

UPDATE ON 45TH GST COUNCIL MEETING HELD ON SEPTEMBER 17, 2021 ADVOCACY WINS FOR US INDIA TAX FORUM

The 45th GST council meeting was held on 17th September 2021 in Lucknow. This was first in person meet of the council after the long gap of 2 years owing to the pandemic. The meeting was chaired by Finance Minister Smt. Nirmala Sitharaman and was attended by Minister of State for Finance along with Finance Ministers of States & Union Territories.

The GST council discussed and deliberated on multiple issues including extending duty relief on covid-19 essentials, extension of the compensation period, GST rate rationalization, sector-specific clarifications etc., and on the theme of "People friendly" made the following decisions. We are providing below a summary of decisions wherein the US India Tax Forum represented on behalf of our members.

Clarification on GST rate on Home delivery/ cloud kitchen

Vide Circular number J64/20/202a -GST dated October 06, 2021 it is been carved that services provided by way of cooking and supply of food, by cloud kitchens/central kitchens are covered under restaurant service' as defined in notification No. 11/2017-Central Tax (Rate) and attract 5% GST [without ITC]. Please access the relevant Circular [here](#)

@, Inverted duty structure on rolling stock

Vide Notification 08/2021 — Central Tax (Rate) dated September 30, 2021 it has been decided to increase the GST rate from 12% to 18% on "Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies, axles and wheels, and parts thereof". This decision resolves the inverted rate duty structure issue. Please access the relevant Circular [here](#)

'1 Clarification on applicability of GST rates on Solar PV Power Projects

Circular No. 163/19/202 -GST dated October 06, 2021 has clarified that GST on such specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively for the period of 1st July 2017 to 31st December, 2021, in the same manner as has been prescribed for the period on or after 1st January 2019, as per the explanation in the Notification No.24/2018 dated 31st December, 2018. Further, it has specified that no refunds will be granted if GST already paid is more than the amount determined using this mechanism. Please access the relevant Circular [here](#)

Clarification on GST rate of carbonated juice-based drinks

Central Board of Indirect Taxes and Customs vide Notification 08/2021 — Central Tax (Rate) dated September 30, 2021, has inserted 12B in Schedule IV of Notification 01/2017 — Central Tax (Rate) dated June 28, 2017 to provide that carbonated fruit beverages of fruit drink" and "carbonated beverages with fruit juice" would attract GST rate of 28% and Cess of 12%. Please access the relevant Circular [here](#)

I; **Clarification on doubts related to scope of “Intermediary”**

Vide Circular number J64/20/202a -GST dated October 06, 202a it is been carfed that services prodded by way of cooking and supply of food, by coud kitchens/central kitchens are covered under restaurant service' as defined in notification No. 11/20a 7- Central Tax (Rate) and attract 5% GST [without ITC]. Please access the relevant Circular [here](#)

Clarification on carrying physical copy of the invoices

The CBIC has issued clarification on the basis of recommendations of the GST Council in its 45th meeting held on 7th September, 2021 that there is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier in the manner prescribed under rule 48(4) of the CGST Rules and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically for verification by the proper officer, would suffice. Please access the relevant Circular [here](#)



Clarification on requirement of original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) on each inter-State stock transfer of goods imported at concessional GST rate for petroleum operations

Clarification issued that the original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) is sufficient and there is no need for taking a certificate every time on inter-state movement of goods with in the same company/stock transfers so long as the goods are the same as those imported by the company at concessional rate. Please access the relevant Circular [here](#)

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