data was known with certainty. Out of these 34 issues:

- The issue wherein Audit officer (L3) is not able to close the audit case IDs from BO portal; ITGRC decided to defer the issue and directed that the issue be referred to the Law Committee for examination and further review. [5(a).6]

- The issue wherein two taxpayers are unable to file ITC01-18(1)(c) with the help of Offline Tool; ITGRC took note of the permanent fix done by the GSTN and directed GSTN to do the date fix for the said two cases. [5(a).7]

- The issue wherein Tax officer not able to issue rectification of Refund (RFD 06) order; ITGRC directed GSTN to re-examine the issue and re-submit it before the next meeting of ITGRC after obtaining views from GST Policy Wing. [5(a).16]

- The issue wherein System not allowing rectification for a demand order; ITGRC directed GSTN to re-examine the issue and thereafter submit it for final discussion in the next ITGRC meeting after obtaining views from GST Policy Wing. [5(a).20]

- In issue regarding updation of mobile number and email for UIN type of taxpayers; ITGRC took note of the data fix done by the GSTN and directed GSTN to establish a proper mechanism within the system for updating contact details for UIN holders so that such changes can be managed systematically without relying on data fixes. [5(a).22]

- In issue regarding activation of the GSTIN on the request of Raigad Commissionerate, CBIC; ITGRC took note of the data fix done by the GSTN and directed GSTN to refer the matter to GST Policy Wing for further consideration. [5(a).29]

- In issue relating to refund filing of a Casual taxpayer whose registration was not granted; ITGRC took note of the data fix done by the GSTN and suggested GSTN to adopt alternating assignment for the current cases. ITGRC also directed GSTN to do permanent fix after taking a view of the GST Policy Wing. [5(a).30]

- In issue relating to negative balance in export ledger due to amendment of SEZ invoice; ITGRC directed GSTN to do data fix and permanent fix in the same manner as done in the earlier similar case. [5(a).31]

- The issue wherein Refund ARNs (filed before migration) not available for Center officer; ITGRC took note of the data fix done by the GSTN and directed GSTN to scan the database for pending cases and complete the migration process after obtaining validation from DG Systems. [5(a).32]

- 7 were technical issues (involving 53 cases) affecting locally with financial implications [involving an amount of Rs. 3,98,82,799/- (amount reversed: Rs. 9,43,683/-; amount Recovered: Rs. 1,51,83,054/- and amount yet to be recovered: Rs. 2,37,56,062/-)] where data was known with certainty wherein ITGRC took note of the data fixes done/proposed by GSTN, on the basis of technical analysis done by GSTN. Out of these 7 cases:

  - In issue relating to filing of GSTR-7 & GSTR-8 for TDS and TCS users; ITGRC directed GSTN to revisit the interest component in the next meeting. [5(b).5]

  - In issue relating to filing of CMP08 return for Jan-Mar 2024 return period; ITGRC took note of the data fix carried out by GSTN and directed GSTN to ensure that all due payments made by the taxpayer, after opting out of the composition scheme and acting as a normal taxpayer, are properly verified. [5(b).6]

  - In issue relating to double refund for SB005 shipping bills for Risky exporters; ITGRC directed GSTN to gather more details and send a detailed note to GST Policy Wing for extensive examination, and the matter be revisited in a supplementary or next ITGRC meeting. [5(b).7]

- 1 issue was related to Court's direction to enable the portal for ITC-01 filing wherein ITGRC took note of the action taken by the GSTN.

- 1 issue was presented as Table agenda relating to multiple credit entries posted in Liability ledger during issuance of SPL-05 orders wherein ITGRC granted approval for the urgent data fix due to time constraints but directed GSTN to ensure such cases are properly documented and presented in the next regular or supplementary ITGRC meeting.

In status update of the recovery progress in earlier cases reported by GSTN; ITGRC emphasized the need to track improvements in such cases and writing to the concerned authorities to expedite recoveries and further recommended reporting progress in subsequent ITGRC meetings.

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Annexure-1

List of officers who had attended the 24th meeting of the ITGRC

Centre:

i. Member (GST), CBIC – Sh. Vivek Ranjan (Chairman, ITGRC)
ii. Pr. Chief Commissioner, CGST, Delhi Zone – Sh. Rajesh Sodhi
iii. DG, DG (Systems), New Delhi, CBIC – Ms. Arti Agarwal Srinivas

States:

i. Chief Commissioner, State Tax, Gujarat – Sh. Rajeev Topno
ii. Commissioner, State Tax, West Bengal – Dr. Uma Shankar
iii. Commissioner, Commercial Taxes, Tamil Nadu – Sh. S. Nagarajan
iv. Additional Commissioner, Excise and Taxation, Haryana – Sh. Hemant Kumar

GST Council Secretariat:

i. Additional Secretary, GSTCS- Sh. Pankaj Kumar Singh
ii. Director, GSTCS- Dr. Shaifali G. Singh
iii. Deputy Secretary, GSTCS- Sh. Anil Kumar

Special Invitee:

i. EVP (Services), GSTN – Sh. Alok Kumar
ii. SVP (Services), GSTN – Ms. Nisha Gupta
iii. SVP (Services), GSTN – Sh. Prashant Kumar
iv. SVP (Technical), GSTN – Sh. Satish K Srivastava
v. AVP (Services), GSTN – Sh. Mohammad Saim
vi. AVP (Services), GSTN – Sh. B. Jeyanth Malaiyandi
vii. Assistant Manager, GSTN – Ms. Manisha Malik

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Annexure-2

Agenda on Data Fix issues

Technical Issues Requiring Data Fix of the Processed Incorrect Data through Backend Utilities

The changes in GST law / Rules, the representations received from taxpayers and other stakeholders require alterations to be continuously made in the GST System. GSTN has therefore adopted an agile methodology of developing applications for GST System keeping it modular to handle frequent changes in law and rules incorporated in a running application. This has necessitated integrating all new application changes downstream being dependent on the module undergoing the change and led to following concerns:

- Some corner scenarios owing to varying taxpayer actions and system behaviour, when subjected to heavy load, go unhandled leading to inconsistent data persisting in GST System.
- The data inconsistencies vary from ledger getting improper debits/credits, the return details stored in the system having incorrect information relating to situations where an irreversible commit has happened in the database.
- No option available to taxpayer to seek remedy in GST System leading to a need of performing data fixes through auditable utilities.

These issues generally have been noticed after

- A complaint is raised by taxpayer/ tax officer
- Result of a periodic internal and external audits.

In order to resolve these issues, the processed incorrect data requires fixing, collecting correct data besides solving the software/platform issues being faced by respective stakeholders. Accordingly, GSTN has initiated fixing of technical issues identified, as per the SOP approved by the ITGRC in the15th meeting held on 12/08/2021, which is as below:

i. Analysis of data discrepancy.

ii. Confirmation of discrepancy sought from MSP.

iii. Upon confirmation, utility to be created by MSP to extract similar cases from GST System data.

iv. A root cause analysis conducted to fix the issue and implemented by MSP in consultation with GSTN to rectify data inconsistency.

v. Scripts created for data fix and tested in multiple cycles by MSP and GSTN.

vi. Approval note presented to competent authority to fix the issue.

vii. After approval, audit entries created for each change affecting the data.

viii. Scripts executed and post execution state of data stored for reference later.

ix. List of all such changes to be presented and explained to GST policy wing & ITGRC and periodic internal audit also to be undertaken.

Data Fix cases are accordingly presented to ITGRC for deliberations and decision as mentioned in the attached Annexure.

Annexure

Technical Issues Requiring Data Fixes through Backend Utility (Period -01st Oct 2024 to 31st March 2025)

Cases Requiring Internal Approval of SVP, EVP/CEO or Post facto Approval of ITGRC

NO FINANCIAL IMPLICATIONS

S. No.	Module	Issue reported by	Issue in Brief	Detailed Description	Approved By	Date of Approval	No. of Cases Impacted	Financial Implication (Yes/ No)	Correct Data Known / Not Known	Status
1	GSTR 1 and GSTR 6A	Taxpayer	Non-display of B2B invoices in Form GSTR-6A of July & August 2017 return period for one of the ISD taxpayer.	A taxpayer raised a ticket G-202405281192 9039 in which B2B invoices for ISD recipient for July 2017 and August 2017 tax return periods in GSTR1, these invoices are not appearing in GSTR6A. Some required details ("invoice type" and "isEdit") were missing from the impacted invoices when filed in GSTR-1, which are imperative to be present for	EVP-Services	17-10-2024	1 GSTIN	No	Known	Datafix was Done and the missing field ("Invoice Type" and "IsEdit") was added to the JSN column for respective records in GSTR 1.

				GSTR-6A. Because of the missing information, these B2B invoices for the July and August 2017 return periods were not available in GSTR-6A						
2	AATO	Taxpayers	Mismatch in the Annual Aggregate Turnover (AATO)	GST system processes data from GSTR 3B and CMP08 filings to calculate turnover (AATO) of the taxpayers. The records are stored in HBase tables in the backend. Every hour, a system process (periodic bolt) calculates the aggregate turnover and updates the MySQL master tables. However, some records are intermittently missed by this hourly process, leading to incomplete turnover data in the MySQL tables.	EVP(Services)	14-11-2024	108 (Already reported in earlier 23rd ITGRC)	No	Known	The permanent fix of this issue has been incorporated "Changes in computation of aggregate turnover" given for AATO design change which has been deployed to production on 26th May, 2025. The permanent fix made in this case will maintain track of all missed records in future,

				Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact AATO could not be updated to the relevant master tables.						however the records missed prior to implementation of this fix will be executed through utility only.
3	GSTR 3B	Taxpayer	The taxpayer is unable to proceed with the filing of GSTR-3B due to duplicate entries in return filing status table.	The issue occurred when a taxpayer opens multiple tabs to file GSTR-3B and performs actions on each tab simultaneously. In one of the tabs on the questionnaire page, the taxpayer selects “Yes” as a response to one of the questions, indicating they are filing a Nil return. As a result, they are taken directly to the filing page without going through	EVP(Services)	26-11-2024	1	No	Known	Data Fix is done. Permanent Fix: Through CR-22721 Part-B, deployed in production on 23rd August 2024.

				the payment offset process. An entry is created in the system showing the return as filed (status: "FIL"), and since it was a Nil return, no payment entries are created in the ledger. The system timestamps show that this action was completed instantly. Meanwhile, in a second tab that was already open, the taxpayer selects “No” to the same question, goes to the offset page, and completes the offset process with zero values. This creates another entry in the system with a status of "FRZ", indicating that offset was performed. Because both						

				actions happen almost simultaneously, system cache isn't updated quickly enough during Nil filing, this results in inconsistent statuses by creating duplicate entries in filing status table with a different status						
4	GSTR 3B	Taxpayers	Mismatch between HBase and Ledger data	Taxpayers have raised tickets reporting that, although they have correctly made payments in their GSTR-3B, the amounts are not reflecting in their Payment Ledger. They are providing the filed GSTR-3B PDF as supporting evidence. The filed GSTR-3B PDF shared by the taxpayer is generated based on the data entered by the	EVP(Services)	Multiple dates	32	No	Known	A code fix was deployed to production following UAT approval under RQM 16239 as part of ICR 7261 on 15th March 2020. For Points 2 and 3: Fixes were implemented under CR #22721 Tranche B and moved to

				taxpayer at the time of filing. However, the Payment Ledgers are updated based on the backend payment table. In certain cases, the data entered in GSTR-3B did not get posted to the payment table, resulting in discrepancies where the Payment Ledger does not reflect the correct values.These mismatches have occurred due to the following reasons: 1.Taxpayers could previously open the GSTR-3B form in multiple browser tabs after logging into the GST portal. This unrestricted behavior sometimes caused data conflicts.						production after UAT approval on 23rd August 2024, under ICR-27321. This issue was addressed under CR #22721 Tranche A, with deployment to production after UAT approval on 1st January 2024, under ICR-24072. With the above mentioned code fix we make sure that these issues do not reoccur and for the mentioned issues the GSTR

				2.When values are auto-populated in GSTR-3B from GSTR-1 and/or GSTR-2B, some taxpayers still opted to file a Nil return, ignoring the populated data. 3.In cases where auto-population didn't occur, taxpayers manually entered values and later chose to file a Nil return. 4.In certain instances, 'Save' requests were processed even after the offset process had been completed, leading to inconsistency.						3B of the TP has been reset by the system for re-filing
5	GSTR 1	Taxpayers	Taxpayers were unable to File GSTR-1 for older return periods (2017-2022) in	For the period 2017-22, GSTR-1 had the flow of Save, Submit & File. This was changed in 2022 to Save & Proceed	EVP(Services)	Multiple dates	278 (Already reported in earlier 23rd ITG	No	Known	Permanent fix is under testing and for the resolution of the tickets we copied

			cases where he had submitted the same return earlier but had not filed the same.	to File (PTF). On submission of GSTR 1, the system marks 'FRZ' flag in the backend table. When a taxpayer tries to file their GSTR 1 for an older return period (when the system had submitted "FRZ" flow), the taxpayers were getting error message as "Preparing data for filing, please try again later". GST system checks submit status of GSTR 1 return from two tables. RETURN_SUBMIT_STATUS_CACHE table which in turn fetches data from RTN_REQ_DETL table. Due to limited storage in the backend and heavy data load certain tables with the records prior to March 2024			RC)			data from the achieved table to the new table.

				in the backend were archived. However, due to this archival of these tables, the taxpayers who were filing delayed GSTR-1 returns could not file as the system could not fetch their details. Hence the system responds with an error and thereby user was unable to file their returns.						
6	Audit	Tax officers from West Bengal have raised SDM tickets (1127986, 1131538, 1154809)	Audit officer(L3) is not able to close the audit case IDs from BO portal.	**Problem Statement:** Three SDM tickets were raised by officers from West Bengal saying that Audit Officers (L3) are unable to close audit case IDs on the BO portal — the cases are still showing as open. As per the current audit module design, an Audit Officer (L3) can only close a case	CNAB	04.12.2024	4	No	Known	Data fix for these cases is completed via ICR#28808 on 26-Dec-2024. Permanent fix is deployed in production under CR#26203 via ICR#29946 on 7-Mar-2025 and the officer can close cases before

				after issuing the ADT-01 notice. In these cases, the officers did not issue ADT-01 but still want to close the cases. Since the system requires ADT-01 to be issued first, it is not allowing the cases to be closed. **Root Cause:** Basis on the existing design of the audit module, Audit officer (L3) will be able to close the audit case only when ADT-01 is issued. In these cases, officers have not issued the ADT-01, and they want to close the cases. As the mandatory notice (ADT-01) has not been issued, the system is not allowing officers to close the audit case IDs.						issuance of ADT-01.

7	ITC-01	Tax officer from Punjab state has raised SDM ticket #1100696 for two taxpayers (GSTIN:03AMSPS6917J1ZF and 03AAXPS6368N1ZM).	Two taxpayers are unable to file ITC01-18(1)(c) with the help of Offline Tool.	**Problem Statement:** The taxpayers M/s SURJIT STORE prop Parampreet singh GSTIN 03AMSPS6917J1ZF and KALRA GENERAL STORE GSTIN 03AAXPS6368N1ZM have given letter in office that they had opted for Composition scheme from Normal taxpayer on 1 May 2024 and they had tax paid stock and they were not able to file the ITC 01. On analysis, it was found that both taxpayers were trying to file the ITC01 form using Offline Tool. Whenever taxpayers are uploading the Json file in the GST portal, system is throwing the validation error as “Error in JSON	CNAB		2	No	Known	Permanent fix under RQM#26742 was deployed to production via ICR#26289 on 5-Jun-2024.Reported cases belong to the period prior to permanent fix. Data fix will be carried out after the approval of ITGRC.

				structure validation for GST ITC01 return". Due to this, taxpayers were not able to file the ITC01-18(1)(C) within the system's specified time limit. **Root Cause:** There was a defect in the Offline Tool that, the return period of the JSON file was not in the correct format. Correct format of date in JSON should be in MMYYYY(Eg:082024) format. But the date format available in JSON (generated by offline tool) was in MM(Eg:08) format. Due to this defect, while uploading the JSON on the GST portal, the system is giving a validation						

				error which is “Error in JSON structure validation for GST ITC01 return”.						

8	GSTR 7	Seven taxpayers have raised tickets (1190049 6,11774937,1190652 7,463260,604216,717946,712701)	Rejected records by Suppliers(GSTR2X users) are not visible to TDS user (GSTR7 users) for any action.	**Problem Statement:** Seven taxpayers (Deductees) have reported that the rejected records in GSTR 2X are not visible to TDS users (Deductors) in Table 4 (Amendments to TDS detail) of GSTR7 to take any action on such rejected records. **Root Cause:** When supplier rejects the record sent by TDS user, the rejected record should be available to the TDS user in Table4 of GSTR7 return form in next available return period. In this case it has not happened. This issue occurred because when the supplier rejected the record, it was sent to Kafka	CNAB	18.12.2024	7	No	Known	Data fix is completed on 22-Feb-2025. No further ticket is raised on this issue.

				for processing. However, Kafka did not process it, so the rejected record did not appear in Table 4 of GSTR-7 for the TDS user in the next return period. GSTIN of Deductees- 33DEOPM6894H1ZT,06AABCL2635C3ZZ,27AAACL0140P3ZH,29AACCA1237A1ZB,27AABCT2398C1ZD,09BBUPS4185G2ZT,24AABCL2635C1Z3).						

9	Recovery	Tax officer from Gujarat has raised SDM ticket #968181	Tax officer is unable to issue the Form GST DRC-08A because the details related to Form GST DRC-07A are not getting auto populated in the draft DRC-08A.	**Problem Statement:** Tax officer is unable to issue the DRC-08A form because the details related to DRC-07A are not getting auto populated in the draft DRC-08A screen. **Root Cause**: When DRC-07A is created, the system automatically creates a Case Folder ID for it (e.g., 23145041). At the same time, the system also pre-creates the next Case Folder ID for DRC-08A, even if it's not issued yet. Later, when DRC-08A is issued, the system uses the DRC-07A Case Folder ID to auto-fill relevant data. In this case, the system should have created Case	CNAB	18.12.2024	1	No	Known	Data fix is completed on 8-Feb-2025 via ICR#29514. Permanent fix is deployed in production under RQM#28541 via ICR#29514 on 8-Feb-2025.

				Folder ID 23145042 for DRC-08A, linked to 23145041 (DRC-07A). But at the exact time 23145042 was supposed to be assigned to DRC-08A, a request from the Audit module used that ID instead. As a result, DRC-08A got Case Folder ID 23145043. Now, when DRC-08A was being created, the system looked at 23145042 (assuming it's the DRC-07A ID), but since that ID belonged to the Audit module, no data was pulled, and DRC-08A remained blank						

10	GSTR 9	Five taxpayers (GSTIN-04AABCE8124H1ZY,04AABCE8124H1ZY,03AAACG7027J1ZU,36CCIPB3968E1ZM,09AAGCI9406F1ZG) have raised tickets (733848, 739057,845269,855317,856357)	GSTR9 tile is not enabled to the taxpayer.	**Problem Statement:** 5 taxpayers have raised tickets stating that, the Tile to file GSTR9 annual return for FY: 2022-23 is not enabled and due to that they are unable to file the GSTR9 annual return for that financial year. After Analysis it is found that R2A entry is not present in 'Return Summary Request' table for reported taxpayers for the financial year 2022-23. R2A entry in 'Return Summary Request' table is necessary to enable the 'Annual Return GSTR9' tile in GST portal. **Root Cause:** R2A entry is inserted into the mentioned table at the time of batch runs, last time	CNAB	18.12.2024	5 (Discussed in earlier 23rd ITGRC)	No	Known	There is no defect in the system for this issue. Data fix for these cases is completed on 30-Dec-2024 via ICR#290122.

				batch runs on 15-Oct-2024. Based on the logic implemented in the batch, R2A entry will be inserted into the 'Return Summary Request' table only for active taxpayers. In this case, taxpayers were not active at the time of batch run.						

11	GSTR-4	The taxpayers (GSTIN-08BYRPS2006L1ZX) have raised tickets (1191698 8).	Issue in auto populating the data in Table 7 of GSTR 4	**Problem Statement:** Incorrect auto-population of Table 7 of GSTR-4 for the FY 2021-22 with the data belonging to the FY 23-24. The taxpayer received the relevant TDS/TCS credits later, during January and March 2024. Hence, reflecting these entries in Table 7 of GSTR-4 for FY 2021-22 (April 2021 to March 2022) is incorrect, as it does not correspond to the actual period of reporting of the same in Table 3 of GSTR 7. **Root Cause:** As per current functionality, TDS/TCS entries accepted in GSTR-2X	CNAB	01.01.2025	Impacted GSTIN– 1 No: of Data Fix – 2 (one for FY 2023-24 and another for FY 2024-25)	No	Known	This is a defect in the system from the beginning which will be fixed as a new requirement. A tranche of CR#25785 will be created to make the necessary change once ongoing GSTR7 CR goes into production because this requirement having a dependency on ongoing GSTR7 CR(28507B). Data fix is completed on 13-Mar-2025.

				reflect in the open period of GSTR-4, irrespective of the actual deduction period. As per current functionality, supplier data pertaining to FY 2023-24 and 2024-25 is being incorrectly auto-populated in Table 7 of GSTR-4 for FY 2021-22, merely because FY 2021-22 is the open period for the GSTR-4X taxpayer. Note: Table 7 of GSTR 4 is auto populated from Table 3 of GSTR 7(TDS return), when the supplier(Deductee) accepts the entry in GSTR-2X						

12	Audit	Tax officers from different states (Rajasthan, Odisha, Maharashtra, Bihar, Jammu and Kashmir, Kerala) have raised SDM tickets	Missing Date Fields and Duplicate Audit Officer Names in DAR and ADT-02 Reports.	**Problem Statement:** It has been observed that due to discrepancy values," Financial Year from and to", "Audit period From and To" and "Commencement of Audit" fields are not populating in DAR (draft audit report) and ADT-02 report. Audit officer names are getting displayed multiple times in the 'Case Details Tab' and 'DAR report'. **Root Cause:** There was a defect in the system when taxpayer was making voluntary payment through DRC-03 for ADT-01 and if payment was failed then the transaction was not rolled back and due to that data with null value	CNAB	13.01.2025 17.02.2025	43 impacted cases in 31 SDM tickets	No	Known	Permanent fix (RQM#26904) was deployed in production on 6-Dec-2024. Data fix is done for impacted cases.

				were getting stored in “Audit Master” and “Audit Form JSON” tables. Next time when voluntary payment was success then the payment data with correct values were stored in the same tables. Now for one case there will be multiple records in the database tables (one record with correct values in payment success scenario and multiple records with null values for payment failure cases).						

13	Recovery	Tax officer from Maharashtra has raised SDM ticket #1196846	Jurisdictional recovery Officer is unable to view Recovery case ID under his dashboard. The recovery IDs are not available in the state admin dashboard as well for reassignment.	**Problem Statement:** Some of the Recovery cases of Maharashtra's jurisdiction are not appearing in the dashboard of the jurisdictional recovery officer or Recovery Tab of State Admin. Hence the state admin is also not able to reassign the recovery IDs to the correct jurisdictional officer. **Root Cause:** As per the system rules, once the demand is issued by the assessment officer and the due date passes, a recovery ID should automatically be created. This ID is assigned to both the Recovery Officer and the Assistant Recovery	CNAB	13.01.2025	2 impacted cases in 1 SDM ticket	No	Known	Permanent fix for Defect was done via CR#23701 on 27-Mar-2024. Data fix is completed on 27-Jan-2025.

				Officer (if they exist in that jurisdiction).If there is no role of Recovery Officer in that area, the recovery ID will not be assigned to anyone. Earlier the state admin did not have the option to reassign recovery cases. So, the recovery IDs were not visible on the dashboards of either the Recovery Officer or the state admin.						

14	Audit	Tax officer from Kerala has raised SDM tickets (1156478,1156477)	Tax officers are not able to issue DAR (draft audit report).	**Problem Statement:** While submitting the Draft Audit Report (DAR), Discrepancies mentioned in "Notice for Discrepancy" are appearing in duplicate which prevented the tax officer from proceeding further. **Root Cause:** There was a defect in the system, if taxpayer has filed 'Request for Adjournment' before replying to 'Notice for Discrepancy' and if 'Reminder' was issued by the tax officer then when taxpayer was trying to reply to the 'Notice for Discrepancy' in that scenario method for 'Discrepancy Table' was	CNAB	27.01.2025	4 records in 2 SDM tickets	No	Known	Data fix is completed on 24-Feb-2025 via ICR#29822. This defect was permanently fixed by the code change via RQM-27411, ICR#27185 on 6-Aug-2024.

				calling multiple times in the code. Due to this defect, same discrepancy values were storing multiple times in the database and due to that same discrepancy values were displaying in the portal as well.						
15	Audit	Tax officer from Kerala and Andhra Pradesh have raised SDM tickets (1167108, 1170903 and 1166406)	Audit officers were unable to issue the ADT-02 after receiving approval from the Senior Audit Officer.	**Problem Statement:** Audit officers were unable to issue the ADT-02 (final Audit Report) after receiving approval from the Senior Audit Officer. Because a required dropdown menu called “MCM Decision” was not working. it did not show any options to select (like "accepted", "rejected", or "modified"). As “MCM decision” was	EVP Services	45625	11	No	Known	Permanent fix is deployed in production via CR-26442A on 6-Nov-2024. Now Audit officers can issue the ADT-02 after receiving approval from the Senior Audit Officer. These are historical cases prior to permanent fix, Data fix for

				a mandatory field at the time of issuing audit report. Hence, the audit officer was not able to issue the ADT-02 (final Audit Report). **Reason:** In the previous design (before 6-Nov-2024) there were no options to the officers to add, remove or edit paras as per MCM decision before final Audit Report. In this design here were no provision to store the MCM related data. On 6-Nov-2024, CR-26442A went in production which has the functionality to modify the existing UI of Audit Report and to add, remove or edit paras as per MCM decision before final Audit Report. In this case, since audit						these cases are completed via ICR#28659 on 29-Nov-2024.

				cases are prior to CR deployment where MCM related data was not available in the data base and officer is trying to issue the Audit report after CR deployment and due to that officer is not able to select MCM decision in UI screen. Data are not available in JSON attribute 'MCM Decision' and 'MCM Decision Error' in 'Audit Case Item Detail' table.						

16	Refund	-	Tax officer not able to issue rectification of Refund (RFD 06) order.	**Problem Statement:** When the tax officer trying to issue rectification of RFD06, the officer was getting the following error message "Rectification of RFD 06 cannot be issued as demand adjustment has been done in RFD 06". Hence, the Tax officer could not be able to do rectification of RFD06. **Root Cause:** In the refund functionality, Rectification of refund order is not allowed when tax officer has performed the following activities in the original refund order, iv. Payment advice(RFD 05) is issued. v. Recredit order(PMT 03) is issued. vi. Adjustment of refund	CNAB	04.12.2024	1 Tax Office (1119744)	No	Known	Data fix is done to allow the rectification.

				amount against a demand order has been made in original order. In this case, the officer has issued original refund order and made demand adjustment with ZERO amount. Currently system is allowing to issue demand adjustment with zero amount. However, the system still considered it as a valid adjustment. This is the reason why, the system did not allow the officer to rectify the original order.						

17	Appeal	-	Non-availability of option to remand the case to the original order-issuing authority in instances where First Appellate authority has issued an appeal order.	**Problem Statement:** A functionality is available in appeal module to upload high court orders and remand back the demand order back to Adjudicating authority for the purpose of re-adjudication. However, it will work only if no appeal is filed before First Appellate authority for the said demand order in GST system. If Appeal is filed before Appellate authority, remand back can be done only to First Appellate authority. In this case, as the appeal is already filed by the taxpayer before Appellate authority, remand back cannot be done to	CNAB	27.11.2024	6	No	-	Data fix has been provided, and status of the appeal applications have been reverted to 'Submission' status. For permanent fix, CR 28625 is raised.

				Adjudicating authority. Therefore, the appeals filed before First Appellate authority must be removed to enable remand back option. **Root Cause:** Non availability of option to remand back when Appeal is filed before First Appellate authority.						
18	Appeal	West Bengal	Creation of Multiple appeal applications due to technical glitch	**Problem reported:** The taxpayer (GSTIN: 19ADVPM7278C1ZV) had filed an appeal against Demand Order No. ZD190824062 1937. However, due to a technical glitch, three separate ARNs (AD191124007090O, AD191124007 0897, and AD191124007 086D) were generated for the same appeal. Subsequently,	EVP, Services	22.11.2024	1 (GSTIN: 19ADVPM7278C1ZV)	No	N.A	Data fix done (ICR-28585) to enable the taxpayer to file one more appeal application.

				the taxpayer withdrew all three appeal applications and now intends to file a fresh appeal. However, while attempting to refile, the system displayed the following error message: "The maximum time limit for filing an appeal application has exhausted against the Order No. ZD190824062 1937". **Root Cause:** In existing appeal module, a taxpayer is permitted to withdraw and refile an appeal against a specific original order only twice. On the third instance, the system restricts further refiling of appeal. In the instant case, since three appeal						

				applications were generated against the same original order, the system has restricted the taxpayer from submitting any further appeal.						
19	Appeal	Assam & Kerala	Rectification of mistake while giving appeal effect to TRAN-1/2 orders.	The Appeal module has a functionality to provide "Appeal Effect for APL-04 of TRAN-1/2 Orders", which allows the tax officer to give effect to appeal orders related to TRAN-1/2 applications. For these cases, where both the appeal application and the corresponding appellate order are processed manually. However, the Appeal effect functionality does not provide any option for rectification once the appeal effect has been	EVP, Services	25.02.2025	2	No	N.A	Reset has been provided through data fix so that officer can give appeal effect one more time.

				submitted. In two cases, the officers inadvertently committed an error while giving the appeal effect using this functionality.						
20	Appeal	Maharashtra	System not allowing rectification for a demand order.	Request is received from State of M.H to allow second time rectification of a demand order ZD271024067146J with respect to GSTIN 27AAGCD8130P1Z7. In this case, the tax officer has rectified the order ZD271024067146J for the first time and issued rectified demand order with reference number "ZD271024090146K". Against the rectified order “ZD271024090146K”, the taxpayer filed an Appeal application (APL 01)	EVP, Services	20.02.2025	1 (GSTIN: 27AAGCD8130P1Z7)	No	N.A	Data fix is given to revert the appeal application to submission status from withdrawn status.

				before the First Appellate authority vide ARN AD271224039815Z and withdrew the same Appeal application. The tax officer wanted to rectify the demand order "ZD271024090146K". However, the system is not allowing the officer for further rectification when an appeal filed against the said order is withdrawn. Presently, Rectification of demand order is allowed till the filing of appeal application. Also, the rectification is allowed when the filed appeal application is not admitted by the Appellate authority by issuance of						

				rejection order (APL 02). However, rectification is not enabled when the appeal is withdrawn by the taxpayer, and it is a functionality gap in GST back office. For enabling the officer to rectify, the withdrawn appeal (AD271224039815Z) was restored to submission status. When the Appeal is rejected, then the system will allow Officer to rectify an order.						
21	Registration	Maharashtra, Tamil Nadu and West Bengal	Request to change the date of cancellation as per the revised order issued	Maharashtra, Tamil Nadu and West Bengal have requested to change the date of cancellation as per the revision order passed to give the appropriate date of effect to the Order of Cancellation of registration	CNAB and approved on eFile--> 3534	14/10/2024, 07/11/2024, 26/11/2024, 04.12.2024 and 18.12.2024	108 GSTINs (Maharshtra) and 1 GSTIN (Tamil Nadu), 3 (West Beng	No	Known	Data fix has been done and issue resolved. CR 26380 has been raised to develop the functionality for giving effect of an order issued under

				certificate. Tax officer wants to cancel the registration ab-initio but there is no BO Functionality available to change the effective cancellation date if any order of revision passed by higher authorities. So, cancellation date needs to be updated through data fix from backend. Once the cancellation order has been issued, there is no provision available in the system for Tax officer to change the date of cancellation of registration in view of any revised order.			al)			Section 108.

22	Registration	CBIC	Updation of mobile number and email for UIN type of taxpayers.	Request For updating mobile number and email address through Data Fix for "High Commission of Jamaica" (UIN: 0721JAM00001UNM) Taxpayer registered under category of “Consulate or Embassy of Foreign Country” was trying to change the email id and mobile number, but such functionality is not available for this type of taxpayers.	CNAB and approved on eFile--> 3673	04.12.2024 and 24/02/2025	1 (UIN: 0721JAM00001UNM)	No	Known	Data fix has been done and issue resolved. Tax Officer can update mobile and mail where jurisdiction available.
23	Registration	-	Issue of Suspended GSTIN.	Taxpayer belongs to State Jurisdiction but his GSTIN has been suspended by the Central Authority Due to CBIC migration, one defect was	CNAB	18.12.2024	1 (GSTIN: 33AAOCS6731M1ZU)	No	-	Data fix has been done and issue resolved. Required validation has been implemented that Center/State jusridiction officers

				observed where central authority raised SCN for State specific GSTIN. Centre officer has raised SCN for suo moto cancellation against GSTIN 33AAOCS6731M1ZU on 30 Jul 2024. Taxpayer did not file the clarification, and application was automatically submitted to tax officer.						can act upon GSTINs of their jurisdictions only.
24	Registration	-	Issue in updating the invoices in GSTR-1s for casual taxpayers	Casual taxpayers who are having null registration end date in the database are facing issue in returns module. As the end registration date was null, users were facing issue in updating invoices for certain dates in GSTR-1.	CNAB	01.01.2025	9 GSTINs (Earlier discussed 22nd ITGRC meeting)	No	-	Data fix done and issue resolved. CR 26172 has been raised for making required changes in the code.

				As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. • Drop proceedings of Suo-moto cancellation. • Rejection of self-cancellation application. • Withdrawal of self-cancellation application.						
25	Registration	-	Cancellation filing for unregistered E commerce users	Unregistered Ecommerce type of Taxpayer wants to file cancellation but as per existing	CNAB	01.01.2025, 27.01.2025 and 18.03.2025	7 E-Com Supplier's Enrolment ID and 2	No	-	LC agenda prepared to provide cancellation facility.

				implementation, there is no functionality to file cancellation for unregistered users. Unregistered Ecommerce Type of Taxpayer (E-commerce and Advance Ruling) wants to file cancellation for his GSTIN. But he is not able to do the same as unregistered taxpayers have not been given the facility to file cancellation.			Advance ruling/Refund			
26	Registration	-	Revalidating the bank accounts that were returned as invalid IFSC from Canara Bank	Revalidate the bank accounts that were returned as invalid IFSC from Canara Bank during the period from 28/10/2024 to 29/11/2024 due to Data sync up issue at Canara Bank end.	CNAB	01.01.2025	1778 Bank Accounts	No	-	Data fix is done.

				On 28/10/2024, GSTN went live with Canara Bank for the real time bank account validation. For some days, it was observed that for valid IFSC codes also, we were getting Invalid IFSC as response from Canara Bank end. Due to this, even for valid account details (Account number / IFSC), taxpayers were getting Invalid IFSC response and same was updated in the ACCT_DETL table, once the non-core amendment application was submitted. The same was conveyed to Canara Bank and they did fix on 29/11/2024. The issue was						

				with Canara bank, the Canara Bank rejected various a/c validation requests containing correct IFSC code, once correction was done at Canara Bank, we re-initiated the affected a/c numbers for revalidation via data fix.						
27	Registration	-	Tax officer has restored the Self Cancellation approved ARN before Self Cancellation Order got generated.	A taxpayer (GSTIN: 27AALHB4703J1ZB) had applied for self-cancellation of their GSTIN. Self-cancellation was approved around 14:29:09 on 17 Dec 2024 , but the order to cancel was not yet generated. But before execution of the job, the officer has done Restoration for the Self Cancellation ARN from which the GSTIN	CNAB	13.01.2025	1 (GSTIN: 27AALHB4703J1ZB)	No	-	Data fix done and issue resolved.

				became Active around 17 Dec 2024 14:38:11. However, just a few minutes later (at 2:38:37 PM), a system job ("Process New Reg") kicked in and continued processing the old cancellation, unaware that the GSTIN had just been restored. As a result, the system cancelled the GSTIN again.						
28	Registration	-	Aadhaar Verified date is showing as future date to end user	Taxpayers have completed Aadhaar authentication but Aadhaar Verified date is showing as future date to end users Taxpayers have completed Aadhaar authentication successfully on 29th, 30th and 31st December 2024 but while	CNAB	18.03.2025	27834 GSTINs	No	-	Data fix done and issue resolved

				checking it is showing year 2025 instead of 2024.						
29	Registration	Tax Officer	Activation of the GSTIN on the request of DG Systems, Chennai	DG Systems, Chennai has requested for activation of the some GSTIN as these GSTIN were cancelled suo-moto due to non-filing of monthly returns. The TDS user M/s. Executive Engineer National Highway Division Pen Raigad (GSTIN 27PNEE01716B1DK) have been cancelled suo-moto due to non-filing of monthly returns continuously for six months. As per the current Business rule,	Approved on eFile--> 3782	45595	1 GSTIN (27PNEE01716B1DK)	No	Known	Issue was permanently resolved via CR 26349-B deployed in PROD on 02/Dec/2025.

				the TDS type of Taxpayers are eligible to apply for Revocation within 270 days only, but the timeline has already passed for the shared GSTIN and Restoration Registration functionality is not implemented for type of TDS/TCS Taxpayers. Hence GSTIN need to be activated from backend.						
30	Refund	Tickets raised	Issue in refund filing of a Casual taxpayer whose registration was not granted.	For Casual Taxpayers (CTP), the GST system assesses a risk score at the time of registration application submission. If the registrant is flagged for Biometric Aadhaar Authentication and fails to complete it within the stipulated time, the system does not generate	EVP, Services		3	No	Known	Proposed solution: For the CTP registrant's (registration) application where ARNs is not generated and subsequently no tax administration is mapped, it is suggested

				any Application Reference Number (ARN). Due to this, the registration application does not get assigned to either Central or State tax authorities. However, since CTPs are required to make an advance deposit at the time of application, the deposited amount remains in the Cash Ledger. When such applicants attempt to file a refund claim for this amount, the system throws an error due to the absence of a mapped jurisdiction (i.e., no approving authority exists).						that these CTPs are mapped with STATE authorities so that the refund application can be filed by the registrant. Kindly peruse the above proposal and give your approval.

31	Refund	Cpgrams	Negative balance in export ledger due to amendment of SEZ invoice.	M/s Dasami Lab Private Limited (GSTIN 36AADCH6634H1ZJ) has initially reported SEZ supply with payment of duty for three invoices in July 2024 under 18% IGST (Total - Rs 1,62,54,567). Subsequently the invoices were amended in August 2024 with 5% IGST (4515,157). However, the SEZ amendment value is not captured in export ledger leading to negative balance of Rs 1,17,39,410/-. The negative value (deficit) in the export ledger is not allowing further eligible invoices to get transmitted to ICEGATE.	EVP, Services		1 (Similar issue reported in 22nd ITGRC)	No (As the payment has already been made)		The export ledger has to be given offset of Rs 11,739,410.26 through the data fix. Permanent fix has to be given in any upcoming development.

				Root Cause: In the export ledger, the amendment of SEZ invoices are not captured and export ledger is not adjusted accordingly. Therefore, although the taxpayer has made downward amendments, the system does not identify the same in calculating in export ledger computation.						
32	Refund	SDM raised by CBIC officer	Refund ARNs (filed before migration) not available for Center officer	Refund ARNs which are filed and processed before migration were not available in dashboard of Center officer Tax officer was unable to process some Refund applications because such ARNs were not included as part of migration	CNAB		56	No		Data fix was provided to make migrate these ARNs to Center tax officer.

				activity. During the CBIC ARN migration, certain ARNs with the status Refund Sanctioned Partially (RSP)—where the Payment Order (RFD-05) had been issued but PMT-03 was still pending—were inadvertently excluded from the migration process. Due to this, the officers were not able to issue PMT 03 for the rejected amount. Consequently, a data fix was required to migrate these ARNs and make them visible to the tax officer.						

33	Refund	Ticket is raised	Issue in sending 'Payment advice' files to PFMS.	On 09.01.2025, refund payment files (R1) were sent to PFMS for disbursement. However, due to a technical issue in the GST system, some of the files were not transmitted completely. As a result, about 600 ARNs, involving an amount of ₹114.24 crore, were affected. For these ARNs, the GST portal shows the status as “Disbursement request sent to PFMS”, but on the PFMS portal, the status is “Records not received from GST system”. Payment files are generated state-wise, with each file containing a maximum of 100 records. If a state has more than 100 records, multiple files	EVP, Services	11.02.2025	600 ARNs	No		The status of the impacted ARNs were changed from "WIP" to "PEN" through data fix so that payment files were regenerated for these impacted ARNs.

				are created. Once the payment file is generated, the status of each ARN in that payment file is marked as "Work in Progress" (WIP) in the tracking table, which means “Disbursement request sent to PFMS". However, due to a counter issue (in the batchdb), the first file (which had the first 100 records) was accidentally overridden by the next file and only latest created file was transmitted to PFMS. However, the status of ARNs of the over ridden files remained as "WIP". As a result, although the GST portal showed that the refund request was						

				sent to PFMS (the payment system), the actual payment information was never transmitted.						
34	Registration	-	Taxpayers are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in the previous FY.	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that the date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/application for which the withdrawal has been filed.	CNAB	04.12.2024	2 GSTINs (27AEBPL0869B2ZR and 27AEBPL0869B1ZS) (Similar issues were discussed in 21st and	Yes	Known	Data fix done and issue resolved. Changes will be taken up in CR 28514 C.

				System restricts the taxpayer if he wants to file the application in current financial year by asking him to select the opt out date from the previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted with Late fee and interest.			23rd ITG RC)			

Technical Issues with Financial Implications – Correct Data Known

S. No.	Module	Issue reported By	Issue in Brief	Detailed Description	Approved By	Date of Approval	No. of Cases Impacted	Financial Implication (Yes/ No)	Correct Data Known / Not Known	Status

1	GSTR 3B	Taxpayer	Issue in filing of GSTR-3B	While filing GSTR3B some of user are getting the error "Issue while filing GSTR-3B - "Error! Payment amount should not exceed the outstanding This issue was reported for a taxpayer who was registered under composition scheme and filed GSTR-4. In GSTR 4 , the system allowed taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the	EVP-Services	09-10-2024	5 (Similar issues were discussed in 22nd & 23rd ITGRC meeting)	Yes. Total – Rs.10870/-, (CGST – Rs.5,435/- ,SGST – Rs.5,435/-)	Known	Datafix Done. For mentioned 5 cases, Rs. 10870/- were added to additional late fee liability ledger which need to be paid in cash.

				system, the late fees paid by the taxpayer in excess of Rs 5000 was considered as a negative entry in the system, though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability. The system considered any amount over Rs. 5000 as excess and recorded it as a negative entry in the liability ledger. This negative balance automatically						

				adjusted any late fee in the subsequent month, even though the taxpayer didn't actually pay the excess amount.						
2	GSTR 3B	Taxpayer	Late fee applied twice to the taxpayer who got cancelled in between a quarter.	Taxpayer raised concern that he had already paid the late fee of Jan-Mar 2024 quarter in April 2024. the same late fees had been again applied in June 2024 as well. User was cancelled in between the quarter (Jan-Mar 2024) due to which April 2024 became applicable for filing GSTR3B in which late fee of last filed return was applied. Later, the GST registration was revoked. Therefore, the filing preference was	EVP-Services	07-11-2024	1 (Similar issue was discussed in 23rd ITGRC)	Yes (Total – Rs.500/-) CGST:- Rs. 250/- SGST:- Rs. 250/-	Known	Datafix Done

				considered as the previous preference i.e., Quarterly and again the late fee of last filed return (Jan-Mar 2024) was applied in June 2024. Hence late fee for the same quarter was paid twice.						
3	GSTR 3B	Taxpayer	Refund of GSTR3B late fee	Incorrect late fee was applied to 8 taxpayers because of non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this wrong due date, the late fee was getting calculated incorrectly Due to non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this	EVP(Services)	17-02-2025	8	Yes Late Fee: Rs. 860 Interest - Rs.176 Total-Rs.1036	Known	Data fix is Done. permanent fix, reference to RQM 28308, was deployed on 30 Dec 2024 via ICR 28982.

				wrong due date, the late fee was getting calculated incorrectly.						
4	GSTR 3B	Taxpayer	Duplicate entries in Ledger and settlement	7 Taxpayers raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries were reflecting on the electronic credit ledger statement for the same return period. This happened because of two offset requests were getting processed in two different pods for the same return period. The first offset request was running on one pod server, but due to a delay in processing, a second offset request was processed successfully on a different	EVP-Services	Multiple Dates	7	Yes(ITC - Rs 3,66,913 and Cash - Rs 2,86,951 ; Total - Rs 6,53,864)	Known	Data fix has been Done. Permanent fix has been deployed in production on 27th April 2024 via ICR-25546.

				pod server. With respect to second request, offset has been done successfully. However, since the first offset request was still in the queue, it was processed later, leading to duplicate entries in the Ledger, Filing, and settlement tables.						
5	GSTR 7 and GSTR 8	Four GSTR7 taxpayers and seven GSTR8 taxpayers	Issue in filing GSTR-7 & GSTR-8 for TDS and TCS users	Four TDS and seven TCS users were not able to file GSTR7 and GSTR8 return forms respectively for May 2024 return period. System was displaying the message which is “Proceed to File in Progress. Please check after some time.” **Problem Statement:** On analysis, it was identified that financial year entry for	EVP Services	16.11.2024	11	Yes. Total amount of Rs. 1,05,380/- (CGST: Rs. 3,750/-, SGST: Rs. 3,750/- and Interest: Rs. 97,880/-) to be reversed to 10 impacted taxpay	Known	Datafix is completed via ICR#28694 on 14-Dec-2024.

				2024-25 was missing in "Return Amendment Cutoff Date Details" table. Due to which System was displaying the message "Proceed to File in Progress. Please check after some time." Financial (2024-25) year entry was done on 14-Jun-2024 via ECR#26511, after that taxpayers were able to file the mentioned return with late fee because the due date to file the mentioned return was 10-Jun-2024. After that taxpayer re-opens the ticket for the reversal of late fee. **Root Cause:** Entry of Financial Year (2024-25) in				ers.		

				"Return Amendment Cutoff Date Details" database table was not present. It is a manual activity that happens every year in the month of March. During FY 2024-25 in March 2024, it was missed to add this financial year entry. It is a manual activity that happens every year in the month of March. During FY 2024-25 in March 2024, it is missed to add this financial year entry.						
6	CMP-08	Two taxpayers (GSTIN-18CKUPG1203R1ZN and 27AEBPL0869B2	Issue in filing CMP08 return for Jan-Mar 2024 return period.	Two taxpayers were unable to file CMP08 return for Jan – Mar 2024 return period. Two taxpayers have raised tickets stating that, they are not able to file CMP08 return	EVP Services	45642	2	Yes, Total amount of Rs. 4,58,984 /- for both taxpayers will be credited in	Known	The issue of 'turnover calculation topology' was fixed under RQM#26292, and it was deployed in production on date

		ZR)		for Jan – Mar 2024 return period. While filing, taxpayers are getting error as 1. The turnover reported exceeds the threshold limit for availing composition scheme. Please check and correct the values before next attempt to file. 2. If the turnover is correct, then please opt out of Composition Scheme from the date when the turnover exceeded the threshold and file CMP-08 return up to the date of exceeding the threshold. 3. After the date of opting out of composition scheme, return shall be filed as a normal taxpayer for the remaining				the cash ledger. For GSTIN: 18CKUPG1203R1ZN, amount of Rs. 3,71,336 /- (Rs. 1,85,668 /- for CGST and SGST each). For GSTIN: 27AEBPL0869B2ZR, amount of Rs. 87,648 /- (Rs. 43,824 /- for CGST and SGST each).		07 Feb 2024 via ECR#24603.

				period.” Composition taxpayer has a threshold limit of Rs. 1.5cr (when taxpayer deals only in Goods) or Rs. 50 lacs (when taxpayer is Services provider). Here first GSTIN (18CKUPG1203R1ZN) is a ‘Goods’ dealer and turnover limit applicable is 1.5 Cr and second GSTIN (27AEBPL0869B2ZR) is a ‘Services’ provider and turnover limit applicable is 50 lacs. Both taxpayers were able to file CMP08 Oct-Dec 2023 despite their turnover has crossed the threshold limit. This has happened because turnover						

				calculation topology was not working from 25 Nov 2023 to 07 Feb 2024 in production after CDP upgradation activity (happens on 25 Nov 2023). Turnover of previous return periods were not added to the turnover of current return period and taxpayers were able to file CMP08 return with more turnover than their threshold limit. In this case, taxpayers have filled CMP08 quarter for Oct-Dec FY 2023-24 during the period when turnover calculation topology was not working and due to which system was allowing taxpayers to file the return with more						

				turnover than the allowed turnover. In this case taxpayers have crossed the turnover and have filed the CMP08 quarter for Oct-Dec FY 2023-24. But since taxpayers have already filed the CMP08 quarter for Oct-Dec FY 2023-24 with more turnover than the allowed turnover, the system is not allowing those taxpayers to file CMP08 return for Jan – Mar 2024 return period.						
7	Refund	Issue forwarded by ICEGATE	Double refund for SB005 shipping bills for Risky exporters	For Risky exporters, shipping bill records are transmitted by ICEGATE, and refund applications are generated by GST system for such records.	EVP-1, Services	16.12.2024	19 ARNs (6 ARNs were purged and for 13 ARNs	Yes (Rs ₹3,89,39,116.20 to be recovered from Taxpayer through	Known	Data fix was done for purging of ARNs with Acknowledgement status (for disabling further sanctioning) and

				ICEGATE shared a file containing 330 shipping bill records with SB005 status. Out of these, the GST system successfully processed 323 records, generating 70 ARNs on September 17, 2024. On December 6, 2024, ICEGATE informed GSTN that Customs had also disbursed refunds for 127 of these records. Upon analysis of the 127 records, it was found that GST system generated 19 ARNs were generated for these records. Out of these 19 ARNs, 4. 4 ARNs in Acknowledgement status – Amount			recovery to be made by Jurisdictional officer)	Jurisdictional officers)		Refund rejected status (for disabling appeal) from GST system. A recovery process was initiated through jurisdictional officers for 13 ARNs due to duplicate refunds amounting to ₹3,89,39,116.20. As on March 31, 2025, ₹67,11,164 has been recovered for 4 out of these 13 ARNs.

				Involved is Rs 34,59,92,305 5. 2 ARNs in Refund rejected status – Amount involved is Rs 80,84,832.85 6. 13 ARNs in Refund sanctioned status – Amount involved is Rs 3,89,39,116.2 ICEGATE did not lock shipping bills for further disbursement once it was forwarded to GST system for generation of refund application. <u>Proposal:</u> It is proposed before ITGRC to give permission to post negative entries in the electronic cash ledger of the GSTINs where recovery is pending.						

Court Directions										
S. No.	**Module**	**Issue reported By**	**Issue in Brief**	**Detailed Description**	**Approved By**	**Date of Approval**	**No. of Cases Impacted**	**Financial Implication (Yes/ No)**	**Correct Data Known / Not Known**	**Status**
1	ITC-01	-	Court direction to enable the portal for ITC-01 filing.	M/s Mobile Care (GSTIN 19AJYPA8957B1ZP) missed the 30-day deadline to file Form ITC-01 and claim Input Tax Credit after shifting from Composition to Normal taxpayer. **Problem Statement:** The Hon'ble High Court Calcutta has directed the West Bengal Government to facilitate the filing of ITC-01 by the taxpayer, M/s Mobile Care. In compliance, the West Bengal Government has issued an	CNAB	27.01.2025	1	No	Known	Code fix is not required. ITC-01 was opened to this taxpayer on 21-Jan-2025 by running a utility.

				order requesting GSTN to enable the portal for ITC-01 filing. **Root Cause:** The taxpayer applied to shift from the composition scheme to being a Normal taxpayer by filing CMP 04 on 11th November 2021. However, the petitioner failed to upload the Form GST ITC 01 within the 30-day limit due to COVID 19.						

Table Agenda Note on Waiver functionality to be placed before 24th ITGRC Meeting to be held on 16.07.2025.

Subject: **Technical Issues requiring data fixes in the waiver functionality – reg**

Functionality for waiver scheme is implemented in GST portal for both the taxpayers and tax officers from the first week of January 2025. It is learnt that tax officers have come

Multiple credit entries posted in Liability ledger:

Due to technical error, multiple credit entries were made in liability ledger while issuance of waiver order (SPL 05). These credit entries must be given offset in the liability ledger through data fix.

After receiving the cases from the Centre and States, corresponding reversal entries must be given in the liability ledger through data fix. The details of the data fix will be placed before ITGRC post execution.

In principal approval is requested to carry out the data fix.

Technical Issues Being Presented For Review Before 24th ITGRC

S. No.	Types of Issues	Count
1	Technical issues with no financial Implications – Correct data known	34
2	Technical issues affecting locally with financial implications – Correct data known	7
3	Court Directions	1
4	Technical Issues requiring data fixes in the waiver functionality	4

1. Technical Issues With No Financial Implications – Correct Data Known

1. Non display of B2B invoices under GSTR6A.

#	Heading	Details
1	**Issue Summary**	Non-display of B2B invoices in Form GSTR-6A of July & August 2017 return period for one of the ISD taxpayer.
2	**Issues Description**	A ticket (G-2024052811929039) was received wherein a taxpayer informed that B2B invoices filed in GSTR 1 of July and August,2017 are not appearing in GSTR6A of ISD recipients.
3	**Reason**	After analysis, it was found that some values such as "invoice type" in the backend HBase tables, were not properly updated for 69 invoices. Hence, GSTR6A form of the ISD recipient is not able to read the JSON and taxpayer is not able to see those invoices in GSTR6A.
4	**Status**	Datafix was Done and the missing field ("Invoice Type" and "IsEdit") was added to the JSN column for respective records in GSTR 1.
5	**Financial Implications**	No
6	**No. of Impacted Cases**	1 GSTIN

2. Mismatch in the Annual Aggregate Turnover .

#	Heading	Details
1	**Issue Summary**	Mismatch in the Annual Aggregate Turnover (AATO)
2	**Issues Description**	GST system processes data from GSTR 3B and CMP08 filings to calculate turnover (AATO) of the taxpayers. The records are stored in HBase tables in the backend. Every hour, a system process (periodic bolt) calculates the aggregate turnover and updates the MySQL master tables. However, some records are intermittently missed by this hourly process, leading to incomplete turnover data in the MySQL tables. Further there is no process to run the batches for missed records.
3	**Reason**	Mismatch in the AATO of the taxpayers because few records are getting missed intermittently during the pick-up and processing from Hbase tables for AATO calculation. The exact AATO could not be updated to the relevant master tables.
4	**Status**	The permanent fix of this issue has been incorporated "Changes in computation of aggregate turnover" given for AATO design change which has been deployed to production on 26th May, 2025. The permanent fix made in this case will maintain track of all missed records in future, however the records missed prior to implementation of this fix will be executed through utility only.
5	**Financial Implications**	No
6	**No. of Cases**	108 (Already reported in earlier 23rd ITGRC)

3.Issue in filing GSTR 3B.

#	Heading	Details
1	**Issue Summary**	Issue in filing GSTR 3B
2	**Issues Description**	The taxpayer is not able to file GSTR-3B for the April,2024 month due to two entries present in return filing status table maintained in the backend
3	**Reason**	The issue occurred when a taxpayer opens multiple tabs to file GSTR-3B and performs actions on each tab simultaneously. In one of the tab on the questionnaire page, the taxpayer selected to file NIL return directly, thus creating an entry in the system showing the return as filed (FIL) with no payment entries in the ledger. The system timestamps show that this action was completed instantly. Meanwhile, in a second tab that was already open, the taxpayer went through the entire return filing process and completed the offset and filed the return with zero values, thus creating another entry in the system with a status of "FRZ", indicating that offset was performed. Since these actions happened simultaneously two entries of NIL and FRZ were created in the backend return filing status table resulting in defect of non filing of GSTR 3B.
4	**Status**	Data Fix is done. Permanent Fix: Through CR-22721 Part-B, deployed in production on 23rd August 2024.
5	**Financial Implications**	No
6	**No. of Cases**	1

4. Mismatch between Hbase and Ledger data.

#	Heading	Details
1	**Issue Summary**	Mismatch between HBase and Ledger data.
2	**Issues Description**	Taxpayers have raised tickets reporting that the amount is not reflecting in the Electronic credit ledger statement for the reported return period. On further analysis, it was found that their mismatch in the data entered vis-à-vis payment made
3	**Reason**	On analysis of the issue, it was found that in certain situations due to technical glitches system is storing different values in the HBase tables and the Ledger entries of the taxpayers. (The table 6 of GSTR 3B i.e. the payment table is auto-populated from values in table 3 i.e. Outward supplies and table 4 i.e. ITC Availed. Post the payment of the liability, the values are then posted to the respective ledgers i.e., the Cash, ITC and Liability ledgers.). On reporting of these values on the GST portal, the data is thereby stored in Hbase Data. These mismatches have occurred due to the following reasons: 1.Taxpayers could previously open the GSTR-3B form in multiple browser tabs after logging into the GST portal. This unrestricted behavior sometimes caused data conflicts. 2.When values are auto-populated in GSTR-3B from GSTR-1 and/or GSTR-2B, some taxpayers still opted to file a Nil return, ignoring the populated data. 3.In cases where auto-population didn't occur, taxpayers manually entered values and later chose to file a Nil return. 4.In certain instances, 'Save' requests were processed even after the offset process had been completed, leading to inconsistency.
4	**Status**	1. A code fix was deployed to production following UAT approval under RQM 16239 as part of ICR 7261 on 15th March 2020. 2. For Points 2 and 3: Fixes were implemented under CR #22721 Tranche B and moved to production after UAT approval on 23rd August 2024, under ICR-27321. 3. This issue was addressed under CR #22721 Tranche A, with deployment to production after UAT approval on 1st January 2024, under ICR-24072.

5. Issue in filing GSTR-1 for period (2017-22).

#	Heading	Details
1	**Issue Summary**	Taxpayers were unable to File GSTR-1 for older return periods (2017- 2022) in cases where they had submitted the same return earlier but had not filed the same.
2	**Issues Description**	From 2017 to 2022, the GSTR-1 filing process had three steps: Save, Submit, and File. In 2022, this was changed to just two steps: Save and Proceed to File (PTF). When GSTR-1 was submitted earlier, the system used to mark it with a 'FRZ' (frozen) flag in the backend. Now, if a taxpayer tries to file GSTR-1 for an old period (when the old Save-Submit-File process was used), they may see an error saying: "Preparing data for filing, Please try again later".
3	**Reason**	GST system checks submit status of GSTR 1 return from two tables. RETURN_SUBMIT_STATUS_CACHE table which in turn fetches data from RTN_REQ_DETL table. Due to limited storage in the backend and heavy data load certain tables with the records prior to March 2024 in the backend were archived. However, due to this archival of these tables, the taxpayers who were filing delayed GSTR-1 returns could not file as the system could not fetch their details. Hence the system responds with an error and thereby user was unable to file their returns.
4	**Status**	Permanent fix is under testing and for the resolution of the tickets we copied data from the achieved table to the new table.
5	**Financial Implications**	No
6	**No. of Cases**	278 (Already reported in earlier 23rd ITGRC)

6. Issue in closing the audit case IDs from BO portal.

#	Heading	Details
1	**Issue Summary**	Audit officer(L3) is not able to close the audit case IDs from BO portal.
2	**Issues Description**	Three SDM tickets were raised by officers from West Bengal saying that Audit Officers (L3) are unable to close audit case IDs on the BO portal — the cases are still showing as open. As per the current audit module design, an Audit Officer (L3) can only close a case after issuing the ADT-01 notice. In these cases, the officers did not issue ADT-01 but still want to close the cases. Since the system requires ADT-01 to be issued first, it is not allowing the cases to be closed.
3	**Reason**	Since the required notice (ADT-01) hasn't been issued, the system is not allowing officers to close the audit case IDs.
4	**Status**	Data fix for these cases is completed via ICR#28808 on 26-Dec-2024. Permanent fix is deployed in production under CR#26203 via ICR#29946 on 7-Mar-2025 and the officer can close cases before issuance of ADT-01.
5	**Financial Implications**	No
6	**No. of Cases**	4

7. Issue in filing Form GST ITC 01 using the Offline Tool.

#	Heading	Details
1	**Issue Summary**	Two taxpayers are unable to file Form GST ITC 01 using the Offline Tool.
2	**Issues Description**	Taxpayers GSTIN 03AMSPS6917J1ZF and GSTIN 03AAXPS6368N1ZM are not able file Form GST ITC 01 using offline tool due to technical issue within the specified time limit. Whenever taxpayers are uploading the Json file in the GST portal, system is showing the validation error as "Error in JSON structure validation for GST ITC01 return".
3	**Reason**	As per the functionality, if any taxpayer wants to file the ITC01 return form via 'Offline Tool' then the taxpayer has to download the offline tools and fills the value in that offline tool and generates the JSON file and after that taxpayer has to upload the JSON file in GST portal. There was a defect in the 'Offline Tool' that, the return period inside the JSON file was not in the correct format. Correct format of date in JSON should be in MMYYYY(Eg:082024) format. But the date format available in JSON (generated by offline tool) was in MM(Eg:08) format. Due to this defect, while taxpayer was uploading the JSON on the GST portal, the system is giving a validation error which is "Error in JSON structure validation for GST ITC01 return".
4	**Status**	Permanent fix under RQM#26742 was deployed to production via ICR#26289 on 5-Jun-2024.Reported cases belong to the period prior to permanent fix. Data fix will be carried out after the approval of ITGRC.
5	**Financial**	No

8. Rejected records by Supplier in GSTR2X are not visible to TDS in GSTR 7

#	Heading	Details
1	**Issue Summary**	Rejected records by Suppliers in GSTR2X are not visible to TDS user in Table 4 of GSTR 7 for any further actions.
2	**Issues Description**	Seven taxpayers (Deductees) have reported that the rejected records in GSTR 2X are not visible to TDS users (Deductors) in Table 4 (Amendments to TDS detail) of GSTR7 to take any action on such rejected records. Normally, rejected records should show up in Table 4 in the next return period, but that didn't happen in these cases. Whenever supplier rejects any record in GSTR 2X form then system process this case with the help of 'Kafka'. On analysis it was found that, in this case system was not able to process the rejected records.
3	**Reason**	This issue occurred because when the supplier rejected the record, it was sent to Kafka for processing. However, Kafka did not process it, so the rejected record did not appear in Table 4 of GSTR-7 for the TDS user in the next return period.
4	**Status**	Data fix is completed on 22-Feb-2025. No further ticket is raised on this issue.
5	**Financial Implications**	No
6	**No. of Cases**	7

9. Issue in auto populating the details in the draft Form GST DRC-08A

#	Heading	Details
1	**Issue Summary**	Tax officer is unable to issue the Form GST DRC-08A because the details related to Form GST DRC-07A are not getting auto populated in the drafi DRC-08A.
2	**Issues Description**	When a tax officer tries to issue a DRC-08A to correct a DRC-07A, the system should automatically fill in the DRC-07A data. But in one case, the data didn't auto-populate, so the officer couldn't issue the DRC-08A.
3	**Reason**	When DRC-07A is created, the system automatically creates a Case Folder ID for it (e.g., 23145041). At the same time, the system also pre-creates the next Case Folder ID for DRC-08A, even if it's not issued yet. Later, when DRC-08A is issued, the system uses the DRC-07A Case Folder ID to auto-fill relevant data. In this case, the system should have created Case Folder ID 23145042 for DRC-08A, linked to 23145041 (DRC-07A). But at the exact time 23145042 was supposed to be assigned to DRC-08A, a request from the Audit module used that ID instead. As a result, DRC-08A got Case Folder ID 23145043. Now, when DRC-08A was being created, the system looked at 23145042 (assuming it's the DRC-07A ID), but since that ID belonged to the Audit module, no data was pulled, and DRC-08A remained blank.
4	**Status**	Data fix is completed on 8-Feb-2025 via ICR#29514. Permanent fix is deployed in production under RQM#28541 via ICR#29514 on 8-Feb-2025.
5	**Financial Implications**	No

10. Issue in enabling the GSTR 9 tile

#	Heading	Details
1	**Issue Summary**	GSTR9 tile is not enabled to the taxpayer.
2	**Issues Description**	Five taxpayers reported that the GSTR-9 annual return tile for FY 2022-23 was not enabled, so they couldn't file their returns.
3	**Reason**	To enable the GSTR 9 annual return tile for a taxpayer, GST system checks for an entry called "R2A" in 'Return Summary Request" table. The R2A entry is added during batch runs, with the last run on 15-Oct-2024. However, the batch only adds entries for active taxpayers. After analysis, it was found that for these reported cases, the R2A entry was missing in the 'Return Summary Request' table for FY 2022-23. These taxpayers were inactive at that time, so the entry was not added.
4	**Status**	There is no defect in the system for this issue. Data fix for these cases is completed on 30-Dec-2024 via ICR#29012.
5	**Financial Implications**	No
6	**No. of Cases**	5 (Discussed in earlier 23rd ITGRC)

11. Issue in auto populating the data in Table 7 of GSTR 4.

#	Heading	Details
1	**Issue Summary**	Issue in auto populating the data in Table 7 of GSTR 4.
2	**Issues Description**	Incorrect auto-population of Table 7 of GSTR-4 for the FY 2021-22 with the data belonging to the FY 23-24. The taxpayer received the relevant TDS/TCS credits, during January and March 2024. Reflecting these entries in Table 7 of GSTR-4 for FY 2021-22 (April 2021 to March 2022) is incorrect, as it does not correspond to the actual period of reporting of the same in Table 3 of GSTR 7. Note: Table 7 of GSTR 4 is auto populated from Table 3 of GSTR 7(TDS return), when the supplier(Deductee) accepts the entry in GSTR-2X
3	**Reason**	As per current functionality, TDS/TCS entries accepted in GSTR-2X reflect in the open period of GSTR-4, irrespective of the actual deduction period. As per current functionality, supplier data pertaining to FY 2023-24 and 2024-25 is being incorrectly auto-populated in Table 7 of GSTR-4 for FY 2021-22, merely because FY 2021-22 is the open period for the GSTR-4X taxpayer.
4	**Status**	This is a defect in the system from the beginning which will be fixed as a new requirement. A tranche of CR#25785 will be created to make the necessary change once ongoing GSTR7 CR goes into production because this requirement having a dependency on ongoing GSTR7 CR(28507B). Data fix is completed on 13-Mar-2025.
5	**Financial Implications**	No

12. Issue in populating fields in Draft Audit Report and ADT-02 in BO

#	Heading	Details
1	**Issue Summary**	Missing Date Fields and Duplicate Audit Officer Names in DAR and ADT-02 Reports.
2	**Issues Description**	It was noticed that due to technical issue, fields like "Financial Year," "Audit Period," and "Start of Audit" are not showing up in the draft audit report (DAR) and ADT-02 report and the audit officer's name is appearing multiple times in the 'Case Details' tab and the DAR report.
3	**Reason**	There was a problem in the system when a taxpayer made a voluntary payment through DRC-03 for ADT-01. If the payment failed, the system didn't undo the transaction properly, so empty (null) data got saved in the "Audit Master" and "Audit Form JSON" tables. When the payment succeeded later, the correct data was saved in these tables. This means that for one case, there could be multiple records: some with empty data from failed payments and one with correct data from the successful payment.
4	**Status**	Permanent fix (RQM#26904) was deployed in production on 6-Dec-2024. Data fix is done for impacted cases.
5	**Financial Implications**	No
6	**No. of Cases**	43

13. Issue in appearing the dashboard of the jurisdictional recovery officer or Reco State Admin.

#	Heading	Details
1	**Issue Summary**	Jurisdictional recovery Officer was unable to view Recovery case ID under his dashboard. The recovery IDs were not available in the state admin dashboard as well for reassignment.
2	**Issues Description**	In Maharashtra Jurisdiction, two Recovery cases were not appearing in the dashboard of the jurisdictional recovery officer or Recovery Tab of State Admin. Hence the state admin was also not able to reassign the recovery IDs to the correct jurisdictional officer.
3	**Reason**	As per the system rules, once the demand is issued by the assessment officer and the due date passes, a recovery ID should automatically be created. This ID is assigned to both the Recovery Officer and the Assistant Recovery Officer (if they exist in that jurisdiction).If there is no role of Recovery Officer in that area, the recovery ID will not be assigned to anyone. Earlier the state admin did not have the option to reassign recovery cases. So, the recovery IDs were not visible on the dashboards of either the Recovery Officer or the state admin.
4	**Status**	Permanent fix for Defect was done via CR#23701 on 27-Mar-2024. Data fix is completed on 27-Jan-2025.
5	**Financial Implications**	No
6	**No. of Cases**	2 impacted cases in 1 SDM ticket

14. Tax officers are not able to issue DAR.

#	Heading	Details
1	**Issue Summary**	Tax officers are not able to issue DAR (draft audit report) in Audit functionality in Back office.
2	**Issues Description**	While submitting the Draft Audit Report (DAR), Discrepancies mentioned in "Notice for Discrepancy" are appearing in duplicate which prevented the tax officer from proceeding further.
3	**Reason**	If a taxpayer requested an adjournment before replying to the 'Notice for Discrepancy', and meanwhile the tax officer issued a reminder, then when the taxpayer tried to reply to the said notice, the 'Discrepancy Table' is updated multiple times due to technical issue. Because of this, the same Discrepancy data was saved multiple times in the database and also appeared repeatedly in DAR.
4	**Status**	Data fix is completed on 24-Feb-2025 via ICR#29822. This defect was permanently fixed by the code change via RQM-27411, ICR#27185 on 6-Aug-2024.
5	**Financial Implications**	No
6	**No. of Cases**	4 records in 2 SDM tickets

15. Audit officers unable to issue the ADT-02.

#	Heading	Details
1	**Issue Summary**	Audit officers were unable to issue the ADT-02 after receiving approval from the Senior Audit Officer.
2	**Issues Description**	Audit officers were unable to issue the ADT-02 (final Audit Report) after receiving approval from the Senior Audit Officer. Because a required dropdown menu called "MCM Decision" was not working. it did not show any options to select (like "accepted", "rejected", or "modified"). As "MCM decision" was a mandatory field at the time of issuing audit report. Hence, the audit officer was not able to issue the ADT-02 (final Audit Report).
3	**Reason**	These are the transitional cases initiated before this MCM (Monitoring Committee Meeting) functionality was deployed to production. After implementation of this, now MCM committee decision must be mandatorily incorporated in Audit Report.
4	**Status**	Permanent fix is deployed in production via CR-26442A on 6-Nov-2024. Now Audit officers can issue the ADT-02 after receiving approval from the Senior Audit Officer. These are historical cases prior to permanent fix, Data fix for these cases are completed via ICR#28659 on 29-Nov-2024.
5	**Financial Implications**	No
6	**No. of Cases**	11

16. Tax officer is unable to issue rectification of RFD 06 order.

#	Heading	Details
1	**Issue Summary**	Tax officer not able to issue rectification of Refund (RFD06) order.
2	**Issues Description**	When the tax officer trying to issue rectification of RFD06, the officer was getting the following error message "Rectification of RFD 06 cannot be issued as demand adjustment has been done in RFD 06". Hence, the Tax officer could not be able to do rectification of RFD06.
3	**Reason**	In the refund functionality, Rectification of refund order is not allowed when tax officer has performed the following activities in the original refund order, i. Payment advice(RFD 05) is issued. ii. Recredit order(PMT 03) is issued. iii. Adjustment of refund amount against a demand order has been made in original order. In this case, the officer has issued original refund order and made demand adjustment with ZERO amount. Currently system is allowing to issue demand adjustment with zero amount. However, the system still considered it as a valid adjustment. This is the reason why, the system did not allow the officer to rectify the orginal order.
4	**Status**	Data fix is done to allow the rectification.
5	**Financial Implications**	No
6	**No. of Cases**	1

#	Heading	Details
1	**Issue Summary**	Non-availability of option to remand the case to the original order-issuing authority in instances where First Appellate authority has issued an appeal order.
2	**Issues Description**	A functionality is available in Appeal module to upload high court orders and remand back the demand order back to Adjudicating authority for the purpose of re-adjudication. However, it will work only if no appeal is filed before First Appellate authority for the said demand order in GST system. If Appeal is filed before Appellate authority, remand back can be done only to First Appellate authority. In this case, as the appeal is already filed by the taxpayer before Appellate authority, remand back cannot be done to Adjudicating authority. Therefore, the appeals filed before First Appellate authority must be removed to enable remand back option.
3	**Reason**	Non availability of option to remand back when Appeal is filed before First Appellate authority.
4	Status	Data fix has been provided, and status of the appeal applications have been reverted to 'Submission' status . For permanent fix, CR 28625 is raised.
5	**Financial Implications**	No
6	**No. of Cases**	6

18. Creation of Multiple appeal applications due to technical glitch

#	Heading	Details
1	**Issue Summary**	Creation of Multiple appeal applications due to technical glitch.
2	**Issues Description**	The taxpayer (GSTIN: 19ADVPM7278C1ZV) had filed an appeal against Demand Order No. ZD1908240621937. However, due to a technical glitch, three separate ARNs (AD1911240070900, AD1911240070897, and AD191124007086D) were generated for the same appeal. Subsequently, the taxpayer withdrew all three appeal applications and now intends to file a fresh appeal. However, while attempting to refile, the system displayed the following error message: ***"The maximum time limit for filing an appeal application has exhausted against the Order No. ZD1908240621937".***
3	**Reason**	In existing appeal module, a taxpayer is permitted to withdraw and refile an appeal against a specific original order only twice. On the third instance, the system restrict further refiling of appeal. In the instant case, since three appeal applications were generated against the same original order, the system has restricted the taxpayer from submitting any further appeal.
4	**Status**	Data fix done (ICR-28585) to enable the taxpayer to file one more appeal application.
5	**Financial Implications**	No
6	**No. of Cases**	1 (GSTIN: 19ADVPM7278C1ZV)

19. Rectification of mistake while giving appeal effect to TRAN-1/2 orders.

#	Heading	Details
1	**Issue Summary**	Issue in rectification of mistake while giving appeal effect to TRAN-1/2 orders.
2	**Issues Description**	The Appeal module has a functionality to provide ***"Appeal Effect for APL-04 of TRAN-1/2 Orders"***, which allows the tax officer to give effect to appeal orders related to TRAN-1/2 applications. For these cases, where both the appeal application and the corresponding appellate order are processed manually. However, the Appeal effect functionality does not provide any option for rectification once the appeal effect has been submitted. In two cases, the officers inadvertently committed an error while giving the appeal effect using this functionality.
3	**Reason**	The rectification of appeal effect for TRAN – 1 / 2 orders is not available on GST portal. And the issue happened as the tax officer has committed an error.
4	**Status**	Reset has been provided through data fix so that officer can give appeal effect one more time.
5	**Financial Implications**	No
6	**No. of Cases**	2

20. System not allowing rectification for a demand order .

#	Heading	Details
1	**Issue Summary**	System not allowing rectification for a demand order.
2	**Issues Description**	Request is received from State of M.H to allow second time rectification of a demand order ZD271024067146J with respect to GSTIN 27AAGCD8130P1Z7. In this case, the tax officer has rectified the order ZD271024067146J for the first time and issued rectified demand order with reference number "ZD271024090146K". Against the rectified order "ZD271024090146K", the taxpayer filed an Appeal application (APL 01) before the First Appellate authority vide ARN AD271224039815Z and withdrew the same Appeal application. The tax officer wanted to rectify the demand order "ZD271024090146K". However, the system is not allowing the officer for further rectification when an appeal filed against the said order is withdrawn. Presently, Rectification of demand order is allowed till the filing of appeal application. Also, the rectification is allowed when the filed appeal application is not admitted by the Appellate authority by issuance of rejection order (APL 02). However, rectification is not enabled when the appeal is withdrawn by the taxpayer, and it is a functionality gap in GST back office. For enabling the officer to rectify, the withdrawn appeal (AD271224039815Z) was restored to submission status. When the Appeal is rejected, then the system will allow Officer to rectify an order.
3	**Reason**	Officer made a mistake and there is a functionality gap
4	**Status**	Data fix is given to revert the appeal application to submission status from withdrawn status.
5	**Financial Implications**	No
6	**No. of Cases**	1 (GSTIN : 27AAGCD8130P1Z7)

21. Request to change the date of cancellation as per the revised order issue

#	Heading	Details
1	**Issue Summary**	Maharashtra, Tamil Nadu and West Bengal have requested to change the date of cancellation as per the revision order passed to give the appropriate date of effect to the Order of Cancellation of registration certificate.
2	**Issues Description**	Tax officer wants to cancel the registration ab-initio but there is no BO Functionality available to change the effective cancellation date if any order of revision passed by higher authorities. So cancellation date needs to be updated through data fix from backend.
3	**Reason**	Once the cancellation order has been issued, there is no provision available in the system for Tax officer to change the date of cancellation of registration in view of any revised order.
4	**Status**	Data fix has been done and issue resolved. CR 26380 has been raised to develop the functionality for giving effect of an order issued under Section 108.
5	**Financial Implications**	No
6	**No. of Cases**	108 GSTINs (Maharashtra) and 1 GSTIN (Tamil Nadu), 3 (West Bengal)(Similar issues was discussed in 23rd ITGRC)

22. Updation of mobile number and email for UIN type of taxpayers.

#	Heading	Details
1	**Issue Summary**	Request For updating mobile number and email address through Data Fix for "High Commission of Jamaica".
2	**Issues Description**	Taxpayer (UIN: 0721JAM00001UNM) registered under category of "Consulate or Embassy of Foreign Country" was trying to change the email id and mobile number, but such functionality is not available for this type of taxpayers.
3	**Reason**	Facility to update mobile number and email address is not available for UIN type of taxpayers whose jurisdiction is not available/updated.
4	**Status**	Data fix has been done and issue resolved. Tax Officer can update mobile and mail where jurisdiction available.
5	**Financial Implications**	No
6	**No. of Cases**	1 (UIN: 0721JAM00001UNM) (Earlier discussed in 22nd ITGRC meeting)

23. Issue of Suspended GSTIN.

#	Heading	Details
1	**Issue Summary**	Taxpayer belongs to State Jurisdiction, but his GSTIN has been suspended by the Central Authority.
2	**Issues Description**	After CBIC migration, one defect was observed where central authority raised SCN for State specific GSTIN. Centre officer has raised SCN for Suo moto cancellation against GSTIN 33AAOCS6731M1ZU on 30 Jul 2024. Taxpayer did not file the clarification, and application was automatically submitted to tax officer.
3	**Reason**	During CBIC migration, a check was missed was which enabled center/state jurisdiction officers to act upon cross jurisdiction applications.
4	**Status**	Data fix has been done and issue resolved. Required validation has been implemented that Center/State jurisdiction officers can act upon GSTINs of their jurisdictions only.
5	**Financial Implications**	No
6	**No. of Cases**	1 (GSTIN: 33AAOCS6731M1ZU)

24. Issue in updating the invoices in GSTR-1s for casual taxpayers.

#	Heading	Details
1	**Issue Summary**	Casual taxpayers who are having null registration end date in the database are facing issue in returns module.
2	**Issues Description**	As the end registration date was null, users were facing issue in updating invoices for certain dates in GSTR-1.
3	**Reason**	As per the current code implementation, system is updating registration end date as null in the database in following scenarios if cancellation order is not passed or has been withdrawn. This implementation is present in the system since go live of below use cases. • Drop proceedings of Suo-moto cancellation. • Rejection of self-cancellation application. • Withdrawal of self-cancellation application.
4	**Status**	Data fix done and issue resolved. CR 26172 has been raised for making required changes in the code.
5	**Financial Implications**	No
6	**No. of Cases**	9 GSTINs (Earlier discussed 22nd ITGRC meeting)

25. Cancellation filing for unregistered E-commerce users.

#	Heading	Details
1	**Issue Summary**	Unregistered Ecommerce type of Taxpayer wants to file cancellation but as per existing implementation , there is no functionality to file cancellation for unregistered users.
2	**Issues Description**	Unregistered Ecommerce Type of Taxpayer (E-commerce and Advance Ruling) wants to file cancellation for his GSTIN. But he is not able to do the same as unregistered taxpayers have not been given the facility to file cancellation.
3	**Reason**	Cancellation facility is not available to unregistered taxpayers.
4	**Status**	LC agenda prepared to provide cancellation facility.
5	**Financial Implications**	No
6	**No. of Cases**	7 ECom Supplier's Enrolment ID and 2 Advance ruling/Refund.

26. Revalidating the bank accounts that were returned as invalid IFSC from Canara Bank.

#	Heading	Details
1	**Issue Summary**	Revalidate the bank accounts that were returned as invalid IFSC from Canara Bank during the period from 28/10/2024 to 29/11/2024 due to Data sync up issue at Canara Bank end.
2	**Issues Description**	On 28/10/2024, GSTN went live with Canara Bank for the real time bank account validation. For some days, it was observed that for valid IFSC codes also, we were getting Invalid IFSC as response from Canara Bank end. Due to this, even for valid account details (Account number / IFSC), taxpayers were getting Invalid IFSC response and same was updated in the ACCT_DETL table, once the non-core amendment application was submitted. The same was conveyed to Canara Bank and they did fix on 29/11/2024.
3	**Reason**	The issue was with Canara bank, the Canara Bank rejected various a/c validation requests containing correct IFSC code, once correction was done at Canara Bank, we re-initiated the affected a/c numbers for revalidation via data fix.
4	**Status**	Data fix is done.
5	**Financial Implications**	No
6	**No. of Cases**	1778 Bank Accounts

27. Issue in restoration of the self cancellation approved ARN before Self Cancellation Order got generated.

#	Heading	Details
1	**Issue Summary**	Tax officer has restored the Self Cancellation approved ARN before Self Cancellation Order got generated.
2	**Issues Description**	A taxpayer (GSTIN: 27AALHB4703J1ZB) had applied for self-cancellation of their GSTIN. Self cancellation was approved around 14:29:09 on 17 Dec 2024 , but the order to cancel was not yet generated. But before execution of the job, the officer has done Restoration for the Self Cancellation ARN from which the GSTIN became Active around 17 Dec 2024 14:38:11. However, just a few minutes later (at 2:38:37 PM), a system job ("Process New Reg") kicked in and continued processing the old cancellation, unaware that the GSTIN had just been restored. As a result, the system cancelled the GSTIN again.
3	**Reason**	Before the execution of batch run of cancellation process, officer-initiated request for restoration and system restored the GSTIN before cancellation request could get completed.
4	**Status**	Data fix done and issue resolved.
5	**Financial Implications**	No
6	**No. of Cases**	1 (GSTIN: 27AALHB4703J1ZB)

28. Aadhaar Verified date is showing as future date to end user.

#	Heading	Details
1	**Issue Summary**	Taxpayers have completed Aadhaar authentication but Aadhaar Verified date is showing as future date to end users.
2	**Issues Description**	Taxpayers have completed Aadhaar authentication successfully on 29th, 30th and 31st December 2024 but while checking it is showing year 2025 instead of 2024.
3	**Reason**	Date format parser was not behaving as expected.
4	**Status**	Data fix done and issue resolved.
5	**Financial Implications**	No
6	**No. of Cases**	27834 GSTINs

29. Activation of the GSTIN on the request of DG Systems, Chennai.

#	Heading	Details
1	**Issue Summary**	DG Systems, Chennai has requested for activation of the GSTIN as it was suo-moto cancelled due to non-filing of monthly returns.
2	**Issues Description**	The TDS user M/s. Executive Engineer National Highway Division Pen Raigad (GSTIN 27PNEE01716B1DK) have been cancelled suo-moto due to non-filing of monthly returns continuously for six months. As per the current Business rule, the TDS type of Taxpayers are eligible to apply for Revocation within 270 days only, but the timeline has already passed for the shared GSTIN and Restoration Registration functionality is not implemented for type of TDS/TCS Taxpayers. Hence GSTIN need to be activated from backend.
3	**Reason**	Restoration Registration functionality is not implemented for TDS/TCS Taxpayers.
4	**Status**	Issue was permanently resolved via CR 26349-B deployed in PROD on 02/Dec/2025.
5	**Financial Implications**	No
6	**No. of Cases**	1 GSTIN (27PNEE01716B1DK)

30.Refund Filing Issue for Casual Taxpayer Due to Non-Generation of ARN

#	Heading	Details
1	**Issue Summary**	Issue in refund filing of a Casual taxpayer whose registration was not granted.
2	**Issues Description**	For Casual Taxpayers (CTP), the GST system assesses a risk score at the time of submission of registration application. If the registrant is flagged for Biometric Aadhaar Authentication and fails to complete it within the stipulated time, the system does not generate any Application Reference Number (ARN). Due to this, the registration application does not get assigned to either Central or State tax authorities. However, since CTPs are required to make an advance deposit at the time of application, the deposited amount remains in the Cash Ledger. When such applicants attempt to file a refund claim for this amount, the system throws an error due to the absence of a mapped jurisdiction (i.e., no Tax administration exists).
3	**Reason**	Since the ARN is not generated, mapping with Centre/State administration could not be done by the system. Therefore, refund application could not be filed.
4	**Status**	**Proposed solution:** For the CTP registrant's (registration) application where ARNs is not generated and subsequently no tax administration is mapped, it is suggested that these CTPs are mapped with STATE authorities so that the refund application can be filed by the registrant. Data fix will be given after the approval of ITGRC.
5	**Financial Implications**	No
6	**No. of Cases**	3

31. Negative balance in export ledger due to amendment of SEZ invoice.

#	Heading	Details
1	**Issue Summary**	Negative balance in export ledger due to amendment of SEZ invoice.
2	**Issues Description**	M/s Dasami Lab Private Limited (GSTIN 36AADCH6634H1ZJ) has initially reported SEZ supply with payment of duty for three invoices in July 2024 under 18% IGST (Total - Rs 1,62,54,567). Subsequently the invoices were amended in August 2024 with 5% IGST (4515,157). However, the SEZ amendment value is not captured in export ledger leading to negative balance of Rs 1,17,39,410/-. The negative value (deficit) in the export ledger is not allowing further eligible invoices to get transmitted to ICEGATE.
3	**Reason**	In the export ledger, the amendment of SEZ invoices are not captured and export ledger is not adjusted accordingly. Therefore, although the taxpayer has made downward amendments, the system does not identify the same in calculating in export ledger computation.
4	**Status**	The export ledger has to be given offset of Rs 11,739,410.26 through the data fix. Permanent fix has to be given in any upcoming development.
5	**Financial Implications**	No
6	**No. of Impacted Cases**	1 (Similar issue reported in 22nd ITGRC)

32. Refund ARNs (filed before migration) not available for Center officer

#	Heading	Details
1	**Issue Summary**	Refund ARNs which are filed and processed before migration were not available in dashboard of Center officer
2	**Issues Description**	Tax officer was unable to process some Refund applications because such ARNs were not included as part of migration activity.
3	**Reason**	During the CBIC ARN migration, certain ARNs with the status Refund Sanctioned Partially (RSP)—where the Payment Order (RFD-05) had been issued but PMT-03 was still pending—were inadvertently excluded from the migration process. Due to this, the officers were not able to issue PMT 03 for the rejected amount. Consequently, a data fix was required to migrate these ARNs and make them visible to the tax officer.
4	**Status**	Data fix was provided to make migrate these ARNs to Center tax officer
5	**Financial Implication**	No
6	**No. of Cases**	56

33.Issue in sending 'Payment advice' files to PFMS.

#	Heading	Details
1	**Issue Summary**	Issue in sending 'Payment advice' files to PFMS.
2	**Issues Description**	On 09.01.2025, refund payment files (R1) were sent to PFMS for disbursement. However, due to a technical issue in the GST system, some of the files were not transmitted completely. As a result, about 600 ARNs, involving an amount of ₹114.24 crore, were affected. For these ARNs, the GST portal shows the status as **"Disbursement request sent to PFMS"**, but on the PFMS portal, the status is **"Records not received from GST system"**.
3	**Reason**	Payment files are generated state-wise, with each file containing a maximum of 100 records. If a state has more than 100 records, multiple files are created. Once the payment file is generated, the status of each ARN in that payment file is marked as "Work in Progress" (WIP) in the tracking table, which means **"Disbursement request sent to PFMS"**. However, due to a counter issue (in the batchdb), the first file (which had the first 100 records) was accidentally overridden by the next file and only latest created file was transmitted to PFMS . However, the status of ARNs of the over ridden files remained as "WIP". As a result, although the GST portal showed that the refund request was sent to PFMS (the payment system), the actual payment information was never transmitted.
4	**Status**	The status of the impacted ARNs were changed from "WIP" to "PEN" through data fix so that payment files were regenerated for these impacted ARNs.
5	**Financial Implication**	No
6	**No. of Cases**	600 ARNs

34. Issue in selecting the Composition opt out date from the Previous FY.

#	Heading	Details
1	**Issue Summary**	Taxpayers are unable to select the Composition opt out date from the Previous Financial Year though their turnover has exceeded in the previous FY.
2	**Issues Description**	Circular No. CBEC-20/16/04/2018-GST dt 31.12.2018 provided that the date of withdrawal from composition scheme may not be prior to the commencement of FY in which such intimation/application for which the withdrawal has been filed. System restricts the taxpayer if he wants to file the application in current Financial year by asking him to select the opt out date from the previous FY. Due to this restriction, taxpayers are not able to file returns and are getting impacted with Late fee and interest.
3	**Reason**	Taxpayers are allowed to select any date as their Composition opt out date across the FY only and not from Previous FY.
4	**Status**	Data fix done and issue resolved. Changes will be taken up in CR 28514 C.
5	**Financial Implication**	No
6	**No. of Cases**	2 GSTINs (27AEBPL0869B2ZR and 27AEBPL0869B1ZS)(Similar issues were discussed in 21st and 23rd ITGRC)

2.. Technical issues affecting locally with financial implications – Correct data known

1. Issue in filing of GSTR-3B

#	Heading	Details
1	**Issue Summary**	While filing GSTR3B some of user are getting the error " Issue while filing GSTR-3B - "Error! Payment amount should not exceed the outstanding.
2	**Issues Description**	This issue was repeated for a taxpayer who was registered under composition scheme and filed GSTR-4 and later opted out of composition scheme. In GSTR 4 , the system allowed taxpayers to file their delayed returns with less/more than the actual late fee applicable for that period as filing of GSTR-4 was a two step process where late fee till "Submit" of GSTR-4 used to collected in same month and late fee from "Submit" stage to actual offset used to be collected in next period GSTR-4. Further, in case where the taxpayer paid partial late fees, the balance late fee was transferred to the next month. However, due to a technical glitch in the system, the late fees paid by the taxpayer more than Rs 5000 was considered as a negative entry in the system; though it was correctly paid by the taxpayer. When the taxpayer shifted from composition to regular scheme, the system did not allow them to file GSTR-3B as they had a negative entry in the late fee ledger and throw an error that payment should not exceed the outstanding liability.
3	**Reason**	The system considered any amount over Rs. 5000 as excess and recorded it as a negative entry in the liability ledger. This negative balance automatically adjusted any late fee in the subsequent month, even though the taxpayer didn't actually pay the excess amount.
4	**Status**	Datafix Done. For mentioned 5 cases, Rs. 10870/- were added to additional late fee liability ledger which need to be paid in cash.
5	**Financial Implication**	Yes. Total – Rs.10870/-, (CGST – Rs.5,435/-,SGST – Rs.5,435/-)
6	**No. of Cases**	5 (Similar issues were discussed in 22nd & 23rd ITGRC meeting)

2. Late fee applied twice to the taxpayer who got cancelled in between a quarter.

#	Heading	Details
1	**Issue Summary**	Late fee applied twice to the taxpayer who got cancelled in between a quarter.
2	**Issues Description**	Taxpayer has raised a ticket that late fee has been paid by him twice for the return period (Jan-March,2024) due to cancellation and revocation of his registration.
3	**Reason**	As per the analysis the taxpayer was a quarterly filer from 01-07-2022. He filed his Nil 3B for Jan-Mar 2024 quarter as a quarterly filer on 2024-05-29, which is 37 days after the due date which was 22-04-2024. Due to late filing, applicable late fee was Rs.370 per head (37xRs.10=Rs.370) but as per max cap of Rs. 250 per head the final late fee applicable was 250/head. The taxpayer got cancelled on 07-05-2024 with effective date 11-04-2024, which was in-between the quarter. Considering March 2024 as his last filed return period the system collected late fee of Jan to March 2024 quarter in his last return filed for the month of April 2024 on 30-05-2024 with applicable late fee of Rs. 250/head. The taxpayer again got active on 31-05-2024, and as taxpayer was in quarterly scheme, the system again considered Jan-March 2024 quarter as his last filed return and again collected the late fee of Jan-March 2024 in June 2024 which taxpayer filed on 03-08-2024.Thus collecting the late fee twice for the same period.
4	**Status**	Datafix Done.
5	**Financial Implication**	Yes (Total - Rs.500/-) CGST: - Rs. 250/- SGST: - Rs. 250/-

3. Refund of GSTR 3B late fee.

#	Heading	Details
1	**Issue Summary**	Refund of GSTR3B late fee.
2	**Issues Description**	Incorrect late fee was applied to 8 taxpayers because of non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this wrong due date, the late fee was getting calculated incorrectly.
3	**Reason**	Due to non-availability of AATO in the system, the due date for quarterly users was showing as 20th instead of 22nd/24th. Due to this wrong due date, the late fee was getting calculated incorrectly.
4	**Status**	Data fix is Done. permanent fix, reference to RQM 28308, was deployed on 30 Dec 2024 via ICR 28982.
5	**Financial Implication**	Yes (Total-Rs.1,036/-) Late Fee: Rs. 860/- Interest -Rs.176/-
6	**No. of Cases**	8

4. Duplicate entries in Ledger and settlement.

#	Heading	Details
1	**Issue Summary**	Duplicate entries in Ledger and settlement tables.
2	**Issues Description**	7 Taxpayers raised concern that after filing GSTR3B for Jan 2024, duplicate filing entries were reflecting on the Electronic credit ledger statement for the same return period.
3	**Reason**	This happened because of two offset requests were getting processed in two different pod servers for the same return period. The first offset request was running on one pod server, but due to a delay in processing, a second offset request was processed successfully on a different pod server. With respect to second request, offset has been done successfully. However, since the first offset request was still in the queue, it was processed later, leading to duplicate entries in the Ledger, Filing, and settlement tables.
4	**Status**	Data fix has been Done. Permanent fix has been deployed in production on 27th April 2024 via ICR-25546.
5	**Financial Implication**	Yes (ITC - Rs 3,66,913 and Cash - Rs 2,86,951 ; Total - Rs 6,53,864)
6	**No. of Cases**	7

5. Issue in filing GSTR-7 & GSTR-8 by TDS and TCS users.

#	Heading	Details
1	**Issue Summary**	Eleven taxpayers (four TDS and seven TCS) have raised tickets that they were not able to file GSTR7 and GSTR8 return forms respectively for May 2024 return period. Post fixing this issue taxpayers were able to file the mentioned return forms with late fee, but these taxpayers have re-opened the tickets for the reversal of late fee.
2	**Issues Description**	On analysis, it was identified that financial year entry for 2024-25 was missing in "Return Amendment Cutoff Date Details" table. Due to which System was displaying the message "Proceed to File in Progress. Please check after some time." Financial (2024-25) year entry was done on 14-Jun-2024 via ECR#26511, after that taxpayers were able to file the mentioned return with late fee because the due date to file the mentioned return was 10-Jun-2024. After that taxpayer re-opens the ticket for the reversal of late fee.
3	**Reason**	Entry of Financial Year (2024-25) in "Return Amendment Cutoff Date Details" database table was not present. It is a manual activity that happens every year in the month of March. During FY 2024-25 in March 2024, it was missed to add this financial year entry.
4	**Status**	Datafix is for reversal of late fee was completed on 14-Dec-2024 via ICR#28694.
5	**Financial Implication**	Yes. (Total amount of Rs. 1,05,380/- (CGST: Rs. 3,750/-, SGST: Rs. 3,750/- and Interest: Rs. 97,880/-) to be reversed to 11 impacted taxpayers).
6	**No. of Cases**	11 (4 TDS & 7 TCS users)

6. Issue in filing CMP08 return for Jan-Mar 2024 return period.

#	Heading	Details
1	**Issue Summary**	Two taxpayers were unable to file CMP08 return for Jan – Mar 2024 return period.
2	**Issues Description**	Two taxpayers have raised tickets stating that, they are not able to file CMP08 return for Jan – Mar 2024 return period. While filing, taxpayers are getting error as: 1. The turnover reported exceeds the threshold limit for availing composition scheme. Please check and correct the values before next attempt to file. 2. If the turnover is correct, then please opt out of Composition Scheme from the date when the turnover exceeded the threshold and file CMP-08 return up to the date of exceeding the threshold. 3. After the date of opting out of composition scheme, return shall be filed as a normal taxpayer for the remaining period. Composition taxpayer has a threshold limit of Rs. 1.5cr (when taxpayer deals only in Goods) or Rs. 50 lacs (when taxpayer is Services provider). Here first GSTIN (18CKUPG1203R1ZN) is a 'Goods' dealer and turnover limit applicable is 1.5 Cr and second GSTIN (27AEBPL0869B2ZR) is a 'Services' provider and turnover limit applicable is 50 lacs. Both taxpayers were able to file CMP08 Oct-Dec 2023 despite their turnover has crossed the threshold limit.
3	**Reason**	This has happened because turnover calculation topology was not working from 25 Nov 2023 to 07 Feb 2024 in production after CDP upgradation activity (happens on 25 Nov 2023). Turnover of previous return periods were not added to the turnover of current return period and taxpayers were able to file CMP08 return with more turnover than their threshold limit. In this case, taxpayers have filled CMP08 quarter for Oct-Dec FY 2023-24 during the period when turnover calculation topology was not working and due to which system was allowing taxpayers to file the return with more turnover than the allowed turnover. In this case taxpayers have crossed the turnover and have filed the CMP08 quarter for Oct-Dec FY 2023-24. But since taxpayers have already filed the CMP08 quarter for Oct-Dec FY 2023-24 with more turnover than the allowed turnover, the system is not allowing those taxpayers to file CMP08 return for Jan – Mar

6. Issue in filing CMP08 return for Jan-Mar 2024 return period.

#	Heading	Details
4	**Status**	The issue of 'turnover calculation topology' was fixed under RQM#26292, and it was deployed in production on date 07 Feb 2024 via ECR#24603.
5	**Financial Implication**	Yes,(Total amount of Rs. 4,58,984 /- for both taxpayers will be credited in the cash ledger.) For GSTIN: 18CKUPG1203R1ZN, amount of Rs. 3,71,336 /- (Rs. 1,85,668 /- for CGST and SGST each). For GSTIN: 27AEBPL0869B2ZR, amount of Rs. 87,648 /- (Rs. 43,824 /- for CGST and SGST each).
6	**No of Cases**	2

7a. Double refund for SB005 shipping bills.

#	Heading	Details
1	**Issue Summary**	For Risky exporters, shipping bill records are transmitted by ICEGATE and refund applications are generated by GST system for such records.
2	**Issues Description**	ICEGATE shared a file containing 330 shipping bill records with SB005 status. Out of these, the GST system successfully processed 323 records, generating 70 ARNs on September 17, 2024. On December 6, 2024, ICEGATE informed GSTN that Customs had also disbursed refunds for 127 of these records. Upon analysis of the 127 records, it was found that GST system generated 19 ARNs were generated for these records and the Customs disbursed refunds for ARNs are given in the following table.
3	**Reason**	ICEGATE did not lock these shipping bills for further disbursement once it was forwarded to GST system for generation of refund application.
4	**Status/ Proposal**	Data fix was done for purging of ARNs with Acknowledgement status(for disabling further sanctioning) and Refund rejected status (for disabling appeal) from GST system. Jurisdictional officers are informed to initiate recovery process for 13 ARNs. As on March 31, 2025, ₹1,51,83,054.3 has been recovered for 6 out of these 13 ARNs. It is proposed before ITGRC to give permission to post negative entries in the electronic cash ledger of the GSTINs where recovery is pending.
5	**Financial Implication**	Yes (Rs ₹3,89,39,116.20 to be recovered from Taxpayer through Jurisdictional officers)
6	**No. of**	19 ARNs (6 ARNs were purged and for 13 ARNs recovery to be made)

Acknowledgment (ACK)	4	34,59,92,305
Refund Rejected Completely (RRJ)	2	80,84,832.85
Refund Sanctioned Completely (RSA)	13	3,89,39,116.2

7b. Status of recovery for IGST refunds

Jurisdiction	GSTIN	ARN	Amount to be recovered	Amount Recovered	Yet to be recovered
State	03AAECG1213E1ZH	AA0309240287582	1072189.59	0	1072189.59
Centre	06AAFCI8670J1Z6	AA0609240317809	2649136.76	0	2649136.76
Centre	07BAFPA1771C1ZB	AA0709240467359	4228550	4228550	0
State (Uttar Pradesh)	09AAGCM7664M1ZP	AA0909241100366	277088.35	0	277088.35
State(Uttar Pradesh)	09ABRFA8111G1ZB	AA0909241100398	1533505	0	1533505
State(Uttar Pradesh)	09ABXFA8124D1Z6	AA090924110040P	60669.74	0	60669.74
Centre	23AARCA4609B1ZD	AA2809240236079	624557	0	624557
Centre	24AKJPP2279D1Z5	AA2409240628026	1134749.92	1134749.92	0
Centre	27AADFG1343D1ZX	AA2709240812326	6716307	6716307	0
State (Maharashtra)	27AAFPS9226H1ZC	AA2709240812441	266502	266502	0
Centre	27AAICD0703A1ZD	AA270924081246X	1755583.8	1755583.8	0
Centre	27AAICV3639B1ZC	AA2709240812498	17538915.44	0	17538915.44
Centre	27FPCPM5838A1ZX	AA270924081248T	1081361.61	1081361.61	0
		TOTAL	38939116.2	15183054.3	23756061.9

1.Court direction to enable the portal for ITC-01 filing.

#	Heading	Details
1	Issue Summary	M/s Mobile Care (GSTIN 19AJYPA8957B1ZP) missed the 30-day deadline to file Form ITC-01 and claim Input Tax Credit after shifting from Composition to Normal taxpayer.
2	Issues Description	The taxpayer applied to shift from the composition scheme to being a Normal taxpayer by filing CMP 04 on 11th November 2021. However, the petitioner failed to upload the Form GST ITC 01 within the 30-day limit due to COVID 19.
3	Reason	Hon'ble Delhi High Court has allowed re-filing of Form GST ITC 01.
4	Status	Code fix is not required. ITC-01 was opened to this taxpayer on 21-Jan-2025 by running a utility.
5	Financial Implications	No
6	No. of Cases	1

1a. CWF issue (Amount inadvertently credited to TP account)

[Reference - 20th ITGRC (6b, S. No. 11)]

Jurisdiction	GSTIN	ARN	Amount Recovered	Yet to be recovered	Not to be recovered
Uttar Pradesh	2	2	180	3068	0
Odisha	1	1	0	7898	0
Maharashtra	2	2	471918	0	171938*
Rajasthan	2	2	913	0	0
Andhra Pradesh	1	1	2368	0	0
Gujarat	5	5	372179	286197	0
Centre	4	5	0	20270	0
Total	**17**	**18**	**974758**	**317433**	**171938**

* This amount was intended to be credited to TP's account.

1b. CWF issue (Amount inadvertently credited to TP account)

S. No.	Jurisdiction	GSTIN	ARN	CWF Amount (To be recovered)				
				SGST	CGST	IGST	Cess	Total
1	Centre	09AADCR5216M1Z8	AA090223044183K	959	0	958	0	1917
2	State (UP)	09AOQPH6614N1ZX	AA090323158929P	1534	1534	0	0	3068
3	Centre	09AHDPA0774H1ZL	AA091122120067Q	9175	9175	0	0	18350
4	State(Odisha)	21ADTPP8087A1ZC (Cancelled)	AA2105220124802	3949	3949	0	0	7898
5	Centre	27AAQCS6076B1Z2	AA270123241813I	0	0	1	0	1
6	Centre	24AQLPM9192J1Z7	AA240223055333Q	1	1	0	0	2
7	State (Gujarat)	24AAEFI7515A1ZW	AA2411190110365	286197	0	0	0	286197
			TOTAL AMOUNT TO BE RECOVERED	301815	14659	959	0	317433

2a. Duplicate transmission of Shipping Bills

20th ITGRC (6b, S. No. 12)
(Swapping of DD-MM issue)

State Jurisdiction	Total amount to be recovered	Recovered	Yet to be Recovered	Not applicable/Not to be recovered
Gujarat	6302028.23	603931.26	5698096.97	0
Kerala	630326.55	0	0	630326.55*
Rajasthan	3065279.31	2304618	760662	0
Tamilnadu	13768277.79	4864090	0	8904189*
Telangana	4711614	4711614	0	0
UP	899084.58	0	899084.58	0
UK	434150.16	0	434150.16	0
Maharashtra	7921473.14	2204507.18	5169143.56	547822.4*
TOTAL	**37732233.76**	**14688760.44**	**12961137.27**	**10082337.95**

*The refund amount in these cases was either adjusted in next refund applications or the duplicate refund application was rejected.

2b. Duplicate transmission of Shipping Bills

Jurisdictional Details	GSTIN	ARN	Amount yet to be recovered
State (Rajasthan)	08BGPPT4071E1Z1	AA0808230465913	348789
State (Gujarat)	24CNGPP1291P1ZH	AA2408230655544	401933.6
	24AAECL2759C1ZR	AA2408230655651	3701196.91
	24AAMFG5144K1ZB	AA2408230655959	1530966.46
State (Uttar Pradesh)	09ABXFA8124D1Z6	AA0908230100092M	222315.08
	09AAJCR3875L1ZM	AA0908231001038	396406.5
	09AAICK7232P1ZV	AA0908231001071	280363
State (Uttarakhand)	05AAQFA3937I1Z7	AA0508230113371	434150.16
State (Maharashtra)	27AEUFS7954K1ZW	AA2708230953380	472942.05

3. Duplicate refund for risky TPs

[Reference – 22nd ITGRC, Item No. 5b. 1]

Repetition of Customs Invoice No.

S. No.	Jurisdiction	ARN	GSTIN	IGST Refund Amount to be Recovered	Recovered
1	Centre	AA060524032980C	06AADCF9036B1ZY	2057042.22	NIL
2	State (Uttar Pradesh)	AA0905241165093	09AAKPW8005D1ZI	65845.25	NIL
3	Centre	AA0905241165465	09AAAFI1579C1ZK	225678.35	NIL
4	State (Maharashtra)	AA270524082659P	27AADCT8458K1ZP	1206720	NIL
5	State(Rajasthan)	AA080524050662A	08AADPL3258N1ZC	452740	NIL
			Total Amount	40,08,025.82	

TABLE AGENDA

Technical issue requiring data fix under Waiver Scheme

ISSUE OF MULTIPLE CREDIT ENTRIES INADVERTENTLY BEING POSTED IN THE LIABILITY LEDGER

#	Heading	Details
1	**Issue Summary**	Multiple credit entries posted in Liability ledger during issuance of SPL-05 orders.
2	**Issues Description**	When SPL-05 orders are issued by the officers, the system correspondingly updates the liability ledger to reflect the waiver granted. However, due to a technical anomaly, multiple credit entries were inadvertently posted in the liability ledger at the time of issuance of such waiver orders (SPL-05). In order to rectify the ledger imbalance, appropriate offsetting entries need to be carried out through a one-time data correction exercise.
3	**Reason**	Root Cause Analysis is in progress.
4	**Status**	After receiving the cases from the Centre and States, corresponding reversal entries must be given in the liability ledger through data fix. The details of the data fix will be placed before ITGRC post execution. In principal approval is requested to carry out the data fix.





THANK YOU!!

Goods And Services Tax Network

Agenda Item 10: Quarterly Performance Reports of Anti-Profiteering authorities received from Goods & Services Tax Appellate Tribunal (GSTAT), State Level Screening Committee (SLSC), Standing Committee (SC) and DG (Anti-Profiteering) for the 3rd quarter (October to December 2024) and 4th quarter (January to March, 2025) of Financial Year, 2024-25 and 1st quarter (April to June, 2025) of Financial Year, 2025-26 for information of the GST Council

The reports of Anti-Profiteering authorities at various levels for the 3rd quarter (October to December 2024) & 4th quarter (January to March, 2025) of Financial Year, 2024-25 and the 1st quarter (April to June, 2025) of Financial Year, 2025-26, is as under:

2. Quarterly Reports of Anti-Profiteering, the Principal Bench, Goods & Service Tax Appellate Tribunal (GSTAT):

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 1st October, 2024 to 31st December, 2024						
46	37	0	0	0	0	83
Quarter 1st January, 2025 to 31st March, 2025						
83	18	0	0	0	0	101
Quarter 1st April, 2025 to 30th June, 2025						
101	10	0	0	0	0	111

3. Quarterly Performance of DG (Anti-Profiteering):

Opening Balance (No. of cases)	Receipt	Disposal	Mode of disposal of cases		Closing Balance (No. of cases)
			Report to GSTAT confirming profiteering	Report to GSTAT for closure action	
Quarter 1st October, 2024 to 31st December, 2024					
156	0	36	28	8	120
Quarter 1st January, 2025 to 31st March, 2025					
120	0	20	14	6	100
Quarter 1st April, 2025 to 30th June, 2025					
100	4	11	4	7	93

3.1 Quarterly Performance report of the Standing Committee on Anti-Profiteering:

Opening Balance (No. of cases)	Receipt	Disposal	Closing Balance (No. of cases)
Quarter 1st October, 2024 to 31st December, 2024			
94	32	11	115
Quarter 1st January, 2025 to 31st March, 2025			
115	25	0	140
Quarter 1st April, 2025 to 30th June, 2025			
140	11	0	151

3.2 Quarterly 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 1st October, 2024 to 31st December, 2024				
83	102	6	71	108
# Opening balance differs from previous quarter's report as Tamil Nadu State Screening Committee has reported 3 cases as opening balance which was reported to 1 as closing balance.				
Quarter 1st January, 2025 to 31st March, 2025				
109	84	2	12	179
# Opening balance differs from previous quarter's report as Tamil Nadu State Screening Committee has reported 3 cases as opening balance which was reported to 2 as closing balance.				
Quarter 1st April, 2025 to 30th June, 2025				
180	9	5	6	178
* Report from the Andhra Pradesh, Bihar, Haryana, Jharkhand, Kerala, Delhi, Puducherry and Rajasthan State Screening have not been received. #Opening balance differs from previous quarter's report as Tamil Nadu State Screening Committee has reported 3 cases as opening balance which was reported to 2 as closing balance.				

4. During these quarters Principal Bench, GSTAT has undertaken the following activities/initiatives-

(I) For the quarter 1st October, 2024 to 31st December, 2024

i. W.e.f. 01.10.2024, the mandate to examine profiteering has been vested with the Principal Bench, Goods and Services Tax Appellate Tribunal (PB, GSTAT) in place of the Competition Commission of India (CCI), as per the Notification No. 18/2024-Central Tax dated 30.09.2024 issued by Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance.

ii. No order could be passed by the GSTAT during the quarter ending on 31.12.2024 since there is no quorum available in the GSTAT to proceed with the anti-profiteering matters. As on 31.12.2024, 83 cases of anti-profiteering are pending with PB, GSTAT.

iii. Vide letter dated 18.12.2024, a draft "the Principal Bench, GSTAT (Anti-profiteering) Methodology and Procedure Rules, 2024" has been sent to the Joint Secretary (GSTAT/ST), Department of Revenue, Ministry of Finance in terms of Rule 126 of the CGST Rules, 2017 for approval so that it can be notified for smooth processing of Anti-Profiteering cases in Principal Bench, GSTAT.

iv. W.e.f. 01.10.2024 to 31.12.2024, the GSTAT has forwarded 17 complaints to the respective Authorities for further necessary action. For the quarter ending on 31.12.2024, out of 17 complaints, 9 complaints relating to profiteering in terms of Section 171 of the CGST Act, 2017 were forwarded to respective Screening Committees for further action/examination and 8 complaints related to other GST/Enforcement issues were forwarded to the Jurisdictional State & Central GST Commissioners/Chief Commissioners for necessary action.

(II) For the quarter 1st January, 2025 to 31st March, 2025

i. No order could be passed by the GSTAT during the quarter ending on 31.03.2025 since there is no quorum available in the GSTAT to proceed with the Anti-Profiteering matters. As on 31.03.2025, 101 cases of anti-profiteering are pending with Pr. Bench, GSTAT.

ii. W.e.f. 01.01.2025 till 31.03.2025, the GSTAT has forwarded 42 Complaints to the respective Authorities for further necessary action. For the quarter ending 31.03.2025, out of 42 complaints. 34 complaints relating to profiteering in terms of Section 171 of the CGST Act, 2017 were forwarded to respective Screening Committees for further action/examination and 8 Complaints related to other GST/Enforcement issues were forwarded to the Jurisdictional State & Central GST Commissioners/Chief Commissioners for necessary action.

(III) For the quarter 1st April, 2025 to 31st June, 2025

i. No order could be passed by the GSTAT during the quarter ending on 30.06.2025, since there was no quorum available in the GSTAT to proceed with the Anti-Profiteering cases. As on 30.06.2025, 111 cases of anti-profiteering are pending with PB, GSTAT, out of these 111 cases, 10 cases (reports) have been received during this quarter.

ii. Vide Notification No. 19/2024 dated 30.09.2025, the Central Government, on the recommendations of the GST Council, has announced the 1st day of April, 2025 as the date from which the no anti-profiteering complaint will be accepted. Hence, no anti-profiteering complaint was received during the quarter ending on 30.06.2025.

5. Accordingly, the quarterly reports of the Anti-profiteering Authorities for the 3rd quarter (October to December 2024) & 4th quarter (January to March, 2025) of Financial Year 2024-25 and 1st quarter (April to June, 2025) of Financial Year 2025-26 are placed before the GST Council.

*****

Agenda item 11 : Review of all states' legislations to map amendments made in CGST Act, 2017.

Amendments to the Central Goods and Service Tax Act, 2017 (CGST Act, 2017) have been carried through the following Acts:

- The Central Goods and Services Tax (Extension to Jammu & Kashmir) Act, 2017*
- The Finance Act, 2018
- The Central Goods and Services Tax (Amendment) Act, 2018
- The Finance Act (No. 2), 2019
- The Finance Act, 2020
- The Taxation & other Laws (relaxation of certain provisions) Ordinance, 2020
- The Finance Act, 2021
- The Finance Act, 2022
- The Finance Act, 2023
- The Central Goods and Services Tax (Amendment) Act, 2023
- The Central Goods and Services Tax (Second Amendment) Act, 2023
- The Finance Act, 2024
- The Finance Act (No. 2), 2024
- The Finance Act, 2025

2. An exercise has been initiated to review state legislations in order to map whether all amendments made in the CGST Act, 2017 till date have been incorporated in the respective state GST Acts.

3. Status report of the same is placed at Annexure I.

Annexure - I														
Sr. No.	Name of the State/UT	Finance Act, 2018	CGST Amendment Act, 2018	Finance Act (No.2), 2019	Finance Act, 2020	Taxation and other laws (Relaxation of other provisions) Ordinance, 2020	Finance Act, 2021	Finance Act, 2022	Finance Act, 2023	CGST Amendment Act, 2023	CGST (Second) Amendment Act, 2023	Finance Act, 2024	Finance Act(No.2), 2024	Finance Act, 2025
1	Assam													
2	Andhra Pradesh													
3	Arunachal Pradesh													
4	Bihar													
5	Chattisgarh													
6	Delhi													
7	Goa													
8	Gujarat													
9	Haryana													
10	Himachal Pradesh													
11	Jammu & Kashmir													
12	Jharkhand													
13	Karnataka													
14	Kerala													
15	Madhya Pradesh													
16	Maharashtra													
17	Manipur													
18	Meghalaya													
19	Mizoram													
20	Nagaland													
21	Odisha													
22	Punjab													
23	Puducherry													
24	Rajasthan													

Sr. No.	Name of the State/UT	Finance Act, 2018	CGST Amendment Act, 2018	Finance Act (No.2), 2019	Finance Act, 2020	Taxation and other laws (Relaxation of other provisions) Ordinance, 2020	Finance Act, 2021	Finance Act, 2022	Finance Act, 2023	CGST Amendment Act, 2023	CGST (Second) Amendment Act, 2023	Finance Act, 2024	Finance Act(No.2), 2024	Finance Act, 2025
25	Sikkim													
26	Tripura													
27	Tamil Nadu													
28	Telangana													
29	Uttar Pradesh													
30	Uttarakhand													
31	West Bengal													

* The Central Goods and Service Tax (extension to Jammu & Kashmir) Act, 2017 has amended the CGST Act, 2017 only. The same amendments may not be required in the corresponding SGST acts of other states.

Enacted	
Under Process	
Information awaited from State	
Not required to be enacted in State GST Act	

Addendum to Agenda Volume-II of the 56th Meeting of the GST Council

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Errata - for Agenda Item 5: Final Report of the Group of Ministers on Rate Rationalisation for consideration of GST Council Meeting.

The following corrections may kindly be noted in the Appendix relating to Union Government proposals on rate rationalisation of services:

1. **At Page 286, Table No. 3 (Serial No. 2):** The figure *"12%"* may be struck off in the entry column as shown below and the figure (5%) may be inserted in its place.

S.No	Entry	From	To
2	Supply of job work or any treatment or process in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @~~12%~~ (5%)	12% With ITC	5% with ITC

2. **At Page 287, Table No. 6:** The sub-heading *"12% with ITC to 5% with ITC"* may be removed.

3. **At Page 288, Table No. 7 (Serial No. 1):** Under the heading *"28% with ITC to 40% with ITC"*, the columns "From" and "To" have been inadvertently left blank. The correct entry may be read as follows:

S.No	Entry	From	To
1	Admission to casinos, race clubs, any place having casinos or race clubs, or sporting events like the IPL	28% with ITC	40% with ITC

4. **At Page 289, Table No. 7 (Serial No. 3):** The figure *"28%"* may be struck off in the entry column as shown below-

S.No	Entry	From	To
3	Leasing or rental services, without operator, of goods which will attract (~~28%~~) 40% GST	28% With ITC	40% with ITC

This may please be treated as an errata to the circulated agenda and necessary modifications may be made to the circulated agenda.

Agenda item 6(l): Concept Note on Simplified GST Registration Compliance for small suppliers making supplies through Electronic Commerce Operators who are required to collect tax at source under section 52 of the CGST Act, 2017.

1. Background

India's GST regime has significantly formalized indirect taxation. However, with the rise of decentralized supply models enabled by digital platforms and shared warehousing networks, existing registration norms now present material barriers for small suppliers. Small suppliers operating via e-commerce platforms and those leveraging third-party logistics facilities are disproportionately impacted by the mandate to maintain independent physical presence across every State where they store or supply goods. This concept note proposes to reduce compliance burdens for small suppliers, while introducing risk-based measures inspired by global best practices.

Under GST regime, persons making supplies of goods through Electronic Commerce Operators (hereinafter referred to as "ECOs"), who have an aggregate turnover within the specified limit, are exempted from GST registration. To avail this exemption, certain conditions need to be met, such as no inter-state supply of goods, limited operations within one State or Union territory, and possession of a Permanent Account Number (PAN) issued under the Income Tax Act, 1961. On the other hand, the suppliers making inter-State supplies of goods through ECOs are mandatorily required to be registered under GST. Large suppliers typically maintain their own warehousing and logistics operations across States to efficiently manage inter-State supply requirements.

2. Challenges faced by such suppliers

2.1 Concerns have been raised regarding mandatory requirement of GST registration by such small suppliers as majority of them belong to micro and small enterprises and very small in nature who may be operating from small premises in a number of cases. They declare such business premises as their principal place of business in the State where such residence or business premises exists and take registration in the said State (hereinafter referred to as "home State") based on the said principal place of business. In some cases, they make supplies of goods from the said place of business in their home State to all over the country, and in such cases, they issue invoices for inter-State supplies and are not required to take separate registrations in various States where goods are being supplied.

2.2 However, increasingly, emphasis is being made by the ECOs for speedy delivery of goods to the consumers and for this purpose, they require their suppliers to store goods in the warehouses of the ECOs in various States. As in these cases, final supply of goods is made from the warehouse of ECO located in various States (other than home State of the supplier), such suppliers are required to take registration in the said States also, in addition to the registration in their home State.

2.3 For the purpose of registration in different States, the supplier is required to declare a Principal Place of Business (hereinafter referred to as "PPoB") in each State. Principal Place of Business (PPoB) is defined in section 2 (89) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act") as a place of business specified as the principal place of business in the certificate of registration. Place of Business is defined under section 2 (85) of the CGST Act to mean a place where the

business is ordinarily carried out including a warehouse etc. or a place where the person maintains his books of accounts. In some cases, the suppliers declare the warehouse of the ECO in the said State as the PPoB. However, ECO may not necessarily earmark a specific area/ place for storage of goods of the ECO in the said warehouse and may not have manpower/ records of the said supplier in the warehouse. In such cases, the application for registration is rejected generally by the proper officers during physical verification of PPoB. The requirement of physical presence in each State creates operational compliance and financial burdens on small businesses.

2.4 The matter becomes complicated due to a large number of cases of fake registration being detected by the tax officers all over the country, which makes the need for detailed and more careful scrutiny of the applications for registration to weed out the applicants who want to avail fake registration using fake identities/ addresses with a purpose to pass on fake input tax credit. The requirement to have PPoB in each State deters many small suppliers specially the micro enterprises from making inter-State supplies through ECOs.

3. Amid these challenges, policy designs for implementing liability regime of digital platform, as recommended by the Organisation for Economic Co-operation and Development (OECD) in their report "The Role of Digital Platforms in the Collection of VAT/GST on Online Sales" offer useful insights. Key principles include defining reasonable data sharing expectations, minimizing reporting burdens, ensuring alignment with legal frameworks such as privacy laws, avoiding redundant disclosures, providing clear reporting guidelines, encouraging automation, allowing sufficient lead time for data infrastructure development, promoting collaboration between tax authorities and platforms, and fostering international cooperation.

4.1. **Law Committee deliberations:**

The matter was placed before Law Committee for deliberation in its meeting held on 25.08.2025. The Law Committee observed that the requirement of having a PPOB in each State imposes significant operational and financial burdens on small businesses, often deterring them from obtaining registration in those States. It was, therefore, agreed in principle that small suppliers may be given an option to obtain GST registration, based on the ECO's warehouse, in such States where they don't have PPoB.

4.2. **Accordingly, the Law Committee recommended that a concept note be placed before the GST Council for approval on the following lines:**

i. An optional scheme would be provided to sellers who are supplying goods through ECOs collecting tax at source under section 52 of the CGST Act and who do not have PPOB in a State other than their home State.
ii. Under the scheme, seller who does not have PPOB in such States will be able to obtain registration based on his home State's PPOB by declaring ECO's warehouse located in these States as his Additional Place of Business (hereinafter referred to as "APOB").

iii. A similar mechanism is prescribed for the ECOs who are required to collect tax at source under rule 12(1A) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "CGST Rules").

iv. Thus, under this scheme, sellers will no longer be required to maintain a PPoB in every State for making supplies through ECOs from multiple States.

v. Person registered under this scheme shall still be required to file statements, returns, etc in each such State.

vi. The scheme will be applicable for making B2C supplies through ECOs as well as B2B supplies among sellers supplying through ECO's platform. In addition, such a supplier can make stock transfer to a distinct person having the same PAN.

vii. Registration obtained under this scheme cannot be used for making non-ECO supplies from different States. In such cases, he will have to maintain PPOB and obtain separate registration in those States.

viii. This option will also not be available to sellers who have opted for simplified registration by declaring that they will not pass on ITC above Rs 2.5 lakhs.

ix. Sellers will be required to mandatorily undergo biometric-based Aadhar authentication in the home State, and the same will be visible to the jurisdictional officer of other States on the common portal from where the application has been filed.

x. Mandatory physical verification of his PPOB in his home State will also be required to be conducted.

xi. A uniform list of documents shall be prescribed for sellers seeking registration in different States under this model. The list shall include the following:

    a. No Objection Certificate (NOC) or confirmation from the respective ECO in favour of the seller for allowing the seller to declare their warehouse(s) as additional place(s) of business.
    b. A declaration from the seller that this registration shall be used for making B2C supplies through ECOs, as well as B2B supplies among sellers supplying through ECOs or for stock transfer to a distinct person having the same PAN.
    c. The registration procedure under the CGST Rules shall apply to applications filed under this scheme.
    d. The supplier will thus have a distinct registration number in all such States linked to his PAN.

xii. Law Committee also deliberated on certain compliances to be imposed on the part of the ECOs. Some of the compliances deliberated were as under:

    a. To provide that they may observe due diligence while allowing sellers on their platform including pre-validation checks before issuing NOCs to sellers like validation of PAN, bank account and GSTIN etc.,
    b. Appointing single point of contact in such State where ECO's warehouse is declared as additional place of business.
    c. Furnishing information as and when required by the jurisdictional officer.

d. In case of non-compliance from a seller, tax authorities may communicate such instances to the ECO who would initiate procedure for delisting such seller.
e. ECOs shall be obligated to provide relevant seller-level information in connection with recovery proceedings under section 79 of the CGST Act, 2017.
f. However, it was observed that to ensure transparency and reduce fraud, additional compliances/guardrails for the ECOs may be deliberated further.

xiii. A monitoring mechanism for supplies, comparing the declaration made by the suppliers and the ECOs, is already in place and may further be strengthened. The same would require examination of the statement of outward supplies in FORM GSTR-1, returns filed by ECOs in FORM GSTR-8, for better reconciliation of the information furnished by them, so that system-level monitoring of such sellers can be done.

xiv. It was also felt that a mechanism may be devised for the determination of eligibility and compliance requirements of such sellers so that monitoring can be done by the State where these persons don't have a physical presence.

5. However, subsequently, the following concerns were communicated by one State member of the Law Committee alongwith an alternate option that the ECO's warehouse may be declared as PPoB for granting of registration to such suppliers:

i. The GST legal framework under Sections 2(85), 2(89), 35 of CGST Act, Rule 5(1)(g), Rule 10, Rule 56(7), FORM GST REG-01 of CGST Rules and Section 10(b) of IGST Act, 2017 recognizes the PPOB as the primary place of business for registration and does not permit APOB to independently qualify as PPOB in absence of PPOB in that State and requires every applicant to declare a Principal Place of Business (PPOB) in the State where registration is sought.
ii. A plethora of demands may arise from other sectors like IT, logistics, and consultancy, etc., using virtual offices or shared spaces outside their home State.
iii. Issues may arise related to non-recognition of APOB as a basis for registration, ambiguity in the service of notices.
iv. Rule 25 mandates verification of the "place of business" (PPOB or APOB) in the presence of the person, with a report in FORM GST REG-30. If the ECO warehouse is APOB, the ECO operator may claim documents/records are at the home PPOB (as per Section 35 on maintenance of accounts), leading to incomplete verifications, disputes, or evasion risks.
v. Stricter guidelines may be required, such as appointment of an authorised signatory (Employee, proprietor, partner or director) by sellers for each registration who must be present at each warehouse during office hours, excluding holidays.
vi. Maintenance and accessibility of records electronically at each warehouse, and the same to be produced on demand at the time of inspection, within two hours of demand, either electronically or physically.

6. Accordingly, the recommendation of the Law Committee mentioned in para 4.2 is placed before the Council for a suitable decision.

***

Errata- for Agenda Item 6(f)(I): Amendment of section 15 and section 34 of CGST Act, 2017 in respect of Post Sale Discount.

In the Detailed Agenda Note- Volume-II, at page number 19, Agenda Item 6(f)(I), the existing para 6.3 may be read as below: *(changes from existing para shown in red):*

"6.3. The Law Committee further recommended to rescind circular No. 212/6/2024-GST dated 26th June, 2024 which mandated the mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers. The said circular shall be rescinded after the amendment made in section 34 of CGST Act 2017, vide Finance Act, 2025, comes into force."

***

Agenda Item 7(c): Proposal for amending Rule 31A(2) of CGST Rules, 2017 subject to GST Council's approval to recommendation of GoM on Rate Rationalisation regarding specified actionable claims.

The final report of the GoM on Rate Rationalisation is to be presented before the 56th GST Council scheduled on 03rd & 4th September, 2025. The following proposal pertaining to specified actionable claims [Page 289 of Agenda (Volume I)] has been included in the final report and reads as below:

SERVICES CURRENTLY ATTRACTING 28% GST		
Entry	From	To
Specified Actionable Claims (betting, casinos, gambling, horse racing, **lottery**, online money gaming)	28% with ITC	40% with ITC

2. In this regard, attention is drawn to clause (2) of Rule 31A of CGST Rules, 2017 which reads below:

> *(2) The value of supply of lottery 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.*

3. Subject to the approval by the GST Council regarding the recommendation of the GoM on Rate Rationalisation to increase the GST rate on specified actionable claims (including lotteries) from 28% to 40%, an amendment to Rule 31A(2) would be required to align the valuation rule in respect of lotteries, with the GST rate approved by the GST Council.

4. It is proposed that the necessary amendments may be made to Rule 31A(2) of the CGST Rules, 2017 to align the valuation rule with the GST rate approved by GST Council in respect of lotteries.

5. The agenda may be placed before the GST Council for its consideration.

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Updated Status report (Annexure I) of Agenda item 11: Review of all states' legislations to map amendments made in CGST Act, 2017.

Annexure - I

Sr. No.	Name of the State/UT	Finance Act, 2018	CGST Amendment Act, 2018	Finance Act (No.2), 2019	Finance Act, 2020	Taxation and other laws (Relaxation of other provisions) Ordinance, 2020	Finance Act, 2021	Finance Act, 2022	Finance Act, 2023	CGST Amendment Act, 2023	CGST (Second) Amendment Act, 2023	Finance Act, 2024	Finance Act(No.2), 2024	Finance Act, 2025
1	Asaam													
2	Andhra Pradesh													
3	Arunachal Pradesh													
4	Bihar													
5	Chattisgarh													
6	Delhi													
7	Goa													
8	Gujarat													
9	Haryana													
10	Himachal Pradesh													
11	Jammu & Kashmir													
12	Jharkhand													
13	Karnataka													
14	Kerala													
15	Madhya Pradesh													
16	Maharashtra													

* The Central Goods and Service Tax (extension to Jammu & Kashmir) Act, 2017 has amended the CGST Act, 2017 only. The same amendments may not be required in the corresponding SGST acts of other states.

Enacted
Under Process
Not required to be enacted in State GST Act

Sr. No.	Name of the State/UT	Finance Act, 2018	CGST Amendment Act, 2018	Finance Act (No.2), 2019	Finance Act, 2020	Taxation and other laws (Relaxation of other provisions) Ordinance, 2020	Finance Act, 2021	Finance Act, 2022	Finance Act, 2023	CGST Amendment Act, 2023	CGST (Second) Amendment Act, 2023	Finance Act, 2024	Finance Act(No.2), 2024	Finance Act, 2025
17	Manipur													
18	Meghalaya													
19	Mizoram													
20	Nagaland													
21	Odisha													
22	Punjab													
23	Puducherry													
24	Rajasthan													
25	Sikkim													
26	Tripura													
27	Tamil Nadu													
28	Telangana													
29	Uttar Pradesh													
30	Uttarakhand													
31	West Bengal													

* The Central Goods and Service Tax (extension to Jammu & Kashmir) Act, 2017 has amended the CGST Act, 2017 only. The same amendments may not be required in the corresponding SGST acts of other states.

Enacted	
Under Process	
Not required to be enacted in State GST Act	

Agenda Item 12: Ad-hoc Exemptions Order(s) 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 after the 55th GST Council are as follows:

Order No.	**Date**	**Remarks**
AEO No. 1 of 2025	02.04.2025	Request for exemption of Customs duty for import of guns/equipment from Sri-Lanka (order copy enclosed).

3. This is placed for the information of GST Council.

F. No. 462/06/2016-Cus.V
Ad-hoc Exemption Order No. 1 of 2025
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 02nd April 2025

To,

The Chief Commissioner of Customs, Jawaharlal Nehru Custom House, Nhava Sheva, Tal:Uran, District Raigad, Maharashtra-400 707.
The Chief Commissioner of Central Goods, Services Tax & Customs, 35-C, GST Bhawan, Admin Area, Arera Hills, Bhopal-462011 (M.P.)

Subject: Request for exemption of Customs duty for import of guns/equipment from Sri Lanka-regarding.

Madam/Sir,

Twenty Four L-70 (Air Defence) Guns of Sri Lanka Air Force have been approved by the Ministry of Defence for overhauling/repair in India. These guns were gifted to Sri Lanka in the year 2000 by the Government of India. The cost of repair is being borne by Government of India as a goodwill gesture. These 24 guns are to be overhauled over a period of three years at Indian Army Workshop, Jabalpur and will arrive in batches of three guns catch along with accessories at Nhava Sheva Port, Maharashtra. All the guns and equipment would be re-exported to Sri Lanka after the overhauling of Guns is carried out in India. On arrival, the importation process will be handled by Embarkation Headquarters, Ballard Estate, Mumbai (hereinafter "the importer").

2 The first batch of three guns from Sri Lanka had arrived in June, 2016 for which Ad-hoc exemption from Custom Duty under Section 25(2) of the Customs Act, 1962 was granted vide AEO No. 5 of 2016 dated 20.06.2016. The second batch of three guns from Sri Lanka had arrived in November 2016 for which Ad-hoc exemption from Custom Duty under Section 25(2) of the Customs Act, 1962 was granted vide AEO No. 7 of 2016 dated 04.11.2016. The third batch of guns which arrived at Mumbai port were granted exemption from payment of Customs duty under Section 25(2) of the Customs Act, 1962 vide AEO No. 01 of 2017 dated 02.05.2017 The fourth batch of guns which arrived at Mumbai port (CFS Mulund/Nhava Sheva Port) were granted exemption from payment of Customs duty under Section 25(2) of the Customs Act, 1962 vide AEO No. 02 of 2018 dated 11.12.2018. Thereafter, the fifth batch of guns which arrived at Mumbai port (CFS Mulund/Nhava Sheva Port) were granted exemption from payment of

Customs duty under Section 25(2) of the Customs Act, 1962 vide AEO No. 01 of 2020 dated 17.02.2020.

2.1 The sixth batch of three L-70 AD Guns along with accessories has arrived at Mumbai Nhava Sheva Port, JNCH. The cost of these three Guns is Rs. approximately 4.32 Crores and the Duty liability is approximately 1.41 Crores.

3. Under the circumstances of exceptional nature as mentioned above and the powers conferred by sub-section (2) of Section 25 of the Customs Act, the Central Government being satisfied that it is necessary in the national interest so to do, hereby exempts the said goods, i.e. three L-70 AD Guns/equipment along with accessories valued at approximately Rs. 4.32 Crores, to be imported for the purpose of overhauling at Jabalpur in Indian Army workshop and thereafter to be handed over to Sri Lankan Government, 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 conditions that the imported goods will not be put to any commercial use and will 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. The imported goods should be available for inspection by jurisdiction Customs/CGST officers as and when required.

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. The said Commissioner of Customs shall send copies of documents pertaining to the import, such as the Bills of Entry, Invoices, etc. along with a copy of the said undertaking to the Commissioner of Central GST, under whose jurisdiction the said goods will be supplied under the program, within fifteen days of the clearance of the items exempted by this order.

5 The importer shall intimate the said jurisdictional Commissioner of Central GST, as soon as possible, and not later than seven days from the date of clearance of the goods, of the site of utilization of the exempted items, and also furnish any other information that the said Commissioner may require for verifying the compliance of the conditions of the order. The Commissioner of Central GST shall, within three months of the clearance of the items exempted by the order, verify the compliance with the conditions of the order and send a report to the Commissioner of Customs of the port of import. The verification report shall be sent so as to reach the Commissioner of Customs not later than six months from the date of clearance.

6 Any infringement of conditions of the AEO should be brought to the notice of the Commissioner of Customs of the port of import by the concerned Commissioner of Central GST for taking further necessary action such as realization of Customs duty on the subject goods, penal action for such violations, etc. The action taken as indicated above by the Commissioner of

Customs of the port of import should be immediately brought to the notice of the Central Board of Indirect Taxes & Customs.

7 This order shall be valid for goods imported not later than six months from the date of issue of this order

Enclosures: Annexure in 15 pages.

Yours faithfully,

Sanjeet Kumar

(Sanjeet Kumar)
Under Secretary to the Govt. of India

Copy to:

- The Commissioner of Central Goods & Services Tax, Jabalpur GST Bhawan, Mission Chowk, Napier Town, Jabalpur (M.P.)-482001
- The Commandant, Embarkation Headquarters, 2nd Floor, Nav Bhawan Building, R.K. Marg. Ballard Estate, Mumbai-400 001
- Lt Col Rakesh Ranjan, GSO-1, DCD (A), for Vice Chief of Army Staff, Integrated Headquarters of MoD (Army), Directorate General of Military Intelligence, (Defence Cooperation Division), New Delhi with reference to their letter No. A/95027/Sri Lanka/DCD dated 19.02.2025.
- Principal Director (Customs), Central Receipt Audit Wing, Office of the Comptroller & Auditor General, 10, Bahadur Shah Zafar Marg, New Delhi-110 002.
- GST Council Secretariat, 5th Floor, Tower 11, Jeevan Bharti Building, Janpath Road, Connaught Place, New Delhi-110001
- Guard File.

Yours faithfully,

Sanjeet Kumar

(Sanjeet Kumar)

Under Secretary to the Govt. of India