

WEEKLY NEWSLETTER

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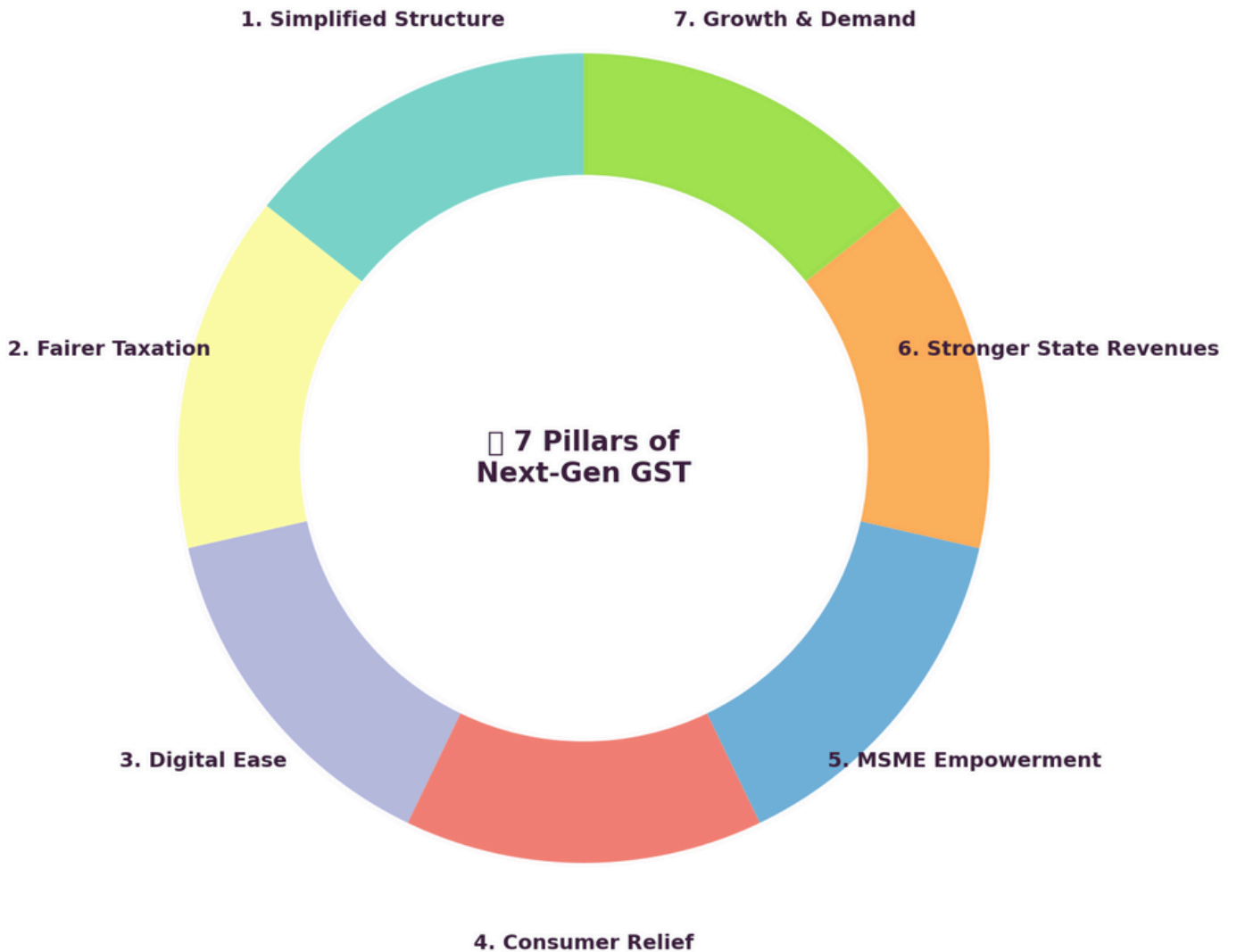
GST: FROM IDEA TO REALITY

The idea of GST was first proposed in 2000 with an Empowered Committee of State Finance Ministers set up to study sales tax reforms. Taking this idea forward and with extensive consensus building among states, the 101st Constitutional Amendment Act was passed and ratified in 2016, paving the way for GST. GST was formally rolled out at midnight on 1st July 2017, hailed as a “pathbreaking legislation for New India.”

GST REFORMS 2025: RELIEF FOR COMMON MAN, BOOST FOR BUSINESSES

- GST simplified to a two-slab structure (5% & 18%)
- GST reforms cut taxes on household essentials (soaps, toothpaste, Indian breads) to 5% or Nil boosting affordability
- Life-saving drugs, medicines reduced from 12% to Nil or 5% making healthcare affordable
- Two-wheelers, small cars, TVs, ACs, cement cut from 28% to 18% bringing relief to middle-class.
- Farm machinery, irrigation equipment cut from 12% to 5%, reducing farming costs
- Tobacco, pan masala, aerated drinks, and luxury goods taxed at 40%.

7 PILLARS OF NEXT-GEN GST REFORMS



Food & Household Sector Reforms

- Everyday Essentials: UHT milk, pre-packaged & labelled chena/paneer, Indian breads – NIL GST
- Household Goods: Soaps, shampoos, toothbrushes, toothpaste, tableware, bicycles – 5% GST
- Packaged Foods: Namkeens, Bhujia, sauces, pasta, chocolates, coffee, preserved meat – Reduced from 12%/18% → 5%
- Consumer Durables: TVs (LCD/LED >32"), ACs, dishwashers – Reduced from 28% → 18%



Home Building & Materials

- 28% → 18%: Cement
- 12% → 5%: Marble/travertine blocks, granite blocks, sand-lime bricks
- 12% → 5%: Bamboo flooring/joinery, packing cases & pallets (wood)

Automobile Sector

- 28% → 18%: Small cars, two-wheelers ≤350cc
- 28% → 18%: Buses, trucks, three-wheelers, all auto parts



GST Implication for Service Industry



Service Sector

- 12% → 5%: Hotel stays up to ₹7,500/day
- 18% → 5%: Gyms, salons, barbers, yoga services



Medical Sector

- 12% → 0%: 33 life-saving drugs, diagnostic kits
- 12% → 5%: Ayurveda, Unani, Homoeopathy medicines
- 28% → 5%: Spectacles, corrective goggles
- 12-18% → 5%: Medical oxygen, thermometers, surgical instruments
- 18% → 5%: Medical, dental & veterinary devices

Education Sector

- NIL GST: Exercise books, erasers, pencils, crayons, sharpeners
- 12% → 5%: Geometry boxes, school cartons, trays



Did You Know?



- India's GST taxpayer base has grown from 66.5 lakh in 2017 to 1.51 crore in 2025.
 - Gross GST collections touched ₹22.08 lakh crore in 2024–25, doubling in just 4 years with 18% CAGR.
 - Average monthly GST collections rose from ₹82,000 crore in 2017–18 to ₹2.04 lakh crore in 2025.
 - GST has subsumed 17 taxes and 13 cesses, creating a single national market.
- 👉 GST 2.0 isn't just a tax reform—it's a growth engine for New India.

Stock Market Pulse on 4-sept

INDEX	PRICE	%CHANGE
Nifty 50	24,741.00	+0.03
BSE Sensex	80,710.76	-0.01
Nifty Bank	54,114.55	+0.07
S&P 500	6,481.50	-0.32

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