

Voluntary Report – Voluntary - Public Distribution

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Report Name: India Announces New Goods and Services Tax Rates

Country: India

Post: New Delhi

Report Category: Policy and Program Announcements, Agriculture in the News, Trade Policy Monitoring

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Report Highlights:

On September 3, 2025, the Government of India (GOI) announced revised Goods and Services Tax (GST) rates, which includes food and agricultural products. The GOI lowered the GST rates for most food products, exempted certain basic essential food items, and increased rates for some categories. The new rates will take effect on September 22, 2025. The purpose of these revisions is to make food more affordable, encourage healthier choices, and promote economic growth.

On September 3, 2025, the 56th meeting of the GST Council was held in New Delhi under the chairpersonship of the Union Finance & Corporate Affairs Minister, Ms. Nirmala Sitharaman. Based on the recommendations, the Government of India announced revised Goods and Services Tax (GST) rates for various goods including food and agricultural products.¹ The GST tax structure was simplified to three slabs: 5 percent, 18 percent, and a new 40 percent de-merit rate, replacing the previous four-tier rate system of 5 percent, 12 percent, 18 percent, and 28 percent. The GST rates for essentials, healthcare, agriculture inputs, and consumer goods have been lowered while luxury goods face higher taxes. The overhaul aims to boost consumption, reduce compliance complexity, and create a more transparent business environment. The new rates, which will take effect on September 22, 2025, mark a significant step toward promoting trade and enhancing consumer affordability.² The lower GST rate for food products aims to boost domestic consumption and encourage healthier eating habits among Indian consumers by incentivizing the consumption of nutritious foods and discouraging unhealthy food and beverages.

A comprehensive list of food products, including their Harmonized System (HTS) code and updated GST rates, is provided on the next page. For additional details on the revised GST rates across various food categories, readers are encouraged to refer to the Press Information Bureau's press release on the subject at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2163555>.

¹ **Background:** On July 1, 2017, India implemented a nationwide Goods and Services Tax (GST), replacing a complex system of multiple central and state-level indirect taxes with a single, unified tax. The implementation was announced as a major economic reform aimed at creating a common national market, simplifying tax compliance, and improving the efficiency of the tax system.

² The Government of India will formally notify the GST rates.

Description	Tariff (HTS) Code	From	To
<u>Dairy Products</u>	0401, 0402 91 10, 0402 99 20, 0405 0406 (select item)	12%	5%
	0406 (select item)	5%	Nil
<u>Dried Fruit and Nuts</u>	0801/0802/0804/0805/0813	12%	5%
<u>Products of Milling Industry</u>	1107	18%	5%
	1108	12%	5%
<u>Vegetable Saps & Extracts</u>	1302	18%	5%
<u>Sugar & Sugar</u>	1702	18%	5%
<u>Confectionery</u>	1704	12%	5%
<u>Cocoa & Cocoa Products</u>	1804/1805/1806	18%	5%
<u>Livestock Products</u>	1501, 1502, 1503, 1504, 1505, 1506, 1516, 1517, 1518, 1601, 1602, 1603, 1604, 1605	12%	5%
	1517 10, 1520, 1521, 1522	18%	5%
<u>Cereal Preparations</u>	1901 (other than 1901 20 00), 1904 (other than 1904 10 20), 1905	18%	5%
	1902, 1905 90 30	12%	5%
	1905 or 2106	5%	Nil
<u>Vegetable Preparations, Fruit, Nuts or Parts of Plants</u>	2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2009 89 90	12%	5%
<u>Miscellaneous Edible Preparations</u>	2101 11, 2101 12, 2101 20, 2104, 2105	18%	5%
	2101 30, 2102, 2103	12%	5%
<u>Food Preparations Not Elsewhere Specified or included</u>	2106 (select items)	18%	5%
	2106 (select items)	12%	5%
	2106 (select items)	18%	Nil
<u>Beverages, Spirits and Vinegar</u>	2201 (select items)	12%	5%
	2201 (select items)	18%	5%
	2202 10	28%	40%
	2202 91 00, 2202 99 (select items)	18%	40%
	2202 99 (select items)	18%	5%
	2202 99 10, 2202 99 30	12%	5%
	2202 (select items)	28%	40%

Attachments:

No Attachments.