

# Remarkable Decisions Taken in 22nd GST Council Meet

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GST in its 22<sup>nd</sup> Council Meeting took remarkable decisions. After approx 3 months of roll out of GST, taxpayers are facing problems. In order to ease out these problems, significant changes has been made.

In this write-up, highlights of the changes taken in 22<sup>nd</sup> GST council meet will be discussed:

## ♣ Increase in threshold limit under composition scheme

The turnover limit under composition scheme has been raised from Rs. 75 lakh to Rs. 1 crore.

## ♣ Big relief to exporters

Exporters were continuously facing liquidity issue. Keeping in view of the issues, refund process will be started as per the following schedule:

For the month of	Scheduled date for refund process
July	By 10 <sup>th</sup> October, 2017
August	By 18 <sup>th</sup> October, 2017

## ♣ E-way bill

E- way bill provisions deferred till April, 2018.

## ♣ Quarterly returns

Another remarkable change in GST, quarterly returns for taxpayers with annual turnover less than Rs 1.5 crores. Tax to be paid on monthly basis.

## ♣ Shifting of liability under RCM

Reverse charge mechanism shifts the liability to pay the tax on the buyer rather than the seller.

## ♣ E-wallets

“As a long term solution, an e-wallet will be created for every exporter where a notional amount will be given in advance...the refund will be offset later against that amount,” Jaitley said. The e-wallet option will be launched by 1st April, Jaitley added.

## ♣ Revised rates

Name of commodity	Present Rate	GST Rate Recommended by the GST Council
Unbranded namkeen, unbranded ayurvedic medicine, sliced dried mango and khakra	12%	5%

Man-made yarn used in textile sector	18%	12%
Stationery items, stones used for flooring (other than marble and granite), diesel engine parts and pump parts	28%	18%
E-waste	28%	5%
Food packets given to school kids under Integrated Child Development Scheme (ICDS)	12%	5%
Job works like zari, imitation, food items and printing items	12%	5%
Government contracts involving high amount of labour	12%	5%
AC Restaurant	18%	12%
Poster colours	28%	18%
Modelling paste for children amusement	28%	18%
Plastic waste, parings or scrap	18%	5%
Paper waste or scrap	12%	5%
Duty credit scrips	5%	Nil
Sewing thread of manmade filaments, whether or not put up for retail sale	18%	12%
All goods falling under heading 6802 [other than those of marble and granite or those which attract 12% GST]	28%	18%
Cullet or other waste or scrap of Glass	18%	5%
Fittings for loose-leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal	28%	18%
Plain Shaft Bearing 8483	28%	18%
Parts suitable for use solely or principally with fixed Speed Diesel Engines of power not exceeding 15HP	28%	18%
Parts suitable for use solely or principally with power driven pumps primarily designed for handling water, namely, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps	28%	18%
Biomass briquettes	18%	5%

♣ IGST exemption on imports of goods:

Description	Present Rate	GST Rate Recommended by the GST Council
IGST exemption on imports of rigs imported for oil / gas exploration and production projects under lease, subject to the following conditions that:  (i) Integrated tax leviable under section 5(1) of the IGST Act, 2017 on supply of service covered by item 1(b) or 5(f) of Schedule II of the Central Goods and Services Tax Act, 2017;  (ii) The rig is not sold without the prior permission of the Commissioner of Customs of the port of importation;  (iii) to re-export the goods within 3 months from the expiry of the period for which they were supplied under a transaction covered by item 1(b) or 5(f) of Schedule II of the Central Goods and Services Tax Act, 2017 out of India;  (iv) to pay on demand an amount equal to the integrated tax payable on the said goods but for the exemption under this notification in the event of violation of any of the above conditions and applicable interest.	5%	Nil
Exemption from IGST on imports of medicines supplied free by international agencies like UNICEF, WHO, Red Cross etc.	12%/5%	Nil
Exemption from IGST on imports of <i>bona fide</i> gifts upto CIF value limit of Rs. 5000 imported through post or air.	28%	Nil

♣ Service providers with revenue below Rs 20 lakh have been exempted from IGST as well.

#### Author's Comment

After the conclusion of 22<sup>nd</sup> GST council meet, it can be easily concluded that these decisions were need of the hour, because inspite of extension of deadline of various due dates, taxpayers were continuously facing problems. It seems that these changes will definitely solve the issues of taxpayers to a large extent especially to the exporters.

Hope this information will help you in your Professional endeavors. For further assistance/query, feel free to write to us.\_

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