



# Indirect Tax Update

Summary of notification issued on 13<sup>th</sup> July 2022

## Key Highlights:

- ✓ Changes in GST rates on goods and services including withdrawal of exemptions
- ✓ Changes in reverse charge mechanism notification
- ✓ Rate rationalisation to remove inverted duty structure on certain goods

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## 1. Change in the rate of tax from 18% to 12% for various works contract services

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f. 18.07.2022)

The concessional rate of tax i.e., at the rate of 12% provided through entry 3 (iii), (iv), (v), (va), (vi) and (ix) of the principal rate Notification 11/2017-CTR is omitted through this notification. The relevant entry for the said services post the effective date shall be under 3(xii) which describes the services as "Construction services other than (i),(ia), (ib), (ic), (id), (ie), (if),134[(vii), (viii),] (x) and (xi)above." and the rate of for the said entry is 18%.

The following are the broad headings for rate charge:

Sr No	Description of Services	Rate of tax (Old)	Rate of tax (New)
1	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium, building owned by an entity registered under section 12AA etc (Sl no 3(iv))	12%	18%
2	Works contract for roads of original works of railways, low-cost housing, post agricultural harvest, mechanized food grain handling system etc. (Sl no 3(v))	12%	18%
3	Works contract for affordable residential apartments Sl no 3(va))	12%	18%
4	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, irrigation works, pipeline, plants for water supply, educational institutions, hospitals, etc. & sub- contractors thereof (Sl no 3(iii),(vi) and (ix)	12%	18%

### H&A Comments: -

On the recommendation of the 47th GST council meeting the above rate of tax was rationalized to 18% and the above changes in rates of tax are attempted to reduce inverted rate structure. However, for entries such as Works contract for affordable residential apartments, affordable housing projects the tax that is charges by the works contract service provider to the developer or promoter is a cost and the increase in the rate of tax shall be an increase in the cost of provision of services of low-cost housing.

Further for other works contracts where the contract is all inclusive of tax, the said change in the rate of tax shall lead to increase in the cost of the project itself. For that portion of the services being completed on or before 18th July 2022 it is suggested to raise invoice at the old rate of tax and for the period later to the same, it is suggested to seek amendment in the contract for the rate change and also raise invoices with tax rate based on the provisions of section 14 of the CGST Act 2017. Alternatively, representation can be made to the Government to apply the revised rates

only for the contracts entered on or after 18.07.2022, this would eliminate the practical difficulties in claiming the additional taxes from the Government departments and avoids the revision of budgetary estimates for old contracts.

## 2. Change in the rate of tax from 5% to 12% for works contract services

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

The concessional rate of tax i.e., at the rate of 5% provided through entry 3 (vii), of the principal rate Notification 11/2017-CTR is substituted with a new rate of tax at 12%. The following services provided shall be liable to tax at 12% wef 18.07.2022:

Sr No	Description of Services	Rate of tax
1	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof (Sl no 3(vii) and 3(x))	12%

### H&A Comments: -

On the recommendation of the 47th GST council meeting the above rate of tax was rationalized to 12%. The above changes in rates of tax are attempted shall reduce the gap of tax rate between the inward and outward supplies of the works contractor and thus leading to resolve the issue of inverted rate structure. Here again, ongoing works should have been continued to tax @5% in order to eliminate the practical difficulties or disputes over the reimbursements.

## 3. Change in the rate of tax from 0% to 12% for accommodation services

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

The rate of tax for supply of 'hotel accommodation' having a value of unit less than or equal to Rs.7,500/- per unit per day is liable to tax at the rate of 12%. The following is the rate change table for the accommodation services:

Entry up to 17.7.2022	Rate of tax	Entry from 18.7.2022	Rate of tax
<b>Sl no 14 of NN 12/2017:</b> Services by a hotel, inn, guest house, club or campsite, "value of supply" of a unit of accommodation less than or equal to Rs.1,000 per day or equivalent.	Nil	Omitted	Omitted
<b>Sl no 7 of NN 11/2017:</b> Supply of 'hotel accommodation' having value of supply of a unit of accommodation <b>more than Rs. 1000</b> and less than or equal to	12%	<b>Sl no 7 of NN 11/2017:</b> Supply of 'hotel accommodation' having value of supply of a unit of accommodation less than or	12%

Rs.7,500 per unit per day or equivalent		equal to Rs.7,500 per unit per day or equivalent	
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**H&A Comments: -**

The rate of tax for hotel accommodation priced upto Rs.1,000/- per day shall now be taxed at the rate of 12% and this shall allow the hotels to take credit of all inputs attributed for providing the said hotel accommodation. The said tax increase in the cost for unregistered persons, while the ITC shall be eligible for registered persons, thus they need to consider this change and ensure availment of ITC on the same subject to provisions of section 16 and 17 of CGST Act 2017.

Withdrawn of this exemption is going to increase the tax burden & the tax bracket of the hotel industry from the smallest hotel (T/O >20L) to a wide range of all hotels. This would also bring the Hostels/PG's or Co-living spaces industry into tax net of 12% which were hitherto claiming this exemption.

#### 4. Change in rate of tax from 18% to 5%/12% for specified transportation

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

The following are the new entries in the rate notification for which a concessional rate of tax of 5% shall be levied from 18.7.2022

Entry details	Description of Services	Rate of tax (Old)	Rate of tax (New)
8 (via)	Transport of goods and passengers by ropeways.	18%	5% (with no ITC of goods)
10(ia)	Renting of goods carriage where cost of fuel is included	18%	12%

**H&A Comments:-**

Transport by all major modes of transport attract GST @ 5% (without ITC) or 12% (with ITC). The reason behind lower GST rates on transport sector is that their major input i.e. petrol, diesel and ATF are outside of GST ambit. For ropeway mode, one of the main inputs is electricity, which is also outside the ambit of GST. Therefore, the reduction in rate would help in making ropeway financially viable for mass transit when compared to conventional modes of transport. It may be noted that the ITC is restricted only on the goods used and not on the services.

the rate change for goods carriage is to ensure that once fuel is part of price charged, the ITC component would be less leading to higher cash outflow in output tax. To bring out the level playing field, it was provided that wherever cost of fuel is included in the price charged, the reduced rate of 12% is applicable. If fuel is not part of the price charged, then the rate would be 18% with full ITC.

## 5. New mechanism to pay tax provided for GTA

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f. 18.07.2022)

The following is the new entry substituting the entry 10(iii) of Notification No. 11/2017-CR, i.e., Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used household goods for personal use) supplied by a GTA, where the following is the rate of tax and model of taxation: -

Entry	Description of services	Rate of tax	Conditions
10(iii)a	GTA does not exercise the option to itself pay GST on the services supplied by it;	5%	With no ITC of services and services
10(iii)b	GTA exercises the option to itself pay GST on services supplied by it.	5%	With no ITC of goods and services and excise the option to pay tax
		12	The option by GTA to itself pay GST to be excised in the beginning of the financial year (Anx V)

### H&A Comments:

Hitherto, the GTA's were given option of choosing for forward charge or reverse charge but the time limits to exercise such options were not clearly prescribed which lead to interpretive issues that option is consignment wise. Similarly with rates also. This led to practice of GTA's were simultaneously paying GST @ 5% without ITC on some consignments and @ 12% with ITC on others. To arrest such mis use & avoid varied interpretations, Government now provides that following are the options available for Services of Goods Transport Agency (GTA) in relation to transportation of goods:

1. **Option 1 Reverse charge route:** Here the GTA shall provide the said services and the recipient shall pay tax at the rate of 5%. This option retains its status quo before and after the new entry above.
2. **Option 2 Forward charge route: Here the GTA is required to excise the said option** making a declaration in Annexure V on or before the 15th of March of the preceding Financial Year. Upon excising the said option, the GTA shall require to pay tax under forward charge on all such further supplies and shall have the following two option:
  - a. **5% rate of tax:** The GTA shall charge 5% rate of tax but shall not be eligible to claim credit of goods and services attributable to such outward GTA services
  - b. **12% rate of tax:** the GTA shall charge 12% rate of tax and shall be eligible to claim the credit of all goods and services attributable to such outward GTA services.

Once the option 2 is excised, then GTA itself has to pay tax and shall not be able to provide any specific supply under the reverse charge model, such option can be excised once in a year. Further,



in any of the options above the recipient's credit eligibility has not charges and shall be fully eligible subject to provisions of section 16 & 17 of the CGST Act 2017.

The GTA service provider is required to mention on the invoice the forward charge option being excised. Here the procurement team of any registered person shall be required to check the option excised by the GTA and then comply for liability, if any under reverse charge.

## 6. Change in the rate of tax from 12% to 18% foremen of chit fund.

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

The services by a foreman of a chit fund in relation to chit were provided the concessional rate of tax of 12% but the said entry now is omitted. The relevant entry for the services by a foreman of a chit fund are as under:

Entry no	Description of services	Rate of tax	Period
15(i)	Services provided by a foreman of a chit fund in relation to chit	12% (with no ITC on services)	Up to 17.7.2022
15(vii)	Financial and related services other than	18%	From 18.7.2022

### H&A Comments:

The foreman services shall be liable to tax at 18% rate now with full ITC. Hitherto, all other financial services rendered to chit fund are liable @18% whereas Foreman commission is used to be taxed at 12% which was not equalized to all other services.

## 7. Change in the rate of tax from 5% to 12% for specified job work services.

(Notification no. 3/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

The rate of tax of service by way of a job work for the following is increased from 5% to 12%. The relevant entry for the said services:

Entry no	Description of services	Rate of tax	Period
26(i)	Services by way of job work in relation to: - (e) Processing of hides, skins and leather (ea) manufacture of leather goods or footwear (h) manufacture of clay bricks falling under tariff item 69010010	5%	Upto 17.7.2022
		12%	w.e.f. 18.07.2022

### H&A Comments: -

The GST rate on footwear is increased to 12% w.e.f. 1st January 2022. Leather goods are already at 18%. The parallel change is brought now in the GST rate on job-work in relation to manufacture of such leather goods and footwear and accordingly rate is revised to 12% on job work.

Similarly, GST rate on clay bricks has been revised from 5% (without ITC) to 12% (with ITC)/ 5% (without ITC), the appropriate change has been made for job work services also to tax @12%.

## 8. New entry to charge tax on services by a clinical establishment by way of providing room

(Notification no. 3/2020-CT and 4/2022 dated 13.07.2021 w.e.f. 18.07.2022)

The following are the relevant entries for the services by a clinical establishment by way of providing rooms:

### Change in Exemption Notification entry:

Serial No	Description of Services (Before Amendment)	Description of Services (after Amendment)
Sl no 74 of 12/2017	Services by way of health care services by a clinical establishment, an authorised medical practitioner, or paramedics.	Services by way of health care services by a clinical establishment, an authorised medical practitioner, or paramedics.  <b>Provided that nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding Rs. 5000 per day to a person receiving health care services,</b>

### Change in Rate notification entry:

Serial No	Description of Services	Rate of tax
Sl no 31A of 11/2017 newly inserted	Services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding Rs. 5000 per day to a person receiving health care services,	5% with no ITC on goods and services

### H&A Comments: -

On the recommendation of the 47<sup>th</sup> GST council meeting and in the tag of rationalization of rate of tax the above entry 31A was being inserted and at the same time the said portion of services by a clinical establishment was cut off from the exemption notification. Through this entry the clinical



establishment providing room services shall be taxed at 5% (With no ITC) while before amendment the said services were fully exempt under the entry 74 as a composite service of being health care services by a clinical establishment. This entry has artificially unbundled a composite supply and taxed a portion of the same, the said entry is in violation of the principles of the composite supply u/s. 8 of CGST Act, 2017 & suffers from infirmity and may not stand in the judicial test.

All room services by hospitals other than care units (ICU/CCU etc.) such as super deluxe rooms, private care rooms, padded rooms etc. and charges being more than Rs. 5000 per day shall be taxed in full i.e., if the charges is Rs. 6,500 then the full value of Rs. 6500 shall be liable to tax at 5% and not the differential value of Rs.1,500.

## 9. Services by operator of bio medical waste treatment facility to clinic establishment are now taxable.

The following is the relevant entry for the changes in taxation for the above said services:

Entry Details	Before Amendment	After Amendment
Sl no. 75 of 12/2017 CTR (Till 17-7-2022)	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto and <b>rate of tax "Nil"</b>	<b><u>(Exemption withdrawn)</u></b>
Sl no. 32 of 11/2017 CTR (From 18-7-2022)	(No such entry to tax the same)	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto and <b>rate of tax 12%</b>

### H&A Comments: -

Services by way of waste treatment by bio-medical waste treatment facility operator to clinical establishment are now taxable at the rate of 12% and thus rationalising by allowing the facility operator to claim ITC.

## 10. Rate of tax in case of transitional phase

**H&A Comments: -** As the rate of tax for the above provided services shall change wef 18.7-2022 the rate of tax for the transition phase is provided under section 14 of the CGST Act and tabulatable the table below for easy reference.

Supply of Goods or Services or both	Payment received	Invoice raised	Time of supply
Before change in rate of tax	After change in rate of tax	After change in rate of tax	Date of receipt of payment Or Date of issue of invoice

			Whichever is earlier
	After change in rate of tax	Prior to change in rate of tax	Date of issue of invoice
	Prior to change in rate of tax	After change in rate of tax	Date of receipt of payment
After change in rate of tax	After change in rate of tax	Prior to change in rate of tax	Date of receipt of payment
	Prior to change in rate of tax	Prior to change in rate of tax	Date of receipt of payment Or Date of issue of invoice Whichever is earlier
	Prior to change in rate of tax	After change in rate of tax	Date of issue of invoice

**Example:-** For Section 14 for renting of goods carriage with fuel with operator

Date of Delivery /Completion of service	Date of change in rate of tax	Payment received	Invoice Raised	Rate of tax
1 July 2022	18 July 2022	02 July 2022	5 July 2022	18%
<b>1 July 2022</b>	<b>18 July 2022</b>	<b>20 July 2022</b>	<b>21 July 2022</b>	<b>12%</b>
1 July 2022	18 July 2022	20 July 2022	5 July 2022	18%
1 July 2022	18 July 2022	5 July 2022	21 July 2022	18%
19 July 2022	18 July 2022	20 July 2022	22 July 2022	12%
19 July 2022	18 July 2022	20 July 2022	02 July 2022	12%
<b>19 July 2022</b>	<b>18 July 2022</b>	<b>02 July 2022</b>	<b>04 July 2022</b>	<b>18%</b>
19 July 2022	18 July 2022	02 July 2022	20 July 2022	12%

## 11. Amendment in Exemption Notification 12/2017

(Notification no. 04/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

Based on the recommendations provided in 47<sup>th</sup> GST Council Meeting, the amendments have been brought into exemption notification which was provided to various services vide Notification No. 12/2017 – CT (Rate). In the recent notification issued by the department on 13.07.2022 withdrawal of exemptions to many services and insertion of exemptions to couple of services have been provided. Below are the services where the amendment is provided to exemptions:

### a) Services by the Department of Posts

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 6	Services by the Central Government, State Government, Union territory, or local authority excluding the following services-  (a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other	Services by the Central Government, State Government, Union territory or local authority excluding the following services-  (a) services by the Department of Posts

	than the Central Government, State Government, Union territory	
Serial No. 7	<p>Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to <sup>54</sup>[such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of 2017)].</p> <p>Explanation.- For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to-</p> <p>(a) services,-</p> <p>(i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory</p>	<p>Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to <sup>54</sup>[such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of 2017)].</p> <p>Explanation.- For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to-</p> <p>(a) services,-</p> <p>(i) by the Department of Posts</p>
Serial No. 8	<p>Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority:</p> <p>Provided that nothing contained in this entry shall apply to services-</p> <p>(i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory</p>	<p>Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority:</p> <p>Provided that nothing contained in this entry shall apply to services-</p> <p>(i) by the Department of Posts</p>
Serial No. 9	<p>Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees:</p> <p>Provided that nothing contained in this entry shall apply to-</p>	<p>Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees:</p> <p>Provided that nothing contained in this entry shall apply to-</p>

	(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory	(i) services by the Department of Posts
Serial No. 24C	<b>(No such entry)</b>	Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).

**H&A Comments:**

Before this notification, an exemption was provided to services provided by Central Government, State Government, Union territory or local authority. However, this exemption did not cover services provided by way of speed post, express parcel post, life insurance, and agency services by the Department of Post.

An amendment in the notification has excluded such specific services and thus all the services provided by the Department of Post are made taxable. Also, such services shall be taxable even if the recipient of service is Central Government, State Government, Union territory itself.

In nutshell, all the services provided by Department of Post can be understood as below:

Description	Taxability of the Service
Services provided by CG, SG, UT or LA by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to – (i) any person other than CG, SG, UT or (ii) CG, SG, UT	Taxable
Services by the Department of Posts by way of post card, inland letter, book post and ordinary post where envelopes <b>weighing less than 10 grams.</b>	Not Taxable
Services by the Department of Posts by way of post card, inland letter, book post and ordinary post where envelopes <b>weighing more than 10 grams.</b>	Taxable

**b) Taxability of residential dwelling rented to a registered person**

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 12	Services by way of renting of residential dwelling for use as a residence.	Services by way of renting of residential dwelling for use as a residence <b>except where the residential dwelling is rented to a registered person.</b>

**H&A Comments:-**

An exemption was provided to renting a residential dwelling service irrespective of the recipient of services, i.e., earlier service of renting of residential dwelling for use as a residence was

completely an exempt supply. But with this amendment residential services have been brought under the purview of tax and below is the summary of the same:-

Description	Person liable to pay tax
If renting of residential dwelling service (For use as a residence) has been provided to a person who is registered under the Act, then such service shall be a leviable to tax	The registered person availing such services shall be liable to pay tax under reverse charge
If renting of residential dwelling service (For use as a residence) has been provided to a person who is unregistered then such service shall not be a leviable to tax	No one shall be liable to pay tax either under reverse charge or forward charge

It is also to be noted that since tax shall be chargeable on the registered person under the reverse charge mechanism, ITC would be available subject to provisions of sections 16 and 17 of the CGST Act.

### c) Transport of Passengers

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 15	Transport of passengers, with or without accompanied belongings, by –  (a) air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal;	Transport of passengers, with or without accompanied belongings, by –  (a) air <b>in economy class</b> , embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal;

#### H&A Comments: -

An exemption was provided to passengers embarking from or terminating in an airport located in seven sister states including Sikkim & Bagdogra in West Bengal to encourage air travel to and from these locations. However, this notification has now restricted the exemption only to an economy class and making the travel through business class though in the above provided routes to be now taxable.

### d) Transportation of railway equipment by rail or vessel

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 20	Services by way of transportation by rail or a vessel from one place in India to another of the following goods –  (d) railway equipment or materials;	Services by way of transportation by rail or a vessel from one place in India to another of the following goods –  (d) <b>(Exemption withdrawn)</b>

**H&A Comments: -**

Transportation of railway equipment or materials by rail or a vessel within India was provided an exemption and thus was not taxable. But now the exemption to these goods being transported by rail or vessel has been withdrawn and the same shall be taxable at 18%.

**e) Services provided by a Goods Transport Agency**

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 21	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of</p> <p>(b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;</p> <p>(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty;</p>	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of</p> <p>(b) <b><i>(Exemption withdrawn)</i></b></p> <p>(c) <b><i>(Exemption withdrawn)</i></b></p>

**H&A Comments: -**

Withdrawal of this exemption shall lead to a charge of tax on all the services by a GTA irrespective of the value of consignment (Other specific exemptions shall continue). And at present the taxability of the GTA services generally shall be either be under forward charge or reverse charge but applicable tax.

The reconciliation of the tax paid under reverse charge, forward charge and transaction exempted based on value of consignment for transportation of goods has the most complex task and most sought after reconciliation by the department. With the above change, the reconciliation of the transportation of goods ledger shall only be under the category of tax paid under reverse charge or forward charge. It may be noted that GTA services to unregistered persons continued to be exempted from GST.

**f) Storage or warehousing exemption**

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 24B	<p>Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea</p>	<p>Services by way of storage or warehousing of cereals, pulses, fruits and vegetables</p>

**H&A Comments: -**



The proposed to remove the exemption from storage or warehousing services for such goods which are taxable under GST such as nuts, spices, copra, jaggery, cotton etc and thus the above amendment to the remove the exemption for storage of the taxable goods and limit the exemption only for storage of cereals, pulses, fruits and vegetables which itself are not liable to tax. The compliances on the person providing such storage and warehouse services shall increase as the tax liability shall be determined based on what is stored in the warehouse.

**g) Right to admission to FIFA exemption**

Change in	Before 18-07-2022	On or After 18-07-2022
Serial No. 82A	Services by way of right to admission to the events organized under FIFA U-17 Women's World Cup 2020	Services by way of right to admission to the events organized under FIFA U-17 Women's World Cup 2020 <b>whenever rescheduled</b>

**H&A Comments: -**

The tournament, 2020 FIFA U-17 Women's World Cup was originally scheduled to be held in India between 2<sup>nd</sup> and 21<sup>st</sup> November 2020. However, due to the COVID-19 pandemic, FIFA announced on 3<sup>rd</sup> April 2020 that the tournament would be postponed and rescheduled. Thus, the above amendment is to provide exemption to the said services whenever provided in line with the rescheduling of the tournament.

**h) Preservations of Stem Cells & relative services by the cord blood banks and services of slaughtering of animals are now taxable**

Change in	Before 18-07-2022	On or After 18-07-2022
Serial No. 56	Services by way of slaughtering of animals.	<b><i>(Exemption withdrawn)</i></b>
Serial No. 73	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.	<b><i>(Exemption withdrawn)</i></b>

**H&A Comments: -**

The Associations of Stem Cell Banks in India (ASBI) held that, there shall be an exemption of services offered by cord blood banks by way of preservation of stem cells or any such preservations & were exempted from taxation right from 2014 in Service Tax period, GST period & to till this amendment. However, in line of rationalization of rate of tax & enabling of credit of inward supplies to such cord blood banks this exemption is now being removed.

**i) Fumigation in a warehouse of Agricultural produce is now taxable**

Change in	Before 18-07-2022	After 18-07-2022
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Serial No. 53A	Services by way of fumigation in a warehouse of agricultural produce.	<b><i>(Exemption withdrawn)</i></b>
Serial No. 54	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of-  (h) services by way of fumigation in a warehouse of agricultural produce.	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of-  (h) <b><i>(Exemption withdrawn)</i></b>

**H&A Comments: -**

Both the exemption entries providing exemption to fumigation services which is an action or process of disinfecting or purifying an area with the fumes of certain chemicals in a warehouse of agricultural produce is withdrawn and thus the said services shall now be taxable at the rate of 18%.

**j) Tour Operator Services to a Foreign Tourists**

Sl. No.	Description of Services	Rate (%)
Serial No. 52A	<p>Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India:</p> <p>Provided that value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less:</p> <p>Provided further that in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.</p> <p>Explanation. - “foreign tourist” means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non- immigrant purposes.</p> <p><b>Illustrations:</b></p> <p>A tour operator provides a tour operator service to a foreign tourist as follows: -</p> <p>(a) 3 days in India, 2 days in Nepal; Consideration Charged for the entire tour: Rs.1,00,000/-</p>	Nil

	<p>Exemption: Rs.40, 000/- (=Rs.1,00,000/- x 2/5) or, Rs.50,000/- (= 50% of Rs.1,00, 000/-) whichever is less, i.e., Rs.40,000/-(i.e., Taxable value: Rs.60,000/-);</p> <p>(b) 2 days in India, 3 nights in Nepal; Consideration Charged for the entire tour: Rs.1,00,000/-</p> <p>Exemption: Rs.60, 000(=Rs.1, 00, 000/- x 3/5) or, Rs.50, 000/- (= 50% of Rs.1,00,000/-) whichever is less, i.e., Rs.50, 000/-(i.e., Taxable value: Rs.50, 000/-);</p> <p>(c) 2.5 days in India, 3 days in Nepal; Consideration charged for the entire tour: Rs.1,00,000/-</p> <p>Exemption: Rs.54,545 (=Rs.1,00,000/- x 3/5.5) or, Rs.50,000/- (= 50% of Rs.1,00,000/-) whichever is less, i.e., Rs.50, 000/-(i.e., Taxable value: Rs.50,000/-)</p>	
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**H&A Comments: -**

This new entry has provided an exemption to tour operators providing Tour operator service to a foreign tourist where such services are performed partly in India and partly outside India. Here the exemption is capped to a maximum of 50% of the total consideration charged for the entire tour or actual period of stay outside India which ever is less and the balance shall be taxable.

**k) Withdrawal of exemptions for services by Regulatory Authority to concern Board/authority etc.**

Change in	Service Provider	Service Recipient
Serial No. 26	Services by the Reserve Bank of India (RBI).	Any Person
Serial No. 32	Services provided by the Insurance Regulatory and Development Authority of India (IRDA) to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999).	Insurer
Serial No. 33	Services provided by the Securities and Exchange Board of India (SEBI) set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.	Security Market
Serial No. 47A	Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (FSSAI) to Food Business Operators.	Food Business Operators
Serial No. 51	Services provided by the Goods and Services Tax Network (GSTN) to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.	CG or SG or UT

**12. No registration exemption under section 23(1) for the taxpayers engaged in Fly ash bricks, fly ash aggregates; fly ash blocks etc.**

(Notification no. 15/2022-CT dated 13.07.2022 w.e.f 18.07.2022)

Any person, who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed forty lakh rupees are exempt from taking registration exempt persons engaged in making supplies of the goods of specified category and in the said category the following is added

Sl. No	Tariff item	Description
4	6815	Fly ash bricks; Fly ash aggregates; Fly ash blocks

**H&A Comments: -**

The taxpayers who are engaged exclusively in supply of fly ash bricks; fly ash aggregates; fly ash blocks and whose turnover exceeds forty lakhs need to take compulsory registration under GST w.e.f. 18th July 2022 and if the turnover does not exceed 20 lakh then the registration requirement is not applicable as the same is covered under section 22.

**13. No composition scheme option for the manufacturer of fly ash bricks, fly ash aggregates, fly ash blocks.**

(Notification no. 16/2022-CT dated 13.07.2022 w.e.f. 18.07.2022)

The registered person shall not be eligible to opt for composition levy under section 10(1) of the said Act if such person is a manufacturer of the goods as stated below:

Sl. No	Tariff item	Description
4	6815	Fly ash bricks; Fly ash aggregates; Fly ash blocks

**H&A Comments: -**

The taxpayers who are manufacturers of fly ash bricks; fly ash aggregates; fly ash blocks cannot opt for the composition levy of tax irrespective of the turnover being less than Rs.1.5 Crore and shall be liable tax at the present applicable rate of 12%.

With this amendment the compliance cost to the small taxpayer in terms of registration, regular filling of returns etc. would increase having no composition scheme of taxation available.

## 14. Changes in RCM notification (w.e.f. 18<sup>th</sup> July 2022)

(Notification No. 05/2022 Central Tax (Rate) dated 13th July 2022)

### A. GTA services related changes

Earlier there was a condition that in case where GTA has not paid GST at the rate of 12% then GST under RCM would be applicable. Now, this condition has been removed. Also, a proviso has been added to the entry stating that the said RCM entry would not be applicable in case where the GTA has opted to pay taxes under the forward charge and has made a declaration in the invoices issued by him.

Further, a declaration has been provided in the notification which is to be submitted by the GTA to the department.

#### H & A Comments: -

In case GTA has opted for forward charge then such transactions would not be taxed under the reverse charge for the recipient. Few procedural compliances have been added for GTA to follow to opt for forward charge. The procedures and other conditions in relation to GST rate are explained & covered under the Notification No. 3/2022 above.

### B. Services provided by department of post

All taxable service of Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed under RCM.

#### H & A Comments: -

The GST Council has recommended to include all taxable services provided by department of post under forward charge. Earlier few taxable services (other than speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority) are liable to be discharged under reverse charge mechanism. The same has been brought into effect by this notification.

### C. Insertion of RCM entry for residential dwelling to registered persons

Services by way of renting of residential dwelling to a registered person by any person would be liable under RCM.

#### H & A Comments: -

Since the exemption was removed if rented to the registered persons, the same was brought under RCM in the hands of registered persons (recipient. The exemption would continue in case where renting of residential dwelling to an unregistered person for use as residence.

## **15. Changes in GST rate on various goods including withdrawal of exemptions (w.e.f. 18<sup>th</sup> July 2022)**

(Notification No. 06 & 07/2022 Central Tax (Rate) dated 13th July 2022)

Presently, GST is exempted on specified food items, grains etc., if such goods are not branded, or w.r.t. goods for which right on the brand has been forgone. However, in recent GST council meeting, it was proposed to withdraw these exemption entries and introduce new exemptions for goods which are supplied in pre-packaged and pre-labelled retail pack per Legal Metrology Act. The same has been given effect vide the notification No. 06 & 07/2022 Central Tax (Rate).

Also, there were few changes in GST rates for various goods (i.e., 5% to 12%/18% and 12% to 18%/5%). This was to remove the inverted duty structure available at present in the GST rates.

Further, a new schedule has been added (0.75% GST rate). The changes in GST rates on various goods have been provided in the Annexure-1 of this document.

### **H&A Comments: -**

Government has withdrawn exemptions on various food viz., wheat, rice, certain flours, paneer, honey, certain meat, certain fish, etc. (notified products) and introduced exemption for supply of pre-packaged and pre-labelled retail pack as defined in terms of Legal Metrology Act.

Considering the above, it has been pertinent that FMCG industries may need to identify whether their products qualify as pre-packaged and pre-labelled commodities sold in the retail pack as per the provisions of the Legal Metrology Act.

Few of the changes in rates of tax are attempted to reduce inverted rate structure i.e., reduce a gap in ITC available with the taxpayers and the output tax liability of the taxpayers so that the funds of the taxpayers do not get stuck in the electronic credit ledger. This change would help service providers who are not eligible to claim refund under inverted duty structure and who continue to have Input tax credit in their ledger even after paying off the output tax liability.

### **H&A Analysis for pre-packaged & labelled items**

**Explanation added in the notification is as under**



*The expression 'pre-packaged and labelled' means a 'pre-packaged commodity' as defined in clauses (l) of section 2 of the Legal Metrology Act, 2009 (1 of 2010) where, the package in which the commodity is pre-packed or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder."*

### **Analysis**

In terms of clause (l) of section 2 of the Legal Metrology Act 2009 "pre-packaged commodity" means a commodity which without the purchaser being present is placed in a package of whatever nature, whether sealed or not, so that the product contained therein has a pre-determined quantity

18. Declarations on pre-packaged commodities. —

(1) No person shall manufacture, pack, sell, import, distribute, deliver, offer, expose, or possess for sale any pre-packaged commodity unless such package is in such standard quantities or number and bears thereon such declarations and particulars in such manner as may be prescribed.

As per Chapter II of The Legal Metrology (package Commodities) Rules, 2011- **Provisions applicable to packages intended for retail sale**

The provisions of this chapter shall not apply to-

- (a) packages of commodities containing quantity of more than 25 kilogram or 25 litre;
- (b) cement, fertilizer, and agricultural farm produce sold in bags above 50 kilogram; and
- (c) packaged commodities meant for industrial consumers or institutional consumers

### **Provisions applicable to wholesale packages**

- (a) Wholesale packages are those which in turn have retail packages in those packages except packages given to an intermediary who would be selling the packed commodity in smaller packages.
- (b) 10 or more retail packages sold as one pack to an end consumer will also get covered under 'wholesale package'.
- (c) Any number of retail packages sold as one package to intermediary and not to a direct or single consumer – is also a wholesale package.

24. Declarations applicable to be made on every wholesale package. - Every wholesale package shall bear thereon a legible, definite, plain, and conspicuous declaration as to -

- (a) The name and address of the manufacturer or importer or where the manufacturer or importer is not the packer, of the packer;
- (b) the identity of the commodity contained in the package; and
- (c) the total number of retail package contained in such wholesale package or the net quantity in terms of standard units of weights, measures or number of the commodity contained in wholesale package;

Provided that nothing in this rule shall apply in relation to a wholesale package if a declaration similar to the declarations specified in this rule, is required to be made on such wholesale packages by or under any other law for the time being in force.

Further "label" as per the Legal Metrology Act, means any written, marked, stamped, printed or graphic matter affixed to, or appearing upon any pre-packaged commodity.

From the above, it can be derived that the following are the exclusions from LMR, and the rules made thereunder, meaning that the exemption under GST would be applicable to these packages for the notified goods:

- a. Packages more than 25kg.
- b. Packages more than 50kg in case of agricultural farm produce.
- c. Packages of 10g/ 10ml or less, and
- d. Packages (of whatever quantity) which are meant for industrial consumers or institutional consumers.

Looking at complexity of issue and its mass relevance, it would be in the benefit of all if immediately suitable clarifications are given by the CBIC.

## 16. Changes in concessional rate for supplies to Exploration and Production notified u/s 11(1) (w.e.f. 18<sup>th</sup> July 2022)

(Notification No. 08/2022 Central Tax (Rate) dated 13th July 2022)

HSN	Description of Goods	Rate
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Any Chapter	<p>Goods specified in the List annexed to this Table required in connection with:</p> <ol style="list-style-type: none"> <li>(1) Petroleum operations undertaken under petroleum exploration licenses or mining leases, granted by the Government of India or any State Government to the Oil and Natural Gas Corporation or Oil India Limited on nomination basis, or</li> <li>(2) Petroleum operations undertaken under specified contracts, or</li> <li>(3) Petroleum operations undertaken under specified contracts under the New Exploration Licensing Policy, or</li> <li>(4) Petroleum operations undertaken under unspecified contracts under the Marginal Field Policy (MFP), or</li> <li>(5) Coal bed methane operations undertaken under specified contracts under the Coal Bed Methane Policy.</li> </ol>	6%
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**H&A Comments: -**

As per the notification, the above-mentioned items will be charged at a higher rate i.e., 6% against the earlier prescribed rate of 2.5% with the conditions prescribed in the notification No. 3/2017 & 16/2019 CT (R)

**17. No refund of unutilised input tax credit shall be allowed under section 54 (3) (w.e.f. 18<sup>th</sup> July 2022)**

(Notification No. 09/2022 Central Tax (Rate) dated 13th July 2022)

Section 54 (3) of the CGST Act 2017 prescribes that no refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods (other than nil rated or fully exempt supplies). Through the notification number 09/2022, few more goods are added on which refund is not allowed.

“1A.	1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
1B.	1508	Ground-nut oil and its fractions, whether or not refined, but not chemically modified.
1C.	1509	Olive oil and its fractions, whether or not refined, but not chemically modified.
1D.	1510	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509
1E.	1511	Palm oil and its fractions, whether or not refined, but not chemically modified.
1F.	1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.
1G.	1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.

1H.	1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but notchemically modified.
1I.	1515	Other fixed vegetable or microbial fats and oils (including jojoba oil) and theirfractions, whether or not refined, but not chemically modified.
1J.	1516	Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
1K.	1517	Edible mixtures or preparations of vegetable fats or vegetable oils or of fractions of different vegetable fats or vegetable oils of this Chapter, other thanedible fats or oils or their fractions of heading 1516
1L.	1518	Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwisechemically modified, excluding those of heading 1516
1M.	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
1N.	2702	Lignite, whether or not agglomerated, excluding jet
1O.	2703	Peat (including peat litter), whether or not agglomerated”

**H&A Comments:**

As per Section 54(3) goods on which output taxes paid is lesser than the taxes paid on procurement (inputs), ITC shall not be eligible for refund on account of accumulation of the same. In addition to certain goods already prescribed in notification 5/2017 CT (R), the council has added the above-mentioned items to the list of ineligible items for refund.

**18. Amendment in notification issued for concessional rate on intra-State supply of bricks (w.e.f. 18<sup>th</sup> July 2022)**

(Notification No. 10/2022 Central Tax (Rate) dated 13th July 2022)

As per this notification, in Table, against Sl. No. 1, for the entry in column (3), the entry “Fly ash bricks; Fly ash aggregates; Fly ash blocks” shall be substituted.

Sl. No.	Tariff item, sub-heading, heading or Chapter	Description	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
1.	6815	Fly ash bricks; Fly ash aggregate; Fly ash blocks	3%	1

**H&A Comments:**

As per the notification, the fly ash aggregate with 90% or more fly ash content has been changed from fly ash content alone which means that no partial content will be taxable at concessional rate of tax.

## 19. Amendment in notification issued for concessional rate on scientific and technical equipment supplied to public funded research institutions. (w.e.f. 18<sup>th</sup> July 2022)

(Notification No. 11/2022 Central Tax (Rate) dated 13th July 2022)

As per this notification, notification No. 45/2017 CT (R) would be rescinded w.e.f. 18<sup>th</sup> July 2022.

### H&A Comments:

The concessional rate earlier available for the scientific and technical equipment supplied to public funded research institutions has been rescinded w.e.f. 18th July 2022. Respective rates of such equipment would be applicable.

## 20. Annexure to changes in GST rate on various goods

<b>Withdrawal of exemption on food items (Pre-packaged &amp; labelled)</b>			
<b>HSN</b>	<b>Product Description</b>	<b>Old Rate</b>	<b>New Rate</b>
0202	Meat of bovine animal, fresh chilled	NIL	2.5
0203	Meat of swine, fresh, chilled or frozen	NIL	2.5
0204	Meat of sheep or goat, fresh ,chilled or frozen	NIL	2.5
0205	Meat of horse, asse, mules or hinnies, fresh, chilled or frozen	NIL	2.5
0206	Edible offal of bovine animal, swine, sheep, goat, horses, asses, mules or hinnies, fresh, chilled or frozen	NIL	2.5
0207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen	NIL	2.5
0208	Other meat & edible meat offal, fresh, chilled or frozen	NIL	2.5
0209	Pig fat, free of lean meat & poutry fat, not rendered or otherwise extracts, fresh, chilled, frozen, salted, in brine, dried or smoked.	NIL	2.5
0210	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal	NIL	2.5
0303	Fish, frozen, excluding fish fillets and others fish meat of heading 0304	NIL	2.5
0304	Fish fillets and other fish meat(whether or not minced), fresh chilled or frozen	NIL	2.5
0305	Fish, dried, salted or in brine; smoked fish , whether or not cooked before or during the smoking process	NIL	2.5
0306	Crustaceans, whether in shell or not, live , fresh, chilled, frozen, dried, salted or in brine , smoked crustaceans, whether in shell or not , whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled , frozen, dried, salted or in brine	NIL	2.5
0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine;	NIL	2.5
0308	AQUATIC INVERTEBRATES OTHER THAN CRUSTACEANS AND MOLLUSCS, LIVE, FRESH, CHILLED, DRIED, SALTED OR IN BRINE	NIL	2.5
0309	Flours, meals and pellets of fish, crustaceans, molluscs and other aquatic invertebrates, fit for human consumption	NIL	2.5

0403	Yogurt, BUTTERMILK, CURDLED MILK AND CREAM, YOGURT, KEPHIR AND OTHER FERMENTED OR ACIDIFIED MILK AND CREAM, WHETHER OR NOT CONCENTRATED OR CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR FLAVOURED OR CONTAINING ADDED FRUIT, NUTS OR COCO	NIL	2.5
0406	Cheese and curd	NIL	2.5
0409	Natural honey	NIL	2.5
0504	GUTS, BLADDERS AND STOMACHS OF ANIMALS (OTHER THAN FISH), WHOLE AND PIECES THEREOF, FRESH, CHILLED, FROZEN, SALTED, IN BRINE, DRIED OR SMOKED	NIL	2.5
0713	DRIED LEGUMINOUS VEGETABLES, SHELLED, WHETHER OR NOT SKINNED OR SPLIT	NIL	2.5
0714	MANIOC, ARROWROOT, SALEP, JERUSALEM ARTICHOKES, SWEET POTATOES AND SIMILAR ROOTS AND TUBERS WITH HIGH STARCH OR INULIN CONTENT, FRESH, CHILLED, FROZEN OR DRIED, WHETHER OR NOT SLICED OR IN THE FORM OF PELLETS; SAGO PITH	NIL	2.5
08	Dried makhana, whether or not shelled or peeled put up in unit container	NIL	2.5
10	All goods i.e. cereals	NIL	2.5
1001	Wheat and meslin	NIL	2.5
1002	Rye	NIL	2.5
1003	Barley	NIL	2.5
1004	Oats	NIL	2.5
1008	Buckwheat, millet and canary seed; other cereals such as Jawar, Bajra, Rag	NIL	2.5
1101	Wheat or meslin flour	NIL	2.5
1102	Cereal flours other than of wheat or meslin	NIL	2.5
1103	cereal groats, meal and pellets, including suji and dalia	NIL	2.5
1104	Cereal grains otherwise worked (for example, rolled, flaked, pearled, sliced or kibbled), except rice of heading 1006; germ of cereals, whole, rolled, flaked or ground	NIL	2.5
1105	Meal, powder, Flour, flakes, granules and pellets of potatoes	NIL	2.5
1106	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 0713], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8	NIL	2.5
2106	Namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form, other than those pre-packaged & labelled	NIL	2.5
2106 90	Namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form [other than roasted gram]	2.5	6
3101	ANIMAL OR VEGETABLE FERTILISERS, WHETHER OR NOT MIXED TOGETHER OR CHEMICALLY TREATED; FERTILISERS PRODUCED BY THE MIXING OR CHEMICAL TREATMENT OF ANIMAL OR VEGETABLE PRODUCTS	NIL	2.5
5305 to 5308	All goods [other than coconut coir fibre] including yarn of flax, jute, other textile bast fibres, other vegetable textile fibres; paper yarn, including coir pith compost	NIL	2.5
1702	Jaggery of all types including Cane Jaggery (gur), Palmyra Jaggery	Nil	2.5



1904	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched rice, commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as Murk	Nil	2.5
<b>Change in GST rates on various goods</b>			
3006	Ostomy appliances including pouch or flange, stoma adhesive paste, barrier cream, irrigator kit, sleeves, belt, micro-pore tapes”	6	2.5
9021	Orthopaedic appliances, such as crutches, surgical belts, and trusses; Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens [other than hearing aids]	6	2.5
4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 4114	2.5	6
4112	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 4114	2.5	6
4113	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 4114	2.5	6
4113	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 4114	2.5	6
4114	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather	2.5	6
4115	composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour	2.5	6
84	Pawan Chakki that is Air Based Atta Chakki	2.5	9
841912	Solar water heater and system	2.5	6
84 or 85	E-waste Explanation: For the purpose of this entry, e-waste means electrical and electronic equipment listed in Schedule I of the E-Waste (Management) Rules, 2016 (published in the Gazette of India vide G.S.R. 338 (E) dated the 23rd March, 2016), whole or in if discarded as waste by the consumer or bulk consumer	2.5	9
	Biomass briquettes or solid bio fuel pellets	2.5	6
2706	Tar distilled from coal, from lignite or from peat and other mineral tars, whether or not dehydrated or partially distilled, including reconstituted tars	2.5	9
0804	Dates (soft or hard), figs, pineapples, avocados, guavas <b>mangoes (other than mangoes sliced, dried )</b> and mangosteens, dried	NIL	6
4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	6
841912	Solar water heater and system	2.5	6
4907	Cheques, lose or in book form	Nil	9
8437	Machines for cleaning, sorting or grading, seed, grain or dried leguminous vegetables; machinery used in milling industry or for the working of cereals or dried leguminous vegetables other than farm type machinery and parts thereof	2.5	9

8807	Parts of goods of heading 8801	2.5	9
3215	All Goods, including printing ink, writing or drawing ink and other inks, whether or not concentrated or solid, fountain pen ink, ball pen ink	6	9
4811	Aseptic packaging paper	6	9
8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 8208, and blades therefor	6	9
8214	Paper knives, Pencil sharpeners and bladesves, Pencil sharpeners and blades therefor	6	9
8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware	6	9
8413	Power driven pumps primarily designed for handling water, namely, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps	6	9
8414 2010	Bicycle pump	6	9
8414 9012	Parts of air or vacuum pumps and compressors of bicycle pumps	6	9
8434	Milking machines and dairy machiner	6	9
8539	LED lamps	6	9
9017 20	Drawing and marking out instruments; Mathematical calculating instruments; pantographs; Other drawing or marking out instruments	6	9
9021	plints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens [other than orthopaedic appliances, such as crutches, surgical belts, and trusses, hearing aids	6	9
9405	LED lights or fixtures including LED lamps	6	9
9405	LED (light emitting diode) driver and MCPCB (Metal Core Printed Circuit Board) 6% 228. 9503 Toys like tricycles, scooters, pedal	6	9
<b>Change in description in few goods</b>			
3006	pharmaceutical goods specified in Note 4 to this Chapter [i.e. Sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or denatal adhesion barriers, whether or not absorbable; Waste pharmaceuticals] [other than contraceptives <b>and Ostomy appliances</b>	6	6
6815	"Fly ash bricks; Fly ash aggregates; Fly ash blocks"	6	6
8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; parts thereof	6	6

#### Changes in 0.125%

HSN	Product Description	Old Rate	New Rate
7102	Rough diamonds or simply sawn diamonds, industrial or non-industrial"	Entry updated	0.125

7104	Synthetic or reconstructed precious or semiprecious stones [other than diamonds], whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semiprecious stones [other than diamonds], temporarily strung for convenience of transport; synthetic or reconstructed diamonds, unworked or simply sawn or roughly shaped	Entry updated	0.125
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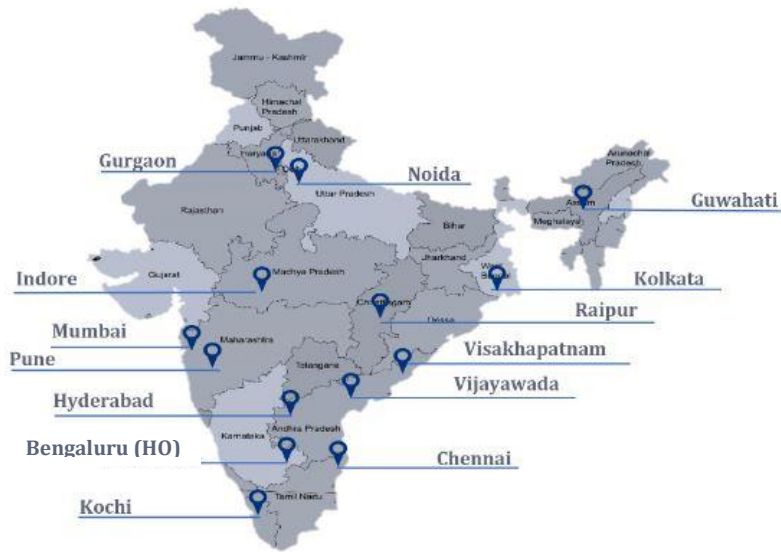
**Schedule VII -0.75%**

7102	Goods other than those specified against S. No. 1 in Schedule VI
7104	Goods other than those specified against S. No. 3 in Schedule VI

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