

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 3589
ANSWERED ON – 24.03.2026

Impact of GST reduction

3589 **Dr. V. Sivadasan:**

Will the Minister of **Finance** be pleased to state:

- (a) the number of goods for which GST rates were reduced during the recent GST Council decisions;
- (b) the number of such goods whose market prices have actually declined thereafter;
- (c) whether any post-rate-cut study or assessment has been conducted to examine the pass-through of GST reductions to consumers; and
- (d) the findings of such studies and the steps taken to curb profiteering and ensure price reductions?

ANSWER

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

(a): Subsequent to the discussions taken in the 56th GST Council meeting held on 03.09.2025, GST rates have been reduced for more than 350 groups of commodities as specified in the relevant GST notifications, with effect from 22.09.2025.

(b): The Central Board of Indirect Taxes and Customs (CBIC) had entrusted its field formations with the task of monitoring the prices of 54 sensitive commodities such as butter, biscuits, toilet soap, shampoo, air-conditioning machines, television sets, drugs and medicines, bicycles and cement, before and after the GST rate reduction, which came into effect on 22.09.2025. The monitoring exercise confirmed commensurate MRP reductions across all 54 tracked products.

(c) and (d). While no formal study has been undertaken to examine the pass-through of GST reductions to consumers, feedback received from CBIC's field formations indicate that GST rate reductions were passed on to consumers, in general. Noticeable price corrections were observed across FMCG, healthcare, automobiles, construction materials, and household appliances.

To curb profiteering and ensure price reductions, field-level outreach and structured engagement were undertaken with trade and industry. Complaints relating to non-pass-through were closely monitored and reviewed. Continued emphasis was also placed on compliance facilitation and ensuring system stability during the transition period.
