

KEY HIGHLIGHTS OF THE 49th GST COUNCIL MEETING

The 49th Meeting of the GST Council was held on February 18, 2023 at New Delhi under the chairpersonship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman.

Key recommendations made by the GST Council in its 49th Meeting:

1. The Government decided to clear the entire **GST compensation** of INR 16,982 crore for June 2022 from its own resources and the same will be recouped from the future compensation cess collection
2. The GST Council adopted the report of Group of Ministers ('GoM') to constitute **GST Appellate Tribunal** with certain modifications. The proposed amendments to the GST laws will be circulated to the members for comments
3. The Council approved report of GoM on **Capacity Based Taxation** and **Special Composition Scheme** for certain commodities (such as pan masala, gutkha, chewing tobacco etc.) and approved the following recommendations to plug the leakages and improve the revenue collection:
 - a. capacity based levy not to be prescribed;
 - b. compliance and tracking measures to be taken to plug leakages / evasions;
 - c. exports of such commodities to be allowed only against Letter of Undertaking (LUT) with consequential refund of accumulated Input-tax Credit (ITC);
 - d. compensation cess levied on such commodities to be changed from ad-valorem to specific tax based levy
4. **GST rate changes:**
 - a. Goods:

SI	Goods	From	To
1	Rab (type of liquid jaggery)	18%	<ul style="list-style-type: none"> • 5% - pre-packaged & labelled • NIL – otherwise • Past period GST payments to be regularized on 'as is basis'
2	Pencil Sharpener	18%	12%

- b. No separate Integrated Goods and Service Tax (IGST) to be levied on containers on which tag-tracking device or data logger is already affixed. Customs notifications to be amended accordingly

- c. **GST Compensation Cess** exemption benefit extended to cover both coal rejects supplied to & by a coal washery, arising out of coal on which compensation cess has been paid and no input tax credit thereof has been availed by any person
- d. GST exemption available to educational institutions extended to any authority, board or a body set up by the Central or State Government including National Testing Agency for conduct of entrance examination for admission to educational institutions
- e. GST under Reverse Charge Mechanism (RCM) extended to Courts & Tribunals for supply of taxable services such as renting of premises to telecommunication companies for installation of towers, renting of chamber to lawyers etc.

5. Trade facilitation measures:

- a. time limit for revocation of cancellation of registration application increased from 30 days to 90 days which may be extended further up to 180 days
- b. amnesty may be provided in past cases where registration was cancelled for non-filing of the returns and revocation application could not be filed subject to conditions

6. Best judgement assessment:

- a. Best judgement assessment order deemed to be withdrawn if the relevant return is filed within 60 days (increased from 30 days) of service of the said assessment order. The said period is extendable by another 60 days subject to certain conditions
- b. Amnesty scheme for past cases where the belated return has been filed along with interest and late fee irrespective of whether appeal has been filed or decided

7. Rationalization of Late fee for Annual Return in Form GSTR 9 for FY 2022-23

Aggregate Turnover	Daily Late Fee Limit	Max Late Fee Limit
Upto INR 5 crore	INR 50 / day (INR 25 CGST + INR 25 SGST)	Subject to maximum of 0.04% (0.02% CGST + 0.02% SGST) of the turnover in State / UT
More than INR 5 crore and up to INR 20 crore	INR 100 / day (INR 50 CGST + INR 50 SGST)	

8. Amnesty scheme for pending returns in Forms GSTR-4, GSTR-9 and GSTR-10 by way of conditional waiver or reduction of late fee to provide relief to a large number of taxpayers

9. Rationalization of provision of place of supply of services of transportation of goods:

Where location of supplier of services or location of recipient of services is outside India, the place of supply of services of transportation of goods shall be the location of the recipient of services

The recommendations of the GST Council would be given effect through relevant Circulars / Notifications / Law amendments which alone shall have the force of law. Please [Click Here](#) to read the Press Release.

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