

Gist of CFI Meeting with Shri Vivek Aggarwal, Additional Secretary, GST Council held on 15th June 2022

A delegation of select CFI members had an opportunity to interact with Shri Vivek Aggarwal, Additional Secretary, Smt Ashima Bansal, Joint Secretary, Smt B. Sumidaa Devi and Shri Kshitendra Verma, Director respectively from GST Council in an Offline Meeting held on 15th June 2022 at GST Council Secretariat, New Delhi.

Mr. R Anand, DGM Indirect Taxes, L&T Ltd., Chennai, Mr. Ravindra M Vijayvargiya, General Manager, Ashoka Buildcon Ltd., Nashik, Mr. Shiv Rawat, Deputy Director and Mr. Ashok Bawa, Accounts Executive, CFI participated in the meeting.



Following issues were discussed in detail with GST Council officials:

1. GST Notifications 15/2021&16/2021 Central Tax (Rate) dated November 18, 2021 effective from January 1, 2022;
2. GST on Annuity payments under Hybrid Annuity Model (HAM) projects;

3. GST Rate (Notification no.11/2017 Central tax – rate dated 28th June 2018) Entry no. 3 - GST rates for Sub Contractors executing infrastructure works contracts;
4. Abatement for land value in construction contract;
5. Lower GST in affordable housing project;
6. Input Tax Credit related Amendment;
7. Refund of ITC in case of Inverted Duty Structure Sec 54(3) r.w.Sec 89(5);
8. Transition credit of excise duty paid on inputs held in stock by an infrastructure construction company Section 140(3);
9. Section 16 (2) – ITC eligibility - ITC of GST paid on advances & Advance received by Joint Ventures;
10. GST Penal provisions- Section 73, 74, and 132 (1) : High penalty for wrong availment of credit;
11. Proviso to Section 16 - Mandatory payment to vendor within 180 days;
12. Transfer of balance in cash ledger and/or CGST ITC between distinct persons having common PAN;
13. Rule 96A - Realization of proceeds towards service exports within one year is impractical under project exports;
14. Job work- Section 143 of CGST Act;
15. Tax Deducted at Source - Section 51 of CGST Act;
16. Reverse Charge Mechanism for Pure Labour Services by Sub-Contractors;

On following issues, Additional Secretary felt that these are valid points and would be taken up with highest authorities.

- **GST Notifications 15/2021&16/2021 Central Tax (Rate) dated November 18, 2021 effective from January 1, 2022;**
- **Abatement for land value in construction contract;**

Refund of ITC in case of Inverted Duty Structure Sec 54(3) r.w.Sec 89(5) - It was informed by Additional Secretary that this issue is already under consideration.

On Proviso to Section 16 - Mandatory payment to vendor within 180 days and other issues, Additional Secretary advised us to submit revised memorandum to GST Council.

On issues - GST Rate (Notification no.11/2017 Central tax – rate dated 28th June 2018) Entry no. 3 - GST rates for Sub Contractors executing infrastructure works contracts, Section 16 (2) – ITC eligibility - ITC of GST paid on advances & Advance received by Joint Ventures and Tax Deducted at Source - Section 51 of CGST Act; Additional Secretary had advised his colleagues for review.

We request members to participate in CFI meetings & activities for the benefit of industry.