JUDGEMENT OF MADRAS HIGH COURT ON GST COUNCIL’S RECOMMENDATIONS

2451. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:
(a) the manner in which the Government looks at the recent judgment of the Madras High Court that GST Council’s recommendations are only recommendatory;
(b) whether it means that henceforth the Government cannot change GST rates based on the recommendations made by the GST Council;
(c) the number of GST recommendations so far implemented without legal amendments or issuing notifications; and
(d) the impact of above judgment in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(Shri Pankaj Chaudhary)

(a) to (d): Article 279A(4) provides that GST Council shall make recommendations to the Union and States on, interalia, the goods and services that may be subjected to, or exempted from the goods and services tax. Further, Section 9 of the Central Goods and Services Act, 2017 clearly mention that the GST will be collected on supply of goods and services as may be notified by the Government on the recommendations of the Council.

All recommendations of the GST Council in respect of change in GST rate are implemented through notification and laid before the Parliament. The Government shall, wherever required, continue to make changes in GST rates based on the recommendations of the GST Council. The judgement of the Madras high Court does not impact the power of the Government in this regard.

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