



Summary of **Recent GST** **amendment after 47th GST** **Council Meeting**





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Summary of recommendations of the 47th GST Council Meeting

Recently, 47th GST Council meeting was held on 28th & 29th of June 2022 in order to finalize various modifications to be brought in GST law in respect of GST Rates on goods & services and various compliances. The recommendations made by the GST Council in the 47th GST council meeting has been notified and clarified by way of issuance of various notifications and circulars, categorized into following major heads for ease of understanding:

- A. Recommendations relating to GST Rates on Goods and Services**
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A. Recommendations relating to GST Rates on Goods and Services:

- a. Changes in rate of goods and services to rationalize inverted duty structure

Sr. No.	Description	From	To
1.	Printing, writing, or drawing ink	12%	18%
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 the 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%

6.	LED Lamps, lights and fixtures, their metal printed circuits boards	12%	18%
7.	Drawing and marking out instruments	12%	18%
8.	Solar Water Heater and system;	5%	12%
9.	Prepared/finished leather/chamois leather/composition leathers;	5%	12%
<u>JOB WORK</u>			
10.	In relation to processing of hides, skins and leather	5%	12%
11.	In relation to manufacture of leather goods and footwear	5%	12%
12.	In relation to manufacture of clay bricks	5%	12%
<u>WORKS CONTRACT</u>			
13.	for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
14.	supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals, etc. & sub- contractors thereof	12%	18%
15.	supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%
<u>MISCELLANEOUS</u>			
16.	Services supplied by foreman to chit fund	12%	18%

Rationale behind the above recommendations:

Before moving forward to other rate changes recommended by the GST Council, it is worthwhile to understand the meaning of Inverted Duty Structure and the reason why such recommendation is proposed.

The term 'Inverted Tax Structure' refers to a situation where the rate of tax on inputs purchased is more than the rate of tax on outward supplies. The above-mentioned recommendation is a step to diminish the gap between the availability of input tax credit and the output tax liability of the taxpayer in order to reduce the accumulation of input tax credit in the electronic credit ledger of the tax payer.

b. Changes in rate of goods

Sr. No.	Description	From	To
<u>CHANGE IN RATES</u>			
1.	Ostomy Appliance	12%	5%
2.	Orthopaedic 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.	Tetra Pack (Aseptic Packaging Paper)	12%	18%
4.	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5%/18%	18%
5.	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	NIL

6.	Cut and Polished diamonds	0.25%	1.5%
7.	IGST on specified defence items imported by private entities/vendors, when end-user is the Defence forces	Applicable Rate	NIL
8.	Petroleum/ Coal bed methane	5%	12%
9.	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable Rate
10.	E-waste	5%	18%
WITHDRAWAL OF EXEMPTION			
11.	Specified food items, grains, etc. when not branded, or right on the brand has been forgone.	Applicable Rate	To be recommended w.r.t. revision of scope of exemption to exclude prepacked and pre-labelled retail pack.
12.	Cheques, lose or in book form	NIL	18%
13.	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	12%
14.	Parts of goods of heading 8801	NIL	18%

c. Changes in rate of services

Sr. No.	Description	From	To
1.	Transport of goods and passengers by ropeways. (NN 03/2022-CT(R) dated 13.07.2022)	18%	5% (with ITC of services)
2.	Renting of truck/goods carriage where cost of fuel is included	18%	12%
3.	Specific construction services as provided in respect of government contract etc. (Detailed services are provided in Annexure-I.)	12%	18%
4.	Service of GTA if GTA exercises the option to itself pay GST on services supplied by it. (Detailed services are provided in Annexure-II.)	12%	5% (without ITC) or 12% with ITC
WITHDRAWAL OF EXEMPTION			
Sr. No.	Recommendation	Existing Provisions	
4.	Exemption on transport of passengers by air to and from NE states & Bagdogra is being restricted to economy class. (NN 04/2022-CT(R) dated 13.07.2022)	Transport of passengers, with or without accompanied belongings, by: (a) air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West	

		Bengal is exempted by Entry No.15 of Notification No.12/2017 -CT (Rate) dated 28.06.2017.
4.	Transportation by rail or a vessel of railway equipment and material. (NN 03/2022-CT(R) dated 13.07.2022) (NN 04/2022-CT(R) dated 13.07.2022)	a. Services by way of transportation by rail or a vessel from one place in India to another of the following goods – (a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; (b) defence or military equipment's; (c) newspaper or magazines registered with the Registrar of Newspapers; (d) railway equipment's or materials; (e) agricultural produce; (f) milk, salt and food grain including flours, pulses and rice; (g) organic manure, are exempted by Entry No.20 of Notification No.12/2017 -CT (Rate) dated 28.06.2017.
5.	Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.) (NN 04/2022-CT(R) dated 13.07.2022)	Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea is exempt from GST by Notification No.21/2019–Central Tax (Rate) dated 30th September, 2019.
6.	Fumigation in a warehouse of agricultural produce. (NN 04/2022-CT(R) dated 13.07.2022)	Services by way of fumigation in a warehouse of agriculture produce are not liable to Goods and Service Tax. It means that service of fumigation provided to agriculture produces stored in a warehouse are exempted from payment of GST by Entry No. 54 (h) of Notification No. 12/2017-CT (Rate) dated 28.06.2017 as amended.

7.	<p>Services by RBI, IRDA, SEBI, FSSAI</p> <p>(NN 04/2022-CT(R) dated 13.07.2022)</p>	<p>Services by the Reserve Bank of India by Entry No.26 of Notification No. 12/2017-CT (Rate) dated 28.06.2017.</p> <p>Services provided by the Insurance Regulatory and Development Authority of India to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999) is exempt by Entry No. 32 Notification No. 12/2017-CT (Rate) dated 28.06.2017.</p> <p>Services provided by the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market are exempt by Entry No.33 of Notification No. 12/2017-CT (Rate) dated 28.06.2017.</p> <p>Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (FSSAI) to Food Business Operators are exempt by Entry No. 47A of Notification No. 14/2018 CT(R) dated 26th July, 2018.</p>
8.	<p>GSTN</p> <p>(NN 04/2022-CT(R) dated 13.07.2022)</p>	<p>Services provided by the Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax are exempt by Entry No. 51 of Notification No. 12/2017-CT (Rate) dated 28.06.2017.</p>
9.	<p>Renting of residential dwelling to business entities (registered persons).</p> <p>(NN 03/2022-CT(R) dated 13.07.2022)</p>	<p>Services by way of renting of residential dwelling for use as residence are exempt by Entry</p>

	(NN 04/2022-CT(R) dated 13.07.2022)	No. 12 of Notification No. 12/2017-CT (Rate) dated 28.06.2017.
10.	Services provided by the cord blood banks by way of preservation of stem cells (NN 04/2022-CT(R) dated 13.07.2022)	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation by Entry No.73 Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017
11.	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 (NN 03/2022-CT(R) dated 13.07.2022) (NN 04/2022-CT(R) dated 13.07.2022)	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto are exempt by Entry No.75 of Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017
12.	Hotel accommodation priced up to Rs. 1000/day shall be taxed at 12% (NN 03/2022-CT(R) dated 13.07.2022) (NN 04/2022-CT(R) dated 13.07.2022)	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent is exempt by Entry No. 14 of the Notification No. 12/2017-CT (R) Dated 28.06.2017 as well as CBIC's Circular No. 32/06/2018-GST dated 12th February, 2018
13.	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. (NN 03/2022-CT(R) dated 13.07.2022) (NN 04/2022-CT(R) dated 13.07.2022)	Services by way of- (a) health care services by a clinical establishment, an authorised medical practitioner or paramedics; (b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above are exempt by Entry No.74 of Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017
14.	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. (NN 04/2022-CT(R) dated 13.07.2022)	Payment of GST on services rendered by way of training or coaching in recreational activities relating to: - a) Arts or culture or

		b) sports by charitable entities registered under section 12AA of the Income-tax Act is exempt by Entry No. 80 of Notification 12/2017-CTR dated 28th June, 2017
15.	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of—</p> <p>(b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed Rs.1,500;</p> <p>(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed Rs.750;</p> <p>(NN 04/2022-CT(R) dated 13.07.2022)</p>	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of—</p> <p>(a) agricultural produce;</p> <p>(b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed Rs.1,500;</p> <p>(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed Rs.750;</p> <p>(d) milk, salt and food grain including flour, pulses and rice;</p> <p>(e) organic manure;</p> <p>(f) newspaper or magazines registered with the Registrar of Newspapers;</p> <p>(g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or</p> <p>(h) defence or military equipments.</p>
16.	Slaughtering of animals. (NN 04/2022-CT(R) dated 13.07.2022)	Services by way of slaughtering of animals.

ADDITION IN EXEMPTION

Sl. No.	Description
1.	<p>24C. Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).</p> <p>(NN 04/2022-CT(R) dated 13.07.2022)</p>
2.	<p>52A. Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India:</p> <p>Provided that value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less:</p> <p>Provided further that in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day</p>

Explanation. -“foreign tourist” means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.
(NN 04/2022-CT(R) dated 13.07.2022)

B. Clarification in relation to GST Rates:

Owing to certain confusions in relation to eligible GST Rate and matters incidental thereto, clarifications on GST Rates applicable in case of goods are being made as under:

a. Goods

Sr. No.	Particulars	Rate
1.	Electric vehicles whether or not fitted with a battery pack,	5%
2.	All fly ash bricks attract same concessional rate irrespective of fly ash content. 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	5%
3.	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]	5%
4.	The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, dried). Entry is also being amended to make this amply clear. Raw or fresh mangoes continue to be exempt.	12%
5.	Sewage treated water 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.	Exempt
6.	Nicotine Polarilex Gum	18%

b. Services

- **Taxability of supply of Ice-cream by ice-cream parlours:**
“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.”

Analysis:

Circular No. **164 /20 /2021-GST** dated **6th October, 2021** states that Ice cream parlours sell already manufactured ice- cream and they do not have a character of a restaurant. Ice-cream parlours do not engage in any form of cooking at any stage, whereas, restaurant service involves the aspect of cooking/preparing during the course of providing service. Thus, supply of ice-cream parlour stands on a different footing than restaurant service. Their activity entails supply of ice cream as goods (a manufactured item) and not as a service, even if certain ingredients of service are present.

Accordingly, as recommended by the Council, it is clarified that where ice cream parlours sell already manufactured ice-cream and do not cook/prepare ice-cream for consumption like a restaurant, it is supply of ice cream as goods and not as a service, even if the supply has certain ingredients of service. Accordingly, it is clarified that ice cream sold by a parlour or any similar outlet would attract GST at the rate of 18%.

Basis the above, 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.

- **Taxability of application fees charged by universities:**

Application fee charged for entrance or for issuance of eligibility certificate for admission or issuance of migration certificate by universities should be made exempt from GST.

Analysis:

Entry 66 of Notification No. 12/2017- Central Tax (Rate) dated 28th June, 2017, specifically exempts various Services provided by an educational institution to its students, faculty and staff.

The “educational institution”, covers institutions providing services by way of education as a part of curriculum for obtaining a qualification recognised by any law for the time being in force.

Therefore, the GST Council clarified that application fee charged for entrance or for issuance of eligibility certificate for admission or issuance of migration certificate by universities should be exempt from GST.

- **Exemption in relation to storage of warehousing of ginned or baled fibre:**

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.

Entry 24B reads as follows:

*“Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, **raw vegetable fibres** such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea.”*

- **Exemption in relation to transit cargo to and from 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.

- **Taxability in relation to space for advertisement:**

Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%.

- **Renting of Vehicle:**

- a) Renting of vehicle with operator for transportation of goods on time basis is classifiable under Heading 9966 and shall attract GST @18%.
- b) Renting of vehicle where cost of fuel is included in the consideration charged shall attract GST @12%
- c) Renting of motor vehicles for transport of passengers to a body corporate for a period (time) is taxable in the hands of body corporate under RCM.

d) The expression 'public transport' used in the exemption entry at Sl No. 17(d) of notification No.12/2017- CT(R), which exempts transport of passengers by public transport other than predominantly for tourism purpose, in a vessel between places located in India, means that such transport should be open to public for point-to-point transport [e.g., such transport in Andaman and Nicobar Islands].

- **Taxability of preferential location charges (PLC):**

Location charges or preferential location charges (PLC) are a part of consideration charged for long term lease of land and shall get the same treatment under GST.

Analysis:

PLC is the money that a buyer/lessee has to pay over and above the base selling price of an apartment/plot of land, for the advantages in relation to the location/geographical area. There was always an ambiguity with respect to the taxability of these charges i.e., whether these will be taxable @ 18% or would this be considered as a part of composite supply and the tax rate of the principal supply will be applicable?

It has now been clarified that the same would be fall under the long-term lease of land and considered as composite supply.

However, it is worthwhile to note that the recommendation talks about only in relation to leasing services.

- **Taxability of services of guest anchors:**

Services provided by the guest anchors to TV channels in lieu of honorarium attract GST.

- **Taxability of additional fee in relation to toll charges:**

Additional fee collected in the form of higher toll charges from vehicles not having Fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and shall be given the same tax treatment as given to toll charges.

- **Taxability of services in the form of ART/IVF:**

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.

- **Taxability of sale of land:**

Sale of Land after levelling, laying down of drainage lines etc. is sale of land and does not attract GST.

Analysis:

Builders or developers have been selling plots after development of common infrastructure such as electricity line, water line, drainage line and land levelling etc.

There has always been an ambiguity in relation to taxability of sale of developed plots by the developers i.e., whether to treat this as sale of land under Schedule III or supply of services under Schedule II.

In order to remove this ambiguity, the council has proposed a clarification to treat the sale of developed plot as sale of land thus not attracting GST on the same.

- **Taxability of services by Tour Operator:**

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.

C. Refunds:

- a. Refund of accumulated credit on account of inverted duty structure in case of following items has been proposed to be ineligible:

- i. Edible Oils
- ii. Coal

- b. **Amendment in 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:**

Change in formula for calculation of refund under rule 89(5) has been proposed 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. **This would help those taxpayers who are availing ITC on input services also.**

To give effect Rule 89(5) of the CGST Rules, 2017, has been amended. Also, Explanation inserted to clarify the meaning of 'specified officer'.

- *Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.*

Proposed Formula:

Maximum refund amount

$$\left(\left\{ \frac{\text{T/o of inverted rated supply of goods \& services}}{\text{Adjusted total turnover}} \right\} \times \text{Net ITC on inputs} \right) - \left(\frac{\text{Tax Payable on such inverted rated supply of goods \& services}}{\text{ITC on Inputs \& Input Services}} \times \frac{\text{ITC on Inputs}}{\text{ITC on Inputs \& Input Services}} \right)$$

Current Formula:

Maximum refund amount

$$\left(\left\{ \frac{\text{T/o of inverted rated supply of goods \& services}}{\text{Adjusted total turnover}} \right\} \times \text{Net ITC on inputs} \right) - \text{Tax Payable on such inverted rated supply of goods \& services}$$

- c. **Time period from 01.03.2020 to 28.02.2022 to be excluded** from calculation of the limitation period **for filing refund claim** by an applicant under section 54 and 55 of CGST Act, as well as for **issuance of demand/ order (by proper officer) in respect of erroneous refunds** under section 73 of CGST Act.

- *Notification No. 13/2022-Central Tax dated 05.06.2022 has been issued to make this effective.*

This is in line with the restoration of limitation extension by Supreme Court. As per the order of Apex court dated 10th January 2022, the period from 15th March 2020 to 28th February 2022 would stand excluded for the purpose of limitation.

d. **Amendment in CGST Rules for handling of pending IGST refund claims:**

Current Scenario: In some cases where the exporter is identified as **risky exporter** requiring verification by GST officers, or where there is a violation of provisions of Customs Act, the refund claims in respect of export of goods are suspended/withheld.

Proposed Changes: 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.

To give effect amendment in Rule 96 of the CGST Rules, 2017 has been made retrospectively w.e.f. 1st July, 2017.

- *Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.*

e. **Amendment in CGST Rules for refund:** Clause (b) of rule 96(1) has been substituted w.e.f. 01.07.2017 in order to provide that the applicant has filed its GSTR 3B for the period for which refund has been claimed.

It has also been provided by way of proviso that if there is any mismatch between the details furnished in Shipping Bill and in FORM GSTR-1, such application for refund of integrated tax paid on the goods exported out of India shall be deemed to have been filed on such date when such mismatch in respect of the said shipping bill is rectified by the exporter.

To give effect amendment in Rule 96 of the CGST Rules, 2017 has been made retrospectively w.e.f. 1st July, 2017.

- *Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.*

f. **Re-credit of amount in electronic credit ledger** to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services, in contravention of section 54(3) or rule 96(10) of the CGST Rules, is deposited by him along with interest and penalty, wherever applicable. A new **FORM GST PMT-03A** is introduced for the same.

GSTN has recently developed a new functionality of FORM GST PMT-03A which allows proper officer to re-credit the amount in the electronic credit ledger of the taxpayer.

Categories of refunds where re-credit can be done using FORM GST PMT-03A on deposit of such erroneous refund along with interest and penalty by the taxpayer:

- a) Refund of IGST obtained in contravention of rule 96(10).
- b) Refund of unutilised ITC on account of export of goods/services without payment of tax.
- c) Refund of unutilised ITC on account of zero-rated supply of goods/services to SEZ developer/Unit without payment of tax.
- d) Refund of unutilised ITC due to inverted tax structure.

Procedure for re-credit of amount in electronic credit ledger:

- a) The taxpayer shall deposit the amount erroneous refund through FORM GST DRC-03 by debiting the electronic cash ledger clearly mentioning the reason for making the payment as deposit of erroneous refund.
- b) As the facility for the same has not been made available on the portal till now, taxpayer shall make a written request in Annexure-A (Format as provided in the circular).

The proper officer on being satisfied full amount of erroneous refund has been paid along with interest & penalty, he shall re-credit such amount in the electronic credit ledger of the taxpayer by passing an order in FORM PMT-03A with in a period of 30 days.

This will enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.

To give effect Sub-rule (4B) in Rule 86 of the CGST Rules, 2017, has been inserted.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.
- Also, Circular No. 174/06/2022-GST dated 06.07.2022 has been issued has prescribing the categories of refunds where re-credit can be done using FORM GST PMT-03A and manner of re-credit of amount in Electronic Credit Ledger (ECL).

This amendment has been proposed based on the judgment given in case of ***I-Tech Plast India Private Limited vs. State of Gujrat, 2022-VIL-259-GUJ*** in which re-credit of ITC utilized was allowed.

- g. **Amendment in CGST Rules has been proposed 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.

To give effect clause (ba) has been inserted in Rule 89(2) of the CGST Rules, 2017.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.
- Also, Circular No. 175/07/2022-GST dated 06.07.2022 has been issued for procedure of filing refund of unutilized Input Tax Credit on account of the export of electricity.

- h. Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies. Rule 95A of the CGST Rules, Circular No. 106/25/2019-GST dated 29.06.2019 and related notificationsto be rescinded accordingly.

To give effect Rule 95A of the CGST Rules, 2017 has been omitted retrospectively w.e.f 1st July, 2019.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.
- Also, Circular No. 176/08/2022-GST dated 06.07.2022 has been issued to withdraw Circular No. 106/25/2019-GST dated June 29, 2019 in respect of Rule 95A of the CGST Rules, 2017.

D. Reverse Charge Mechanism:

- a. Services by department of Post: 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.

Analysis:

Earlier, services by the Department of Posts **other than** by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government were covered under reverse charge.

The GST council has now proposed a recommendation to cover all services of department of post under forward charge.

- (NN 05/2022-CT(R) dated 15.07.2022)

- b. Transport of Goods by Road: 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.

- (NN 05/2022-CT(R) dated 15.07.2022)

- c. A new entry has been inserted for payment of tax under reverse charge mechanism vide NN 05/2022-CT(R) dated 15.07.2022 provided hereunder:

"Service by way of renting of residential dwelling to a registered person."

E. Registration:

Automatic revocation of the suspension has been proposed to be done once taxpayer undertakes to comply with filing of returns where the registration was suspended due to continuous non filing of the returns.

To give effect Rule 21A(4) of the CGST Rules, 2017, has been amended to insert second proviso.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.

F. Input Tax Credit:

Current Scenario: As per the current explanation, the aggregate value of exempt supplies shall exclude only the following for the purpose of reversal of ITC:

- the value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount, except in case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances; and
- the value of supply of services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India.

Proposed Amendment: Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of **Duty Credit Scrips** by the exporters.

To give effect Clause (d) has been inserted after clause (c) in Explanation 1 to Rule 43 of the CGST Rules, 2017.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.

G. Miscellaneous:

1. **Declaration on Invoice:** Declaration to be contained in tax invoice where taxpayer is exempted from generation of E-Invoice even though aggregate turnover exceeds the threshold as notified:

"I/we hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provision of the said sub-rule".

(Notification No 14/2022-Central Tax dated 05.07.2022)

2. **E-Commerce Operators:**

Currently as per section 24(ix), persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52 shall compulsorily get the registration.

(Services notified under section 9(5) of the CGST Act vide NN 17/2017-CT (R), dated 28-6-2017 as amended by NN 23/2017-CT (R), dated 22-8-2017 and NN 17/2021-CT (R), dated 18-11-2021:

- (i) services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor cycle, omnibus or any other motor vehicle;
- (ii) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1) of the said CGST Act;
- (iii) services by way of house-keeping, such as plumbing, carpentering etc., except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1) of the said CGST Act.
- (iv) supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises.)

Proposed Measures: Waiver of requirement of mandatory registration under section 24(ix) of CGST Act for person supplying goods through ECOs, subject to certain conditions, such as-

- the aggregate turnover on all India basis does not exceed the turnover specified under sub-section (1) of section 22 of the CGST Act and notifications issued thereunder.
- the person is not making any inter-State taxable supply

Further, currently as per section 10(2) & 10(2A), a person can't opt to pay tax under composition levy scheme if he is engaged in making any supply of goods & services through an electronic commerce operator who is required to collect tax at source under section 52.

Proposed Measures: Composition taxpayers would be allowed to make intra-State supply through e-commerce operators subject to certain conditions.

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.

3. Clause (c) of section 110 and section 111 of the Finance Act, 2022 to be notified by Central Government at the earliest. These provisions relate to-

- a. retrospective amendment in section 50(3) of CGST Act, with effect from 01.07.2017, to provide that interest will be payable on the wrongly availed ITC only when the same is utilized;

The manner of calculation of interest has been provided by way of insertion Rule 88B in CGST Rules vide NN 14/2022-CT dated 5th July, 2022, explained hereunder:

Rule 88B (1): Where return under section 39 is furnished after due date, except where it is furnished after commencement of proceedings under section 73 or 74, the interest shall be calculated on the portion of tax paid by debiting the electronic cash ledger for the period of delay in filing beyond the due date.

Rule 88B (2): In case a person liable to pay tax has filed its GSTR 3B but fails to pay a certain amount of tax pertaining to said period, interest shall be calculated on unpaid portion of tax from the due date of payment till the date of such payment.

Rule 88B (3): Where the ITC has been wrongly availed & utilized, interest shall be calculated on the said amount from the date of such availment & utilization till the date of reversal or payment of such amount.

ITC shall be construed as utilized, when the balance in electronic credit ledger falls below the input tax wrongly availed & interest shall be calculated on the amount by which electronic credit ledger falls below the amount of ITC wrongly availed.

- b. amendment in sub-section (10) of section 49 of CGST Act to provide for transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of CGST and IGST of a distinct person.

- *Notification No. 09/2022-Central Tax dated 05.07.2022 has been issued, to notified date 5th July, 2022 as the date for giving effect to these amendments.*
- *Also amended Rule 87 of the CGST Act, 2017 to insert sub-rule 14, for transfer of balance of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for central tax or integrated tax of a distinct person in FORM GST PMT-09 – vide Notification No. 14/2022-Central Tax dated 05.07.2022.*

4. Waiver of late fee for delay in filing FORM GSTR-4 for FY 2021-22 and extension of due date for filing FORM GST CMP-08 for Q1 of FY 2022-23:

Form GSTR-4: Return for Financial Year of persons opted for composition scheme

Form GST CMP-08: Quarterly statement for payment of self-assessed tax for persons opted for composition scheme

- a. 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*).
- Notification No. 12/2022-Central Tax dated 05.07.2022 has been issued to make this effective.
 - b. 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**.
- Notification No. 11/2022-Central Tax dated 05.07.2022 has been issued to make this effective.
5. Present exemption of IGST on import of goods under AA/EPCG/EOU scheme to be continued and E-wallet scheme not to be pursued further.
This is in furtherance of the extension of Foreign Trade Policy 2015-20 by the government till 30th September' 2022.
6. **Issuance of the following circulars in order to remove ambiguity and legal disputes** on various issues, thus benefiting taxpayers at large:
- a. Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification. – *Circular No. 173/05/2022- GST dated 06.07.2022 has been issued.*
 - b. Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices. – *Circular No. 171/03/2022- GST dated 06.07.2022 has been issued.*
 - c. Clarification on 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**. – *Circular No. 170/02/2022- GST dated 06.07.2022 has been issued.*

GSTR 3B (Changes in respect of ITC)

Current

4. Eligible ITC				
Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available (Whether in full or part)				
(1) Import of goods	₹ 0.00			₹ 0.00
(2) Import of services	₹ 0.00			₹ 0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(4) Inward supplies from ISD	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(5) All other ITC	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of SGST/CGST rules	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(2) Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00



(C) Net ITC Available (A)-(B)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(D) Ineligible ITC				
(1) As per section 17(5) of CGST//SGST Act	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(2) Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

Proposed

4. Eligible ITC				
Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available (Whether in full or part)				
(1) Import of goods	₹ 0.00			₹ 0.00
(2) Import of services	₹ 0.00			₹ 0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(4) Inward supplies from ISD	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(5) All other ITC	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(B) ITC Reversed				
(1) As per Rule 38, 42 and 43 of CGST Rules and sub-section (5) of section 17	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(2) Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(C) Net ITC Available (A)-(B)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B) (2) in earlier tax period	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

Important Points for consideration:

1. Registered person will report reversal of ITC, which are not permanent in nature and can be reclaimed in future subject to fulfilment of specific conditions, such as on account of rule 37 of the CGST Rules (non-payment of consideration to supplier within 180 days), section 16(2)(b) and section 16(2)(c) of the CGST Act in Table 4(B)(2)
2. Table 4 (B) (2) may also be used by registered person for reversal of any ITC availed in Table 4(A) in previous tax periods because of some mistake.
3. Such ITC may be reclaimed in Table 4(A)(5) on fulfilment of necessary conditions. Further, all such reclaimed ITC shall also be shown in Table 4(D)(1).
4. As can be seen in the proposed format that Reversal on account of subsection 5 of section 17 has to be shown in Table 4 (B)(1); therefore the same shall also be reported in the Table 4 A as ITC availed.

GSTR 3B

Current

3.1 Details of Outward Supplies and inward supplies liable to reverse charge					
<i>Nature of Supplies</i>	<i>Total Taxable value</i>	<i>Integrated Tax</i>	<i>Central Tax</i>	<i>State/UT Tax</i>	<i>Cess</i>
1	2	3	4	5	6
(a) Outward Taxable supplies (other than zero rated, nil rated and exempted)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(b) Outward Taxable supplies (zero rated)	₹ 0.00	₹ 0.00			₹ 0.00
(c) Other Outward Taxable supplies (Nil rated, exempted)	₹ 0.00				
(d) Inward supplies (liable to reverse charge)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(e) Non-GST Outward supplies	₹ 0.00				
Total	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

Proposed

3.1 Details of Outward Supplies and inward supplies liable to reverse charge (other than those covered in 3.1.1)					
<i>Nature of Supplies</i>	<i>Total Taxable value</i>	<i>Integrated Tax</i>	<i>Central Tax</i>	<i>State/UT Tax</i>	<i>Cess</i>
1	2	3	4	5	6
(a) Outward Taxable supplies (other than zero rated, nil rated and exempted)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(b) Outward Taxable supplies (zero rated)	₹ 0.00	₹ 0.00			₹ 0.00
(c) Other Outward Taxable supplies (Nil rated, exempted)	₹ 0.00				
(d) Inward supplies (liable to reverse charge)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
(e) Non-GST Outward supplies	₹ 0.00				
Total	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

3.1.1 Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts.

<i>Nature of Supplies</i>	<i>Total Taxable value</i>	<i>Integrated Tax</i>	<i>Central Tax</i>	<i>State/UT Tax</i>	<i>Cess</i>
1	2	3	4	5	6
(1) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of Section 9	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

(to be furnished by the electronic commerce operator)					
(2) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under the sub-section (5) of Section 9 (to be furnished by the registered person making supplies through electronic commerce operator)	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00

d. Clarification in respect of certain GST related issues – *Circular No. 172/04/2022- GST dated 06.07.2022 has been issued.*

- Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export
 - i. It has been clarified that in case refund of the tax paid on the inward supplies by the recipient of the deemed exports would not be subject to the provisions of section 17 of the CGST Act, 2017.
 - ii. It has also been clarified that ITC availed by the recipient of deemed export supply for claiming refund of tax paid on supplies regarded as deemed exports is not be included in “Net ITC” for computation of refund of unutilized ITC under rule 89(4) (i.e. Refund in case Exports without the payment of tax) & rule 89(5) (i.e. Refund in case of Inverted Duty Structure).
- Clarification on various issues relating to interpretation of section 17(5) of the CGST Act. Section 17(5)(b): As per the provision of this section, ITC is blocked on the following:
 - i. food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft, life insurance & health insurance
 - ii. membership of a club, health and fitness center &
 - iii. travel benefits extended to employees on vacation such as leave or home travel concession

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

Earlier, there was an ambiguity, whether the proviso is applicable to only (iii) or it is applicable to entire clause(b), but now this has been clarified, the proviso shall be applicable to all the above three parts.

Section 17(5)(b)(i): It is clarified that “leasing” referred in sub-clause (i) of section 17(5)(b) refers to leasing of motor vehicles, vessels and aircrafts only and not to leasing of any other items. Accordingly, availment of ITC is not barred under sub-clause (i) of section 17(5)(b) of the CGST Act in case of leasing, other than leasing of motor vehicles, vessels and aircrafts.

- Clarification on the issue of perquisites provided by employer to the employees as per

contractual agreement.

It has been clarified vide this circular perquisites provided by the employer to its employees in terms of contractual agreement entered into between the employer and the employee will not be subject to GST as the same has been agreed in the contract of employment entered between the employer and employee which is not considered as supply as per entry no.1 of schedule III.

- Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities

Electronic Credit Ledger:

It has been clarified that any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding under GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person.

It has also been clarified that as per section 49(4), the electronic credit ledger can be used for making payment of output tax only under the CGST Act or the IGST Act. It cannot be used for making payment of any interest, penalty, fees or any other amount payable under the said acts. Similarly, electronic credit ledger cannot be used for payment of erroneous refund sanctioned to the taxpayer, where such refund was sanctioned in cash.

Electronic Cash Ledger:

It has been clarified, as per section 49(3) of the CGST Act, the amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of the GST Laws.

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

- Notification No 10/2022- Central Tax dated 05.07.2022 has been issued to make this effective.

8. Two additional modes (UPI & IMPS) have also been recommended to be included for deposit of tax into Electronic Cash Ledger.

To give effect Clause (ia) and (ib) under Rule 87(3) has been inserted and amended Rule 87(5) of the CGST Rules, 2017.

- Notification No 14/2022-Central Tax dated 05.07.2022 has been issued to make this effective.

Annexure I

Description of Service	Old Rate	Amended Rate
<p>iii. Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Central Government, State Government, <i>Union territory or a local authority</i> by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,—</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for (i) water supply, (ii) water treatment, or (iii) sewerage treatment or disposal</p>	12%	18%
<p>iv. Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above], supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,—</p> <p>(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awas Yojana;</p> <p>(c) a civil structure or any other original works pertaining to the "In-situ redevelopment of existing slums using land as a resource, under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana (Urban);</p> <p>(d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction/enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(da) a civil structure or any other original works pertaining to the "Economically Weaker Section (EWS) houses" constructed under the Affordable Housing in partnership by State or Union territory or local authority or urban development authority under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana (Urban);</p> <p>(db) a civil structure or any other original works pertaining to the "houses constructed or acquired under the Credit Linked Subsidy</p>	12%	18%

<p>Scheme for Economically Weaker Section (EWS)/Lower Income Group (LIG)/Middle Income Group-1 (MIG-1)/Middle Income Group-2 (MIG-2)" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (Urban);</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or cremation of deceased.</p> <p>Provided that during the period beginning from the 14th June, 2021 and ending with the 30th September, 2021, the central tax on service of description as specified in clause (f), shall, irrespective of rate specified in column (4), be levied at the rate of 2.5 per cent.</p> <p>(g) a building owned by an entity registered under section 12AA or 12AB] of the Income-tax Act, 1961 (43 of 1961), which is used for carrying out the activities of providing, centralised cooking or distribution, for mid-day meals under the mid-day meal scheme sponsored by the Central Government, State Government, Union territory or local authorities.</p>		
<p>v. Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, or installation of original works pertaining to,—</p> <p>(a) railways, including monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under—</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(da) low-cost houses up to a carpet area of 60 square metres per house in an affordable housing project which has been given</p>	12%	18%

<p>infrastructure status vide notification of Government of India, in Ministry of Finance, Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March, 2017;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages.</p>		
<p>(va) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of affordable residential apartments covered by sub-clause (a) of clause (xvi) of paragraph 4 below, in a project which commences on or after 1st April, 2019, or in an ongoing project in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if), as the case may be, in the manner prescribed therein</p>	12%	18%
<p>(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, provided to the Central Government, State Government, <i>Union territory or a local authority</i> by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of—</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017.</p> <p><i>Explanation.</i>—For the purposes of this item, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.</p>	12%	18%
<p>(ix) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017</p>	12%	18%

provided by a sub-contractor to the main contractor providing services specified in item (iii) or item (vi) above to the Central Government, State Government, Union territory or a local authority.		
The conditions for prescribed for 12% in respect of all above services have been omitted now.		

Annexure II

(iii) Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used house hold goods for personal use) supplied by a GTA where,- (a) GTA does not exercise the option to itself pay GST on the services supplied by it;	5%	The credit of input tax charged on goods and services used in supplying the service has not been taken.
(b) GTA exercises the option to itself pay GST on services supplied by it.	5%	<p>(1) In respect of supplies on which GTA pays tax at the rate of 2.5%, GTA shall not take credit of input tax charged on goods and services used in supplying the service.</p> <p>(2) The option by GTA to itself pay GST on the services supplied by it during a Financial Year shall be exercised by making a declaration in Annexure V on or before the 15th March of the preceding Financial Year:</p> <p>Provided that the option for the Financial Year 2022-2023 shall be exercised on or before the 16th August, 2022:</p> <p>Provided further that invoice for supply of the service charging Central tax at the rates as applicable to clause (b) maybe issued during the period from the 18th July, 2022 to 16th August, 2022 before exercising the option for the financial year 2022-2023 but in such a case the supplier shall exercise the option to pay GST on its supplies on or before the 16th August, 2022.</p>
	Or	
	12%	