



Addendum to Agenda Item 2 for 29th GST Council Meeting Volume – 3

04 August 2018



File No: 484/29th GSTCM/GSTC/2018
GST Council Secretariat

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

Notice for 29th 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 29th 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 29th July, 2018, as discussed in the 28th 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 29th Meeting of the GST Council on 04 August 2018

1. Confirmation of the Minutes of 28th GST Council Meeting held on 21st 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

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

After circulation of Detailed Agenda Notes – Volume 2 of the 29th GST Council Meeting on 31 July 2018, States of Delhi, Gujarat, CBIC Zones of Ranchi and Hyderabad and Federation of Indian Micro and Small & Medium Enterprises (FISME) have forwarded issues pertaining to MSMEs. Additional issues received from West Bengal earlier are also incorporated in this compilation.

2. Accordingly, the broadsheet containing the various proposals/suggestions related to MSME sector, in addition to those placed before the Council in Volume – 2 of the Detailed Agenda Note, is placed before the Council as addendum to the Agenda Item 2.

S. No.	State/ Centre	Name of the Taxpayer / Association	Grievance / Issue	Trade Suggestions	State /Centre Comments	Action
1.	Gujarat	Gujarat Chamber of Commerce & Industry	There are 600 industrial SME clusters and 7000 artisan/micro Enterprise clusters operating in India. For developing these MSME clusters, there is a need for Common Facility Centre, where the MSMEs can avail Facilities like R&D Lab, Testing Centre, Pilot Plant facilities, State of the art Library, Convention Centre and Training Centre for manpower potential for the Skilled Development also for Start-up Training and Getting training program for skilled and semi-skilled workers.	Government support is needed for setting up	Larger issue. Related to policy on MSME.	Not related to GST
2.	Gujarat	Gujarat Chamber of Commerce & Industry	As per Public Procurement Policy for Micro and Small Enterprises (MSEs) annual procurement of minimum 20% has to be made by Public Sector Undertakings and other Government institutions from Micro & Small Enterprises. At present Service industries are taking the maximum benefits and manufacturing sectors are not getting these benefits due to various reasons. Also, there is lack of transparency in the tendering process.	The public procurement target should be complied in true spirit by the PSUs Norms should be made more transparent and practical and the policy should be revised accordingly so that manufacturing units are encouraged to take benefit	Larger issue. Related to policy on MSME.	Not related to GST
3.	Gujarat	Gujarat Chamber of Commerce & Industry	Many Banks are not helping the Sick Units once they categorized as NPA. The unavailability of handholding and lack of financial support causes the unit to close down causing large scale unemployment and huge losses	Timely and adequate assistance to MSMEs and rehabilitation effort should begin on a proactive basis when early signs of <i>sickness</i> are detected. The concept of classifying accounts as Special Mention Account (SMA) should be taken positively and necessary support and handholding should be provided from SMA 1 stage itself. Thus, many Sick units can be revived and the situation of workers getting unemployed can be avoided.	Larger issue. Related to policy on MSME.	Not related to GST

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4.	Gujarat	Gujarat Chamber of Commerce & Industry	In line with GOI policy directives to achieve 20% Year on Year growth in credit to Micro, Small & Medium sector by all nationalized Banks, they are not following this directive. This is a major problem for the growth of SMEs.	If Banks strictly follow this directive, many MSMEs will be able to expand their infrastructure thus resulting in requirement of more jobs.	Larger issue. Related to policy on MSME.	Not related to GST
5.	Gujarat	Gujarat Chamber of Commerce & Industry	Automation is rapidly changing the way MSMEs look at production. Automation reduces the dependence on labour for mechanical tasks on one hand and increases the need of manpower possessing specialized skills to operate these automated machines. Our MSMEs are much behind other in automation as compared.	<p>- Training provided by the ITIs should be given on these automatized machines.</p> <p>-MSMEs should be encouraged to use automated machines in their factories</p> <p>-Government support for purchase of such automated machineries is needed</p>	Larger issue. Related to policy on MSME.	Not related to GST
6.	Gujarat	Gujarat Chamber of Commerce & Industry	The MSMEs need a constant supply of labour for smooth production. However, even though their operations are small, they are subjected to the same labour laws and rules that are applicable to Large corporates.	<p>-The labour laws should be simplified and MSMEs should be provided some leniency and flexibility in labour laws in order to increase their employability.</p> <p>-Self-certification scheme should be promoted and expanded to include all labour related laws.</p> <p>-Hiring Contract labour should be allowed for MSMEs with simple conditions</p> <p>-MSMEs should be given freedom to lay-off such contract labor as needed.</p>	Larger issue. Related to policy on MSME.	Not related to GST

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7.	Gujarat	Gujarat Chamber of Commerce & Industry	The number of skills that are being imparted through the ITIs are very less when compared to global standards. This is causing a skill gap in the industry, especially for new skills.	<ul style="list-style-type: none"> - New skill sets need to be introduced in the curriculum of technical colleges and ITIs - Districts Industrial centers (DICs) should tie-up with the local industries for skill training sessions. - Continuous skill up-gradation plan should be introduced in the Industrial Policies of the States - There should be an industry-institution cell in all ITIs, Polytechnics and engineering colleges, which will help bridge the gap in identification of right students for the right MSMEs. - Internship for polytechnic and engineering students needs to be made mandatory, at least for six months, to give first hand exposure of MSMEs to the students. 	Larger issue. Related to policy on MSME.	Not related to GST
8.	Gujarat	Gujarat Chamber of Commerce & Industry	The MSMEs have to follow the same grievance re-dressal mechanism as applicable to Large units, although they lack the resources and influence power of a large unit. The increasing number of pending cases related to delayed payments to MSMEs is a witness to this problem. While the impact of a delayed payment is less for a large unit, for an MSME it may threaten its very existence.	<ul style="list-style-type: none"> - An efficient and fast alternate dispute resolution mechanism and a separate grievance re-dressal authority need to be established for the MSMEs. 	Larger issue. Related to policy on MSME.	Not related to GST

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9.	Gujarat	Gujarat Chamber of Commerce & Industry	To balance the employment in rural and urban areas, more focus is now required to develop rural and village-based industries.	<ul style="list-style-type: none"> - Industrial infrastructure needs to be developed in the rural area. - Gujarat can be developed on these lines as 24 hours electricity is available in rural area. -The State can become a role model for the other states to replicate. 	Larger issue. Related to policy on MSME.	Not related to GST
10.	Gujarat	Gujarat Chamber of Commerce & Industry	Marketing and branding of the products and services remains a key concern for the MSME units	- A cluster-based portal with virtual exhibition round the clock will put the MSMEs on global platform, enhancing the market of the products manufactured by MSMEs.	Larger issue. Related to policy on MSME.	Not related to GST
11.	Gujarat	Gujarat Chamber of Commerce & Industry	Collateral free loans the banks are not properly implementing this scheme. MSME units, even though eligible for the scheme, are not aware of this scheme and the banks are also not encouraging this scheme as it is collateral free.	<ul style="list-style-type: none"> -There is a need to implement this scheme properly -Awareness has to be generated amongst the MSMEs regarding this scheme -Scheme application process needs to be simplified -Banks need to encourage this scheme amongst the MSME units and bank branches should provide information about the scheme and its application process 	Larger issue. Related to policy on MSME.	Department of Financial Services.
12.	Gujarat	Gujarat Chamber of Commerce & Industry	The dealers are facing issues and difficulty in rectifying GSTR-3B. Also, the time limit of 10 days for filing GSTR-1 is very short	<ul style="list-style-type: none"> -Rectification should be allowed in GSTR-3B and the process should be made simple -Time limit for filing GSTR-1 needs reconsideration 	The issue will be addressed with implementation of the proposed simplification of GST Return procedure.	Law related issue (New Return System)
13.	Gujarat	Gujarat Chamber of Commerce & Industry	After dealer applies for cancellation of registration necessary action is not taken within 30 days as required by rule 22 (3). Dealer is prevented from filing fresh application and the system shows penalty payable by the dealer for not filing returns.	<ul style="list-style-type: none"> -It should be ensured that necessary time-bound action is taken within 30 days -Filing of fresh application should be allowed -Clarity should be provided on the effective date of registration 	This issue will be handled by the proposed amendment in the GST Act by way of insertion of provision of suspension of registration.	Law related issue (Proposed Law Amendment)

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14.	Gujarat	Gujarat Chamber of Commerce & Industry	The criteria of working days are different for both the department and the taxpayer. This causes delays and confusion while filing returns	-The criteria of working days should be kept same for both department and taxpayer.	At present, taxpayer is not required to have physical contact with Tax Authorities. All processes related to registration, filing of return, claiming refund, payment of tax etc. are made on-line wherein 24*7 services are available by GSTN.	Circular
15.	Gujarat	Gujarat Chamber of Commerce & Industry	The taxpayers currently have to approach multiple departments at multiple locations for queries related to SGST, IGST and CGST. Although the departments have started Helpdesks, these are limited to issues concerning the respective department only.	An integrated Helpdesk for all GST matters should be started, which should co-ordinate with all GST related departments and offer guidance and support to the dealer at a single point. This Helpdesk should also provide response to grievances raised through e-mails.	There is dual control in GST. Distribution of all taxpayers is made between two authorities. Taxpayers are not required to contact two authorities to resolve their issues.	Administrative Action
16.	Gujarat	Gujarat Chamber of Commerce & Industry	The late fee for delay in filing of GST return is high and, in some cases, exceeds the tax liability of the dealer. There are many cases where there has been a genuine delay due to system issues or unintended mistake without the motive of tax evasion, where such high penalty has been charged.	- The amount of late fee should be rationalized and in no case should it exceed the dealer's tax liability.	Amount of late fee are already rationalized by the GST Council.	Notification
17.	Gujarat	Gujarat Chamber of Commerce & Industry	Refund is not received within reasonable time even after order is passed	-It should be ensured that refund is received within a specified reasonable time limit after order is passed	The issue is already resolved.	Administrative Action
18.	Gujarat	Gujarat Chamber of Commerce & Industry	In cases where file is transferred from State department to Central department and earlier 90% refund was given under section 54(6) then balance refund is not issued.	-Balance should be issued in such cases	It is requested to bring specific cases in this regard.	Administrative Action

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19.	Gujarat	Gujarat Chamber of Commerce & Industry	While cases are demarcated between State and Central Authorities, the supervision of refund is by internally decided officer of either department. Thus, in some cases while the case falls within the domain of Central Department the refund is supervised by officer of the State Department and vice-a-versa.	-The demarcation of cases needs to be followed strictly and the supervision if refund should be done accordingly.	It is requested to bring specific cases in this regard.	Administrative Action
20.	Gujarat	Gujarat Chamber of Commerce & Industry	Purchase is in July and export under LUT is say in August and there is no excess credit in August then refund is not admissible because of mismatch in Form 3B & GSTR 1	The issue needs to be discussed and resolved	This is system related issue and will be resolved by GSTN.	GSTN
21.	Gujarat	Gujarat Chamber of Commerce & Industry	There is widespread confusion amongst the MSMEs due to the contradictory advance rulings made by separate authorities and there is a fear looming over them that they would be subjected to heavy penalties in the future due to these contradictory rulings	Government should consider a centralized Authority for Advance Rulings (AAR) to clarify certain issues, as existed in the previous indirect tax regime.	The issue will be resolved by devising appropriate mechanism in this regard.	Law Amendment

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22.	Gujarat	Gujarat Chamber of Commerce & Industry	Debit note related problems System requires turnover to be shown in the debit note. In case debit note is to be issued only for differential tax, problem in submitting debit notes. Section 34 for debit note and credit note requires the same to be issued in case where a tax invoice is issued and the price or the tax is wrongly charged. In case the sales were earlier claimed as exempted and hence bill of supply was issued and later on the seller considers it to be taxable still as per law debit note cannot be issued for tax. If issued then also problem in claiming input tax credit by the customer because the seller had shown sales against bill of supply.	-Necessary modifications are required in the system and the rules	In commercial transactions, both turnover and tax are shown in debit note. As per provision of the act, credit can't be claimed on basis of bill of supply. If taxpayer has wrongly issued a bill of supply, he may rectify his mistake by issuing tax invoice in the same tax period in such a way that turnover remains the same. Thereafter, this issue can be resolved.	Circular
23.	Gujarat	Gujarat Chamber of Commerce & Industry	Due to non-refund of GST paid on capital goods, units are non-viable from day 1 as compared to integrated units and exports become non-viable due to higher capital cost	-Refund of ITC on procurement of capital goods should be allowed.	In the earlier regime, refund was not given on tax paid on capital goods. This is a policy decision.	Law Amendment

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24.	Gujarat	Gujarat Chamber of Commerce & Industry	In GST regime almost all services have been covered under 18% tax rate. However, GST paid on all the building material items like cement, steel etc. used for manufacturing shed or warehouse for manufacturing activity is not allowed as it is restricted for credit if used in immovable property. Factory building is the basic requirement for installation of plant and Machinery and storage of Raw materials and Finished Goods and without Factory building no manufacturing process can be carried out, However, the same is not covered for input credit.	-Input used in construction of production / industrial Building or GST charged by building contractor for production / industrial building should be allowed as input GST credit.	This is a policy decision. In earlier regime, such ITC was not available to taxpayers.	Law Amendment
25.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	GST TRAN – 1: As the last date of filing the GST TRAN-1 application was 30/09/2017 and due to system failure the date had been extended unto 28/12/2017, mean while there were tremendous problem in uploading data in GSTN Portal due to some or the other technical glitches	Give a chance to all the tax payers just for 15days to re-open and let them file and enjoy the benefit of the credit in stock as on 30/06/2017. As it is One Nation One Tax, many Litigation going in the different courts in different states in India will get finished, by one Great step taken by The Finance Ministry of India to re-open the TRAN-1 for 15days who have not filed till today.	Gujarat has already represented to the Council / Law committee.	Notification

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26.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	a) A taxpayer cannot avail the benefits of the Input Tax Credit Goods / Services for construction of immovable property of his own account or business purpose. b) Works Contract service supplied for construction of immovable property.	The provisions under Section 17 relating to the Input Tax Credit needs to be rationalized and brought at par with the simple concept that if outward supplies of a person is taxable then the inward supplies of the goods and/or services should be allowed as credit, which are for the business. Immovable Property in case of Hotel Industry, Industries.	This cannot be accepted, as there can be similar representation from other sectors	Law Amendment
27.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Waiver of Late Fees for any returns under GST Act till March 2018	Practically, MSME business is engaged in a business in manufacturing and trading but many of them are depending on third party work for their filing of returns, preparing accounts, etc. In a small town and village there are less of connectivity till today also. So for boosting their level of satisfaction against GST and Govt., the Govt. should waive of penalty till March – 2018.	This cannot be accepted, as amount of late fee has been reduced considerably.	Notification

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28.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Removal of ITC - 04	Practically, MSME business is engaged in a business in manufacturing but many of them are depending on third party job work activity and for the same they are already uploading E-way Bill during movement of goods on job work basis. Further, for filing of another return in ITC-04 is burden to MSME business on and above uploading data through E-way Bill. Further, based upon E-way Bill, GSTR-1 is going to be generated auto populated. GSTR-1 is not containing any transaction which are made on job work basis therefore also ITC-04 is not required because there is no any linkage between E-way Bill V/s. ITC-04 as well ITC-04 V/s GSTR-1. In this situation ITC-04 should not be remove, alternatively it should be voluntary.	Revised format of ITC-04 has been approved by GIC.	Notification
29.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Annual Return & Audit	The powers of audit vested to chartered accountants and cost accountants under the GST Law should be extended to Advocates, Tax Practitioners.	This cannot be accepted, as they have to submit his accounts audited by CA under the Income Tax Act also. The issue of assigning audit work to advocates was already discussed in the meeting of GST Council. The Council rejected this proposal.	Policy Issue (Non MSME issue)

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30.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Complexity due to HSN requirement	HSN Summary to omit from purchase returns or HSN or major raw material should only be asked from	As per the proposed simplification of GST Return procedure, table for reporting supplies with the tax liability shall not capture HSN but would continue to capture supplies at tax rate level as is the present practice. The details of HSN shall be captured at four digits or more from all the dealers, however at different frequency of reporting. HSN wise details in a separate table shall be captured in the regular monthly return. However, this table shall be optional for the small taxpayers. Small taxpayers would have facility to report HSN in the annual return.	Notification
31.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry FISME	Credit note only from supplier is creating lot of problem	allow buyers to add credit note/debit note and all acceptance from supplier. Credit Note & Debit Note should be abolished and as per the Central Excise Rules, compulsory bill is to be issued to avoid credit issues. So, the confusion point of whom to issues and who cannot issue will be out	This cannot be accepted as both supplier and recipient cannot be allowed to file the details of credit note / debit note.	Law Amendment
32.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Multiple Returns	Make GST Return ONE only i.e. combine GSTR 1-2-3 & 3B in one common Form and in one single click all data must be filed.	The issue will be addressed with implementation of the proposed simplification of GST Return procedure.	Law Amendment (New Return System)

S. No.	State/ Centre	Name of the Taxpayer / Association	Grievance / Issue	Trade Suggestions	State /Centre Comments	Action
33.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Revision of Returns	Provide facility to revise GSTR1 & GSTR 3B returns. It is must. i.e. Traders must be entitled to rectify their mistakes.	The issue will be addressed with implementation of the proposed simplification of GST Return procedure. There shall be given facility to revise his return.	Law Amendment (New Return System)
34.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Payment of GST under any wrong head.	Payment of GST under any wrong head (IGST-CGST-SGST) should be adjustable by trader or system itself.	Not accepted.	Law Amendment
35.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Liability of buyer to reverse the credit if the supplier is non-compliant. If a dealer purchases goods from a registered dealer, and that particular dealer does not pay tax, the disallowing of input credit to the purchaser is totally unjust and harsh	Responsibility of mismatching of return 2A & 2 must not be on traders. Allow all credit to traders who file his return in time. This rule should be abolished.	The issue will be addressed with implementation of the proposed simplification of GST Return procedure. There shall be given facility to revise his return.	Law Amendment (New Return System)
36.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Free use of ITC	Input Tax Credit should be allowed to be used against all types of tax liabilities, e.g. CGST, IGST, SGST, interest, late fees etc.	Not accepted.	Law Amendment
37.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Liability on exporters	Exporters must not be liable to pay any GST either on inward or outward goods and make system of refund for exporters easy, simple and fast.	Exporters are already given an option to either export the goods or services without payment of IGST or with payment of IGST.	Law Amendment

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38.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	IT Software for compliance for MSME	Provide easy & cheaper software to small traders.	Facility is already given by GSTN.	GSTN
39.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Help in compliance	Provide cheaper consultants to traders to implement the procedures of GST.	This is not the responsibility of Government.	Administrative Action
40.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Internet Problems	Provide full speed of internet in each & every village of India	GSTN has already enhanced the facility.	Not related to GST
41.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Centralised Registration	Remove the system of State wise registration whose business is in each and every state. But give some alternative system of single registration only. Say head office only.	Not acceptable.	Law Amendment
42.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Cost of Digital Payment	Do not force for digital payment and digital payment must be free from any type of charges.	Not acceptable.	Department of Financial Services.

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43.	Gujarat	Laghu Udyog Bharti Rajkot Chamber of Commerce & Industry	Single Interface	It is very essential to make Common and single office of CGST & SGST for smooth and easy functioning.	Not acceptable, however there is single interface in GST. Taxpayer is not required to present before two different authorities for tax compliance.	Administrative Action
44.	Delhi West Bengal	Federation of Small & Medium Industries, W.B., [FOSMI]	<p>Withdrawal of excise duty exemption available upto Rs. 1.5 Crores.</p> <p>Under VAT, there was an Incentive scheme for MSMEs manufacturing certain specified goods. But no such incentive is now available under the SGST Act.</p> <p>If exemption cannot be granted to us in CGST then alike VAT some incentive scheme may be envisaged for us where we get full reimbursement of the tax paid under GST Act(s).</p>	<p>Compensate the MSME for this additional burden of tax.</p> <p>Incentive scheme should continue under SGST</p>	<p>Formulate a scheme for MSME upto Rs. 5 Crores allowing reimbursement of part of tax paid by both Central and State government.</p> <p>It was a conscious decision of Empowered Committee to day away with the tax based exemptions. Reimbursement based incentive is under consideration.</p> <p>This is a policy call. Most states have reimbursement based schemes. This may be considered by Central Govt. as well.</p>	Notification
45.	West Bengal	Federation of Small & Medium Industries, W.B., [FOSMI]	The composition limit for small enterprises making B2C supplies only should be raised to Rs 5 Crore.		This may be considered only after the GST system stabilises.	Law Amendment
46.	West Bengal	Federation of Indian Exporter Organisations (Eastern Region),	For migrated dealers GST Council had taken a decision that 90% will remain with the States. But the said principle does not apply for newer registered entities. Since Central offices are at distant location we have to face huge problems in moffusul areas.			Administrative Action.

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47.	West Bengal	Federation of Small & Medium Industries, W.B., [FOSMI]	Big suppliers from whom we mostly purchase are not uploading details of supplies to us in GSTR 1. Many a times repeated requests to them also do not yield the desired result. Our fear is that if our transactions remain unmatched then in audit etc we will forced to pay the tax availed as ITC with interest and penalty. Already officers have started issuing notices where the total ITC claim is found to be in excess of GSTR 2A.	Uploading of invoices by buyer and provisional credit should be allowed.	Big business entities need to be compelled to upload their data timely so that smaller entities do not suffer. MIS of top 20 % Tax Payers may be made available to nodal officers within 10 days from the last date of filing of return for enforcing compliance. This will also become a serious issue after the transition stage of the new return system is concerned.	Law related issue (New Return System)
48.	West Bengal	Federation of Small & Medium Industries, W.B., [FOSMI]	To further help our farmers we should encourage that the companies engaged in the business of fruit drinks buys the requisite fruit pulp from within the country only. Today, the companies engaged in such a business largely import fruit concentrates from outside India as it is cheaper for them. To help more MSME units to come up in this sector we should increase the import duty on concentrates imported from outside India.		It may also be considered favourably so as to boost domestic sector.	Rate Issue.
49.	West Bengal	Federation of Small & Medium Industries, W.B., [FOSMI]	To encourage food processing units of MSME engaged in manufacture of jams, jellies, pickles, etc., GST rates on such items may be reduced to 5% to bring it at par with the VAT rates		It may be considered favourably as it will also be beneficial for agricultural sector.	Rate Issue

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50.		FISME	Operational issues; i. Proof of payment It has been brought to notice that many PSUs hold GST payments and ask for proof of GST payment. This is unwarranted and pose various practical problems: GST payments are done on specific dates, sometimes using credits making it difficult to show GST payments against each and every invoice	Clarification may be issued		Circular
51.		FISME	Excluding unregistered dealers from Public procurement Admittedly the number of small unregistered dealers will remain 10s of thousands of times more than the registered ones. Precluding smaller ones from supplying anything/service to Govt entities is height of callousness	Such an abhorrent thought should be given up by the government		Not related to GST

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52.		FISME	Input Tax Credit (ITC) restrictions- <ul style="list-style-type: none"> The current ITC provisions exclude tax even genuine business expenses such as hotel stay, vehicle expenses used for travel, repair of building, any exp on staff welfare etc. In the spirit of making Indian businesses competitive, it is important that their operational costs are not unduly burdened Shockingly GST paid on factory Sheds and Buildings even for manufacturing activities will not be allowed to be claimed as ITC 	<ul style="list-style-type: none"> Barring a small negative list of activities/items, ITC should be allowed 		Law Amendment
53.		FISME	GST on sale of assets of unit under NPA/ IBC <ul style="list-style-type: none"> A clarification is required: When fixed assets and machinery of a sick unit or unit declared as NPA has to be sold would it attract GST? If so at what rate? A grave problem arises if GST for property sale is applied to the distressed MSME at the market value making it's revival a big problem. Even if it is sold at book value, the buyer's ability to raise enough working capital credit is eroded. Is there any viable option for attacking this problem? 	<ul style="list-style-type: none"> A clarification may be issued. GST on sale of stressed assets, may be kept at a lower slab @ 5% 		Circular

54.		FISME	<p>Work Contracts</p> <p>i. In case of works contract payment is linked with performance as per contract which definitely exceed more than 180 days as mentioned in the proviso. In that case it would cause adverse effect on the tax payer since full tax is required to be paid at the time of supply on outward work contract while ITC will not be available on inward work contract thru sub-contractor.</p> <p>ii. Pre GST contracts On-going contracts of pre-GST era have not been amended to take into effect of GST by some of the Government Departments viz. Bihar State Power Transmission Corp. and Punjab State Power Transmission Corp. On top of that, some of them are withholding a portion of pre-GST value of payments, resulting in double adverse effect on the vendor.</p> <p>iii. As per PGCIL, freight charges other than GTA are exempt from GST. All contractors are of the view that freight charges are part of composite supply and liable for GST. PGCIL is of the view it is not composite contract as there is separate contract for supply.</p>	<p>i. Proviso should be amended to the effect to provide that payment along with tax which is due as per contract terms, is not paid within 180 days</p> <p>ii. Government departments need to be instructed to issue suitable contract amendments without any further delay.</p> <p>iii. Clarification could be issued in such matters or may include in official FAQ.</p>	<p>Law Amendment</p> <p>Administrative Action</p> <p>Circular</p>
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S. No.	State/ Centre	Name of the Taxpayer / Association	Grievance / Issue	Trade Suggestions	State /Centre Comments	Action
55.		FISME	<p>Supplementary Invoice: pain point for automotive supply chain</p> <p>In Automotive supply chain, customer's settle rates every quarter or 6 months on account of changes in Raw Material prices or Forex fluctuation etc. These rates are given with retrospective application and suppliers raise supplementary invoices accordingly. In pre-GST era suppliers could Raise only one bill with attached details of all bills and their rate differences.</p> <p>Now after GST- a supplementary bill has to be raised for each invoice i.e. a few hundred additional invoices.</p> <p>This is totally unnecessary, wasteful, tedious & costly.</p>	A simple mechanism could be devised		Law Amendment
56.	Ranchi Zone	North Bihar Chamber of Commerce & Industry, Muzaffarpur	Facing problems in comparing goods with traders, who are filing quarterly returns whose business turnover is below 5 cr with traders, who are filing monthly returns whose business turnover is above 5 Cr.	The turnover slab of 5cr should be extended.	The grievances/ issues are of Policy matter. The same is being forwarded for consideration in the ensuing meeting of GST Council.	Notification
57.	Ranchi Zone	A. K. Tulsyan & Co. CA, Muzaffarpur	There are high probabilities of mistake in filing of returns as they are unfamiliar to online GST submission. Due to this reason, many of tax invoices has been wrongly uploaded or not getting uploaded.	Rectification of mistake should be provided at GST Portal, itself.	-	Law related issue (New Return System)

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58.	Ranchi Zone	A. K. Tulsiyan & Co. CA, Muzaffarpur	Notices/queries are send online on portal or on email. Since many of dealers do not know how to operate system properly.	The notice should be send by post also to the dealers.		Rules
59.	Ranchi Zone	A. K. Tulsiyan & Co. CA, Muzaffarpur	Notices have been sent to dealers for mismatch in input claims in GSRT-3B and GSRT-2A as many of the dealers have not uploaded GSTR-1 on time.	Non-uploaded of GSTR-1 should be considered before issuing the Notice		Administrative issue
60.	Ranchi Zone	A. K. Tulsiyan & Co. CA, Muzaffarpur	Cases of refund in case of wrong selection of Minor/major head can be minimized.	A concept of E-wallet should be introduced in Electronic Cash Ledger		Law Amendment
61.	Ranchi Zone	Singhbhum Chamber of Commerce & Industry	E-way bill requirement in case of Job-worker should be removed.	There should be provision for revision in GST return. By doing so a no. of MSME units will be saved from costly compliance process of GST.		Rules
62.	Ranchi Zone	Singhbhum Chamber of Commerce & Industry	Levy of penalty for typographical errors in generation of e-way bill should be released by checking the documents and levy of minimum penalty			Circular
63.	Ranchi Zone	Singhbhum Chamber of Commerce & Industry	The threshold limit of generation of E-way bill should be increased to Rs. 2 lakhs for intra-state movement of goods			Notification
64.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	Revision of return	Facility for revision of returns within the due date of return filing should be allowed.		Law related issue (New Return System)
65.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	Correction/revision of returns filed during last one year.	Returns filed during last one year have errors and needs to be corrected/ revised. One time facility for rectification should be allowed.		Law related issue (New Return System)
66.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	GST Credit on Diesel for D.G. Set should be allowed.	GST credit on Diesel used by MSME as fuel/running D.G set should be allowed to bring down the cost of production.		Amendment

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67.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	RCM provision is very complicated and should be scrapped.	RCM provision is very complicated and should be scrapped as it does not impact revenue.		Law Amendment
68.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	Intra-state e-way bill monetary limit.	Intra state monetary limit for e-way bill should be made uniform across all the states to have uniformity		Notification
69.	Ranchi Zone	Jharkhand Small Industries Association, Ranchi	GST credit on Civil Support Structure of Plant & Machinery.	GST credit on Civil Support Structure of Plant & Machinery should be allowed. The present provision needs to be clarified/ explained in detail to avoid confusion/misinterpretation.		Law Amendment
70.	Ranchi Zone	Bihar Industries Association (BIA)	Frequency of Returns	Taxpayers opting composition and having turn over upto 50L should be allowed to file single annual return.		Law Amendment
71.	Ranchi Zone	Bihar Industries Association (BIA)	Composition Scheme to Service Sector in SME	The benefit of the Composition Scheme should also be extended to Service Sector in SME.		Law Amendment
72.	Ranchi Zone	Bihar Industries Association (BIA)	Refund of Input tax in case of Inverted Tax Structure	Simplify the refund process and make refund on priority basis		Circular
73.	Ranchi Zone	Bihar Industries Association (BIA)	Multi Vehicle in E-way Bill	There is need to have multi vehicle option in single e-way bill for smooth transportation mainly in case of import of goods.		Notification
74.	Ranchi Zone	Bihar Industries Association (BIA)	TRAN-1 Verification	It is suggested that an SOP should be created and widely circulated for TRAN-1 verification instead of demanding of lot of papers and personal appearance before authority.		Administrative Action

S. No.	State/ Centre	Name of the Taxpayer / Association	Grievance / Issue	Trade Suggestions	State /Centre Comments	Action
75.	Hyderabad Zone	Cherlapally Industries Association	Trade submitted that many of the small business community where the business is mostly carried out by illiterates whose turnover is much less than the threshold limit of Rs.20 lakhs have obtained GST registration thinking that these are compulsory basing on wrong advice of consultants and now these taxpayers could not claim exemption and cancel their registration.	The trade suggested that a one time waiver of penalty for non-filing/late filing and one time permission to avail exemption even though GST Registration was taken should be provided so that these taxpayers could file NIL return and cancel their registration.	In terms of Section 22 (2) of CGST Act, it is mandatory that all the taxpayers registered under the existing law shall take registration under the Act. However, they are at liberty to cancel their registration if their turnover is less than 20 lakhs. As many of these taxpayers have not filed their returns, waiving of late fee for the taxpayers upto the turnover of 20 lakhs can be recommended.	Notification
76.	Hyderabad Zone	JMD Metals	During the E-way bill checking, goods of the taxpayer were found being transported without invoices and E-way bill and the officers detained the goods and issued the notice. The taxpayer has accepted the mistake and agreed to pay GST & Penalty and the taxpayer paid them through online portal. However, the officers could not release the goods as the liability could not be uploaded into the liability ledger of the taxpayer as there is no provision to upload form GST MOV-09. The taxpayer could not adjust the duty and penalty paid in the liability ledger as per above GST MOV-09 order and hence facing difficulty in taking release of the goods.	The provision for uploading Form GST MOV-09 should be enabled in the online portal, meanwhile the taxpayer may be enabled to manually enter the details of form GST MOV-09 details in their liability ledger so that the amount paid can be adjusted.	As generation of e-way bill is mandatory, the provision for uploading the GST MOV 09 details may be taken up on priority.	GSTN