



The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE - 265

To give effect to the recommendations made in 56th GST Council meeting, following rate notifications have been issued:

1. Supersession of Notification No. 1/2017-CT(R) dated 28.06.2017

[Notification No. 1/2017-CT\(R\) dated 28.06.2017](#) which prescribes the rate on goods has been superseded by [Notification No. 09/2025-CT\(R\) dated 17.09.2025](#).

2. Supersession of Notification No. 2/2017- CT(R) dated 28.06.2017

[Notification No. 2/2017-CT\(R\) dated 28.06.2017](#) which exempts GST on certain goods has been superseded by [Notification No. 10/2025-CT\(R\) dated 17.09.2025](#)

3. Amendment in rate of Petroleum Operations

The rate of Petroleum Operations and coal bed methane as described in [Notification No. 03/2017-CT\(R\) dated 28.06.2017](#) has been increased from 2.5% to 9% vide [Notification No. 11/2025-CT\(R\) dated 17.09.2025](#).

4. Amendment in Notification No. 08/2018-CT(R) dated 25.01.2018

With effect from 22.09.2025, the reference in [Notification No. 8/2018-Central Tax \(Rate\) dated 25.01.2018](#), which exempts the central tax on intra-State supplies on old and used motor vehicles as described in the Table given in the said notification from so much tax which is in excess of 9% specified in Schedule IV of [Notification No. 1/2017-Central Tax \(Rate\) dated 28.06.2017](#) has been substituted.

The reference has now been made to Schedule II or Schedule III of [Notification No. 9/2025-Central Tax \(Rate\) dated 17.09.2025](#) due to supersession of [Notification No. 1/2017 -Central Tax \(Rate\) dated 28.06.2017](#).

[Notification No. 12/2025-CT\(R\) dated 17.09.2025](#)

5. Amendment in Notification No. 21/2018-CT(R) dated 26.07.2018

The Table in [Notification No. 21/2018-CT\(R\) dated 26.07.2018](#) which prescribes concessional rate on specified handicraft items has been substituted with a new Table prescribing new rates vide [Notification No. 13/2025-CT\(R\) dated 17.09.2025](#).

6. Notification of GST rates on Bricks

The Government has retained the rate of 12% (inter-State) on the following goods by issuing a fresh Notification:

- a) Fly ash bricks; Fly ash aggregates; Fly ash block
- b) Bricks of fossil meals or similar siliceous earth
- c) Building brick
- d) Earthen or roofing tile

[Notification No. 14/2025-Central Tax \(R\) dated 17.09.2025](#)

7. Amendment in Rate Notification of Services

[Notification No. 11/2017-CT\(R\) dated 28.06.2017](#) which notifies the rate applicable on supply of services has been amended vide [Notification No. 15/2025-CT\(R\) dated 17.09.2025](#). Significant amendments relate to transport of goods in containers by rail by any person other than Indian Railways, multimodal transportation of goods where at least two different modes of transport are used by a multimodal transporter from the place of acceptance of goods to the place of delivery of goods, renting of goods carriage where the cost of fuel is included in the consideration charged from the service recipient, delivery services, job work services, Beauty and physical well-being services, etc.

The following shall take effect from 01.04.2025-

- The definition of ‘goods transport agency’ has been substituted to mean any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include (i) electronic commerce operator by whom services of local delivery are provided; (ii) electronic commerce operator through whom services of local delivery are provided”.
- Definitions of ‘recognised sporting event’, ‘handicraft goods’, ‘mode of transport’ and ‘multimodal transporter’ have been inserted.

8. Amendment in Exemption notification of Services

- a) Exemption available to service by way of transportation of goods shall not apply to local delivery services provided by or through an Electronic Commerce Operator.

b) Following new entries have been inserted for the purpose of exemption:

- Services of life insurance business provided by an insurer to the insured, where the insured is not a group
- Services of health insurance business provided by an insurer to the insured, where the insured is not a group.

The above exemptions shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. Family shall include all individuals insured as family in the contract of insurance.

- Reinsurance of abovementioned insurance services

Further clarifications -

‘group’ means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes

- Employer – employee groups, where an employer-employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws;
- Non employer – employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance.

‘Health insurance business’ means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover;”

[Notification No. 16/2025-CT\(R\) dated 17.09.2025](#)

9. Local delivery Service notified under section 9(5) of the CGST Act, 2017

Services by way of local delivery have been notified under Section 9(5) of the CGST Act, 2017. Consequently, the obligation to discharge GST on such services shall be on the electronic commerce operator (ECO). This provision, however, shall not apply in cases where the supplier of such services, providing them through the ECO platform, is independently liable for registration under Section 22(1) of the Act.

[Notification No. 17/2025-CT\(R\) dated 17.09.2025](#)

All the above Notifications shall take effect from 22.09.2025, unless otherwise specified.

Similar Notifications have been issued under IGST Act, 2017 as also UTGST Act, 2017

Readers can access all updated notifications on the Committee's website <https://idtc.icaai.org/> under the 'GST Statutes' section.

***Vice – Chairman
GST & Indirect Taxes Committee***

***Chairman
GST & Indirect Taxes Committee***

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