



**52nd GST COUNCIL MEETING
RECOMMENDATIONS**



Rate changes for Goods...

1. Food preparation of millet flour in powder form, containing at least 70% millets by weight. 5% if pre-packaged and labelled form and other than pre-packaged/labelled form to attract 0%.
2. To clarify that imitation zari thread or yarn made out of metallised polyester film /plastic film, falling under HS 5605, are covered by the entry for imitation zari thread or yarn attracting 5% GST rate
3. To reduce GST rate on molasses from 28% to 5%
4. Separate tariff HS code to be created at 8 digit level in the Customs Tariff Act to cover rectified spirit for industrial use.



Rate changes for Services...

1. GST exemption on water supply, public health, sanitation conservancy, solid waste management and slum improvement and upgradation supplied to Governmental Authorities.
2. To clarify that job work services for processing of barley into malt attracts GST @ 5% as applicable to "job work in relation to food and food products" and not 18%.
3. Bus operators organized by companies may be excluded from the purview of section 9(5) of CGST Act, 2017 i.e. services supplied through E-commerce operators (ECO).
4. To clarify that District Mineral Foundations Trusts (DMFT) set up by the State Governments across the country in mineral mining areas are Governmental Authorities and thus eligible for the same exemptions from GST as available to any other Governmental Authority.
5. Supply of all goods and services by Indian Railways shall be taxed under Forward Charge Mechanism to enable them to avail ITC.

Amnesty Scheme for filing of appeals

- **Eligibility:**
 - Taxable persons, who could not file an appeal under section 107 against the demand order under section 73 or 74 of CGST Act, 2017 passed on or before the 31st day of March, 2023, or
 - Whose appeal against the said order was rejected solely on the grounds that the said appeal was not filed within the time period specified in sub-section (1) of section 107.
- In all such cases filing of appeal by the taxpayers will be allowed against such orders upto 31st January 2024.
- The above would be allowed on the condition of payment of an amount of pre-deposit of 12.5% of the tax under dispute, out of which at least 20% (i.e. 2.5% of the tax under dispute) should be debited from Electronic Cash Ledger.

Personal Guarantee/ Corporate Guarantee

Personal Guarantee by directors

- Open Market value of guarantee provided by directors to the companies will be zero and hence no GST is payable on such transactions.

Corporate Guarantee

- Taxable value of supply of corporate guarantee provided between related parties as 1% of the amount of such guarantee offered, or the actual consideration, whichever is higher.
- Such transactions would include corporate/ bank guarantees provided by holding company to its subsidiary/ group companies and hence GST would be applicable on the same.
- It is not clarified is such amendment would be made prospective or retrospective.

Other Important Changes

1. Provision for automatic restoration of provisionally attached property after completion of one year.
2. Clarification on various issues related to Place of Supply
3. Clarify the admissibility of export remittances received in Special INR Vostro account, as permitted by RBI, for the purpose of services to qualify as export of services
4. Allowing supplies to SEZ units/ developer for authorized operations for IGST refund route.
5. Alignment of provisions of the CGST Act, 2017 with the provisions of the Tribunal Reforms Act, 2021 in respect of Appointment of President and Member of the proposed GST Appellate Tribunals.
6. Law amendment with respect to ISD as recommended by the GST Council in its 50th meeting



THANK YOU



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