



55th GST COUNCIL MEETING RECOMMENDATIONS



1. Sponsorship Services provided by Body Corporates will be liable under Forward Charge Mechanism (instead of RCM).
2. Changes in GST rates for restaurants situated in a hotel/ resort. Currently, GST rate for such restaurants is based on declared tariff of hotel rooms.

It is now proposed to link it with actual value of room tariff of previous financial year i.e. 18% with ITC if room tariff is more than Rs. 7,500/-. Otherwise, 5% without ITC.

Further, option to be provided to restaurant if they wish to voluntarily opt for GST rate of 18% by filing necessary declaration.

3. Composition taxpayers are not required to pay GST under RCM in case of taking commercial property on rent from Unregistered Persons.
4. All Sale of Old Motor Vehicles (any cc/length/fuel type) will now be charged @ 18% on the 'margin' amount.



5. Clarification on GST rate of popcorns. Popcorns mixed with sugar to be treated as confectionary items and hence leviable to 18% GST.
6. GST will not be applicable on 'penal charges' levied by Banks/NBFCs for non-compliance of loan terms.
7. Goods warehoused at SEZ, supplied directly to other person before clearance, will not be treated as Supply (like in High Seas Sales).
8. Clarification on taxability of vouchers.
9. ITC will be available and allowed to the recipient on the goods delivered/ Installed by Supplier at 'Supplier's Premises' (e.g. Tools in Automobile Industry.)
10. Under Blocked Credit Section 17(5), the phrase 'Plant or Machinery' will be replaced to 'Plant and Machinery' in S. 17(5)(d) with a view to overturn Supreme Court Judgement in case of Safari Retreats. It will be a retrospective amendment from 01.07.2017.



11. Late fees in case of delay in filing of GSTR-9C from FY 17-18 to 22-23 is capped as under:

upto the amount of late fees payable till delayed filing of GSTR-9, if late fees has been paid at the time of delayed filing of GSTR-9 or else GSTR-9 is filed within the due date

No Late Fees will be levied on filing of GSTR-9C, provided same is filed upto 31.03.2025*.

12. Pre-Deposit to file an appeal with Appellate Authority/ Tribunal (where case involving only Penalty) has been reduced to 10% instead of 25%.

13. ISD mechanism to include Inter-State RCM supplies and the same will also be governed by ISD distribution mechanism.

14. Legal Framework will be given for generation of GSTR-2B based on Taxpayer's action in Invoice Management System.



15. Amendment will be made in law to specifically require the reversal of ITC by recipient if a 'Credit Note' is issued by the Supplier. This will enable the supplier in reduction of Outward tax liability validated with IMS mechanism.
16. Amendment will be made in law to provide that GSTR-3B can be filed only after generation of GSTR-2B for the relevant period.
17. The Council also decided to extend the time frame for the Group of Ministers on the restructuring of the GST Compensation till 30 June, 2025.
18. The issue of whether charges collected by municipalities for granting FSI including additional FSI, chargeable to GST on reverse charge basis is deferred.

THANK YOU



D-723/ 724, Neelkanth Business Park,
Vidyavihar (West), Mumbai 400086



+91 9152729402 | +91 9152729403 |
+91 8291466022



www.scvora.com

PARTNERS

Subodh Vora

M: +91-9821151467 | E: subodh@scvora.com

Kush Vora

M: +91-9821305187 | E: kush.vora@scvora.com

Bhakti Vora

M: +91-9821362481 | E: bhakti.vora@scvora.com