

GOODS & SERVICES TAX / IDT UPDATE-137

Notifications issued by CBIC to give effect to the rate changes as recommended in 45th GST Council Meeting - All made effective from 01.10.2021

1. Following changes have been made in rate notification for services viz., [Notification No. 11/2017-Central Tax \(Rate\) dated 28th June, 2017](#) vide [Notification No. 06/2021-Central Tax \(Rate\) dated 30th September, 2021](#):

- CGST rate of 6% is applicable on composite supply of works contract supplied by way of construction, repair etc. of a building used for carrying out the activities in relation to mid-day meal scheme sponsored by the Central/State Government, Union territory or local authorities if such building is owned by an entity registered under section 12AA of the Income Tax Act, 1961. Now the CGST rate of 6% would also be applicable if the building is owned by an entity registered under section 12AB of the Income Tax Act, 1961. This amendment has been made consequent to the insertion of 12AB in the Income-tax Act, 1961 vide the Finance Act, 2020.
- Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property Right in respect of both IT software and goods other than IT software would be taxable at the rate of 9% [CGST]. Thus, the earlier bifurcation of IT software and goods other than IT software has been done away with.
- Services by way of job work in relation to manufacture of alcoholic liquor for human consumption would be taxable at the rate of 9% [CGST].
- Services by way of printing of all goods falling under Chapter 48 or 49, which attract CGST @ 6% or 2.5% or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer were taxable @ 6% [CGST]. This entry has been omitted. Now other manufacturing services; publishing, printing and reproduction services; material recovery services shall be taxable at the rate of 9% [CGST]. Thus, the bifurcation done earlier has been done away with.
- The entry relating to admission to amusement parks and casinos etc. has been amended as under:

S. No.	Description	CGST Rate
1.	Services by way of admission to: (a) theme parks, water parks and any other place having joy rides, merry- go rounds, go carting, or (b) Ballet	9%
2.	Services by way of admission to: (a) casinos or race clubs or any place having casinos or race clubs, or (b) sporting events like Indian Premier League	14%

Equal rates of SGST would also be applicable in all the above cases. Parallel amendments have been made in IGST rate notification for services as well.

2. Following changes have been made in exemption notification for services viz., [Notification No. 12/2017-Central Tax \(Rate\) dated 28th June, 2017](#) vide [Notification No. 7/2021-Central Tax \(Rate\) dated 30th September, 2021](#):

- Consequent to the insertion of section 12AB in the Income-Tax Act, 1961 vide the Finance Act, 2020, exemptions available to entities registered under section 12AA of the Income Tax Act, 1961 have been extended to entities registered under section 12AB as well.
- Exemption granted to services related to FIFA Women's World Cup, 2020 to be hosted in India shall continue to be exempted "whenever rescheduled".
- Exemption has been granted to services by way of right to admission to the events organized under AFC Women's Asia Cup, 2022 subject to fulfillment of specified condition.
- Exemption granted to services by way of transportation of goods by an aircraft/vessel from customs station of clearance in India to a place outside India has been extended to 30th September, 2022.
- Exemption granted to services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways has been withdrawn.
- Exemption has been granted to services by way of granting National Permit to a goods carriage to operate through-out India / contiguous States.
- Exemption available to services provided to the Central Government, State Government, Union territory administration under any training programme for which **total expenditure** is borne by the Central Government, State Government, Union territory administration would now be available if 75% or more of the total expenditure is borne by the Central/State Government or UT administration.

Parallel amendments have been made in IGST exemption notification for services as well.

3. Amendments have also been made in rate notification for goods to give effect to the decisions taken by the GST Council at its 45th Meeting held on 17.09.2021. For example, CGST rate on specified renewable energy devices and parts has been increased from 2.5% to 6%, CGST rate on waste and scrap of polyurethanes and other plastics has been increased from 2.5% to 9%, CGST rate on fortified rice kernels for schemes like ICDS etc. and medicine keytruda for treatment of cancer has been reduced from 9% to 2.5% and 6% to 2.5% respectively. Further, carbonated beverages of fruit drink or carbonated beverages with fruit juice shall now be charged to CGST at the rate of 14%. Equal rates of SGST would also be applicable in all these cases.

It has been clarified that exemption available to seeds, fruit and spores, of a kind used for sowing will not cover seeds meant for any use other than sowing. Further, exemption on certain specified COVID-19 medicines has been extended to 31st December, 2021.

Parallel amendments have been made in IGST rate notifications for goods as well.

[\[Notification No. 8/2021-Central Tax \(Rate\) dated 30th September, 2021,](#)
[Notification No. 9/2021-Central Tax \(Rate\) dated 30th September, 2021,](#)
[Notification No. 10/2021-Central tax \(Rate\) dated 30th September, 2021,](#)
[Notification No. 11/2021-Central Tax \(Rate\) dated 30th September 2021,](#)
[Notification No. 12/2021-Central Tax \(Rate\) dated 30th September, 2021\]](#)

4. The reverse charge notification for goods viz., [Notification No.4/2017-Central Tax \(Rate\) dated 28th June, 2017](#) has been amended vide [Notification No. 10/2021-Central tax \(Rate\) dated 30th September, 2021](#) to provide that tax on the following goods shall be payable by the *registered recipient of such goods under reverse charge when procured from an unregistered supplier* :

Essential oils other than those of citrus fruit namely: -

- a) Of peppermint (Menthapiperita);
b) Of other mints: Spearmint oil (exmenthaspicata), Water mint-oil (exmentha aquatic), Horsemint oil (exmenthasylvestries), Bergament oil (ex-mentha citrate)

Parallel amendment has been made in IGST reverse charge notification as well.

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