



GST Update

The GST Council has recently finalized the GST rates for Services. These rates are broadly in line with the existing Service Tax Rates with and without abatement benefits. The highlighted rates of broad categories are as under. For the detailed list you may visit our website link:

GST Rates for Services:

Tax Rate	Condition	Nature of Service
5%	With ITC of <u>input service</u>	<ol style="list-style-type: none">1. Goods transport by rail, passenger transport by rail (other than sleeper class), Transport of goods in a vessel from place outside India to custom station2. Passenger by air in economy class (in normal airport), Passenger by air in regional connectivity scheme airport3. Leasing of aircrafts(scheduled airlines+ scheduled operation)
	Without ITC	<ol style="list-style-type: none">1. GTA for goods and used household goods2. Renting of Motorcab3. Passengers transport by AC contract/stage carriage (other than motorcab) and radio taxi4. Tour operator
	With full ITC	Advertisement in print media, Job work in relation to printing of newspaper
12%	With ITC of <u>Input Service</u>	Foreman of chit fund
	With full ITC	<ol style="list-style-type: none">1. Goods transport in containers by rail by any person other than Indian Railways2. Passenger transport by air (other than economy)3. Restaurant (NON AC+ No license to serve liquor)4. Hotel (room tariff-Rs 1000 and above but less than 2500 per room per day), Construction service(value of land included)5. Transfer of intellectual property(no right to use)
18%	With full ITC	<ol style="list-style-type: none">1. Restaurant having AC or serving liquor, outdoor catering, Hotel (room tariff more than Rs 2500 above and less than Rs 5000 per room per day),2. Bundle of food/drinks <u>along with</u> shamiana, pandal3. Admission to circus, Indian classical dance, theatre, drama4. Composite works contract5. All services not specified elsewhere (Residuary entry)
		<ol style="list-style-type: none">1. Admission to entertainment/amusement facility2. Service by race club, Gambling3. AC Restaurant in 5 star or above rated hotel4. Hotel(room tariff above Rs. 5000 per night per room)
28%	With full ITC	<ol style="list-style-type: none">1. Admission to entertainment/amusement facility2. Service by race club, Gambling3. AC Restaurant in 5 star or above rated hotel4. Hotel(room tariff above Rs. 5000 per night per room)
	No ITC	Renting of motor cab (if fuel cost borne by SR)

Note

GST Rate for transfer of right to use goods viz Renting/ Hiring of Goods shall attract same GST rate (incld compensation cess) as the GST rate on sale of such goods. However, Full ITC will be available.

2. **Services Exempt/ Zero Rated:**

Broadly all services presently covered under Negative List and Mega Exemption Notification are kept under exemption.

3. **Services covered under RCM** (100% reverse charge):

1.	Services imported other than online information and database access and retrieval services provided to non-assessee
2.	Services provided by GTA to specified persons
3.	Legal Services provided by advocates to business entity
4.	Services provided by Arbitral tribunal to business entity
5.	Sponsorship services provided to body corporate or partnership firm
6.	Services (excluding few) provided by government to business entity
7.	Services provided by Director to company or body corporate
8.	Services provided by insurance agent to insurance company
9.	Services provided by recovery agent to banking company
10.	Transportation of goods by a vessel from a place outside India up to the customs station of clearance in India provided person located in non-taxable territory
11.	Services of transfer or right to use of copyright by author, music composer, photographer, artist etc to publisher, music company, producer
12.	Radio taxi or Passenger Transport Services provided through e-commerce operator

The Council is yet to conclude on the rate of tax on gold and other precious metals, packaged food, textile, cigarettes and footwear.

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