

GOVERNMENT OF ASSAM
OFFICE OF THE PRINCIPAL COMMISSIONER OF STATE TAX
CUM COMMISSIONER OF TAXES, ASSAM
KAR BHAWAN :: DISPUR, GUWAHATI-6

CIRCULAR NO. 145/2023-GST

Dated Dispur the 16th August, 2023.

Subject: Clarification regarding GST rates and classification of certain goods based on the recommendations of the GST Council in its 50th meeting held on 11th July, 2023—reg.

No. CT/GST-15/2017/864.— Based on the recommendations of the GST Council in its 50th meeting held on 11th July, 2023, clarifications with reference to GST levy related to the following items are being issued through this circular:

- i. Un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion;
- ii. Fish Soluble Paste;
- iii. Desiccated coconut;
- iv. Biomass briquettes;
- v. Imitation zari thread or yarn known by any name in trade parlance;
- vi. Supply of raw cotton by agriculturist to cooperatives;
- vii. Plates, cups made from areca leaves;
- viii. Goods falling under HSN heading 9021.

2. Applicability of GST on un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion:

- 2.1 In the 48th meeting of the GST Council, it was clarified that the snack pellets (such as 'fryums'), which are manufactured through the process of extrusion, are appropriately classifiable under tariff item 1905 90 30, which covers goods with description 'Extruded or expanded products, savoury or salted', and thereby attract GST at the rate of 18% vide Sl. No. 16 of Schedule-III of notification no. 1/2017-State Tax (Rate), dated the 29th June, 2017.
- 2.2 In view of the recommendation of the GST Council in the 50th meeting, supply of un-cooked/un-fried extruded snack pellets, by whatever name called, falling under CTH 1905 will attract GST rate of 5% vide Sl. No. 99B of Schedule I of notification no. 1/2017-State Tax (Rate), dated the 29th June, 2017 with effect from 27th July, 2023. Extruded snack pellets in ready- to-eat form will continue to attract 18% GST under Sl. No. 16 of Schedule III of notification no. 1/2017-State Tax (Rate), dated the 29th June, 2017.
- 2.2 Further, in view of the prevailing genuine doubts regarding the applicability of GST rate on the un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion, the issue for past period upto 27.7.2023 is hereby regularized on "as is" basis.

3. Applicability of GST on Fish Soluble Paste:

- 3.1 Fish soluble paste attracted 18% under the residual entry S No. 453 of Schedule III of notification no. 1/2017-State Tax (Rate), dated the 29th June, 2017. As per recommendation of the GST Council, GST on fish soluble paste, falling under CTH 2309, has been reduced to 5%. Accordingly, the rate has been notified vide Sl. No. 108A with effect from 27th July, 2023.
- 3.2 Further, in view of the prevailing genuine doubts regarding the applicability of GST rate on fish soluble paste, the issue for past period upto 27.7.2023 is hereby regularized on “as is” basis.

4. Desiccated coconut- Regularisation of the issue for past period from 01.07.2017 upto and inclusive of 27.07.2017:

As per recommendation of the GST Council, in view of the prevailing genuine interpretational issues regarding the applicability of GST rate on the desiccated coconut, falling under CTH 0801, the issue for past period from 01.07.2017 up to and inclusive of 27.07.2017 is hereby regularized on “as is” basis.

5. Biomass briquettes- Regularisation of the issue for past period from 01.07.2017 upto and inclusive of 12.10.2017:

As per recommendation of the GST Council, in view of the prevailing genuine interpretational issues regarding the applicability of GST rate on the Biomass briquettes, falling under any chapter, the issue for past period from 01.07.2017 up to and inclusive of 12.10.2017 is hereby regularized on “as is” basis.

6. Supply of raw cotton by agriculturist to cooperatives:

- 6.1 As per recommendation of the GST Council, it is hereby clarified that supply of raw cotton, including kala cotton, from agriculturists to cooperatives is a taxable supply and such supply of raw cotton by agriculturist to the cooperatives (being a registered person) attracts 5% GST on reverse charge basis under notification no. 43/2017-State Tax (Rate) dated 14th December, 2017.
- 6.2 In view of prevailing genuine doubts, the issue for the past periods prior to issue of this clarification is hereby regularized on “as is basis”.

7. GST rate on Imitation Zari thread or yarn known by any name in trade parlance:

- 7.1 In the 15th Council meeting, the Council agreed to tax embroidery or zari articles i.e., imi, zari, kasab, saima, dabka, chumki, gota, sitara, naqsi, kora, glass beads, badla, gizai at the rate of 5%. Based on the recommendation of the 28th GST Council, it was clarified that imitation zari thread or yarn known as “Kasab” or by any other name in trade parlance, would attract a uniform GST rate of 12% under tariff heading 5605.
- 7.2 As per the recommendation of the GST Council in its 50th meeting, GST on imitation zari thread or yarn known by any name in trade parlance has been reduced from 12% to 5%. Accordingly, the rate has been notified vide Sl. No. 218AA with effect from 27th July, 2023.
- 7.2. In view of the confusion in the trade regarding the applicability of GST rate on these

products, the issue for past period upto 27.7.2023 is hereby regularized on “as is” basis.

8. Plates, cups made from areca leaves

As per the recommendation of the GST Council, issues relating to GST on plates and cups made from areca leaves are hereby regularized on “as is basis” for the period prior to 01.10.2019.

9. GST rate on goods falling under HSN 9021

- 9.1 Representations have been received seeking clarification regarding the GST rates applicable on trauma, spine and arthroplasty implants falling under HSN heading 9021 for the period before 18.07.2022 stating that there are interpretational issues due to the duality of rates on similar items leading to ambiguity. The issue has arisen as prior to 18.07.2022 there existed two rates on the goods falling under HSN heading 9021 as per Sl. No. 257 of Schedule I and Sl. No. 221 of schedule II of notification no. 01/2017-State Tax (Rate) dated 29th June, 2017.
- 9.2 The issue was examined by GST Council in its 47th meeting and as per its recommendations, a single uniform rate of 5% was prescribed for such goods (except hearing aid, which continued to attract Nil under Sl. No. 142 of notification no. 02/2017-State Tax (Rate) dated 29th June, 2017 falling under HSN heading 9021 with effect from 18.07.2022.
- 9.3 As per recommendations of the GST council in its 50th Meeting, it is hereby clarified that the GST rate on all such goods falling under heading 9021 would attract a GST rate of 5% and in view of prevailing genuine doubts, the issue for the past periods is hereby regularized on “as is basis”. However, it is clarified that no refunds will be granted in cases where GST has already been paid at higher rate of 12%.
10. It is further clarified that no refunds will be granted where GST has already been paid in any of the above cases.
11. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
12. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.
13. This Circular shall be deemed to have been issued on 1st August, 2023.

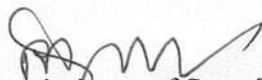
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(Rakesh Agarwala, IAS.,)

Principal Commissioner of State Tax, Assam,
Dispur, Guwahati

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Principal Commissioner of State Tax, Assam,
Dispur, Guwahati