

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO 1047**  
ANSWERED ON – 09.12.2025

**IMPACT OF GST REFORMS ON THE ECONOMY**

**1047 SHRI P. P. SUNEER:**

Will the Minister of Finance be pleased to state:

- (a) the extent and quantum of the recently undertaken GST reforms;
- (b) whether the Ministry has undertaken any study of the reforms' effects on the economy, the exchequer and the common people;
- (c) the category-wise annual data of GST collection for the last five years; and
- (d) the head-wise difference in the total amount of GST collected under old and new GST rates in the last five years?

**ANSWER**

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

(a) The GST reforms recommended by the 56th GST Council in its meeting held on 03.09.2025 aimed for a strategic, principled, and citizen-centric evolution of the tax framework.

The quantum of the reform is demonstrated by the 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% is prescribed for a select few goods and services.

Significant rate rationalisation focuses on the common man, labour-intensive industries, farmers and agriculture, health and key Drivers of the economy, including the exemption of GST on all individual life and health insurance policies , reduction on many common man items (e.g., hair oil, soap bars, bicycles) from 18% or 12% to 5% , 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 , and reduction on various agricultural goods and machinery to 5%.

Furthermore, major procedural reforms include the operationalisation of the Goods and Services Tax Appellate Tribunal (GSTAT) , a risk-based provisional sanction of 90% refund, and the introduction of a new optional simplified GST registration scheme for small businesses.

(b) Subsequent to rationalization of GST rates in 56<sup>th</sup> GST Council meeting held on 03.09.2025, Central Board of Indirect Taxes and Customs (CBIC) is monitoring the price of important commodities including packaged food items and medicines, pre and post 22<sup>nd</sup> September, 2025, to see that the benefits are duly passed on to end consumers. From the inputs received in this regard, it is observed that these benefits have duly been passed on to the end-consumers post GST rate reductions

(c) and (d) The category-wise annual data of GST collection for the last five years is as under:

| <b>F.Y.</b>            | <b>CGST</b> | <b>SGST</b> | <b>IGST</b> |
|------------------------|-------------|-------------|-------------|
| 2020-21                | 209,916     | 272,828     | 565,719     |
| 2021-22                | 269,137     | 344,216     | 762,270     |
| 2022-23                | 323,923     | 410,251     | 945,220     |
| 2023-24                | 375,710     | 471,195     | 1,026,790   |
| 2024-25                | 413,776     | 516,448     | 1,125,334   |
| 2025-26(Till November) | 293,207     | 362,948     | 819,333     |

*(Amount: in Rs. Crores)*

The new GST rates became effective only from 22.09.2025. The GST collected in the months of September 2025, October 2025, November 2025 is as under:

| <b>F.Y.</b>    | <b>CGST</b> | <b>SGST</b> | <b>IGST</b> |
|----------------|-------------|-------------|-------------|
| September 2025 | 33,646      | 41,836      | 101,883     |
| October 2025   | 36,547      | 45,134      | 106,443     |
| November 2025  | 34,843      | 42,522      | 92,910      |

*(Amount: in Rs. Crores)*

The GST collected in the corresponding months in FY 2024-25 is as under:

| <b>F.Y.</b>    | <b>CGST</b> | <b>SGST</b> | <b>IGST</b> |
|----------------|-------------|-------------|-------------|
| September 2024 | 31,422      | 39,283      | 90,594      |
| October 2024   | 33,821      | 41,864      | 99,111      |
| November 2024  | 34,141      | 43,047      | 91,828      |

*(Amount: in Rs. Crores)*

Key for data tables presented above

*F.Y.: Financial Year*

*CGST: Central Goods and Services Tax*

*SGST: State Goods and Services Tax*

*IGST: Integrated Goods and Services Tax*

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