

## Gist Of Gst Circular No. 163 and 164 dated 06th October 2021

clarification regarding GST rates & classification on various Goods as per the recommendations of the GST Council in its 45th meeting held on September 17, 2021 in Lucknow

### Gist of Circular No. 163/19/2021-GST dated October 06, 2021

☞ CBIC clarifies applicability of GST on fresh and dried fruits and nuts The exemption from GST to fresh fruits and nuts covers only such products which are not frozen or dried in any manner as stated above or otherwise processed. Supply of dried fruits and nuts, falling under heading 0801 and 0802 attract GST at the rate of 5%/12% as specified in the respective rate Schedules.

☞ CBIC clarifies applicability of GST on tamarind seed's With effect from October 01, 2021, tamarind and other seeds falling under heading 1209, (i.e. including tamarind seeds), if not supplied as seed for sowing, would attract GST at the rate of 5%.

☞ CBIC clarifies applicability of GST on definition of Copra.  
The exemption available to Coconut, fresh or dried, whether or not shelled or peeled, vide entry at S. No. 47 of notification No. 2/2017- Central Tax (Rate) dated June 28, 2017, is not available to Copra. Accordingly, Copra, classified under heading 1203, attracts GST rate of 5%.

☞ CBIC clarifies applicability of GST on pure henna powder and leaves.  
Pure henna powder and henna leaves, having no additives, is classifiable under tariff item 1404 90 90 and shall attract GST rate of 5% and GST rate on mehndi paste in cones falling under heading 1404 and 3305 shall be 5%.

☞ CBIC clarifies applicability of GST on scented sweet supari & flavored and coated illaichi.  
Scented sweet supari falls under tariff item 2106 90 30 as "Betel nut product" known as "Supari" and attracts GST rate of 18%.  
Flavored and coated illaichi generally consists of Cardamom Seeds, Aromatic Spices, Silver Leaf, Saffron, Artificial Sweeteners. It is distinct from illaichi or cardamom (which falls under heading 0908). It is clarified that flavored and coated illaichi is a value added product and falls under sub-heading 2106. It accordingly attract GST at the rate of 18%.

☞ CBIC clarifies applicability of GST on Brewers' Spent Grain, Dried Distillers' Grains with Soluble and other such residues.  
Brewers' spent grain (BSG), Dried distillers' grains with soluble [DDGS] and other such residues are classifiable under heading 2303, attracting GST at the rate of 5%.

☞ CBIC clarifies Scope of GST rate on all pharmaceutical goods falling under heading 3006 All goods falling under heading 3006 attract GST rate of 12% under entry 65 in the 12% rate schedule.

☞ CBIC clarifies all laboratory reagents and other goods falling under heading 3822 GST rate of 12% is applicable on all goods falling under heading 3822.

☞ CBIC clarified w.r.t. requirement of Original/ import Essentiality certificate for inter-state stock transfer of goods imported at concessional rate for petroleum operations. The original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) is sufficient and there is no need for taking a certificate every time on inter-state movement of goods within the same company / stock transfer so long as the goods are the same as those imported by the company at concessional rate. The importer is required to maintain records and should be able to establish nexus between the stock transfer of goods and the description in the essentiality certificate.

☞ CBIC clarifies GST rates applicable on External batteries sold along with UPS Systems/ Inverter. UPS/ inverter would attract GST rate of 18% under heading 8504, while external batteries would attract the GST rate as applicable to it under heading 8507 (28% for all batteries except lithium-ion battery), being separately identifiable products.

☞ CBIC clarifies applicability of GST rates on Solar PV Power Projects. GST on such specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, for the period of July 01, 2017 to December 31, 2018, in the same manner as has been prescribed for the period on or after January 01, 2019, as per the explanation in the Notification No.24/2018 dated December 31, 2018. However, it is specified that, no refunds will be granted if GST already paid is more than the amount determined using this mechanism.

☞ CBIC clarifies applicability of GST rates on Fibre Drums, whether corrugated or non-corrugated.

A uniform GST rate of 18% on all goods classifiable under heading 4819.

The rates on such Fibre Drums even if made at 12% GST (during the period from July 01, 2017 to September 30, 2021), would be treated as fully GST-paid. Therefore, no action for recovery of differential tax (over and above 12% already paid) would arise.

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☞ CBIC clarifies supply of ice cream by ice cream parlors. where ice cream parlors sell already manufactured ice- cream and do not cook/prepare ice-cream for consumption like a restaurant, it is supply of ice cream as goods and not as a service, even if the supply has certain ingredients of service. Accordingly, it is clarified that ice cream sold by a parlor or any similar outlet would attract GST at the rate of 18%.

☞ CBIC clarifies coaching services supplied by coaching institutions and NGOs under the central sector scheme of ‘Scholarships for students with Disabilities’

Where total expenditure is borne by the Government, such coaching service are covered under entry 72 of notification No. 12/2017-Central Tax (Rate) dated June 28, 2017 and hence exempt from GST.

☞ CBIC clarifies satellite launch services provided by NSIL.

As the satellite launch services supplied by NSIL are similar to those supplied by ANTRIX Corporation Ltd, the said circular No. 2/1/2017-IGST dated September 27, 2017, is applicable to them. If the POS is outside india and other conditions u/s 2(6) are satisfied, such would be considered as export of services as zero rated supply.

☞ CBIC clarifies applicability of GST on overloading charges at toll plaza.

Overloaded vehicles were allowed to ply on the national highways after payment of fees with multiplying factor of 2/4/6/8/10 times the base rate of toll. Therefore, it essence overloading fees are effectively higher toll charges. As recommended by the GST Council, it is clarified that overloading charges at toll plazas would get the same treatment as given to toll charges.

☞ CBIC clarifies renting of vehicles to State Transport Undertakings and Local Authorities.

Said services where the said vehicles are rented or given on hire to State Transport Undertakings or Local Authorities are eligible for the said exemption irrespective of whether such vehicles are run on routes, timings as decided by the State Transport Undertakings or Local Authorities and under effective control of State Transport Undertakings or Local Authorities which determines the rules of operation or plying of vehicles.

☞ CBIC clarifies services by way of grant of mineral exploration and mining rights.

The licensing services for the right to use minerals including its exploration and evaluation” falling under service code 997337 were taxable @ 18% during July 01, 2017 to December 31, 2018. Post, January 01, 2019 no dispute remains as stated above.

☞ CBIC clarifies admission to indoor amusement parks having rides etc.

28% rate [entry 34 (iia)] applies on admission to a place having casino or race club [even if it provides certain other activities] or admission to a sporting event like IPL. Entry 34 (iii), having a rate of 18%, covers all other cases of admission to amusement parks, or theme park etc or any place having joy rides, merry-go rounds, go-carting etc, whether indoor or outdoor, so long as no access is provided to a casino or race club.

☞ CBIC clarifies services supplied by contract manufacturers to brand owners for manufacture of alcoholic liquor for human consumption.

alcoholic liquor is not considered as food. Accordingly, services by way of job work in relation to manufacture of alcoholic liquor for human consumption are eligible for the GST rate of 18%.

☞ CBIC clarifies gst rate for services by cloud / central kitchens.

Service provided by way of cooking and supply of food, by cloud kitchens/central kitchens are covered under 'restaurant service', as defined in notification No. 11/2017- Central Tax (Rate) and attract 5% GST [ without ITC].