

**GOODS
AND
SERVICES
TAX**

**GST
UPDATES**

GST Rate Restructuring 2025: Key Takeaways from
Notification No. 09/2025 dated 17th September, 2025

The Ministry of Finance has issued Notification No. 09/2025 – Central Tax (Rate), dated 17th September, 2025, revising GST rates on specified goods under the Customs Tariff Act, 1975. This update comes into effect from 22nd September, 2025 and replaces the earlier notification issued in 2017.

Key Highlights

1. New GST Rate Structure

The notification prescribes the following rate slabs for different categories of goods:

- Schedule I – 2.5%
- Schedule II – 9%
- Schedule III – 20%
- Schedule IV – 1.5%
- Schedule V – 0.125%
- Schedule VI – 0.75%
- Schedule VII – 14%

2. Coverage of Goods

The schedules cover a wide range of goods including:

- Food items, dairy, cereals, dry fruits
- Agricultural produce and natural products
- Processed foods, beverages, and packaged goods
- Minerals, petroleum products, and chemicals
- Medicinal and pharmaceutical goods

3. Superseding Previous Notification

This new framework supersedes Notification No. 01/2017–Central Tax (Rate), ensuring that tax applicability is updated to reflect current economic needs and GST Council recommendations.

4. Effective Date

The revised GST rates will be applicable from 22nd September, 2025.

Detailed notification can be accessed through the following link:

<https://taxinformation.cbic.gov.in/content-page/explore-notification>

Impact on Business:

- **Businesses & Manufacturers** must review their product classification and update billing systems.
- **Retailers & Traders** need to ensure compliance with revised rates before the effective date.
- **Consumers** may witness price rationalization on essentials while luxury or non-essential items may fall under higher tax brackets.


The revised GST rate notification is a significant move towards rate rationalization and compliance simplification. Businesses are advised to carefully study the applicable schedules, adjust pricing mechanisms, and remain compliant with the updated framework.


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