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| **C:\Users\computer\Desktop\gst-right-logo.png** | **Logo  Description automatically generated** | **Ph: 0674-258 9662,**  **Fax: 0674-258 9612,** |

**प्रधान आयुक्त का कार्यालय / OFFICE OF THE PRINCIPAL COMMISSIONER,**

**जीएसटी एव केन्द्रीय उत्पाद शुल्क भुवनेश्वर/ GST & CENTRAL EXCISE, BHUBANESWAR**

**केन्द्रीय राजस्व बिल्डिंग , राजस्व विहार / C.R. BUILDING, RAJASWA VIHAR,**

**भुवनेश्वर (ओड़िशा) / BHUBANESWAR (ODISHA)751007**

Dated : 22.09.2025

**Press Note**

**NEXT GENERATION GST REFORMS**

Government of India has effected following GST rate cuts for further ease of living of common man and also for further ease of doing business for trade and industry particularly MSME w.e.f. 22.09.2025.

**Salient features :-**

* Exemption of GST on all individual life insurance policies whether term life, ULIP or endowment policies and reinsurance thereof to make insurance affordable for the common man.
* Exemption of GST on all individual health insurance policies and reinsurance thereof to make insurance affordable for the common man.
* Rationalisation of the current 4-tiered tax rate structure into a citizen-friendly ‘Simple Tax’ - a 2 rate structure with a Standard Rate of 18% and a Merit Rate of 5%; a special de-merit rate of 40% for a select few goods and services.
* Reduction of GST from 18% OR 12% to 5% on a host of common man items such as, hair oil, toilet soap bars, shampoos, toothbrushes, toothpaste, Bicycles, Tableware, kitchenware, other household articles etc.
* Reduction of GST from 5% to NIL on Ultra-High Temperature (UHT) milk, Prepackaged and labelled chena or paneer; All the Indian Breads will see NIL rates (Chapati or roti, paratha, parotta, etc).
* Reduction of GST from 12% OR 18% to 5% on almost all of the food items such as packaged namkeens, Bhujia, Sauces, Pasta, Instant Noodles, Chocolates, Coffee, Preserved Meat, Cornflakes, Butter, Ghee, etc.
* Reduction of GST from 12% OR 18% to 5% on almost all of the food items such as packaged namkeens, Bhujia, Sauces, Pasta, Instant Noodles, Chocolates, Coffee, Preserved Meat, Cornflakes, Butter, Ghee, etc.
* Reduction of GST from 28% to 18% on Air-conditioning machines, TVs~32 inch (all TVs now at 18%), Dishwashing machines, Small cars, Motorcycles equal to or less than 350 CC.
* Reduction of GST from 12% to 5% on agricultural goods, such as tractors, agricultural, horticultural or forestry machinery for soil preparation or cultivation, harvesting or threshing machinery, including straw or fodder balers, grass or hay mowers, composting machines etc.
* Reduction of GST from 28% to 18% on Cement.
* Reduction of GST from 12% to NIL on 33 lifesaving drugs and medicines and from 5% to NIL on 3 lifesaving drugs & medicines used for treatment of cancer, rare diseases and other severe chronic diseases.
* Reduction of GST on all other drugs and medicines from 12% to 5%.
* Reduction of GST from 18% to 5% on various medical apparatus and devices used for medical, surgical, dental or veterinary usage or for physical or chemical analysis.
* Reduction of GST from 12% to 5% on various medical equipment and supplies devices such as wadding gauze, bandages, diagnostic kits and reagents, blood glucose monitoring system (Glucometer) medical devices, etc.
* Reduction of GST from 28% to 18% on Small Cars and Motorcycles equal to or below 350cc.
* Reduction of GST from 28% to 18% on buses, trucks, ambulances etc.
* Uniform rate of 18% on all auto parts irrespective of their HS code; Three-Wheelers from 28% to 18%.
* Correction of long-pending inverted duty structure for the manmade textile sector by reducing GST rate on manmade fibre from 18% to 5% and manmade yarn from 12% to 5%.
* Correction of inverted duty structure in fertilizer sector by reducing GST from 18% to 5% on Sulphuric acid, Nitric acid and Ammonia.
* Reduction of GST from 12% to 5% on renewable energy devices and parts for their manufacture.
* Reduction of GST from 12% to 5% on “Hotel Accommodation” services having value less than or equal to Rs. 7,500 per unit per day or equivalent.
* Reduction of GST from 18% to 5% on beauty and physical well-being services used by common man including services of gyms, salons, barbers, yoga centres, etc.
* Notification No. 9/2025 Central Tax (Rate), 10/2025 Central Tax (Rate), 13/2025 Central Tax (Rate), 11/2025 Central Tax (Rate), 14/2025 Central Tax (Rate) all dated 17.09.2025 and 02/2025 Compensation Cess (Rate) dated 17.09.2025 may be referred to in this regard for all goods/services.