



Update on GST Reforms



1. GST Council has proactively recommended to lower the rates of GST across a wide range of goods and services in its 56th GST Council meeting held on 03.09.2025. The recommendation, undisputably, reflect a multi-sectoral approach with special emphasis on the common man, farmers, labour-intensive industries, health and other key sectors of the economy. The rationalisation of the four-tier GST structure into a simplified two-rate framework i.e., a **standard rate of 18%** and a **merit rate of 5%**, with a special **de-merit rate of 40%** on selected goods is a bold step towards making taxation simpler, with minimal disputes and which is more rational.



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2. These reforms will significantly reduce the tax on daily-consumed food and beverage items. From breakfast essentials like milk, butter, cheese, breads, cornflakes and coffee, to indulgences like chocolates, cakes, pastries, and juices, most items have moved to a concessional 5% or even Nil rate. Meanwhile, unhealthy/high-end food items such as carbonated and caffeinated beverages are recommended to be taxed at a de-merit rate of 40% to balance public health priorities. Changes in the Food Sector to be implemented from 22.09.2025 are tabulated below:

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
1.	0401	Ultra-High Temperature (UHT) milk	5%	Ultra-High Temperature (UHT) milk	Nil	See Note 3
2.	0402 91 10, 0402 99 20	Condensed milk	12%	Condensed milk	5%	See Note 2
3.	0405	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads	12%	Butter and other fats (i.e. ghee, butter oil, etc.) and oils derived from milk; dairy spreads	5%	See Note 3
4.	0406	Chena or paneer, pre-packaged and labelled	5%	Chena or paneer, pre-packaged and labelled	Nil	See Note 3


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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
5.	0406	Cheese	12%	Cheese	5%	See Note 3
6.	0801	Brazil nuts, dried, whether or not Shelled or Peeled	12%	Brazil nuts, dried, whether or not Shelled or Peeled	5%	See Note 3
7.	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus spp.), Chestnuts (Castanea spp.), Pistachos, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]	12%	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus spp.), Chestnuts (Castanea spp.), Pistachos, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]	5%	See Note 3



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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
8.	0804	Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried	12%	Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried	5%	See Note 3

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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
9.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia), dried	12%	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia), dried	5%	See Note 3


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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
10.	0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or [dried fruits of Chapter 8 other than dried tamarind and dried chestnut (singhada) whether or not shelled or peeled]	12%	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of Chapter 8 [other than dried tamarind]	5%	<ul style="list-style-type: none"> • “[and dried chestnut (singhada) whether or not shelled or peeled]” words are not there in the Press Release. • See Note 3
11.	1107	Malt, whether or not roasted	18%	Malt, whether or not roasted	5%	See Note 2
12.	1108	Starches; inulin	12%	Starches; inulin	5%	See Note 2



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
13.	1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products [other than tamarind kernel powder]	18%	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products [other than tamarind kernel powder]	5%	See Note 2
14.	1501	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503	12%	Pig fats (including lard) and poultry fat, other than that of heading 0209 or 1503	5%	See Note 2
15.	1502	Fats of bovine animals, sheep or goats, other than those of heading 1503	12%	Fats of bovine animals, sheep or goats, other than those of heading 1503	5%	See Note 2



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
16.	1503	Lard stearin, lard oil, oleo stearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared	12%	Lard stearin, lard oil, oleo stearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared	5%	See Note 2
17.	1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified	12%	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified	5%	See Note 2
18.	1505	Wool grease and fatty substances derived therefrom (including lanolin)	12%	Wool grease and fatty substances derived therefrom (including lanolin)	5%	See Note 2
19.	1506	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified	12%	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified	5%	See Note 2



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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
20.	1516	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter- esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	12%	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter- esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	5%	See Note 2

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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
21.	1517	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	12%	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	5%	See Note 2
22.	1517 10	All goods i.e. Margarine, Linoxyn	18%	All goods i.e. Margarine, Linoxyn	5%	See Note 2



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23.	1518	Animal or microbial fats and animal or microbial oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal, vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included	12%	Animal or microbial fats and animal or microbial oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal, vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included	5%	See Note 2
24.	1520 00 00	Glycerol, crude; glycerol waters and glycerol lyes	18%	Glycerol, crude; glycerol waters and glycerol lyes	5%	See Note 2
25.	1521	Vegetable waxes (other than triglycerides), Beeswax, other insect waxes and spermaceti, whether or not refined or	18%	Vegetable waxes (other than triglycerides), Beeswax, other insect waxes and spermaceti, whether or not refined or	5%	See Note 2



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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
		coloured		coloured		
26.	1522	Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes	18%	Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes	5%	See Note 2
27.	1601	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products	12%	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products	5%	See Note 2
28.	1602	Other prepared or preserved meat, meat offal, blood or insects	12%	Other prepared or preserved meat, meat offal, blood or insects	5%	See Note 2
29.	1603	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates	12%	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates	5%	See Note 2



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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
30.	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	12%	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	5%	See Note 2
31.	1605	Crustaceans, molluscs and other aquatic invertebrates prepared or preserved	12%	Crustaceans, molluscs and other aquatic invertebrates prepared or preserved	5%	See Note 2
32.	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%	All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes (other than those which attract 5% or nil GST)	5%	See Note 2



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
33.	1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel [other than palmyra sugar and Palmyra jaggery]	18%	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel [other than palmyra sugar and Palmyra jaggery]	5%	See Note 2
34.	1704	Sugar boiled confectionery	12%	Sugar boiled confectionery	5%	See Note 2


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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
35.	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%	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]	5%	See Note 2
36.	1804	Cocoa butter, fat and oil	18%	Cocoa butter, fat and oil	5%	See Note 2
37.	1805	Cocoa powder, not containing added sugar or sweetening matter	18%	Cocoa powder, not containing added sugar or sweetening matter	5%	See Note 3



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
38.	1806	Chocolates and other food preparations containing cocoa	18%	Chocolates and other food preparations containing cocoa	5%	See Note 3

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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
39.	1901	Malt extract, food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of heading 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis not elsewhere specified or included	18%	Malt extract, food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of heading 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis not elsewhere specified or included	5%	<ul style="list-style-type: none"> • See Note 2 • There are certain pre-mixes of bakers ware which were subject to clarification dispute under 1901 20 00 (5%) and 1901 90 90 (18%); with this change in rate, said dispute stands settled as both items are now going to be taxed at the rate of 5%



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
40.	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%	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	5%	See Note 3
41.	1904	All goods i.e. Corn flakes, bulgar wheat, prepared foods obtained from cereal flakes	18%	All goods i.e. Corn flakes, bulgar wheat, prepared foods obtained from cereal flakes	5%	See Note 3
42.	1905	Pizza bread	5%	Pizza bread	Nil	See Note 3

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43.	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 [other than pizza bread, khakhra, plain chapatti or roti, bread, rusks, [toasted bread and similar toasted products, [un-fried or un-cooked snack pellets, by whatevername called, manufactured through process of extrusion, extruded or expanded products, savoury or salted]]]	18%	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	5%	<ul style="list-style-type: none"> • “[other than pizza bread, khakhra, plain chapatti or roti, bread, rusks, [toasted bread and similar toasted products, [un-fried or un-cooked snack pellets, by whatevername called, manufactured through process of extrusion, extruded or expanded products, savoury or salted]]]” words are not there in the Press Release. • As on date, classification
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						<p>dispute is ongoing qua these items as supply of goods or supply of restaurant service.</p> <ul style="list-style-type: none"> • 22.09.2025 onwards, the rate of GST in supply of these items as Goods is 5% and with ITC and as Services is 5% without ITC. Therefore, still there are lot of issues. • See Note 3
44.	1905 or 2106	Khakhra, plain chapatti or roti]	5%	Khakhra, chapathi or roti	Nil	<ul style="list-style-type: none"> • “Plain” word is not there in the Press Release • See Note 3



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
45.	1905 90 30	Extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion)	12%	Extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion)	5%	See Note 3
46.	2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid	12%	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid	5%	See Note 3
47.	2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	12%	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	5%	See Note 2



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
48.	2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid	12%	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid	5%	See Note 2
49.	2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006	12%	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006	5%	See Note 2
50.	2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006	12%	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006	5%	See Note 2



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
51.	2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)	12%	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)	5%	See Note 2
52.	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%	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	5%	See Note 2

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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
53.	2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included; such as Ground-nuts, Cashew nut, roasted, salted or roasted and salted, Other roasted nuts and seeds, squash of Mango, Lemon, Orange, Pineapple or other fruits	12%	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included; such as Ground-nuts, Cashew nut, roasted, salted or roasted and salted, Other roasted nuts and seeds, squash of Mango, Lemon, Orange, Pineapple or other fruits	5%	See Note 3



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
54.	2009	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	12%	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	5%	See Note 3
55.	2009 89 90	Tender coconut water, pre-packaged and labelled	12%	Tender coconut water, pre-packaged and labelled	5%	See Note 3

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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
56.	2101 11, 2101 12 00	Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee	18%	Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee	5%	See Note 3
57.	2101 20	All goods i.e Extracts, essences and concentrates of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	18%	All goods i.e Extracts, essences and concentrates of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	5%	See Note 3



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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
58.	2101 30	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	12%	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	5%	See Note 3
59.	2102	Yeasts (active and inactive); other single cell micro-organisms, dead (but not including vaccines of heading 3002); prepared baking powders	12%	Yeasts (active and inactive); other single cell micro-organisms, dead (but not including vaccines of heading 3002); prepared baking powders	5%	See Note 3

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		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
60.	2103	All goods, including Sauces and preparations therefor, mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard, Curry paste, mayonnaise and salad dressings	12%	All goods, including Sauces and preparations therefor, mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard, Curry paste, mayonnaise and salad dressings	5%	See Note 2
61.	2104	Soups and broths and preparations therefor; homogenized composite food preparations	18%	Soups and broths and preparations therefor; homogenized composite food preparations	5%	See Note 3
62.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	18%	Ice cream and other edible ice, whether or not containing cocoa	5%	See Note 3



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63.	2106	[Food preparations not elsewhere specified or included [other than roasted gram, sweetmeats, batters including idli/dosa batter, namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form, khakhra, chutney powder, diabetic foods]]	18%	Paratha, parotta and other Indian breads by any name called	Nil	<ul style="list-style-type: none">• Change is done only in Paratha, parotta and other Indian breads by any name called• See Note 3
64.	2106	Texturised vegetable proteins (soya bari), Bari made of pulses including mungodi and batters	12%	Texturised vegetable proteins (soya bari), Bari made of pulses including mungodi and batters	5%	See Note 3

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65.	2106	[Food preparations not elsewhere specified or included [other than roasted gram, sweetmeats, batters including idli/dosa batter, namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form, khakhra, chutney powder, diabetic foods]]	18%	Food preparations not elsewhere specified or included	5%	<ul style="list-style-type: none"> • “[other than roasted gram, sweetmeats, batters including idli/dosa batter, namkeens, bhujia, mixture, chabena and similar edible preparations in ready for consumption form, khakhra, chutney powder, diabetic foods]]” words are not included in the Press Release. • See Note 3
66.	2106 90	Namkeens, bhujia, mixture, chabena and similar edible preparations ready for consumption form (other than roasted	12%	Namkeens, bhujia, mixture, chabena and similar edible preparations ready for consumption form (other than roasted	5%	See Note 3



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S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
		gram), pre-packaged and labelled		gram), pre-packaged and labelled		
67.	2106 90 20	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured	28%	*Pan masala	40%	<ul style="list-style-type: none"> • See Note 3 • Change is restricted qua Pan Masala
68.	2106 90 91	Diabetic foods	12%	Diabetic foods	5%	See Note 3
69.	2201	Drinking water packed in 20 litre bottles	12%	Drinking water packed in 20 litre bottles	5%	See Note 3

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Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
70.	2201	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured [[other than Drinking water packed in 20 litres bottles]]	18%	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured	5%	<ul style="list-style-type: none"> • “[other than Drinking water packed in 20 litres bottles]” words are not there in the Press Release. • See Note 3
71.	2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	28%	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	40%	See Note 3
72.	2202 10	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured	28%	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured	40%	See Note 3


Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
73.	2202 91 00, 2202 99	Other non-alcoholic beverages [other than tender coconut water] [and caffeinated beverages]	18%	Other non-alcoholic beverages	40%	<ul style="list-style-type: none"> • “[other than tender coconut water]] [and caffeinated beverages]” words are not there in Press Release. • See Note 3
74.	2202 99	[Fruit pulp or fruit juice based drinks [other than Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice]]	18%	Plant-based milk drinks, ready for direct consumption as beverages	5%	<ul style="list-style-type: none"> • Only rate of Plant-based milk drinks, ready for direct consumption as beverages are revised. • See Note 3
75.	2202 99 10	Soya milk drinks	12%	Soya milk drinks	5%	See Note 3


Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
76.	2202 99 20	Fruit pulp or fruit juice based drinks [other than Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice]	12%	Fruit pulp or fruit juice based drinks [other than Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice]	5%	See Note 3

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Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
77.	2202 99 30	Beverages containing milk	12%	Beverages containing milk	5%	<ul style="list-style-type: none">• Custom authorities are disputing clarification of Cold Coffee imported in India as Caffeinated beverage with rate reduction, the import of Cold Coffee is expected to take further hit on working Capital• See Note 3



Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
78.	2202 99 90	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	28%	Caffeinated Beverages	40%	<ul style="list-style-type: none">• Only Caffeinated Beverages are included in the Press Release.• See Note 3
79.	3503	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface-worked or coloured) and gelatin derivatives; isinglass; other glues of animal origin, excluding casein glues of heading 3501	18%	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface-worked or coloured) and gelatin derivatives; isinglass; other glues of animal origin, excluding casein glues of heading 3501	5%	See Note 2



Update on GST Reforms

S. No.	Chapter/ Heading/ Sub- heading/ Tariff item	Existing description and rate		Recommended description and rate		Paksh Remarks
		Description of Goods	Previous GST Rate	Description of Goods	Revised GST Rate (w.e.f. 22.09.2025)	
80.	3505	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches	18%	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches	5%	See Note 2

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Update on GST Reforms

➤ Key Notable Points for Food Sector:

1. Since GST is levied on supply, goods supplied on or after 22.09.2025, will attract the new GST rates. Hence, unsold inventory in stock must reflect the revised MRP based on the applicable tax rate from 22.09.2025 onwards.
2. If the inventory was purchased at a higher rate but, with effect from 22.09.2025, it is required to be sold at a lower rate, a refund can be claimed in such a case under the category of “Inverted Duty Structure”. However, CBIC as well as FAQs have answered this aspect in negative. Therefore, this issue is going to become a subject matter of Litigation.
3. ITC can be utilized for outward supplies made up to 22.09.2025. For supplies made on or after 22.09.2025, Since the rate has been reduced to nil, ITC has to be reversed as per provisions of CGST Act, 2017. The notable point is that provisions also state that if any ITC is left after reversing the ITC qua inventory as on 21.09.2025, Same shall also lapse. In a business model, there may be few out of many items which have moved to Nil rate of GST. Therefore, there may also be some issues in ensuring effective compliance with provisions regarding reversal of ITC.
4. The Council has recommended insertion of Explanations to the definition of "specified premises" to clarify that stand-alone restaurants shall not qualify as "specified premises" and, therefore, shall be ineligible to opt for payment of GST at 18% with input tax credit.