

INDIRECT TAX

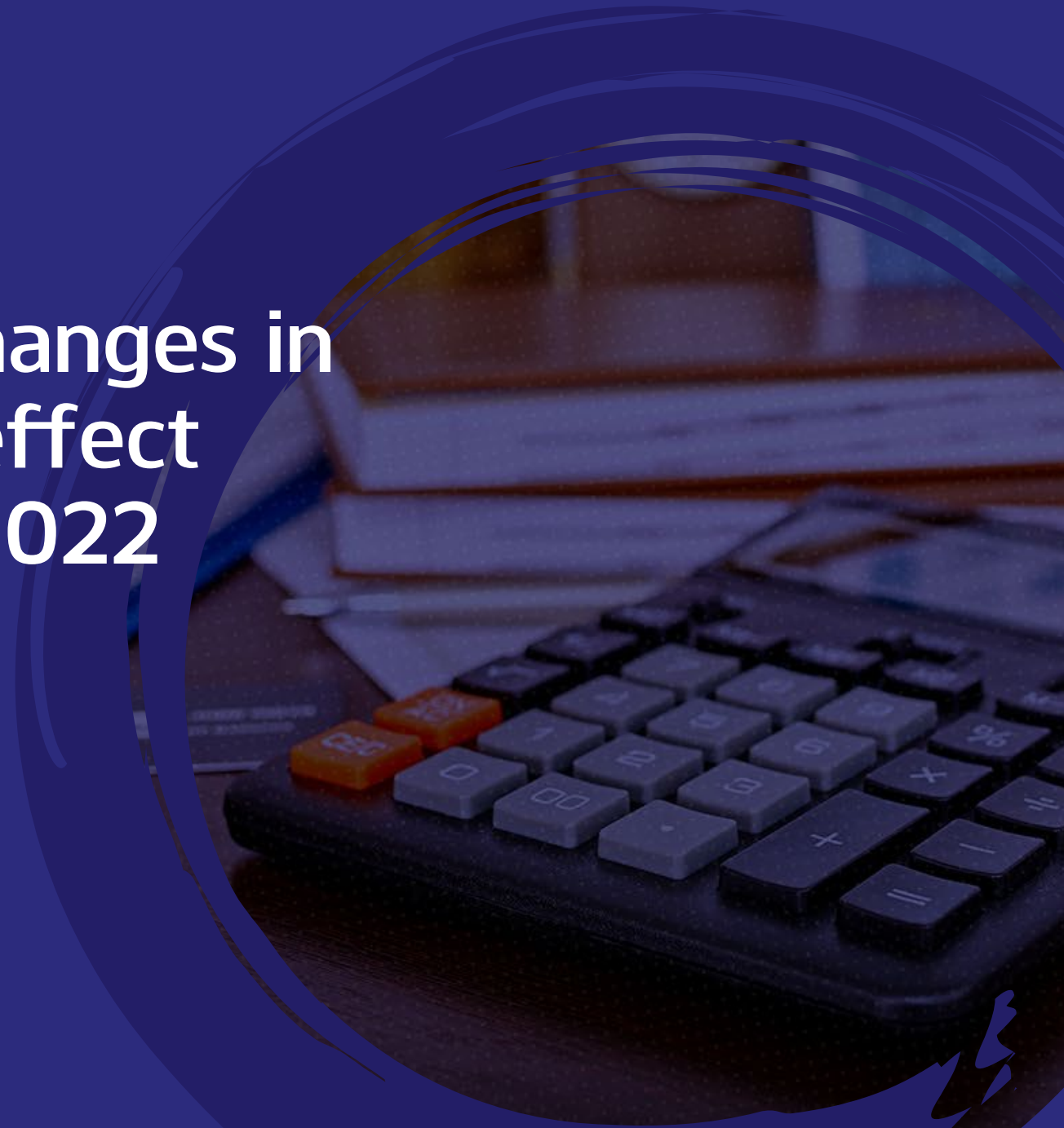
GST Update – Changes in GST Tariff with effect from 1 January 2022

UPDATE NO. 41 OF 2021



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exceeding expectations
SINCE 1985



CHANGES IN NOTIFICATIONS ISSUED IN RESPECT OF GOODS W.E.F. 1 JANUARY 2022

Base Notification	Amending Notification
Notification No. 1/2017-Central Tax (Rate)	Notification No. 18/2021-Central Tax (Rate)
Notification No. 2/2017-Central Tax (Rate)	Notification No. 19/2021-Central Tax (Rate)
Notification No. 21/2018-Central Tax (Rate)	Notification No. 20/2021-Central Tax (Rate)
Notification No. 1/2017-Compensation Cess (Rate)	Notification No. 2/2021-Compensation Cess (Rate)



L&S Comments

The World Customs Organisation Convention on Harmonized Commodity Description and Coding System (HS convention) has come out with the HS-2022, which is the new (seventh) edition of the Harmonized System (HS) nomenclature, in order to facilitate the standardization of trade documentation and the transmission of data. The HS nomenclature forms the basis of national Customs Tariff of over 200 nations, including India. It changes shall come into force from 1st January 2022.

As India is a party to the HS convention, necessary changes have been brought in the First Schedule of Customs Tariff Act, 1975 with effect from 1 January 2022 in order to align the same with the HS 2022. On the same lines, changes have also been made in GST Goods Notifications as these Notifications refer to the Custom Tariff Act, 1975 for classification of goods.

The detailed changes undertaken in the above-mentioned notifications are discussed in attached Annexure. Additions and deletions in the respective notifications are highlighted in "red" for ease of reference.



Purpose of the said amendments

Purpose of the amendments is to give to recognition of new product streams and addressing environmental and social issues of global concern.

These changes recognize that the current subheadings do not adequately represent the technological advances in these sectors, leaving a lack of trade statistics important to the industries and potential classification difficulties. Many new subheadings have been created for dual use goods that could be diverted for unauthorized use.

The changes are not confined to creating new specific provisions for various goods. The amendments also include clarification of texts to ensure uniform application of the nomenclature.

Steps to be undertaken by Taxpayers

Taxpayers should evaluate the impact of the above changes in their existing HSN along with description adopted by them in respect of outward supplies of goods and imported goods in order to ensure uniformity with the amendments effective from 1st January 2022.

Further, wherever required, taxpayers will have to analyse the implications under the Legal Metrology (Packaged Commodities) Rules, 2011 while altering the MRP due to the aforesaid changes.



ANNEXURE:

- Change in Tariff item and description of goods prescribed in Notification No. 1/2017-Central Tax (Rate) with effect from 1 January 2022 [Notification No. 18/2021-Central Tax (Rate) dated 28 December 2021]

S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
Schedule I			
2	0303, 0304, 0305, 0306, 0307, 0308, 0309	All goods [other than fresh or chilled] and put up in unit container and,— (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily], subject to the conditions as in the ANNEXURE]	5%
9	0403	Cream, yogurt, Yoghurt; Cream, 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 cocoa	5%
14	0410	Insects and other edible products of animal origin, not elsewhere specified or included	5%
87	1515	Other fixed vegetable or microbial fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.	5%
107	2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable or microbial fats or oils, other than those of heading 2304 or 2305 other than cotton seed oil cake.	5%
127	2518	Dolomite, whether or not calcined or sintered, including dolomite roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; dolomite ramming mix. 2518 10 dolomite, Not calcined or sintered	5%



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
186A	3816	Dolomite ramming mix	5%
186A-186B	3826	Bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel	5%
232	8419-19 8419 12	Solar water heater and system	5%
244	8802 or 8806	Other aircraft (for example, helicopters, aeroplanes), except the items covered in Sl. No. 383 in Schedule III , other than these for personal use.	5%
245	8803 8807	Parts of goods of heading 8802 or 8806 (except parts of items covered in Sl. No. 383 in Schedule III)	5%
258	9405-50-31-9405	Kerosene pressure lantern	5%
Schedule II			
15	0802	Other N uts, other dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus-Corylus spp.), Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]	12%
25	1516	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.	12%
26	1517	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	12%
27	1518	Animal or microbial fats and animal or microbial oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal, or vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included	12%



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
28	1601	Sausages and similar products, of meat, meat offal, or blood or insects; food preparations based on these products	12%
29	1602	Other prepared or preserved meat, meat offal, or blood or insects	12%
41	2009	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	12%
41A	2009 89 90	Tender coconut water put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE]	12%
49	2202 99 90	Tender coconut water put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE]	12%
144	5703	Carpets and other textile floor coverings (including Turf), tufted, whether or not made up	12%
185A	7419 99 30 7419 80 30	Brass Kerosene Pressure Stove	12%
225	9405, 9405 50 31	Hurricane lanterns, Kerosene lamp/pressure lantern, petromax, glass chimney, and parts thereof	12%



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
236	9701	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages, mosaics and similar decorative plaques	12%
Schedule III			
26A	2404 12 00	Products containing nicotine and intended for inhalation without combustion	18%
26B	2404 91 00, 2404 92 00, 2404 99 00	Products for oral application or transdermal application or for application otherwise than orally or transdermally, containing nicotine and intended to assist tobacco use cessation	18%
26A 26C	2515 12 20, 2515 12 90	Marble and travertine, other than blocks	18%
26B 26D	2516 12 00	Granite, other than blocks	18%
26C 26E	2601	Iron ores and concentrates, including roasted iron pyrites.	18%
26D 26F	2602	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight	18%
26E 26G	2603	Copper ores and concentrates	18%
26F 26H	2604	Nickel ores and concentrates	18%
26G 26I	2605	Cobalt ores and concentrates	18%
26H, 26J	2606	Aluminium ores and concentrates	18%
26I 26K	2607	Lead ores and concentrates	18%



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
26J 26L	2608	Zinc ores and concentrates	18%
26K 26M	2609	Tin ores and concentrates	18%
26L 26N	2610	Chromium ores and concentrates	18%
41.	30	Nicotine polacrilex gum	18%
72	3603	Safety Fuses; Detonating Cord fuses ; Percussion or Detonating Caps; Igniters; Electric Detonators	18%
98A.	3827	Mixtures containing halogenated derivatives of Methane, Ethane or Propane, not elsewhere specified or included	18%
190A	7011	Glass envelopes (including bulbs and tubes), open, and glass parts thereof, without fittings, for electric lamps and light sources, cathode ray tube or the like	18%
195	7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, rovings, woven fabrics)	18%
317B	8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters; Gas-tight biological safety cabinets, whether or not fitted with filters [other than bicycle pumps, other hand pumps and parts of air or vacuum pumps and compressors of bicycle pumps]	18%
320	8419 [other than 8419 12]	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming,	18%



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
		drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric [other than Solar water heater and system]	
330	8438	Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils	18%
352	8462	Machine-Tools (Including Presses) For Working Metal by Forging, Hammering or Die- stamping Forging (Excluding Rolling Mills) ; Machine-Tools (Including Presses, Slitting Lines and Cut-To-Length Lines) For Working Metal by Bending, Folding, Straightening, Flattening, Shearing, Punching, or Notching or Nibbling (Excluding Draw-Benches) ; Presses for Working Metal or Metal Carbides, Not Specified Above	18%
369C	8485	Machines for Additive Manufacturing	18%
382A	8524	Flat Panel Display Modules, Whether or Not Incorporating Touch-Sensitive Screens	18%
383	8525 or 8806	Closed-circuit television (CCTV), transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders including goods in the form of unmanned aircraft falling under 8806 [other than two-way radio (Walkie talkie) used by defence, police and paramilitary forces, etc.]	18%
390	8539	Electrical Filament or discharge lamps including sealed beam lamp units and ultra-violet or infra-red lamps; arc lamps [other than Light-Emitting Diode (LED) lamps Light Sources	



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
392	8541	Diodes, transistors and similar semi-conductor devices; [Semiconductor Devices (for example, Diodes, Transistors, Semiconductor Based Transducers); photosensitive semi-conductor devices; light-emitting diodes (LED); whether or not assembled with other Light-Emitting Diodes (LED); mounted piezo- electric crystals	
398	8548 or 8549	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter	
411H	9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter	
413A	9022	Apparatus based on the use of X-rays or of alpha, beta, or gamma or other ionizing radiations [other than those for medical, surgical, dental or veterinary uses], including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, 28 examinations or treatment tables, chairs and the like	
438A	9405	"Lamps- Luminaires and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included [other than kerosene pressure lantern and parts thereof including gas mantles; hurricane lanterns, kerosene lamp, petromax, glass chimney, and parts thereof; LED lights or fixtures including LED lamps; LED (light emitting diode) driver and MCPCB (Metal Core Printed Circuit Board)]	



S. No. as per NN 1 / 2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
441A	9508	Roundabouts, swings, shooting galleries and other fairground amusements; [other than travelling circuses and travelling menageries Travelling Circuses and Travelling Menageries; Amusement Park Rides and Water Part Amusements; Fairground Amusements, including Shooting Galleries; Travelling Theatres	
449B	9617	Vacuum flasks and other vacuum vessels, complete with cases ; parts thereof other than glass inners	
Schedule IV			
15A	2404 11 00	Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion	28%
15B	2404 19 00	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion";	28%
176	8802 or 8806	Aircrafts for personal use	28%



- Change in Tariff item and description of goods prescribed in Notification No. 2/2017-Central Tax (Rate) with from 1 January 2022 [Notification No. 19/2021-Central Tax (Rate) dated 28 December 2021]

S. No. as per NN 2/2017 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods
22	0304, 0306, 0307, 0308, 0303, 0304, 0305, 0306, 0307, 0308, 0309	All goods, fresh or chilled
43B	0711	Vegetables provisionally preserved (for example, by Sulphur dioxide gas, in brine, in Sulphur water or in other preservative solutions) , but unsuitable in that state for immediate consumption;
49	0802	Other nuts, Other nuts, fresh such as Almonds, Hazelnuts or filberts (Corylus spp.), walnuts, Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Areca nuts, pine nuts, fresh, whether or not shelled or peeled
97A	2009 89 90	Tender coconut water other than those put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE I] 5%
101	2202 90 90	Tender coconut water other than those put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily, subject to the conditions as in the ANNEXURE I]
141	8803 8807	Parts of goods of heading 8801



- Change in tariff item of handicraft goods mentioned in Notification No. 21/2018-Central Tax (Rate) with effect from 1 January 2022 [Notification No. 20/2021-Central Tax (Rate) dated 28 December 2021]

S. No. as per NN 21/2018 -CT	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
4	4414 00-00	Wooden frames for painting, photographs, mirrors etc.	6%
29	7419-99 7419 80	Art ware of brass, copper / copper alloys, electro plated with nickel / silver	6%

- Change in tariff item of goods mentioned in Notification No. 1/2017-Compensation Cess (Rate) with effect from 1 January 2022 [Notification No. 2/2021-Compensation Cess (Rate) dated 28 December 2021]

S. No. as per NN 1/2017 – Compensation Cess (Rate)	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate
25	2403 91 00 or 2404 11 00	"Homogenised" or "reconstituted" tobacco, bearing a brand name	72%
37	2403 99 90 or 2404 11 00 or 2404 19 00	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	96%
38	2403 99 90 or 2404 11 00 or 2404 19 00	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	96%
54	8802 or 8806	Other aircraft (for example, helicopters, aeroplanes), for personal use.	3%



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