



# **Agenda for 29<sup>th</sup> GST Council Meeting Volume – 2**

**04 August 2018**





**File No: 484/29<sup>th</sup> GSTCM/GSTC/2018**  
**GST Council Secretariat**

Room No.275, North Block, New Delhi  
Dated: 27 July 2018

**Notice for 29<sup>th</sup> Meeting of the GST Council on 04 August 2018**

The undersigned is directed to refer to the subject cited above and to say that the 29<sup>th</sup> Meeting of the GST Council will be held on Saturday, 4 August 2018 from 11:00 am onwards at Hall No 2-3, Vigyan Bhawan, New Delhi. The Meeting is convened to discuss mainly the issues, concerns and suggestions of the Micro, Small & Medium Enterprises (MSME) in the GST regime and any other agenda with the permission of the Chairperson of the Council.

2. The Detailed Agenda Note, if any, will be sent separately in due course of time.
3. All State Governments and CBIC are requested to send their suggestions or concrete action points for this single agenda item to Member (GST), CBIC / GST Council before 29<sup>th</sup> July, 2018, as discussed in the 28<sup>th</sup> GST Council Meeting.
4. Please convey the invitation to the Hon'ble Members of the GST Council to attend the meeting.

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

Copy to:

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

### **Agenda Items for the 29<sup>th</sup> Meeting of the GST Council on 04 August 2018**

1. Confirmation of the Minutes of 28<sup>th</sup> GST Council Meeting held on 21<sup>st</sup> July, 2018
2. Discussion to address issues and concerns of Micro, Small & Medium Enterprises (MSME) in GST regime
3. Incentivising Digital Payments in GST Regime
4. Any other agenda item with the permission of the Chairperson
5. Date of the next meeting of the GST Council

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# Discussion on Agenda Items

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## **Agenda Item 2: Discussion to address issues and concerns of Micro, Small & Medium Enterprises (MSME) in GST regime**

The GST Council in its 28<sup>th</sup> meeting held on 21.07.2018 decided to consider all the issues related to the Micro, Small and Medium Enterprises (MSME for short) in its next meeting to be held on 04.08.2018 after obtaining suggestions from the stakeholders especially at the grass-root level.

2. Accordingly, around 350 actionable suggestions received from the Central and State Governments and Chambers of Industry and Commerce were collated in a broadsheet and placed in the following four categories:
  - (i) Administrative-related issues
  - (ii) Clarifications sought
  - (iii) Rules and notifications related
  - (iv) Law-related issues
3. Further, under the above four categories, the suggestions have been placed in the descending order of the frequency of the number of times they have been made by different stakeholders. Issues which do not pertain to the MSME sector have been segregated and placed in a separate broadsheet.
4. Accordingly, it is proposed to place the broadsheet containing the various proposals/suggestions related to the MSME sector before the GST Council.

S.No.	State / UT	Name of Trade Association/Taxpayer	Grievances/Issues	Trade Suggestions	States Comments	Action
1	a. Tripura, b. Kerala c. CBIC	Tripura Wholesale Grocery Merchants Association, Kerala State Small Industries Association	Manual Return Filing at GST Seva Kendras	Providing facility of Manual Return filing at 'GST Seva Kendras' (GST Service Centre) present at Division Level (may be extended to Range Level) who can file it online for MSME taxable person against a nominal fee say ₹ 100/- for monthly payment Return and ₹ 200/- per quarterly Return.	May be considered. This will facilitate improving the return filing by the MSME.	Law Amendment
2	a. Chhattisgarh, b. M.P.; c. Punjab	(a). Laghu Udyog Bharati, (b). Urla Industries Association ; (c).Chamber of Small Industry Associations (COSIA), (d). Tax Law Bar Association , Bhopal ; (e). MSME & SME Sector, Punjab	Audit under GST Law:	Audit limit for GST should be raised to Rs. 5 Crore or it should be merged with tax audit under Income Tax Act. /	<b>Chhattisgarh:</b> 1. There is provision for audit under section 35(5) as under:- <i>"Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section(2) of section 44 and such other documents in such from and manner as may be prescribed"</i> At present there is no rule prescribing the turnover limit for audit. As per provisions of Income Tax Act, audit is compulsory where turnover exceeds Rs. 2 Crore, in GST rule the provision for audit should be kept on par with Income Tax Act. 2. The suggestion that GST audit should be merged with Income Tax audit, and for this purpose, the format of Income Tax audit should be amended so that information required under GST could be incorporated in it, can be considered. It will not only reduce the cost and compliance burden but also provide useful data to both the department for analysis.	Notification
3	Maharashtra	Chamber Of Small Industry Associations, Thane	RAC which was there in Excise & ST regime shall be formed.	RAC shall be formed. Bi-monthly to start with till the issues sorted out and later, makes it once in a quarter	Similar concept of "service cell" is already in place in the State. Which conducts meeting regularly with the stakeholders.	Administrative Action
4	Maharashtra, H.P.	Vidharbha Industries Association, Baddi Barotiwala Nalagarh Industries Association, H.P.	The main issue is that Refund of Input Tax Credit must be paid by the Single Authority as it happens in IGST Refund. Our request to the Government is that the Refund Sanctioning Authority may it be Central Authority or the State Authority after Sanctioning the Refund can pay directly the full amount to the Exporter and can claim the respective share of fund from other authority. This will make the system more practical. Then only we can Say One Nation One Tax One Authority and for this if required then constitutional amendment should be brought immediately or Required amendment can be sort from the Controlling Authorities or from the GST Council.	Solution may be provided for the same.	The proposal was not approved by the CAG.	Administrative Action
5	CBIC		Special fortnight drive for refund claims of MSMEs Sector.	A Special drive for refunds of MSME Sector may also be considered on the lines of refund fortnight for Exports	This may be considered to educate the MSME taxpayers and for the disposal of refund claims.	Administrative Action
6	Assam, Uttarakhand, Jammu & Kashmir	Federation of Industry & Commerce of North Eastern Region (FINER), SIDCUL Manufacturers Association Uttarakhand, Kashmir Chamber of Commerce & Industries	<b>Timely Refund, taxpaid in Cash Ledger:</b> Budgetary Support Scheme was announced on 05.10.2017, after which 10 months have elapsed but only few cases has been disposed off. Only 21.3 crore is sanctioned so far whereas 214.22 crore is pending. This would impact the sustainability of industries. The figure is higher if we consider the cases that has been filed, but has not entered the statistics.	It is urged to keep flow of funds and to initiate a mechanism to enable to file refund petitions online and should be sanctioned online with in a stipulated time. Beyond that Interest should be allowed to the units.	DIPP has so far released Rs 567 Crores. Out of total sanctioned claims of Rs 583.3 Crores, Rs 509.72 Crores have been disbursed. An issue here also is that sanction of more than Rs 50 Lacs needs approval of Pr. CCA before disbusal. Also, additional Rs 567 Crores are required for claeing claims pertaining to first two (02) quarters of the year 2018 -19.	DIPP

7	Sikkim, Nagaland	Directorate of MSME, Gangtok	The technicalities of online filing and legalities of new regime have generated fear among small taxpayers. This category of taxpayers are neither well educated to understand the law oneself nor they are tech-savy to follow online system on their own. Moreover, they cannot afford to hire services of advocate or chartered accountants also.	The affordable category of GST Practitioner group has to be developed in joint initiative of MSME Directorate and State CTD. The programme should be so designed that all the towns of the State can be covered.	Sikkim CTD has already trained one batch of 25 graduates for providing GST Practitioner service in Gangtok. They are catering to the small taxpayers of Gangtok and surrounding areas. State CTD intends to continue the programme for covering other areas. The assistance of MSME Directorate for providing capital loans to the aspiring candidate would give further boost to the initiative.	Administrative Action
8	Punjab	Mohali Industries Association	The MSME and SME Sector is facing hardship while dealing with the legacy issues under VAT. Assessments are being framed under VAT in various states. However, the assesees are grappling with changing GST requirements. So, their compliance burden is very high. Similarly, legacy issues under Central Excise are also pending. As the country has moved to new taxation regime under GST on the principle of One Nation, One Tax. So, some one time settlement scheme for all legacy issues including assessments and arrears or production of statutory forms should be framed for issues pertaining to VAT as well as Central Excise.	One time settlement scheme for all legacy issues including assessments and arrears or production of statutory forms should be framed for issues pertaining to VAT as well as Central Excise. As recovery of all arrears will be under GST Act so the the GST Council can frame one time settlement scheme for all legacy issues. It will be beneficial to both Government as well as assesees. The assesees and officers will be able to concentrate on GST compliance issues instead of devoting time to legacy issues. It will also generate instant revenue for the Government.	The issue may be considered	Policy Issue
9	Rajasthan	Laghu Udyog Bharti	No Option to have Multiple Trade Name under one PAN: GST Regime is PAN based and only one registration is allowed under a PAN in a State, but in general trade parlance there are many small traders who have more than one type of business and making one name for two different types of Goods is very difficult and hence Entrepreneur generally have different trade names.  For e.g. a person has a business of Kirana and other business is of Manufacturing Utensils. Now it would be a lost cause to think that there can be a common trade name for such business and taking business vertical registration for the same would not be a feasible option looking to the increased compliances.  Therefore in cases wherein there are multiple firms of a person in different trade names, it becomes impossible to run business.	Facility to have Multiple Trade Names:  There should be a facility of have multiple trade names under same PAN	The GST Council in its 28th meeting held on 21.07.2018 has approved the amendment in the law that taxpayers may opt for multiple registrations within a State/Union territory in respect of multiple places of business located within the same State/Union territory. This will be made effective after amendment in the GST law.	New Return system
10	a. Rajasthan, b. U.P. c. Jharkhand, d. H.P.	a. Mewar Chamber of Commerce & Industry; b. Singhbhum Chamber of Commerce, Jamshedpur ; c. Shri. Subash Mahajan, General Sec. Industries, Damtal, H.P. d. Laghu Udyog Bharti e. India Industries Association	<u>Non – availability of Option to Revise the Returns:</u>  There is no facility to revise the returns, once filed with the portal. Further in case of short payment of GST by mistake in a particular month, there is no facility to revise the return and pay tax for that month. This is because the system debits the duty in electronic credit ledger as well as electronic cash ledger automatically at the time of filing GSTR 3B only and not thereafter, which results in additional interest burden. It is requested that some mechanism may be developed to debit the duty amount related to the past month even after filing of GSTR 3B of that particular month.		Provision is available for amendment of return in the subsequent month.  Provision to make payment even before the due date of filing the subsequent return is under consideration.	New Return system



11	a. Chhatisgarh, b. Maharashtra, c. Rajasthan, d. Punjab ; e. Karnataka; f. H.P.	(a). Chamber of Small Industries Association / (b). Uria Industries Association / (c).Mewar Chamber of Commerce and Industry / (d). Rajasthan Steel Chamber, Jaipur / (e). Focal Point Industries Association, Patiala / (f). Mandi Gobindgarh Induction Furnace Association/ (g). Bangalore Chamber of Commerce / (h). BBN Industries Association, Baddi (H.P.)	<b>Denial of Credit on default made by the Supplier:</b> In case the supply details have been declared by the supplier and the supplier fails to pay the tax within the prescribed time limit, then ITC shall not be recovered from the MSME recipient and the recovery should primarily be made from the supplier.	By Law of Justice for Doing Business, the person who defaults only should be penalized.	The proposed amendment in returns will take care of the problem.	New Return system
12	a. Chandigarh, b. Rajasthan, c. West Bengal, d. Jharkhand e. U.P.	(a). Chamber of Chandigarh Industries (Regd.) 753, Industrial Area Phase II, Chandigarh. ; (b). Mewar Chamber of Commerce (Rajasthan) ; (c). Industries Association of Chandigarh 45, Industrial Area Phase II, Chandigarh ; (d). Federation of Association of Cottage & Small Industries, [FACSI]; (e). Singhbhum Chamber of commerce, Jharkhand (f). India Industries Association, U.P.	No penalties for clerical errors on Invoice/E-way bills	There should be no harsh penalties on the taxpayer for clerical error on invoice or e-way bill where there is no intention of "Evasion of tax"	The grievance of the chamber is genuine to the extent that there should not be any harsh penalty for clerical error on invoice or e-way bill when there is no intention to evade tax. The council has already decided that standard operating procedures will be made to determine the level of penalty to be imposed in various scenarios. This will ensure that there is no unnecessary harassment and standard system is followed across India. The provisions of the UTGST Act, 2017 and CGST Act 2017 are being followed properly by giving opportunity of being heard to the taxpayer and in case the Proper Officer is satisfied that there is only clerical error, no tax, interest or penalty should be levied and in UT Chandigarh such observations are being taken care off properly while deciding the case.	Circular
13	Chandigarh	Laghu Udyog Bharti Chandigarh 631, Industrial Area Phase II, Chandigarh	For Minor technical fault	For Minor technical fault department should be lenient and should not take hard step	For minor technical, fault the GST Officers/Officials have been advised to be lenient and not take a harsh step while dealing with such cases. Further, council has waived off late fees wherever required. But, there are provisions in the Law where discretion is not allowed. A circular may be issued to clarify the same.	Circular
14	Sikkim	Sikkim Chamber of Commerce	The internet connectivity is stable in capital town and few district headquarters only. The small taxpayers are regularly facing problem in accessing the GST common portal in smaller towns.	BSNL should take initiative to develop robust network to provide stable connectivity upto block level atleast.	This issue was raised by Sikkim and other North-Eastern States in GST Council time and again. The Council had taken two meetings with BSNL authorities. However, the decision taken in the meetings have not yielded result in ground.	Administrative Action
15	Chandigarh	Laghu Udyog Bharti Chandigarh 631, Industrial Area Phase II, Chandigarh	MSME is facing very big difficulty on mismatch of 3B returns	The Laghu Udyog Bharti has requested at least one month time should be given between the return and the matching of inputs credits and the output debits.	Furnishing of return form GSTR-1 may be extended.	Notification
16	Nagaland		2. GST registration is done multiple times to execute contract work at different States.			Law Amendment

17	Himachal Pradesh		No provision for carry forward of PLA balance in Excise LAW as on 30.06.2017	There may be cases where the balance in PLA has not been fully utilised by the assessee as on 30.06.2017 for which there is no provision in the GST laws for carry forward into the GST regime. Therefore, It is suggested that a remedy for such balance of PLA be provided to the assessee, under GST.	Pertains to Central Excise	Circular
18	Meghalaya	All Meghalaya Contractors Association	<p>1) Section 22 (1) of the SGST Act provides for registration of a supplier of goods or services or both if the Turnover in a financial year exceeded Rs10 Lakhs</p> <p>2(a) The TDS provision under Section 51(1) CGST/SGST Acts provided for deduction of tax at source on payment made or credited where the total value of such supply under a contract exceeds two lakh and fifty thousand rupees</p> <p>2 (b) The above provision, once implemented will compel all small suppliers of goods or services or both to obtain GST registration even though their turnover in a financial year does not exceed the threshold.</p> <p>3) All works contractors and supplier of goods were asked by the DDOs to obtain GST registration at the time of submission of tenders even though their turnover in a financial year will not exceed Rs10 Lakhs or in many cases their turnover was "Nil"</p> <p>4) This has led to a situation where suppliers were compelled to take GST Registration but appeared as if it was a registration under Section 25(3) CGST/SGST</p> <p>5) Most of these petty tax payers are illiterate and did not file returns in time and were saddled with heavy late fee for Nil Returns and late fee and interest for even very small turnovers that in a financial year did not exceed Rs10 Lakhs</p>	<p>The association requests the kind consideration of the GST Council to address our genuine problems which we humbly submit as under:</p> <p>a) The GST Council is kindly requested to approve amendment of the GST laws to increase the threshold for deduction of tax at source.</p> <p>b) GSTN may be asked to generate a unique ID based on PAN (not GSTIN) for all suppliers to government departments who claimed that their turnover falls below the threshold based on data furnished by the state.</p> <p>c) The state will obtain a declaration and an undertaking from each such supplier that they will not charge and collect tax on the invoices raised against supplies made and also to voluntarily inform the state and obtain GSTIN if the turnover exceeded the threshold at any time during the financial year.</p> <p>d) The DDOs may be required by GST Law to submit return containing contract details including value of contract awarded to each such supplier for every contract awarded and payment made which will be verified by the Central and State tax departments and take necessary action whenever the contract value awarded to such supplier exceeded the threshold in a financial year.</p>	<p>1) The presence of slightly more than 50% taxpayers below the threshold turnover in the State GST System who are completely illiterate in letters and low/nil computer literacy has contributed to low return filing percentage which will continue to remain a problem as long as they remain in the system</p> <p>2) The problem highlighted by the All Meghalaya Contractors Association and the law committee may perhaps examine the same and make appropriate recommendations to the GST Council to bring relief to the small suppliers who were unwittingly made to take registration despite not liable to do so under the Provision of the GST Laws.</p> <p>3) The CTD, Meghalaya, has in consultation with NIC, Meghalaya decided to develop an application outside the GSTN system wherein the following will be done to give relief to small tax payers :-</p> <p>a) Obtain a declaration and an undertaking from all suppliers of goods or services or both who declare that their turnover is not likely to exceed the threshold in the current financial year, in case the turnover exceeded the threshold at any point in time, in the current financial year, they will apply for GST Registration with effect from the date of liability and intimate the CTD, Meghalaya accordingly.</p> <p>b) such suppliers will be given a unique PAN based ID by NIC, Meghalaya (outside the GSTN System)</p> <p>c) A certificate valid for the financial year will be issued to all such suppliers to enable them to participate in tenders for government supplies without obtaining GST Registration for contract values below the threshold for TDS as prescribed under Section 51(1) CGST/SGST Act. Such</p> <p>d) All DDOs will be made mandatory to submit return (outside the GSTN system) for all contracts awarded of value under the threshold for TDS, in the system to be developed by NIC, Meghalaya. For contract values exceeding the threshold for TDS, the successful tenderer shall have to register under GST if not already registered certificate will also be uploaded in the State CTD portal with validity status clearly highlighted. The DDOs will be able to view the status of the certificate and take action accordingly.</p> <p>e) The NIC system should be able to throw an alert whenever any unique ID allocated exceeded the threshold turnover in a financial year, and the certificates of such allottees will be immediately highlighted as cancelled.</p>	Law Amendment

19	Maharashtra	Bombay Chartered Accountants' Society / Mahratta Chamber of Commerce Industries & Agriculture, Pune	Input Tax Credit should not be denied merely on the grounds of non matching of credits. [Section 16 (2), read with the Proposed Return Filing Process].	While the concerns of the Government in insisting on the ITC matching can be understood, the proposed return filing process denying provisional credit will hit the SME Sector very badly since large organisations may insist on retaining some money from the vendors till the credits are reflected in their returns (This can happen after 3 months since the SME sector will be filing quarterly returns). This can adversely affect the cash flow situation of SME Sector.	The proposed amendment in returns will take care of the problem.	Law Amendment
20	Maharashtra	Chamber of Small Industry Associations	<p>Clarifications:</p> <p>Valuation: Meaning of 'additional consideration' needs to be clarified.</p> <p>Following issues may kindly be considered:</p> <p>Whether value of the goods supplied free by the customer is required to be included in the value of supply made by the tax payer (for ex. when a manufacturer of machines receives certain components from his customer.)</p> <p>Whether the charges for tools, dies &amp; moulds received free from customer are to be amortized to the value of the goods or it is to be assessed to tax separately?</p> <p>How would the transaction be carried out if the customer is in a foreign country, the goods manufactured out of the dies are to be exported, but the dies remain in the country? (although the property in the die is transferred to the foreign customer).</p> <p>If the value of goods supplied free by the customer is an additional consideration, then whether all the job-workers are required to pay tax on "job-charges + cost of the goods received"?</p>	Clarification Required	<p>1. The GST policy wing may deliberate on this issue.</p> <p>2. Circular has been issued on the same.</p>	Circular
21	Maharashtra	Chamber of Small Industry Associations (COSIA)	<p>Works Contract:</p> <p>It is required to be clarified as to what is 'immovable property'</p> <p>The Works Contract in GST is restricted to contracts of 'immovable property'. However, the history of litigations would show that there is no consensus on the question as to what immovable property is.</p> <p>There have been cases where a huge tank resting on the ground (without being embedded to or attached by even nuts and bolts) has been held to be immovable property. On the other hand, machines installed on civil platform with nuts and bolts have been held as moveable.</p> <p>A clarification would go long way in reducing uncertainty and litigations.</p>	Clarification Sought	GST Policy Wing may clarify the same.	Circular
22		Chamber of Small Industry Associations (COSIA)	<p>Levy of Tax: Sale of assets on which ITC had not been taken</p> <p>A company discontinued its operations and sold its assets like computers, furniture etc. The company had not taken credit on these goods. Whether GST is payable on such sales?</p>	Clarification Sought	No, this is not covered under deemed supply in Schedule – I.	Circular

23		Chamber of Small Industry Associations (COSIA)	<p>Levy: Cash back received from Bank</p> <p>A tax-payer makes payments (for purchase of goods or services) through credit card. Bank gives cash back on the amount spent through credit card. Whether GST is applicable on such receipt of Cash back? What is the 'supply' made?</p> <p>Further, in case no tax is payable on such cash back, whether the tax-payer is required to reverse the ITC in proportion to the amount of cash back?</p>	Clarification Sought	A taxpayer is supplying service to the bank and will be required to pay tax @ 18%.	Circular
24		Chamber of Small Industry Associations (COSIA)	<p>Clarification is required as to what is the difference between 'hire' and 'contract carriage'? While GST is exempted on non-AC contract carriage, it is not exempted on hire.</p> <p>For example, a company wants to facilitate transport of its employees from their area of residence to the factory. The company entered into contract with another person who would provide a non - airconditioned bus along with driver. The route and the distance is fixed, and the amount payable to the bus contractor is fixed (a monthly rent). Is this transaction exempted as 'contract carriage' or taxable as 'hire'?</p>	Clarification Sought	In the given example, it is a case of hire.	Circular
25		Chamber of Small Industry Associations (COSIA)	<p>Clarification on following questions would help the industry resolve its compliance issues.</p> <p>When a Credit Note is issued for rejection, deficiency, etc. – should the output liability be reduced or the ITC be increased in the GSTR-3B?</p> <p>Should salary, wages be shown in exempted supply in GSTR-3B?</p>	Clarification Sought	<p>Output liability of the supplier is to be reduced and output liability of the recipient is to be increased against a credit note issued by the supplier.</p> <p>The supply of services is received by the employer against salary and wages.</p>	Circular
26		Chamber of Small Industry Associations (COSIA)	<p>Exemption from payment of tax on supply of goods by registered person to a registered recipient for export under Notn. No. 40/2017-Central Tax (rate) dt.23.10.2017</p> <p>Under this notification supplier is not eligible for exemption if exporter fails to export the goods within ninety days of the (date of issue of tax invoice).</p> <p>Why the supplier is penalized for non – export. Onus of liability should be on exporters.</p>	Clarification Sought	The liability to pay correct tax is on the supplier. The supplier may take adequate security or guarantee from the merchant exporter, if so required.	Circular
27	Maharashtra	Mahratta Chamber of Commerce Industries & Agriculture, Pune	Dealers are required to give details of total expenditure with bifurcation of exempt, composition dealers and others of the expenditure. Many time expenses are made through online apps like bhim app, paytm, etc in such cases invoice is not generated and there is no trail. This is troublesome for MSME sector who lack sufficient manpower to comply.	Any return or audit reporting requirement should be notified before start of the year, so that details can be recorded in accounts and reports can be generated through accounting software.	The return committee may deliberate on the same.	New Return system
28	Maharashtra	(a). Chamber Of Small Industry Associations, Thane	<p>E-way Bill: There are a few situations where there is difficulty in preparing the e-way bill. In such cases, suitable methods need to be devised.</p> <p>(a) How to fill in the Part B when the goods are taken by bus, local train etc? In fact, by the time a person will note the bus number, he will miss it. Similarly, when one travels through local train or carries the goods as personal luggage in express trains, he does not have a railway receipt (portal requires him to fill in the Railway Receipt No.).</p>	Suggestion: In such cases, the trade may be allowed to merely mention 'bus', auto-rickshaw, local train, train etc. without any requirement of mentioning the vehicle number or the railway receipt number.	NIC may provide a solution to the concerned issue.	Circular

29	Maharashtra	Bombay Chartered Accountants' Society	Clarification that the provisions of job work are optional [2(68), 19 & 143]	Under the Excise Regime, the taxable event was manufacture. Further, input credit was allowed only on inputs received in the factory. Therefore, the job work provisions were relevant and facilitated transactions and also provided documentary control. Under the GST Regime which is transaction based and credits are freely available, these provisions do not really seem relevant and create confusion. Further, the definition of job work and the prescribed procedures result in these provisions restricting transactions rather than facilitating them. It may therefore be clarified that the said provisions are optional in nature.	The GST policy wing may deliberate on this issue.	Circular
30	Mizoram	Mizoram Merchants Association (MIMA)	Taxpayers outside the state are unwilling to provide B2B invoices.	Monitoring and checking system is required so that compliance for providing invoices and utilisation of E-waybill will be high.	As suggested by the trade association, a thorough monitoring system is required for checking of invoice and e-way bill.	Administrative Action
31	Himachal Pradesh	Himachal drug Manufacturers Association	2) Refunds in case of inverted duty Structures- Inputs Taxable at same/lower rates. GST Law provides for refund of Input Tax paid to assessee covered under Inverted Duty Structure i.e. for the assesses where Output Product is taxable at higher rate than the Input, in such a case the assesses shall not be liable to pay Outward GST at any stage. However while processing GST refund claims Assessing Officer is not approving refunds for the Inputs which are chargeable to same or Lower rate of GST as chargeable on the Final Product. As a result of this a substantial part of GST input is not processed as Refund and also has no hope of adjustment in output liability in future either.		<b>State:</b> The representation of the issue appears to be misspelled. However Council may consider to revisit the GST tariffs on inputs to avoid the situations of inverted duty structure.	Circular
32	Himachal Pradesh		Provisions relating to claim of Input Tax Credit and reversal of ITC in certain situations in the hands of Real Estate developers/builders	It is suggested that a clarification be issued by way of a circular addressing the various issues relating to claiming of ITC, restriction of ITC and reversal of ITC in the hands of the builder / developer under various circumstances. This would address the concerns of the community at large and prevent avoidable litigation at a future date.	May consider issuing clarification.	Circular
33	Rajasthan, Tamil Nadu	Tiruppur Exporters Association, Mewar Chamber of Commerce & Industry	SUBMISSION OF CA CERTIFICATE IN LIEU OF PHOTOCOPIES OF PURCHASE INVOICES: It has been represented that while submitting refund application manually, the exporters have to attach the photocopies of purchase invoices, which is so voluminous and increase the transaction cost.	Instead of this, it is suggested for furnishing abstract in lieu of ITC invoices duly certified by the Chartered Accountant along with the undertaking / indemnity bond to repay erroneous refund, if any, immediately on deduction.	GST Policy Wing may deliberate this issue.	Circular
34	Himachal Pradesh		GST Compensation Rules to be prescribed.	It is suggested that appropriate GST Compensation Rules be prescribed in relation to charge of compensation cess and manner of availment of credit of Compensation Cess.	Such rules already exists.	Circular

35	West Bengal, Tripura	Bharat Chamber of Commerce	Daily Sales Outstanding (i.e. number of days that it takes to collect payments) for small enterprises was around 70 days in 2017, as against 58 days for large enterprises. MSMEs typically have a high dependency on trade receivables, depending upon how a particular segment operates. Mostly the payments of wages in this sector are done on a daily, weekly or monthly basis. Hence, high DSO directly affects the working capital of most firms in the sector. The trade receivables scenario for micro and small companies has deteriorated, following demonetization and GST. For micro and small companies, around 70% of trade receivables were open for more than 90 days during Q1 2018 as compared to just 45% during 2015. Since finance from banks is also not easily available it has made the sector highly uncompetitive vis a vis the bigger players.		Bank credit availability is an issue being faced by msme .	Department of Financial Services
36	Himachal Pradesh	Baddi Barotiwala Nalagarh Industries association	2) Classification Issue	The classification of IGST/CGST/SGST be made one and Govt. Software should be able to bifurcate revenues on the basis of state code of sates in GST numbers.	As the payments in respective heads are credited to distinct Government kitties, suggestion appears impractical. However GSTN may look in to suggestion and possible applicability.	Accounting issues- Pr. CCA to consider
37	Telangana	a. Tirupur Exporters Association, b. CII, Telangana	GST Refund Claims for Multiple Months:  There was an issue where an exporter purchases goods in one particular month while the export is made in the subsequent month and the formula as available in the website doesn't permit the exporter to claim previous month's ITC against subsequent month's export.  This issue was pointed out to the Government and subsequently Circular No. 37/11/2018-GST dated 15.03.2018 was issued whereby under Para 11 it was allowed to make refund claims for two or three months clubbed together. Though this has resolved legal infirmity in claiming refunds in respect of such cases, this circular has not been so far given effect to in the website for electronic filing where refund forms in RFD-01A is made available only on a monthly basis without any option for clubbing the months.	It has been requested that this technical defect may kindly be brought to the knowledge of GSTN and suitable corrections in the software may be carried out at the earliest.	It is informed by GSTN from last three months that it will be kept in place shortly. GSTN may directed to make the tool available at the earliest.	GSTN
38	Maharashtra, Rajasthan	Chamber of Small Industry Associations,  Mewar Chamber of Commerce & Industry	Portal related Issues  (i). While filing refund of ITC on the portal, the period available for selection is only month-wise. Though it was agreed in the Council meeting that a larger period would be provided for, it is not done so. Filing of quarterly refund not available at the GSTN portal.  (ii). After filing of GSTR-1 return, full download of the same is not available. Only summary made available. There is no way to check the details. Where there are hundreds of invoices, there is no way to verify them. Download of the same nor its summary is available. There is no way to check the returns. (iii). The GST portal does not allow part payment of liability. Thus, even when ITC is available, the tax payer is not able to set it off against his liability. Where a person is not able to pay the cash component immediately, set off of the entire liability is delayed. Whether in case of such circumstances, the interest would be payable even on the ITC that was available in the account?	It is suggested that download of the entire data as a single excel file (with invoice wise details) should be available. After filing of ITC-04 statement, neither download of the same nor its summary is available. There is no way to check the returns.	i. This facility is under development independently by GSTN.  ii.& iii. The suggestion merits consideration by GSTN.	GSTN

39	Maharashtra	Vidarbha Industries Association	1. Refund of amount paid for Goods which was purchased in the month of January and Exported in the month of February - as the RFD -01A is not as per Circular 37/11/2018-GST Dt. 15th March 2018 , the system ask for the month and not the period for which the RFD-01A is being made. 2. The Manual for Refund of ITC on Account of Exports Without payment of Tax which is available on the GST Website does not reconcile with the actual RFD-01A return filing system. We highlight the following discrepancies which are as under : As per the manual – the Applicant has to mention at the end of the Refund Application (1) Financial Year (2) From Month (3) To Month , whereas in the GST website when the Applicant applies for Refund (1) From Month (2) To Month these are missing.	Solution may be provided for the same.	1. The facility would be provided by GSTN very soon. 2. GSTN to deliberate on this issue.	GSTN
40	Maharashtra	Chamber Of Small Industry Associations, Thane	The GST portal does not allow part payment of liability. Thus, even when ITC is available, the tax payer is not able to set it off against his liability. Where a person is not able to pay the cash component immediately, set off of the entire liability is delayed.	Whether such circumstances, the interest would be payable even on the ITC that was available in the account?	Unless and until the cash ledger or as the case may be credit ledger is debitted, the liability is not disposed off, hence merely keeping the balances in cash or credit ledger will not be treated as payment of taxes and the interest is calculated on actual payment.	GSTN
41	Maharashtra	Vidarbha Industries Association	Avoiding direct interaction between registered persons with GST Authorities: All refunds to be made automatic based on the returns filed on a periodic basis without the need of any personal submission of details / documents. Option may be given for uploading required annexure along with refund application so that physical documents need not be required to physically submitted.	Solution may be provided for the same.	GSTN to expedite complete development of refund module.	GSTN
42	Maharashtra	STP Association	B-B, B-C rectification should be provided for mistakes regarding incorrect TIN.	Solution may be provided for the same.	GSTN to deliberate on the same.	GSTN
43	Maharashtra, HP	STP Association, Baddi Barotiwal Nalagarh Industries association, HP	Changing the Quarterly/ Monthly selection to be changed- opportunity to be provided to change the periodicity if there is mistake.	Solution may be provided for the same.	GSTN to deliberate on the same.	Policy Issue
44	Sikkim	Pharmaceutical manufacturing companies of Sikkim	No grievances	Regular intervention by tax authorities/GSTN in form of SMS alert prior to last date of filing return and payment of tax will help in pushing tax compliance up in priority list of small taxpayers.	SMS alert system Sikkim CTD had during online VAT regime was an effective tool to reinforce the awareness. It sub-consciously generates one-to-one communication line with the taxpayers. Whereas email cannot give same result. GSTN may develop SMS alert system to the registered mobile number of the promoter or authorized signatory.	GSTN
45	Karnataka, HP	Peenya Industries Association, Dongara Enterprises Chougan Bazar Nurpur	Deregistration	Deregistered taxpayers are unable to file the GST returns or make the payment of tax by virtue of deregistration. So revocation of deregistration is required with immediate effect.	Deregistered persons are not able to file the returns and make payments for the period of validity of registration. This needs to be set right. The issue can be discussed in the IT Committee.	GSTN
46	Maharashtra	Vidarbha Industries Association	Few more issues we would like to bring to your notice that, where there is error in filing of sales information in Form 3B, which later on correction while filing of GSTR 1, then the information of GSRT 1 should be considered as final. Else correction of Form 3B facility should be made available at GSTN. Also in many cases it is observed that refunds are held when there is non material discrepancy, i.e. less than 3% of the refund amount, in the ITC claimed then balance refund should be issued withholding double of the ITC amount. We request that this condition may be withdrawn with immediate effect.	Solution may be provided for the same.	GSTN to provide solution.	GSTN
47	Bihar	BIA	Taxpayers are facing difficulty in downloading GSTR-2A.	Facility should be provided.	May be considered.	GSTN
48	Bihar	BIA	Mistakes in exercising option for monthly/quarterly return should be allowed to be corrected.	Option exercised for selecting monthly/quarterly filing of return may be allowed to be changed where the taxpayer has not actually exercised this option.	May be considered.	GSTN

49	Bihar	BIA	Taxpayers are facing difficulty in downloading invoices in a desired sequence while downloading GSTR-2A	Different kinds of filters should be provided for downloading invoices and taxpayers may be enabled to search invoices as per different categories.	May be considered.	GSTN
50	Rajasthan	Sumit Jagetia, Bhilwara	MSME-IT issues-Registration	Few GSTINs have been made inactive with effect from 2/4/2018. Taxpayers are able to login but status is shown as INACTIVE. In such cases taxpayers were issued notices from jurisdictional officers and since the taxpayers didn't file clarifications within the specified period of time, GSTINs were made inactive. Such taxpayers didn't apply for revocation as well within 1 month of being inactive. How can such cases be restored?	Such cases have been escalated in the IT committee meeting (GSTN).	GSTN
51	Rajasthan	Sumit Jagetia, Bhilwara	MSME-IT issues-Refunds	There is no provision on portal for quarterly/FY refunds. Clubbing of refund data is not supported on the refund module of GST Common portal. This happens usually in cases of Inverted Duty Structure and where exports are done in a particular month but in other months there is only purchase and no sales.	Vide Circular No. Circular No. 37/11/2018-GST, clarification regarding refund claims have been provided. It has been clarified that the exporter, at his option, may file refund claim for one calendar month / quarter or by clubbing successive calendar months / quarters. The calendar month(s) / quarter(s) for which refund claim has been filed, however, cannot spread across different financial years. The system for filing of refund application does not allow to file refund application by clubbing successive periods. Thus, it is requested to provide the functionality according to the clarification without any further delay.	GSTN
52	Karnataka	Bangalore Chamber of Industry and Commerce	While the GST law allows filing of quarterly refund applications, the portal has not enabled the same	Should be enabled at the earliest	This is IT Issue – may be brought to the notice of GSTN	GSTN
53	Tamil Nadu	1. Tamilnadu Small & Tiny Industries Association 2. Tamil Nadu Vanigar Sangangalin Peramaipu	System	1. The e-payment of tax, other mode of payment using debit/card should also be considered. 2. Payments shall be accepted by all banks.	To be highlighted to GSTN	GSTN
54	Tamil Nadu	Villipuram District Small and Tiny Industries Association	System	1. Non-filing of GST return is due to lesser GST awareness and software issues. Hence, the time should be extended. 2. The revised return option should be given for filing GSTR-1 & GSTR- 3B due to inadvertent mistakes in the return filed. 3. Toll free number is given for GST Grievances, while contacting the toll free number it should be in Tamil Language. 4. GST Amendments could be seen in Central Excise Duty portal. The same should be made available in GST portal. 5. Annual Returns has to be filed , but there is no details available in the portal. Hence, the same should be made available in the portal and extend the time limit for filing the Annual Returns.	To be highlighted to GSTN.	GSTN



55	Tamil Nadu	<p>1.The Tamilnadu Automobile &amp; Allied Industries Federation</p> <p>2. Tamil Nadu Vanigar Sangangalin Peramaipu</p> <p>3.Cuddalore District MSME Association</p>	System	<p>1. GST portal should be made compatible to accept JSON file exceeding 5MB for rectification if wrong invoices exceeds size of 5MB.</p> <p>2. Requested to waive late fees for the days when the portal is facing technical glitches.</p> <p>3. Table 3.1 Tax on outward and reverse charge) of GSTR 3B should be attuned to accept negative figures also.</p> <p>4 Matching of ITC with GSTR 3B and GSTR 2A should be relaxed for certain period considering the practical difficulties being faced.</p> <p>5. Issuing of notices for mismatch between GSTR 1 and GSTR 3B should be relaxed since the same are rectified in subsequent months.</p> <p>6. If there is any mismatch during return filing, it should be viewable under dealer login also and not only under officials login view. MSME units will be able to rectify if such mistakes are noted</p> <p>7. For submitting GST Tran 1 again some more time may be allowed for those who have not filed because of the portal problem which have not accepted the same or not possible to submit revised returns.</p>	<p>1. Currently GSTN accepts only files upto the size 5 MB. If the file size exceeds 5 MB Facility has been provided to upload the Additional JSON file, based on the size.</p> <p>3. To be highlighted to GSTN.</p>	GSTN
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56	Tamil Nadu	Tamil Nadu Vanigar Sangangalin Peramaipuu	System	<p>1. While applying for registration of Branch/Godown, the portal didn't ask any document to upload like rental agreement etc. The same time, officials sending a clarification note to the dealer to upload the rental agreement. This causing unnecessary time delay to every applicant. The portal should be modified to upload in the initial stage of filling the branch applications to upload rental agreement in case of Branch/Godown.</p> <p>2.Subsequently cancelled dealer's previous period returns could not be uploaded at present. Requesting to provide the facility for filing the returns for period prior to cancellation.</p> <p>3.Single cash ledger must be introduced. There are 4 major heads (CGST, IGST, CESS &amp; SGST) and 5 minor heads (Tax, Interest, Fees, Penalty &amp; others). We request to introduce only 4 major cash ledgers instead of present 20 columns.</p>	<p>1. To be highlighted to GSTN. Facility to be provided to upload the rental agreement at the time of application for Amendment.</p> <p>2.To be highlighted to GSTN.</p> <p>3.To be highlighted to GSTN.</p>	GSTN
57	Uttarakhand	Uttarakhand Industrial Welfare Association	2. For GST online payment, option of only 14 banks is available on the GSTN portal.	Option of all Banks must be available.	Option of all the banks, Credit/Debit Cards, payment wallets, BHIM UPI, etc. should be available for payment of GST on GST portal.	Policy Issue
58	Uttarakhand	Confederation of Indian Industry (CII)	<p>3.INADEQUATE IT INFRASTRUCTURE</p> <p>The IT infrastructure that supports GST is inadequate. The tax payers start experiencing difficulty in logging in weeks before the due dates. The log in is not seamless and one has to make multiple attempts to log in. Even for the payment of tax one has to log in. This perhaps makes the server very busy.</p> <p>In other tax payments like income tax, the online payment of tax is independent of the income tax portal. It is handled by NSDL and collecting banks generate a unique code for every collection made by them. The unique code is mentioned in the return for claiming the credit for tax paid</p>	It is suggested that the tax collection under GST should also be through independent agency with facility to bulk post the challans at the time of filing of return. This will reduce the load on the GST server also.	May be considered	GSTN
59	Bihar	BIA	Where a taxpayer has been granted registration on a date later than the date of liability then such taxpayer is not able to discharge his liability with effect from the effective date of registration	Portal services should be provided with effect from the effective date of registration.	May be considered.	Policy Issue
60	Assam, NER	Federation of Indian Exporter Organisations (Eastern Region),	<b>Refund issue:</b> Application for refund was filed for Rs X, but refund was made for Rs Y only ( $Y < X$ ) based to GSTR 2A data. Balance ITC has been re-credited. Subsequently, the supplier has shown the supplies in GSTR 1 as a result of which my GSTR 2A has gone up and matches with the actual refund that was claimed i.e. Rs X. But, now I cannot file another application of refund for the same period nor I can include it with other period(s).	Supplementary refund applications have to be allowed.	The re-credited amount may be allowed to be claimed through supplementary refund application for the same period or refund may be allowed to be claimed with subsequent period as a separate entry.	Policy Issue
61	Assam, NER	Federation of Indian Exporter Organisations (Eastern Region),	GST refund is not very smooth. From the electronic model that we had in WB we have been forced to adhere to semi automatic module. We are being asked to furnish all export invoices at the time of provisional refund, which is totally un-called for. Delayed refunds and a spike in capital requirements have only added to our woes.	Online refund should be available.	Lack of comprehensive online refund module is a stumbling block both for seeking as well as disbursing refund.	GSTN

62	Karnatak	Karnatak Chamber of Commerce & Industry, Hubballi	1.Provision be made for submitting Revised Return in a simple way 2. Submission of single Return system be implemented 3. Provision for downloading Monthly/Quarterly details in Excel Format. 4. Improvement in software systems( to speed up the server)	For all these reasons the one solution is to improve upon the software by speeding up the server	The returns are already proposed to be simplified.  Further, this is an IT issue and the same may be brought to the notice of GSTN and discussed in the IT Committee.	New Return system
63	Odisha	1. Utkal Chamber of Commerce & Industry, Bhubaneswar(UCCI) 2. Odisha Small Scale Industries association(OSSIA) 3. Odisha Assembly of Small and Medium Enterprise Association(OASMEA) 4. Odisha Young Entrepreneurs Association(OYEA) 5. North Odisha Chamber of Commerce & Industry(NOCCI), Balasore	Facility to capture UAM (Udyog Adhar Memorandum) number and IEM(Industrial Entrepreneur Memorandum) number in the GST Registration	GST registration should capture the UAM No. to identify MSME units.	May be considered to monitor the compliance behaviour and functioning of MSMEs. It will also help in statistical analysis pertaining to MSME Sector.	Policy Issue
64	Himachal Pradesh	HAROLI BLOCK INDUSTRIAL ASSOCIATION	2) Uncertainty related to functionality of the GST information technology system.	Information technology department of GST regime should speeden up the uploading process, to avoid time wastage.	GSTN to look in to grievance.	GSTN
65	Himachal Pradesh		Verification of application and approval of registration	If there is a validation error, the reason for the error is not provided through an email sent to the authorized signatory, and appears much later on the portal. In this regard, It is suggested that the reason for validation error be communicated to the applicant through email, sms, etc. so that he can take immediate corrective action by providing the correct particulars.	GSTN should take the issue to ensure that validation error, if any, is displayed to applicant at the time of filing application.	GSTN
66	Himachal Pradesh , Uttarakhand	Uttarakhand Industrial Association	Option of having multiple Trade Names with single GSTIN	It is suggested that the option of having multiple trade names against one GSTIN be provided to all registered persons, regardless of the constitution of business, to facilitate ease of doing business.	Different branches with different trade name may be allowed under one GSTIN. However it cannot be regardless of constitution of business. The constitution of business must specify such trade names within it.	Policy Issue
67	Himachal Pradesh		Size of Documents to be uploaded while undertaking registration	It is suggested that the size limit of the uploaded files be increased so as to maintain the quality and readability of the documents uploaded in the GST online portal.	GSTN may consider	GSTN
68	Himachal Pradesh		Online GST Portal-password for login	It is suggested that the copy-paste options be enabled in passwords, and the requirement to change password beyond a specified time be done away with.	In our view, this requirement is for security reasons. No reasons for suggestion are given. Not recommended.	GSTN
69	Himachal Pradesh		Non-availability of filing of GST Return without payment of Tax	It is suggested to permit filing of return without payment of tax before the 20th of the succeeding month and enable tax payments till last date i.e. 20th, which will be credited automatically in the ledger.	State: Not recommended	GSTN

70	Himachal Pradesh		Non-availability of refund to exporters due to technical glitches	Although there are several circulars issued for speeding up of the refund process the ground reality is that trade and industry have not been in a position to obtain refunds. Therefore, It is suggested that some kind of accountability on the part of Officers be introduced to alleviate the difficulties faced by trade and industry.	Interest for delayed refunds are there. Accountability will automatically arise once it is found that interest arisen due to his inactions.	GSTN
71	Himachal Pradesh		Online utility is not available for filing composition returns and the offline process results in delay.	Online filing should be enable	Composition taxpayers are small in size and hence offline tool was devised for them so that they can prepare their return on their own computer, re-check and then upload the same. This was also done to reduce the chances of error as he can check/re-check the data and calculations. However GST Council may consider.	GSTN
72	Rajasthan	CII(Cofederation of Indian Industry)	Dealer's having to charge SGST, CGST and IGST leads to confusion, errors, return filing complications and even instances of losing on input credit.	Dealers should be required to charge tax under a single head of GST and the GSTN software should have the necessary algorithm to segregate it into SGST, CGST and IGST as appropriate. This will greatly simplify return filing for MSMEs and big dealers also.	As SGST, CGST and IGST are three different laws and revenue is sharing among the State and Center as per revenue received in compliance of these law. The input credit between SGST and CGST is not adjustable as per section 49(5). This issue may be discussed by the Law Committee if a mechanism can be found to facilitate traders.	Policy Issue
73	Rajasthan	CII(Cofederation of Indian Industry), Laghu Udyog Bharti,	Refunds process needs to be made simpler, painless and automatic- it was much easier for exporters to get refunds under the earlier excise regime than it is under GST.	It should be an automatic and seamless process similar to how Income Tax refunds are processed without dealer requiring to submit detailed paperwork and refunds disallowed under minor technical pretext.	Manual processing of refund applications are being done till the online functionality to process refund claims is made available by the GSTN. Commercial Tax Department has issued instructions to field authorities to expedite all pending issues related to refund claims within the prescribed time limit. It is suggested that the process of refund under GST may be made more smooth by making online functionality operational. Therefore, the online functionality should be made available without any delay.	GSTN

74	Rajasthan	Sumit Jagetia, Bhilwara	Accounting / Invoicing Tool, Software, Platform	<p>All the businesses are using some or the other software for preparation of invoice and submitting GST returns. Businesses also have to prepare E-Way Bill on GST's portal subject to certain conditions. If any business is preparing E-Way Bill for all his sales, in effect he is completing his GSTR-1. Such person should not be required to file GSTR-1 as all such details have already been furnished. Similarly, Government should launch an Offline / Online Tool / Software / Platform which all taxpayers may download on their computer / laptop / tablet / mobile and record their purchases, sales, freight, inputs, business expenses, capital goods, or anything related with GST. Taxpayers may upload their data on live / daily / monthly / quarterly basis depending upon their Turnover; Quarterly for TO &lt; 5 crore / annum, Monthly for TO &gt; 5 crore / annum; Tax may be payable on monthly basis. This would reduce last minute load on the website.</p> <p>Furthermore, by using such software, E-Way Bill would not be required. Government's software should calculate GST payable which the taxpayers shall pay in stipulated time. This would also lead to saving of precious national time &amp; cost of all business persons unnecessarily being wasted in filing of returns.</p>	<p>Various offline tools for submission of different returns, form ITC-01/03/04 and GST Tran-1 &amp; Tran-2 have been already made available by the GSTN on the common portal. Besides this, a taxpayer may submit returns by using online mechanism available on the common portal. A functionality is also proposed to be made available to use the E-Way bill data for submission of GSTR1. Moreover, GSPs are also facilitating the services on the GST Common Portal. It is suggested that other facilitation majors may also be explored to be provided.</p>	GSTN
75	a. Karnataka b. H.P. c. Tamil Nadu d. Rajasthan e. U.P.	Peenya Industries Association / Mehatpur Industrial Association / Tamil Nadu Automobile & Allied Ind. Federation / Laghu Bharti Udyog, Rajasthan	TRANS-1	Keep open the uploading of Trans-1 without setting up of any deadline	This is a transition issue and needs discussion. It cannot be open-ended provision. Further, the deadline was already extended on one occasion.	Policy Issue
76	Karnataka	Peenya Industries Association	Payment of Tax on behalf of Vendor	The taxpayers should be allowed to tax w.r.t. the purchase invoice on behalf of vendor (who fails to file the tax return or not). This helps the tax payers to maintain clean chit.	This is not in the framework of GST as this may lead to others also demanding the same. Needs further discussion.	Policy Issue
77	Himachal Pradesh	Shri Subhas Mahajan, General Secretary Industries Damtal	<p>MSMEs have to file two returns monthly GSTR 3B and GSTR 1 and are facing difficulty in filing the two returns</p> <p>MSMEs are required to file monthly returns whereas in VAT regime quarterly returns were being filed</p> <p>MSMEs are required to file 3B returns up to 20th of each month and GSTR 1 up to 10th of each month &amp; which has burdened them</p>	<p>There should be only one return for the MSMEs</p> <p>MSMEs should be allowed to file monthly or quarterly returns as they may like to file</p> <p>MSMEs should be allowed to file one return within the period of 30 days of the close of month or quarter as the case may be.</p>	<p>Ideally easy return should be for all not for MSMEs only. System of 1 return is already under consideration of Council and may be rolled in near future.</p> <p>A system and calendar has to be followed for compliances. Compliances calendar cannot be left on the will/wish of the persons to comply.</p> <p>One return is on its way. May be provided shortly. Taxpayers with turnover up to 5 Crores would be required to file quarterly returns. Others would be required to file monthly return.</p>	New Return system

78	a. Rajasthan, b. West Bengal, c. Uttarakhand	(a). Mewar Chamber of Commerce & Industry, (b). Federation of Chambers of Commerce & Industry, (FOCIN), North Bengal, Industries Association of Uttarakhand	To Exempt for filing the ITC – 04 in case of job – work – Procedural problem in complying with the job – work provisions of GST:  It has been represented that GST – ITC – 04, required to submitted quarterly basis has created issues for MSMEs who regularly send their items to many job – workers particularly in textile sector. It is very difficult to maintain one to one correlation between the goods sends and received from the job – workers.	It has been requested to exempt textile industry from filing ITC – 04.	May be considered	Notification
79		ASSOCHAM/ BDO/ EPCES	To extend Threshold limit of Rs 20 Lacs for inter- State supply of goods as well. Further, to extend threshold limit to E - Commerce operators as well.	The threshold limit of ₹20 Lacs, presently applicable for inter-State supply of services may be extended to inter-State supply of goods also. This will also facilitate SEZ units/ SEZ developers within the same State. Further, for supply of goods for sale through E – Commerce operators, the exemption limit of ₹ 20 Lacs may be permitted.	<b>Centre:</b> Merits consideration atleast for supplies to SEZs located within the same State and inter-State B2C supplies. The small supplier below threshold limit are required to compulsorily register, if they are supplying through E - commerce operator required to collect Tax at source. The request merits consideration.	Law Amendment
80	a. Chandigarh, b. Manipur, c. Himachal Pradesh, d. Tamil Nadu, e. Telangana, f. Rajasthan, g. Uttarakhand, h. M.P. i. Punjab j. Bihar	Chamber of Chandigarh Industries (Regd.) 753, Industrial Area Phase II, Chandigarh, Manipur Industry Development Council (MIDC) / Bhiwadi Manufacturers Association / Tamil Nadu - Small & tiny Industries Association /Small Engineering Industries Welfare Association / Villupuram District Tiny and Small Industries Association. / Tamil Nadu Association of Cottage and Tiny Entrepreneurs / Commercial Tax Practitioners' Association, Indore / Tax Law Bar Association, Bhopal / Industries Association of Uttarakhand / Confederation of all India Small & Medium Pesticide Manufacturing Association / MSME & SME Sector, Punjab / BIA	Late Fee for filing of Returns	Waiver of late fee for MSME sector for three (03) months of delay from the due date of filing of returns and further reduction in the Interest rates (say by 3%) in case of default by the MSME taxpayers.	The GST Council has already reduced the fee for non-filing of NIL return to Rs. 10/- per day each under UTGST Act, 2017 and CGST Act, 2017 which is very nominal and is must to ensure compliance from non-filers of nil returns.	Notification
81	Jharkhand, Uttarakhand	Jharkhand Small Industries Association, Ranchi, Jharkhand; Advisory Group, Indian Industries Association, Uttarakhand	Tax on Advances creates financial & compliance burden whereas most of the Advances get adjusted within reasonable time	No tax on Advances if the advances are adjusted by way of issues of invoice within three (03) months.		Notification
82	Rajasthan	Chamber of Small Industries Association , Rajasthan BSNL Franchisee Association, Laghu Udyog Bharti, Rajasthan	Exemption for Services by a Retailers of SIM Card and Recharge Coupon (Physical or E-form) in Telecom Sector	Exemption for Services by a Retailers of SIM Card and Recharge Coupon (Physical or E-form) in Telecom Sector. The turnover of such SIM card retailer should not be included in the aggregate turnover of ₹ 20 Lakhs.		Notification

83	Maharashtra, Rajasthan	Bombay Chartered Accountants' Society, Laghu Udyog Bharti	<p>Reverse Charge Mechanism in case of notified goods and services. [Section 9 (3) read with 24 (iii)].</p> <p>The intention of reverse charge mechanism is to shift the compliance burden from unorganised sector to the organised sector. However, in view of Section 24 (iii), what happens is practically the opposite. A very small trader having turnover of outward supplies of Rs. 10 lakhs is also required to register if he pays transport charges of Rs. 5000/-.</p>	<p>Therefore, it is suggested that either Section 24 (iii) be deleted in toto (thereby triggering a registration requirement only in case of exceeding of aggregate turnover of outward supplies) or an alternative threshold of Rs. 5,00,000/- be provided and only if the value of inward supplies on which reverse charge is applicable exceeds this limit, Section 24 (iii) should become operational.</p> <p>The prescription of twin tests for registration will result in significant reduction in compliance burden and will also open up the SME Sector to undertake one-off supplies in other States, which business opportunities are foregone today by them due to multiple registration requirements.</p>	<p>The issue remains for RCM on Advocate service and GTA services, GST policy wing may deliberate on the same. Issue related to GTA needs serious thoughts.</p>	Notification
84		Confederation of Indian Industries (CII)	<p>Refund of accumulated ITC due to inverted duty structure on railway parts: Several foundries are manufacturing the castings &amp; other parts for Railways, which is one of the major consumer of cast components &amp; contributing in "Make in India" Campaign.</p> <p>However, in the GST regime there is serious issue of accumulation of Input Tax Credit (ITC) to such units as the GST rates on inputs are higher at 18%, whereas the final product manufactured &amp; supplied to Railways by foundries are taxed at 5% under the GST regime, resulting of inverted duty structure &amp; unutilized accumulated ITC.</p> <p>Although there are provisions of refund of accumulated ITC due to inverted tax structure, however, this provision is not available to the foundries producing castings &amp; components for Railways as an impact of notification 5/2017 of Central tax as no Refund of unutilized input tax credit in case of inverted duty structure in few items including Chapter 86 is allowed to Wagon parts which fall under 8607 (Bogies, Couplers etc. assembled from steel casting).</p> <p>Recently Ministry of Finance has vide Circular 30/4/2018-GST dt 25-1-2018 (File Ref 354/2018-TRU) clarified that all goods will attract general applicable GST rates to such goods even if supplied to Railways Except Chapter 86, will be taxed at 5% with no refund of unutilized input Tax credit</p>	<p>Refund of accumulated ITC be granted for supply of railway parts covered under HSN 8607.</p> <p>Alternatively, GST rate on locomotives and parts for supply to Railways under 8607 may be rationalized/ revised to 12% from 5% at present with provision to allow Input Tax credit.</p>	<p><b>Centre:</b> May be considered.</p> <p>Blocking the refund of accumulated credit on account of inverted duty structure adversely affect the small standalone units having no other output supplies as they are not in a position to recover it from their customers as output tax and it adds to the cost of the product whereas the bigger units having multiple outward supplies can use the accumulated credit for payment of tax liability on other output supplies. It also leads to accounting problems with income tax as to whether this accumulated credit should be classified as cost or current assets.</p> <p>Either the refund may be allowed or the rate on output supply may be increased to 12%.</p>	Notification
85	a. Bihar, b. Uttarakhand, c. Telangana	(a). Confederation of Indian Industries (CII), New Delhi ; (b). All India Small Scale Ice Cream Manufacturers, Bihar, (c). Indian Industries Association, Uttarakhand; (d). Ice Cream Manufacturers, Telangana	<p><u>Benefits of composition scheme under Small Scale Industries (SSI units) to be extended to ICE Cream manufacturers</u></p> <p>Under the present GST system, SSI units manufacturing ice creams cannot avail the benefit of Tax Composition Scheme which is available to nearly all small scale industrial units (except for those manufacturing tobacco and pan masala). Under the GST composition scheme a small industrial unit pays only 1% GST having yearly turnover of 1 crores or less. Under composition scheme they required to file simpler quarterly tax returns etc thus making tax compliance easier for small units. Exclusion of small ice cream manufacturing units from the GST Composition Scheme has resulted in great hardships and hence they should be included in the Tax Composition Scheme.</p>	<p>Composition Scheme to be extended to Ice Cream Manufacturers</p>	<p>May not be considered since the value addition in ice-cream is very high and the major inputs are virtually free of tax.</p>	Notification

86	Maharashtra	Vidarbha Association	Industries	TEXTILES SECTOR - 1. Removal of sub-rule 10 inserted in CGST Rule 96 vide CGST Notification No. 03/2018 dated 23.01.2018 : Exporters are having huge amount of accumulated input tax credit with them which they are unable to utilize towards their domestic supplies or IGST refund on export option or by way of refund of unutilized input tax credit in respect of export goods. Accumulations are mainly on account of (i) availment of transition credits (ii) existence of inverted duty structure (iii) capital expansions whereby exporters are making huge investments for increasing production capacities and mainly buying capital goods from domestic suppliers (iv) restrictions brought in vide CGST notification no. 03/2018 dated 23.01.2018, applicable w.e.f. 23.10.2017 i.e. the person claiming refund of IGST paid on exports of goods.	As such, it is recommended that restriction imposed vide CGST notification no. 03/2018 dated 23.01.2018 that the person claiming refund of IGST paid on export goods should not have received supplies on which supplier has availed the benefit under (i) CGST notification no. 48/2017 dated 18.10.2017, (ii) CGST notification no. 40/2017 dated 23.10.2017., (iii) IGST Notification no. 41/2017 dated 23.10.2017, (iv) Custom notification no. 78/2017 dated 13.10.2017 and (v) Custom notification no. 79/2017 dated 13.10.2017 may kindly be removed.	The GST policy wing may deliberate on this issue.	Notification
87	Assam, NER	Laghu Udyog Bharati, Guwahati (NER), Federation of Industry & Commerce of North Eastern Region (FINER)	Budgetary Support		The eligibility for budgetary support for units which were eligible for the area based exemptions but not availing the same as their turnover was below ₹ 1.5 Cr and SSI exemption were being availed by them.		DIPP
88	Maharashtra	Bombay Chartered Accountants' Society/ Vidarbha Industries Association	Refund Process needs substantial simplification [54 read with Rules 89, 96 and 96A]	Despite the best intentions of the Government, substantial working capital of exporters is still blocked due to refund related issues. Major simplification is required in this front. A simpler solution could be to permit an exporter full input tax credit (as is currently permitted) and a refund upto a particular percentage of the export proceeds (say 9% of export proceeds) by way of direct debit in the Electronic Credit Ledger (subject to balance in the said ledger) with no additional documentation or paper work. It may be noted that this would substantially benefit the SME and would not result in leakages since what is refunded is only what is lying the ECrL.	The GST policy wing may deliberate on this issue.	Notification	
89	Rajasthan	Laghu Udyog Bharti	Provision of Sec. 24 mandates that in case any person is required to pay tax under reverse charge [Sec.9 (3)], he is liable to obtain registration irrespective of his quantum of turnover. Further, due to such compulsory registration he becomes a taxable person [Sec. 2(107)] and also a registered person. Such provision is affecting a person otherwise not required to obtain registration due to his turnover below the threshold limit.	Exempt the person required to pay tax under reverse charge [Sec.9 (3)] from compulsory registration	The provision of RCM is applicable with respect to supply of certain limited no. of items only. The Council has listed such items, considering the revenue implications. Besides, the issue of RCM provisions related to supply received from unregistered person has been already considered by the Council applicable to only specific goods in case of certain notified classes of registered person.	Notification	
90	Rajasthan	Laghu Udyog Bharti, Mewar Chamber of Commerce and Industry	The textile sector should be exempted from requirement of submission of Form ITC-04, as it is a very time consuming and cumbersome Form.	The textile sector should be exempted from requirement of submission of Form ITC-04	State has raised the issue in GST Council. Gujarat has also raised the issue and after examining in the Law Committee, suitable relief may be given to the taxpayer.	Notification	



91	Haryana	Haryana Chambers of Commerce and Industry, district Panipat	Haryana Chambers of Commerce and Industry, district Panipat chapter has also raised the inconvenience of issuance of E-Way Bill for Movement of goods for the purpose of various job works processes like weaving, tufting, dyeing, doubling, knitting etc.	E-Way Bill should be exempted from movement of goods to and from job workers in the textile sector.	Composition taxpayers are small in size and hence offline tool was devised for them so that they can prepare their return on their own computer, re-check and then upload the same. This was also done to reduce the chances of error as he can check/re-check	Notification
92	Punjab	MSME and SME sector	Extend deemed export status to supply of electricity by SEBs to MSMEs. SEBs to pass ITC benefits to customer.	MSMEs are dependent on electricity supply by SEBs. As electricity is exempt from GST and also liable to Electricity Duty, SEBs pass on entire tax to their customers. A large industry running on captive power, on other hand, is able to claim credit of all input taxes being part of manufacturing operation expenses.	The issue may be considered	Notification
93	Punjab	MSME and SME sector	Grant deemed export status to supplies by domestic suppliers to Duty free shops.	Foreign tourists are more attracted towards goods manufactured by MSME sector. While earlier Excise law provided exemption from tax on supplies to Duty free shops, under GST no such exemption is available. Duty free shops have high establishment cost. These shops generate precious foreign exchange for the country. Duty free shops have high establishment cost. These shops generate precious foreign exchange for the country. Though the Government is mulling an option to grant refund of tax to foreign bound buyers from such shops, shop itself have lost its price edge vis-à-vis sellers in local market	The issue may be considered	Notification
94	J&K	Laghu Udyog Bharti, Industrial Area Gangyal & Chamber of Commerce & Industries, Jammu.	Threshold limit of Rs. 50000/- for issuance E-way bill against intrastate supply is very meager.	The Threshold limit for intra state supply should be revised like other states of Delhi and Rajasthan where it is upto 1 lac and in Bihar, the threshold limit is Rs. 2 lacs.	The state govt. has the powers to change the threshold limit for issuance of E-way bill against intrastate supply . The request shall be considered as and when govt. deems it feasible.	Notification

95	J&K	Federatin of Industries, Jammu.	Relaxation in E Way Bill	It is suggested that the Relaxation of 100 KM per day limit should be relaxed for J&K State keeping in mind the Hill Terrain and Land Slide prone Areas resulting blockage of Roads for longer period.	J&K has three biggest consumption regions- Leh, Srinagar and Jammu with all the regions about 250 Kms apart. Thus the suggestion of relaxation of 100km per day limit does not auger well with the state.	Notification
96	Telangana	Confederation India Industries (CII)	<p>In case of export of goods with payment of IGST Notification no.3/2018 – CGST dated January 23,2018 prescribes that exporter of goods or services should not have received supplies on which supplier has availed the benefit.</p> <p>Further, circular No.45/19/2018- GST dated May 30, 2018 is issued to clarify certain aspects in Notification no. 3/2018- CGST. One of such clarification is that the restriction imposed under Rule 96(10) of Central Goods and Services Tax Rules, 2017 is not applicable to an exporter who has procured goods from suppliers who have not availed the benefits of the specified notifications for their outward supplies. However, the circular does not clarify whether the restriction is applicable for an exporter who is directly importing goods from outside India.</p>	<p>Clarity is awaited whether the exporter is eligible to claim refund in case they are importing goods by availing benefits under the following notifications.</p> <p>Notification No.78/2017- Customs dated the 13th October 2017( Exemption from BCD, IGST on import of goods by EOU)</p> <p>Notification No.79/2017- Customs dated the 13th October 2017 (Exemption from IGST on imports by AA, EPCG holders)</p>	<p>1. It is opined that the transactions falling under notification 78/2017 and 79/2017 of customs act disqualifies an exporter to claim refund of tax paid on exports under rule 96(10) of the Act.</p> <p>2. However a clarification may be requested from fitment committee in this regard.</p>	Notification

97		Confederation of Indian Industries (CII)	<p>Ease of conditions for claiming refund under Rule 96 of CGST Rules 2017: Retrospective amendment to Rule 96 has been made vide Notification No 3/2018 dt 23.01.2018. Section 96 of the CGST rules 2017 enables the exporters to claim refund of IGST paid on exports. The export refund accrues based on the shipping bills filed by the exporter and on filing Form 3B.</p> <p>The amendment to Rule 96 of the CGST Rules 2017 vide Notification dt 23.01.2018 has laid out scenarios in which a person will not be able to claim refund of IGST paid on exports. The EOU's which are importing goods under notification no 78/2017 Central Tax dt 18.10.2017 following IGCRD rules wherein the Custom Duty and IGST is exempted, will also not be entitled to pay IGST on exports and claim the refund under Rule 96.</p> <p>Further, supplies made by EOU or advance license holder or EPCG holders to the exporter will also be covered by this amendment and thus affected adversely covering large section of exporters.</p> <p>The amendment is causing hardship to the exporters by way of accumulation of the IGST credit and hence blocking working capital which go against the very initiative of promoting and growing exports in Indian economy.</p>	Amendment made vide Notification No 3/2018 Central Tax dated 23/01/2018 to Rule 96 of the CGST Rules, 2017 be withdrawn to pave way for claiming refund of IGST paid on exports.	<p><b>Centre:</b> We may amend the rule so as to provide that the exporter can claim the refund of ITC or IGST paid on exports if the inputs actually used for making such exports were procured on payment of tax on which the benefits of Exemption Notification as specified in Rule 96(10) were not availed.</p> <p>We may further provide that the exporters may give a self certificate for refund claims not exceeding to Rs. 5 Lakhs or a certification by Chartered Accountant for refund claim exceeding Rs. 5 Lakhs.</p>	Notification
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98	a. Maharashtra a, b. Rajasthan, c. Haryana, d. U.P. , e. Punjab f. Tamil Nadu	Chamber Of Small Industry Associations, Thane/ Bombay Chartered Accountants' Society / Laghu Udyog Bharti-Haryana, Haryana Chamber of Commerce & Industries (HCCI) and Yamuna Nagar Chamber of Commerce / India Industires Association (IIA), U.P., / MSME & SME Sector, Punjab / T.N. Small and Tiny Associations	Issue of Professional & Service Provider; Services under Composition Scheme	Professionals and service provider should be consider under Composition tax may be the tune of Rs 50 lakhs	Service providers cannot be considered for benefit for composition.	Law Amendment
99	a. West Bengal, b. Uttrakhand, c. Tamil Nadu	(a). Federation of West Bengal Trade Associations , (b).Gadhchirauli Chandrapur Rice Millers Association; Karnataka Rice Millers Association, (c).Bihar Rajya Khaddanna Vyavsai Sangh, (d). Uttarakhand Industrial Welfare Association , (e) Federation of Tamilnadu Rice Mill Owners & Paddy - Rice Dealers Association	Branded aata, rice, dal, etc., sold in a package is taxable in GST at the rate of 5 %. However, if the owner of the brand foregoes his enforceable right in respect of such a brand then it becomes exempt from tax. Many established players with brand are foregoing their right by mentioning the same on the package. As a result small manufacturers in business of those goods having no registered brand are facing a tough time in competing with them. Since the goods are highly price sensitive small players (including those in composition scheme) are losing business in a big way in local markets also.		<b>State:</b> We may need to re-look at the issue of branded products and its definition as the purpose of taxing branded rice etc is being defeated.	Notification

100	a. Rajasthan, b. M. P., c. Haryana d. M.P.	Federation of Small & Medium Industries, W.B., [FOSMI] ; Advisory group to LRC, Laghu Udyog Bharti / , Association of Industries Madhya Pradesh, Indore ; Ahilya Chamber of Commerce & Industry; Commercial Tax Practitioner Association, Indore	In pre - GST regime Excise duty upto Rs. 1.5 Crore turnover was exempt, whereas the threshold limit has now become Rs 20 Lacs only.	Some Trade bodies have recommended that CGST should be exempted upto Rs 1.5 Crores turnover specially for manufacturers. The Advisory Group to LRC where Laghu Udyog Bharti was one of the members has recommended to give credit of 50 per cent of the CGST paid in cash and 25% of IGST paid in cash, as credit on the outward supplies made by the MSME up to a turnover of ₹ 1.5 Crores. That is, if the MSME up to a turnover of ₹ 1.5 crore charges CGST @ 9per cent out of which cash component is 4per cent, then credit @2per cent (50per cent of CGST/IGST paid in cash) will be given in the electronic credit ledger of the registered person either as CGST credit or IGST credit depending on the type of transaction.		Law Amendment
101	a. Maharashtra a, b. Rajasthan, c. Punjab	Bombay Chartered Accountants' Society, Maharashtra , Advisory Group to LRC, Laghu Udyog Bharti, Rajasthan, MSME & SME Sector, Punjab.	Principal – Agent treatment under Schedule – I – a person selling the goods on behalf of registered principal is deprived of exemption of ₹ 20 Lacs of his services as agent, since the turnover of goods supplied on behalf of registered principal is also included in his turnover. Compulsory Registration required for agents be clarified as being applicable only to consignment agents. [Section 2 (5), read with 24 (vii)].	Section 24 (vii) requires a compulsory registration in cases where the supplies are made on behalf of other taxable persons. While on a strict legal interpretation, this can cover cases where agents stock goods on behalf of the principal and then supply on their behalf, there is substantial confusion in the trade whether simple brokers or commission agents who merely facilitate a transaction directly between two parties are eligible for threshold or are hit by Section 24 (vii), specifically in view of the wide definition of agent provided under Section 2 (5). It is suggested that either an amendment in Section 24 (vii) be carried out to restrict the scope to cases of consignment agents stocking and supplying goods on behalf of principal or a suitable clarification be issued in this regard.	<b>State:</b> The GST policy wing may clarify the same.	Notification

102	a. Maharashtra a, b. Karnataka, c. Orissa, d. Rajasthan, e. Jammu & Kashmir, f. Tamil Nadu	(a). Chamber Of Small Industry Associations, Thane/ (b). Bombay Chartered Accountants' Society / (c). Mahratta Chamber of Commerce Industries & Agriculture, Pune/ (d). STP Association/ Shri Kapad Vyapari Sangh, Pandharpur, Dist. Solapur (e).Peenya Industries Association, (f). Orissa Small Scale Industries Association, Cuttack / Utkal Chamber of Commerce & Industry, Bhubaneswar(UCCI) /Odisha Small Scale Industries association(OSSIA) /Odisha Assembly of Small and Medium Enterprise Association(OASMEA) / Odisha Young Entrepreneurs Association(OYEA) /North Odisha Chamber of Commerce & Industry(NOCCI), Balasore / CII, Rajasthan , Federation of Industries, Jammu / Tamil Nadu Small & Tiny Industries Asscn. / Small Engg. Industries Industries Welfare Association.	Quarterly Tax Payment due to delayed payments received from Customers.	With the change in period of filing returns to quarterly from monthly, for taxpayers having turnover below Rs. 5 crores, the payment also should be made quarterly. The biggest challenge for MSMEs is Delayed Payments received from customers.	<b><u>Maharashtra:</u></b> To facilitate Small Taxpayers and SME, payment of tax on quarterly basis can be provided where amount of tax to be paid is less than Rs. 25,000/- in a quarter. <b><u>Karnataka:</u></b> GST Council has already taken a discussion in this regard wherein quarterly returns have been proposed. Payment should be monthly to ensure timely collection of taxes.	Notification
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103	Rajasthan	Mewar Chamber of Commerce & Industry	<p>Reduction of tax liability in case of issuance of Credit Notes:</p> <p>It has been represented that there are situations where during a period sales return of a taxpayer exceeds the supply for which taxpayers' issues credit notes to their buyers. As of now, the taxpayer is allowed to set – off such tax liabilities in subsequent GSTR 3B. However, if a person does not have any outward supply in that month, then how such reduction of tax on account of credit notes has to be made.</p>	It is requested to allow to enter consolidated Debit or Credit Note (party-wise/ monthly/quarterly/ yearly) in GSTR – 1.	This has been provided for in the new return system. The second issue is also addressed in the new return system.	Law Amendment
104	Himachal Pradesh		Interest on Reversal of Capital goods	It is suggested that in case of reversal of input tax credit on capital goods, the words “along with applicable interest” in Rule 43(h) of the CGST Rules, 2017 be omitted.	No reasons have been given. Not recommended.	Notification
105	Maharashtra	Bombay Chartered Accountants' Society	Requirement of Proportionate Reversal attributable to exempted supplies to be done away with where exempted supplies are less than 5% of aggregate turnover [17(2) & 17(3)]	As a trade facilitation measure, it be provided that the provisions of Section 17(2) and 17(3) will not apply where the value of exempted supply is less than 5% of the aggregate turnover. While this will not result in major revenue loss, it will result in a substantial simplification where the proportion of exempted supplies is minimal.	The GST policy wing may deliberate on this issue.	Law Amendment

106	Maharashtra	Vidharbha Industries Association	<p><b>COAL ISSUES :</b></p> <p>1) Coal is one of the largest energy supplier or major raw material for most MSMEs Industry in India. Currently, the coal is under a bracket of 5% and cess of Rs.400 is charged to the consumer. However, in most cases this cess remains unused and it also increases the burden of MSME Unit by eroding their profitability and also affecting cost benefit. It is requested of the council to allow utilization of cess across any other GST head for MSME Unit.</p> <p>2) In certain cases major consumed raw materials are taxed at rates, which is lower than the final product rates. Since most industries have credit periods of more than 60 days (in certain cases can go up to 90-180 days), this results in huge tax liability for MSME Industrial Unit which results in Working Capital constraints. It is requested of the council to look at the differential rates.</p>	Solution may be provided for the same.	GST policy wing may deliberate on the issue.	Law Amendment
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107	Himachal Pradesh		Non-levy of GST on goods listed in section 9(2) of CGST Act	In order to maintain a level playing field, it is suggested that all goods be brought into the purview of GST at the earliest, including petroleum, alcoholic liquor, and electricity. Other laws that govern the levy of taxes / duties on such non-GST goods be repealed.	The GST Council can take appropriate decision on this issue. Ideally petroleum products should be brought within GST but constraint is that petroleum products fetches bulk revenue to States and if fully brought under GST, State's revenue will be impacted badly. However some hybrid tax system on petroleum product may be considered with levy of rebatable GST and some non-rebatable VAT by States. This non-rebatable levy may be to the extent that State's finances are not impacted.	Policy Issue
108	Madhya Pradesh	Laghu Udyog Bharti, Madhya Pradesh Ujjain phone number 9425915824	ITC in the credit ledger of MSME taxpayer is a capital cost to MSME.	such ITC not being the revenue of Governemnt, a part of it (70-80%) may be transferred to the loan account of MSME. MSME unit is identifiable by a unique "Udhyog Aadhar Card" given by Industry Departemnt of State.		Policy Issue
109		Chamber of Small Industry Associations (COSIA)	<p>Goods destroyed in Transit:</p> <p>As per Sec. 17(5) ITC shall not be available w.r.t. goods destroyed. Pursuant to this provision, it has been requested to clarify that in situations where goods removed from place of business on which tax has been paid are destroyed in transit due to circumstances of exceptional nature, then can a taxpayer claim benefit of such tax paid goods by way of re-credit or refund &amp; reverse the ITC availed on such goods destroyed?</p>	Clarification Sought	GST Policy Wing may Clarify	Law Amendment

110	Manipur, Nagaland, Tripura	Manipur Industry Development Council (MIDC), Nagaland, Tripura Wholesale Grocery Merchants Association	Simplified Return Filing	More simplified return filing which will not give burden to small entrepreneurs	The model has been finalised in the GST Council Meeting and once it is operationalised it will help the small entrepreneurs	New Return system
111	Mizoram	Mizoram Merchants Association (MIMA)	GST return system is too complicated.			New Return system
112	Nagaland	Poi Shijho	2. GST filling is a problem as no expert manpower is available in small business houses to file the GST.	2. GST return filling funds of the msme units and small trade should be done in a short duration of time.	So far as the filing of Return is concerned, the issue will be resolved once the New Return is implemented.	New Return system
113	Karnatak	Karnatak Chamber of Commerce & Industry, Hubballi	Opportunity may please be made to submit Revised GSTR-3B and GSTR- 1	Request for alternative or option be given	New return system is being finalised. Amendments are being proposed.	Policy Issue
114	Chhatisgarh, Bihar	Laghu Udyog Bharati, Urla Industries Association, Bihar Rajya Khaddanna Vyavsai Sangh, FICCI, BIA	Return Form	Easy Return Form should separately be designed for MSME sector for compliance purposes.	Is already under consideration.	New Return system
115	Rajasthan	Laghu Udyog Bharti	Necessary facilitation should be provided in both Custom portal and GSTN to separately report and record details of such exports which are made on consignment basis. Details in relation to such exports should be allowed to be revised within a specified time period (say 3 months). Consequences of export viz. options to be adopted for its zero-rating, filing of refunds etc. should trigger only upon revision of such details or expiry of such specified time period, whichever is earlier. Further, re-import of unsold goods should not have any GST implication.	Necessary facilitation should be provided in both Custom portal and GSTN to separately report and record details of such exports which are made on consignment basis.	The issue relates to revision of return data. A committee on simplification of return has been formulated by the GST Council which may consider and report to the Council. Any decision in this respect would be taken by the GST Council.	New Return system

116	Himachal Pradesh		Registration in case of transfer	Section 22 (4) of the CGST Act provides that transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies (ROC) issues a certificate of incorporation giving effect to such order of the High Court or Tribunal. However, the ROC does not issue any Certificate of Incorporation specifically to give effect to the order of the High Court on amalgamation or demerger under Scheme of Arrangement. Therefore, It is suggested that the words “giving effect to such order of the High Court or Tribunal” be deleted since in several situations there are delays in issuing such Certificate of Incorporation by the ROC.	No infirmity appears as transfer would happen only when High Court/Tribunal endorse it. Any delay on part of ROC is not warranted.	Law Amendment
117	Himachal Pradesh		Simple Annual Audit Formats	It is suggested that a comprehensive annual return formats in Form GSTR-9 be thoroughly thought out, checked, beta-tested, use case tested and thereafter be put in place by the end of June 2018. It is also suggested that, comprehensive annual return formats be designed for entities with aggregate turnover exceeding Rs. 5.0 Crores and simpler formats for those with aggregate turnover less than Rs. 5.0 Crores be evolved and notified well in time.	State: Why different annual return formats based on turnover? No reasons have been assigned.	New Return system
118			Invoice: Distinction between B2C and B2B Invoices - Amendment to Rule 46 - CGST Rules	There shall be distinction between B2B and B2C invoices as there is no ITC taken on B2C invoices. Requirement of mentioning HSN or SAC may be waived for B2C invoices say value below ₹ 50,000/- in case e-way bill is not required.	This may be considered. HSN may not be insisted, if description of the goods is given on the invoice or in the alternative, no penalty should be imposed if wrong HSN is given so long the rate of tax is correctly applied.	Notification

119			Maintainance of Records - Account Keeping - Amendment to Rule 56 - CGST Rules	A supplier of service with turnover less than ₹ 50 Lakh, and for other suppliers with turnover less than ₹ 1.5 crores, maintenance of Cash book, Bank Book and Purchase Register should be considered adequate except in respect of supplier for which the supplier intends to avail the input credit.	This may be considered for suppliers exclusively making B2C supplies and not availing any ITC.  We may consider having a general power to relax/modify obligations, conditions or restrictions as prescribed under these rules on the recommendation of the Council for certain classes of registered persons and to notify the special procedure to be followed in such cases.	Notification
120	Bihar	Bihar Industries Association	One Bill of Import may have multiple vehicles. No option for multiple vehicles is available in E - way Bill	Option of multiple vehicles should be provided for one (01) invoice	May be considered	Notification
121	Himachal Pradesh	HAROLI BLOCK INDUSTRIAL ASSOCIATION	3) GST composition limit for Himachal Pradesh should be increased.	GST composition limit for Himachal Pradesh should be increased as of Uttrakhand.	Government of HP will consider	State Issue

122	Maharashtra, Karnataka, Haryana	(a). Chamber Of Small Industry Associations, Thane (b). Mewar Chamber of Commerce (Rajasthan), (c). Orissa Small Scale Industries Association, Cuttack, (d). Thane Small Industries Association/ (e).Nag-Vidarbha Chamber of Commerce, (f). Federation of Karnataka Chamber of Commerce and Industry, (g). Laghu Udyog Bharti-Haryana, Haryana Chamber of Commerce & Industries (HCCI)	There are lot of job work done in the surrounding areas and it is very cumbersome to prepare E Way Bills all the time for small distances.	E-Way Bill Exemption : Exemption limit of E Way Bill should be 100 kms. for Intra State movement of goods is required.	Discretion provided to State under rule 138(14) departs from one nation one tax concept. Council should bring all states together for uniform policy across the country.	State Issue
123		Confederation of Indian Industries (CII)	ITC on Construction Equipment: Section 17(5) of CGST Act restricts the input tax credit on Motor vehicles and other conveyances. Section 2 (76) defines Motor vehicles as meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988.  Some of the construction equipment more specifically one which are mounted on tires and used for “off highway” operations are covered by Motor Vehicle Act and accordingly required to be registered. These Construction Equipment’s are used for construction/ mining activities which are subject to GST. Reference to Motor Vehicle Act has created doubt on eligibility of ITC on such construction equipment. Since the construction Equipment’s referred above are used for furtherance of business, input tax credit be allowed on the same.	Suggestion Clarification/ explanation be issued that construction equipment to be treated as capital goods and Input tax credit available on same.	It is proposed to allow ITC on such equipment.	Law Amendment

124	Assam, Himachal Pradesh	Federation of Industry & Commerce of North Eastern Region (FINER)	<p>1. Refund of 100% of CGST / 50% of IGST paid in Cash Ledger: The scheme has drastically reduced the quantum of refunds eligible to the Industries in the region and the comparative advantages that used to be enjoyed. GST and the refund method enshrined is in principal not different from the system of central excise refund that was being followed before GST, and further, the system of refund was being practised through the tenures of different finance commissions in the country has not changed.</p> <p>However, a fiction of Central share has been inbuilt which was never there in the refund process and this has curtailed the quantum of refunds drastically. This curtailment has been limited to the tax which accrues to the Central Government under Central Goods and Service Act, 2017 and Integrated Goods and Services Act, 2017, after devolution of the Central tax or the integrated tax to the States, in terms of Article 270 of the Constitution.</p> <p>The percentage support is limited to tax paid by debit in cash ledger only and that at 58% post devolution of 42% to states. The spirit of goodwill and support as demonstrated in the Notification is not visible in such stringent curtailment of the incentives which were being extended pre GST in this region, especially when the region remains a Special Category State and yearns for industrial thrust and support. This curtailment has been done despite there being nothing new in the devolution formula as a result of GST</p>	Solution / Suggestion: In view of the fact that the devolution was made even prior to the implementation of GST under the erstwhile Notifications, as a gesture of goodwill and support as demonstrated, it is strongly appealed that the entire amount (i.e. 100%) of Central Tax or 50% of Integrated Tax paid in Cash ledger be extended instead of 58% or 29% respectively as notified.	.	Notification
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125	Maharashtra	Chamber of Small Industry Associations	Pre - Deposit in Appeals: Pre-deposit of 20% is unreasonable and logically irrational. It is submitted that the provision is harsh and would deter the tax payer from filing appeals even in genuine cases. When the entire admitted liability is already recovered, there should not be any provision for pre-deposit of any amount towards the disputed liability.	Section 112 (8) requires payment of 20% of the tax in dispute for filing appeal (apart from full payment of the admitted liability along with interest and penalty). It is submitted that the provision is harsh and would deter the tax payer from filing appeals even in genuine cases. When the entire admitted liability is already recovered, there should not be any provision for pre-deposit of any amount towards the disputed liability.	<b>State:</b> The GST policy wing may deliberate on this issue.	Law Amendment
126	Maharashtra	Chamber of Small Industry Associations	<p>Demand of tax short paid/ not paid: The time limit is un-reasonable- Sec 73 (1) and 73 (10)</p> <p>The provision allows issuance of notice demanding the tax within a period of 3 years counted from the date of Annual Return (actually 3 months prior to issuance of adjudication order). It is submitted that the period is too long. It will keep the industry in perpetual fear and uncertainty.</p> <p>In past this limitation was only six months, which was later enhanced to one year because filing of invoices with returns was done away with. Now, when the entire data of inward supplies, outward supplies, the classification, value etc. would be available on the GST Portal, there is no justification for enhancing the limitation to 3 years (which actually translates into more than 4 ½ years as it is computed from the date of Annual Return)</p>	<p>Suggestion:</p> <p>a. Limitation may please be brought down to six months.</p> <p>b. The limitation should be counted from the date of monthly return, instead of the Annual Return</p>	The GST Policy Wing may deliberate this issue.	Law Amendment
127	a. Maharashtra a, b. H.P.	Chamber of Small Industry Associations, BBN Industries Association, Baddi	Advance Ruling Authority Issues	<p>It is submitted that the Advance Ruling Authority may be made an all India Authority so that its ruling applies to whole of the country and there remains no scope for conflict between authorities of two states.</p> <p>Secondly, the authority ought to be elevated to an independent institution such as Tax Tribunals. When the officers serving in the department act as Advance Ruling Authority there is an inherent conflict of interest and possibility of bias.</p>	The GST Policy wing may deliberate the issue. There is a need of hearing, dealers operating in multiple states through a national authority.	Law Amendment

128	Tamil Nadu, Madhya Pradesh	Confederation of Indian Industries (CII), CODDISSIA, Association of Industries, M.P.	Refund of accumulated ITC on inverted tax structure on textiles: There is a huge accumulation of Input Tax Credit with Manmade Fibre Industry on several counts such as inverted duty structure between raw materials and yarns for which refund formulae have been specified under rule 89(2) (h) of GST, however, there is accumulation of other inputs and services utilized in the manufacturing process, as well as capital goods and machinery etc. The accumulation of huge ITC due to capital goods is causing loss to the industry and exporters. Though job work is covered under refunds of accumulated ITC due to inverted tax structure but does not redress the accumulation due to ITC on capital goods.	Refund of accumulated ITC due to Inverted tax structure including ITC on capital goods be granted to textile sector and job work.	Notification No. 20/2018 - Central Tax (Rate) dated 26.07.2018 has already been issued allowing refund of accumulated ITC on account of higher Input tax in textile fabrics also. The other request regarding Capital Goods Credit refunds to exporters may be considered.	Notification
129	Maharashtra	Bombay Chartered Accountants' Society	Delayed Registration to be effective from the date of liability rather than the date of application [25(8) read with Rule 10(3)]	If the person fails to apply for registration within 30 days from the date he becomes liable, the registration is granted with effect from the date of application. This results in undue hardships for the 'open period' between the date of liability and the date of application. It is recommended that in the initial phases of GST, the registration may be granted with effect from the date of liability or in the alternative, a mechanism for grant of administrative relief in genuine cases may be introduced.	The GST policy wing may deliberate on this issue. In Maharashtra, during VAT era, we provided administrative relief for such deserving cases.	Law Amendment
130	Maharashtra	Bombay Chartered Accountants' Society	Registration Threshold should be determined not only on the basis of aggregate turnover but also on the basis of turnover in the State [2(6), 2(112), read with 22]	Section 22 requires every person to register in each of the States from where he makes a supply of his aggregate turnover exceeds the threshold of Rs. 20 lakhs. Therefore once the aggregate turnover threshold is breached at an all India level, his registration requirement is triggered not only in the States where his turnover is high, but even in States where he has negligible turnover. It is therefore recommended that along with the aggregate turnover criteria of Rs. 20 lakhs, another criteria of 'turnover in a State' be introduced for mandatory registration requirement. This second threshold may be kept at a lower level of Rs. 5 lakhs.	The GST policy wing may deliberate on this issue.	Law Amendment



131	CBIC	1.Udaipur Chamber of Commerce & Industry, Udaipur 2.Chamber of Commerce & Industry, Kaladwas	No adjustment of IGST Vs CGST+SGST is allowed.	The adjustment of IGST Vs CGST+SGST is not allowed for corrections. In case where any assessee has deposited GST in wrong head, he should be allowed for adjustments.	This has been discussed repeatedly and was not found feasible by Principal CCA	Law Amendment
132	Assam	Federation of Industry & Commerce of North Eastern Region (FINER)	ITC on Transitional Stock by the small manufactures - The treatment meted out by the GST laws and schemes to the small manufacturers has been very harsh or random, which appears to be inadvertent and cannot be intentional.	Solution / Suggestion: An appeal is being made by way of this memorandum and it is suggested that another proviso be added to Section 140 (3) as:  Provided that where the registered person was a manufacturer carrying on manufacturing activity manufacturing activity but was not registered under Central Excise by virtue of exemption Notification No. 8/2003-CE dated 01.03.2003 prior to 01.07.2017, such registered person shall be deemed to be a registered person other than a manufacturer for the purposes of the first proviso hereinabove.		Law Amendment
133	Tripura, Himachal Pradesh, Rajasthan, Jammu & Kashmir, Karnataka, Meghalaya	1. Tripura Chamber of Commerce and Industry ; 2. Tripura Wholesale Grocery Merchants Association, Baddi 3. Barotiwala Nalagarh Industries association, HP, 4. Rajasthan Chamber of Commerce & Industry; 5. Federation of Industries, Jammu, 6. Karnataka Small Scale Industries Association, 7. Laghu Udyog Bharti 8. Meghalaya Contractors Association	Threshold Limit for Registration for MSME	Registration threshold limit to be increased to Rs.50 lakhs for MSME sectors.	Increasing the registration threshold will impact the State revenue adversely. However, the MSME sector can easily opt for the Composition Scheme as the limit is Rs.75 lakhs for availing compositing facility.	Law Amendment

134	Himachal Pradesh	Himachal drug Manufacturers Association	Refunds of inputs tax paid on capital goods. GST refunds are not approved for Investments made in Capital Goods i.e. Machinery, Repair and Maintenance/rent etc. And are only allowed to be set off against the GST liability. This again blocks a substantial part of the GST input considering the expensive machinery investment required in MSME Pharmaceutical Industry. On purchase of Vehicle for the Company, GST Input Credit should be allowed.		Inverted duty structure is for the production process where inputs are taxable at higher rate and resultant output is taxable at lower rate. Capital Goods have different definition distinct from inputs. As such Legally higher tax incidents on capital goods does not qualify for refund under inverted duty structure. As the Plant Machinery is used for producing different categories of outputs it may be difficult to allocate capital goods ITC in respect of products with lower GST rate. As such in present Legal scenario there is no infirmity in denying refund of ITC in respect of capital goods.	Law Amendment
135	Himachal Pradesh	Himachal drug Manufacturers Association	Refunds of input tax paid on services/job work GST law was brought to merge the numerous taxes that are in place and replace it with one single tax. Service Tax and VAT were both brought under the ambit of GST which was a big relief to the business man. However while processing the refunds department is denying the GST refunds on Service/Job Work Changes, Courier Service etc.		For a tax payer facing inverted duty structure refund of ITC in relation to the inputs having higher GST rate as against lower GST on output products is available. Input services does not qualify to be considered for refund in inverted duty structure cases. Unless the law is modified to include input services for refund qualification the view taken by the Proper Officers seems correct.	Law Amendment

136	Himachal Pradesh	Shri Subhas Mahajan, General Secretary Industries Damtal	MSMEs have to pay reverse charge on transport services and legal charges from the cash deposit and not from the GST credit lying with them. This is not a good practice & procedure	MSMEs should be exempted from the payment of the reverse charge as the Government is not going to loosen this account as the reverse charge paid are credited to credit ledger of the party.	Reverse charge, where payable (only in limited circumstances) have to be paid from cash ledger and not from credit ledger. MSMEs cannot be an exception to the provision.	Notification
137	Himachal Pradesh	Shri Subhas Mahajan, General Secretary Industries Damtal	Under VAT regime the VAT paid on material used in the constructing factory building was allowed as credit as the building is a plant and machinery which is not under GST regime.	THE GST paid on all the material used in construction of factory building should be allowed as credit	ITC on building materials to be used in construction of factory building has valid ground. Council may consider revisiting the provisions which restrict ITC.	Law Amendment
138	Himachal Pradesh	Shri Subhas Mahajan, General Secretary Industries Damtal	GST paid on the cars used for the business purpose is not allowed as credit	GST paid on cars and other vehicles used exclusively for business purpose should be allowed as credit	Need of amendment in Section 17(5) which restricts ITC on motor vehicles have been already identified. With identified amendment this grievance may get settled. Centre: The credit for tax paid on passenger cars even used for business purpose was not allowed even in the pre-GST regime.	Law Amendment

139	Rajasthan, Karnataka	CII (Cofederation of Indian Industry), Rajasthan Steel Chamber, Laghu Udyog Bharti; Federation of Karnataka Chamber of Commerce and Industry	Clause regarding 'reversal of input credit if invoice not paid within six months' will go against MSMEs since big clients will deduct the GST amount when settling the bills and MSMEs don't have the necessary bargaining power to resist it.	Suggestion that this clause be withdrawn.	<p><b>Rajasthan:</b> As per section 16 (2), the recipient shall be entitled to avail the credit of input on payment made by him of the amount towards the value of supply of goods or services or both alongwith tax payable thereon. However this provision is in the favour of MSME industry for receiving the payment of supply given by them.</p> <p><b>Karnataka:</b> This provision was there for services even earlier and to bring parity this was also brought for goods also. This was widely appreciated by MSMEs and hence the suggestion may not be considered. The recipient would anyhow become eligible to claim ITC back when he makes the payment and hence there is no jeopardy.</p>	Law Amendment
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140	Rajasthan	Bhiwadi Manufacturers Association	<p>Credit of CENVATABLE Excise Duty/Service Tax pertaining to per GST Regime and is being deposited in GST Regime due to Audit by the department or finalization of Cases:</p> <p>In present scenario os GST Regime if any such demand is deposited in Excise Duty/ Service Ta Challan there is no defined way of Claiming Credit of such deposited Demand.</p>	<p>The Department should permit to deposit such demand under CGST head instead of Excise/ Service Tax head. or Option to modify TRAN-1 should be given so that credit of the deposited demand can be reflected in CGST.</p>	<p>It is provided in section 142 (8)(a) that Input Tax Credit of tax levied, in persuance of an assessment or adjudication proceedings instituted, weather before, on or after the appointed day, shall not be available. This provision has been made after deliberating the issue in detail. Thus, the request may not be considered. Section 73 of GST law clearly said that the self admission of demand cannot be claim as ITC.</p>	Law Amendment
141	Rajasthan	Laghu Udyog Bharti	<p>No credit available for Capital goods procured under old regime and received under GST regime. However, in terms of Sec. 140(5) of the CGST Act, such benefit is available for availing credit on inputs/input services.</p>	<p>ITC of Capital goods procured under old regime and received under GST regime should be allowed.</p>	<p>Section 140 (5) of the CGST Act, 2017 allows the taxpayer to take ITC in respect of inputs received on or after the appointed day but the tax in respect of which have been paid by the supplier under the existing law. It is suggested that ITC in respect of capital goods received in similar conditions may also be allowed to facilitate the trade and industry.</p>	Law Amendment

142	Rajasthan	Laghu Udyog Bharti	It is requested that exempt/nil rated supplies should be excluded from Aggregate Turnover.	Exempt/nil rated supplies should be excluded from Aggregate Turnover.	In VAT regime, exempted goods were not part of turnover for composition dealers. In GST same may be treated as if Government finds fit.	Law Amendment
143	Rajasthan	Indian Soapstone Producers Association, Udaipur	The rate of payment of GST on Royalty on minerals are at the rate of 18%. Since rate of tax on supplies through mining is 5% hence it leads to credit accumulataion. And as refund on input of service is not available it leads to blockage of funds.	The rate of GST on Royalty should be equivalen to the rate of GST on corresponding mineral.		Notification
144	Punjab	MSME and SME sector	Allow tax payment after realisation of payment by small service providers	It is known fact that unlike supplier of goods, small service providers are not able to receive full invoice amount from the recipient. Also their payments are often delayed.Earlier service tax rules provided flexibility of payment of tax by small service providers (up to ₹ 50 lakhs) according to the month in which payment is received. As the method is time tested, it should be brought-in in GST law also.	The issue may be considered	Law Amendment
145	Punjab	MSME and SME sector	SME exporters who are short of funds are facing huge liquidity crunch as under the GST they are required to pay tax on inputs and upon exports such tax can be taken as refund. This blocks their capital in payment of tax affecting their liquidity.	Government has announced introduction of e-wallet which was postponed for six months. SMEs exporters want introduction of e-wallet facility from 1st of October, 2018.	the facility of e-Wallet for MSME/SME Exporters may be started at the earliest.	Administrative Action

146	Puducherry	Confederation of Indian Industry, Puducherry (CII)	Presently, EXIM scrips can be used only for customs duty payment, which can be extended for GST payment also.	Customs duty comes around 7.5% only. Whereas GST is 18% which blocks the money and claimable also. The option for export manufacturers to use the same for the GST payable against their imports may be considered..	Duty credit scrips were permitted for payment of custom duty, excise duty and service tax. As per Trade Notice No 1112018 dt.30.06.2017 of DGFT, the Duty Credit Scrips (issued under Chapter 3 of the FTP) cannot be used for payment of IGST and GST compensation cess in imports, and CGST, SGST, IGST and GST compensation cess for domestic procurement.	Policy Issue
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