

TAX INFO

Dated 06/12/2021

Latest update on GST Law: Information regarding Notification No. 14 to 17/2021 dated 18.11.2021

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Notification No. 14/2021- CT (Rate) dated 18.11.2021

Changes in GST Rates on goods

Presently, tax rate on manmade fibre or yarn is 12% which is higher than the final product taxed at the rate of 5% and as a result ITC keeps on accumulating and leading to a situation of inverted duty structure. To overcome the problems faced in inverted duty structure, notification was issued to uniform 12% rate for manmade fibre (MMF), yarn, fabrics and apparels. Entries related to garment sections under Schedule I (i.e. taxed at 5%) are omitted and entered in Schedule II (i.e. taxed at the rate of 12%).

Earlier, footwear of value exceeding Rs. 1,000/- is taxed at the rate of 12% and footwear of value not exceeding Rs. 1,000/- is taxed at 5%. Now, a uniform rate of 12% is applicable on footwear. Such changes are applicable from 01.01.2022.

Notification No. 15/2021- CT (Rate) dated 18.11.2021

Changes in GST Rates on services

SAC	Description	Rate
9988	Service of Job Work by way of Dyeing and Printing of Textile and Textile Products for registered principal is excluded	12% w.e.f 01.01.2022
9954	Omission of Words "a Governmental Authority or a Government Entity" in description of service in the entries on Serial no. 3 and 3A	18% w.e.f 01.01.2022

Notification No. 16/2021- CT (Rate) dated 18.11.2021

Exclusion of certain service from exempt services if they are provided by e-commerce operators

SAC	Description	Rate
9964	Transport of passengers, with or without accompanied belongings, by – (b) non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or (c) stage carriage other than air conditioned stage carriage; (e) metered cabs or auto rickshaws (including e-rickshaws) if such services are supplied through an electronic commerce operator, and notified under sub-section (5) of Section 9 of the Central Goods and Services Tax Act, 2017.	5% w.e.f 01.01.2022

Notification No. 17/2021- CT (Rate) dated 18.11.2021

Inclusion of certain service by E-commerce operators

1. Services by way of transportation of passengers by a motor cycle, omnibus or any other motor vehicle;
2. Supply of restaurant service other than the services supplied by restaurant, eating joints etc. Located at specified premises i.e. service by food delivery aggregators

Here, specified premises means premises providing hotel accommodation service having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent

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