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Newsflash: Highlights - 23th GST Council Meeting

The 23rd Goods and Services Tax (GST) council meeting was held on 10 November 2017 at Guwahati. In the said meeting the GST council has proposed major relief in GST rates for certain goods and services along with simplification of return filing process and composition scheme.

The Key recommendations of GST council in said meeting are as under:

1.0 Proposed revision in GST rates for goods

- The Council has recommended reduction in GST rate from 28% to 18% on goods falling in 178 headings which mainly include furniture, some cosmetic products, fan, compressor, office equipment, fire extinguisher, escalators, projectors, etc. As a result only 50 items to be attracted GST rate of 28% henceforth.
- In addition, the Council has proposed reduction of GST rate from 18% to 12% on certain items such as condensed milk, printing ink, furniture wholly made of bamboo or cane, etc.

[\[Click here for detailed list of proposed reduction in GST rate of goods\]](#)

2.0 Proposed revision in GST rates for services

- The Council has recommended reduced GST rates for Restaurants which is as under:

Particulars		Proposed Rate
I	Stand alone restaurants whether air conditioned or not (Note 1)	5%
II	Restaurant being part of hotel premises with room tariff less than Rs.7,500 per unit per day (Note 1)	5%
III	Restaurant being part of hotel premises with room tariff Rs.7,500 or above per unit per day	18%

Note:

- No input tax credit (ITC) shall be allowed to such tax payer.
- Outdoor catering service will continue to be taxed at 18% with full input tax credit benefit.

3.0 Proposed simplification in filing of GST returns

- All taxpayers would file return in GSTR-3B along with payment of tax by 20th day of succeeding month till March 2018.
- Till March 2018, taxpayers need to furnish GSTR-1 by following dates

– Taxpayers with annual aggregate turnover upto Rs. 1.5 crores

Period	Due Date
July 2017 to Sept 2017	31 Dec 2017
Oct 2017 to Dec 2017	15 Feb 2018
Jan 2018 to Mar 2018	30 Apr 2018

– Taxpayers with annual aggregate turnover more than Rs. 1.5 crores

Period	Due Date
July 2017 to Oct 2017	31 Dec 2017
Nov 2017	10 Jan 2018
Dec 2017	10 Feb 2018
Jan 2018	10 Mar 2018
Feb 2018	10 Apr 2018
Mar 2018	10 May 2018

- Time limit for furnishing GSTR-2 and GSTR-3 for the period July 2017 to March 2018 shall be decided by committee in due course.
- Late fees for delay in filing Nil GST return from October 2017 onwards shall be Rs. 20 per day (Rs.10 per day each under Central GST Act and State GST Act).
- Revised due dates for other GST returns

Sr. No.	FORM and Details	Original due date	Revised due date
I	GST ITC-04 for July to Sept 2017	25 Oct 2017	31 Dec 2017
II	GSTR-4 for the quarter July to Sept 2017	18 Oct 2017	24 Dec 2017
III	GSTR-5 for July 2017	20 Aug 2017 or 7 days from the last date of registration whichever is ear-	11 Dec 2017
IV	GSTR-5A for July 2017	20 Aug 2017	15 Dec 2017
V	GSTR-6 for July 2017	13 Aug 2017	31 Dec 2017
VI	TRAN-1	30 Sept 2017	31 Dec 2017

4.0 Proposed changes in composition scheme

- Uniform rate of tax @ 1% under composition scheme for manufacturers and traders and no change for composition scheme for restaurant.
- Supply of services by Composition taxpayer upto Rs 5 lakh per annum will be allowed by exempting the same
- The Council has proposed to amend the Central GST Act and State GST Act to increase the annual turnover limit for eligibility for composition scheme to Rs. 2 crore from present limit of Rs. 1 crore and thereafter allow the composition scheme for taxpayer with aggregate turnover of Rs. 1.5 crore.

5.0 Other Aspects

- Proposed to exempt from IGST on imports of goods (other than motor vehicles) under a lease agreement if IGST is paid on the lease amount.
- In order to lessen the compliance burden on Foreign Diplomatic Missions / UN Organizations, a centralized UIN will be issued to every Foreign Diplomatic Mission / UN Organization by the Central Government and all compliance for such agencies will be done by the Central Government in coordination with the Ministry of External Affairs.
- Export of services to Nepal and Bhutan will also be eligible for claiming Input Tax Credit in respect of goods or services used for making such supply.
- The Council has proposed to exempt such suppliers providing services through an e-commerce platform from obtaining compulsory registration provided their aggregate turnover does not exceed Rs.20 lakhs (Rs.10 lakhs in case of special category state except J&K).
- The Council has clarified that inter-state movement of goods like rigs, tools, spares and goods on wheel like cranes, not being in the course of furtherance of supply of such goods, does not constitute a supply This clarification gives major compliance relief to industry as there are frequent inter-state movement of such kind in the course of providing services to customers or for the purposes of getting such goods repaired or refurbished or for any self-use.

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This newsflash is general in nature. In this newsflash, we have summarized the major decisions of the GST council meeting held on 10 November 2017 at Guwahati. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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