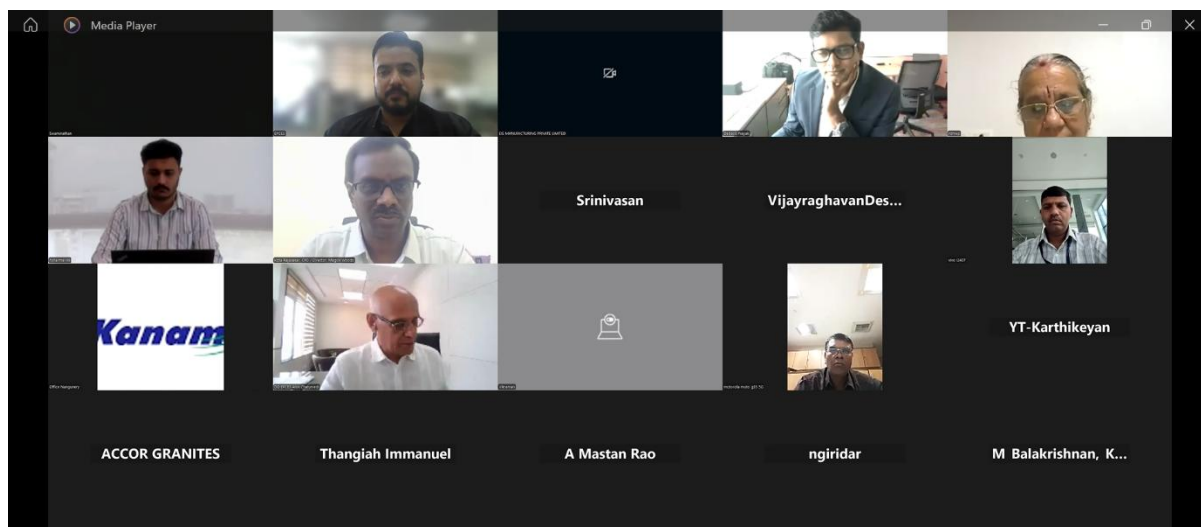


GST 2.0 – Impact of Rate Rationalization, Measures, and Proposals.



View from the webinar

A Webinar on Key Changes from the 56th GST Council Meeting – Impact and Way Forward Organized by Export Promotion Council for EOUS & SEZs, MEPZ Special Economic Zone, Ministry of Commerce & Industry, Government of India , Tambaram, Chennai 45.

Date: Wednesday, September 10, 2025

Time: 11:30 a.m. - 1:00 p.m.

Speakers: Shri Debasis Nayak and Shri Harshith Sharma, Chartered Accountants, PWC

The seminar began with a welcome address by **Shri Kota Rajasekar**, Regional Vice Chairman, EPCES, MEPZ SEZ. He opened the session by highlighting the importance of understanding the recent GST Council decisions.

Following the welcome, **Shri Alok Chaturvedi**, DG, EPCES, delivered a special address. He provided an overview of the significant changes to the GST framework, including the new two-tiered tax structure and its expected far-reaching implications.

Discussion on Key Changes from the 56th GST Council Meeting: The core of the seminar was led by **Shri Debasis Nayak** and **Shri Harshith Sharma**. Their discussion focused on the key changes recommended by the 56th GST Council meeting and their impact across various sectors. The main points of the discussion were:

- **Tax Structure Simplification:** The shift from a four-slab system to a two-tiered model with rates of **5% and 18%**, and a special rate of **40%** for select goods, to reduce disputes and ease compliance.
- **Sectoral Analysis:**
 - **Automobile:** Reduction in GST for small petrol and diesel cars and bikes to **18%**, and a new standard rate of **40%** for mid/large cars and SUVs.

- **Healthcare & Pharma:** GST on medicines reduced from **12% to 5%**, and certain life-saving drugs are now at **NIL** GST. Individual life and health insurance were also exempted from the **18%** GST.
- **Transport & Logistics:** The rate for Goods Transport Agency (GTA) with Input Tax Credit (ITC) was enhanced to **18%**, and passenger transportation services were set at **18%** with ITC or **5%** without.
- **Oil, Gas & Renewable:** GST on petroleum operations increased to **18%**, while the rate for critical renewable energy devices was reduced to **5%**.
- **Textile:** GST for ready-made garments priced up to ₹2,500 was reduced to **5%**, and the rate for Man-Made Fibers & Yarns was also lowered to **5%**.
- **Ecommerce:** Local delivery services were brought under the Reverse Charge Mechanism (RCM).
- **Operational Reforms:**
 - **Refund Mechanism:** A new provisional refund system for inverted duty structure cases and small export consignments was discussed, with up to **90% provisional refunds** based on a system-driven risk evaluation. This is set to be effective from November 1, 2025.
 - **Registration:** The introduction of an automated and optional registration process within three working days for low-risk applicants with a monthly tax liability of up to INR 2.5 lakh.
 - **Legal & Institutional Strengthening:** The operationalization of the GST Appellate Tribunal (GSTAT) to streamline dispute resolution. Appeals will be accepted from September 2025, and hearings will commence from December 2025.
 - **Post-Sale Discounts:** Proposed amendments to allow discounts through credit notes without the prior requirement of a pre-agreement.

Question and Answer Session: The presentation was followed by a 15-minute Q & A session where attendees could seek clarifications on the discussed topics, particularly on anti-profiteering measures, MRP adjustments, and the impact of the changes on various industries.

The virtual seminar concluded with a **vote of thanks by Smt. S. Kalyani, Regional Director, MEPZ SEZ, Chennai**, who appreciated the speakers and participants for their valuable contributions. The session witnessed the active participation of **over 90 members from SEZ and EOU units**, who gained useful insights on the GST 2.0 reforms and their practical implications for exporters.
