

45th GST Council Updates in relation to Supply of Services

In the backdrop of coming elections in few states & heightened expectations post COVID scenarios, the GST Council had its 45th meeting on 17th September, 2021 at Lucknow. The GST Council made host of recommendations from rate change to simplifications of compliances. We provide the gist of such recommendations in relation to Supply of services as follows:

GST Rate Changes / Exemptions on Services [w.e.f 1.10.2021 unless otherwise stated]

No.	Description	From	To
1.	Validity of GST exemption on transport of goods by vessel and air from India to outside India is extended upto 30.9.2022.	-	Nil
2.	Services by way of grant of National Permit to goods carriages on payment of fee	18%	Nil
3.	Skill Training for which Government bears 75% or more of the expenditure [presently exemption applies only if Govt funds 100%].	18%	Nil
4.	Services related to AFC Women's Asia Cup 2022.	18%	Nil
5.	Licensing services/ the right to broadcast and show original films, sound recordings, Radio and Television programmes [to bring parity between distribution and licencing services]	12%	18%
6.	Printing and reproduction services of recorded media where content is supplied by the publisher (to bring it on parity with <i>Colour printing of images from film or digital media</i>)	12%	18%
7.	Exemption on leasing of rolling stock by IRFC to Indian Railways withdrawn.		

Broadening the GST Payment by E – Commerce Operators

Hitherto, an E-Commerce operator are required to GST liability on supply of radio taxi service, accommodation service, plumber service etc. through them. It has been recommended that the tax net be widened to provide for payment of GST by E-Commerce operator on:

- Passenger transport by any type of motor vehicles through them (w.e.f. 01.01.2022);
- Restaurant service provided through them (w.e.f. 01.01.2022).

Exemption on import of goods on lease

An exemption has been recommended on import of goods on lease provided the IGST has been paid on lease amount. Such an exemption would still be valid if:

- such goods are transferred to a new lessee in India upo
- expiry or termination of lease; and (ii) the lessor located in SEZ pays GST under forward charge.

Clarifications to be issued in relation to GST rate on Services

GST Council has recommended issuance of clarification on various issues. We provide the gist of such recommendation as below:

Sr No.	Particulars	GST Rate
1	Coaching services to students provided by coaching institutions & NGOs under the central sector scheme of 'Scholarships for students with Disabilities'	Exempt
2	Services by cloud kitchens/central kitchens	5% without ITC
3	Ice cream parlor sells already manufactured ice- cream.	18%
4	Overloading charges at toll plaza	Exempt
5	Services by way of grant of mineral exploration & mining right	18% (w.e.f. 01.07.2017)
6	Admission to amusement parks having rides etc.	18%

7	Admission to such facilities that have casinos etc.	28%
8	The renting of vehicle by State Transport Undertakings & Local Authorities is covered by expression 'giving on hire'	Exempt

Other Clarifications

Alcoholic liquor for human consumption is not food & food products for the purpose of the entry prescribing 5% GST rate on job work services in relation to food & food products.