

CGA Legal Updates

Analysis of Rate Notifications dated 16-01-2025 implementing the recommendations of the 55th GST Council Meeting

Ntf. No.	Summary of Notifications
01/2025- CT(R) dt 16.01.2025	<p>Seeks to change the rate of tax on certain goods</p> <ul style="list-style-type: none">• GST rate on Fortified Rice Kernel (FRK) has been reduced to 5%.• Definition of 'pre-packaged and labelled' has been amended to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label axed thereto is required to bear the declarations under the provisions of the Act and rules. <p>This notification shall come into force with immediate effect.</p>
02/2025- CT(R) dt 16.01.2025	<p>Amendment in Exemption of Goods</p> <ul style="list-style-type: none">• Exemption on Gene therapy: Exemption has been provided on gene therapy.• Definition of 'pre-packaged and labelled' has been amended to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label axed thereto is required to bear the declarations under the provisions of the Act and rules. <p>This notification shall come into force with immediate effect.</p>
03/2025- CT(R) dt 16.01.2025	<p>Seeks to amend Notification providing concessional rate of tax on goods supplied to economically weaker sections of the society</p> <ul style="list-style-type: none">• Notification No. 39/2017-CR(R) has been amended to provide concessional rate of tax @ 2.5% [CGST] on food input used for food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government <p>This notification shall come into force with immediate effect.</p>

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<p>04/2025- CT(R) dt 16.01.2025</p>	<p>Seeks to enhance the rate of tax on supply of old used and vehicles</p> <ul style="list-style-type: none"> • Increase the GST rate from 12% to 18 % on sale of all old and used vehicles, including EVs other than those specified at 18% -Sale of old and used petrol vehicles of engine capacity of 1200 cc or more & of length of 4000 mm or more; diesel vehicles of engine capacity of 1500 cc or more & of length of 4000 mm and SUVs. <p>This notification shall come into force with immediate effect.</p>
<p>05/2025- CT(R) dt 16.01.2025</p>	<p>Seeks to amend the conditions for the taxation of certain services</p> <ul style="list-style-type: none"> • Omission of definition of Declared Tariff: The definition of declared tariff used in the provision of Restaurant/ Outdoor catering services has been done away with. • Amendment in definition of Specified premises: Definition of specified premises has been amended to link it with actual value of supply of any unit of accommodation provided by the hotel on any day. Thus the revised definition is as follows; <ul style="list-style-type: none"> <i>a premises from where the supplier has provided in the preceding financial year, 'hotel accommodation' service having the value of supply of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent;</i> • Thus, in case of Hotel being a specified Premises, all its services like Restaurant, Outdoor Catering services will levy GST @ 18% with ITC • Option provided to Unspecified Premises to opt for being a Specified Premise and charge 18% with GST <ul style="list-style-type: none"> • Registered person to opt for being a specified Premises every year : Registered person are required to avail an option to pay tax on restaurant service in hotels at the rate of 18% with ITC, by giving a declaration to that effect on or before the beginning of the financial year or on obtaining registration. The declaration prescribed in the Notification. • Person applying for Registration to opt for the Hotel being specified premises within fifteen days of obtaining acknowledgement for the registration application, declaring the said premises to be a specified premises <p>The above changes shall be made effective from 01-04-2025.</p>
<p>06/2025- CT(R) dt 16.01.2025</p>	<p>Amendment in conditions for the exemption of certain services</p>

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	<ul style="list-style-type: none"> • Changing transmission and distribution to transmission or distribution is case of supply of services by way of providing metering equipment on rent, testing for meters/transformers/capacitors etc., releasing electricity connection, shifting of meters/service lines, issuing duplicate bills etc. • Services of insurance provided by the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988 (59 of 1988), against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles shall be exempted. • Services provided by a training partner approved by the National Skill Development Corporation shall be exempted. • Definition of Declared Tariff has been omitted w.e.f. 01-04-2025. • Definition of insurer has been provided which has the same meaning as assigned to it in sub-section (9) of section 2 of the Insurance Act, 1938 (4 of 1938).
07/2025- CT(R) dt 16.01.2025	<p>Seeks to amend certain conditions on services on which tax is to be paid under RCM</p> <ul style="list-style-type: none"> • Services provided by a body corporate by way of Sponsorship shall no longer be taxable under reverse charge and shall be taxable under forward charge. • RCM on Service by way of renting of any immovable property other than residential dwelling shall no longer be applicable on composition dealers.
08/2025-CT(R) dt 16.01.2025	<p>Seeks to update the definition of Specified Premises in the Notification providing the list of services on which tax is to be paid by E-Commerce operators</p> <ul style="list-style-type: none"> • Definition of specified premises has been aligned in the Notification providing the list of services on which tax is to be paid by E-Commerce operators with the amended definition as provided in Notification No. 05/2025-CT(R). <p>The above changes shall be made effective from 01-04-2025.</p>