

**RECOMMENDATIONS FOR CHANGES IN GST/IGST RATE AND  
CLARIFICATIONS IN RESPECT OF GST RATE ON CERTAIN GOODS**

**[As per discussions in the 25<sup>th</sup> GST Council Meeting held on 18<sup>th</sup> January, 2018]**

These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications / circulars which only shall have the force of law.

**A. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 28% TO 18%:**

<b>S. No.</b>	<b>Chapter/Heading/Sub-heading/Tariff item</b>	<b>Description</b>
1.	87	Old and used motor vehicles [medium and large cars and SUVs] on the margin of the supplier, subject to the condition that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.
2.	8702	Buses, for use in public transport, which exclusively run on bio-fuels.

**B. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 28% TO 12%:**

<b>S. No.</b>	<b>Chapter/Heading/Sub-heading/Tariff item</b>	<b>Description</b>
1.	87	All types of old and used motors vehicles [other than medium and large cars and SUVs] on the margin of the supplier of subject to the conditions that no input tax credit of central excise duty /value added tax or GST paid on such vehicles has been availed by him.

**C. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 18% TO 12%:**

<b>S. No.</b>	<b>Chapter/Heading/Sub-heading/Tariff item</b>	<b>Description</b>
1.	1704	Sugar boiled confectionary
2.	2201	Drinking water packed in 20 liters bottles
3.	2809	Fertilizer grade Phosphoric acid
4.	29 or 38	Bio-diesel

5	38	The following Bio-pesticides, -																										
		<table border="1"> <thead> <tr> <th>S. No.</th> <th>Name of the bio pesticide</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bacillus thuringiensis var. israelensis</td> </tr> <tr> <td>2</td> <td>Bacillus thuringiensis var. kurstaki</td> </tr> <tr> <td>3</td> <td>Bacillus thuringiensis var. galleriae</td> </tr> <tr> <td>4</td> <td>Bacillus sphaericus</td> </tr> <tr> <td>5</td> <td>Trichoderma viride</td> </tr> <tr> <td>6</td> <td>Trichoderma harzianum</td> </tr> <tr> <td>7</td> <td>Pseudomonas fluorescens</td> </tr> <tr> <td>8</td> <td>Beauveria bassiana</td> </tr> <tr> <td>9</td> <td>NPV of Helicoverpa armigera</td> </tr> <tr> <td>10</td> <td>NPV of Spodopteralitura</td> </tr> <tr> <td>11</td> <td>Neem based pesticides</td> </tr> <tr> <td>12</td> <td>Cymbopogon</td> </tr> </tbody> </table>	S. No.	Name of the bio pesticide	1	Bacillus thuringiensis var. israelensis	2	Bacillus thuringiensis var. kurstaki	3	Bacillus thuringiensis var. galleriae	4	Bacillus sphaericus	5	Trichoderma viride	6	Trichoderma harzianum	7	Pseudomonas fluorescens	8	Beauveria bassiana	9	NPV of Helicoverpa armigera	10	NPV of Spodopteralitura	11	Neem based pesticides	12	Cymbopogon
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6.	4418	Bamboo wood building joinery																										
7.	8424	Drip irrigation system including laterals, sprinklers																										
8.	8424	Mechanical Sprayer																										

**D. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 18% TO 5%:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	13	Tamarind Kernel Powder
2.	1404/3305	Mehendi paste in cones
3.	2711	LPG supplied for supply to household domestic consumers by private LPG distributors
4.	88 or any other chapter	Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads

**E. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 12% TO 5%:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	4601, 4602	Articles of straw, of esparto or of other plaiting materials; basketware and wickerwork

**F. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR INCREASE FROM 12% TO 18%:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	5601 22 00	Cigarette filter rods

**G. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 12% TO 5% WITH NO REFUND OF UNUTILISED INPUT TAX CREDIT:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	5801 37 20	Velvet fabric

**H. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 3% TO 0.25%:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	7102	Diamonds and precious stones

**I. NIL GST RATE:**

- (i) Vibhuti
- (ii) Parts and accessories for manufacture of hearing aids.
- (iii) De-oiled rice bran

**J. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR INCREASE FROM NIL TO 5%:**

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description
1.	2302	Rice bran (other than de-oiled rice bran)

**K. CHANGES IN COMPENSATION CESS ON CERTAIN GOODS:**

S. No	Chapter/Heading/Sub-heading/Tariff item	Description	Present Compensation Cess Rate	Compensation Cess Rate Recommended
1.	8702	Motor vehicles [falling under heading 8702, as it was in excise regime] cleared as ambulances, duly fitted with all	15%	Nil

		fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such vehicles.10-13 seater buses and ambulances, subject to specified conditions.		
2.	87	Old and used motor vehicles [medium and large cars and SUVs], on the margin of the supplier, subject to the condition that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.	Applicable rate	Nil
3.	87	All types of old and used motors vehicles [other than medium and large cars and SUVs] on the margin of the supplier of subject to the conditions that no input tax credit of central excise duty /value added tax or GST paid on such vehicles has been availed by him.	Applicable rate	Nil

**L. CHANGES IN IGST RATE RECOMMENDED ON CERTAIN GOODS:**

S. No	Chapter/ Heading/ Sub- heading/ Tariff item	Description	Present IGST Rate	IGST Rate Recommended
1.	88or any other chapter	Satellites and payloads and Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads	18%	5%

**M. MODIFICATION IN DEFINITION/ CLARIFICATION IN RESPECT OF CHANGES IN GST/IGST RATES ON GOODS:**

S. No	Chapter/ Heading/ Sub- heading/ Tariff item	Description	Present GST Rate	Modification/clarification Recommended
1.	27	Poly Butylene Feed Stock & Liquefied Petroleum Gas	18%	The GST to apply only on the net quantity of Poly Butylene Feed Stock or Liquefied Petroleum Gases retained for the manufacture of Poly Iso Butylene or Propylene or di-butyl para cresol respectively, subject to specified conditions.

2.	Any chapter	Rail coach industry	Applicable GST rate	Only the goods falling under chapter 86 attract 5% GST rate with no refund of unutilised ITC. Goods falling in any other chapter will attract applicable GST rate under the respective chapters, even if supplied to the Indian railways.
3.	2701	Coal rejects	5% + Rs. 400 PMT Compensation Cess	Coal rejects fall under heading 2701 and attract 5% GST and Rs. 400 PMT Compensation Cess.

**It is proposed to issue notification giving effect to the recommendations of the Council on 25<sup>th</sup> January, 2018 to be effective from 00 HRS on 25<sup>th</sup> January, 2018**

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