

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
LOK SABHA  
UNSTARRED QUESTION NO. 2506**

**TO BE ANSWERED ON MONDAY, DECEMBER 15, 2025/AGRAHAYANA  
24, 1947 (SAKA)**

**IMPACT OF GST 2.0 ON BUSINESSES AND MSMES IN DAHOD**

**2506. SHRI JASWANTSINH SUMANBHAI BHABHOR:**

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

- (a) the benefits received by the small traders, artisans and agricultural produce sellers of Dahod Lok Sabha constituency through simplified GST;**
- (b) the impact of increasing e-commerce platforms on competition and consumption in Dahod Lok Sabha constituency; and**
- (c) whether the GST 2.0 will attract investment in Dahod Lok Sabha constituency?**

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

**(a), (b) and (c) Based on the recommendations of the 56<sup>th</sup> GST Council meeting held on 03.09.2025, a citizen friendly 'Simple Tax, a 2 rate structure with a Standard Rate of 18% and a Merit Rate of 5% has been introduced ; a special de-merit rate of 40% for a select few goods and services. The GST reforms notified on the recommendations of the 56<sup>th</sup> GST Council meeting held on 03.09.2025 are uniform across the country. Small traders, artisans, and agricultural produce sellers in Dahod will also benefit significantly from rate rationalization and the process reforms.**

**There has been reduction of GST from 18% or 12% to 5% on a host of common man items, sold by small traders, such as, hair oil, toilet soap bars, shampoos, toothbrushes, toothpaste, among others. Also, there has been a 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. Further, 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. has also been carried out. Artisan will also benefit from a rate reduction from 12% to 5% in terms of handicraft goods such as furniture made of bamboo, ratan, and cane, artwares of iron, stone, aluminium, carved wood products, etc.**

**In addition to the above, in order to simplify the registration process, an optional simplified GST registration scheme has been introduced wherein registration shall be granted on an automated basis within three working days from the date of submission of application in case of low risk applicants and applicants who based on their own assessment, determine that their output tax liability on supplies to registered persons will not exceed Rs. 2.5 lakh per month w.e.f. 1<sup>st</sup> November 2025.**

**Further, to ensure seamless credit flow and prevent tax cascading, the GST Council in its 56th Council meeting recommended amending the provisions of the CGST/SGST Acts to provide for the provisional refund of 90% of the claimed amount in cases arising out of an inverted duty structure, on similar lines as is presently available for refund in respect of zero-rated supply refund claims. Pending amendments in the CGST/SGST Acts, the Central Board of Indirect Taxes and Customs has issued instructions to its field formations to grant refunds on a provisional basis equivalent to 90% of refund claimed, arising out of Inverted Structure based on the identification and evaluation of risk by the system w.e.f. 1st October 2025.**

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