

04/01/18

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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF GST & CENTRAL EXCISE
TAMILNADU & PUDUCHERRY**

No.26/1, MAHATHMA GANDHI ROAD, CHENNAI - 600 034

C. No. IV/16/01/2018 - CCO Tech I

04-01-2018

MINUTES OF MEETING OF ZONAL REGIONAL ADVISORY COMMITTEE

Sub: Central Excise - Zonal Regional Advisory Committee (RAC) - Minutes of the Zonal RAC meeting held with the members on 15.12.2017 - Reg.

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The Zonal Meeting of the reconstituted Regional Advisory Committee in the GST regime was held on 15.12.2017 at 15.00 Hours in the Conference Hall of JC Residency, 14, Lady Doak College Road, Madurai - 625 002 under the Chairmanship of Shri. C.P. Rao, Principal Chief Commissioner of GST & Central Excise, Tamilnadu & Puducherry.

2. The aforesaid meeting for the third quarter of 2017 was attended by the members of the Zonal RAC and the Officers from the Department as detailed hereunder. Further, the officers from the Directorate of Systems, Directorate of GST, Directorate of Taxpayer Services attended on invitation so as to facilitate first-hand information on the Systems related issues and the ongoing efforts to resolve and to discuss the technical and GST related issues, if any brought up for discussion:

RAC Members

Sl. No.	Name of the Member (S/Shri/Smt)	Name of the Association/Chamber
1	Shri. K.R.Giridharan	Office bearer, Laghu Udyog Bharati, 42/6B2, Chennai Road, Melakaveri, Kumbakonam, Tamil Nadu
2	Shri. C.K. Mohan	General Secretary, Tamil Nadu Small & Tiny Industries Association (TANSTIA), Chennai-600032
3	Shri. S.Rajasekaran	President SIPCOT Irrungattukottai Manufacturer's Association Plot No. 70/2, Sipcot Industrial Park, Irungattukottai, Sriperumbudur Taluk, Kancheepuram District - 602105
4	Shri. S. Gunasekaran	Secretary, Chamber of Commerce, Puducherry
5	Shri. T.Jagadeesan	President, Federation of All Trade & Industry Association of Erode District (FATIA), Erode - 638011
6	Shri. S.Rethinavelu	Senior President Tamil Nadu Chamber of Commerce & Industry No. 178-B, Kamarajar Salai, Madurai - 625009
7	Shri. J.Devadoss	Secretary, South India Match Manufacturer's Association, Kovilpatti - 628501
8	Shri. S.Punniyamoorthy	Secretary, The Tiruchirappalli District Tiny & Small Scale Industries Association (TIDITTSIA), Tiruchirappalli-620010
9	Shri. P.R.Aruloli	Chartered Accountant, Institute of Chartered Accountants of India (Southern India Regional Council), Chennai - 600 040

10	Dr. A. Mayil Murugan	Chairman, Institute of Cost Accountants of India (Southern India Regional Council), Chennai - 600008
11	Shri. T. Narendran (Special Invitee)	Member, Managing Committee, Southern India Engineering Manufacturer's Association(SIEMA)

Departmental Officers

Sl. No.	Name of the Officer (S/Shri/Smt)	Designation
1	C.P. Rao	Principal Chief Commissioner of GST & Central Excise, Chennai
2	S. Kannan	Commissioner of GST & Central Excise, Salem
3	J.M. Kennedy	Commissioner of GST & Central Excise, Trichy
4	R. Saravanakumar	Commissioner of GST & Central Excise, Madurai
5	G. Sreenivasa Rao	Commissioner of GST & Central Excise, Coimbatore
6	C.H. Venkat Reddy	Additional Director General of GST & Central Excise, Chennai
7	V. Pandiraja	Joint Commissioner of GST & Central Excise, Madurai
8	V.R. Viswanathan	Assistant Commissioner, Pr.CCO, Chennai
8	K. Prem	Assistant Director of GST & Central Excise, Directorate of Tax Payers Service, Chennai
9	Kalyan Iyer	Assistant Director of GST & Central Excise, Directorate General of Systems, Chennai
10	A. Muthiah	Assistant Commissioner of GST & Central Excise, Madurai
11	J. Elango	Assistant Commissioner of GST & Central Excise, Trichy
12	Kothandaraman	Superintendent of GST & Central Excise, Chennai
13	Miranda	Superintendent of GST & Central Excise, Directorate of Tax Payers Service, Chennai
14	Soman	Superintendent of GST & Central Excise, Directorate General of Systems, Chennai
15	S. Amirtharaj	Superintendent of GST & Central Excise, Madurai

3. The Chairman warmly welcomed the gathering and requested the members to introduce themselves. Thereafter, the Chairman introduced the Officers present and took up the points sponsored by the members in advance and the points brought up during the meeting for discussion. The discussion and decision are detailed here under:

Shri. C.K.Mohan, General Secretary, Tamilnadu Small & Tiny Industries Association, Chennai

Point No	Point raised	Observations/decision
1	Job workers especially Engineering Sector are charged GST @ 18% for manufacturing sector which is too high. It Should be brought down to 5% like textiles and Printing. Also working capital is a constraint. Generally there is no input tax credit. Small and Micro Engineering sector is the back bone of productivity and employment generation in the country. By burdening them with high tax rate will only kill the industry as a whole and create more un-employment problem.	<u>Reply by Chairman</u> Job work charges are ultimately charged on the principal manufacturer. The rate of GST for job work has been arrived at by thorough study by the Government and any reduction in rate, the GST Council may be addressed in this regard. However, the Trade can utilize the provisions of Section 143 of CGST Act, 2017 for jobwork purpose.
2	Automotive components manufacturing industries are charged at 28% which is very high and most of the industries are finding it difficult to mobilize working capital. The input credits on these components are less. So the outflow is more. It should be reduced to 12%	<u>Reply by Chairman</u> As reduction in rate of GST is to be decided by the GST council, the GST council may be approached in this regard.
3	Tax payment is suggested only after realization of payment from the customers. Main customers to pay the GST directly to the GSTN account of the supplier/job worker along with the payment. This will solve the delayed payment issue also.	<u>Reply by Chairman</u> Payment of Tax and realization of proceeds from Customers are two different entities and hence cannot be clubbed. As per Sec. 39(7) of the CGST, Act 2017 the date of payment of tax should not be later than the last date on which the returns are required to be filed. However, as per Proviso 2 to Sec. 16(2) of CGST, Act, if payment is not made within 180 days from the date of invoice by the receiver then credit has to be reversed with interest, which is a safeguard for supplier.
4	Since filings of returns are online, the Small and Micro Enterprises has to depend on either auditors or to employ somebody at a very high cost. More training and awareness will solve the problem.	<u>Reply by Chairman</u> They may be asked to contact the Seva Kendras functioning in every GST Commissionerate for assistance in filing of returns.
5	Due to GST, the working capital has gone up for SMEs. For full GST implementation, more time is required by Small and Micro sector to get adjusted with more training.	<u>Reply by Chairman</u> The GST Commissionerates in Tamilnadu are regularly conducting GST awareness programs in helping the taxpayers for complying with the provisions of GST law. The members may be asked to participate in such programs to get themselves acquainted with the procedures.
6	MSMEs should not be fined or penalized for delay in filing of returns at least for one year. It should be incentivized rather than punishment	<u>Reply by Chairman</u> The Government is condoning the delay considering the fact that GST is at the early stage of implementation. Even though, the Returns are prescribed originally to be filed between 10 and 20th of the following month, the same have been

		extended from time to time and the latest Notification 57 & 58/2017 both dated 15.11.2017 were issued by the Govt. in this regard.
7	Since payment of GST compulsory before 20th of succeeding month, it is to the advantages of big companies to take credit in spite their not paying to supplier /job worker. This is a major problem of Small and Micro Enterprises.	Reply by Chairman As per Sec. 15, 16 and 17 of MSME Act, 2006 the dues to the MSME should be paid within a specified period (60 to 180 days). This aspect has been referred to the Ministry for referring it to the Ministry of commerce.
8	Apart from the e-payment of tax, other mode of payment using debit/credit card should also be considered.	Reply by Chairman As per Sec. 49(1) of CGST, Act 2017 Credit/debit card is also recognised as the mode of payment of tax.
9	Considering the practical problems in logistics and distribution, online e-way will create more problems for MSMEs.	Reply by Chairman It has decided to implement e-way bill shortly from dates to be determined.

Shri. J.Devadoss, Secretary, South India Match Manufacturers Association, Kovilpatti

Point No	Point raised	Observations/decision
1	E- Way bill to be introduced at earliest as possible	Reply by Chairman It has decided to implement e-way bill shortly from dates to be determined.
2	E- Way bill to be acknowledged by the receiver in specified time	Reply by Chairman The CGST, Rules 2017 contains a detailed procedure in respect of e-way billing.
3	Reverse charge mechanism suspended up to 31-03- 2018. Now the instruction is to pay R.C for some Expenses, Which is not clear as to which expenses eligible.	Reply by Chairman Reverse charge mechanism from unregistered person under Sec. 9(4) of CGST, Act 2017 has been postponed till 31.3.2018. However, upto the date of suspension(13.10.2017) as per the Notification No. 38/2017 CT(R) dt. 13.10.2017, Reverse Charge will Apply. Further if the issue is covered under Notification 4/2017 CT(R) or. 13/2017 CT(R) both dated 28.6.2017(issued under Sec. 9(3) of CGST Act, 2017) payment under Reverse Charge is applicable even prior to 31.3.2018.
4	GST Sales Return in three Slip	
	a. GSTR I For Sales	
	b. GSTR II For purchase input tax	
	c. GST III to determine the payable GST	
	Now customer is asked to file only the GSTR I, which accumulated for 5 months Form III B The provisional Return, Self declaration of the member confusion in reconciliation. This leads to confusion. There is no clear cut policy.	Reply by Chairman As GST is in the early stage of implementation, the Govt. has been extending the return filing dates. After explaining in detail about the filing of returns by the chairman, the members were convinced and proceeded to next question.

5	Website to be updated	<u>Reply by ADG(Systems), Chennai</u> The issue has already been reported and is being escalated to IT committee
6	August, September, October due date 31-12-17. Till date, we are unable to file due to website option is not there.	<u>Reply by ADG(Systems), Chennai</u> The issue has already been reported and is being escalated to IT committee.
7	UNITS merger forms not yet in the GST website provided	<u>Reply by ADG(Systems), Chennai</u> The issue has already been reported and is being escalated to IT committee.
8	Website too slow in operation	<u>Reply by ADG(Systems), Chennai</u> The issue has already been reported and is being escalated to IT committee.
9	No proper training given to the UNITS by the GST Department	<u>Reply by Chairman</u> The GST Commissionerates in Tamilnadu are regularly conducting GST awareness programs in helping the taxpayers for complying with the provisions of GST law. The members may be asked to participate in such programs to get themselves acquainted with the procedures. The dates of such programs are informed to the trade well in advance.
10	Job works to manufacturers' challan reference could not be practical "ITC04" The manufacturers sending the Raw Material article to job workers in various Challan, how can the Job workers while sending the finished goods will refer to the one challan which is confusing.	<u>Reply by Chairman</u> There is no obligation for the job worker to fill up ITC04. The Job worker has to file GSTR1 in respect of the supplies made by him, in case, he is registered.
11	Karnataka and Andhra the units were divided between Local State and Central government department but in Tamilnadu. Till date why such differentiation which will lead to Partiality.	<u>Reply by Chairman</u> The division of taxpayers between centre and states is under process and will be completed shortly.
Ms. Vanitha Mohan, President, THE INDIAN CHAMBER OF COMMERCE AND INDUSTRY, COIMBATORE		
Point No	Point raised	Observations/decision
1	Attention required to the spate of notices sent to dealers to produce details of payments made under service tax to be reconciled with the Turnover as per IT return, service tax as per ST3, Turnover as per Form 26AS (TDS certificate) etc for the past 5 years. Our Prime Minister and Finance Minister have been repeatedly mentioning that no reopening of old years under service tax will be made for assesseees after migration to GST. However, we find such demands being placed on assesseees at a time when complying with GST provisions itself is so tedious. Under service tax, for small assesseees there is no requirement of paying tax on accrual basis and is usually done quarterly on receipt basis. The turnover under ST-3 will not match with the turnover under IT since the TDS is deducted and paid on accrual basis or provisions even when the service	<u>Reply by Chairman</u> It is mandatory for the Officer to initiate/continue the proceedings of the earlier tax regime since Sec. 174(2)(E) of CGST, Act 2017 obligates so.

	has not been rendered. We humbly request you to kindly reconsider the same. Most of the dealers have already submitted the same to the department.	
2	Clarity as to unabsorbed balance under Krishi Kalyan cess as on 31-7-2017, if filed under TRAN 1, is required on whether it can be carried over as a credit in credit ledger of an assessee under GST. A suitable clarification may help in bringing in more clarity since KKC on Inputs was allowed to be set off under service tax.	<u>Reply by Chairman</u> Krishi Kalyan Cess cannot be carried over to the GST
3	The refunds on GST already paid on exports by dealers engaged in exports, are to be done on time bound basis, as these exporters are suffering due to working capital blocked in exports already made, after the decision to abolish the payment system and substitution with the LUT.	<u>Reply by Chairman</u> The CBEC has given a detailed procedure for sanction of IGST refund by the Customs in respect of Exports made on payment of IGST and also manual filing and processing of the refunds in respect of zero-rated supply vide circular No.17/17/2017-GST dated 15.11.2017 and the CCO has issued Trade Notice No. 45/2017 dated 17.11.2017 circulating to the Trade..
4	Clarity is required on whether set off payment of GST on RCM made under Sec 9(3) or 9 (4) can be done in the same month when it is paid.	<u>Reply by Chairman</u> Yes. It can be done in the same month.
5	There is a view that RCM be charged under sec 9(4) till 13-10-2017. Since the same has been postponed till March 2018, whether the same need to be paid for the past period before 13-10-2018 also. Is payment of Tax under RCM required to be paid under separate challan? However, the current structure of Form 3B requires assessee to pay RCM and then go to payment of other liability before offset of Liabilities against Credit Ledger.	<u>Reply by Chairman</u> All Notification will have only prospective effect unless otherwise specifically stated to the effect. Hence GST under RCM, if applicable, should be paid till Notification was issued to keep the same in abeyance till 31.3.2018.
6	Rent of Rs. 5000 paid in cash to unregistered landlord-should it be treated as RCM under sec 9(4).	<u>Reply by Chairman</u> Yes it is covered under Sec. 9(4)
7	In GSTR 2, mismatch happens even if a small hyphen is misplaced or omitted. It could be redesigned to take only numerical figures instead of alpha numeral.	<u>Reply by ADG(Systems), Chennai</u> GSTR2 is not to be filed now and it will be notified later as to from when it will have to be filed
8	In GSTR3B, there could be a preview facility to review what has been fed before uploading or submission so that basic errors can be rectified immediately, since the revision of the form is not possible after submission. In GSTR-1, the preview option is activated and is downloadable.	<u>Reply by ADG(Systems), Chennai</u> Preview of GSTR3B is available before submission
9	GSTR-3B should be editable or provision for revised return should be made available since many dealers have faced difficulties in amending the Form filed with incorrect details due to clerical error of the subordinates. One opportunity to rectify the defects found subsequently should be permitted	<u>Reply by ADG(Systems), Chennai</u> Reset option is available in respect of TP who have submitted but not filed the return up to September 2017. Using this facility GSTR3B can be amended any number of times before filing.
10	In GSTR3B there is no facility to copy figures from an existing excel sheet or the space provided is not sufficient for large numbers in case of big tax payers with more than 500 invoices. This can give rise to scope for clerical errors which can have an impact on liability of the dealers.	<u>Reply by ADG(Systems), Chennai</u> GSTR3B is a summary level return. Regardless of number of invoices only summary of all invoice detail has to be provided in the return.
11	Several notices have been sent to dealer under bulk mail mentioning that the department has information of non-	

	<p>filing of GSTR 3B and GSTR 1 when in fact all these returns have been filed by dealers on time. There should be some way for the department to track the filing and the acknowledgement so that the dealers are not put under stress for replying. Moreover, the ARN number for GSTR1 filing is not coming to the mail ID of some dealers from the portal Whereas under status, it is shown as filed. Efforts can be made to send the exceptional cases alone to proper officer to follow up in case of non-filing instead of the officers making a roving enquiry and asking dealers to furnish a copy of the ARN number when in fact all compliances have been completed. The Government in its peoples' charter on Indirect taxes has made it a point to reduce the direct interaction with officers unless warranted due to scrutiny or other such reasons.</p>	<p>Reply by Chairman The issue will be looked into and if necessary, recommendations will be made to the Ministry in this regard since there may be a possibility that the systems itself could have generated those bulk emails.</p>
12	<p>In the alternative, the portal should be enabled to allow dealers or GSP providers to enable down load of copy of returns filed with the portal for sending to the officers in case required with the relevant ARN numbers</p>	
13	<p>There is still confusion on the jurisdiction of assesses who have migrated from Vat and Central excise. There are multiple migration forms which have been generated by the respective departments. However, this needs to be streamlined.</p>	<p>Reply by Chairman The division of taxpayers is under process and will be finalized soon.</p>
14	<p>Under Vat where the migration has been made, it is found that not much importance was given to PAN when migration under Vat was done. As a result, there are instances where in companies are being registered under the owners PAN as an add on. This has led to subsequent problems when the unit has imported machinery/ raw material and a mismatch is now arising due to the same. The portal does not allow any change of status at this point of time. Proper powers may be given to the proper officer for allowing the change based on auditor's certificate.</p>	<p>Reply by ADG(Systems), Chennai This is a policy matter. However, specific instances may be brought to the notice of GSTN for appropriate action.</p>
15	<p>In certain cases like cement used for civil construction, freight payment made by other than GTA, when the same is fed in GSTR-1, it appears as ITC in GSTR2A as auto populated figure. This is actually ineligible as ITC. Software should be programmed for such cases while reviewing GSTR-1.</p>	<p>Reply by ADG(Systems), Chennai GSTR2 is not to be filed now. It will be notified later. However, the taxpayer can pick ineligible from the dropdown menu in respect of invoices for which credit is not admissible.</p>
16	<p>Interest under GSTR3B is not auto calculated but is supposed to be a manual entry. The same could be made auto populated like the late fee for delayed filing of returns</p>	<p>Reply by ADG(Systems), Chennai Interest calculation require some parameters which are not captured on system.</p>
17	<p>E payment option does not cover many nationalised banks and private banks leading to difficulty in payment of tax when the same could be paid online if all the banks are covered. Moreover, for generating the challan, submit button has to be given. In which case interest gets calculated from that date till the date of payment where there is a delay from generating date till the date of payment, even if it is within due date.</p>	<p>Reply by ADG(Systems), Chennai The date of Payment is the date on which the payment has been credited in the Electronic cash ledger regardless of when the challan has been created or CIN received</p>
18	<p>In case of new registration, there is a common difficulty where by the attachment of the cancelled cheque, residence proof, identity proof, letter of incorporation does not get uploaded at one stroke. It takes more than 5 times to upload from 99% to 100%. Only after that the form gets completed. Moreover, only after the incorporation details are filled up, the form allows rest of information to be filled up.</p>	<p>Reply by ADG(Systems), Chennai This is by design</p>
19	<p>The divisions and ward number details as well as circles</p>	<p>Reply by ADG(Systems), Chennai IT is not a necessity that the</p>

	are not easy to fill with respect to concerned addresses. There should be some drop down list linked with the address or pin code to enable the same to be correctly filled up.	jurisdiction should be correctly picked/entered by the TP inasmuch as the assignment of jurisdiction is made later by the department.
20	The relevant form prescribed for enabling address change as well as pin code as well as phone number or email ID, is not yet enabled in the portal. Hence, there is lot of problems in updating the above information.	<u>Reply by ADG(Systems), Chennai</u> The relevant fields are available for amendment/modification in either the Core or Non Core amendment option as the case may be in REG module
21	In case of dealer having zero tax under exempt turnover (viz appalam or similar products) has properly filed GSTR returns with only ITC eligibility and no output tax liability, the provision of prompt refund may be enabled so that dealer who may be a small player can unlock his investment in the same.	<u>Reply by ADG(Systems), Chennai</u> Refund process has already been put in place
22	This is to bring to your kind attention that under Rule 45(3) of the CGST Rules 2017, read with SGST rules, the details of challans in respect of goods despatched to a Job worker or received from a job worker or goods sent from one job worker to another during the quarter shall be furnished in Form GST ITC 04 on or before 25th of subsequent month, succeeding the said quarter before 25-10-2017	<u>Reply by Chairman</u> The time limit for quarter from July to Sep 2017 has been extended to 31.12.2017 as per Notification No.63/2017-CT dated: 15.11.2017.
23	On entering the challan dates in the specified syntax ("dd-mm-yyyy") in the excel template given for offline generation of GST ITC-04, error is being thrown up as "date out of quarter or in wrong format (write in dd-mm-yyyy)", even if the date range is within the period 1st July 2017 to 30th September 2017.	<u>Reply by ADG(Systems), Chennai</u> The issues in offline utilities of ITC 04 will be escalated to IT committee in the next meeting. (issues 23 to 26)
24	Goods held by job worker on behalf of principal as on 30th June 2017 have been received back (by the principal) from job worker/s during the quarter ended 30.09.2017. The date of the original challan (vide which goods had been despatched to the job worker/s prior to 1st July 2017) in such cases will be prior to 1st July 2017. The excel template given for offline generation of GST ITC-04 does not permit date range prior to 1st July 2017. Accordingly, we are unable to enter data for goods received from a job worker during the quarter ended 30.09.2017 from goods held by the job worker as on 30th June 2017.	<u>Reply by ADG(Systems), Chennai</u> The issues in offline utilities of ITC 04 will be escalated to IT committee in the next meeting. (issues 23 to 26)
25	Challans contain multiple line items with different HSN and/or description and/or Unit of Measurement and/or rate of tax. Consequently, the same challan number has to be repeated for each such line item. However, while keying in data for multiple line items of a particular challan in the excel template given for offline generation of GST ITC-04, error is being thrown up as "The Challan number you have entered already exists. Enter different Challan number and try again".	<u>Reply by ADG(Systems), Chennai</u> The issues in offline utilities of ITC 04 will be escalated to IT committee in the next meeting. (issues 23 to 26)
26	After keying in of the tax rates in the excel template given for offline generation of GST ITC-04, upon validation of the sheet, the tax rates are automatically becoming "0".	<u>Reply by ADG(Systems), Chennai</u> The issues in offline utilities of ITC 04 will be escalated to IT committee in the next meeting. (issues 23 to 26)
Shri S.RETHINAVELU, Senior President, Tamilnadu Chamber of Commerce, Madurai		
Point No	Point raised	Observations/decision
1	While entering credit notes details in the offline utility, it makes mandatory for the user to give the invoice reference for the credit note entered. While giving the credit note details the utility does not allow the user to	<u>Reply by ADG(Systems), Chennai</u> The issue has already been reported and is being escalated to IT committee

	enter multiple invoice numbers for a credit note. In this way it indirectly forces the user to create each credit note for each invoice though the same is not provided in the Act or Rules. Assessee who are in distribution business are required to create multiple credit notes for their recipients. It may not be practically possible for them to create number of credit notes for each invoice. This is required to be resolved in the offline utility.	
2	GSTR 1 offline utility does not accept a single invoice with multiple rates. It forces the user to create many numbers of invoices for each rate. Practically this causes heavy work load for the user besides regular filing of returns. The utility may be corrected to enable the user to punch multiple rates in a single invoice.	<u>Reply by ADG(Systems), Chennai</u> The offline utility accepts invoices with multiple rates provided that the same invoice value in respect of each rate is entered. Invoice value should not be different for each rate, only taxable value can be different
3	While filing GSTR 1 online, once GSTIN of recipient is entered the portal automatically verifies the GSTIN and name of the recipient is disclosed. Whereas this option is not available in offline utility, due to this after uploading the offline utility error file is generated with defective GSTINs. It is suggested that while entering the data in offline utility itself name may be auto-populated.	<u>Reply by ADG(Systems), Chennai</u> It is not feasible to load the entire GSTIN database in the offline utility in which case alone the name will get auto populated
4	While filing GSTR 3B or GSTR 1, after entering the data, when save button is clicked on, it takes some time to get saved (say 4 mts to 5 mts in case of huge data). Inadvertently if submit is clicked on, the return gets filed without considering the entered data. It is advised that a message may be popped up saying that the entered data is yet to be saved.	<u>Reply by ADG(Systems), Chennai</u> Return filing is a three stage process of first saving, then submitting (offset liability) and then filing. TP may be advised to be more observant
5	After uploading in the portal, it does not allow the user to manually add some invoices directly in the portal. It forces the user again to add the missed invoices in the offline utility and to be uploaded again. It is suggested that online addition of invoices in the portal itself after uploading must be allowed.	<u>Reply by ADG(Systems), Chennai</u> It is possible to add missing invoices online even if an earlier batch has updated the portal through offline utility
6	Revision of GSTR3B for each month may be permitted since it is not possible to correct the unintentional errors after filing GSTR 3B.	<u>Reply by ADG(Systems), Chennai</u> Reset option is available in respect of TP who have submitted but not filed the return upto September 2017. GSTR3B is a simple return and any minor errors can be made good subsequently in GSTR1 and GSTR2.
7	While filing GSTR 3B in the portal, it is possible to use offset option in payment of taxes only after pressing submit button. Offset option may be enabled before submit button is clicked on.	<u>Reply by ADG(Systems), Chennai</u> Electronic Liability Ledger and Electronic Credit ledger gets updated on clicking submit button. These are then offset by cash payment available in Electronic cash ledger. Hence the request cannot be changed
8	There is no facility to take print out of GSTR 3B. It should be set right.	<u>Reply by ADG(Systems), Chennai</u> Preview of GSTR3B is available before submission which can then be printed
9	Clarification on rate of tax on Printed Cartons, Boxes: As per HSN Code 4819, Cartons, Boxes and Cases of Corrugated paper or paper board attract 12% GST. Clarification is required whether the same rate is applicable for Printed Cartons, Boxes and cases also.+B69:B71	<u>Reply by Chairman</u> For GST, the Customs Tariff is made applicable for interpretation. In the Custom Tariff, the Chapter Note for 48 does not exclude printed

		cartons and hence even the printed cartons are classifiable under 4819 and 12% is applicable.
10	<p>Brass Vilakku (Lamp): Table, kitchen and other household utensils of copper/brass are taxable at 12% GST under HSN Code 7418. However the pooja item of brass / copper Vilakku (lamp) is not mentioned anywhere in the GST Tariff leading to confusion among the trade. We therefore seek clarification / confirmation on GST rate for brass / copper, villakku. We hope that this pooja item will also be under 5% GST as other pooja items.</p>	<p>Reply by Chairman There is no separate classification for pooja items unless covered in Notification 2/2017 CT(R) dated 28.6.2017. These items are also classified as articles of copper and charged at 12%</p>
11	<p>Sweet Stalls and Bakeries serving sweets and snacks: For restaurants, it is clarified that rate of tax would be 5% with effect from 15.11.2017. Notification No. 46/2017 – Central Tax Rate reads as follows: "Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff or any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent." By virtue of above notification, there is no confusion in taxing restaurants. It is clarified that parcel foods are subject to 5% rate. This is so because the notification says "whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied away from the premises where such food or any other article for human consumption or drink is supplied".</p> <p>The confusion arises in case of bakeries and sweet stalls wherein different rates are applicable viz., 5%, 12%, 18%. Now there are bakeries which serve sweets and snacks by having a restaurant set up. Foods are being consumed there itself and also parcel is given, confusion persists here whether to charge applicable rates or 5% rate applicable to restaurants</p>	<p>Reply by Chairman It was informed in the meeting by the Chairman that a reference will be made to the CBEC. The ADG(GST), Chennai has made a reference to the Board subsequent to the meeting and further reply awaited from CBEC.</p>
12	<p>As per Notification No. 58/2017- Central Tax dates 15.11.2017, the due date for FORM GSTR-1 for the registered persons having Turnover < 1.50 crore in preceding / current FY extended. Also the same is required to be filed as quarterly. However, the system still shows monthly return form only. Even though returns are ready to be filed, tax payers are not able to file the return due to non-availability of quarterly return format in the portal.</p>	<p>Reply by ADG(Systems), Chennai The matter has already been escalated to GSTN. It has been informed that the functionality will be available shortly</p>
13	<p>For other registered persons also (> 1.50 crore) the system does not allow Tax payers to file from August 2017.</p>	<p>Reply by ADG(Systems), Chennai The matter has already been escalated to GSTN. It has been informed that the functionality will be available shortly</p>
14	<p>GSTN portal does not still enable filing of TRAN 2 for deemed credits. Due to this, huge working capital is blocked for traders. Though they have sold the stocks held</p>	<p>Reply by ADG(Systems), Chennai The matter has already been escalated to GSTN. It has been</p>

	on 30.06.2017, still they are not able to file TRAN 2.	informed that the functionality will be available shortly.
15	Being new to the GST system, numbers of tax payers have committed mistakes unintentionally while filling the particulars in GSTR 1 and GST TRAN 1 returns. Having filed the returns with mistakes they ask for permission to revise the same. Such enabling facility has to be given by giving sufficient time to revise the above mentioned returns.	<u>Reply by ADG(Systems), Chennai</u> This is a policy matter. However, the revised Tran 1 has been introduced by the Govt. for revision of Tran 1 filed earlier.
16	The last date for filing GSTR 1 for the period of July 2017 to September is 31st December 2017. But till now dealers are not able to open GSTR-1 to file the return for the month of August 2017. Necessary action may be taken to set right the anomaly.	<u>Reply by ADG(Systems), Chennai</u> The matter has already been escalated to GSTN. It has been informed that the functionality will be available shortly..
17	The last date for filing GSTR -4 and GSTR CMP-3 (compounding) return is 24th December 2017. So far the traders are not able to open the form and upload. Hence the last date may be extended.	<u>Reply by ADG(Systems), Chennai</u> The matter has already been escalated to GSTN. It has been informed that the functionality will be available shortly
18	Most of the dealers are still in confusion regarding the rate of tax for the goods they are dealing. Hence the government may take immediate steps providing the facility to file the application for advance ruling.	<u>Reply by Chairman</u> The website of CBEC contains all the information including Acts, Notifications and circulars for ease of reference to the trade and public. The Statutory provisions/ procedures pertaining to Advance Ruling Authority are also available in the CBEC website.
19	The Trade wants to know whether cleaning of wheat, if the same is done outside the farm is exempted under GST.	<u>Reply by Chairman</u> As per S. No. 24(C) of the Notification No. 11/2017 CT(R) dt 28.6.2012, the rate is 'Nil' only if cleaning is carried out at an agricultural farm.
20	Under the present structure, penalty (Sec 73) is leviable against the dealer without mens-rea i.e. without intention or without fraudulent activities or without wilful mis-statement or without suppression of facts which is unfair. The penalty is nothing but a conviction and the person cannot be convicted without any fault. Hence the said provision may be deleted.	<u>Reply by Chairman</u> Sec. 126(1) of the CGST, Act 2017 stipulates that no penalty for any minor breaches made without intent.
Shri K.A.Shenbakarajan, President, Chamber De Commerce, Puducherry		
Point No	Point raised	Observations/decision
1	System to be modified so that only One Filing to be done each month on 20th ,instead of filing on 3 Returns (ie) on 10th, 15, and 20th of every month which consumes more time ,cost and Manpower.	<u>Reply by ADG(Systems), Chennai</u> This is a policy matter. It is not possible for the RAC to take any decision on that issue.
2	Any Clerical Error occurred during filing of IGST and SGST Returns, should be allowed to be rectified by the tax payer without gettingt permission from the dept.	<u>Reply by ADG(Systems), Chennai</u> Reset option is available in respect of TP who have submitted but not filed the return upto September 2017. Also, with the availability of preview before submission errors can be rectified before filing of return.
3	The process of filing the GST monthly returns is very complicated and more Columns are to be filled (15 col). This method of filing is to be simplified to two or three columns which will enable the dealer to file GST, IGST and SGST without any difficulty.	<u>Reply by ADG(Systems), Chennai</u> This is a policy matter and no decision can be taken by RAC.
4	Incentives may be provided to the tax payers if the tax is	<u>Reply by Chairman</u>

	remitted before 20th of the every month.	Payment of tax is a legal and social obligation for the welfare of society. Early Payment is appreciated but incentive for payment in normal circumstances is not feasible.
5	When the goods are supplied to the Government it takes at least a minimum of six months for payment. Therefore, Government may itself allow deducting the GST from its payment as and when payment is made.	<u>Reply by Chairman</u> There is no distinction for payment of tax based on the person to whom the supply is made. No separate policy can be brought in for supplies to Government.
6	In case of Private Limited Companies / Firms, OTP may be provided instead of Digital Signature, to reduce the filing time.	<u>Reply by ADG(Systems), Chennai</u> This is a policy matter.
7	HSN code has not been provided for construction materials / services or rental items. May be considered to provide HSN code.	<u>Reply by Chairman</u> In respect of Services, a separate annexure has been provided to the Notification No. 11/2017 CT(R) dated 28.6.2017 and in respect of Goods, for the purpose of Interpretation, the Customs Tariff will apply.
8	Composite Dealers doing business more than 1.5 crores should be permitted to file the returns every month instead of 3 months.	<u>Reply by Chairman</u> The Government has prescribed qty return based on the requests from the Trade only. It is a policy decision.
9	Demand for specific bills for purchase or sales for raising debit or credit note should be desist with	<u>Reply by Chairman</u> It is the Policy decision of the Government since the debit or credit should be relatable to the supply and hence reference should be made to original bill.
10	How to take the ITC for purchases of running expenditure which do not reflect in purchase register.	<u>Reply by Chairman</u> ITC can be availed as per Rule 36(1) of the CGST Rules, 2017, if the purchases are supported by any of the documents prescribed under Rule 36(1), ITC can be availed.
11	Software to be updated / modified and site kept opened on the specific dates, enabling to file the returns in a systematic manner.	<u>Reply by ADG(Systems), Chennai</u> GSTN website is accessible as and when required.
12	Provisions to be provided on the tax suffered for the goods purchased and lost/damaged on transit	<u>Reply by Chairman</u> Issues related to post supply are coverable only under Insurance which should also cover the tax portion.
Shri. S.Rajasekaran, President, SIPCOT Irungattukottai Manufacturers Association, Chennai		
Point No	Point raised	Observations/decision
1	GSTR 1— Monthly return of sales — to stay	<u>Reply by Chairman</u> Already discussed in reply to Question 4 of Shri. J.Devadoss, Secretary, South India Match Manufacturers Association, Kovilpatti.
2	GSTR 2 — Monthly return of purchase — to be dispensed with	
3	GSTR 2A — Auto generated — to review the input credit based on GSTR 1 filed by suppliers -to stay	
4	GSTR 3 — Final return — to be dispensed with	
5	GSTR 3B — remittance of GST — to stay	
6	Annual return — should be simple showing the gross tax due based on GSTR1 and net tax due after adjusting the input credit as per GSTR 2A	

7	Collection of GST at the time of collection of advance — to be deleted. Collection of GST should be only on sales	<u>Reply by Chairman</u> As per Notification 66/2017 CT(R) dated 15.11.2017 GST need not be paid at the time of collecting advance in respect of goods.
8	Debit notes should be treated as equivalent to tax invoice, without the need to co-relate with the original sale invoice. Presently in the case of price revision, we have to raise a debit note for each of the original sale invoice.	<u>Reply by Chairman</u> This office has already referred the matter to the law Committee set up by the CBEC for making modifications in the GST law for availing ITC based on the date of debit note instead of original supply invoice's date. Let us await the decisions.
9	At present most of our finished goods are falling under 8708 (Auto components) and are attracting GST of 28%. Whereas, our products are intermediary goods, which require further value addition to make finished auto components. Even though our products are used as industrial inputs, they attract the same rate of GST applicable for finished components. This leads to cash flow issues for us, as the average terms of payment is 60 days and we have to pay huge GST dues within 20 days from the end of the month.	<u>Reply by Chairman</u> As per Section 39(7) of the CGST, Act 2017, it is enough if the payment is made not later than the last date for filing returns
Shri.T.Jagadeesan, President, Federation of All Trade Industries Association, Erode		
Point No	Point raised	Observations/decision
1	Regarding the Textile Industry the TAX for the Mat and also Carpet may be reduced from 12% to 5%	<u>Reply by Chairman</u> The matter will be looked into and if necessary, reference will be made to the CBEC in this regard.
2	The Textile Processing Units pays 5% TAX for Job Work. But they consume the Raw Materials under the GST of 12%, 18% and 28% also. The input credit being very high they request the RAC to recommend the Council to refund the Excess amount automatically in particular period of time.	<u>Reply by Chairman</u> If the issue is cover under Sec 54(3) of CGST Act, 2017 Refund can be claimed for inverted tax. However, the matter will be looked into and if necessary, reference will be made to the CBEC in this regard.
3	The Rice Mills Owners Association represented to remove the 5% TAX for the Branded Rice.	<u>Reply by Chairman</u> The representation received from Rice merchants have already been forwarded to CBEC.
4	The Erode fried gram manufacturers association has requested the RAC to place fried grams under HSN 0713 instead of 2106, so the commodity would be exempted from 5% tax.	<u>Reply by Chairman</u> The classification has to be done by following the provisions prescribed under the statute and it is not possible to classify a product on the basis of request.

4. The Chairman kept the floor open for any other issues to be resolved. Several suggestions such as inclusion of Petroleum Products in GST, Single rate for reverse charge mechanism, reducing tax on job work charges for manufacturing sector, etc were made which the Chairman said are policy issues and which are before the GST Council for decision.

5. The meeting concluded with the vote of thanks to all the members present in the meeting and the Chairman informed that the date and venue of next RAC meeting will be communicated in due course.

6. This issues with the approval of the Principal Chief Commissioner of GST & Central Excise, Tamilnadu & Puducherry.

K. Manasa
(MANASA GANGOTRI KATA)
JOINT COMMISSIONER

To

1. All Members of RAC (As per mailing list)
2. The Principal Commissioner/Commissioner of GST & Central Excise, Chennai North/Chennai South/Chennai Outer/Puducherry/Coimbatore/Salem/Tiruchirappalli/Madurai/Chennai Audit-I/Chennai Audit - II/Coimbatore Audit I/Chennai Appeals-I/Chennai Appeals-II/Coimbatore Appeals
3. The Additional Director General, Directorate General of Systems, Chennai
4. The Additional Director General, Directorate General of Taxpayers Services, Chennai
5. The Additional Director General, Directorate General of GST, Southern Zone

Copy to

6. P.S. to Principal Chief Commissioner
7. The Superintendent, Computer Section, Chennai I Commissionerate

(For uploading the minutes in the website)