

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1832**  
ANSWERED ON – 05.08.2025

**GST RATE VARIATIONS DUE TO PRODUCT FORM CHANGES**

**1832 SHRI IMRAN PRATAPGARHI:**

Will the Minister of Finance be pleased to state:

- (a) whether Government is aware that multiple goods are taxed at different GST rates solely due to minor changes in their form or nature, such as raw and processed versions of the same product attracting widely different tax rates;
- (b) whether such inconsistencies are under active review as part of the ongoing exercise to rationalise GST slabs;
- (c) the current status of the GST Rationalisation Committee's deliberations, including whether any timeline has been fixed for implementation of a simplified tax structure; and
- (d) whether Government has considered stakeholder concerns about how such anomalies affect MSMEs, consumer pricing, and ease of compliance?

**ANSWER**

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

(a) & (b) GST rates are prescribed based on the recommendations of the GST Council which consists of representatives of both Centre and State Governments.

The GST Council in its 45<sup>th</sup> meeting held on 17<sup>th</sup> September, 2021 has constituted a Group of Ministers (GoM) on Rate Rationalisation and the Terms of Reference of GoM include review of the current rate slab structure of GST, including special rates, and recommend rationalization measures.

(c) & (d) The Group of Minister is comprehensively examining all issues relating to rationalisation of GST rates on goods and services. The GoM is yet to submit its report.

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