



**Updates of recommendation  
made on 47<sup>th</sup> GST Council  
Meeting  
(29-06-2022)**

---

**Prepared by:  
Team Tattvam**

# About Us

---

- ☞ Dealing in Indirect Tax Law - Litigation / Advisory / Audits / Compliances
- ☞ Founded and led by Partners having experience in leading firms (**LKS / Big 4s**)
- ☞ Team of more than **40 people**
- ☞ Serving more than **100 Corporates/MNCs** across various sectors.
- ☞ Knowledge partner of **PHD Chamber, Webtel Electrosoft** etc
- ☞ Recognised by **ECONOMIC TIMES** for contribution in the field of **Finance and Taxation**
- ☞ Awarded by **Achromic Point** as "**Indirect Tax Consulting Firm of the Year**"



# Contents

- 1. Real Estate Sector**
- 2. Works Contract Services**
- 3. Logistics & Transportation**
- 4. E-commerce Operator**
- 5. FMCG Sector**
- 6. Healthcare Sector**
- 7. Refunds**
- 8. GST Compliances**
- 9. Miscellaneous**





**Real Estate Sector**



## Clarification in relation to GST rate

### **Sale of Developed Plots**

- There was ambiguity w.r.t developed plots in a manner that whether it is sale of land covered under Schedule-III or supply of construction services covered under schedule-II.
- The GST council has proposed that sale of developed plots will not attract GST in instances such *sale of land after leveling, laying down of drainage lines etc.* The recommendation of the council read as below:

***"Sale of land after leveling, laying down of drainage lines etc. is sale of land and does not attract GST."***

### ***Comments:***

- This is a welcome step by the council which will help remove the dispute in the industry regarding taxability of sale of developed plots by the developers.
- Also, a detailed clarification is awaited in this regard to determine the specific implications arising out of this recommendation.

## Clarification in relation to GST rate

### **Preferential location charges towards long term lease of plots**

- At the time of granting long term lease of plots, the lessee provided with an option to choose location of plot in lieu of preferential location charges (PLC). There was ambiguity whether or not GST has to be paid on PLC charges.
- Now, the GST council has recommended issuance of a clarification that such PLC is leviable to GST as it forms part of consideration for long term lease of land. For reference, the recommendation of the council has been reproduced below:

***"Allowing choice of location of a plot is part of supply of long term lease of plot of land. Therefore, location charge or preferential location charges (PLC) are part of consideration charged for long term lease of land and shall get the same treatment under GST".***

- Pursuant to this clarification, it can be said that PLC collected towards the sale of under-construction apartments shall form part of construction services and hence eligible for 1/3rd abatement.

## Other Recommendation to construction Sector

- All fly ash bricks attract same concessional rate irrespective of fly ash content
- Stones covered in S.No.123 of Schedule-I (such as Napa stones), even if they are ready to use and polished in minor ways [not mirror polished], attract concessional GST rate of 5%.
- The condition of 90% fly ash content with respect to fly ash bricks applies only to fly ash aggregate, and not fly ash bricks. As a simplification measure, the condition of 90% content is being omitted.

A grayscale photograph of a construction worker in a hard hat and safety vest, holding a clipboard. The clipboard has a checklist titled 'WORK CONTRACT SERVICES' with several items marked with checkmarks. In the background, there are construction cranes and a building under construction.

# Works Contract Services



## Change in rate of tax applicable on works contract supplied

GST Council in order to avoid claim of refund on account of inverted duty structure has proposed to change following rate of tax to works contract services supplied to specified categories in the following manner.

Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof	12%	18%
Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

A background image of a port or shipping yard at sunset. On the left, a large red semi-trailer truck is parked, with a stack of blue and red shipping containers on its trailer. In the center, a yellow gantry crane is lifting a red shipping container. To the right, a large blue and red cargo ship is docked at a pier. The sky is a warm orange and yellow, and the water in the foreground is dark with some reflections.

# Logistics & Transportation

## Exemptions discontinued

- Exemption on transport of passengers by air to and from NE states & Bagdogra is being restricted to economy class
- Transportation by rail or a vessel of railway equipment and material.
- Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.
- Fumigation in a warehouse of agricultural produce.



## Change in Rates

S.No	Services	Old Rate	New Rate
1.	Transport of goods and passengers by ropeways.	18%	5% (With ITC of services)
2.	Renting of truck/goods carriage where cost of fuel is included	18%	12%

**\* Rate changes to effective from 18<sup>th</sup> July 2022.**



## Some Clarifications

S No	Subject	Clarification Recommended
1	Renting of Vehicle on time basis (Transportation of Goods)	<ul style="list-style-type: none"><li>i. Renting of vehicle with operator for transportation of goods on time basis is classifiable under Heading 9966 and shall attract GST @ 18%.</li><li>ii. Renting of vehicle where cost of fuel is included in the consideration charged shall attract GST @12%.</li></ul>
2	Renting of Vehicle (Transportation of Passengers)	Renting of motor vehicles for transport of passengers to a body corporate for a period (time) shall be taxable in the hands of body corporate under Reverse charge mechanism.
3	Recovery of higher Toll Charges	Recovery of higher toll charges from vehicles for not having Fastag shall be given the same tax treatment as given to toll charges.

## Some Clarifications

S No	Subject	Clarification recommended
4	Transit Cargo to Nepal & Bhutan	Services associated with transit cargo both to and from Nepal and Bhutan are covered by exemption under entry 9B of notification No. 12/2017-CT(R) dated 28.06.2017.
5	Meaning of public transport	<p>As per exemption notification, transportation of passengers by public transport, other than predominantly for tourism purpose, in a vessel between places located in India, is exempt from GST. However, the expression 'public transport' was not defined.</p> <p>Now, the council has recommended to define "public transport" to mean that "<i>such transport should be open to public for point-to-point transport [e.g., such transport in Andaman and Nicobar islands]</i>".</p>



## Opting to RCM/FCM by GTA

- The GST Council has recommended as under:

***"Goods transport agency (GTA) is being given option to pay GST at 5% or 12% under forward charge; option to be exercised at the beginning of Financial Year. RCM option to continue"***

### **Comments:**

- The industry was under impression that forward charge mechanism can be opted anytime during the year and once the option to pay tax under forward charge has been exercised then the option for reverse charge cannot be availed again.
- Now, the Council has recommended issuing of a clarification w.r.t opting of RCM/FCM mechanism by GTA.
- However, the implications on account of this recommendation cannot be ascertained from the verbatim of the recommendation and therefore, we await the requisite clarification in this regard to arrive at the conclusions.

A white rectangular box with a thin border containing the text 'E-Commerce Operator'. The background of the entire image is a blurred photograph of a shopping cart filled with cardboard boxes, some labeled 'FRAGILE', sitting on a laptop keyboard.

# E-Commerce Operator

## Waiver from mandatory Registration for supplier supplying through ECO

- Suppliers selling goods through E-Commerce operators (who are required to collect tax at source u/s 52) were required to take mandatory registration u/s 24(ix)
- Mandatory requirement of registration has been removed subject to following two conditions: -
  - Aggregate turnover of such supplier does not exceed the threshold mentioned **u/s 22(1) i.e., 20 lakhs in case of services and 40 lakhs in case of goods.**
  - Supplier is not making **interstate taxable supply.**

## Composition taxpayers would be allowed to make intra-State supply through e-commerce operators

- As per Section 10 of CGST Act, the composition dealers are not allowed to make inter-state supplies.
- Further, such dealers are also not allowed to make supplies through e-commerce operators.
- Now, the GST Council has recommended to allow the intra-state supplies through ECO.
- The details of the scheme will be worked out by the Law Committee of the Council. The scheme would be tentatively implemented with effect from 01.01.2023, subject to preparedness on the portal as well as by ECOs.



A perspective view of a supermarket aisle from the point of view of someone pushing a shopping cart. The shelves are filled with various FMCG products like instant noodles, soups, and packaged snacks. The cart is in the foreground, and the aisle leads towards a brightly lit area at the end of the aisle.

# FMCG Sector



## Clarification in relation to GST rate applicable on supply of Ice cream

- With respect to taxability of ice creams sold by ice cream parlors, GST council has made the following recommendations

***"Due to ambiguity in GST rates on supply of ice cream by ice cream parlours, GST charged @ 5% without ITC on the same during the period 1.07.2017 to 5.10.2021 shall be regularized to avoid unnecessary litigation."***

### **Comments:**

- In 45<sup>th</sup> GST council meeting, it was recommended to tax sale of ice cream by ice cream parlor at the rate of 18% and pursuant to this recommendation, requisite circular was issued.
- Prior to this recommendation the industry was charging tax on this supplies at the rate of 5% considering it as restaurant services.
- By virtue of this recommendation, the tax rate of 5% charged by the industry has been regularized in order to avoid unnecessary litigation.

## Withdrawal of exemption on specified food items, grains etc. in terms of Legal Metrology Act

- An exemption in relation to non branded food items, grains, dals etc. was available to the taxpayers if it did not have a registered brand name or its right to the brand has been forgone.
- Now, GST council has recommended to curtail the coverage of exemption by way of excluding from it “pre-packed and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk.”
- As per the said Legal Metrology Act, pre-packaged commodity means a commodity which (without the purchaser being present) is placed in a package of whatever nature, whether sealed or not, so that the product contained therein has a pre-determined quantity. Further, label means any written, marked, stamped, printed or graphic matter affixed to, or appearing upon any pre-packaged commodity.



## Clarification in relation to GST rate (Others)

- Ginned or baled fibre is covered in entry 24B of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 in the category of raw vegetable fibres. The exemption under this entry is being rationalized.
- The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, dried) attract GST at the 12%. Entry is also being amended to make this amply clear. Raw or fresh mangoes continue to be exempt.



**Healthcare Sector**

## Exemptions discontinued

- Services provided by the cord blood banks by way of preservation of stem cells.
- Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of biomedical waste shall be taxed at 12% so as to allow them ITC.
- Room rent (excluding ICU) exceeding Rs 5000 per day per patient charged by a hospital shall be taxed to the extent of amount charged for the room at 5% without ITC.

## Clarification in relation to GST rate

- Services in form of Assisted Reproductive Technology (ART)/ In vitro fertilization (IVF) are covered under the definition of health care services for the purpose of exemption under GST.
- Sewage treated water is exempted from GST and is not the same as purified water provided in S. No. 99 of notification 2/2017-CT(Rate). The word 'purified' is being omitted to make this amply clear.

# Refunds under GST





## Change in the formula used for calculation of refund of accumulated ITC on account of Inverted duty structure

- The Hon'ble Apex Court in the ***Union of India vs VKC Footsteps India Private Limited Civil Appeal No 4810 of 2021*** observed that the existing formula erroneously assumes that the entire output tax will be paid from ITC availed on input goods and the credit on input services will not be utilized for payment of output tax.
- GST Council in line with ruling in VKC Footsteps (*supra*), has recommended to make necessary amendment to the formula prescribed in sub-rule (5) of rule 89 of CGST Rules, 2017 for calculation of refund of unutilized Input Tax Credit on account of inverted rated structure.
- Hence, in order to avoid such anomaly, the GST Council has proposed a change in formula for calculation of refund under rule 89(5) to take into account utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period.
- The above recommendation in change in formula would help put rest to the incessant dispute in the industry relating refund of unutilized Input Tax Credit on account of inverted rated structure.

# Refund of accumulated ITC on account of Inverted Duty Structure (Cont.)

## Rate Rationalization to remove inverted duty structure

S. No.	Description	From	To
<b>GOODS</b>			
1.	Solar Water Heater and system;	5%	12%
2.	Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, ladles, skimmers, cake-servers etc	12%	18%
3.	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%
4.	Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; Pawan Chakki that is Air Based Atta Chakki; Wet grinder;	5%	18%
5.	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery	12%	18%



# Refund of accumulated ITC on account of Inverted Duty Structure (Cont.)

## Rate Rationalization to remove inverted duty structure

S. No.	Description	From	To
<b>GOODS</b>			
6.	LED Lamps, lights and fixture, their metal printed circuits board;	12%	18%
7.	Drawing and marking out instruments	12%	18%
8.	Printing, writing or drawing ink	12%	18%
9.	Prepared/finished leather/chamois leather / composition leathers;	5%	12%
10.	<b>It may be noted that the GST Council has proposed - refund of accumulated ITC not to be allowed on following goods:</b> <b>(i) Edible oils</b> <b>(ii) Coal</b>		

# Refund of accumulated ITC on account of Inverted Duty Structure (Cont.)

## Rate Rationalization to remove inverted duty structure

S. No.	Description	From	To
<b>SERVICES</b>			
11.	Services supplied by foreman to chit fund	12%	18%
12.	Job work in relation to processing of hides, skins and leather	5%	12%
13.	Job work in relation to manufacture of leather goods and footwear	5%	12%
14.	Job work in relation to manufacture of clay bricks	5%	12%

### **Note:**

- **It has been recommended by the council for issuance of circular in order to remove ambiguity and legal dispute on the issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.**
- **Further, clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export is also recommended by the Council.**

# Re-credit of amount in Electronic credit ledger in case of Refund paid back

## Re-credit of ITC after recovery of erroneous refund [w.r.t. Rule 96(10)]

- As per Rule 96(10), the refund of IGST paid on export shall not be available in case benefit of following notification has been availed at the time of procurement
  - Notification No. 48/2017-Central Tax (R) (Deemed Exports other than receipt of capital goods under EOU scheme)
  - Notification No. 40/2017- Central Tax (R) (Merchant Export)
  - Notification No. 78/2017-Customs & Notification No. 79/2017-Customs (certain concessional imports from outside India)
- In case refund has been availed in contravention of rule 96(10) then such refund has to be paid back by the refund claimant, however, without any facility for re-crediting of ITC used in paying IGST on Exports.
- Now the council has recommended introduction of Form PMT-03A for such re-crediting.

## Refund on account of export of electricity

Amendment in CGST Rules to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would facilitate the exporters of electricity in claiming refund of utilized ITC on zero rated supplies.

## Expediting the refund claims of "Risky exporters"

- In case of exporters identified as Risky exporters or where there is violation of provisions of Customs Act in case of export goods, IGST refunds were pending/withheld/suspended by GST officers.
- Amendment in rule 96 of the CGST Rules has been recommended to provide for transmission of such IGST refund claims on the portal in a system generated FORM GST RFD-01 to the jurisdictional GST authorities for processing
- This would result in expeditious disposal of such IGST refund claims, after due verification by GST officers, thus benefitting such exporters.



# Extension of limitation period for filing refund (due to Covid)

Time limit for refund to exclude period from 01.03.2020 to 28.02.2022

- Due to the outbreak of covid 19 global pandemic, the Hon'ble Supreme Court in March 2020 took suo motu cognizance of the difficulties that might be faced by litigants and directed extension of the period of limitation in all proceedings before the courts and tribunal including the Hon'ble Supreme Court with effect from 15 March 2020 until further orders.
- During the multiple waves of the covid pandemic faced by the nation, the Hon'ble Supreme Court kept on extending period of limitation.
- In this regard, The final order passed by the Supreme Court provided that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi judicial proceedings.
- Also, the various high courts held that the order of Supreme Court shall be applicable for the purpose of refund applications as well.
- In line with this order of Supreme Court, the GST Council has proposed to exclude the time period from 01.03.2020 to 28.02.2022 from calculation of the limitation period for
  - ❑ filing refund claim by an applicant under section 54 and 55 of CGST Act;
  - ❑ issuance of demand/ order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act.

## Meaning of "Specified Officer" under Rule 89(1)

- As per Rule 89(1), the refund on account of supplies to SEZ shall be available after an endorsement from specified officer w.r.t receipt of supply of goods or services has been obtained.
- However, the term "Specified Officer" was not defined.
- Now, the GST Council has recommended insertion of an explanation to Rule 89(1) Rules to clarify that **"specified officer" under the said sub-rule shall mean the "specified officer" or "authorized officer", as defined under SEZ Rules, 2006.**
- As per SEZ Rules, 2006, the term "**Specified officer**" shall mean an Inspector or Preventive officer, or Appraiser or Superintendent of Customs posted in the Special Economic Zone and authorized by the Specified Officer to discharge any of his functions under Special Economic Zone Rules, 2006.



## Refund Benefit to Duty Free Shops

- Earlier, Supply of Goods by Duty Free Shops to outgoing international passengers was not covered under definition of Export.
- In a bid to grant refund benefit to such DFS, specific notification, circulars and Rule 95A were introduced.

### ***Recommendation of GST Council:***

- Now, The GST Council has recommended that ***"Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers are to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies"***
- After carrying out requisite amendments based upon this recommendation, Rule 95A of the CGST Rules, Circular No. 106/25/2019-GST dated 29.06.2019 and related notifications shall be rescinded accordingly.

# GST Compliances



Composition Taxpayer: Waiver of late fee for delay in filing FORM GSTR-4 and extension of due date for filing FORM CMP-08

### **Waiver of late fee in case of late filing of FORM GSTR-04**

- It has been proposed to extend the waiver of late fee under Section 47 for delay in filing FORM GSTR-4 for FY 2021-22 by approximately four more weeks, i.e., till 28.07.2022 (The existing waiver is for the period from 01.05.2022 till 30.06.2022).

### **Extension of due date for filing of FORM CMP-08**

- Further, it has been proposed to extend the due date of filing of FORM GST CMP-08 for the 1st quarter of FY 2022-23 from 18.07.2022 to 31.07.2022.

***The Council has asked the GSTN to expeditiously resolve the issue of negative balance in Electronic Cash Ledger that is being faced by some of the composition taxpayers.***

Proposal to suggest changes in Form GSTR 3B

*In order to comprehensively change the Form GSTR 3B and resolve various issues faced by stakeholders, GST Council proposed to take inputs/suggestions of the stakeholders by placing this proposal in public domain.*

## Payment of tax through UPI and IMPS

It has been proposed to **include following additional mode for payment** of Goods and Services Tax under Rule 87(3):

- Unified Payments Interface (UPI)
- Immediate Payment Service (IMPS).



## Sale of Duty Credit Scrips not to be considered for ITC reversal

- It has been proposed to amend the Explanation 1 to Rule 43 of the CGST Rules, 2017, in order to exclude the sale of duty credit scrips from exempted supply for the purpose reversal of common ITC.
- It may be noted that an amendment in respect of the above proposal is anticipated, consequent to which there will not be any requirement to make reversal of common ITC on account of sale of duty credit scrips.



## Annual Return FORM GSTR 9/9A: Exemption for filing annual return in FORM GSTR 9/9A for FY 2021-21

Exemption from filing annual return in FORM GSTR-9/9A for FY 2021-22 to be provided to taxpayers having AATO up to Rs. 2 crores.

### **Note:**

- **It has been recommended by the council for issuance of circular in order to remove ambiguity and legal dispute on the issues relating to mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B**
- **Further, clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities is also recommended by the Council.**



## Automatic revocation of suspension of registration

- The GST Council has recommended automatic revocation of suspension of registration in following circumstances:

***"Provision for automatic revocation of suspension of registration in cases where suspension of registration was done by the system under Rule 21A(2A) of CGST Rules, for non-compliance in terms of clause (b) or clause (c) of sub-section (2) of section 29[continuous non-filing of specified number of returns], once all the pending returns are filed on the portal by the taxpayer"***

### Comment

- As per the recommendation, necessary amendments shall be carried out in Rule 21A.
- In terms of this recommendation, the suspended registration shall be automatically revoked upon filing of returns if it was suspended due to such non-filing.
- It is pertinent to note that as per Rule 21A(2A), the suspension of registration shall be done if there is significant difference between GSTR-1 *vis-à-vis* GSTR-3B & GSTR-2A/2B *vis-à-vis* GSTR-3B.
- It shall be ascertained only after amendment in Rule 21A and necessary deployment on GSTN portal that how the automatic revocation shall be implemented.



Miscellaneous

## Clarification in relation to GST rate

- **GST council has recommended issuance of clarification that following fees charged by universities is exempt from GST**
  - Application fees for entrance; or
  - Application fees for issuance of eligibility certificate for admission; or
  - Application fees for issuance of migration certificate
- Clarification to be issued that ***"Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%."***
- Electric vehicles whether or not fitted with a battery pack, are eligible for the concessional GST rate of 5%.
- Nicotine Polar-ilex Gum attracts a GST rate of 18%.
- Service provided by the guest anchors to TV channels in lieu of honorarium attract GST.

## Facility to transfer balance in Electronic Cash Ledgers of distinct person

- Section 49(10) provides the facility to transfer balance in electronic cash ledger of registered person to electronic cash ledger of CGST and IGST of a distinct person.
- This facility was earlier provided through Finance Act, 2022.
- However, such facility has not been notified yet.
- The council has proposed this facility to be notified by the government at earliest.

## Recommendation of rules for calculation of Interest on wrongly availed ITC only when it is utilized

- Vide section 111 of Finance Act 2022, amendment was made to Section 50(3) of the CGST Act, 2017 to provide for levy of interest on “ineligible ITC availed and utilized” w.e.f. 01.07.2017.
- However, the same has not been notified yet.
- In that respect, the GST council has recommended the same to be notified by the Central Government at the earliest.
- This is a welcome step by the GST council in order to avoid consistent dispute by the department w.r.t payment of interest on ITC which has not been utilized.

## Exemptions discontinued

- Services by RBI,IRDA,SEBI,FSSAI.
- Services provided by GSTN.
- Renting of residential dwelling to business entities (registered persons).
- Tax exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

## Tourism Sector

- Hotel accommodation priced up-to Rs. 1000/day shall be taxed at 12%.
- Service provided by Indian Tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.



Recommendations of the Council w.r.t. issuance of clarifications for the following:

- Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
- Clarification on various issues relating to interpretation of section 17(5) of the CGST Act;
- Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement

## Extension in time limit for issuing demand order for F.Y. 2017-18

- As per Section 73 of CGST Act, demand order for the tax not paid or short paid or input tax credit wrongly availed or utilized can be issued up to 3 years from the due date of annual return for the relevant F.Y.
- In view of the above, the last date upto which demand orders for FY 2017-18 could be issued was set to expire in February 2022.

### ***Recommendation***

- The GST Council has recommended to extend this time limit for issuing demand order till 30.09.2023.
- On this extension being notified, department may issue notices w.r.t F.Y. 2017-18 till 30.06.2023 and demand order for the same till 30.09.2023.

## AA/EPCG/EOU Scheme

- It has been proposed to continue the exemption provided earlier in relation to the IGST on the import of goods under AA/EPCG/EOU Scheme which has been formulated to facilitate/encourage exports.

## E-wallet Scheme

- Previously, the GST council had proposed to implement e-wallet system under GST as a relief for the exporters who encounter working capital squeeze due to delayed GST refunds.
- It has been proposed the e-wallet scheme not be pursued further.



## Behavior tracking of taxpayer pre and post registration

- The GoM on IT Reforms, inter alia, recommended that the GSTN should put in place the AI/ML based mechanism to verify the antecedents of the registration applicants and an improved risk-based monitoring of their behavior post registration so that non-compliant taxpayers could be identified in their infancy and appropriate action be taken so as to minimize risk to exchequer.

## GST on casinos, racecourse and online gaming

- The Council directed that the Group of Ministers on Casino, Race Course and Online Gaming re-examine the issues in its terms of reference based on further inputs from States and submit its report within a short duration.

## GST on casinos, racecourse and online gaming

- The Council has decided to constitute a Group of Ministers to address various concerns raised by the States in relation to constitution of GST Appellate Tribunal and make recommendations for appropriate amendments in CGST Act.

## Manner for calculation of Interest under Section 50

The rules providing for the manner of calculation of interest under section 50 of CGST Act have also been recommended for more clarity. This will remove ambiguities regarding manner of calculation of interest and will also provide for transfer of balance in CGST and IGST cash ledgers between distinct persons, thereby improving liquidity and cash flows of such taxpayers.

## Services supplied by Department of Posts subject to Forward Charge

- All taxable service of Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.

## Ad-hoc apportionment of IGST

- The GST Council approved ad-hoc apportionment of IGST to the extent of Rs. 27,000 crores and release of 50% of this amount, i.e. Rs. 13,500 crores to the States.





**Miscellaneous  
(Change in rate of Tax)**

# Miscellaneous: Other GST rate changes recommended by the Council

S. No.	Description	From	To
<b>Healthcare Sector</b>			
1.	Ostomy Appliances	12%	5%
2.	Orthopedic appliance- Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens	12%	5%
3.	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	Nil
<b>FMCG Industry</b>			
1.	Tetra Pak (Aseptic Packaging Paper)	12%	18%
<b>Energy Industry</b>			
1.	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5%/18%	18%
2.	Petroleum/ Coal bed methane	5%	12%
<b>Logistics Industry</b>			
1.	Renting of truck/goods carriage where cost of fuel is included	18%	12%

# Miscellaneous: Other GST rate changes recommended by the Council (Contd.)

S. No.	Description	From	To
<b>Miscellaneous Industry</b>			
1.	Cut and Polished diamonds	0.25%	1.5%
2.	IGST on specified defense items imported by private entities/vendors, when end-user is the Defence forces.	Applicable rate	Nil
3.	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate
4.	E-waste	5%	18%
5.	Cheques, lose or in book form	Nil	18%
6.	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	Nil	12%
7.	Parts of goods of heading 8801(Balloons and dirigibles, gliders and other non-powered aircraft)	Nil	18%

Note: All changes in rate recommended by 47<sup>th</sup> GST Council will be made effective from 18<sup>th</sup> July, 2022

**TATTVAM**  
ADVISORS

**TATTVAM**  
VALUERS

**TATTVAM & Co.**  
CHARTERED ACCOUNTANTS

**TATTVAM**  
CAPITAL


# Thank You

## **CONTACT US:-**

-  JD-2C, 2nd Floor, Pitampura, Metro Pillar No. 355, New Delhi- 110034
-  No. 1371, Sri Nikethan, 1st Floor, 31st B Cross Road, 4th T Block East, Jayanagar Bengaluru, Karnataka - 560041
-  501, Sheetal Enclave, Mindspace, Nr. Tangent Showroom, Off New Link Road, Malad (W), Mumbai - 400064, India
-  301, 3rd Floor, V3A Square Near Shailendra Nagar Under Bridge Priyadarshani Nagar, Pachpedi Naka, Raipur, Chhattisgarh-492001

 [www.tattvamadvisors.com](http://www.tattvamadvisors.com)

 [info@tattvamadvisors.com](mailto:info@tattvamadvisors.com)

 91 99537-07107, 96507-77079, 9818651716

