

## INDUSTRIES WHOSE GST RATE HAVE DECREASED

S.NO.	INDUSTRIES	OLD RATE	NEW RATE
1.	Tobacco (Unmanufactured tobacco, cigarettes, Products containing tobacco or nicotine substitutes etc)	<b>28%</b>	<b>40%</b>
2.	Food Sector (Aerated waters & sweetened beverages ,pan masala etc)	<b>28%</b>	<b>40%</b>
3.	Transportation sector (Motor cars and other motor vehicles principally designed for the transport of persons, Motor cycles of engine capacity exceeding 350 cc, Aircraft for personal use, Yacht and other vessels for pleasure or sports etc )	<b>28%</b>	<b>40%</b>
4.	Miscellaneous items (Revolvers and pistols, other than those of heading 9303 or 9304 , Smoking pipes (including pipe bowls)	<b>28%</b>	<b>40%</b>
5.	Food sector (Other non-alcoholic beverages)	<b>18%</b>	<b>40%</b>
6.	Coal (Coal, Lignite, Peat)	<b>5%</b>	<b>18%</b>
7.	Miscellaneous items (Other than natural menthol, Biodiesel etc )	<b>12%</b>	<b>18%</b>
8.	Textile sector (Articles of apparel and clothing accessories, Cotton quilts of sale value exceeding Rs. 2500 per piece, Other made up textile articles etc )	<b>12%</b>	<b>18%</b>
9.	Paper sector (Chemical wood pulp, Greaseproof papers, Paper and paperboard other than paper of the kind described in heading 4803 etc	<b>12%</b>	<b>18%</b>

### IMPACT OF INCREASING GST RATE -

#### 1. Price Increase for Consumers

2. **Businesses will have to update their accounting softwares , billing softwares and prepare for treatment of ITC old rates**
3. **Stock & Inventory Challenges – Goods purchased at the old GST rate but sold under the new rate**
4. **Working Capital Burden**

<b>1.</b>	FOOD SECTOR (paneer, Pizza bread,etc)	<b>5%</b>	<b>NIL</b>
<b>2.</b>	Health sector (Agalsidase Beta, Imiglucerase, Eptacog alfa activated recombinant coagulation factor VIIa)	<b>5%</b>	<b>NIL</b>
<b>3.</b>	Education (eraser)	<b>5%</b>	<b>NIL</b>
<b>4.</b>	Food sector(Paratha, parotta and other Indian breads by any name called)	<b>18%</b>	<b>NIL</b>
<b>5.</b>	Other proposal (Works of art and antiques, Military transport aircraft, Ship launched missiles etc )	<b>IGST 18%</b>	<b>NIL</b>
<b>6.</b>	Food sector (Condensed milk, Cheese, Dates, Diabetic foods, Fruit pulp etc)	<b>12%</b>	<b>5%</b>
<b>7.</b>	Agriculture sector (nozzles for Sprinklers, Composting Machines, Self-loading or self-unloading trailers for agricultural Purposes etc	<b>12%</b>	<b>5%</b>
<b>8.</b>	Fertilizer sector (Gibberellic acid, Neem based pesticides,Cymbopogan etc )	<b>12%</b>	<b>5%</b>
<b>9.</b>	Renewable energy (Solar cookers, Bio-gas plant,; Fuel Cell Motor Vehicles etc)	<b>12%</b>	<b>5%</b>
<b>10.</b>	Textile sector (Sewing thread of manmade filaments, Yarn of manmade staple fibres, Carpets and other textile floor coverings etc)	<b>12%</b>	<b>5%</b>
<b>11.</b>	Health sector (Anaesthetics, Potassium Iodate, All diagnostic kits and reagents etc)	<b>12%</b>	<b>5%</b>
<b>12.</b>	Education sector (Mathematical boxes, geometry boxes and colour boxes)	<b>12%</b>	<b>5%</b>

<b>13.</b>	Common items (Tooth powder, Feeding bottles, Hand bags and shopping bags, of jute, Sewing needles, napkins etc)	<b>12%</b>	<b>5%</b>
<b>14.</b>	Paper sector (Mechanical wood pulp, Chemical wood pulp, sulphite, other than dissolving grades, Cartons etc)	<b>12%</b>	<b>5%</b>
<b>15.</b>	Sports goods and toys (Gloves specially designed for use in sports, Playing cards, chess board etc )	<b>12%</b>	<b>5%</b>
<b>16.</b>	Leather sector (Leather further prepared after tanning, Skins and other parts of birds with their feathers or down etc)	<b>12%</b>	<b>5%</b>
<b>17.</b>	Wood sector (Cement Bonded Particle Board; Jute Particle Board; Rice Husk Board; Bamboo flooring etc)	<b>12%</b>	<b>5%</b>
<b>18.</b>	Defence(Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc)	<b>12%</b>	<b>5%</b>
<b>19.</b>	Footware sector (Footwear of sale value not exceeding Rs.2500 per pair)	<b>12%</b>	<b>5%</b>
<b>20.</b>	Miscellaneous item (Live horses, Plastic beads, Rubber bands, Pots, jars, Animal shoe nails etc)	<b>12%</b>	<b>5%</b>
<b>21.</b>	Construction sector (Sand lime bricks or Stone inlay work)	<b>12%</b>	<b>5%</b>
<b>22.</b>	Handicraft sector (Idols of wood, stone [including marble], Statues and other ornamental articles, Paintings, drawings and pastels etc )	<b>12%</b>	<b>5%</b>
<b>23.</b>	Other machinery (Fuel elements (cartridges), non-irradiated, for nuclear reactors)	<b>12%</b>	<b>5%</b>
<b>24.</b>	Food sector (Malt, whether or not roasted, Cocoa butter, fat and oil, Ice cream and other edible ice, Plant-based milk drinks)	<b>18%</b>	<b>5%</b>
<b>25.</b>	Tobacco(Bidi wrapper leaves (tendu), Indian katha)	<b>18%</b>	<b>5%</b>

<b>26.</b>	Fertilizer sector (Sulphuric acid ,Nitric acid ,Ammonia)	<b>18%</b>	<b>5%</b>
<b>27.</b>	Fertilizer sector (Rear tractor tyres, Bumpers and parts thereof for tractors, Silencer assembly for tractors and parts thereof etc )	<b>18%</b>	<b>5%</b>
<b>28.</b>	Textile sector (Synthetic or artificial filament tow, Waste of manmade fibres etc )	<b>18%</b>	<b>5%</b>
<b>29.</b>	Health sector (Thermometers for medical, surgical, dental or veterinary usage etc)	<b>18%</b>	<b>5%</b>
<b>30.</b>	Common items (Talcum powder, Face powder, Hair oil, shampoo)	<b>18%</b>	<b>5%</b>
<b>31.</b>	Other proposal (Unmanned aircrafts)	<b>28%/18%</b>	<b>5%</b>
<b>32.</b>	Tobacco (Bidi)	<b>28%</b>	<b>18%</b>
<b>33.</b>	Consumer electronics (Air-conditioning machines, Dish washing machines, set top box for television etc )	<b>28%</b>	<b>18%</b>
<b>34.</b>	Transportation sector (New pneumatic tyres, 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 Bio-fuels etc )	<b>28%</b>	<b>18%</b>
<b>35.</b>	DUTIABLE ARTICLES FOR PERSONAL USE (FOR IMPORTS)	<b>28%</b>	<b>18%</b>
<b>36.</b>	Construction sector (Portland cement, aluminous cement, slag cement etc )	<b>28%</b>	<b>18%</b>
<b>37.</b>	Other machinery (Spark-ignition reciprocating, Pumps for dispensing fuel, Electric accumulators etc )	<b>28%</b>	<b>18%</b>
<b>38.</b>	Health sector (Onasemnogene abeparvovec, Teclistamab, Spesolimab etc )	<b>12%</b>	<b>NIL</b>
<b>39.</b>	Education sector (Maps and hydrographic, Pencil sharpeners etc)	<b>12%</b>	<b>NIL</b>

40.	Paper sector (Uncoated paper and paperboard used for exercise book, graph book, laboratory notebook and notebooks)	12%	NIL
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#### IMPACT OF DECREASE IN GST RATE –

1. Price Reduction for Consumers
2. Software & Billing Updates
3. Positive Impact on Inflation

Footwear of sale value exceeding Rs.2500 per pair (*Maintain at 18%*)

*Change in value. No change in rate (5%)*

Earlier, articles of apparel and clothing accessories, knitted or crocheted etc , of sale value not exceeding **Rs. 1,000 per piece** attracted the lower GST rate. This threshold has now been revised to **Rs. 2,500 per piece.**”

#### Overall impact –

The revision of GST rates exerts a significant influence on pricing, consumption, and industrial performance. While an upward revision tends to increase costs, curb demand, and place pressure on margins, a downward revision enhances affordability, stimulates consumption, and promotes industry growth, albeit at the cost of short-term revenue loss for the government. Therefore, a carefully calibrated GST framework is essential—one that balances consumer welfare, business sustainability, and fiscal stability to foster long-term economic growth.



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