



OFFICE OF THE CHIEF COMMISSIONER OF CGST, CUSTOMS & CENTRAL EXCISE  
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**MINUTES OF THE 1<sup>st</sup> MEETING OF REGIONAL ADVISORY COMMITTEE (FY 2019-20) CGST, CUSTOMS & CENTRAL EXCISE, BHOPAL ZONE HELD ON 12.09.2019**

The 1<sup>st</sup> meeting of Regional Advisory Committee (RAC) of CGST, Customs & Central Excise, Bhopal Zone for the financial year 2019-20 was held on 12.09.2019 at 15:00 hrs in the Conference Hall of CGST, Customs & Central Excise, 35-C, Administrative Area, Arera Hills, Bhopal. The meeting was chaired by **Shri V.K. Saxena**, Chief Commissioner of CGST, Customs & Central Excise, Bhopal Zone. The following officers were also present in the meeting:

- (i) Shri Ranjeet Kumar, Additional Commissioner (CCO) and Member Secretary of RAC.
- (ii) Smt. Vaishali Naik Lanjewar, Additional Commissioner, Bhopal.
- (iii) Shri Manoj Kumar, Joint Commissioner, Bhopal.
- (iv) Shri Manish Thakur, Superintendent (CCO-Technical).
- (v) Shri Prabhat Khanna, Superintendent (CCO-Admin)
- (vi) Shri P.S. Pandya, Superintendent (CCO-GST Cell)
- (vi) Shri D.D. Singh, Superintendent (Preventive/TRC), Bhopal.
- (vii) Shri Kuldeep Tiwari, Inspector (CCO-Technical)
- (viii) Shri Mayur Goyal, Inspector (CCO-Technical)

2. The Meeting was attended by the following Members/Representatives:-

S.N o	Name of Member/Representative	the Registered represented	Association/Sector
1	Shri Sanjay Verma, Advocate	Verma Law Chamber, Bhopal	
2	Shri Govind Bansal	CFO, M/s Sanfield India Ltd., Bhopal	
3	Shri Ajit Singh Narang	Malwa Chamber of Commerce & Industries, Indore	
4	Shri Liladhar Maheshwari	CREDAI, Indore	
5	Shri Madhuranjan Singh,	Assistant Director, DGGST, WZU, Mumbai	
6	Shri Shri Uttam Kumar Naag,	Chartered Accountant, Jabalpur	

7	Shri S. Guha (DGM-Finance),	M/s NMDC Ltd., Dantewada
8	Shri Moneesh Jain	Vice President (Finance & Accounts), M/s Crest Steel & Power Pvt. Ltd., Rajnandgaon
9	Shri Basu Tibrewala	M/s Gujrat Ambuja Export Ltd., Pithampur
10	Shri Rajesh Maheshwari	Laghu Udyog Bharti, Ujjain
11	Shri Gautam Kothari	President, Pithampur Audhyogik Sangathan, Indore
12	Shri Yogesh Chourasia	Chairman, M/s The Institute of Cost Accountants of India-Bhopal Chapter, Bhopal
13	Shri S. Krishnan	President, Tax Law Bar Association, Bhopal

3. At the outset, the Chairman welcomed all the members to the 1<sup>st</sup> meeting of the Regional Advisory Committee for the Financial Year 2019-20. The Chairman requested all the members of RAC to attend the Meeting and to participate actively including giving feedback. He also requested the participating members to submit their agenda points in time so that their issues could be properly examined and resolved in best possible way. He also stressed upon better co-ordination and interaction between the Department and the assesseees/tax payers for better outcome.

4. Following points sponsored by the RAC Members were discussed in the meeting:

Point sponsored by	Comments
<b>1. Sponsored by Shri S. Krishnan, President, Tax Law Bar Association, Bhopal</b>	
<b>1. Clarification in respect of cancellation of registration by composition dealers</b>  Section 29(5) of CGST Act provides that every registered person whose registration is cancelled <b>shall pay</b> an amount, by way of debit in e-credit ledger or e-cash ledger, equivalent to the amount of credit of input tax, in respect of inputs held in stock and inputs contained in semi-finished or finished goods in stock or capital goods or plant & machinery, as on the date of cancellation of registration.  Whereas as per the provisions of section 10 of CGST Act, a person opting to pay tax u/s 10 is not entitled to claim <b>input tax credit of any kind</b> and therefore, he is not required to pay input tax credit, as provided in section 29(5), in respect of closing stock as on the date of cancellation of registration. Here, it is worth-noting that Composition dealers are not required to file the <b>Final Return</b> as prescribed u/s 45, whereby the liability of tax on closing stock as on date of	As per the provisions of sub-section (4) of Section 10 of the CGST Act, 2017, a taxable person opting composition scheme shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax. Hence, there is no question of reversal of ITC at the time of surrender of registration by the composition dealers. The Member was requested to bring such instances, if any to the notice so that issue can be referred to the Board.

cancellation of Registration Certificate is liable to be discharged. Therefore, it is requested that CBIC should issue instructions or directions so that the Composition dealer is not required to pay ITC involved in closing stock of inputs, inputs in semi finished or finished goods or capital goods or plant & machinery.

2. Dispensing with submission of annual return – FORM GSTR-9A by a composition dealer  
As per the amended provision, now the annual return in FORM GSTR-4 is to be filed by the Composition dealer. Accordingly u/s 39(2) a registered person opting for payment of tax u/s 10 of CGST Act is required to file a Return for a full financial year in GSTR-4 by 30th of April of next year with quarterly payment of tax through GST PMT-08. Therefore, the requirement of filing annual return in GSTR-9A u/s 44(1) of CGST Act should be removed.

Point No. 2- The issue raised by the member is a policy matter. However, as per the provisions of law, annual return filing is mandatory for all the entities having GST registration, irrespective of the turnover and required to be filed with the audited annual accounts, reconciliation statements etc. Format of GSTR-9A (for taxpayers registered under composition scheme) is altogether different than the format of GSTR-4 requiring submission of additional information in the annual return. The additional tax liability for the previous financial year not declared in the GSTR-4 can also be declared in the annual return and can be paid voluntarily along with interest in Form DRC-03.

### **3. Wrong availment of input tax credit of Integrated Tax through GST DRC-03**

Several Registered Persons, due to oversight, has claimed input tax credit under Integrated Tax Act, as against the claiming of input tax credit of CGST & SGST Act. While attempting for the reversal of such erroneously claimed ITC under IGST Act, through GST DRC-03 in accordance with section 73(5) or 74(5) of the Act, he is required to mention POS. This is a very cumbersome and time consuming activity, which does not result in any fruitful details. It is requested that appropriate instructions be issued facilitating the reversal of the Integrated Tax in such cases without the mentioning of POS. It is desirable, because in most of the cases, the registered person has only purchased or sold goods or services in the State in which he has obtained registration.

Point 3- As per the provisions of Rule 142 of the CGST Rules, 2017, in case of any payment made voluntarily or made against any notice or statement, intimation thereof, is required to be furnished electronically to the jurisdictional officer in the Form GST DRC-03. The Form GST DRC-03 inter-alia requires mandatorily filling of "Place of Supply (POS)" while furnishing such intimation.

**4. Assigning of code to "other territory" outside India.**

As per proviso to section 12(8) of IGST Act, the place of supply of services by way of transportation of goods, including by mail or courier, shall be the place of destination of such goods where the transportation of goods is to a place outside India. Accordingly, if any registered person booking an export consignment through courier, he is being charged Integrated Tax with place of supply outside India. It is other territory without any code and the recipient of the said service is not able to get ITC. It is requested to assign code to other category - located outside India to facilitate availment of ITC by the recipient of said service.

Point 4- The Member raising the point himself replied that "other territory" code as "97" has been allocated for this purpose. Hence, no discussion was required on the issue raised.

**5. Availment of ITC in case of mis-match between GSTR-3B and GSTR-2A.**

In circumstances where the GSTR-3B is filed after due date of furnishing of GSTR-3B for the month of **March 2019**, no auto populated GSTR-2A is made available to the recipient, enabling them to match the ITC claimed by them for the purposes of annual return for the financial year 2017-18. It is requested that the proper instructions be issued in this regard in respect of finality of claim of ITC in case of mis-match where ITC has been claimed and GSTR-3B has been filed after the due date.

Point 5- As per provisions of Section 16(4) of the CGST Act, 2017, input tax credit (ITC) can be claimed till due date of furnishing return for the month of September following the Financial Year or the Annual Return, whichever is earlier. Moreover, for the Financial Year 2017-18, the Board vide Order No. 02/2018-CT dated 31.12.18 has extended the date till the due date of furnishing of the return under Section 39 for the month of March'2019 for claiming input tax credit related to Financial Year 2017-18. No input tax credit in respect of tax invoices/debit notes raised for the FY 2017-18 can be taken beyond the above stipulated time limit.

However, the Member was requested to make a detailed submission citing specific instances for referring the matter to the Board.

**6. Definition of "public authorities".**

As per section 2(17)(i) of CGST Act "any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as "public authorities" is included in the definition of business.

In case of supply of services from Government or local authority, a registered person is required to pay tax under RCM. The definition of "public authorities" has not been provided in the Act and it becomes very difficult for a registered person to

Point No. 6- To this effect, necessary clarifications have already been issued by the CBIC through FAQ on "GST Sectoral Series- Government Services". The services of the Government requiring payment of GST under reverse charge mechanism are clearly spelt out in the Notification No. 13/2017-CT (Rate) dated 28.06.2017.

<p>ascertain when the activity or transaction undertaken by Government or local authority is in the capacity of public authorities. It is requested to issue necessary instructions/ directions to explain the meaning of “public authorities”.</p>	
<p><b>7. Wrong mention of GSTIN in invoice and GSTR-1</b></p> <p>In case of supply of goods or services to a recipient, there are several cases where the wrong GSTIN have been provided either/both in the invoice and GSTR-1. Such mistake has taken place especially in such cases where a recipient is having multiple registrations in a State. Due to this minor clerical error, the recipient is not able to claim ITC because GSTIN of another State has been mentioned on invoice and GSTR-1. As a relief measure one time opportunity should be given to such suppliers, by providing a window to correct minor clerical or arithmetical error so that the recipients are in a position to claim legitimate ITC.</p>	<p>Point No. 7- The Member has been asked to make a detailed submission for further reference to the Board.</p>
<p><b>8. Extension of validity of e-way bill</b></p> <p>Where the transporter has not extended the validity of e-way bill within the time frame provided under the Rules for any reason whatsoever, it becomes nearly impossible to carry the goods to the destination under the cover of e-way bill. It is requested to issue suitable instructions for movement of goods to the destination where the validity of e-way has not been extended within the time frame.</p>	<p>Point-8 The goods are required to be delivered within validity period of E-way bill. If validity of the e-way bill expires, the goods are not supposed to be moved. However, under circumstance of <b>‘exceptional nature’</b>, the transporter may generate another e-way bill after updating details in Part B of Form GST EWB-01. The specific provisions in this regard are provided under second proviso of sub-rule (10) of Rule 138 of the CGST Rules, 2017. Further, the RAC member has been asked to submit a detailed representation citing specific instances for onward submission to the Board.</p>
<p><b>9. Supply of service in relation to Article 243W and 243G of Constitution of India.</b></p> <p>Supply of service in relation to Article 243W and 243G of the Constitution of India by local bodies are taxable under RCM, when such services are supplied to a business entity exceeding turnover of Rs.20 lakhs in a preceding financial year. Such services are exempt services on the part of Government or local bodies or Governmental authority or Government entity, as per Notification No.12/2017-Central Tax (Rate) dated, 28.06.2017. Whereas the Notification No.14/2017-Central Tax (Rate) dated,28.06.2017 provides that,</p>	<p>Point No. 9- The supply of services involving tax payments under <u>reverse charge mechanism</u> are notified in the Notification No. 13/2017-CT (Rate) dated 28<sup>th</sup> June 2017. As per sr. no. 5 of the said Notification, a business entity located in the taxable territory shall be liable to pay tax under reverse charge mechanism on all the services supplied by the Central Government, State Government, Union Territory or local authority excluding certain services like renting of immovable property, speed post, transportation of</p>

<p><b>“services by way of any activity in relation to a function entrusted to a Panchayat under Article 243G or in relation to a function entrusted to a Municipality under Article 243W of Constitution” is neither supply of goods nor a supply of service.</b> A very peculiar situation arises whether to treat such services as exempt services under Notification No.12/2017-Central Tax (Rate) dated, 28.06.2017 or as “neither supply of goods nor supply of services” under 14/2017-Central Tax (Rate) dated, 28.06.2017. If it is no supply, then no tax is payable under RCM on such activities. If it is exempt supply for Government or local body, it is taxable under RCM.</p>	<p>passengers etc. Further, as per entry no. 4 &amp; 5 of the Notification No. 12/2017-CT (Rate), the services of the Government either involving function entrusted to a municipality under Article 243-W or function entrusted to Panchayat under Article 243-G of the Constitution shall be exempted services from payment of tax. Accordingly, the Government services involving function under Article 243 G &amp; 243 W shall remain exempted services and no tax liability appears liable to be paid under reverse charge mechanism.</p>
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## 2. Sponsored by Shri Govind Bansal, CFO, M/s Sanfield India Limited

### 1. Annual Return GSTR-9

There is no option to see overall outward supplies. It has been shown in table No. 4, 5, 10,11,12 and should be compiled in single table to make it easy to see the result of outward supplies.

2. In annual return tax liability and penalty should be calculated automatically.

3. There is no linking available of HSN code between filling GSTR-1 & GSTR-9. It should be automatically fetch in annual return GSTR-9.

4. HSN summary of import supply should be easy/removed as item wise list maintaining is difficult. As all we know that only more than 10% of total turnover HSN code to be enter.

5. As on date form GSTR-2 not filed monthly or quarterly basis so it is difficult to match monthly input & unable to inform to the suppliers for mismatch input, so the benefit if input, GSTR-2 should be implemented and get it live to avoid any mismatch of input as per books and GSTR-2A.

6. Some professionals are asking that there are no solutions available for rectification of any clerical mistake done in monthly GSTR-3B return. How these reports in annual return as well as monthly return?

7. There is no option to generate DRC-3 (liability) of GST. It should be made automatically immediate after print preview option of annual return.

Point 1 to 6- Being policy issues and being related to functionality of the GSTN portal, the issue raised at sr. no. 1 to 6 cannot be taken up at local level.

Point 7- The functionality in GST portal is managed by GSTN. Hence no comments can be offered at local level.

### 3. Sponsored by Shri Liladhar Maheshwari, Chairman, CREDAI, Indore.

#### 1. Suggestions regarding Annual Return GSTR 9,9C

That current format for annual Return GSTR-9 and 9C is very confusing, the format should be revised and should be made more easier and user friendly.

Point 1 - Being a policy matter no comments can be offered.

#### 2. Suggestions regarding reverse charge credit mechanism

If a person owes an obligation to pay tax under reverse charge and he has not deposited the same and still due/payable and deposited later on then he should be allowed to claim the credit along with Annual return.

Point 2- The issue stands clarified in the press release dated 03.07.19 as per which if the tax payment under reverse charge mechanism for the liability of F.Y. 2017-18 is made in 2018-19, the ITC on such payment of tax would have been availed in 2018-19 only. Therefore such details will not be declared in annual return of 2017-18 and should be declared in 2018-19.

3. **Suggestions regarding Annual Return-** Revised Annual Return should also be eligible. If you pay less tax due then the revised returns can be filed by depositing them with interest, and, if the withdrawal comes out, it should be returned.

Point-3 Not permissible since the annual returns under Section 44 of the CGST Act, 2017 are to be filed alongwith audited annual accounts and reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement and such other particulars as may be prescribed.

4. It is further submitted that monthly tax payment schedule alongwith quarterly return should have been allowed in all category of the GST number holders as was available in service tax regime.

Point 4 - Being a policy matter, no comments can be offered at local level.

### 4. Sponsored by Shri Ajit Singh Narang, President -Malwa chamber of commerce & Industries

1. That, auto populated information regarding ITC displayed in Column 8 (A) of Part-III, of the GST Annual Return GSTR-9 does not matched with the data's download from GST portal. In such a situation no one could made proper Reconciliation of ITC. Thus, instead of helping hand the Department would have issued notices regarding mismatch of ITC to the assesses, on the ground that ITC have not matched as per GSTR-2A and claimed/availed according to GSTR-3B filed by them.

Point 1- All the taxpayers must on regular basis should reconcile their data every month with the data declared by its vendors too. The return filing and processing are semantically automated and the GST returns are inter-linked. As per the clarification issued by the Board, the auto population is a functionality provided to taxpayers for facilitation purposes, taxpayer shall report that data as per their books of account or the returns filed during the financial year.

<p>2. That, Accounts heads as mentioned in column of para -14 are also not in line with generally accepted accounting heads in the industry and it has been created lot of confusion in the minds of the assesses and the professionals. As mentioned earlier, GSTR-9 &amp; GSTR-9C were release fourteen months after the implementation of GST Law in our country, no industrial house or professional even think of it. So only solution to compliance it is to dig out the data manually, which is time consuming process and ultimately has no value addition.</p>	<p>Point 2 &amp; 3- Being policy issues no comments can be offered at local level.</p>
<p>3. That, furnishing accounts information for inward and outward supplies should be dispense with interest and shall be charged on net tax liability after deducting ITC (as recommended by the council.)</p>	
<p>4. That, Instructions to Form GSTR-9, 9A &amp; 9C asks for payment of additional liability by DRC-03 by cash ledger only along with interest till the time of filing of annual return, whereas in many cases there is a credit balance of ITC available in the Credit Ledger of the Taxable person against which additional tax liability could have been adjusted. Hence, such type compulsions to making the payment of additional liability with interest through cash ledger only is arbitrary, illegal, unjustified and against the principals of natural justice.</p>	<p>Point 4- Policy issue. As per the instructions embedded in the FORM GSTR-9 at serial no. 9 all the additional tax liability, if any shall be paid through DRC-03 through electronic CASH ledger only.</p>
<p>5 That, taxable person will liable to pay additional tax &amp; interest if any of the outward supplies have not been furnished at the time of filing of GSTR-3B with Annual Returns GSTR-9,9A &amp; 9C, Whereas at the same time if any of the amount of ITC related to inward supplies have not been considered due to any of the reasons at the time of filing of GSTR- 3B is not been permitted to claim in the Annual Returns. Thus the claim of such type of ITC do not permitted to claim at the time of filing of Annual Returns is against the principals of natural justice.</p>	<p>Point 5- The input tax credit can be availed within the time limit at prescribed under Section 16(4) of the CGST Act, 2017. No ITC is permissible beyond this time limit.</p>
<p>6. The data in Annual Returns originally was required to flow form monthly returns i.e. GSTR-3B and GSTR-1, but there are number of details which the taxpayers were not required to compile while filing monthly returns but are required to furnish at the time of filing Annual Return. But, such type of details which is required to be furnished at the time of filing of annual returns would not be possible to submit by any of the taxable person in prescribed formats.</p>	<p>Point-6 The issue raised by the Member being a policy issue, no comments can be offered at the local level. The GSTR-1 &amp; GSTR-3B returns are simplified returns introduced to lessen the compliance burden of the taxpayers and could not capture all the details However, GST Council considering the problems being faced by the taxpayers, had extended the due date of filing Annual Return for the Financial Year 2017-18..</p>

7. The JSON file of error report generated after uploading GSTR 9C does not provide any error details. The taxpayer cannot identify the actual errors and therefore is not able to correct such errors as to upload JSON file and file GSTR-9C successfully.	Point-7 GSTN issue. The RAC member was requested to make a detailed representation in this regard for referring the issue to the GSTN authority.
8. After roll out of GST, we are in the third year but still glitches of system exist as per latest CAG report (July 31).	Point-8 GST system is being upgraded regularly to avoid the glitches and facilitate the taxpayers. A robust system takes time to stabilize. CBIC is continuously working to make it free from all technical glitches.
9. That, due to impractical formats of Annual Returns designed by the GST Council, which is not possible to furnished by the dealers easily, due to such reason till date only 15-18 percent returns have been filed throughout the Country, and on such ground many times the govt/council have extended the due date of filing of Annual Returns.	Point-9 No comments can be offered at this level.
10. Sir, Our Chamber would like to request you that the extension of date to file the annual returns is not the proper solution, but the simplification in Annual Returns Formats and modification in relation of outward & inward supplies, make the payment as addition liabilities and claimed of ITC if left out according to books of accounts would have allowed to claim it to the taxable person will be the proper solution, which could be taken by the Govt of India as well as the GST Council in this matter.	Point-10 No comments can be offered at this level However, the Member was asked to submit a detailed representation for referring the issue to the Board.

**5. Sponsored by Shri S. Guha, DGM (Finance), M/s NMDC Ltd.**

1) Railway Freight are deducted from online Deposit Account for all dispatches made – In two cases railway has deducted excess railway freight including GST from our Auto Railway Deposit Account. However, they have refunded excess freight only. Several correspondences are being made to refund the GST amount. It is pertinent to mention that we are paying GST on Railway freight on actual basis on our dispatches. In the instance case is a direct cash loss for NMDC towards GST paid by us.	Point-1 If Railway has refunded extra charged freight, NMDC may not avail credit on the value of such refunded freight. It is upon railway to reduce their liability of GST payment and make refund of GST charged wrongly. Railways may be approached for redressal of the issue.
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<p>2) Shunting Detection and penalty of demurrages are payable to Railway as per their demand on which GST is payable on forward charge basis and we have paying GST as well as taken input credit. However, while Railway is filing GST Return GSTR1 they are showing this expenditure as RCM so there is a clear mismatch with 2A of Railway and NMDC. Railway should revise their GSTR1. In this regard Railway Authority has written a letter to M/s CRIS, Delhi but so far matter is not being resolved. Whether GST Authority can help</p>	<p>Point-2 As above, Railways may rectify mistake on their part.</p>
<p>3) Reconciliation / Matching GSTR2A with ITC claim has become a robust exercise. In other cases 97% we have match all the input taken. However, there is some mismatch because on the other hand party is not filing GSTR1 properly or they are showing different invoices with different values in GSTR-1, so mismatching could not be resolved after rectification. Whether GST Authority can help.</p>	<p>Point-3 If GSTR-1 are not filed properly by the suppliers, it is obvious that there would be mismatch in GSTR-2A. Liability lies with the taxpayers to verify the genuineness of client and their transactions. and validity of the documents uploaded. If they do not rectify their returns and do not validate the transaction in due course, a taxpayer may take appropriate measures.</p>
<p>4) Anti-profiteering – As per provision of GST anti profiteering applicable in carrying out any works has been implemented in the organization. However while calculating anti- profiteering there has been value arrived is different by NMDC and vis-a-vis the 3<sup>rd</sup> party. Accordingly, negotiation is being carried out with 3<sup>rd</sup> party and in between some amount is being agreed / passed on by the venders.</p> <p>Further, some time party could not agree for pass on the anti profiteering benefit because of cost inflation and other expenditure which could not be anticipated while entering into the contract.</p>	<p>Point No. 4 Section 171 (1) of the CGST Act,2017 which provides that it is mandatory to pass on the benefit due to the reduction in the rate of tax or from input tax credit to the consumer by way of commensurate reduction in prices. The issue cannot be replied in absence of specific instances involved. A detailed representation with specific instances may be submitted for referring the issue to the Board.</p>
<p>5) Company has gone for Advance Ruling for GST payable on DMF &amp; NMET as per MRDR Act and further for applicability of rate of tax i.e. whether 5% is applicable as applicable to iron ore prize. As per ruling DMF and NMET are liable to reverse charge and applicable rate of Tax is 18%.</p> <p>Since, there may be a case of accumulation of GST since rate of Tax is 18% against 5% GST chargeable to Iron Ore Price Company may not able to take credit of GST accumulated on GST of DMF &amp; NMET.</p>	<p>Point No. 5 One can take the credit for use in the future to offset the tax liability on output taxable supplies.</p>

**6. Sponsored by Shri Moneesh Jain, Vice President (Finance & Accounts), M/s Crest Steel & Power Pvt. Ltd., Rajnandgaon**

1. There are and will be instances where a dispute might be pending w.r.t. previous period payment or returns. In such cases, any payment made would be adjusted against the disputed amount (if short paid) without any short term re-course. It would also get adjusted against the dues, the department has already claimed with NCLT for companies which have been referred to NCLT the settlement of which would get addressed in the Final Resolution Plan approved by CoC and NCLT. In such cases, providing an option to choose the month w.r.t. which the payment is being made would be helpful to pay for the current period.

Point 1. The RAC member has been asked to submit a detailed submission citing the specific instances for forwarding it to the CBIC.

2. Provision in the act and access of the system should be available with Commissioner to allow payment in instalments in case of unpaid dues and/or penalties.

Point-2 The RAC member has been asked to submit a detailed submission for forwarding it to the CBIC.

**7. Sponsored by Shri Rajesh Maheshwari, Treasurer and GST Coordinator in Laghu Udyog Bharti, Ujjain**

1) After introduction of Rule 49A and 49B and Rule 88A-“Order of utilization of input tax credit” from 01/02/2019 related to Utilization of Credit Adjustments in GSTR-3B. Business is to arrange extra requirements of funds for paying the appropriate taxes, even though there is balance of ITC in the books.

1. The Assistant Director, DGGST, West Zonal Unit, Mumbai informed the members that issue has already been taken up and had been sent to the GST Policy Wing.

- a) Due to this new credit utilization rule, it has come to notice that major ITC is remaining of CGST
- b) This ITC is also refundable and in future due to various transactions on monthly basis this amount will increase day by day and will not be able to utilize.
- c) Hence old process of ITC utilization be considered in future.

**2) Regarding Interest payment in GSTR-3B due to above utilization rules-**

a) Due to above credit utilization, it is found that when we need to pay interest on delay return filing of GSTR-3B, so we have to enter this interest figure in GSTR-3B table to make payment by CASH.

b) But in GSTR-3B we are not in position to show different interest amounts as per liability of CGST & SGST. By default same interest amount is filled on both sides. Say we have liability of Rs. 2000 in CGST and Rs. 5000 in SGST. Portal will take only one amount either Rs. 2000 or Rs. 5000 for both.

Point No. 2 & 3 – Being the GSTN portal issue, the Member was asked to submit a detailed written submission for forwarding it to the CBIC.

c) Hence this is to be analyzed and proper changes to be made so that correct interest amount can be paid by CASH.

3) Recently 10 months back GST portal have started comparison tables of taxes paid in GSTR-1 and GSTR-3B. Likewise it is also giving comparison between ITC claimed through GSTR-2A and GSTR-3B.

In this regard we have observed following-

a) Table is generating ITC claimed as per GSTR-3B taking total ITC claimed in RCM plus all other ITC.

b) Table of GSTR-2A is taking all B2B ITC only. Here ITC of unregistered RCM is not reflecting, since they are not filing returns.

c) Due to this table shows excess credit taken in GSTR-3B as compared to GSTR-2A. My suggestion is that we should not take data of RCM ITC of GSTR-3B while getting data. Only all other ITC claimed data should be reflected.

5. Some agenda points/issues were received at the eleventh hour at the time of meeting itself therefore the same could not be discussed in the meeting. Further, the chair decided to discuss these points in the next RAC meeting and requested the concerned members to submit the agenda points afresh at the time of next meeting, in case these issues are not resolved in due course till the time of next RAC meeting.

6. The Chair informed the members that the intimation for the RAC meeting is sent to the Members in writing sufficiently in advance calling for points for discussion. The Members should submit their points through their respective Commissionerates by the given deadline so that all the points can be properly examined by the Department before the meeting and discussed accordingly.

7. The meeting ended with the vote of thanks to the Chair.

009204

(Ranjeet Kumar)

Additional Commissioner &  
Member Secretary

Copy to

- (1) All RAC Member as per list.
- (2) The Pr. Commissioner/ Commissioner, CGST, & Central Excise, Bhopal/Indore/Ujjain/Jabalpur/Raipur/
- (3) Webmaster in-charge of CCO, Bhopal

Additional Commissioner &  
Member Secretary