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56TH GST COUNCIL AMENDMENTS

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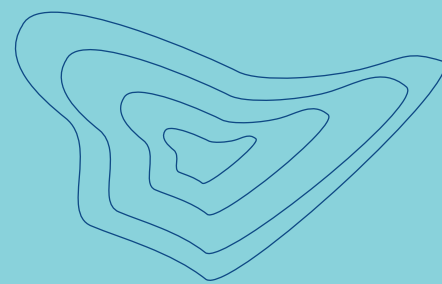
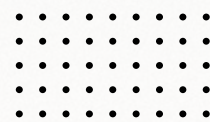
**Goods and
Services
Tax**

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Major Amendments Following the 56th GST Council Meeting

1. Intermediary Services – Change in Place of Supply:

The GST Council, in its 56th meeting, has recommended **the omission of Section 13(8)(b) of the IGST Act**, which earlier fixed the place of supply for intermediary services at the supplier's location. Going forward, such services will be governed by the general rule under Section 13(2), making the recipient's location the deciding factor.

Why This Matters:

- The definition of “**intermediary services**” has long been contentious, often used by the Department to deny refund claims. Even genuine service contracts with incidental marketing elements were frequently reclassified as intermediary services, resulting in rejection of export benefits.
- Under the earlier framework, services provided from India to overseas clients were not recognised as exports, attracting GST domestically and losing zero-rated status. This increased costs for foreign recipients and created a disadvantage for Indian service providers.
- Several judicial challenges arose, including divergent interpretations by courts, but the anomaly largely persisted, fueling litigation.

Expected Impact of the Amendment:

- Indian suppliers of services to foreign clients would now qualify for export treatment, enabling refund benefits and reducing compliance disputes.
- The change will significantly cut down refund-related litigation and provide certainty to taxpayers.
- At the same time, where the service provider is located outside India and the recipient is in India, the supply would attract GST **under the reverse charge mechanism**, thereby protecting revenue for the exchequer.

Major Amendments Following the 56th GST Council Meeting

2. Post-Sale Discounts – Simplification & Clarifications

The GST Council, at its 56th meeting, has recommended important changes to the framework governing post-sale discounts. These proposals aim to align the law with business realities, reduce disputes, and provide clarity on contentious issues.

Proposed Changes:

- **Amendments to Sections 15 & 34 of the CGST Act:** The condition that post-supply discounts must be pre-agreed and directly linked to invoices is proposed to be removed. This would allow suppliers to issue GST credit notes for discounts without the rigid requirement of pre-supply documentation. Corresponding changes to Section 34 would ensure that recipients reverse input tax credit (ITC) where taxable value is reduced through such credit notes.
- **Withdrawal of Circular-based Mechanisms:** The Council has advised rescinding Circular No. 212/6/2024, which earlier prescribed procedures for ITC reversals on post-supply discounts. A statutory amendment will now provide a firmer basis.
- **Clarifications to be Issued:**
 - a. ITC **should not be reversed** where discounts are extended only through commercial/financial credit notes.
 - b. Discounts passed by manufacturers to dealers **should not automatically be treated as additional consideration** in the dealer-end customer transaction.
 - c. Guidance is needed on whether discounts linked to promotional or marketing activities by dealers can be treated as consideration for services.

Major Amendments Following the 56th GST Council Meeting

Our Perspective:

- The earlier requirement of pre-agreed discount terms and invoice-linking created **unnecessary litigation and compliance** hurdles for taxpayers.
- The proposed relaxation will **simplify issuance of credit notes** with GST, making the process more business-friendly.
- Clear recognition that **ITC need not be reversed** in cases of purely financial/commercial credit notes will resolve a major area of dispute.
- Ambiguity around whether **manufacturer-to-dealer discounts amount to additional consideration** will be addressed, reducing tax exposure for dealers.
- Clarification on promotional and marketing-linked discounts is critical, especially in light of Section 194R of the Income-tax Act, 1961, which has further complicated industry practice.
- The amendments are expected to **reduce litigation substantially** and **align GST provisions with commercial reality**.

Major Amendments Following the 56th GST Council Meeting

3. Refunds on Low-Value Export Consignments – Threshold Proposed to be Removed

The GST Council has proposed an amendment to **Section 54(14) of the CGST Act, 2017**, to do away with the current threshold of ₹1,000 for refund eligibility on exports made with payment of tax.

Our Perspective:

- The ₹1,000 limit has been a recurring bottleneck, especially for **small exporters and e-commerce players**, who frequently dispatch low-value consignments through courier and postal channels.
- Denial of refunds in such cases has led to **working capital blockages** and, in some instances, loss of competitiveness for businesses catering directly to overseas consumers.
- Exporters also faced technical hurdles – for example, low-value courier shipments often do not properly reflect on the **ICEGATE system**, compounding refund complications.
- Removing the threshold will ensure that **every legitimate refund claim is honoured**, irrespective of its value, aligning Indian GST practice with global norms.
- This reform is expected to **unlock pending refund claims**, reduce compliance disputes, and provide a meaningful boost to cross-border trade in the MSME and e-commerce sector.

Major Amendments Following the 56th GST Council Meeting

4. Introduction of a Simplified GST Registration Scheme for Small and Low Risk Taxpayers.

The GST Council has recommended the launch of a simplified registration facility for small and low-risk taxpayers, **effective 1st November 2025**. The initiative aims to make the entry into the GST system quicker, smoother, and more business-friendly.

Salient Features of the Scheme:

- **Automated approval** of GST registration within three working days, doing away with prolonged manual scrutiny and site visits in eligible cases.
- **Eligibility based on risk profile**, where applicants are classified as low-risk by the system.
- **Monthly output tax liability capped at ₹2.5 lakh** for participation in this scheme.
- **Voluntary adoption**, with flexibility to opt in or out depending on business needs and growth.

Our Perspective:

- The existing registration process has become **time-consuming and unpredictable**, with many applications rejected for trivial reasons, creating hardship for small businesses.
- This reform will provide **welcome relief to nearly all new small applicants**, especially start-ups and micro enterprises, enabling faster access to GST registration and market entry.
- Automating approvals will allow the Department to **concentrate its resources on high-risk taxpayers**, while giving low-risk applicants a smoother experience.
- The ability to transition to the regular registration system once liability exceeds the threshold ensures **commercial flexibility and revenue protection**.
- Overall, this is an important step that **balances ease of doing business with adequate safeguards**.

Major Amendments Following the 56th GST Council Meeting

5. Proposal for a Simplified GST Registration Scheme for Small Suppliers

The GST Council has proposed a **new simplified registration system** for small suppliers selling through **E-commerce Operators (ECOs)** across states. This move is intended to reduce compliance hurdles and costs for such businesses, many of whom currently face practical difficulties in maintaining a **Principal Place of Business (PPoB)** in every state where they supply. The scheme's operational details will be finalised and placed before the Council.

Our Perspective:

- At present, sellers on e-commerce platforms are **mandatorily required to register under GST from their very first supply**, unlike offline businesses that enjoy exemption thresholds. This disparity places online sellers at a disadvantage.
- The need to set up or declare a **PPoB in each state** leads to extra rental costs, compliance filings, and audit obligations—burdens that are particularly heavy for micro and small enterprises.
- Many sellers resort to using **temporary or non-functional addresses** to obtain registration, which often results in disputes during departmental verification.
- A simplified registration scheme would provide a legitimate, practical pathway for small e-commerce suppliers to operate seamlessly across states, lowering costs and easing entry barriers.
- In the larger context, this reform will **promote MSME participation in India's digital economy**, help level the playing field with offline businesses and strengthen the formalisation of the e-commerce sector.

Major Amendments Following the 56th GST Council Meeting

6. Risk-Based Provisional Refunds – Exports, SEZ Supplies & Inverted Duty Structure

The GST Council is to roll out risk-based 90% provisional refunds for exports, SEZ supplies and IDS claims, **effective 1st Nov 2025**.

Key Features:

- **90% of the refund amount** will be released upfront, subject to automated risk evaluation.
- In high-risk cases, officers may withhold provisional sanction, but only after **recording reasons in writing**.
- A notification will specify categories of taxpayers who will not be eligible for provisional refunds.
- CBIC **may issue interim directions** to start the system for IDS refunds before the law is formally amended.

Our Perspective:

- This reform will **ease working capital pressure** for exporters and SEZ suppliers by enabling faster refunds.
- Extending the provisional refund mechanism to IDS claims is a **policy shift**, aligning their treatment with zero-rated supplies and helping reduce refund pendency.
- The reliance on **risk-based automation** will limit arbitrary delays and ensure greater accountability in refund processing.
- A critical issue will be clarity on whether **rejected refunds must be repaid with interest**, which could impact the attractiveness of the scheme.
- Past attempts at provisional refunds were seldom implemented in spirit; this time, **consistent enforcement** across jurisdictions will be key to its success.
- Overall, this measure balances **ease for taxpayers with revenue safeguards**, moving India closer to global refund standards.

Major Amendments Following the 56th GST Council Meeting

OTHER RECOMMENDATIONS:

- A clarification will be added to the definition of ‘specified premises’ to make clear that stand-alone restaurants cannot classify themselves as such and hence cannot charge **GST at 18% with ITC**.
- The Goods and Services Tax Appellate Tribunal (**‘GSTAT’**) will be ready to accept appeals by **September** and **begin hearings by December 2025**. The cut-off date for filing pending appeals will be June 2026. Its Principal Bench will also act as **the National Appellate Authority for Advance Ruling (NAAAR)**.
- Valuation rules under GST **will be amended to align** with the revised tax rate for lottery tickets.
- **A retail sale price (RSP)-based valuation system** will be introduced for Pan Masala, Gutkha, Cigarettes, Chewing Tobacco, Zarda, Scented Tobacco, and Unmanufactured Tobacco.
- The Council has recommended that revised GST rates for all services and all goods, **except the above tobacco-related products**, will take effect **from 22nd September 2025**. For these tobacco products, the current GST and Compensation Cess will continue until all outstanding cess borrowings and interest are cleared.
- Most of the changes centre on reducing GST rates, consolidating goods into just two principal slabs of 5% and 18%, with a higher 40% slab reserved for luxury and sin goods.

Critical Business Review Actions

Upgrade ERP & Accounting Frameworks

- Align invoicing, billing, and ERP modules with the revised GST rate schedule, effective 22 September 2025 (with deferment for certain 'sin goods').
- Update product masters and GST returns with the new HSN codes and sector-specific definitions.

Revisit Pricing & Commercial Terms

- Recompute prices for affected goods and services to ensure benefits of reduced rates are passed on, and cost increases are managed where rates are higher (e.g., beverages, tobacco, luxury vehicles).
- Review long-term contracts to determine amendments required due to GST rate revisions, particularly for agreements that extend beyond the transition date.

Strengthen Stakeholder Communication

- Notify customers regarding price adjustments linked to GST changes.
- Brief suppliers and vendors on applicability of revised rates for purchases, goods in transit, and credits.
- Emphasize GST rate implications clearly in quotations and proposals.

Evaluate Input Tax Credit (ITC) Consequences

- Examine the effect of rate revisions on ITC eligibility, availment and reversal, including impact on inverted duty structure (IDS) refunds and post-sale concessions.
- Recalibrate refund planning, especially under the new risk-based refund system (90% provisional for IDS and zero-rated exports).

Undertake Classification Review

- Scrutinize HSN and service codes afresh to confirm correct GST classification, as tax rates vary by precise categorization.
- Stay alert to updated sector definitions and exclusions introduced in the new regime.

Critical Business Review Actions

Refresh Legal & Contractual Documents

- Amend agreements, purchase orders, and sales contracts to capture revised GST-linked pricing and payment clauses.
- Introduce provisions for handling rate-change scenarios in ongoing contracts to prevent disputes.

Build Capacity & Ensure Compliance

- Organize training for finance, accounts, procurement, and sales teams on GST amendments, including revised rates, refund procedures, registration requirements, and valuation/discount adjustments.
- Track compliance timelines for phased implementation and administrative refund processes.

Prepare for GST Appellate Tribunal Implementation

- Organize and fast-track pending appeals for filing before the newly constituted GST Appellate Tribunal, keeping in mind the deadline of 30 June 2026.
- Align existing disputes and advance ruling applications with the procedures prescribed under the new framework.

Clarify Refund & Credit Mechanisms

- Brief finance teams on the upcoming risk-based provisional refund system, which enables 90% automated refunds for IDS and export cases effective 1 November 2025.
- Ensure documentation is updated and maintained to support refund eligibility under the revised process.

Track Regulatory Developments

- Monitor CBIC circulars and notifications for ongoing clarifications, particularly concerning the effective date for revised GST rates on sin goods and compliance steps for sector-specific rules.

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
0401	Ultra-High Temperature (UHT) milk	5%	Nil
0406	Chena or paneer, pre-packaged and labelled	5%	Nil
1905	Pizza bread	5%	Nil
1905 or 2106	Khakhra, chapathi or roti	5%	Nil
2106	Paratha, parotta and other Indian breads by any name called	18%	Nil
0402 91 10, 0402 99 20	Condensed milk	12%	5%
0405	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads	12%	5%
0406	Cheese	12%	5%
0802	Other Nuts, dried, such as almonds, peanuts, chestnuts, whether or not shelled or peeled	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
0804	Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried	12%	5%
0805	Citrus fruit	12%	5%
0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of Chapter 8 [other than dried tamarind]	12%	5%
1501	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503	12%	5%
1502	Fats of bovine animals, sheep or goats, other than those of heading 1503	12%	5%
1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified	12%	5%
1601	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products	12%	5%
1701 91, 1701 99	All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes (other than those which attract 5% or nil GST)	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
1704	Sugar-boiled confectionery	12%	5%
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni, couscous, whether or not prepared	12%	5%
2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006	12%	5%
2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter	12%	5%
2009 89 90	Tender coconut water, pre-packaged and labelled	12%	5%
2106 90	Namkeens, bhujia, mixture, chabena and similar edible preparations ready for consumption form (other than roasted gram), pre-packaged and labelled	12%	5%
2106 90 91	Diabetic foods	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
2201	Drinking water packed in 20-litre bottles	12%	5%
2202 99 10	Soya milk drinks	12%	5%
2202 99 20	Fruit pulp or fruit juice-based drinks [other than Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice]	12%	5%
2202 99 30	Beverages containing milk	12%	5%
1704	Sugar confectionery [other than mishri, batasha, bura, sakar, khadi sakar, harda, sakariya, gatta, kuliya, elaichidana, lukumdana, chikkis like puffed rice chikki, peanut chikki, sesame chikki, til chikki, til patti, til revdi, sugar makhana, groundnut sweets, gajak and sugar boiled confectionery]	18%	5%
1805	Cocoa powder, not containing added sugar or sweetening matter	18%	5%
1806	Chocolates and other food preparations containing cocoa	18%	5%
1904	All goods, i.e. Corn flakes, bulgar wheat, and prepared foods obtained from cereal flakes	18%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
1905	Pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	18%	5%
2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	18%	5%
2201	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter, nor flavoured	18%	5%
2202 91 00, 2202 99	Other non-alcoholic beverages	18%	40%
2106 90 20	Pan masala	28%	40%
2202 10	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured	28%	40%
2202 99 90	Caffeinated Beverages	28%	40%
2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	28%	40%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TOBACCO SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
1404 90 10	Bidi wrapper leaves (tendu)	18%	5%
1404 90 50	Indian katha	18%	5%
2403	*Bidi	28%	18%
2401	*Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]	28%	40%
2402	*Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	28%	40%
2403	*Other manufactured tobacco and manufactured tobacco substitutes; 'homogenised' or 'reconstituted' tobacco; tobacco extracts and essences	28%	40%
2404 11 00	*Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion	28%	40%
2404 19 00	*Products containing tobacco or nicotine substitutes and intended for inhalation without combustion	28%	40%
*To be effective from a date to be notified based on the discharging of the entire loan and interest liability on account of compensation cess			

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

AGRICULTURE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8408	Fixed Speed Diesel Engines of power not exceeding 15HP	12%	5%
8414 20 20	Other hand pumps	12%	5%
8424	Sprinklers; drip irrigation system including laterals; mechanical sprayers	12%	5%
8479	Composting Machines	12%	5%
8701	Tractors (except road tractors for semi-trailers of engine capacity more than 1800 cc)	12%	5%
8716 80	Hand-propelled vehicles (e.g. hand carts, rickshaws and the like); animal-drawn vehicles	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

FERTILISER SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
2807	Sulphuric acid	18%	5%
2808	Nitric acid	18%	5%
2814	Ammonia	18%	5%
29 or 380893	Gibberellic acid	12%	5%
3808	Certain Biopesticides	12%	5%
4011	Rear tractor tyres and rear tractor tyre tubes	18%	5%
4011 70 00	Tyre for tractors	18%	5%
4013 90 49	Tube for tractor tyres	18%	5%
8408 20 20	Agricultural Diesel Engine of cylinder capacity exceeding 250 cc for Tractor	18%	5%
8413 81 90	Hydraulic Pumps for Tractors	18%	5%
8708	Various parts of tractors	18%	5%
8708 99 00	Hydraulic and its parts thereof for tractors	18%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

COAL SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
2701	Coal, briquettes, ovoids and similar solid fuels manufactured from coal	5%	18%
2702	Lignite, whether or not agglomerated, excluding jet	5%	18%
2703	Peat (including peat litter), whether or not agglomerated	5%	18%

DUTIABLE ARTICLES FOR PERSONAL USE (FOR IMPORTS)			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9804	All dutiable articles intended for personal use	28%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

RENEWABLE ENERGY SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
7321 or 8516	Solar cookers	12%	5%
8419 12	Solar water heater and system	12%	5%
84, 85 or 94	Following renewable energy devices and parts: <ul style="list-style-type: none">• Bio-gas plant;• Solar power-based devices;• Solar power generator;• Wind mills, Wind Operated, Electricity Generator (WOEG);• Waste-to-energy plants/devices;• Solar lantern/solar lamp;• Ocean waves/tidal waves, energy devices/plants;• Photovoltaic cells, whether assembled in modules or made up into panels.	12%	5%
87	Fuel Cell Motor Vehicles, including hydrogen vehicles based on fuel cell technology	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TEXTILE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
5401	Sewing thread of manmade filaments, whether or not put up for retail sale	12%	5%
5402, 5403, 5404,5405, 5406	Synthetic or artificial filament yarns	12%	5%
5508	Sewing thread of manmade staple fibres	12%	5%
5509, 5510, 5511	Yarn of manmade staple fibres	12%	5%
5603	Nonwovens, whether or not impregnated, coated, covered or laminated	12%	5%
5604	Rubber thread and cord, textile-covered; textile yarn and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics	12%	5%
5607	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics [other than jute twine, coir cordage or ropes]	12%	5%
5609	Articles of yarn, strip or the like of heading 5404 or 5405, twine, cordage, rope or cables, not elsewhere specified or included	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TEXTILE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
5701	Carpets and other textile floor coverings, knotted, whether or not made up	12%	5%
5810	Embroidery in the piece, in strips or in motifs, embroidered badges, motifs and the like	12%	5%
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902	12%	5%
5905	Textile wall coverings	12%	5%
5906	Rubberised textile fabrics, other than those of heading 5902	12%	5%
5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	12%	5%
5910	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material	12%	5%
5911	Cotton fabrics, jute fabrics, metallised textile fabrics, and straining cloth (including human hair cloth) of a kind used in machinery or plant.	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TEXTILE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
6501	Textile caps	12%	5%
6505	Hats (knitted/crocheted) or made up from lace or other textile fabrics	12%	5%
9404	Products wholly made of quilted textile material not exceeding ₹2500 per piece	12%	5%
5503, 5504, 5506,5507	Synthetic or artificial staple fibres	18%	5%
5505	Waste of manmade fibres	18%	5%
61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value exceeding ₹2500 per piece	12%	18%
62	Apparel and accessories, not knitted/crocheted, valued above ₹2,500 per piece.	12%	18%
63 [other than 6309]	Other made-up textile articles/sets over ₹2,500 each, excluding worn clothing and rags.	12%	18%
9404	Cotton quilts of sale value > ₹2500 per piece	12%	18%
9404	Products wholly made of quilted textile material exceeding ₹2500 per piece	12%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HEALTH SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
2801 20	Iodine	12%	5%
2804 40 10	Medical-grade oxygen	12%	5%
2847	Medicinal-grade hydrogen peroxide	12%	5%
3003	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale, including Ayurvedic, Unani, Siddha, homoeopathic or Bio-chemic systems medicaments	12%	5%
3004	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale, including Ayurvedic, Unani, Siddha, homoeopathic or Bio-chemic systems medicaments	12%	5%
3822	All diagnostic kits and reagents	12%	5%
4015	Surgical rubber gloves or medical examination rubber gloves	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HEALTH SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9004	Spectacles and goggles for correcting vision	12%	5%
9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters	12%	5%
9804	Other Drugs and medicines intended for personal use	12%	5%
9025	Thermometers for medical, surgical, dental or veterinary usage	18%	5%
9027	Instruments and apparatus for medical, surgical, dental or veterinary uses for physical or chemical analysis.	18%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

EDUCATION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4016	Erasers	5%	Nil
4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	12%	Nil
8214	Pencil sharpeners	12%	Nil
9608, 9609	Pencils (including propelling or sliding pencils), crayons, pastels, drawing charcoals and tailor’s chalk	12%	Nil
4820	Exercise book, graph book, & laboratory note book and notebooks	12%	Nil
7310 or 7326	Mathematical boxes, geometry boxes and colour boxes	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

COMMON MAN ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
33061010	Tooth powder	12%	5%
3406	Candles, tapers and the like	12%	5%
3926	Feeding bottles	12%	5%
4202 22 20	Handbags and shopping bags, of cotton	12%	5%
4202 22 30	Handbags and shopping bags, of jute	12%	5%
4419	Tableware and Kitchenware of wood	12%	5%
6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)	12%	5%
6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	12%	5%
6912	Tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china	12%	5%
7321	Kerosene burners, kerosene stoves and wood burning stoves of iron or steel	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

COMMON MAN ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
7323	Table, kitchen or other household articles of iron & steel; Utensils	12%	5%
7418	Table, kitchen or other household articles of copper; Utensils	12%	5%
7419 80 30	Brass Kerosene Pressure Stove	12%	5%
7615	Table, kitchen or other household articles of aluminium or utensils	12%	5%
8712	Bicycles and other cycles (including delivery tricycles), not motorised	12%	5%
8714	Parts and accessories of bicycles and other cycles (including delivery tricycles), not motorised, of 8712	12%	5%
9403	Furniture wholly made of bamboo, cane or rattan	12%	5%
9615	Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading 8516, and parts thereof	12%	5%
9619 00 30, 961900 40, or 9619 00 90	All goods-napkins and napkin liners for babies, clinical diapers	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

COMMON MAN ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
3304	Talcum powder, Face powder	18%	5%
3305	Hair oil, shampoo	18%	5%
3306	Dental floss, toothpaste	18%	5%
3307	Shaving cream, shaving lotion, aftershave lotion	18%	5%
96032100	Tooth brushes, including dental-plate brushes	18%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

CONSUMER ELECTRONICS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8415	Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	28%	18%
8422	Dish washing machines, household [8422 11 00] and other [8422 19 00]	28%	18%
8528	Television sets (including LCD and LED television); Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receiver or sound or video recording or reproducing apparatus, set top box for television and Television set (including LCD and LED television).	28%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

PAPER SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4802	Uncoated paper and paperboard used for exercise book, graph book, laboratory notebooks and notebooks	12%	Nil
4706	Pulps of fibres derived from recovered (waste and scrap) paper or paperboard, or of other fibrous cellulosic material	12%	5%
4817 30	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	12%	5%
4819 10, 4819 20	Cartons, boxes and cases of Corrugated paper or paper boards; or non-corrugated paper or paper board	12%	5%
4823	Paper pulp moulded trays	12%	5%
48	Paper splints for matches, whether or not waxed, Asphaltic roofing sheets	12%	5%
48	Paper Sack and Biodegradable Bags	12%	5%
4702	Chemical wood pulp, dissolving grades	12%	18%
4806 20 00	Greaseproof papers	12%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

PAPER SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4806 40 10	Glassine papers	12%	18%
4807	Composite paper and paperboard (made by sticking flat layers of paper or paperboard together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets	12%	18%
4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 4803	12%	18%
4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets of any size	12%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TRANSPORTATION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4011	New pneumatic tyres, of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three-wheeled powered cycle rickshaws; rear tractor tyres; and of a kind used on aircraft]	28%	18%
8701	Road tractors for semi-trailers of engine capacity more than 1800 cc	28%	18%
8702	Motor vehicles for the transport of ten or more persons, including the driver [other than buses for use in public transport, which exclusively run on biofuels]	28%	18%
8703	Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm.	28%	18%
8703	Diesel-driven motor vehicles of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm.	28%	18%
8702 or 8703	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	28%	18%
8703	Three-wheeled vehicles	28%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TRANSPORTATION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8703 40, 8703 60	Motor vehicles with both a spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm internal combustion piston engine [diesel-or semi diesel] and electric motor as motors for propulsion, of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm	28%	18%
8704	Motor vehicles for the transport of goods [other than Refrigerated motor vehicles]	28%	18%
8706	Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705	28%	18%
8707	Bodies (including cabs), for the motor vehicles of headings 8701 to 8705	28%	18%
8708	Parts and accessories of the motor vehicles of headings 8701 to 8705 [other than specified parts of tractors]	28%	18%
8711	Motorcycles of engine capacity (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars, of an engine capacity not exceeding 350cc; side cars	28%	18%
8714	Parts and accessories of vehicles of heading 8711	28%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

TRANSPORTATION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8903	Rowing boats and canoes	28%	18%
9401 20 00	Seats of a kind used for motor vehicles	28%	18%
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars, other than those mentioned at Sr. Nos. 4, 5, 6, 7, 8 and 9 of the above table [wherein 28% to 18% is mentioned]	28%	40%
870340, 870360	Motor vehicles with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, of engine capacity exceeding 1200cc or of length exceeding 4000 mm	28%	40%
870350, 870370	Motor vehicles with both compression-ignition internal combustion piston engine [diesel-or semi diesel] and electric motor as motors for propulsion, of engine capacity exceeding 1500cc or of length exceeding 4000 mm	28%	40%
8711	Motorcycles of engine capacity exceeding 350 cc	28%	40%
8802	Aircraft for personal use.	28%	40%
8903	Yachts and other vessels for pleasure or sports	28%	40%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

SPORTS GOODS AND TOYS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4203	Gloves specially designed for use in sports	12%	5%
9503	Toys like tricycles, scooters, pedal cars, etc. (including parts and accessories thereof) [other than electronic toys]	12%	5%
9504	board games, like ludo, etc. [other than Video game consoles and Machines]	12%	5%
9506	Sports goods other than articles and equipment for general physical exercise	12%	5%
9507	Fishing rods, and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy ‘birds’ (other than those of heading 9208 or 9705) and similar hunting or shooting requisites	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

LEATHER SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 4114	12%	5%
4112	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 4114	12%	5%
4113	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 4114	12%	5%
4114	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather	12%	5%
4115	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strips, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour	12%	5%
6701	Skins and other parts of birds with their feathers or down, feathers, parts of feathers, down and articles thereof (other than goods of heading 0505 and worked quills and scapes)	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

WOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
44 or any Chapter	The following goods, namely: –a) Cement Bonded Particle Board;b) Jute Particle Board;c) Rice Husk Board;d) Glass-fibre Reinforced Gypsum Boarde) Sisal-fibre Boards;f) Bagasse Board; andg) Cotton Stalk Particle Boardh) Particle/fibre board manufactured from agricultural crop residues	12%	5%
4404	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like	12%	5%
4405	Wood wool; wood flour	12%	5%
4409	Bamboo flooring	12%	5%
4415	Packing cases, boxes, crates, drums and similar packings of wood; cable drums of wood; pallets, box pallets and other load boards of wood; pallet collars of wood	12%	5%
4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

WOOD SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4418	Bamboo wood building joinery	12%	5%
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94	12%	5%
4503	Articles of natural cork, such as Corks and Stoppers, Shuttlecock cork bottom	12%	5%
4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

DEFENCE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8525 60	Two-way radio (Walkie-talkie) used by defence, police and paramilitary forces, etc	12%	5%
8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	12%	5%

FOOTWEAR SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
64	Footwear of sale value not exceeding ₹2500 per pair	12%	5%
64	Footwear of sale value exceeding ₹2500 per pair	18%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

CONSTRUCTION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
2523	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	28%	18%
68	Sand lime bricks or Stone inlay work	12%	5%

OTHER MACHINERY			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
8401	Fuel elements (cartridges), non-irradiated, for nuclear reactors	12%	5%
8407	Spark-ignition reciprocating or rotary internal combustion piston engine [other than aircraft engines]	28%	18%
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	28%	18%
8507	Electric accumulators, including separators therefor, whether or not rectangular (including square), other than Lithium-ion battery and other Lithium-ion accumulators, including Lithium-ion power banks	28%	18%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HANDICRAFTS SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
44, 68, 83	Idols of wood, stone [including marble] and metals [other than those made of precious metals]	12%	5%
6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc.; other ornamental goods essentially of stone	12%	5%
6913	Statues and other ornamental articles	12%	5%
9706	Antiques of an age exceeding one hundred years	12%	5%
3406	Handcrafted candles	12%	5%
4202 22,4202 29,4202 31 10,4202 31 90,4202 32,4202 39	Handbags, including pouches and purses; jewellery box	12%	5%
4416,4421 99 90	Carved wood products, artware/decorative articles of wood (including inlay work, casks, barrels, vats)	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HANDICRAFTS SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4414	Wooden frames for painting, photographs, mirrors, etc	12%	5%
4420	Statuettes & other ornaments of wood, wood marquetry & inlaid, jewellery box, wood lathe and lacquer work [including lathe and lacquer work, ambadi sisal craft]	12%	5%
4503 90 904504 90	Art ware of cork [including articles of sholapith]	12%	5%
6802	Carved stone products (e.g., statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	12%	5%
68159990	Stone artware, stone inlay work	12%	5%
691200 10, 691200 20	Tableware and kitchenware of clay and terracotta, other clay articles	12%	5%
6913 90 00	Statuettes & other ornamental ceramic articles (incl blue potteries)	12%	5%
7009 92 00	Ornamental framed mirrors	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HANDICRAFTS SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
7018 90 10	Glass statues [other than those of crystal]	12%	5%
7020 00 90	Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase]	12%	5%
7326 90 99	Art ware of iron	12%	5%
7419 80	Artware of brass, copper/ copper alloys, electro plated with nickel/silver	12%	5%
7616 99 90	Aluminium art ware	12%	5%
8306	Bells, gongs and the like, non-electric, of base metal; statuettes, and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal; (including Bidriware, Panchloga artware, idol, Swamimalai bronze icons, dhokra jaali)	12%	5%
940510	Handcrafted lamps (including panchloga lamp)	12%	5%
940150,9403 80	Furniture of bamboo, rattan and cane	12%	5%
9503	Dolls or other toys made of wood, metal, ortextile material [incl wooden toys of Sawantwadi, Channapatna toys, Thanjavur doll)	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

HANDICRAFTS SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9601	Worked articles of ivory, bone, tortoise shell, and horn, antlers, coral, mother of pearl, seashell, and other animal carving materials	12%	5%
9602	Worked on vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, etc, (including articles of lac, shellac)	12%	5%
9703	Original sculptures and statuary, in metal, stone, or any material	12%	5%
4802	Handmade Paper and Paper board	12%	5%

INSURANCE SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9971	All individual health insurance, along with reinsurance thereof	18% with ITC	Nil
	All individual life insurance, along with reinsurance thereof	18% with ITC	Nil

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

MISCELLANEOUS ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
01012100, 010129	Live horses	12%	5%
2515 12 10	Marble and travertine blocks	12%	5%
2516	Granite blocks	12%	5%
29061110	Natural menthol	12%	5%
3701	Photographic plates and film for X-ray for medical use	12%	5%
3705	Photographic plates and films, exposed and developed, other than cinematographic film	12%	5%
3706	Photographic plates and films, exposed and developed, whether or not incorporating a soundtrack or consisting only of a soundtrack, other than feature films	12%	5%
3818	Silicon wafers	12%	5%
3926	Plastic beads	12%	5%
4007	Latex Rubber Thread	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

MISCELLANEOUS ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
4016	Rubber bands	12%	5%
6602	whips, riding-crops and the like	12%	5%
6909	Pots, jars and similar articles of a kind used for the conveyance and packing of goods of ceramic	12%	5%
7015 10	Glasses for corrective spectacles and flint buttons	12%	5%
7310, 7323, 7612,or 7615	Milk cans made of Iron, Steel, or aluminium	12%	5%
7317	Animal shoe nails	12%	5%
8420	Hand-operated rubber roller	12%	5%
9001	Contact lenses; Spectacle lenses	12%	5%
9003	Frames and mountings for spectacles, goggles or the like, and parts thereof	12%	5%
9404	Coir products [except coir mattresses]	12%	5%

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

MISCELLANEOUS ITEMS			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9607	Slide fasteners and parts thereof	12%	5%
29061190	Other than natural menthol	12%	18%
9302	Revolvers and pistols, other than those of heading 9303 or 9304	28%	40%
9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof	28%	40%

Major Amendments Following the 56th GST Council Meeting

GST Rate Revisions on Services – Applicability & Clarification

- The revised GST rates for services shall come into **force from 22nd September 2025**.
- A significant clarification has been provided regarding the term “**specified premises**” in relation to restaurant services. It has been expressly stated that a stand-alone restaurant will not qualify as a specified premises and, therefore, **cannot opt to discharge GST at 18%** with input tax credit (ITC) benefits.

TRANSPORTATION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9964	Supply of Air transport of passengers in other than economy class	12% with ITC	18% with ITC
9964	Supply of Passenger transport by any motor vehicle, where fuel cost is included	5% with ITC of input services (in the same line of business)	5% with ITC of input services (in the same line of business)
		12% with ITC	18% with ITC
9965	Supply of Transport of goods by GTA	5% without ITC(RCM/FCM)	5% without ITC(RCM/FCM)
		12% with ITC	18% with ITC
9966	Supply of renting of any motor vehicle (with operator) of any motor vehicle designed to carry passengers, where the cost of fuel is included in the consideration	5% with ITC of input services (in the same line of business)	5% with ITC of input services (in the same line of business)
		12% with ITC	18% with ITC

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

JOB WORK SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9988	Supply of job work in relation to bricks which attract GST at the rate of 5%	12% with ITC	5% with ITC
9988	Supply of job-work services in relation goods falling under Chapter 30 in the First Schedule to the Customs Tariff Act, 1975 (pharmaceutical products)	12% with ITC	5% with ITC
9988	Supply of job-work services in relation to Hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975	12% with ITC	5% with ITC
9988	Supply of job-work not elsewhere covered (residual entry)	12% with ITC	18% with ITC

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

CONSTRUCTION SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9954	Composite supply of works contract and associated services, in respect of the offshore works contract relating to oil and gas exploration and production in the offshore area	12% with ITC	18% with ITC
9954	Composite supply of works contract involving predominantly earth work (that is, constituting more than 75% of the value of the works contract) provided to the Government	12% with ITC	18% with ITC
9954	Composite supply of works contract provided by a sub-contractor to the main contractor providing services in the above entry to the Government	12% with ITC	18% with ITC

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

LOCAL DELIVERY SECTOR			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9968	Local delivery services (covered under SAC 996813 under the Group Postal and Courier Services)	18% with ITC	18% with ITC (no change)
9968	Supply of local delivery services through Electronic Commerce Operator (ECO)	Not currently notified under section 9(5) of the CGST Act	18%
	<ul style="list-style-type: none">Local delivery services, to be notified under section 9(5) of the CGST Act in cases where the person supplying such services through ECO is not liable for registration under GST. The applicable rate on such services is 18%.Local delivery services provided by and through ECO are to be excluded from the scope of GTA services.		

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

OTHER SERVICES (12% to 5%)			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9971	Supply of the Service of a third-party insurance of ‘goods carriage’	12% with ITC	5% with ITC
9996	Services by way of admission to exhibition of cinematograph films where the price of the admission ticket is one hundred rupees or less	12% with ITC	5% with ITC
9994	Services by way of treatment or disposal of biomedical waste or the processes incidental thereto by a common bio-medical waste treatment facility to a clinical establishment	12% with ITC	5% with ITC
9963	Supply of ‘hotel accommodation’ having the value of the supply of a unit of accommodation less than or equal to seven thousand five hundred rupees per unit per day or equivalent	12% with ITC	5% without ITC
9997	Beauty and physical well-being services falling under group 99972	18% with ITC	5% without ITC

Major Amendments Following the 56th GST Council Meeting

Sector wise overview of changes in GST rates:

OTHER SERVICES (28% to 40%)			
HSN Code	Description of Goods	Existing Rates	Proposed Rates
9996	Admission to casinos, race clubs, any place having casinos or race clubs, or sporting events like the IPL	28% With ITC	40% with ITC
9996	Services by a race club for the licensing of bookmakers in such a club	28% With ITC	40% with ITC
9973	Leasing or rental services, without operator of goods	28% With ITC	40% with ITC
Any chapter	Specified Actionable Claims (betting, casinos, gambling, horse racing, lottery, online money gaming) are defined as goods (Corresponding changes in the lottery valuation rules are also being carried out)	28% With ITC	40% with ITC

Disclaimer: The rates provided are for reference purposes only and do not represent a complete list.

Ministry of Finance Frequently Asked Questions (FAQs) on the decisions of the 56th GST Council held in New Delhi

Posted On: 03 SEP 2025

Q.1 Is there any change in threshold of the registration required for goods under CGST Act, 2017?

Ans. No, there is no change in threshold of the registration required for goods under CGST Act, 2017.

Q.2 Which notification provides for the revised rates?

Ans. The changes in GST rates will be notified in the rate notification. The notification would be placed on CBIC website.

Q.3 What happens to the applicable rate of tax, if I had supplied goods/services or both before the changes in GST rates come into force but the invoices were issued later?

Ans. As per Section 14 (a)(i) of CGST Act, 2017, in case the goods or services or both have been supplied before the change in rate of tax, and the invoice for the same has been issued after the change in rate of tax, then the time of supply i.e. date of liability to pay tax on such supply will be as follows:

- i. If the payment is received after the change in rate of tax, then time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier.
- ii. If the payment has been received before the change in rate of tax, the time of supply shall be the date of receipt of payment.

Q.4 What will happen to the ITC for purchases made before changes in GST rates came into effect? Will I get ITC at reduced rate now?

Ans. Section 16(1) of CGST Act entitles a registered person to take credit of the input tax charged on his inward supplies, which he uses or intends to use in the course or furtherance of his business, subject to conditions and restrictions which may be prescribed and in the manner provided under section 49 of the CGST Act 2017, which gets credited to his e- credit ledger. Accordingly, if a registered person receives an inward supply and tax has been duly charged on it, at a rate which is in consonance with the rate prevailing at the time of such supply, the said registered person is entitled to the credit of such tax paid, subject to the other conditions/ restrictions and manner specified in section 49 of the CGST Act 2017.

Ministry of Finance Frequently Asked Questions (FAQs) on the decisions of the 56th GST Council held in New Delhi

Posted On: 03 SEP 2025

Q.5 What would be the GST rate applicable if I have received advances for supply of goods/services or both but supply has not been completed or invoice is not issued?

Ans. The GST rate will be determined as per the time of supply provisions. (Refer Section 14 of the CGST Act, 2017).

Q.6 What will be the impact on the IGST rate on import of goods?

Ans. The IGST on imported goods will be the GST rates as notified in the rate notification except where IGST rate has been exempted separately.

Q.7 The GST rate has been reduced on my outward supply of goods/services made on or after 22nd September, 2025 but I already have ITC of GST in ledger that accrued on account of higher rate. Can I continue to use such credit?

Ans. The input tax credit once duly availed in e-credit ledger can be used for discharge of any output tax liability in terms of provisions of section 49(4) of CGST Act and rules made thereunder.

Q.8 My outward supply is exempt under new rate schedule. But I already have ITC of GST paid in my ledger. Will I need to reverse ITC?

Ans. The ITC can be utilized to discharge outward liability for supplies of goods/services or both made till 21st September, 2025. However, for supplies made on or after i.e 22nd September, 2025 when the rate change is effected, ITC will have to be reversed as per provisions of CGST Act, 2017.

Q.9 Will I be allowed to take refund of accumulated credit arising out of inverted duty structure for supplies effected upto the date of effect of revised rate as notified?

Ans. The said issue has been clarified vide circular No. 135/05/2020-GST dated 31.03.2020 (as amended), which states that refund of accumulated ITC in terms of clause (ii) of first proviso to section 54(3) of the CGST Act, is available where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies. However, the input and output being the same in such cases, though attracting different tax rates at different points in time, do not get covered under the provisions of clause (ii) of the first proviso to sub-section (3) of section 54 of the CGST Act.

Ministry of Finance Frequently Asked Questions (FAQs) on the decisions of the 56th GST Council held in New Delhi

Posted On: 03 SEP 2025

Q.10 If I already have stock on the date when rate changes come into effect, should I apply the revised rate?

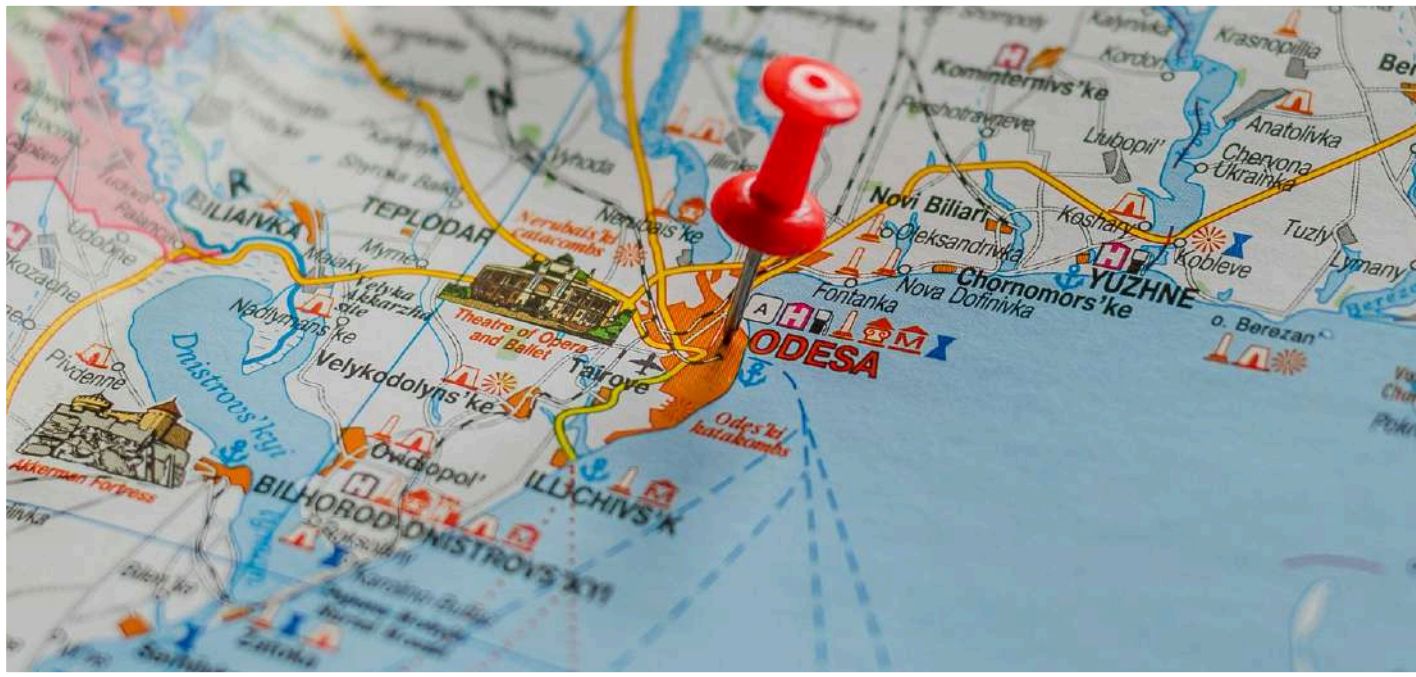
Ans. GST is levied on supply. Therefore, on goods supplied on or after the revised GST rates are notified, the new GST rates will be applicable on the outward supplies of goods/services or both.

Q.11 Will the e-way bills have to be cancelled and generated afresh on goods in transit when the new rates come into effect?

Ans. As per rule 138 of CGST Rules, 2017 the e-way bill is to be generated before the start of supply/transport of goods. There is no mandatory requirement for cancellation and fresh generation of e-way bills for goods in transit when the new rates come into effect. E-way bills currently in transit will continue to remain valid as per their original validity period.

Note: Ministry of Finance released FAQs clarifying decisions of the 56th GST Council meeting held in New Delhi.

To read more click here.



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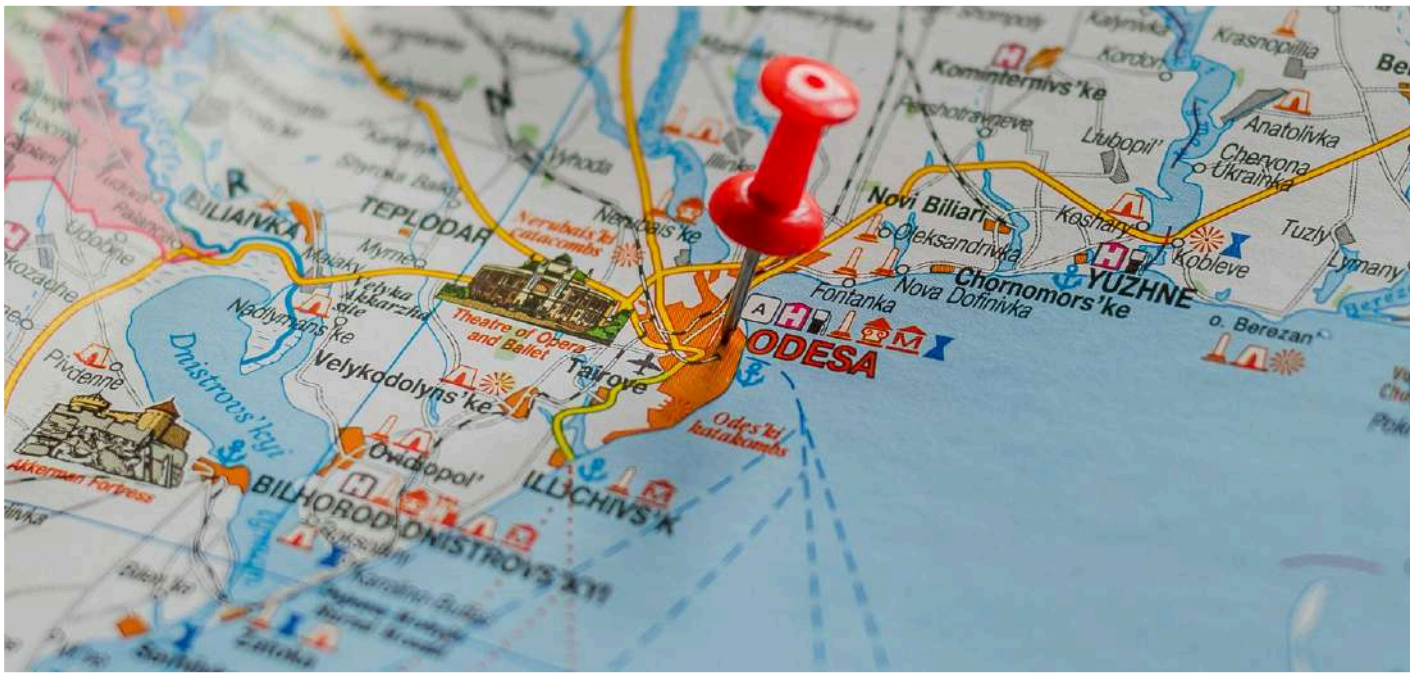
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