GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1374

TO BE ANSWERED ON MONDAY, DECEMBER 08, 2025/AGRAHAYANA 17, 1947 (SAKA)

IMPACT OF GST REDUCTION

1374. SMT. SAJDA AHMED:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently reduced Goods and Services Tax (GST) rates on several items, if so, the details thereof;
(b) the reasons for the reduction in GST rates;
(c) whether any survey/study or consultation has been conducted with stakeholders before such rate reduction, if so, the details thereof; and
(d) whether the Government has assessed the possible impact of the rate reduction, if so, the details thereof?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) Yes, based on the recommendations of the 56th GST Council meeting held on 03.09.2025, the Government has rationalized GST rates on many goods and services and reduced GST rates from 28% to 18%, 18% to 12/5%, 12% to 5%/Nil.

(b), (c) and (d) Based on the recommendations of the GST Council in its 45th Meeting held on 17th September 2021, a Group of Ministers (GoM) on Rate Rationalisation was constituted to undertake GST rate rationalization, correction of inverted duty structure with an objective to simplify the rate structure, to reduce classification related disputes and enhance GST revenue.

Further, based on the recommendations of the 54th GST Council meeting held on 09.09.2024, Group of Ministers (GoM) on Life and

Health Insurance was constituted on 15.09.2024 to examine and review the present tax structure of GST on life and medical insurance.

The reports of both these GoMs were presented before the GST Council in its 56th meeting held on 03.09.2025. The GST Council recommended reduction in GST rates with a multi-sectoral and multi-thematic focus on improving the lives of all citizens and ensuring ease of doing business for all, including small traders and businessmen.

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