

S-31011/12/2021-DIR(NC)
Government of India
Ministry of Finance
Department of Revenue

New Delhi, dated 24th September, 2021

OFFICE MEMORANDUM

Subject: Constitution of Group of Ministers (GoM) on Rate Rationalization.

In its 45th meeting held on 17.09.2021 in Lucknow, the GST Council discussed the need to undertake GST rate rationalization including correction of inverted duty structure with an objective to simplify the rate structure, to reduce classification related disputes and enhance GST revenues. In the said meeting, the Council has already approved changes in GST rates to correct inverted duty structure in many sectors, including that in textile and footwear to be implemented with effect from 01.01 2022.


2. In the aforesaid meeting, the Council has decided to constitute a GoM to look into matters related to rate rationalization and correction of inverted duty structure. Accordingly, a **Group of Ministers on Rate Rationalization** is being constituted with following composition:

	Name	Designation and State	
1.	Sh. Basavaraj S. Bommai	Chief Minister, Karnataka	Convenor
2.	Sh. Tarkishore Prasad	Deputy Chief Minister, Bihar	Member
3.	Sh. Mauvin Godinho	Minister for Transport and Panchayat Raj, Housing, Protocol, and Legislative Affairs, Goa	Member
4.	Sh. K N Balagopal	Minister for Finance, Kerala	Member
5.	Sh. Shanti Kumar Dhariwal	Minister for Local Self Government, Urban Development and Housing, Law and Legal Affairs, Rajasthan	Member
6.	Sh. Suresh Kumar Khanna	Minister for Finance, Parliamentary Affairs and Medical Education, Uttar Pradesh	Member
7.	Dr. Amit Mitra	Minister for Finance, West Bengal	Member

3. The GoM on Rate Rationalization shall—

- (a) review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;

- (b) review the instances of inverted duty structure other than where Council has already taken a decision to correct the inverted structure and recommend suitable rates to eliminate inverted duty structure as far as possible so as to minimize instances of refund due to inverted duty structure;
- (c) review the current tax slab rates and recommend changes in the same as may be needed to garner required resources; and
- (d) review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.
4. The GoM may suggest changes that may be implemented immediately and the roadmap for implementation for the changes that should be implemented in short and medium term. The Group may submit interim report for such immediate measures as it may deem fit. The Group shall submit its report in two months.
5. The GoM shall be assisted by the Fitment Committee and Joint Secretary (TRU-1) shall provide the necessary secretarial support to the Group.


(Dr.N. Gandhi Kumar) 24/9/2021
Director(State Taxes)
Tel. 23092613

To,

1. All Members of GoM and Officers,
2. Revenue Secretary, North Block, New Delhi
3. Chairperson, CBIC, North Block, New Delhi
4. Joint Secretary(TRU-I), CBIC
5. All members of Fitment Committee
6. GST Council Secretariat, New Delhi
7. PS to Hon'ble Minister of Finance, Government of India, North Block, New Delhi.
8. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi