The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-277

Amendments in GST Rate Notifications

1. **Amendments in *Notification No.9/2025 - CT(R) dated 17.09.2025* – CGST rate schedule for goods**

   CGST rate 2.5% in Schedule I notified for following goods:

   a) Seaweed-extract-based bio-stimulants under fertilisers: S.No. 237 has been substituted to read "All goods i.e. animal or vegetable fertilisers or organic fertilisers pre-packaged and labelled". An Explanation has been added 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.

   b) Retreaded Tractor Tyres**:** A new entry **S. No. 272A** has been inserted under Chapter heading 4012 to cover **Retreaded tractor tyres**.

   CGST rate 9% amended in Schedule II:

   c) Other retreaded tyres: The entry at S.No. 138 of Schedule II (9%) has been substituted to exclude retreaded tractor tyres. It now covers retreaded or used pneumatic tyres of rubber (other than retreaded tractor tyres), and solid or cushion tyres, tyre treads and tyre flaps, of rubber. These items remain in Schedule II (9%).

   [Effective from 01.11.2026]

   Notification No. 02/2026- CT(R) dated 27.10.2026

   Parallel amendments have been made in IGST & UTGST Notifications.

2. **Amendment in *Notification No.10/2025 - CT(R) dated 17.09.2025***

   Exemption for Psyllium Seeds (Isobgul/Isobgol)

   - A specific entry (87A) for "**Psyllium seeds (Isobgul/Isobgol)** classified under tariff item 1211 90 13 shall be inserted in exemption schedule.

[Effective from 01.11.2026]

Notification No.03/2026 - CT (R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

3. **Amendment in *Notification No.04/2017- CT(R) dated 28.06.2017* – Reverse Charge on certain specified supplies of goods (Section 9(3))**

The following supplies of goods by any unregistered person to any registered person have been added to the list of goods attracting reverse charge:

a) S. No. 2A: Used cooking oil (tariff heading 1518)

b) S. No. 3B: Waste and scrap of plastics (heading 3915)

c) S. No. 3C: Waste and scrap of tyres (heading 4004)

d) S. No. 9: Electrical and electronic waste and scrap (heading 8549)

[Effective from 01.11.2026]

Notification No.04/2026 - CT (R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

4. **Definition of "Nominated Agency"– Amendment in *Notification No. 26/2018 - CT(R) dated 31.12.2018***

- Clause (c) of the Explanation has been substituted. "Nominated Agency" now means entities mentioned in Appendix 4B of Handbook of Procedures, as amended by the Directorate General of Foreign Trade from time to time.

[Effective from 01.11.2026]

Notification No.05/2026 - CT (R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

5. **Amendment in *Notification No.11/2017 - CT(R) dated 28.06.2017***

SI. No. / Category	**Description of service**	**Central Tax (Rate)**	**ITC Conditions & Restrictions**
1. Hotel Accommodation	(i) Hotel accommodation (up to	2.5%	a) ITC on goods and services used in

& Restaurant Services (Serial no 7)	₹7,500 per unit per day)		supplying the service is restricted, except for input service in the same line of business (hotel accommodation procured from another supplier of hotel accommodation) b) If the input supplier charges central tax higher than 2.5%, ITC is capped at 2.5% of the value
	(ii) Restaurant service other than at specified premises	2.5%	a) ITC on goods and services restricted, *except* for input service in the same line of business (restaurant service procured from another provider other than at specified premises)
	(iii) Food or any other article or any drink supplied in trains or at platforms (procured from Railways/IRCTC or their licensees)	2.5%	ITC restricted except ITC of **inputs and input services** in the same line of business (goods procured from Indian Railways, IRCTC or their licensees).

	(iv) & (v) Outdoor catering services	2.5%	a) ITC is not allowed, except ITC of input service in the same line of business (outdoor catering procured from another outdoor caterer) b) If input supplier charges higher than 2.5%, ITC is capped at 2.5% of the value
2. Transport of Passengers via Electrically Operated Vehicles (Serial Number 8)	**(vib) Transport of passengers by any electrically operated vehicle** (battery charging cost included in consideration)	2.5%	a) ITC restricted, *except* for input service in the same line of business (transportation or renting of electrically operated vehicle procured from another provider) b) If input supplier charges higher than 2.5%, ITC is capped at 2.5% of the value.
		9%	a) Or Supplier may pay at GST rate 9% without any ITC availment restrictions as mentioned above

3. Renting of Electrically Operated Vehicles (Serial Number 10)	(ib) Renting of electrically operated vehicle for passenger transport (where cost of battery charging is included in the consideration charged from the service recipient). (ic) Renting of electrically operated vehicle for goods transport (where cost of battery charging is included in the consideration charged from the service recipient)	2.5% 9%	a) ITC restricted, *except* for input service in the same line of business (passenger transport/renting of EV procured from another provider/ goods transport or renting of EV procured from another provider) b) Capped at 2.5% if input tax is charged higher than 2.5% c) Or Supplier may pay at GST rate 9% without any ITC availment restrictions as mentioned above. Or Supplier may pay at GST rate 9% without any ITC availment restrictions as mentioned above
4. Delivery Services (Serial Number 12) *item (iii) substituted*	(iii) Delivery services (supplied through ECO where the supplier is not liable for registration under	2.5%	ITC charged on goods and services used in supplying the delivery service

	section 22(1), or in relation to goods supplied through ECO)		has **not** been taken.

- Paragraph 3 has been omitted. It dealt with the deemed value of lottery, which now follows Rule 31A(2) of the CGST Rules.

- **Key Definitions Added/Amended**

  - **Goods Transport Agency (GTA)**– Clause (xxxx) of paragraph 4 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. This removes the exclusion for ECOs providing or facilitating local delivery.

  - **Electrically Operated Vehicle** – New clause (xxxxv) has been inserted to mean a road vehicle which runs solely on electrical energy derived from an external source or from one or more electrical batteries fitted to the vehicle and it includes E-bicycles.

[Effective from 01.11.2026]

Notification No.06/2026 - CT (R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

6. **Amendments in exemption notification for services - *Notification No.12/2017-CT(R) dated 28.06.2017***

   a) **Passenger transport by helicopter-seat share basis (S.No. 15, new item (aa))**- Exemption provided for air travel in a helicopter on a seat -share basis, embarking from or terminating in an airport including helipad located in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim or Tripura, or at Bagdogra in West Bengal.

   b) **Goods transport agency (GTA) (S. No. 21A)–**The exemption entry does not apply to GTA services relating to goods, where such goods are supplied through an electronic commerce operator (ECO).

   c) **Storage/warehousing services (S.No. 24B) –**The exemption relating to storage/warehousing substituted to include cereals, pulses, fruits, vegetables and seeds meant for sowing.

   d) **Seamen's Provident Fund Organisation –**New exemption entry (Serial no 31AA) shall be inserted under heading 9971or 9991 for services by Seamen's Provident Fund

Organisation to persons governed by the Seamen's Provident Fund Act, 1966 (4 of 1966).

e) Right to collect Toll –New exemption entry (Serial no 42A) shall be inserted under heading 9973 for Services by way of grant of exclusive right of way or access, license and authority to demand, collect and appropriate toll fee by the Central Government, State Government, Union Territory, Local Authority, Governmental Authority or Government Entity.

f) Curing of coffee –New exemption entry (Serial no. 54A) shall be inserted under heading 9986 forServices by way of curing of coffee supplied to coffee cultivators. "Curing" shall have same meaning as assigned to it in clause (d) of section 3 of the Coffee Act, 1942.

g) Definition of seed –A definition shall be inserted through new clause (zzca) for **"seed"** meaning any plant material, including seedlings, tubers, bulbs, rhizomes, roots, cuttings, all types of grafts, tissue culture plantlets, and other vegetatively propagated material, used or intended for use in propagation or sowing,and includes-seeds of cereals, coarse cereals, pulses, oilseeds, fibre crops, forage and fodder crops, green manures, sugar crops; (ii) seeds of fruits, vegetables, spices, flower crops, ornamental crops and plantation crops; and (iii) planting material.'

h) Definition of ***"goods transport agency"***: Clause (ze) of paragraph 2 is 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.

i) Explanation against serial number 18 in column (3) of the exemption table shall be omitted.

[Effective from 01.11.2026]

Notification No.07/2026 - CT(R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

7. Amendment in *Notification No.13/2017 - CT(R) dated 28.06.2017* - Reverse charge entry on renting of passenger vehicles

- Against serial number 15 in column (3) of the table, the figure "6" is substituted with "9".

- The notification amends the CGST rate from 6% to 9% for Services provided by way of renting of motor vehicle designed to carry passengers (where the cost of fuel is included in the consideration) supplied to a body corporate. Following the rate rationalisation, the central tax figure in RCM notification has been updated from 6% to 9%.

[Effective from 01.11.2026]

Notification No.08/2026 - CT(R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

8. Amendment in *Notification No.17/2017 - CT(R) dated 28.06.2017* – Delivery services covered under Section 9(5)

- The clause (v) relating to delivery services is substituted to cover Delivery services, other than postal and courier services, except where the person supplying such services through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.

[Effective from 01.11.2026]

Notification No.09/2026 - CT(R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

9. Special procedure notified for payment of tax for concessionaires under Toll-Operate-Transfer model

The notification notifies Concessionaire under a concession agreement, who supplies operation and maintenance services to the concessioning authority during the concession period, as a class of registered persons who shall pay:

a) Central tax on the supply of such operation and maintenance services on the amount charged or debited from the Escrow Account, maintained in accordance with the concession agreement, towards operation and maintenance expenses incurred by such registered persons, in a tax period in which such expenditure is so charged or debited.

b) "Concession Agreement" means an agreement entered into between a concessionaire and the concessioning authority under the Toll-Operate-Transfer model, whereby the concessionaire is granted the exclusive rights to demand, collect and appropriate toll in respect of a road or highway and is required to operate and maintain such road or highway during the concession period where the concessionaire is required to pay the concession fee upfront

c) "Concessioning authority" means the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity which enters into the Concession Agreement.

[Effective from 01.11.2026]

Notification No.10/2026 - CT(R) dated 27.10.2026

Parallel amendments have been made in IGST & UTGST Notifications.

10. **Amendment in exemption notification for services – *Notification No. 9/2017 - IT(R) dated 28.06.2017***

Import of services by an establishment of a foreign company – New exemption entry (Serial no. 10M) has been

inserted under Chapter 99 for Import of services by an establishment of a foreign company in India, which is a shipping company, from a related person or from any of its establishments outside India, when made without consideration.

[Effective from 01.11.2026]

Notification No.07/2026 - IT(R) dated 27.10.2026

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