

The GST Council in its 47th meeting held on 28th and 29th June, 2022 recommended various key legal and procedural changes including changes in GST rates of various Goods and services and issued various clarifications regarding Exemptions and streamlining compliances under GST and Trade facilitations.

In the light of the changes, amendments and interpretations of the Act, we have brought a relevant change in the form of summary for your reference.

The Rate changes by the 47th GST council will be made effective from 18th July 2022 and other Recommendations are yet to be notified by the department and are as follows-

A number of goods and items are set to attract GST after the council approved changes in the tax rates with effect from July 18, 2022. Here's is a list of items on which either the GST rate has been tweaked or exemption from GST has been withdrawn by the council:

Please note that the date of effect for change in rate is recommended as 18/07/2022 and yet to be notified, which will be confirmed and taken as final only upon issuance of Notification/ circulars in this regards.

Details of the recommendation by the council meeting, discussed as below.

1) Withdrawal of Exemption on following list of supplies-

Sr No	Particulars	Old rate	New rate	EAP remarks
1	Unbranded Food items/food grains or which have forgone their right to term as branded which are prepackaged or pre-labeled retail pack including Curd, lassi and buttermilk.	NIL	Applicable rate as per HSN code of product.	Previously Only food items /grains registered Brand or Brand name on which actionable claim or enforceable right in court of law were taxable under GST act. Now onwards it will also include all kinds of Pre labeled and prepackaged food items (in terms of Legal Mertology Act) in the purview of GST taxability, unless otherwise specified elsewhere in exemption notification. Unpacked, unlabeled and unbranded Food items continue to remain exempt from GST.
2	Cheques, lose or in book form	NIL	18%	Change in rate from 0% to 18%. HSN Chapter -4907
3	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	12%	Change in rate from 0% to 12%. HSN Chapter -4905.
4	Parts of goods of Heading 8801- Balloons and dirigibles, gliders and other non-powered aircraft.	NIL	18 %	Change in rate from 0% to 18%.

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5	Transport of passengers by air to and from North eastern states and Bagdogra by other than economy class	NIL	Applicable rate	Exemption is restricted to travel by Economy class only. i. e if you provide transportation service of passengers by air through other than economy class 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 then GST implication will be applicable.
6	Transportation of railway equipment and material by rail or vessel	Nil	Applicable Rate	Withdrawal of exemption
7	Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)	Nil	Applicable rate	Withdrawal of exemption
8	Fumigation in a warehouse of agricultural produce.	NIL	Applicable rate	Withdrawal of exemption
9	Services by RBI,IRDA,SEBI,FSSAI,	NIL	Applicable rate	Withdrawal of exemption
10	GSTN	NIL	Applicable rate	Withdrawal of exemption
11	Renting of residential dwelling to business entities (registered persons).	NIL	Applicable rate	Earlier all kind of renting for residential purpose were exempt. By this recommendation, exemption is withdrawn if the service is provided to business entity i.e registered person. If the renting service for residential purpose is provided to non-Business Entity, then same will be covered by exemption.

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12	Services provided by the cord blood banks by way of preservation of stem cells	NIL	Applicable rate	Withdrawal of exemption
13	Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of biomedical waste	NIL	12%	Withdrawal of exemption. In order to allow ITC to such treatment facilities, 12% GST tax rate is made applicable.
14	Hotel accommodation priced upto Rs. 1000/day.	NIL	12%	Earlier Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having tariff of a unit of accommodation below one thousand rupees per day or equivalent were exempt from GST implications. i.e. only if the tariff per day above Rs 1000 were taxable. By removing the exemption, all such services will be taxable irrespective of the tariff rate.
15	Room Rent (Excluding ICU) exceeding Rs 5000 per day per patient charged by a hospital to the extent of amount charged for the room	NIL	5%	Tax will be applicable if – <ul style="list-style-type: none">• Rent exceeds Rs 5000 per day per patient.• ITC will not be available on such supply.
16	Tax exemption is on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by individual	NIL	Applicable rate	Exemption is available only if such training or coaching is supplied by individual. So the Various rotary club and sports clubs providing coaching facility will now become taxable. Awaiting Notification/circulars for more details to know if the clubs/ fitness centers enjoying exemption will no more be able to claim now.

2) Withdrawal of Concessional rate of following supply of Goods or services-

Sr no	Particulars	Old rate	New rate	EAP remarks
1	Petroleum/ Coal bed methane	5%	12 %	Removal of Concessional rate
2	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate	“Public funded research institution” means a research institution in the case of which not less than fifty per-cent. of the recurring expenditure is met by the Central Government or the Government of any State or the administration of any Union territory; Awaiting Notification to know if the concessional rate withdrawn on Accessories, parts & Other Goods also as per earlier Notification No.45/2017.
3	E-WASTE	5%	18%	GST on e-waste increased to 18 per cent from earlier rate of 5 per cent. e- waste means electrical and electronic equipment listed in Schedule I of the E-Waste (Management) Rules, 2016, whole or in part if discarded as waste by the consumer or bulk consumer

3) Clarification in relation to GST rate on various Goods and services-

i. Supply of Ice cream on Ice cream parlors-

- **Ambiguity-** There was a dispute whether supply of ICE-CREAM was supply of goods or service or Both and tax rate applicable will be 5% or 18 %.

45th GST council meeting recommended that that where ice cream parlors sell already manufactured ice-cream and do not cook/prepare ice-cream for consumption like a restaurant, it is supplied 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 parlor or any similar outlet would attract GST at the rate of 18%.

Recommendation-

To remove the rate litigation, rate is regularized as follows-

Period	GST rate
1 st July 2017 to 5 th October 2021	5%
6 th October 2021 onwards	18%

ii.Application fees charged for following purpose by universities will be exempt from GST purview-

- Entrance
- Issuance of eligibility certificate for admission
- Issuance of migration certificate

iii. Following entries are added to exemption notification 12/2017 CT rate

- Ginned or baled fibre are included in the category of raw material and covered in **entry 24B**.
- Services associated with transit cargo both to and from Nepal and Bhutan are covered under **entry 9B**.
- Services in form of Assisted Reproductive Technology(ART)/In vitro Fertilization (IVF) are covered under definition of health care services. Hence exempt from GST.
- Sewage treated water is exempted from GST. Further it is also clarified that it is not the same as purified water as mentioned in Sr no 99 of notification 2/2017- CT Rate.

- iv. Sale of Land after leveling, laying down of drainage lines etc. is sale of land and does not attract GST. Such sale will be considered as Non GST supply and form part of Schedule III negative list.
- v. Renting of motor vehicle for transport of passengers to a body corporate for a period, where it is taxable in the hands of body corporate under RCM.

Description	Service Provider	Service Receiver	Applicability
Renting of Motor vehicle for transport of passengers.	Any person	Body Corporate	Covered under Reverse charge.

vi.Applicability of Concessional rate on following supplies-

Sr no	Particulars	Rate applicable	EAP remarks
1	Electric vehicle whether or not fitted with battery pack	5%	
2	Fly ash Bricks – irrespective of fly ash content	12% with ITC and 6% without ITC	Current Provision- Earlier the concessional rate would apply only if there was 90% or more Fly ash content. Additional concession would depend on whether ITC availed or not. Recommendation- Now they have removed the condition of minimum requirement of fly ash content. I.e irrespective of content of Fly ash.

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3	Fly Ash Aggregate	12% with ITC and 6% without ITC	Current Provision- Earlier the concessional rate would apply only if there was 90% or more Fly ash content. Additional concession would depend on whether ITC availed or not. Recommendation- The condition of 90% content is being omitted.
4	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%	As per the original entry, concessional rate of 5% is not available if the stones are mirror polished. Recommendation- Minor polish which does not result in mirror polish will continue to enjoy the benefit of 5%.
5	All forms of mangoes covered in chapter 0804 including mango pulp but excluding Mango sliced and diced	12%	Raw and fresh mangoes are still exempt from GST.
6	Nicotine Polarilex Gum	18%	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion are charged at 28 % whereas Nicotine Polarilex Gum is charges at concessional rate of 18%.
7	Selling of space as souvenirs published in form of books.	5%	Current Provision- As per press release by ministry for Selling of Space for advertisement in print media-selling of supply of space for advertisement in newspaper on principle to principle basis that is, buys space from the newspaper and sells such space for advertisement to clients on its own account are taxed at concessional rate of 5%.

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			Recommendation- Now selling of space as souvenirs published in forms of Books will also be covered for concessional rate @ 5%.
8	Additional Fee Collected in form of higher toll charges of vehicle not having fastag.	Nil	As toll charges are exempt from purview of GST , hence Additional fees collected will also be exempt supply.
9.	Services provided by guest anchors to TV channels in lieu of Honorarium .	Applicable GST.	
10	Renting of vehicle for transportation of goods with operator classified in heading 9966 where cost of fuel is included in the consideration charged	12 %	Current provision- GST rate of 18% was applicable on such supplies. Recommendation- If the cost of fuel is included in the consideration, then lower rate of 12% will be applicable on such supplies.
11	Location charge / Preferential location charge (PLC) are part of consideration charged for long term lease of land.	18% under Reverse charge mechanism	As per the Notification no 04,05,06/2019 CT Rate-dated 26/03/2019, In case of lease premium, liability to pay the GST is under RCM, therefore GST is to be paid by the service recipient. As PLC will be treated same as long term lease of land under GST, hence RCM will be applicable on same.

4) Other Miscellaneous Changes-

i. Taxable services by Department of Post-

Current Provision-

All Taxable Services supplied by the Department of Posts to a business entity excluding by way of -

- Speed post
- Express parcel post
- Life insurance
- agency services provided to a person other than Central Government, State Government or Union territory or local authority; are taxable under **Reverse Charge Basis. i.e. GST will be paid by Recipient of service.**

Recommendation-

All taxable service of Department of post would be subject to **Forward charge.**

EAP remarks-

Till date only specific services were covered in the forward charge like speed post express parcel post, LIC or agency service provided and all other taxable service, if provided to business entity were covered by Reverse charge.

After the recommendation, all taxable service will be covered under Forward charge basis.

ii. Goods Transport Agency-

- A. **Services of Goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use)** have option to pay tax under forward charge at following rate depending on availment of Input Tax Credit-
- i. **GST Rate 5%** – Provided that credit of input tax charged on goods and services used in supplying services are not taken by GTA.
 - ii. **GST Rate 12%** – Provided that the goods transport agency opting to pay tax @ 12% shall thenceforth be liable to pay tax @ 12% on all the services of GTA supplied by it and they can claim Input Tax credit on supplying such services.
- B. GTA also has option not to pay GST in forward charge and choose Reverse charge option, where Recipient of service will be liable to pay GST.

Recommended Provision-

GTA if chooses forward charge option then, he has to select option (i) GST @ 5% without ITC or option (ii) GST @ 12% with ITC at the beginning of Financial year.

Additional Condition of exercising option at the beginning of the Financial year is recommended by the GST Council.

iii. Services provided by Indian Tour operator to a Foreign tourist for Tour partially in India and partially outside India-

Recommended Provision-

Service provided by Indian Tour operator to a foreign resident for Tour partially in India and partially outside India is subject to tax proportionate to the tour conducted in India for such foreign tourist subject to certain conditions that this concession does not exceed half of tour duration.

EAP Remarks-If the service provider is Indian Tour Operator and Service recipient is Foreign resident. The tour is conducted partially in India partially outside India. GST will be applicable on proportion of tour conducted in India. In a relief given to mixed local and foreign tour packages offered to a foreign tourist, the proportionate value of the foreign component of the tour may be exempted from GST. Provided the Concession does not exceed half of the tour duration.

Let us try to understand the provision through an e.g.

Indian tour operator "Trivago" provides the tour service to Mr. Robert, which is resident of London. Tour is for total 30 days of which 20 days' tour will be conducted in INDIA and next 10 Days in Srilanka. In these case Trivago is available for concession. Tax will be applicable proportionate to 20 days, which were spent in India.

If the tour conducted in India is for 10 Days and tour conducted in Srilanka is for 20 days, then also concession will be restricted to 15 days (half of the tour duration).

Previously there was no specific clause for mixed local and foreign tour packages. By adding this provision, it will provide some relief in compliances to India Tour Operator and boost tourism industry.

5) GST Rate changes in respect Works Contract-

Sr. no	Particulars	Old rate	New rate
1	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
2	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%
3	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

EAP Remark-

Previously the department excluded services supplied to Government authority or Government entity from concessional rate (w e f 01.01.2022) and. Now by introducing the above recommendation, further more concessional rate applicable on works contract are removed.

6) GST Rate changes in respect Job Work for rationalization to remove inverted duty structure

Sr no	Particulars	Old rate	New rate
1	Job work in relation to processing of hides, skins and leather	5%	12%
2	Job work in relation to manufacture of leather goods and footwear	5%	12%
3	Job work in relation to manufacture of clay bricks	5%	12%

7) Rate Rationalization to remove inverted duty structure/ Rate changes recommended for Goods-

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 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 fixture, their metal printed circuitsboard;	12%	18%
7.	Drawing and marking out instruments	12%	18%
8.	Solar Water Heater and system;	5%	12%
9.	Prepared/finished leather/chamois leather / compositionleathers;	5%	12%
10.	Ostomy Appliances	12%	5%
11.	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%
12.	Tetra Pak (Aseptic Packaging Paper)	12%	18%

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13.	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5%/18 %	18%
14.	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	Nil
15.	Cut and Polished diamonds	0.25%	1.5%
16	IGST on specified defense items imported by private entities/vendors, when end-user is the Defense forces.	Applicable rate	Nil
Services			
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%

8) Refund of accumulated ITC not to be allowed on flowing goods:

- i. Edible oils
- ii. Coal

9) Measures for Trade facilitation-

Sr. no.	Changes	Previous provisions	Recommendation	EAP Comments
1.	Waiver of requirement of mandatory registration under section 24(ix) of CGST Act for person supplying goods through ECOs	As per Section 24(ix) of the CGST Act, 2017, every person supplying goods through an ecommerce operator shall be mandatorily required to register irrespective of the value of supply made by him	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- i. 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. ii. the person is not making any inter-State taxable supply	It means that it is not mandatory to obtained GST registration under the GST act for person supplying goods through ecommerce operator, the aggregate turnover on all India basis does not exceed the turnover of Rs twenty lakh (For special category state the limit is Rs ten lakh) as specified under CGST Act and notifications issued thereunder AND The person is not making any inter-State taxable supply
2.	Composition taxpayers would be allowed to make intra-State supply through e-commerce.	One of the condition for opting for composition scheme is a person should not make inter-state supply.	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.	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	As per rule 89(5) of CGST Rule 2017, formula for claiming refund under inverted rated structure- Maximum refund= {(Turnover of inverted rated supply of goods and services) x Net ITC/Adjusted total turnover}-Tax payable on such inverted rated supply of goods and services. Where Net ITC means Input tax credit availed on input during the relevant period.	As per the proposed amendment 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.	This would help those taxpayers who are availing ITC on input services also. Not yet notified. Details will be provided about the provision after notifying the said provision by government
4.	Amendment in CGST Rules for handling of pending IGST refund claims	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	As per proposed amendment in rule 96 of CGST Rule,2017 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.	It means that where any exporter is identified as risky exporter. If refund claimed in respect of such export of goods are withheld/suspended, then such IGST refund will be transmit 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.

5.	Re-credit of amount in electronic credit ledger	No provision for re-credit of amount in electronic credit ledger in case where erroneous refund amount sanctioned to a taxpayer in contravention of rule 96(10) of the CGST Rules.	As per Proposed amendment in case 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 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. This will enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.	In case if any exporter of goods wrongly claimed refund of IGST paid on zero rated supply of goods and services in contravention of rule 96(10) of CGST Rule, then such exporter requires to deposit refund amount received erroneously along with interest. For re-credit of such refund amount to electronic credit ledger new Form GST PMT-03 is introduced.
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<p>6.</p>	<p>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 section 50(3) and section 43(10) of CGST act 2017</p>	<p>(i)As per section 50(3) of CGST act a taxable person who make an undue or excess claimed of input tax credit section 42(10) or excess reduction in output tax liability under section 43(10) shall pay the interest on such excess claimed as the case may be at the such rate not exceeding 24% as may be notified by government on the recommendation of council.</p> <p>(ii) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for IGST, CGST, SGST, UTGST or cess, in such form & manner and subject to such conditions and restrictions as may be prescribed and such</p>	<p>(i)There is 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.</p> <p>(ii)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</p>	<p>(i) It means that interest on excess claimed of ITC will be applicable only when ITC is utilized and not if the ITC is availed. This provision is effective from 01.07.2017. 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</p> <p>(ii) Section 49(10) had initially allowed taxpayers to transfer the balance of tax, interest, penalty, or other amounts in the electronic cash ledger towards CGST, SGST/UTGST, IGST or cess liabilities, subject to conditions. The amendment now allows taxpayers to transfer such balances between distinct persons in the electronic cash ledger. This means that a registered person with a GSTIN can now transfer their balance in an electronic cash ledger to another GSTIN under the same PAN. Taxpayers with</p>
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		transfer shall be deemed to be a refund from the electronic cash ledger under this Act.”		cash balances can transfer to another person who has output tax liability.
7.	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:	<p>(i) GSTR-4 is a GST Return that has to be filed by a composition dealer. GSTR 4 has to be filed on an annual basis. The due date for filing GSTR 4 is 30th of April following the relevant financial year.</p> <p>(ii) For composition dealer, The due date for filing quarterly return in the Form GST CMP-08 is 18th of the month following the quarter for which tax payment needs to be made by the composition dealer</p>	<p>(i) 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 (<i>The existing waiver is for the period from 01.05.2022 till 30.06.2022</i>)</p> <p>(ii) 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.</p>	<p>(i) This means that no late fees will be applicable if annual return of composition dealer in the form GSTR 4 is filled up to 28.07.2022.</p> <p>If there is delay in filling annual return After 28.07.2022, the late fees will be applicable RS 50 per day</p> <p>(ii) There is extension of due date for filing quarterly return in the form CMP-08 for the period April 2022 to June 2022 from 18.07.2022 to 31.07.2022.</p>

- **Certain Clarification issues regarding refund related issues-**

1. In respect of refunds pertaining to supplies to SEZ Developer/Unit, an Explanation to be inserted in sub-rule (1) of rule 89 of CGST 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.
2. 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 notifications to be rescinded accordingly.
3. **Time period from 01.03.2020 to 28.02.2022 to be excluded** from calculation of the limitation period **for filing refund claim**, as well as **for issuance of demand/ order (by proper officer) in respect of erroneous refunds** under section 73 of CGST Act. Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, **to be extended till September 30, 2023.**
4. Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export.
5. **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.

- **Following clarifications and explanations are issued to remove ambiguity and legal disputes on various issues-**

1. Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.
2. Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
3. 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.**
4. Clarification on various issues relating to interpretation of section 17(5) of the CGST Act
5. Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement
6. Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities

7. 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.
8. 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.
9. UPI & IMPS to be provided as an additional mode for payment of Goods and Services Tax to taxpayers under Rule 87(3) of CGST Rules.

- **Measures for streamlining compliances in GSG**

1. 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. (Amendment in rule 21A).
2. Proposal for comprehensive changes in **FORM GSTR-3B** to be placed in public domain for seeking inputs/suggestions of the stakeholders.
3. **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.**
4. **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.**
5. **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 tax payers could be identified in their infancy and appropriate action be taken so as to minimize risk to exchequer.**

Request you to kindly go through the above provisions and make a note of the same which are in the nature of recommendations yet to be notified.