



25th GST Council Meeting – Summary

The 25th GST council meeting was held on 18th January, 2018 in New Delhi. The following recommendations have been made by the GST Council:

Reduction in Penalty fees:

The penalty of late filing fee of GSTR-1, GSTR-5 and GSTR-5A has been reduced to fifty rupees per day and twenty rupees per day for nil return.

Cancellation of GST Registration obtained after July 1, 2017

Taxable person who have obtained voluntary registration will now be permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration.

Cancellation of GST Registration for Migrated Taxpayers

For migrated taxpayers, the last date of filing GST REG-29 for cancellation of registration is being extended by further three months till 31st March, 2018.

Introduction of e-Way bill

The Government has begun rolling out the e-Way bill mechanism on a trial basis through ewaybill.nic.in. Once fully operational, the e-Way bill system will start functioning on the portal ewaybillgst.gov.in.

The Government expects to roll out a nationwide GST e-Way bill system for interstate movement of goods from February 1, 2018 and for intrastate on later than June 1, 2018.

Changes in rates of various goods**Rate reduced from 28% to 18%**

- Old and used motor vehicles [other than medium and large cars and SUVs] on the margin of supplier, subject to the condition that no input tax credit of central excise duty/value added tax on GST paid on such vehicles has been availed by him.
- Buses, for use in public transport which exclusively run on bio-fuels.

Rate reduced from 28% to 12%

- All types of old and used motor vehicles [other than medium and large cars and SUVs] on the margin of the supplier of 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.

Rate reduced from 18% to 12%

- Sugar boiled confectionary, Bio-diesel & Bio-pesticides, Fertilizer grade phosphoric acid, Drinking water packed in 20 liter bottle, Mechanical sprayer, Bamboo wood building joinery and Drip irrigation system including laterals, sprinklers

Rate reduced from 18% to 5%

- Tamarind Kernel Powder and Mehendi Paste in cones
- LPG supplied for supply to household domestic consumers by private LPG distributors
- Scientific and technical instruments, apparatus, equipment's, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads

Rate reduced from 12% to 5%

- Article of straw, of esparto or of other plaiting materials basket ware and wickerwork
- Velvet fabric with no refund of unutilized input tax credit

Rate reduced from 3% to 0.25%

- Diamonds and precious stones

Rate increased from 12% to 18%

- Cigarette filter rods

Rate increased from nil to 5%

- Rice bran (other than de-oiled rice bran)

Changes in rates of various services**Rate increased from nil to 5% (without ITC)**

- Small housekeeping services providers providing services through ECO

Rate reduced from 28% to 18%

- Services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet

Rate reduced from 18% to 12%

- Common Effluent Treatment plants services of treatment of effluents
- Work Contract services
- Construction of metro and monorail projects (construction, erection, commissioning or installation of original works)

Rate reduced from 18% to 5%

- Job work services rate for manufacture of leather goods
- Transportation of petroleum crude and petroleum products (without ITC)

Exemption of various services:

Other than this, exemptions are provided in case of many services like services by way of fumigation in a warehouse of agriculture produce, services by way of providing information under RTI Act, 2005 etc, will read this in detail in our next blog.