



Highlights of decisions taken by the GST Council in its 25th Meeting

The GST Council in its 25th Meeting on 18th January 2018 held at New Delhi recommended significant facilitative changes in order to provide relief to the taxpayers.

Policy changes:

- The facility for generation, modification and cancellation of e-way bills has been started on trial basis on the portal **ewaybill.nic.in**. After its full-fledged operation, it will start functioning on the portal **ewaybillgst.gov.in**
- Certain modifications have been made in the e-way bill rules for nationwide inter-State movement of goods with shall be effective from 01.02.2018. Further, for intra-State movement of goods, separate dates are to be announced for each State which shall not be later than 01.06.2018
- For taxable persons who have obtained voluntary registration, one year lock-in period restriction has been removed i.e. they are now permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration
- For cancellation of registration of migrated taxpayers, the last date for filing FORM GST REG-29 shall be extended by further three months till 31.03.2018
- The report and recommendations submitted by the Committee on Handicrafts were also accepted by the GST Council.



Few Clarifications:

- It has been clarified same rate of GST will be applicable on leasing or rental of goods and supply of like goods involving transfer of title in the said goods. Therefore, the GST rate for the rental services of self-propelled Access Equipment (Boom Scissors / Telehandlers) is 28%
- Further, it has been clarified that:
 - Services provided by senior doctors / consultants / technicians hired by the hospitals, whether employees or not, fall under healthcare services and it is exempt
 - Hospitals also provide healthcare services. The entire amount charged by them from the patients including the retention money and the fee/payments made to the doctors etc. is towards the healthcare services provided by the hospitals to the patients and is exempt
 - Food supplied to the patients as advised by the doctor / nutritionists is a part of composite supply of healthcare and not taxable
 - However other supplies of food by a hospital to patients (not admitted) or their attendants or visitors is taxable
- GST council clarifies that GST @ 28% will be payable on services by way of –
 - Admission to entertainment events or access to amusement facilities including casinos, race-course
 - Ancillary services provided by casinos and race-course in relation to such admission
 - Services given by race-course by way of totalisator (if given through some other person or charged separately as fees for using totalisator for purpose of betting)
 - Further, Services given by race-course by way of license to bookmaker which is not a service by way of betting and gambling is taxable at 18%

Recommendations on GST Rate changes on Services:

Nature of Service	New Rate
Supply of services by way of providing information under RTI Act, 2005	0%
Legal services provided to Government, Local Authority, Governmental Authority and Government Entity	0%
Tailoring service	5%
Admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet	18%
Service by way of transportation of goods from India to a place outside India by air	0%
Service by way of transportation of goods from India to a place outside India by sea and further provide that value of such service may be excluded from the value of exempted services for the purpose of reversal of Input Tax Credit (ITC)	0%
GST rate on transportation of petroleum crude and petroleum products (MS, HSD, ATF) through pipe line	5% (Without ITC) 12% (With ITC)
Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity.	12%
Mining or exploration services of petroleum crude and natural gas and for drilling services in respect of the said goods	12%

Recommendations on GST Rate changes on Goods:

- GST rate on old and used motor vehicles [medium and large cars and SUVs] on the margin of the supplier, reduced to 18% from 28% subject to the condition that no input tax credit of central excise duty / value added tax or GST paid on such vehicles has been availed by him.
- Similarly, GST rate on old and used motor vehicles [other than medium and large cars and SUVs] has been reduced to 12% from 28%
- GST rate on Buses which exclusively run on bio-fuels and to be used for public transport reduced to 18% from 28%
- Few other goods on which GST rate reduced from 18% to 12%
 - Sugar boiled confectionary
 - Drinking water packed in 20 liters bottles
 - Fertilizer grade Phosphoric acid
 - Bio-diesel
 - Bamboo wood building joinery
 - Drip irrigation system including laterals, sprinklers
 - Mechanical Sprayer
- GST rate on Diamonds and precious stones reduced to 0.25% from 3%

Products at NIL rate of tax

- Vibhuti
- Parts and accessories for manufacture of hearing aids
- De-oiled rice bran

Increase in GST rates

- The list of goods on which the tax rates have been increased are:
 - Cigarette filter rods – GST rates increased from 12% to 18%
 - Rice bran (other than de-oiled rice bran) - GST rates increased from NIL to 5%

Relevant Notifications for such revision with effect from 25th January 2018 is expected shortly

Please [click here](#) to read Press Release on the policy changes recommended by the GST Council

Please [click here](#) for the Press Release on recommendations made by the GST Council relating to service

Please [click here](#) for the Press Release on recommendations made by the GST Council relating to goods

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