

Minutes of 24th GST Council Meeting held on 16 December 2017

The twenty fourth Meeting of the GST Council (hereinafter referred to as 'the Council') was held on 16 December, 2017 through video conferencing under the Chairpersonship of the Hon'ble Union Finance Minister, Shri Arun Jaitley (hereinafter referred to as the Chairperson). The list of the Hon'ble Members of the Council who attended the meeting through video conference is at **Annexure 1**. The list of officers of the Centre, the States and the GST Council who attended the meeting through video conference is at **Annexure 2**.

2. The following agenda items were listed for discussion in the 24th Meeting of the Council: –

1. Confirmation of the Minutes of 23rd GST Council Meeting held on 10 November 2017.
2. Introduction of a nationwide e-Way Bill System with effect from 01.01.2018.
3. Any other agenda item with permission of the Chairperson.
 - (i) Refund of provisionally accepted input tax credit.

3. The Hon'ble Chairperson welcomed the Members of the Council and then took up discussion on the agenda items.

Discussion on agenda items:

Agenda item 1: Confirmation of the Minutes of the 23rd GST Council Meeting held on 10 November, 2017

4. The Hon'ble Chairperson stated that the Minutes of the 23rd Meeting of the Council could be taken up for confirmation during this Meeting or in the next meeting. Dr. Hasmukh Adhia, Union Finance Secretary and Secretary to the Council (hereinafter referred to as the 'Secretary') informed that written comments had been received from the Governments of Rajasthan and Gujarat with regard to replacement of their versions. The Government of Rajasthan in its letter No. F. 17(105) ACCT/GST/2016/2936 dated 15.12.2017 had suggested the following changes in the Minutes:

4.1. In paragraph 17, reference of 'granite' may be added in the statement of the Hon'ble Minister from Rajasthan and that his statement may read as follows: 'The Hon'ble Minister from Rajasthan observed that marble and **granite** were neither luxury items nor sin goods and that a large number of persons were engaged in marble and **granite** industry. He added that marbles and **granite** were of different grades and quality. He argued to keep marble and **granite** tiles in the rate slab of 18%'.

4.2. In paragraph 17.22, the following statement marked in bold may be added after the statement 'The Hon'ble Minister from Rajasthan stated that kota stone was a variant of sand stone and should not be taxed at the rate of 18%; **GST rate on kota stone may be reduced to 5%.**'

4.3. In paragraph 19.3, instead of the words 'He stated that there would also be no import of such statues', the following statement of the Hon'ble Minister may be incorporated: "He stated that idols of deities were exempted across world, be it USA, UK, Canada, Malaysia,

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Singapore, etc. This was an item of local importance and small artisans of the State were engaged in this field. Therefore, these items may be exempted."

4.4. The Government of Gujarat by an email dated 15.12.2017 had suggested to replace the whole of paragraph 21.4 of the Minutes with the following: 'Secretary (EA), Government of Gujarat, Shri Sanjeev Kumar and Dr. P.D. Vaghela, CCT, Gujarat, stated that there was a requirement of clarification with regard to tamarind kernel powder. As far as phosphoric acid was concerned, the Gujarat State Fertilizer Corporation(GSFC) had represented that as the phosphoric acid was taxed at the rate of 18% and the rate of tax on fertilizers had been reduced to 5%, this had resulted into huge working capital blockage as GSFC could claim refund only after filing of returns. The Gujarat Chamber of Commerce and Industry had represented that the organizations running effluent treatment plants and having benefit of Section 12AA of the Income Tax Act, 1961 were exempted from payment of tax on such plants. This did not allow such organizations to claim input tax credit. Its representation was that there should be a tax for such organizations at the rate of 5% so that they could claim input tax credit. The Secretary suggested that the Fitment Committee could examine these issues. The Council agreed to this suggestion.'

4.5. The Secretary stated that the changes proposed in the Minutes by the Governments of Rajasthan and Gujarat only involved changing their versions recorded in the Minutes and the Council could agree to the same. The Council agreed to the suggestion. The Secretary further stated that in case there were no other comments, the Council could approve the Minutes but if Members felt that more discussion was required on the Minutes, it could be deferred and taken up for discussion during the next meeting of the Council. There were no other comments on the Minutes. The Hon'ble Ministers from Kerala, Goa and Tamil Nadu suggested to confirm the Minutes during this meeting itself. The Council agreed to the same.

5. For **agenda item 1**, the Council decided to adopt the Minutes of the 23rd Meeting of the Council with the following changes:

5.1. To replace the version of the Hon'ble Minister from Rajasthan in paragraph 17 of the Minutes with the following: 'The Hon'ble Minister from Rajasthan observed that marble and granite were neither luxury items nor sin goods and that a large number of persons were engaged in marble and granite industry. He added that marbles and granite were of different grades and quality. He argued to keep marble and granite tiles in the rate slab of 18%.'

5.2. To replace the version of the Hon'ble Minister from Rajasthan in paragraph 17.22. of the Minutes with the following: 'The Hon'ble Minister from Rajasthan stated that kota stone was a variant of sand stone and should not be taxed at the rate of 18%; GST rate on kota stone may be reduced to 5%.'

5.3. To replace the bracketed version of the Hon'ble Minister from Rajasthan in paragraph 19.3. of the Minutes ('He stated that there would also be no import of such statues') with the following: 'He stated that idols of deities were exempted across world, be it USA, UK, Canada, Malaysia, Singapore, etc. This was an item of local importance and small artisans of the State were engaged in this field. Therefore, these items may be exempted.'

5.4. To replace the whole of paragraph 21.4 of the Minutes with the following: 'Secretary (EA), Government of Gujarat, Shri Sanjeev Kumar and Dr. P.D. Vaghela, CCT, Gujarat,



stated that there was a requirement of clarification with regard to tamarind kernel powder. As far as phosphoric acid was concerned, the Gujarat State Fertilizer Corporation had represented that as the phosphoric acid was taxed at the rate of 18% and the rate of tax on fertilizers had been reduced to 5%, this had resulted into huge working capital blockage as GSFC could claim refund only after filing of returns. The Gujarat Chamber of Commerce and Industry had represented that the organizations running effluent treatment plants and having benefit of Section 12AA of the Income Tax Act, 1961 were exempted from payment of tax on such plants. This did not allow such organizations to claim input tax credit. Its representation was that there should be a tax for such organizations at the rate of 5% so that they could claim input tax credit. The Secretary suggested that the Fitment Committee could examine these issues. The Council agreed to this suggestion.'

Agenda item 2: Introduction of a nationwide e-Way Bill System with effect from 01.01.2018

6. Introducing this agenda item, the Secretary stated that during a detailed review meeting on revenue collection/trend in GST regime held in Vigyan Bhawan, New Delhi, on 9 December, 2017, the officers of the Centre and the States present during the meeting agreed that the absence of a nationwide e-Way Bill System was causing significant leakage of tax revenue. He recalled that during the 22nd Meeting of the Council, it was decided to roll out e-Way Bill System from 1 January, 2018 in a staggered manner in State after State and to implement it across the country from 1 April, 2018. He stated that during the meeting held on 9 December, 2017, the view of the officers was to start inter-State e-Way Bill System from a uniform date. In view of this, an urgent meeting of the Council had been convened through video conference. He stated that prior to the Council Meeting, detailed consultation was also held with GSTN and NIC (National Informatics Centre). During review, it was revealed that the hardware had been installed but the software licence had come only yesterday, and therefore, NIC needed some more time for all India roll out of e-Way Bill System. NIC requested that roll out could be done from 16 January, 2018 instead of 1 January, 2018. NIC had also suggested a staggered approach for implementing e-Way Bill System for inter-State and intra-State movement of goods. The Secretary stated that additional 15 days could be provided for all-India roll out of e-Way Bill System for inter-State movement of goods so that technical glitches could be avoided. He recalled that the initial glitches with the GSTN system had invited a lot of flak for the GST and the same should be avoided during implementation of e-Way Bill System. He added that after 16 January, 2018, an additional 15 days' trial period could be provided for the taxpayers and the transporters to file e-Way Bills for inter-State movement of goods on voluntary basis in order to sort out any initial problems and the e-Way Bill System for inter-State movement of goods could be made mandatory on all-India basis from 1 February, 2018.

6.1. The Secretary further stated that more time could be given to States for introducing e-Way Bill System for intra-State movement of goods and it could be implemented on all-India basis from 1 April, 2018. He added that during the next three months, the States could choose their own timing for introducing the intra-State e-Way Bill System. During the interim period, the Commissioner of the State Government and the competent Central Government official in the State could together decide upon the kind of documents (such as invoice) that would be carried for intra-State movement of goods.

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6.2. The Secretary further added that some States had prepared for implementation of e-Way Bill System in advance. He informed that the State of Karnataka has already implemented new e-Way Bill System in which about one lakh e-Way bills were being generated daily. He added that the States of Kerala, Uttarakhand, Rajasthan, Madhya Pradesh and Nagaland also wanted to start e-Way Bill System at the earliest possible and had made preparations for the same. He suggested that the NIC server located in Karnataka could be made available to these States to start their e-Way Bill System early at the State-level by notifying the all-India e-Way Bill Rules in their SGST Rules. Dr. P.D. Vaghela, Commissioner, Commercial Tax (CCT), Gujarat, stated that his State would also like to implement the e-Way Bill System at an early date with the aforementioned five States. The Secretary stated that the State of Gujarat could also start the e-Way Bill System at an earlier date along with the other five States.

6.3. The Hon'ble Minister from Goa welcomed the proposal and stated that the Secretary had suggested the right approach of having a trial period of 15 days. He, however, also raised a question whether there would be full readiness to implement the e-Way Bill System from 1 February, 2018 and desired that the Council should not face flak like GSTN related problems. He added that his State would be ready to implement the e-Way Bill System for intra-State movement of goods from 1 March, 2018. The Hon'ble Minister from Tamil Nadu stated that his State would be ready for roll out of e-Way Bill System by 1 January, 2018 for both inter-State and intra-State movement of goods. The Hon'ble Minister from Uttarakhand supported the proposal of the Secretary. He further informed that his State had started implementation of both intra-State and inter-State e-Way Bill System on trial basis from 15 December, 2017 and till now, 4450 e-Way bills had been generated and 782 transporters had registered for their e-Way Bill System. They were monitoring the implementation of the e-Way Bill System.

6.4. The Hon'ble Minister from Maharashtra stated that the proposed date of 1 February, 2018 for roll out of e-Way Bill System for inter-State movement of goods was acceptable to them but they would need more time for implementation of e-Way Bill System for intra-State movement of goods. The Hon'ble Minister from Telangana stated that due to the problem of tax evasion, they had started e-Way Bill System from 16 August, 2017 and were keen to have it implemented from 1 January, 2018. The Secretary stated that while all-India inter-State e-Way Bill System could be implemented from 1 February, 2018, the State of Telangana could implement intra-State e-Way Bill System under its State Rules. Shri Somesh Kumar, Principal Secretary (Finance), Telangana, stated that they had implemented e-Way Bill System from 16 August, 2017 for both inter and intra-State movement of goods but the Hon'ble High Court of Andhra Pradesh and Telangana had struck down their inter-State e-Way Bill Rules. He expressed his State's willingness to join the other six States for early implementation of the e-Way Bill System. Shri J. Syamala Rao, Chief Commissioner, Commercial Tax (CCCT), Andhra Pradesh expressed that his State also wanted to join the other six States to implement the e-Way Bill System early.

6.5. The Hon'ble Minister from Madhya Pradesh stated that his State had made all preparations for roll out of the e-Way Bill System and they agreed to the suggestion to start implementation of e-Way Bill System for inter-State movement of goods from 1 February, 2018. Shri Raghwendra Kumar Singh, CCT, Madhya Pradesh, stated that the Central Government should issue the notification for six States to start implementation of e-Way Bill System from 1 January, 2018. Shri R.K. Tiwari, Additional Chief Secretary (ACS), Uttar

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Pradesh, stated that his State had an e-way Bill System for both inter and intra-State movement of goods and there has been a very significant rise in number of e-Way Bills generated and the amount of the commodities that have been brought in and out (about 30%). He welcomed the proposal of Secretary and also made two suggestions. The first was that the e-Way Bill portal should be opened up for registration of vehicles from a date earlier than 1 February, 2018. Secondly, many taxpayers were subverting the process of e-Way Bill System by splitting the consignment value to less than Rs 50,000. They had come across instances where 10-15 such consignments were being transported in same vehicle under the names of different consignors and consignees. Therefore, steps should be taken to plug such loopholes as otherwise the e-Way Bill system would not serve the desired purpose.

6.6. The Hon'ble Minister from West Bengal stated that his State already had e-Way Bill System for inter-State movement of goods with computerised check posts. He expressed confidence that with their given IT set up, they would not have IT related problem for implementing e-Way Bill System. He added that those transporters who were already registered for e-Way Bill System could be migrated to the new server. He suggested that e-Way Bill System for inter-State movement of goods should be introduced from 1 February, 2018 only after beta testing, etc. He suggested that the Central Government should remain in touch with the State Governments on the status of beta testing so that there was certainty regarding implementation of e-Way Bill System from the due date. He further stated that his State would need a longer time frame to implement e-Way Bill System for intra-State movement of goods and suggested that it should be done from 1 June, 2018.

6.7. The Secretary stated that sufficient trial period was being provided both for trade and Tax Department so that amendments, if any required, could be carried out before implementing the e-Way Bill System for inter-State movement of goods from 1 February, 2018. He added that the States already having e-Way Bill System, could use the enabling provision and continue to use the same until the Central server and the software were fully ready. He added that a date would be announced in due course as to when migration of the existing registrants for e-Way Bill System would start. As regards implementation of intra-State e-Way Bill System, the Secretary stated that 14 States did not have any e-Way Bill System and the taxpayers and the transporters in these States would find it difficult to implement the e-Way Bill System. He stated that the suggested date of 1 February, 2018 could be retained for e-Way Bill System for inter-State movement of goods but the e-Way Bill System for intra-State movement of goods could be done in a phased manner by 1 June, 2018.

6.8. The Hon'ble Minister from West Bengal stated that as there was no e-Way Bill System earlier for intra-State movement of goods in West Bengal, there could be a hue and cry if it was introduced in a hurry and he suggested that it should commence from 1 June, 2018. He stated it could be commenced in a phased manner and 1 April, 2018 could be the date for completing the testing of software. Thereafter, readiness of the States could be checked, stakeholders meeting could be held to obtain their inputs, factor in the difficulties highlighted and correct the glitches that came to light. He added that due to scheduled elections in the months of February and March, 2018, there would be a lot of movement of transport vehicles.

6.9. The Hon'ble Minister from Assam supported the proposal to commence e-Way Bill System for inter-State movement of goods from 16 January, 2018. Shri Anurag Goel, CCT,

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Assam, stated that his State had an e-Way Bill System for inter-State movement of goods but not for intra-State movement of goods. He further stated that e-Way Bill System for inter-State movement of goods could start on trial basis from 16 January, 2018 and on mandatory basis from 1 February, 2018. As regards introduction of e-Way Bill System for intra-State movement of goods, he advised caution and suggested to have a trial period of April and May, 2018 as there could be opposition to this provision. Shri Tuhin Kanta Pandey, Principal Secretary (Finance), Odisha, stated that his State had a system of electronic e-Way Bill System for inter-State movement of goods but not for intra-State movement. He suggested that taking into account the small distances and smaller towns for which intra-State e-Way Bill System would apply, a longer phase-in should be provided for intra-State e-Way Bill System.

6.10. The Hon'ble Minister from Kerala stated that the delay in implementation of e-Way Bill System had led to severe leakage of revenue and in his State, approximately 80% of consumer goods were coming from other States without payment of IGST. He accepted the proposal on the table and in addition, made two more points. The first point was that it was decided earlier that States could implement the e-Way Bill System for inter-State movement of goods and that the Central Government would issue a notification to this effect. He observed that no such notification had been issued by the Central Government till date and requested the Central Government to issue such a notification and validate the action of the State Governments. The second point was that movement of gold should also be brought under the e-Way Bill System as lack of an e-Way Bill System for gold was only helping the movement of smuggled gold. He stated that there was major revenue leakage on this account and in his State, the intelligence wing had booked 10 major cases of movement of gold and jewellery of over 100 kg being transported from other States without any documents. He stated that there was no logic to exempt gold transporters from the requirement of e-Way Bill System as gold was transported under heavy security system and that his State had a system of pre-declaring movement of gold. He informed that this issue had been flagged to him by the gold traders who trade through the formal channels. He added that this issue need not be decided during this Meeting but it must be revisited during the next Meeting of the Council. He flagged one more point for consideration of the Council, namely whether there could be a higher value threshold for generating e-Way Bill for intra-State B2C movement of goods and a lower threshold for inter-State B2B movement of goods. He suggested to discuss this issue during the next meeting of the Council. He further stated that Kerala had a system of e-Way Bill even for intra-State movement of goods and such States should be allowed to implement e-Way Bill System for intra-State movement of goods from an earlier date.

6.11. The Hon'ble Deputy Chief Minister of Bihar stated that they have an e-Way Bill System but it was not being enforced as border check posts had been removed. This had resulted into reduced import into his State to the tune of about Rs. 10,000 crore during the period July to October, 2017 as compared to the corresponding period in the last year. He agreed with the proposal on the table for implementation of e-Way Bill System for both inter-State and intra-State movement of goods. He added that he did not favour bringing movement of gold under the e-Way Bill System as it could lead to criminal activities. He also suggested that certain timelines given in the e-Way Bill Rules, namely, validity period of e-Way Bill to be one day for 100 kms; 72 hours for the recipient of goods to communicate his acceptance or rejection of the consignment covered by the e-Way Bill; and 24 hours for cancellation of an e-Way Bill should be revisited as there is possibility of misuse on largescale. He further

suggested that an unregistered dealer should also be asked to furnish his Aadhaar number in addition to his PAN. He added that under Rule 138(5) of the CGST and SGST Rules, there was no limit for number of times a transporter can update the details of conveyance in the e-Way Bill System. He suggested that number of updation by the transporter should be restricted to three times. He also suggested that the e-Way Bill forms should also have a provision to give train number and air cargo number as lot of goods also moved through trains and airlines. He stated that his State would be ready for introduction of e-Way Bill System for intra-State movement of goods by 1 February, 2018 but also agreed to the proposal to commence it from 1 June, 2018.

6.12. The Hon'ble Minister from Haryana welcomed the proposal on the table. He stated that his State was one of the 14 which did not have an e-Way Bill System and its introduction would help curb tax evasion. He suggested that the system of e-Way Bill should be started simultaneously for both inter-State and intra-State movement from 1 February, 2018 as any artificial distinction between the two could lead to influencing by local lobbies. He added that there would be reservation with regard to e-Way Bill System irrespective of the date on which it was decided to be implemented and extension of date could be considered by the Council at a later stage instead of giving the States an option to decide by themselves the date for introduction of e-Way Bill for intra-State movement of goods. He suggested that all preparations should be simultaneous for intra-State and inter-State e-Way Bill System. He also supported the proposal of the ACS, Uttar Pradesh, to introduce checks regarding splitting of bills.

6.13. The Hon'ble Minister from Jharkhand stated that he fully agreed with the proposal of the Secretary. The Hon'ble Minister from Rajasthan stated that they were a part of the pilot programme of e-Way Bill implementation starting from 20.12.2017 and that they were ready for inter and intra-State implementation from 1.2.2018 or 1.4.2018, on whatever date the Council decided. He supported the view of the Hon'ble Minister from Haryana as there should not be any distinction between the date of implementation of e-Way Bill for both inter and intra-State transactions. The Hon'ble Chairperson observed that different States had different levels of preparation for intra-State e-Way Bill System, and therefore, a longer timeline was needed, whereas inter-State e-Way Bill System needed to be introduced early in order to plug ongoing tax evasion. The Secretary observed that the traders could get used to filing of e-Way Bills from 1 February, 2018 for inter-State movement of goods. However, a longer timeframe could be given to States to decide for introduction of e-Way Bill System for intra-State movement of goods.

6.14. The Hon'ble Minister from Goa stated that his State had no e-Way Bill System and introduction of e-Way Bill System for inter-State movement of goods could give experience to traders. He stated that 1 June, 2018 was an appropriate date for implementing the e-Way Bill System for intra-State movement of goods. The CCCT, Andhra Pradesh, stated that the Hon'ble High Court of Andhra Pradesh and Telangana had struck down their e-Way Bill system and in case there was to be a delay in implementation of the e-Way Bill System from 1 February, 2018, a notification should be issued under the CGST Act to protect the revenue of the State. The Secretary stated that this issue was examined and it transpired that if the notification was issued under IGST Act, the entire country would need to be covered under the notification. Therefore, an as alternative, for one month, States could prescribe their own

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intra-State e-Way Bill Rules under their SGST Act which would also cover the intra-State portion of the movement (i.e. upto the border of the State) for inter-State supply.

6.15. Shri A.B. Pandey, Chairman, GSTN, stated that if a choice was given to the States regarding the date for introduction of e-Way Bill System for intra-State movement of goods and if all States decided to implement it from an earlier date, then the system of NIC might not be able to take the load as full testing had not been done till date. He stated that according to their estimates, a total of about 30 lakh e-Way bills were likely to be generated daily for both inter-State and intra-State movement of goods and in the absence of full testing of software, it was desirable to have a phased implementation. The Hon'ble Chairperson stated that many States would implement e-Way Bill System for intra-State movement of goods at a later date, and therefore, phasing out would be in-built. Shri Naveen K. Choudhary, Secretary (Finance), Jammu & Kashmir stated that the suggested timeline for implementation of e-Way Bill System was acceptable and advised that NIC should ensure that no technical glitches were faced by the users. Shri Tarun Kapoor, ACS, Himachal Pradesh, stated that they have an e-Way Bill System for six items. He supported the proposal to have e-Way Bill System for inter-State movement of goods from 16 January, 2018 with a trial period. He added that for intra-State movement, the trial period should start from 1 April, 2018 and there should be mandatory introduction from 1 June, 2018. In view of these discussions, the Hon'ble Chairperson suggested that nationwide e-Way Bill System for inter-State movement of goods could be rolled out on a trial basis latest by 16 January, 2018 and the members of the trade and the transporters could start using this system on a voluntary basis from 16 January, 2018. Nationwide e-Way Bill System for inter-State movement of goods could be introduced on compulsory basis with effect from 1 February, 2018. For intra-State e-Way Bill generation, States could choose their own timing for implementation on any date before 1 June, 2018. Some of the States which already have a system of e-Way Bill for intra-State as well as inter-State movement of goods, could adopt an earlier date for the national e-Way Bill System for intra-State movement of goods. This could be done by exercising powers under rule 138A (5) of CGST/SGST Rules jointly by the Central Government and State Government officers. The Council agreed to these suggestions.

7. For **agenda item 2**, the Council approved the following:

- (i) Nationwide e-Way Bill System for inter-State movement of goods shall be introduced on a trial basis latest by 16 January, 2018 and the members of the trade and the transporters could start using this system on a voluntary basis from 16 January, 2018.
- (ii) Nationwide e-Way Bill System for inter-State movement of goods shall be introduced on compulsory basis with effect from 1 February, 2018.
- (iii) States may choose any date before 1 June, 2018 for implementing national e-Way Bill System for intra-State movement of goods but all States shall implement it by 1 June, 2018. This would be done by exercising powers under rule 138A (5) of CGST/SGST Rules jointly by the Central Government and State Government officers.

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Agenda item 3: Any other agenda item with the permission of the Chairperson

(i) Refund of provisionally accepted input tax credit

8. Introducing this agenda item, the Secretary stated that as no automated refund system had been operationalised as yet, the refund applications were being filed online and then the applicants would take a hard copy of the same to the jurisdictional officer for processing the refund claim manually, after which a single order would be passed. He stated that some officers in the field had raised a doubt that as per the law, refund could be given only if the inward and outward supplies were matched and tax was paid on the supply. He stated that as presently no matching was possible, it was proposed to take an undertaking as part of refund application itself that the amount of refund would be paid back to the Government in case it was subsequently found that the tax had not been paid on the supply as required under Section 16(2)(c) of the CGST Act/SGST Act or the inward and the outward supply involving the refund claim did not match (requirements under Sections 41 and 42 of CGST/SGST Act). He stated that it was proposed to allow following refunds (both provisional and final) without matching and without excluding the amount of provisionally accepted input tax credit: (i) Unutilised input tax credit in case of zero rated supplies (exports and supplies to SEZs) of goods or services or both; (ii) Unutilised input tax credit in case of inverted duty structure in case of goods (including supply of goods to merchant exporters); (iii) IGST paid on zero rated supplies (exports and supplies to SEZs) of goods or services or both; (iv) IGST or CGST/SGST/UTGST paid on deemed export of goods subject to furnishing an undertaking as part of refund application itself that the amount of refund would be paid back to the Government in case it is found subsequently that the requirement of Section 16(2)(c) read with Section 42 (2) of the CGST/SGST Act have not been complied with. He stated that this relaxation was proposed by exercising the power conferred under Section 148 of the CGST/SGST Act regarding special procedure for certain processes.

8.1. The Hon'ble Minister from West Bengal strongly supported the proposal. He stated that since GSTR-2 stood suspended, no matching of inward and outward supply was possible, and therefore, it was a very good proposal to permit refund without matching. The Hon'ble Minister from Tamil Nadu had circulated a written speech in which it was mentioned that Section 148 of the CGST/SGST Act had no non-obstante ("notwithstanding clause") and hence, it needed to be examined whether the special process prescribed under Section 148 would over-ride the substantive provision of Section 54(6) of the CGST/SGST Act which required that any claim for refund on account of zero rated supply of goods or services or both made by registered persons be refunded on a provisional basis to the extent of 90% of the total amount so claimed, excluding the amount of input tax credit provisionally accepted. In the written speech, he also pointed out that refund based on GSTR-3B returns might lead to bogus claim of input tax credit by unscrupulous taxpayers taking advantage of non-matching of input tax credit. He suggested to stipulate sufficient safeguards for the revenue as well as for the Departmental officers. In view of this, he recommended that the matter be examined in further detail as it involved substantial question of law. However, the Hon'ble Minister from Tamil Nadu did not express these apprehensions during the Council Meeting. No other Member expressed any reservation on the proposal. The Hon'ble Chairperson suggested that the proposal made by the Secretary could be approved. The Council approved the same.

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9. For **agenda item 3(i)**, the Council approved the following:
- to allow following refunds (both provisional and final) without matching and without excluding the amount of provisionally accepted input tax credit: (i) Unutilised input tax credit in case of zero rated supplies (exports and supplies to SEZs) of goods or services or both; (ii) Unutilised input tax credit in case of inverted duty structure in case of goods (including supply of goods to merchant exporters); (iii) IGST paid on zero rated supplies (exports and supplies to SEZs) of goods or services or both; (iv) IGST or CGST/SGST/UTGST paid on deemed export of goods.
 - Such refund shall be given subject to furnishing an undertaking as part of refund application itself that the amount of refund would be paid back to the Government in case it is found subsequently that the requirement of Section 16(2)(c) read with Section 42 (2) of the CGST/SGST Act have not been complied with in respect of the amount refunded.
10. The Hon'ble Chairperson stated that the next meeting of the Council shall be held sometime in early January, 2018 and the date for the same shall be communicated in due course.
11. The Meeting ended with a vote of thanks to the Chair.

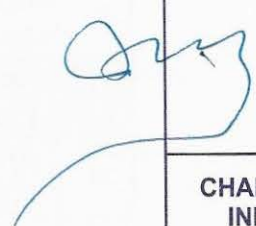

(Arun Jaitley)

Chairperson, GST Council


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Annexure 1**List of Ministers who participated in the 24th GST Council Meeting held on 16.12.2017**

Sl.No	State/Centre	Name of the Minister	Charge
1	Govt. of India	Shri Arun Jaitley	Union Finance Minister
2	Govt. of India	Shri S.P. Shukla	Minister of State (Finance)
3	Assam	Shri Atul Bora	Minister - Agriculture and Urban Development
4	Bihar	Shri Sushil Kumar Modi	Deputy Chief Minister
5	Chhattisgarh	Shri Amar Agrawal	Minister - Dept. of Commercial Taxes
6	Goa	Shri Mauvin Godinho	Minister - Panchayat
7	Haryana	Captain Abhimanyu	Minister, Excise & Taxation
8	Jharkhand	Shri C.P. Singh	Finance Minister
9	Kerala	Dr. T. M. Thomas Isaac	Finance Minister
10	Madhya Pradesh	Shri Sanjay Pathak	Minister of MSME (Independent Charge)
11	Maharashtra	Shri Deepak Kesarkar	MoS, Finance & Planning
12	Manipur	Shri Yumnam Joykumar Singh	Deputy Chief Minister
13	Odisha	Shri Shashi Bhusan Behera	Minister - Finance & Excise
14	Rajasthan	Shri Rajpal Singh Shekhawat	Minister for Industries
15	Tamil Nadu	Shri D. Jayakumar	Minister for Fisheries & Personnel and Administrative Reforms
16	Telangana	Shri Etela Rajendar	Finance Minister
17	Uttarakhand	Shri Prakash Pant	Finance Minister
18	West Bengal	Dr. Amit Mitra	Finance Minister



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Annexure 2

List of Officials who participated in the 24th GST Council Meeting on 16.12.2017

<u>Sl. No</u>	<u>State/Centre</u>	<u>Name of the Officer</u>	<u>Charge</u>
1	Govt. of India	Dr. Hasmukh Adhia	Revenue Secretary
2	Govt. of India	Dr. Arvind Subramanian	Chief Economic Adviser
3	Govt. of India	Dr. John Joseph	Member (Budget), CBEC
4	Govt. of India	Shri Sandeep M. Bhatnagar	DG, DG-Safeguards, CBEC
5	Govt. of India	Shri Upender Gupta	Commissioner (GST), CBEC
6	Govt. of India	Shri Nagesh Shastri	DDG, NIC
7	Govt. of India	Shri Paras Sankhla	OSD to FM
8	Govt. of India	Shri Mahesh Tiwari	PS to MoS
9	Govt. of India	Shri Satvik Dev	Asst. Comm., GST Policy Wing, CBEC
10	GST Council	Shri Arun Goyal	Special Secretary
11	GST Council	Shri Shashank Priya	Joint Secretary
12	GST Council	Shri G.S. Sinha	Joint Commissioner
13	GST Council	Shri Rahul Raja	Under Secretary
14	GST Council	Shri Mahesh Kumar	Under Secretary
15	GSTN	Shri A B Pandey	Chairman
16	GSTN	Shri Prakash Kumar	CEO
17	Andhra Pradesh	Shri Manmohan Singh	Special Chief Secretary (Revenue)
18	Andhra Pradesh	Shri J. Syamala Rao	Chief Commissioner (CT)
19	Andhra Pradesh	Shri T. Ramesh Babu	Addl. Commissioner (CT)
20	Andhra Pradesh	Shri D. Venkateswara Rao	OSD to Special CS, Revenue
21	Arunachal Pradesh	Shri Marnya Ete	Chief Commissioner (CT)
22	Arunachal Pradesh	Shri Tapas Dutta	Asst. Commissioner (CT)
23	Arunachal Pradesh	Shri Teli Ngomdir	ST, CT
24	Arunachal Pradesh	Shri Nakut Padung	ST, CT

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25	Assam	Shri Anurag Goel	Commissioner (CT)
26	Bihar	Smt. Sujata Chaturvedi	Principal Secretary cum Commissioner (CT)
27	Bihar	Shri Arun Kumar Mishra	Addl. Secretary (CT)
28	Bihar	Dr Pratima	Addl. Commissioner (GST)
29	Bihar	Shri Sanjay Kumar Mawandia	Addl. Commissioner (CT)
30	Bihar	Shri Arun Kumar Verma	Addl. Commissioner (CT)
31	Bihar	Shri Markandey Mishra	Joint Commissioner (CT)
32	Bihar	Shri Ajitabh Mishra	Asst. Commissioner (CT)
33	Chhattisgarh	Shri Amitabh Jain	Principal Secretary (Finance)
34	Chhattisgarh	Ms. Sangeetha P	Commissioner, Commercial Taxes
35	Delhi	Shri R.K. Mishra	Special Commissioner (CT)
36	Delhi	Shri Anand Kumar Tiwari	Additional Commissioner (GST)
37	Goa	Shri Dipak M. Bandekar	Commissioner, Commercial Taxes
38	Gujarat	Dr. P.D. Vaghela	Commissioner, Commercial Taxes
39	Gujarat	Shri Sanjeev Kumar	Secretary (Economic Affairs)
40	Haryana	Shri Sanjeev Kaushal	Additional Chief Secretary
41	Haryana	Ms. Ashima Brar	Commissioner (Excise & Taxation)
42	Haryana	Shri Vijay Kumar Singh	Addl. ETC
43	Haryana	Shri Rajeev Chaudhary	Joint ETC
44	Himachal Pradesh	Shri Tarun Kapoor	Addl. Chief Secretary (Excise & Taxation)
45	Himachal Pradesh	Shri Sanjay Bhardwaj	Addl. Commissioner, State Taxes
46	Himachal Pradesh	Shri Rakesh Sharma	Joint Commissioner, State Taxes
47	Jammu & Kashmir	Shri Navin K. Choudhary	Principal Secretary (Finance)
48	Jammu & Kashmir	Shri P. I. Khateeb	Commissioner (CT)
49	Jammu & Kashmir	Shri P.K. Bhat	Addl. Commissioner (CT)
50	Jammu & Kashmir	Shri Mohammed Shahid	Addl. Secretary (Finance)

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51	Jharkhand	Shri Bhai Kumar Sinha	Addl. Commissioner (CT)
52	Jharkhand	Shri Sanjay Kumar Prasad	Joint Commissioner (CT)
53	Jharkhand	Shri Brajesh Kumar	State Tax Officer
54	Karnataka	Shri M.S. Srikar	Commissioner (CT)
55	Kerala	Shri Minjaj Alam	Secretary to Govt., Taxes Dept
56	Kerala	Dr. Rajan N. Khobragade	Commissioner (State Tax)
57	Kerala	Shri D. Balamurali	Joint Commissioner (State Tax)
58	Madhya Pradesh	Shri Manoj Shrivastva	Principal Secretary (CT)
59	Madhya Pradesh	Shri Raghwendra Kumar Singh	Commissioner (CT)
60	Madhya Pradesh	Shri Sudip Gupta	Joint Commissioner (CT)
61	Maharashtra	Shri D.K. Jain	ACS (Finance)
62	Maharashtra	Shri Rajiv Jalota	Commissioner (GST)
63	Manipur	Shri Hrisheekesh Modak	Commissioner (CT)
64	Meghalaya	Shri G.G. Marbaniang	Asst. Commissioner of State Taxes
65	Meghalaya	Shri K. War	Asst. Commissioner of State Taxes
66	Meghalaya	Shri B. Wallang	Asst. Commissioner of State Taxes
67	Mizoram	Shri Vanlalchhuanga	Secretary, Taxation Deptt.
68	Mizoram	Shri Kailiana Ralte	Addl. Commissioner of State Tax
69	Mizoram	Shri H.K. Lalhawngliana	Joint Commissioner of State Tax
70	Nagaland	Shri Talirumba Ao	OSD, Finance
71	Nagaland	Shri Y. Mhathung Murry	Commissioner of State Taxes
72	Odisha	Shri Tuhin Kanta Pandey	Principal Secretary (Finance)
73	Odisha	Shri Saswat Mishra	Commissioner (CT)
74	Odisha	Shri N.K. Routray	Additional Secretary (Finance)
75	Odisha	Shri Sahadev Sahoo	Joint Commissioner (CT)
76	Puducherry	Dr. V. Candavelou	Secretary (Finance & CT)
77	Puducherry	Shri G. Srinivas	Commissioner of State Tax
78	Punjab	Shri M P Singh	ACS (Taxation)
79	Punjab	Shri Vivek Pratap Singh	Commissioner of State Tax

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80	Punjab	Shri Gurtej Singh	Addl. Commissioner of State Tax
81	Punjab	Shri Naresh Dubey	Dy. Comm of State Tax
82	Rajasthan	Shri D.B. Gupta	ACS (Finance)
83	Rajasthan	Shri Praveen Gupta	Secretary (Finance)
84	Rajasthan	Shri Alok Gupta	Commissioner, (CT)
85	Rajasthan	Shri Vinod Kumar Sharma	Addl Commissioner (CT)
86	Rajasthan	Shri Ketan Sarma	Dy. Commissioner (CT)
87	Sikkim	Ms. Dipa Basnet	Secretary (Commercial Taxes)
88	Sikkim	Shri Manoj Rai	Joint Commissioner of Commercial Taxes
89	Tamil Nadu	Dr C Chandramouli	ACS (CT & Regn. Deptt)
90	Tamil Nadu	Shri K. Gnanasekaran	Addl.Comm, Commercial Taxes (CT)
91	Telangana	Shri Somesh Kumar	Principal Secretary
92	Telangana	Shri V Anil Kumar	Commissioner, Commercial Taxes
93	Telangana	Shri Laxminarayan Jannu	Additional Commissioner
94	Tripura	Shri M. Nagaraju	Principal Secretary, Finance
95	Tripura	Dr. Brahmaneet Kaur	Chief Commissioner of State Tax
96	Uttar Pradesh	Shri R. K. Tiwari	Additional Chief Secretary
97	Uttar Pradesh	Shri Mukesh Kumar Meshram	Commissioner (CT)
98	Uttar Pradesh	Shri Vivek Kumar	Additional Commissioner (GST)
99	Uttar Pradesh	Shri Mukti Nath Verma	Joint Secretary
100	Uttar Pradesh	Shri Chandrika Prasad	Addl. Comm. (GST)
101	Uttar Pradesh	Shri Sanjay Pathak	Joint Comm. (GST)
102	Uttarakhand	Mrs. Sowjanya	Commissioner of State Taxes
103	Uttarakhand	Shri Piyush Kumar	Additional Commissioner, Commercial Taxes
104	West Bengal	Shri H K Dwivedi	Principal Secretary (Finance)
105	West Bengal	Smt. Smaraki Mahapatra	Commissioner (CT)
106	West Bengal	Shri Khalid A Anwar	Senior Joint Commissioner

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