



47th GST Council Meeting

The 47th GST council meeting was held as on 28th – 29th June, 2022, under the chairmanship of Union Minister for Finance and corporate affairs. The highlights of the discussion were GST rate rationalization, GST rates on betting, gambling, horse racing, online gaming and lottery, IT-related reforms and Trade facilitation.

Note: The reformed GST rates will be effective from 18th July 2022.

I. GST rates on Goods and Services

Sr. No	Description	Existing rate	Reformed rate
GOODS			
1	Printing, writing, or drawing ink	12%	18%
2	Knives with paper knives, cutting blades, pencil sharpeners and its blades, skimmers, cake-servers, spoons, forks, ladles, etc	12%	18%
3	Power-driven pumps primarily designed for handling water; for example, centrifugal pumps, deep tube-well turbine pumps, submersible pumps, and bicycle pumps	12%	18%

4	Ink for drawing, printing, and writing	12%	18%
5	Centrifugal pumps, submersible pumps deep tube-well turbine pumps, bicycle pumps that are power-driven mainly for handling water	12%	18%
6	Milking machines and dairy machinery, cleaning, sorting or grading machines and its parts for eggs, fruit or other agri produce	12%	18%
7	Marking out and drawing instruments	12%	18%
8	Tetra Pack (Aseptic Packaging Paper)	12%	18%
9	E-waste	5%	18%
10	Cheques, lose or in book form	NIL	18%
11	Pawan Chakki being air-based atta chakki, wet grinder, cleaning, sorting or grading machines for seeds and grain pulses, and milling machines or cereal making machines, etc;	5%	18%
12	Parts of goods of heading 8801	NIL	18%
13	Prepared/finished leather/chamois leather/composition leather	5%	12%
14	Petroleum/coal bed methane	5%	12%
15	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	12%
16	Ostomy appliances	12%	5%
17	Orthopedic appliances – splints and other fracture appliances; artificial parts of the body; other appliances that are worn or carried, or implanted in the body to compensate for a defect or disability; intraocular lens	12%	5%
18	Cut and polished diamonds	0.25%	1.5%
19	IGST on specified defence items imported by private entities/vendors, when end-user is the defence forces	Applicable rate	NIL
20	Scientific and technical instruments to public funded research institutes	5%	Applicable rate

Sr. No	Description	Existing rate	Reformed rate
SERVICES			
1	Services by foreman to chit fund	12%	18%
2	Works contract for railways, metro, roads, bridges, effluent treatment plant, crematorium, etc.	12%	18%
3	Works contract and sub-contract to the Central and state governments, local authorities for canals, dams, pipelines, plants for water supply, historical monuments, educational institutions, hospitals, etc	12%	18%
4	Job work for processing of hides, skins, leather, making of leather products including footwear, and clay brick manufacturing	5%	12%
5	Earthwork works contracts and sub-contracts to the Central and state governments, Union Territories and local authorities	5%	12%
6	Common bio-medical waste treatment facilities for treating or disposing biomedical waste shall be taxed with availability of ITC, like CETPs	NIL	12%
7	Hotel accommodation priced up to Rs.1,000 per day	NIL	12%
8	Renting of truck/goods carriage where fuel cost is included	18%	12%
9	Room rent (excluding ICU) exceeding INR 5,000 per day per patient charged by a hospital	NIL	5%
10	Transportation by rail or a vessel of railway equipment and material, storage or warehousing of commodities attracting tax such as copra, nuts, spices, jaggery, cotton, etc, fumigation in a warehouse of agri produce, services by RBI, IRDA, SEBI, FSSAI, and GSTN, renting of residential dwelling to GST-registered businesses, and services by the cord blood banks for preserving stem cells	NIL	Applicable Rate

11	Air transportation of passengers to and from north-eastern states and Bagdogra now restricted to economy class	NIL	Conditional
12	Training or coaching in recreational activities on arts or culture, or sports other than by individuals	NIL	Applicable Rate

II. Measures related to Trade facilitation

Supplies obtained from E-commerce retailers.

From January 1, 2023, suppliers who supplies goods through e-commerce operators (ECO) will be given the following relaxations:

- **The following two requirements must be met in order to provide a waiver from the obligation for mandatory registration:**
 - On an all-India basis, the total turnover does not exceed the limit.
 - The ECO doesn't make any taxable interstate supplies.
- **Subject to a few conditions, composition taxpayers will be permitted to conduct intra-state supply through the ECO.**

III. Changes pertaining to GST refunds

- **Refund under the inverted duty structure:** These refunds are proposed for ITC on input services as well.
- **IGST refunds claims:** for expeditious disposal of IGST refund claims withheld due to identification and verification of the risky exporter by the GST officers, amendment to rule 96 of CGST is proposed which facilitate the refunds to be transmitted online to the relevant GST authorities.
- **Re-crediting an erroneously issued refund to the electronic credit ledger:** A new FORM GST PMT-03A is proposed for the circumstances where erroneously sanctioned refund amounts to taxpayers are submitted by them combined with interest and penalties. This form will enable the taxpayers to receive re-credit for the amount of the incorrect refund that they gave back as a result.
- **Refund of ITC on electricity:** Refund of unused ITC due to electricity export suggested to be permitted

IV. Compliances Measures

- Retrospective changes to interest-related laws (as approved by the Finance Act of 2022) are planned to be made as soon as possible, and clearer interest-calculation procedures have been advocated.
- The Finance Act of 2022 approved a change to the GST law that pertains to the earliest possible notification of the transfer of balances from a registered person's electronic cash ledger to a distinguished person's electronic cash ledgers for CGST and IGST.

- For FY21–22, it is proposed to exclude taxpayers having adjusted annual revenue up to INR 2 crore from filing annual returns in FORM GSTR-9/9A.
- It is proposed to do away with the requirement for a proportionate ITC reversal on the supply of duty credit scrips.
- Once all pending returns have been filed, a provision for automatic lifting of suspension of GST registration is proposed.
- Proposals for broad improvements to Form GSTR-3B will be made public in order to receive feedback and ideas from stakeholders.
- The limitation period for issuing of an order under section 73 of the CGST Act for the fiscal year (FY) 2017–18 in relation to other demands related with the annual return due date will be extended until September 30, 2023.

V. Extensions of the deadline for taxpayers.

Instead of the former extension of up to 30 June 2022, GSTR-4 for FY 2021–22 will now receive a waiver of the late charge for submitting until July 28, 2022.

The CMP-08 deadline for April–June 2022 (Q1 of FY 2022-23) has been extended from July 18–July 30, 2022.

VI. Miscellaneous decisions

- After a thorough analysis of its structure, the GST Council will convene a Group of Ministers (GoM) to discuss the possibility of establishing GST Appellate Tribunals.
- To ensure that non-compliant taxpayers could be identified at an early stage and that the appropriate action would be taken to minimize risk to the exchequer, GoM on IT reforms, among other things, recommended that GSTN put in place an AI/ML based mechanism to verify the antecedents of registration applicants and an improved risk-based monitoring of their behavior after registration.
- It is suggested to allow the goods transportation agency the choice to pay GST at a rate of 5% or 12% under a forward charge; this option would be exercisable at the start of the fiscal year. It is also proposed to keep the RCM option in place.

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