

## GST Quick Notes: All Items

- **What are the main GST slabs?**
    - 0% (Exempt), 5%, 12%, 18%, and 28%. A cess is also applied to some items in the 28% slab.
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### 0% GST (Exempt)

- **Who is this for?**
    - To keep essential goods and services affordable for everyone.
  - **Common Items:**
    - **Food:** Fresh fruits and vegetables, milk, curd, bread, salt, unpacked food grains, and flour (atta).
    - **Healthcare:** Health services, blood services.
    - **Education:** Educational services by schools and colleges.
    - **Print:** Books, newspapers, maps.
    - **Other:** Hearing aids, judicial papers, earthen pots.
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### 5% GST

- **Who is this for?**
    - Applied to common household necessities and some basic services.
  - **Common Items:**
    - **Food:** Sugar, tea, coffee, edible oils, spices, paneer, pre-packaged and labelled food grains.
    - **Apparel:** Footwear below ₹1000, apparel up to ₹1000.
    - **Energy:** LPG cylinders for domestic use.
    - **Services:** Economy class air travel, transportation of goods by rail or road (GTA).
    - **Other:** Fertilizers, basic medicines.
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### 12% GST

- **Who is this for?**

- Covers a range of processed foods and other common consumer goods.
  - **Common Items:**
    - **Food:** Processed foods like butter, cheese, ghee, fruit juices.
    - **Electronics:** Mobile phones.
    - **Stationery:** Pens, paper, pencils.
    - **Services:** Business class air travel.
    - **Other:** Umbrellas, sewing machines.
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## 18% GST

- **Who is this for?**
    - This is the most common GST rate, applying to a vast number of goods and services.
  - **Common Items:**
    - **Electronics:** Computers, laptops, monitors, printers.
    - **Home Goods:** Furniture, kitchenware (most items).
    - **Personal Care:** Soaps, toothpaste, hair oil.
    - **Services:** Telecom services, IT services, restaurant services (in most non-starred hotels), financial services, branded garments.
    - **Industrial:** Most capital goods and industrial intermediaries.
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## 28% GST

- **Who is this for?**
  - Generally applied to luxury items, "sin" goods, and some consumer durables.
- **Common Items:**
  - **Automobiles:** Cars, motorcycles (plus cess).
  - **Electronics:** Air conditioners, refrigerators, washing machines.
  - **Luxury:** 5-star hotel stays, race club betting, cinema tickets.
  - **"Sin" Goods:** Tobacco products, pan masala, aerated drinks (plus cess).
  - **Other:** Cement, perfumes, deodorants.

### Q1: Were there any major new GST rules or rate changes that became applicable exactly on September 22, 2025?

**A:** No, there were no major, nationwide GST rule changes or widespread rate revisions that specifically came into effect on September 22, 2025.

Typically, major GST changes (like alterations in tax rates or fundamental compliance rules)

are announced after a GST Council meeting and are then made effective from a specific date, which is usually the 1st or sometimes the 18th of a month, to allow for a smooth transition for businesses and software systems. A date like the 22nd is highly uncommon for a broad implementation.

The information you might have heard could be related to a clarification, a specific court ruling, or a minor procedural update. The most recent significant changes were implemented earlier in the month or are scheduled for the beginning of the next month.

## **Q2: What are the most recent significant GST changes that have happened around this time in September 2025?**

**A:** The latest changes stem from the recommendations made during the 54th GST Council meeting held in August 2025. While nothing was slated specifically for September 22nd, several key decisions from that meeting have recent or upcoming implementation dates.

The key recent updates revolve around:

1. **GST on Corporate Guarantees.**
2. **Mandatory E-way Bills for Gold and Precious Stones.**
3. **Clarifications on Taxability of certain services.**

## **Q3: Can you explain the new rule regarding GST on corporate guarantees provided by directors?**

**A:** Yes. The GST Council has clarified the tax implications for personal guarantees given by directors to a company and for corporate guarantees between related entities.

- **Personal Guarantee by a Director:** When a director provides a personal guarantee to a bank for a loan taken by their company, no GST will be levied on this transaction. This is a significant relief for promoters and directors.
- **Corporate Guarantee between Related Parties (e.g., Parent Co. to Subsidiary):** When a parent company provides a guarantee for a loan to its subsidiary, GST will be applicable. The taxable value of this service will be **1% of the guaranteed amount** or the actual consideration, whichever is higher. This rule is effective from **October 1, 2025**.

## **Q4: What is the new update on E-way bills for transporting gold?**

**A:** To track the movement of high-value goods and prevent tax evasion, the government has mandated the generation of E-way bills for the **intra-state (within the same state) movement of Gold and Precious Stones** (under HSN Chapter 71). This rule is set to be implemented from **October 1, 2025**. States have been given the authority to set the threshold

limit above which the E-way bill will be mandatory.

**Q5: Were there any recent changes in GST rates for any goods or services?**

**A:** In the most recent council meeting, there were no major changes to the GST rates for common items. The focus was more on clarification and addressing tax evasion. One notable rate rationalization was on **molasses**, where the GST rate was reduced from 28% to **5%**. This was done to benefit sugarcane farmers and reduce the cost for cattle feed production. This change was made effective from **September 1, 2025**.

**Q6: Where can I get the most accurate and official information on GST updates?**

**A:** For the most reliable and up-to-date information, you should always refer to the official government sources:

- **CBIC GST Website:** <https://cbic-gst.gov.in/> (for notifications, circulars, and orders)
- **Official GST Portal:** <https://www.gst.gov.in/> (for advisories and system updates)

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