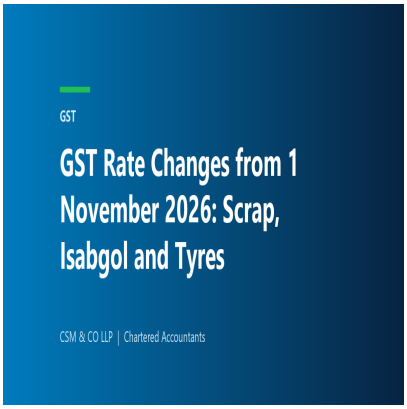


GST Rate Changes from 1 November 2026: Scrap, Isabgol and Tyres

Description

Last updated: 17 November 2026 · Written and reviewed by CA Meet Dhrangadhariya, CSM & Co LLP

Quick summary

- Four sets of rate notifications dated 27/10/2026 take effect from 01/11/2026, each issued in a central, integrated and Union territory version.
- The most important is notification 04/2026-Central Tax (Rate): reverse charge now applies when a registered person buys used cooking oil, waste and scrap of plastics, waste and scrap of tyres, or electrical and electronic waste and scrap from an unregistered person.
- Psyllium seeds (isabgol) under HSN 1211 90 13 are added to the exemption list by notification 03/2026-Central Tax (Rate).
- Retreaded tractor tyres get their own entry at the 5% rate, while other retreaded and used pneumatic tyres remain in the 18% entry.
- The fertiliser entry at S.No. 237 now says in terms that it includes sea-weed extract based bio-stimulants registered under Schedule VI to the Fertiliser (Control) Order, 1985.

A business that buys scrap from small, unregistered suppliers has a new obligation from 1 November 2026, and it is the kind that is easy to miss, because nothing about the purchase itself looks different. The supplier charges nothing, as before. The difference is that the buyer now has to pay the tax.

New to these terms? See the technical terms explained in simple words further down.

At a glance

Notification	Amends	Subject
02/2026-Central Tax (Rate), G.S.R. 921(E)	9/2025-Central Tax (Rate)	Fertiliser entry at S.No. 237, new entry 272A for retreaded tractor tyres, reworded tyre entry at S.No. 138

Notification	Amends	Subject
03/2026-Central Tax(Rate), G.S.R. 924(E)	10/2025-Central Tax (Rate)	New S.No. 87A, psyllium seeds (isabgol)
04/2026-Central Tax (Rate), G.S.R. 927(E)	4/2017-Central Tax (Rate)	Reverse charge on four scrap and waste categories
05/2026-Central Tax (Rate), G.S.R. 930(E)	26/2018-Central Tax (Rate)	Definition of “Nominated Agency”

- All are dated 27 October 2026 and all come into force on 1 November 2026.
- Each was issued in three versions, Central Tax (Rate), Integrated Tax (Rate) and Union Territory Tax (Rate), under the respective enactments. The content is the same.
- Issued by the Tax Research Unit, CBIC (F. No. CBIC-190354/142/2026-TRU).

Reverse charge on scrap, used cooking oil and e-waste

Notification 04/2026 inserts four entries into notification 4/2017-Central Tax (Rate), which is the list of goods on which the recipient pays the tax.

S.No.	HSN	Goods	Supplier	Recipient
2A	1518	Used cooking oil	Any unregistered person	Any registered person
3B	3915	Waste and scrap of plastics	Any unregistered person	Any registered person
3C	4004	Waste and scrap of tyres	Any unregistered person	Any registered person
9	8549	Electrical and electronics waste and scrap	Any unregistered person	Any registered person

Two features of these entries decide who is affected:

1. **The supplier must be unregistered.** If the supplier holds a GST registration, these entries do not apply and the supplier charges GST in the usual way.
2. **The recipient must be registered.** The obligation sits on the buyer, and it does not depend on the buyer’s size beyond the fact of registration.

This follows the model already used for metal scrap. For the buyer it means raising a self-invoice, paying the tax in cash under reverse charge, and then taking credit of it subject to the ordinary conditions.

A connected change worth planning for now: from 1 January 2027, a self-invoice for a reverse charge purchase from an unregistered person has to be reported for an invoice reference number under notification 04/2026-Central Tax. So these purchases first become taxable in the buyer’s hands in November 2026, and

then become reportable two months later.

What this does not cover

The 2% tax deduction at source on supplies of these same items, between registered persons, is a separate measure under section 51 and is not part of these rate notifications. Do not assume the deduction obligation started on the same day as the reverse charge obligation; check it against its own notification.

Isabgol added to the exemption list

Notification 03/2026 inserts S.No. 87A into notification 10/2025-Central Tax (Rate):

S.No.	HSN	Goods
87A	1211 90 13	Psyllium seeds (Isobgul or Isobgol)

Psyllium is a significant crop in Gujarat and Rajasthan, so this one is of real local interest. Note that the entry is for the **seeds** under that specific tariff item.

Tyres: a split entry

Entry	Covers	Schedule
New 272A, HSN 4012	Retreaded tractor tyres	Schedule I, 2.5% central plus 2.5% State, so 5% in total
Substituted 138, HSN 4012	Retreaded or used pneumatic tyres of rubber, other than retreaded tractor tyres; solid or cushion tyres of rubber; tyre treads and tyre flaps	Schedule II, 9% central plus 9% State, so 18% in total

The effect is to carve retreaded **tractor** tyres out of the higher entry and give them their own lower one. A retreader or dealer therefore has to distinguish tractor tyres from the rest at the invoice level, which the old single entry did not require.

Fertilisers and bio-stimulants

The entry at S.No. 237 of the 5% schedule is substituted to read as all goods, that is, animal or vegetable fertilisers or organic fertilisers, pre-packaged and labelled, with an Explanation stating that the entry **includes sea-weed extract based bio-stimulants, as registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985**.

This is the rate entry catching up with a clarification already issued in Circular No. 265/11/2026-GST, which had placed such bio-stimulants under heading 3101 as fertilisers. The registration under Schedule VI is the condition that does the work: a product not so registered does not get there by calling itself a bio-stimulant.

Nominated Agency

Notification 05/2026 substitutes clause (c) of the Explanation to notification 26/2018, so that “Nominated Agency” means the entities listed in **Appendix 4B of the Handbook of Procedures, as amended by the Directorate General of Foreign Trade from time to time**. This matters for the concessional treatment of gold, silver and platinum supplied by such agencies: the definition now follows the DGFT list automatically instead of needing its own amendment each time that list changes.

What to do

1. **Identify purchases of the four scrap categories from unregistered suppliers.** Anyone buying plastic waste, tyre scrap, e-waste or used cooking oil from small collectors and kabadi dealers is in scope from 1 November 2026.
2. **Set up the self-invoice process now, not in January.** The tax liability starts in November; the e-invoice reporting obligation for those same self-invoices starts on 1 January 2027.
3. **Check your supplier master for registration status.** These entries turn on whether the supplier is registered, so a stale supplier record translates directly into a wrong tax position.
4. **Remember the tax is paid in cash.** Reverse charge liability cannot be set off against input tax credit; the credit comes afterwards.
5. **Tyre dealers and retreaders: separate tractor tyres in the item master** so the 5% and 18% entries are applied correctly from the start.
6. **Bio-stimulant suppliers: keep the Schedule VI registration on file** with the product master, because it is the condition for the 5% entry.
7. **Do not read the 2% TDS as having started** merely because the reverse charge did. Confirm it separately.

Technical terms explained in simple words

Term	What it means
Rate notification	The notification that fixes the GST rate for goods, by listing them in schedules
Schedule I, Schedule II	The rate lists inside the notification. Schedule I carries 2.5% central and 2.5% State tax, Schedule II carries 9% and 9%
Exemption notification	A separate notification listing goods on which no GST is payable
HSN	The international numbering system used to classify goods for customs and GST
Reverse charge	The arrangement where the buyer, not the seller, pays the GST on a purchase

Term	What it means
Unregistered person	A supplier with no GST registration, who cannot charge GST or issue a tax invoice
Self-invoice	The invoice a buyer raises on itself for a reverse charge purchase, because the supplier cannot issue one
Paid in cash	Paid through the electronic cash ledger, not by using accumulated input tax credit
Input tax credit	The GST already paid on purchases, which can be set off against GST payable on sales
Tax deducted at source (section 51)	A percentage withheld by the buyer from the payment and deposited with the government. Different from reverse charge
Central Tax (Rate), Integrated Tax (Rate), Union Territory Tax (Rate)	The three parallel versions of the same rate change, issued under the three GST enactments
Retreaded tyre	A used tyre given a new tread so it can be used again
Pneumatic tyre	An ordinary air-filled tyre, as against a solid one
Pre-packaged and labelled	Packed in advance in a unit container with a label, which for several goods is what decides the rate
Fertiliser (Control) Order, 1985	The order under which fertilisers are regulated and registered. Schedule VI to it covers bio-stimulants
Bio-stimulant	A product applied to plants or soil to improve growth, as against one that feeds the plant directly
Nominated Agency	An agency permitted to import gold, silver or platinum for supply to exporters, listed by the DGFT
Handbook of Procedures	The DGFT document setting out foreign trade procedures, including the list of nominated agencies in Appendix 4B

How CSM & Co LLP can help

We check whether a buyer is caught by the new reverse charge entries, which turns on the supplier's registration status rather than on anything visible in the purchase itself, and set up the self-invoice, cash payment and credit trail so that November's liability and January's e-invoice reporting are handled by one process rather than two retrofits. We also review item masters and classification where a rate entry has been split, as with tractor tyres, and advise on the documentation that supports an exemption or a concessional

entry. Please reach out to our team and we will be happy to assist.

Frequently asked questions

Which purchases now attract reverse charge?

From 1 November 2026, four more categories when bought by any registered person from any unregistered person: used cooking oil (HSN 1518), waste and scrap of plastics (3915), waste and scrap of tyres (4004), and electrical and electronic waste and scrap (8549). These are inserted into notification 4/2017-Central Tax (Rate), the reverse charge notification for goods.

Does this apply when the supplier is registered?

No. These entries are confined to a supply by an unregistered person to a registered person. Where the supplier is registered, the supplier charges GST in the normal way.

Is the 2% TDS on these items also in force?

That is a separate measure under section 51 and is not part of these rate notifications. The reverse charge half has been notified here; treat the TDS half as still to be confirmed from its own notification rather than assuming the two started together.

What changed for isabgol?

Notification 03/2026-Central Tax (Rate) inserts S.No. 87A into the exemption notification 10/2025-Central Tax (Rate), covering psyllium seeds (isobgul or isobgol) under HSN 1211 90 13.

What is the position on retreaded tyres?

A new entry 272A puts retreaded tractor tyres under HSN 4012 in the 5% schedule. The existing entry at S.No. 138 of the 18% schedule is reworded to cover retreaded or used pneumatic tyres other than retreaded tractor tyres, along with solid or cushion tyres, tyre treads and tyre flaps.

What does the bio-stimulant change do?

It makes explicit what a circular had already clarified. The fertiliser entry at S.No. 237 now carries an Explanation stating that it includes sea-weed extract based bio-stimulants registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985.

Why does each change appear three times?

GST rates are notified separately under the central, integrated and Union territory enactments. The same change therefore appears as a Central Tax (Rate), an Integrated Tax (Rate) and a Union Territory Tax (Rate) notification. They are one change, not three.

Official sources

- Gazette of India: rate notifications dated 27/10/2026 (Nos. 02/2026 to 05/2026, Central, Integrated and Union Territory Tax (Rate))
- CBIC GST portal (notifications and acts)

Related reading

- GST on Waste and Scrap (2026): 2% TDS and Reverse Charge for Plastic, Tyre, E-waste and Used Cooking Oil
- e-Invoicing Extended to Reverse Charge Purchases from January 2027
- GST Classification Clarified for Sublimation Paper, Toys, the Margin Scheme and Bio-stimulants (2026): Circular No. 265/11/2026-GST

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Date
17/11/2026
Date Created
17/11/2026
Author
meetsoni