

## **28<sup>th</sup> GST Council Meet as on July 21<sup>st</sup>, 2018**

### **List of changes in the Goods and Services Tax Rates**

#### **I. Changes in rates of Goods including Handicrafts**

##### **1. Goods brought down from the tax slab of 28% to 18%**

- Paints and varnishes (including enamels and lacquers).
- Glaziers' putty, grafting putty, resin cement.
- Refrigerators, freezers and other refrigerating or freezing equipment including water cooler, milk coolers, refrigerating equipment for leather industry, ice cream freezer etc.
- Washing machines.
- Lithium-ion batteries.
- Vacuum cleaners.
- Domestic electrical appliances such as food grinders and mixers & food or vegetable juice extractor, shaver, hair clippers etc.
- Storage water heaters and immersion heaters, hair dryers, hand dryers, electric smoothing irons etc.
- Televisions upto the size of 68 cm.
- Special purpose motor vehicles. e.g., crane lorries, fire fighting vehicle, concrete mixer lorries, spraying lorries.
- Works trucks [self-propelled, not fitted with lifting or handling equipment] of the type used in factories, warehouses, dock areas or airports for short transport of goods.
- Trailers and semi-trailers.
- Miscellaneous articles such as scent sprays and similar toilet sprays, powder-puffs and pads for the application of cosmetics or toilet preparations.

##### **2. Goods brought down from the tax slab of 28% to 12%**

Fuel Cell Vehicle. Further, Compensation cess shall also be exempted on fuel cell vehicle.

##### **3. Goods brought down from tax slab of 18%/12%/5% to NIL**

- Stone/Marble/Wood Deities
- Rakhi [other than that of precious or semi-precious material of chapter 71]
- Sanitary Napkins,
- Coir pith compost
- Sal Leaves siali leaves and their products and Sabai Rope
- Phool Bhari Jhadoo [Raw material for Jhadoo]
- Khali dona.
- Circulation and commemorative coins, sold by Security Printing and Minting Corporation of India Ltd [SPMCIL] to Ministry of Finance.

**4. Goods brought down from the tax slab of 12% to 5%**

- Chenille fabrics and other fabrics under heading 5801
- Handloom dari
- Phosphoric acid (fertilizer grade only).
- Knitted cap/topi having retail sale value not exceeding ₹ 1000

**5. Goods brought down from the tax slab of 18% to 12%**

- Bamboo flooring
- Brass Kerosene Pressure Stove.
- Hand Operated Rubber Roller
- Zip and Slide Fasteners

**6. Goods brought down from the tax slab of 18% to 5%**

- Ethanol for sale to Oil Marketing Companies for blending with fuel
- Solid biofuel pellets

**7. Changes in rates for footwear**

- 5% GST is being extended to footwear having a retail sale price up to ₹ 1000 per pair
- Footwear having a retail sale price exceeding ₹ 1000 per pair will continue to attract 18%

**8. GST rates brought down from 18% to 12% in case of Handicraft items**

- Handbags including pouches and purses; jewellery box
- Wooden frames for painting, photographs, mirrors etc.
- Art ware of cork [including articles of sholapith]
- Stone art ware, stone inlay work
- Ornamental framed mirrors
- Glass statues [other than those of crystal]
- Glass art ware [ incl. pots, jars, votive, cask, cake cover, tulip bottle, vase ]
- Art ware of iron
- Art ware of brass, copper/ copper alloys, electro plated with nickel/silver
- Aluminium art ware
- Handcrafted lamps (including panchloga lamp)
- Worked vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes etc., (including articles of lac, shellac)
- Ganjifa card

**9. GST rates brought down from 12% to 5% in case of Handicraft items**

- Handmade carpets and other handmade textile floor coverings (including namda/gabba)
- Handmade lace
- Hand-woven tapestries
- Hand-made braids and ornamental trimming in the piece
- Toran

**10. Miscellaneous changes relating to the valuation of a supply:**

- IGST @5% on Pool Issue Price (PIP) of Urea imported on Govt. account for direct agriculture use, instead of assessable value plus customs duty.
- Exemption from Compensation cess to Coal rejects from washery [arising out of cess paid coal on which ITC has not been taken].

**11. Clarifications regarding the applicability of GST rates with respect to certain goods recommended by the GST Council which *inter-alia* includes:**

- Milk enriched with vitamins or minerals salt (fortified milk) is classifiable under HS code 0401 as milk and exempt from GST.
- 5% GST on both treated (modified) tamarind kernel powder and plain (unmodified) tamarind kernel powder.
- Beet and cane sugar, including refined beet and cane sugar, (falling under heading 1701) attract 5% GST rate.
- Water supplied for public purposes (other than in sealed containers) does not attract GST.
- Marine engine (falling under sub-heading 8408 10 93) attracts 5% GST rate.
- Kota stone and similar stones [ other than marble and granite] other than polished will attract 5% GST, while ready to use polished Kota stone and similar stones will attract 18%.
- Certain other miscellaneous clarification as regards classification/rate have been recommended

**II. Changes in rates of Services**

**1. Sector –Farmers/ Agriculture/ Food Processing**

- Exempt services by way of artificial insemination of livestock (other than horses).
- Exempt warehousing of minor forest produce in line with exemptions provided to the agricultural produce.
- Exempt the works of installation and commissioning undertaken by DISCOMS/ electricity distribution companies for extending electricity distribution network upto the tube well of the farmer/ agriculturalist for agricultural use.
- Exempt services provided by FSSAI to food business operators.

## **2. Education/ Training/ Skill Development**

Reduce rate of GST from 18% to 5% on supply only of e-books for which print version exist.

## **3. Social Security/ Pension Security/ Senior Citizens**

- Exempt services provided by Coal Mines Provident Fund Organisation to the PF subscribers from the applicability of GST on the lines of EPFO.
- Exempt supply of services by an old age home run by State / Central Government or by a body registered under 12AA of Income Tax Act) to its residents (aged 60 years or more) against consideration upto Rupees Twenty Five Thousand per month per member provided consideration is inclusive of charges for boarding, lodging, and maintenance.
- Exempt GST on the administrative fee collected by National Pension System Trust.
- Exempt services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in activities relating to the welfare of industrial or agricultural labour or farmer; or for the promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to own members against consideration in the form of membership fee up to an amount of one thousand rupees per member per year.

## **4. Banking/ Finance/ Insurance**

Exempt Reinsurance Services provided to specified Insurance Schemes such as Pradhan Mantri Rashtriya Swasthya Suraksha Mission (PMRSSM) (Ayushman Bharat), funded by Government.

## **5. Government Services**

- Exempt services provided by Government to ERCC by way of assigning the right to collect royalty, DMFT etc. from the mining lease holders.
- Exempt the guarantees given by Central/State Government/UT administration to their undertakings/PSUs.

## **6. Miscellaneous**

- Exempt GST on import of services by Foreign Diplomatic Missions/ UN & other International Organizations based on reciprocity.
- Exempt services supplied by an establishment of a person in India to any establishment of that person outside India, which are treated as establishments of distinct persons in

accordance with Explanation I in section 8 of the IGST Act provided the place of supply is outside the taxable territory of India in accordance with section 13 of IGST Act, 2017.

- Prescribe GST rate slabs on accommodation service based on transaction value instead of declared tariff which is likely to provide major relief to the hotel industry.
- Prescribe GST rate of 12% with full ITC under forward charge for composite supply of multimodal transportation.
- Rationalize the notification entry prescribing reduced GST rate on composite supply of works contract received by the Government or a local authority in the course of their sovereign functions.
- Rationalize entry relating to composite supply of food and drinks in restaurant, mess, canteen, eating joints and such supplies to institutions (educational, office, factory, hospital) on contractual basis at GST rate of 5%; and making it clear that the scope of outdoor catering under 7(v) is restricted to supplies in case of outdoor/indoor functions that are event-based and occasional in nature.

## **7. Clarifications**

- Supply of services provided by State and Central educational boards to students for the conduct of examination will be clarified to be exempt.
- To clarify that the courses run by private ITIs for designated trades are exempt under GST whereas non-designated courses are taxable.
- To clarify that GST on premium paid by the Governments for implementing Pradhan Mantri Rashtriya Swasthya Suraksha Mission (PMRSSM) (Ayushman Bharat) is exempt from GST.
- To provide clarification on the applicability of Service Tax / GST on services rendered by an Indian Architect- Consultant in relation to immovable property located outside India to Indian Diplomatic Missions/Posts abroad.
- To clarify to Auroville foundation that 'maintenance' paid by it to Aurovilians is not liable to GST.
- To insert an explanation in notification No. 13/2017-Central Tax(Rate) to define the term renting of immovable property.
- To clarify that certain services such as "deposit works (expenses for providing electric line/plant)" related to the distribution of electricity provided by DISCOM, attract GST.

## **8. Export / other trade facilitation measures**

- Extend the exemption granted on outward transportation of all goods by air and sea by another one year i.e. upto 30th September, 2019 as relief to the exporter of goods.
- Place liability to pay GST on services provided by individual DSAs to banks/NBFCs under reverse charge on the buying banks/NBFCs. However, services by non-individual NBFCs (corporate, partnership firms) to banks/NBFCs would continue under forward charge, as at present. (PIB)