Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update
No. 9 of 2018,
dated 27-7-2018

Notifications issued giving effect to the decisions taken in the 28th GST Council Meeting held on 21st July 2018

Notifications issued to implement decisions of the GST Council

- CBIC has issued several notifications dated 26th July 2018 to bring into effect decisions taken by the GST Council in its last meeting held on 21st of July.
- Most of these changes have come into effect from today (27th July 2018).
- These notifications can also be accessed from the website www.gst.lakshmisri.com.
- *Please refer to our GST Update No. 8 of 2018 shared on 24th July 2018 covering in detail major decisions taken by the GST Council.*

List of Notifications issued amending GST rate on goods

Notification No.	Basic Notification amended by latest notfn.	Particulars
18/2018-Central Tax (Rate)	1/2017-Central Tax (Rate)	Amending GST Rates on various goods
19/2018-Central Tax (Rate)	2/2017-Central Tax (Rate)	Exemption from GST on certain goods
20/2018-Central Tax (Rate)	5/2017-Central Tax (Rate)	Allowing refund of unutilized ITC for supplies in relation to certain fabrics
21/2018-Central Tax (Rate)	N/A	Notifies concessional rate of GST on specified handicraft goods
2/2018-Compensation Cess (Rate)	1/2017-Compensation Cess (Rate)	Exempts Compensation Cess on certain goods

Revision of GST Rates on certain goods

Particulars	Earlier CGST Rate	Amended CGST Rate
Paints and varnishes, prepared water pigments of a kind used for finishing leather- **classified under the Heading 3208/3209/3210**	14%	9%
Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics; painters' fillings; non- refractory surfacing preparations- **classified under Heading 3214**	14%	9%
Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines- **classified under Heading 8418**	14%	9%
Household or laundry-type washing machines, including machines which both wash and dry- **classified under Heading 8450**	14%	9%
Lithium-ion Batteries- **classified under Heading 8507 60 00**	14%	9%
Vacuum cleaners- **classified under Heading 8508**	14%	9%
Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 8508 (other than wet grinder consisting of stone as a grinder)- **classified under Heading 8509**	14%	9%

Revision of GST Rates on certain goods

Particulars	Earlier CGST Rate	Amended CGST Rate
Shavers, hair clippers and hair-removing appliances, with self-contained electric motor- **classified under Heading 8510**	14%	9%
Electric water heaters and immersion heaters; electro thermic hair-dressing apparatus and hand dryers; electric heating apparatus; electric smoothing irons; electric heating resistors, other than those of heading 8545- **classified under Heading 8516**	14%	9%
Television set (including LCD or LED television) of screen size not exceeding 68 cm- **classified under Heading 8528**	14%	9%
Special purpose motor vehicles, other than those principally designed for the transport of persons or goods - **classified under Heading 8705**	14%	9%
Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports; tractors of the type used on railway station platforms; parts of the foregoing vehicles- **classified under Heading 8709**	14%	9%

Revision of GST Rates on certain goods

Particulars	Earlier CGST Rate	Amended CGST Rate
Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof [other than Self-loading or self-unloading trailers for agricultural purposes, and Hand propelled vehicles; animal drawn vehicles]- **classified under Heading 8716**	14%	9%
Fuel Cell Motor Vehicles- **classified under Chapter 87**	14%	6%
Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetics or toilet preparations- **classified under Heading 9616**	14%	9%
Sanitary Towels (pads) or sanitary napkins; tampons- **classified under Heading 9619 00 10/ 9619 00 20**	6%	NIL
Ethyl alcohol supplied to Oil Marketing Companies for blending with motor spirit (petrol)- **classified under Heading 2207**	9%	2.5%
Fertilizer grade phosphoric acid- **classified under Heading 2809**	6%	2.5%

Other changes

- Reduced CGST Rate of 2.5% now also available for Footwear having retail sale price not exceeding Rs. 1000 per pair, as against Rs. 500 per pair earlier [RSP should be indelibly marked or embossed on the footwear itself].
- Compensation Cess also exempted on Fuel Cell Motor Vehicles classified under Chapter 87

Other changes

- Concessional CGST Rates prescribed for certain specified class of handicraft goods such as Handbags including pouches, purses, jewellery box, Wooden frames for painting, photographs, mirrors etc. - Notification No. 21/2018-Central Tax (Rate)
- Refund of unutilized ITC to be allowed from August 1, 2018 in respect of supplies of certain specified fabrics - **Accumulated ITC lying in balance upto the month of July 2018 to lapse -** Notification No. 20/2018- Central Tax (Rate) amending Notification No. 5/2017-Central Tax (Rate)

Issues requiring attention

- Ensuring compliance with Anti-profiteering provisions on account of reduction in rate of GST on several goods
- Ensuring compliance with Legal Metrology provisions in case of packaged commodities

For previous GST Updates, Notifications, Circulars, Press Releases and Rules, please visit www.gst.lakshmisri.com

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