

# Current Edge: Daily Brief

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## Table of Contents

### THE BIG PICTURE

- 1) IE Explained: PM Modi says ‘GST savings festival’ begins: with lower prices, how household budgets are set for boost (Siddharth Upasani)
- 2) IE Opinion: GST 2.0: Reform at the cost of informal workers (Boddu Srujana and Anagha Tobi)

## QUOTES OF THE DAY

"Acting is behaving truthfully under imaginary circumstances." – **SANFORD MEISNER**

## WHAT THE OTHERS SAY

"Promoting a mirage of a Palestinian state without meaningful action to halt the annihilation would be cruel, cowardly and self-serving." – **THE GUARDIAN**

News / Explained / Explained Economics / PM Modi says 'GST savings festival' begins: with lower prices, how household budgets are set for boost

## PM Modi says ‘GST savings festival’ begins: with lower prices, how household budgets are set for boost

GST Savings Festival, New GST Rates 2025: In an address to the nation on Sunday evening, PM Modi said that from the middle class to the youth, many sections of Indians will benefit from ‘next generation’ GST reforms.

IE Explained; By Siddharth Upasani;  
Syllabus: Pre/Mains – Economy [Link](#)

- **Coverage:** FMCG, household items, cement, durables, automobiles, insurance.
- **Monitoring:** Finance Ministry to track price pass-through.
- **Aim:** Boost consumption, reduce inflation, support middle class & youth.

## Cheaper Essentials

- **Milk products:** Paneer exempt (↓3%), UHT milk (↓3%), butter & cheese slices (↓6%), Amul paratha (↓17%).
- **Packaged foods:** Pringles (↓12%), Kellogg’s cornflakes (↓11%), Sunfeast biscuits (↓12%).
- **Ice creams:** Mother Dairy vanilla cup (↓10%), Butterscotch cone (↓14%).
- **Condiments:** Ketchup, ghee, pickles, jams (↓4–8%).

## Household & Personal Care

- **Items:** Shampoo, soap, toothpaste, hair oil.
- **Rate cut:** 18% → 5%.
- **Impact:** Prices ↓11–13% (brands: Dove, L’Oréal, Himalaya, Close-Up).

## Why in News?

PM Modi announced launch of ‘GST Savings Festival’ as new GST rates (GST 2.0) took effect from **Sept 22, 2025**, reducing taxes on 375+ common-use goods and services.

## Key Features of GST 2.0

- **GST Council decision:** 56th meeting (Sept 3, 2025).

## WHAT'S CHEAPER AND BY HOW MUCH

### Nil GST:

	Old Price (Rs)	New Price (Rs)	% change
Mother Dairy tetrapack toned milk (1L)	77	75	-3
Amul milk Gold (1L)	83	80	-4
Mother Dairy paneer (200gm)	95	92	-3
Amul paneer (200g)	95	92	-3
Amul butter khakra (200g)	100	95	-5
Amul cheese onion paratha (500g)	240	200	-17

### GST cut to 5% from 12%

	Old Price (Rs)	New Price (Rs)	% change
Mother Dairy milkshake (180ml)	30	28	-7
Amul butter (100g)	62	58	-6
Kissan ketchup (850gm)	100	93	-7
Mother Dairy cheese spread (180gm)	120	110	-8
Safal mixed fruit jam (1kg)	125	115	-8
Pringles Original (107g)	125	110	-12
Safal pickle (400g)	130	120	-8
B Natural Mixed Fruit juice (750ml)	158	148	-6
Mother Dairy cheese slices (200gm)	170	160	-6
B Natural Mixed Fruit juice (750ml)	158	148	-6
Mother Dairy cheese slices (200gm)	170	160	-6
ITC Master Chef Veggie Pizza Pocket (340g)	195	180	-8
Mother Dairy butter (500g)	305	285	-7
ITC Master Chef Crunchy Chicken Nuggets (1kg)	650	605	-7
Himalaya Adult Diapers	650	609	-6
Amul pure ghee (1L)	650	610	-6
Mother Dairy ghee carton (1L)	675	645	-4
Aashirvaad Svasti Pure Cow Ghee (1L)	1080	1010	-6

- **Savings channel:** Extra income can shift to savings/investment.
- **Sectoral ripple:** Cement & construction → MSME growth, jobs.

### GST cut to 5% from 18%

	Old Price (Rs)	New Price (Rs)	% change
Mother Dairy vanilla cup (50ml)	10	9	-10
Mother Dairy Butterscotch cone(100ml)	35	30	-14
Dove serum bar soap (75gm)	45	40	-11
Gillette Regular Shaving Cream (93g)	80	71	-11
Amul butter cookies (200g)	85	75	-12
Head & Shoulders Smooth and Silky Shampoo (72ml)	89	79	-11
Shower to Shower Prickly Heat Powder (150g)	145	135	-7
Close-Up toothpaste (150gm)	145	129	-11
Sunfeast Marie Light (956g)	170	150	-12
L'Oreal Total Repair 5 shampoo (200ml)	219	190	-13
Vivel Aloe Vera Soap (150gx4)	280	248	-11
Himalaya Baby Hair Oil (200ml)	300	267	-11
Old Spice After Shave lotion (150ml)	349	310	-11
Dark Fantasy Choco Fills (460g)	370	328	-11
Clinic Plus Strong & Long shampoo (355ml)	393	340	-13
Kellogg's original cornflakes (900g)	399	355	-11
L'Oreal Absolut Repair Shampoo (300ml)	845	750	-11

### GST cut to 18% from 28%

Whirlpool AC (1tn)	Rs 4,509-5,259	cheaper
Whirlpool dishwashers	Rs 3,282-4,336	cheaper
JKCement (50 kg bag)	510-630	465-575 -9

## Non-Food & Services

- **Cement:** 28% → 18%, ↓~10% (JK Cement, UltraTech).
- **Insurance:** Health & life premiums exempt (↓~15%).
- **Durables:** ACs cheaper by ₹4.5k–₹5.2k, dishwashers ↓₹3.2k–₹4.3k.

## Automobiles

- **Small cars:** GST 18% vs earlier 28%+cess.
- **Maruti Suzuki:** Cuts ₹46,400–₹1.29 lakh.
- **Dealer issue:** Stock at old rates → unsold, est. loss ₹2,500 crore.
- **Bigger cars:** Now 40% GST vs ~50% earlier.

## Economic Impact

- **Boost to demand:** FMCG, housing, autos, durables.
- **Lower inflation:** Household budgets eased.

### Test Your Knowledge 01

Q1. Which of the following items became GST exempt (0%) after the September 2025 reforms?

- 1) Packaged paneer
- 2) Amul cheese onion paratha
- 3) Cement

Select the correct answer using the code below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

**Hint:** Paneer & paratha exempt; cement only reduced to 18%, not exempt.

## GST 2.0: Reform at the cost of informal workers

*While GST 2.0 promises a unified market and formal economy in theory, in practice, it risks deepening inequalities, burdening informal workers, and marginalising vast sections of civil society*

IE Opinion; By Boddu Srujana and Anagha Tobi;  
Syllabus: Pre/Mains – Economy [Link](#)

### Why in News?

GST 2.0 launched with promises of simplification, lower rates, and formalisation, but risks worsening inequalities and burdening informal workers.



### Promises of GST 2.0

- Fewer slabs, simplified structure
- Lower tax on essentials → boost demand
- Goal: unified market, formalised economy
- Reformist narrative: efficiency, self-reliance

### Exclusionary Impact

- Compliance costs → heavy for MSMEs, small traders, artisans
- Informal workers → wage cuts, job loss, retrenchment
- “Premature formalisation” → unsustainable for many
- Digital burden → excludes tech-illiterate, marginalised
- Regressive tax burden → poor pay more proportionally

### Political & Social Dimensions

- Benefits concentrated in formal firms, upper castes
- Dalits/OBCs in low-capital sectors hit hardest
- Civil society (formal, literate) vs. political society (informal, marginalised)
- GST → tool of selective incorporation, fiscal discipline over rights

### State-Level Experiences

- **Gujarat:** textile/diamond clusters, Dalit-OBC weavers face compliance burden, casualisation
- **Punjab:** excise rebates lost, informal subcontracting rises, contract jobs increase
- **Tamil Nadu:** MSMEs (leather/engineering) overburdened; reduced welfare funding
- **Kerala:** welfare focus, but revenue shortfalls constrain labour protection

### Fiscal Federalism Strain

- Reduced compensation → state revenue losses
- Cuts in welfare & employment schemes
- MSME-heavy states disproportionately affected
- Centralisation erodes states’ fiscal autonomy

### Governance & Inequality

- GST = not neutral, but governance tool
- Fiscally disciplined “citizen” privileged
- Informal workers doubly excluded → no compliance benefit + welfare cuts
- Reinforces caste/class hierarchies under modernisation rhetoric

### Way Forward

- Simplify compliance for MSMEs
- Exempt labour-intensive sectors
- Strengthen fiscal transfers, welfare funding
- Equity-oriented fiscal federalism
- Pair tax reform with worker protections & social safety nets

#### Test Your Knowledge 02

Q2. Which of the following best explains the term “premature formalisation” in the context of GST 2.0?

- Forcing large corporations to file returns more frequently.
- Integrating informal enterprises into a tax-compliance regime before they are ready.
- Expanding GST to cover international e-commerce.
- Formalising welfare schemes into direct tax credits.

**Hint:** Informal MSMEs struggle with compliance without adequate handholding.