

Major recommendations of the 54th Meeting of the GST Council: [Part B]

Recommendations relating to GST Rates

A. Recommendations relating to GST rates on Goods

Sl No	Description/ HSN	Recommendations
1.	Roof mounted air conditioners for Railways [HSN 8415]	A Clarification would be issued that Roof Mounted Package Unit (RMPU) Air Conditioning Machines for Railways would be classified under HSN 8415 attracting a GST rate of 28 % (under S. No. 119 of Sch-IV).
2.	Car seat assembly [HSN 9401]	A Clarification would be issued that Car Seat assembly for 4 wheelers would be classified under HSN 9401 and would attract GST @ 18% (under S. No. 435A of Sch-III). A uniform rate of 28% would be applicable prospectively for car seats of motor cars in order to bring parity with seats of two wheelers which already attract a GST rate of 28%.
3.	Extruded or Expanded Products, [HSN 1905]	GST rate of extruded or expanded products , savoury or salted (other than un-fried or un-cooked snack pellets, manufactured through process of extrusion), falling under HS 1905 90 30 would be taxed @ 12% [at par with <i>namkeens, bhujia, mixture, chabena (pre-packaged and labelled) and similar edible preparations in ready for consumption form, classifiable under HS 2106 90</i>]. A Clarification would also be issued that for the past period, GST @ 18% would be applicable and GST @ 12% would be applicable only prospectively .
4.	Metal scrap	(i) Provisions of TDS @ 2% would be introduced on the supply of metal scrap between registered persons (B2B transactions). (ii) Provisions of RCM would be introduced on the supply of metal scrap by unregistered persons to registered persons (C2B), subject to the following conditions: (a) The supplier shall take registration as and when it

		<p>crosses threshold limit and accordingly, exclusion to be created in Notification 5/2017-Central tax dated 19.06.2017.</p> <p>(b) The recipient who is liable to pay under RCM shall pay tax even if supplier is under threshold limit.</p>
5.	Cancer drugs namely- Trastuzumab Deruxtecan; Osimertinib; Durvalumab	GST rate would be reduced from 12% to 5% on all the three cancer drugs

B. Recommendations relating to GST rates on services

Sl. No	Proposal	Recommendations
1.	To clarify that GST at the rate of 5% will be applicable on helicopter services for pilgrims .	<p>A Clarification would be issued that,-</p> <p>(i) GST @ 5% would be applicable on the transport of passengers by helicopters on seat share basis.</p> <p>(ii) Charter of helicopter would continue to attract 18% GST.</p>
2.	To clarify whether incidental / ancillary services (such as loading / unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road) supplied along with GTA service is part of composite supply or these services are to be treated as separate independent supplies.	<p>A Clarification would be issued that,-</p> <p>(i) When ancillary / intermediate services are provided by GTA in the course of transportation of goods by road and issues consignment note, the services will constitute a composite supply and all such ancillary /intermediate services will be treated as part of the composite supply.</p> <p>(ii) However, if such services are not provided in the course of transportation of goods and invoiced separately, then these services will not be treated as composite supply of transport of goods.</p>
3.	To exempt electric vehicle (EV) charging services at public charging stations OR, To clarify that the activity of charging EVs in a charging station essentially involves supply of electricity and therefore should be chargeable at the same rate applicable to supply of electricity .	<p>A Clarification would be issued that,-</p> <p>Charging of electric vehicle does not include sale of electricity to any person nor does this activity involve further distribution or transmission of electricity.</p> <p>No exemption from GST would be available on electric vehicle charging at public charging stations.</p>

Sl. No	Proposal	Recommendations
4.	To issue a corrigendum to the Circular No. 34/8/2018- GST dated 01.03.2018 issued by TRU in respect of taxation of ancillary services of transmission and distribution of electricity (<i>such as application fees for providing electricity connection, rental charges against electricity meter, testing fees for meters / transformers / capacitors, labour charges from customers for shifting of meters/service lines & charges for duplicate bills</i>).	Circular No. 34/8/2018 GST dated 01.03.2018 would be modified to the extent that supply of services (<i>such as application fees for providing electricity connection, rental charges against electricity meter, testing fees for meters/ transformers/capacitors, labour charges from customers for shifting of meters/service lines, charges for duplicate bills etc.</i>) which are incidental, ancillary or integral to the supply of transmission and distribution of electricity by transmission and distribution utilities to their consumers, when provided as a composite supply are exempt .
5.	To clarify that no GST is payable on the affiliation fee collected by universities from affiliated colleges .	A Clarification would be issued that,- Affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions in the notification No. 12/2017-CT(R) dated 28.06.2017 and GST at the rate of 18% is applicable on the affiliation services provided by the universities.
6.	To clarify that GST is not applicable on the affiliation fees charged by CBSE .	A Clarification would be issued that,- GST on affiliation fee charged by State / Central educational boards to schools would be regularised on 'as is where is' basis for the period from 01.07.2017 to 17.06.2021 i.e., the date of issuance of Circular no. 151/07/2021 clarifying that accreditation services of boards are taxable at the rate of 18%. Exemption would be given to affiliation services provided by State / Central educational boards to government schools prospectively .
7.	To clarify that Flying Training Organizations (FTOs) approved by DGCA are educational institutions under GST and consequently GST is not applicable on the courses conducted by them .	Clarification would be issued that,- Approved flying training courses conducted by DGCA approved Flying Training Organizations are exempt from GST .

Sl. No	Proposal	Recommendations
8.	To clarify, for the period prior to 01.10.2021, a 12% tax rate is applicable when the film distributor or sub-distributor acts on a principal basis to acquire and distribute films.	A Clarification would be issued that,- GST liability for the past period prior to 01.10.2021 would be regularised on 'as is where is' basis, where the film distributor acts on a principal basis to acquire and distribute films.
9.	To clarify taxability on Preferential Location Charges (PLC) collected along with consideration for sale/ transfer of constructed / under-constructed residential / commercial properties.	A Clarification would be issued that,- Location charges or Preferential Location Charges (PLC) paid along with the consideration for the construction services of residential complex before issuance of completion certificate forms part of composite supply where supply of construction services is the main service and PLC is naturally bundled with it and are eligible for same tax treatment as the main supply i.e. construction service.
10.	To levy GST on renting of commercial property by unregistered person to registered person on Reverse Charge Mechanism (RCM) basis.	Renting of commercial property by unregistered person to registered person (C2B) would be brought under RCM.
11.	To clarify whether exemption under entry 34 of notification No. 12/2017-CTR dated 28.06.2017 is available to payment aggregators for transactions transacted through credit card, debit card, charge card or other payment cards over digital networks upto Rs. 2000/-. <i>[Entry 34 of notification No. 12/2017-CTR dated 28.06.2017: Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card etc. is exempted]</i>	A Clarification would be issued that,- Services provided by payment aggregators in relation to the transaction transacted through credit card, debit card, charge card or other payment cards over digital networks up to Rs. 2000/- are not eligible for exemption under entry at Sl. No. 34 of the notification No.12/2017-CTR dated 28.06.2017 and is taxable.

Sl. No	Proposal	Recommendations
12.	To issue a suitable clarification regarding the non-applicability of GST under reverse charge on expenses incurred by a foreign airline's head office for its India branch office.	<p>Import of services by an establishment of a foreign airlines company from a related person or any of its establishment outside India when made without consideration would be exempted.</p> <p>GST liability on the past period would be regularised on 'as is where is' basis.</p>

Note: This document is prepared on the basis of Agenda Notes of the 54th GST Council Meeting and not to be construed as a legal explanation or interpretation of the Acts and the Rules. Please refer to the original Notifications when issued