



Impact of GST Slab Revisions on FMCG Product Pricing in India

MD Anwar Hossain Mondal

Research Scholar, Department of Commerce, **University of Gour Banga**, Malda, West Bengal, India
Guest Faculty of Heramba Chandra College, Email Id- mdanwar9564225268@gmail.com

MD Akhtar Hossain Mondal

Research Scholar, Department of Commerce, **University of Gour Banga**, Malda, West Bengal, India
Guest Faculty, Department of Commerce and Accounting, Biswa Bangla Biswabidyalay, Bolpur,
Birbhum, West Bengal, India, Email Id- mdakhtar9564225268@gmail.com
Corresponding Author: - **MD Anwar Hossain Mondal**, mdanwar9564225268@gmail.com

DOI : <https://doi.org/10.5281/zenodo.18611902>

ARTICLE DETAILS

Research Paper

Accepted: 17-01-2026

Published: 10-02-2026

Keywords:

GST, FMCG, tax incidence, pricing strategy, India, consumer welfare.

ABSTRACT

This paper examines the impact of the September 2025 “Next-Gen” Goods and Services Tax (GST) slab revisions on the retail pricing of Fast-Moving Consumer Goods (FMCG) in India. Using secondary price data collected before and after the revision, the study evaluates whether reductions in GST rates were passed on to consumers or absorbed by firms through base-price adjustments. The analysis covers multiple FMCG categories, including personal care, packaged foods, household products, beverages, and hygiene items. The findings reveal a heterogeneous outcome. While a few firms fully or partially transferred tax benefits to consumers, a significant number either retained existing prices or increased MRPs despite lower tax incidence. The results highlight strategic pricing behavior, brand-level discretion, and cost-side pressures that diluted the intended consumer welfare impact of GST rationalization.

Introduction

The GST is a comprehensive indirect tax that is imposed on the supply of goods and services. It is a single, unified tax that created a more efficient taxing system by replacing many indirect taxes that were



formerly collected by the federal and state governments. The consumer is ultimately responsible for paying the GST, which is collected at every point in the supply chain.

The country's tax system was consolidated by the GST, which made it easier to tax products and services and did away with the necessity for several levies. On July 1, 2017, India implemented the Goods and Services Tax (GST), an indirect tax that replaced a number of previous levies, including the VAT, service tax, central excise duty, entertainment tax etc. hat were previously imposed by the federal and state governments (Ministry of Finance, Government of India, 2025).

Salient Features of GST

The Goods and Services Tax (GST) in India is a unified indirect tax system that replaced various central and state taxes like excise duty, service tax, and VAT, creating a consistent tax structure nationwide and eliminating the cascading effect of multiple taxes. It operates under a dual model where both the central and state governments levy taxes—CGST and SGST for intra-state transactions, and IGST for inter-state supplies, including imports, which are also subject to customs duties. GST is destination-based, meaning it is collected at each stage of the supply chain based on value addition, allowing for input tax credit (ITC) to reduce the overall tax burden and avoid double taxation. While GST applies broadly, alcohol for human consumption is excluded, and petroleum products are taxed at a later date as decided by the GST Council; exports are zero-rated. Small businesses benefit from threshold exemptions—₹20 lakh for service providers and ₹40 lakh for goods suppliers (₹10–20 lakh in special category states)—and can opt for a composition scheme with simplified compliance if turnover is below ₹1.5 crore (₹75 lakh in special states). The system is supported by the GST Network (GSTN), an online portal for registration, returns, and payments, enhancing transparency and compliance. Certain essential sectors like healthcare, education, and food grains enjoy exemptions or lower rates to maintain affordability and accessibility (GST Council 2025).

GST slabs in India is a tiered tax structure where different goods and services are taxed at different rates based on their nature, ranging from essential items that are tax-exempt to luxury goods taxed at the highest rate.

Overview of India's current GST slabs

Following the "Next-Gen" reforms approved in September 2025, India's GST system was simplified into four main slabs, with special rates for certain items.



GST Rate	Applicable Goods and Services	Purpose
0% (Exempt)	Essential items such as fresh, unpackaged foodgrains, milk, and eggs. The 2025 reforms also made certain medical and educational services tax-exempt.	Ensures basic necessities and critical services are affordable and accessible for all citizens.
5% (Merit Rate)	Commonly used goods like packaged foods, essential medicines, household products (e.g., soap and toothpaste), and basic services. Many items previously in the 12% or 18% slabs were moved here to boost affordability.	Keeps everyday items affordable and eases the tax burden on the average consumer.
18% (Standard Rate)	A broad category of goods and services, including most consumer durables (like TVs and ACs), most vehicles (cars and bikes under 350cc), telecom, and financial services. Items from the old 28% slab were moved here.	A standard, mid-range rate that balances revenue generation with consumer affordability.
40% (Demerit/Luxury Rate)	Reserved for high-end luxury and "sin" goods like premium cars, high-end motorcycles, tobacco products, aerated drinks, gambling, and betting.	Discourages the consumption of non-essential or harmful products and maximizes government revenue from them.
Special Rates	Specific items like gold (3%) and precious stones (0.25%) are taxed at distinct rates.	Accounts for the unique nature of these goods.

Source: GST Council (2025)

Fast-moving consumer goods, or FMCG, are goods with a high turnover rate and low pricing that are sold quickly, such as food, drinks, and toiletries. High sales volume, limited shelf life for perishable or frequently used products, and strong market competitiveness are characteristics of this industry.



Characteristics of the FMCG sector

High volume and turnover: Products are sold frequently and in large quantities, requiring rapid restocking of shelves.

Low cost: Items are generally affordable and purchased by a wide range of consumers.

Short shelf life: Due to either high demand (like soft drinks) or perishability (like fresh produce), products have a limited time before they are no longer viable or fresh.

Non-durable goods: Most FMCG products are consumed or used up relatively quickly, unlike durable goods such as appliances.

Intense competition: The sector is highly competitive, leading to significant investment in marketing and brand building.

Extensive distribution: A wide and efficient distribution network is crucial to ensure products are readily available to consumers.

Diverse product range: The sector includes a vast array of products, such as packaged foods, beverages, personal care items, cleaning supplies, and over-the-counter drugs.

In India, the fourth-largest economic sector, fast-moving consumer goods (FMCG), has had impressive growth due to increased consumer demand, ruralization, digitalization, and government backing.

As per report of India Brand Equity Foundation (IBEF) the Indian Fast-Moving Consumer Goods (FMCG) market was valued at approximately ₹14.5 lakh crore (US\$167 billion) in 2023. From 2021 to 2027, the FMCG industry is anticipated to expand at a compound annual growth rate (CAGR) of 27.9% to reach ₹53.4 lakh crore (US\$615.87 billion).

Multiple agencies, including CRISIL and IMARC, forecast the market to soar past \$1 trillion by 2030–2034, growing at a CAGR of 14–21% through the decade (<https://inciflo.com>).

Household and personal care is the leading segment, accounting for 50% of FMCG sales in India. Healthcare (31-32%) and food & beverages (18-19%) are the other two major segments (<https://www.adityabirlacapital.com/abc-of-money/fast-moving-consumer-goods-fmcb>).

In India, the FMCG sector is the fourth-largest sector of GDP contribution. It accounts for 2.5% of the country's GDP. India's FMCG sector is a vital source of creating jobs. It offers



chances in marketing, sales, etc. The Confederation of Indian Industry (CII) shared a report about this sector. It stated that the sector provides direct jobs for over 10 million people (Srivastava & Maxwell, 2024).

Category	Product	Previous Rate	GST	Current Rate	GST
Dairy Products	Butter, Ghee, Cheese, Dairy Spreads	12%		5%	
	UHT (Ultra High Temperature) Milk	5%		0% (Nil)	
	Pre-packaged & Labelled Paneer	5%		0% (Nil)	
	Condensed Milk	12% - 18%		5%	
Packaged Foods & Staples	Namkeens, Bhujia, Packaged Snacks	12% - 18%		5%	
	Pasta, Noodles, Cornflakes	12% - 18%		5%	
	Biscuits, Pastries, Cakes	18%		5%	
	Chocolates and Cocoa Products	18%		5%	
	Sauces, Ketchup, Jams, Jellies	12% - 18%		5%	
	Roti, Chapati, Khakhra, Pizza Bread	5%		0% (Nil)	
Beverages	Fruit Juices, Vegetable Juices	12%		5%	
	Packaged Coconut Water	12%		5%	
	Aerated Drinks, Caffeinated Beverages	28%		40%	
	Soya Milk Drinks, Other non-alcoholic sugary beverages	18% - 28%		40%	
Personal & Home Care	Hair Oil, Shampoo, Toothpaste, Soaps	18%		5%	
	Detergents (Powder and Liquid)	18%		5%	
Household Items	Utensils and Kitchenware	12% - 18%		5%	



The objectives of this research paper is to analyze the impact of GST rate changes on product prices.

Literature Review

GST Implementation and Price Dynamics in India

The implementation of GST in India, which came into effect from July 1, 2017, is one of the biggest tax reforms in the country. The first set of studies by Choudhary and Sahu (2018) and Singh and Chauhan (2019) analyzed the effects of GST introduction, which show somewhat mixed trends. Some essential commodities saw a fall in prices, but luxury goods and services became costlier as taxes are higher.

Mukherjee and Chakraborty, in their extensive research on GST pass-through, found that no more than 60-70% of the tax benefit could reach consumers in the initial two years. The paper revealed that market structure, branding, and consumer price sensitivity play an important role in defining the GST pass-through. This would align with the explanation provided above.

The FMCG industry, with its competitive market and low margins, was anticipated to be more sensitive in terms of price movement. Nonetheless, studies conducted by Patel and Mehta (2021) showed how in such an industry, organizations used complex pricing methods in their efforts to continue benefiting from taxes, especially with respect to differentiated products.

Sector-Specific Studies on FMCG Pricing

The Fast Moving Consumer Goods Industry in India has emerged as an area of research interest for many academics owing to the huge contribution made by this Industry to GDP and jobs. According to the India Brand Equity Foundation (2024), the FMCG Industry alone constitutes 2.5% of the Indian GDP, providing jobs for over 10 million people.

Early research by Sharma and Gupta in 2018 investigated how the initial GST rates affected consumer goods, and it was determined that although some products benefited from lowered GST rates, like personal care products that reduced from 28% to 18%, the cost savings were not transmitted equally to consumers, with higher-end products being less likely than more mainstream products to cut prices.

Later research conducted by Iyer and Venkatesh (2020) specifically concentrated on the pricing dynamics observed among key FMCG companies in the aftermath of the implementation of GST. Based on a dataset of 500+ products spread over 15 categories, it has been observed that the companies resorted to



different measures such as base price changes, promotional, and packaging changes to counter the effect of GST without making any changes to the market prices.

Research Gaps and Contribution

Despite the growing body of literature on GST and pricing, several gaps remain. First, most existing studies focus on the initial implementation period (2017-2019), with limited analysis of subsequent rate revisions. Second, there is scant research on the September 2025 "Next-Gen" GST reforms, which represented a significant rationalization of the rate structure.

Third, while sector-specific studies exist, comprehensive analysis across multiple FMCG categories using consistent methodology is limited. Most previous research either focuses on specific product categories or uses aggregated data that masks brand-level variations.

Finally, the role of digital price tracking and real-time data in measuring tax pass-through represents an emerging area where academic research has lagged behind technological capabilities. The current study addresses these gaps by providing a comprehensive analysis of the September 2025 GST slab revisions across multiple FMCG categories, using high-frequency price data.

Objectives of the Study

The primary objectives of this research are:

1. To analyze changes in retail prices of selected FMCG products following the September 2025 GST slab revisions.
2. To compare actual post-revision prices with theoretically expected prices based solely on tax changes.
3. To assess the extent of tax pass-through across different FMCG categories.
4. To identify patterns of pricing behavior adopted by firms in response to GST reductions.

Research Methodology

A. Research Design

This study adopts a descriptive–analytical framework to examine the extent to which recent adjustments to India’s GST slab structure have altered the retail pricing of fast-moving consumer goods. The



descriptive strand systematically maps the post-revision price landscape, capturing the magnitude and direction of price movements across the FMCG basket. The analytical strand then interrogates these observed changes: it contrasts pre- and post-revision price points, dis-aggregates outcomes by product segment, and probes whether slab migrations have produced uniform or category-specific effects.

B. Scope and Sampling

1.Target Population

The target population is the universe of all FMCG products whose GST rate has been revised by the GST Council.

2.Sample Selection

FMCG Categories: A wide range of FMCG product categories that have experienced a modifications to the GST slab should be selected. This could include products like detergents, shampoos, packaged foods, or certain health supplements.

Representative Products: Within the selected categories, choose a sample of products from leading FMCG companies (e.g., Hindustan Unilever, Nestle, ITC, etc.).

Inclusion Criteria: The selected products must have a clear, traceable Maximum Retail Price (MRP) history.

3. Study Period

1 months pre-revision and 3 months post-revision prices are considered.

4. Data Collection

The study will primarily rely on **Secondary Data**, which is the most objective measure of pricing impact.

The types of secondary data and their sources are given below-:

Data Type	Source	Measurement
GST Revision Details	Official GST Council Notifications, Central Board of Indirect Taxes and Customs (CBIC) Circulars.	New and Old GST Rate, Effective Date of Revision.



Product Pricing	FALL price data corresponding to 1st September 2025 and 1st December 2025 were collected from the website pricehistory.app , which tracks historical retail prices of consumer products.	Price on 1st September 2025 and 1st December 2025.
-----------------	---	--

C. Data Analysis Techniques

Percentage and trend analysis: to show changes in GST rates and product prices.

Comparative analysis: to compare prices before and after slab revisions.

Category-wise interpretation.

Data Analysis and Interpretation

Sl. No.	Product Name (Selected Brands)	Category	GST Rate Change
1	Toothpaste (Colgate, Dabur Red)	Personal Care	18% → 5%
2	Bath Soap (Lux, Dove)	Personal Care	18% → 5%
3	Shampoo (Sunsilk, Clinic Plus)	Personal Care	18% → 5%
4	Hair Oil (Dabur, Indulekha)	Personal Care	18% → 5%
5	Biscuits (Parle-G, Britannia)	Food	18% → 5%
6	Packaged Snacks (Lays, Kurkure)	Food	18%, 12% → 5%
7	Soft Drinks (Coca-Cola, Pepsi)	Beverage	28% + 12% cess → 40%
8	Detergent Powder (Surf Excel, Rin)	Household	18% → 5%
9	Dishwashing Liquid (Vim, Pril)	Household	28% → 18%
10	Sanitary Napkins (Whisper, Sofy)	Hygiene	12% → 0%
11	Packaged Tea/Coffee (Tata Tea, Nescafe)	Food	18% → 12%
12	Butter/Ghee (Amul, Patanjali)	Food	12% → 5%
13	Jams, Jellies (Kissan)	Food	12% → 5%
14	Chocolates (Cadbury Dairy Milk, Perk)	Food	18% → 5%
15	Pasta, Noodles (Maggi, Yippee)	Food	18%, 12% → 5%
16	Utensils and Kitchenware (Milton, Pigeon)	Household Items	18%, 12% → 5%

1. Toothpaste (Colgate, Dabur Red)



Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision (Price on 1 st DEC 2025)
Colgate Strong Teeth Calcium Boost with Arginine Anticavity Toothpaste (1000 g, Pack of 2)	422	375.50	433
Dabur Red Paste Complete Cavity Protection Power of 13 Potent Ayurvedic Herbs Toothpaste (450 g, Pack of 3)	243	216	285

A. Colgate Strong Teeth (1000g, Pack of 2)

Based on the September price of ₹422, the revised tax structure should ideally have reduced the cost to around ₹375.50, reflecting the intended benefit of lower taxation for consumers. However, the actual market outcome tells a very different story. Instead of a price reduction, the product's price increased to ₹433 by December. This means consumers are now paying ₹57.50 more than what would be expected under a genuinely tax-adjusted price.

B. Dabur Red Paste (450g, Pack of 3)

Starting from a September price of ₹243, the revised tax structure should have brought the price down to approximately ₹216, allowing consumers to benefit directly from the reduction. In reality, the opposite occurred. By December, the price had risen sharply to ₹285, far exceeding both the original price and the expected post-tax level. This results in a substantial gap of ₹69 compared to the calculated tax-adjusted price.

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision (Price on 1 st DEC 2025)



LUX Rose & Vitamin - E - Soft - Glow Skin Soap, 100g (Pack of 5) (5 x 100 g)	233	207.30	215
LIFEBUOY Total 10 Germ Protection Soap Bar, 125g (pack of 12) (1250 g)	679	604	636

A. LUX Rose & Vitamin-E (100g, Pack of 5)

The product was priced at ₹233 on September 1, and under the revised tax structure, the price should theoretically have fallen to around ₹207.30 after removing the earlier 18 percent tax and applying the new 5 percent rate. However, when the price was checked on 1ST DECEMBER, it stood at ₹215. Although this reflects a reduction from the original price, it is still roughly ₹8 higher than the expected tax-adjusted figure. As a result, consumers did not receive the full 11 percent benefit that the tax change was meant to deliver.

B. LIFEBUOY Total 10 (125g, Pack of 12)

On September 1, the product was priced at ₹679, and based on the revised tax structure, the expected price after removing the earlier 18 percent tax and applying the new 5 percent rate should have been approximately ₹604.40. When the price was observed on 1ST DECEMBER, it had come down to ₹636. While this confirms that a price reduction did occur, it did not fully match the theoretical tax-adjusted level. Consumers are still paying around ₹31 more than what would be considered the ideal post-tax price.

3. Shampoo (Sunsilk, Clinic Plus)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision (Price on 1 st DEC 2025)
--------------	---	---	---



Sunsilk Lusciously Thick & Long Shampoo 1L	431	384	550
Clinic Plus Egg Protein for Strong and Shiny hair Shampoo (355 ml)	350	311	328

A. Sunsilk Lusciously Thick & Long Shampoo 1L

The Sunsilk Lusciously Thick & Long Shampoo (1L) saw a dramatic price change following the GST revision. Originally priced at ₹431 on September 1, the theoretical post-tax price should have been around ₹384. Instead, by December 1, the price had surged to ₹550, marking a shocking 27 percent increase.

B. Clinic Plus Egg Protein for Strong and Shiny hair Shampoo (355 ml)

In contrast, Clinic Plus Egg Protein Shampoo (355ml) took a more consumer-friendly approach. With an original price of ₹350, the expected post-tax price was around ₹311. By December 1, the actual price had fallen to ₹328, reflecting a reduction of ₹22.

4.Hair Oil (Dabur, Indulekha)

Product name	Selling price before GST revision(Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision(Price on 1 st DEC 2025)
Dabur Anmol Gold 100% Pure Coconut Oil Nariyal tel Natural Multipurpose Hair Oil (900 ml)	226	201	339
Indulekha Bringha Ayurvedic Hair Oil, for New Hair Growth Hair Oil (100 ml)	305	271.40	281



For **Dabur Anmol Gold 100% Pure Coconut Oil (900 ml)**, there is a stark discrepancy between the theoretical tax adjustment and the actual market price. On September 1, 2025, the product was priced at **226**. Based strictly on a downward GST revision (calculating the shift from an 18% bracket to a 5% bracket), the expected price should have dropped to **201**. However, by December 1, 2025, the actual retail price surged to **339**. This represents a massive increase that far exceeds the tax benefit.

In contrast, **Indulekha Bringha Ayurvedic Hair Oil (100 ml)** followed a more predictable trajectory. Starting at **305** in September, the mathematical expectation after the GST revision was **271.40**. The actual market price recorded in December was **281**. While this is slightly higher than the perfect "tax-pass-through" price, it remains lower than the original September price. This indicates that Indulekha passed a significant portion of the tax savings on to the consumer, maintaining a price point much closer to the expected adjusted value.

5. Biscuits (Parle-G, Britannia)

Product name	Selling price before GST revision (Price on 1st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision (Price on 1st DEC 2025)
PARLE G Gold Biscuits Plain Biscuit (1 kg)	128	114	128
BRITANNIA NutriChoice Digestive Biscuit High Fiber Biscuit (1.15 kg)	350	311	350

A. PARLE-G Gold Biscuits (1 kg)

On September 1, the 1 kg pack of Parle-G Gold biscuits was priced at ₹128, and after adjusting for the GST change from 18 percent to 5 percent, the price should ideally have dropped to around ₹114. However, by December 1, the price remained unchanged at ₹128. While this may appear as though the tax benefit was not passed on, Parle’s approach for larger packs has typically focused on preserving a familiar “magic price point” rather than lowering the printed price.

**B. BRITANNIA NutriChoice Digestive (1.15 kg)**

On September 1, the 1.15 kg pack of Britannia NutriChoice Digestive was priced at ₹350, and after adjusting for the GST reduction from 18 percent to 5 percent, the expected post-tax price should have been close to ₹311. However, by December 1, the price remained unchanged at ₹350. Much like Parle, Britannia chose not to reduce the printed price on its large pack.

6.Packaged Snacks (Lays, Kurkure)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/112)	Actual price after GST revision (Price on 1 st DEC 2025)
Lay's India's Magic Masala Potato Chips, 26 Gram - [Pack of 20]	189	177	189
Kurkure Star Combo - Namkeen Masala Munch, 50g (Pack of 2) Promo Pack	20	18.75	20

The data on packaged snacks such as Lay's and Kurkure clearly shows that the benefit of the GST rate reduction was **not passed on to consumers**. For **Lay's India's Magic Masala Potato Chips (26 g, Pack of 20)**, the price before the GST revision on 1st September 2025 was ₹189. After the GST rate was reduced, the expected price should have been approximately ₹177. However, the actual price on 1st December 2025 remained unchanged at ₹189. This indicates that despite the tax reduction, the company retained the earlier MRP instead of reducing prices for consumers.

A similar trend is observed in the case of **Kurkure Star Combo – Namkeen Masala Munch (50 g, Pack of 2, Promo Pack)**. The pre-revision price was ₹20, and after the GST revision, the expected price should have declined to about ₹18.75. In reality, the product continued to be sold at ₹20 even after the revision. Overall, this data suggests that while GST rates were reduced, packaged snack manufacturers maintained existing prices, effectively absorbing the tax benefit rather than transferring it to consumers.

**7.Soft Drinks** (Coca-Cola, Pepsi)

Product name	Selling price before GST revision(Price on 1st SEP 2025)	Expected price after GST revision (Same as previous GST rates)	Actual price after GST revision(Price on 1st DEC 2025)
Coca-Cola Coke Plastic Bottle (250 ml)	18	18	18
Pepsi Soft Drink - 2.25L, Bottle	80	80	82

The data for **Coca-Cola (250 ml Plastic Bottle)** shows a perfect alignment across all checkpoints. On September 1, 2025, the product was priced at **18**. Given that the expected price remained at **18** following the tax revision, the actual market price on December 1, 2025, stayed exactly at that mark.

A slightly different trend is visible with the **Pepsi 2.25L Bottle**. This larger format started with an MRP of **80** in September. While the expected price after the GST revision was projected to stay at **80**, the actual price recorded on December 1 was **82**. While this is a minor increase of only 2.5%, it indicates a slight upward adjustment.

8.Detergent Powder (Surf Excel, Rin)

Product name	Selling price before GST revision(Price on 1st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision(Price on 1st DEC 2025)
Surf Excel Easy Wash Detergent Powder - 5 Kg	574	510	568
Rin Advanced Detergent Powder 7 Kg Pack	680	605	679

The data related to detergent powders such as **Surf Excel** and **Rin** indicates that the reduction in GST did not result in a proportionate reduction in consumer prices. In the case of **Surf Excel Easy Wash Detergent Powder (5 kg)**, the price before the GST revision on 1st September 2025 was ₹574. After applying the revised GST rate, the expected price should have decreased to around ₹510. However, the



actual price recorded on 1st December 2025 was ₹568, which reflects only a marginal reduction from the earlier price and remains significantly higher than the expected post-revision price.

Similarly, for **Rin Advanced Detergent Powder (7 kg pack)**, the pre-revision price was ₹680, and the expected price after the GST revision was approximately ₹605. Despite this, the actual price on 1st December 2025 stood at ₹679, showing almost no reduction at all. Overall, this data suggests that detergent manufacturers largely retained their earlier pricing levels even after the GST revision, passing on little to no tax benefit to consumers.

9. Dishwashing Liquid (Vim, Pril)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (price*118/128)	Actual price after GST revision (Price on 1 st DEC 2025)
Vim Dishwash Bar (500 g)	60	55	49
Pril Lime Liquid Dishwash Gel - 2 Litre Pouch	249	230	249

For dishwashing products, the impact of the GST revision varied across brands and pack sizes. The Vim 500g dishwash bar, originally priced at ₹60 on September 1, was expected to drop to around ₹55 after the tax reduction. By December 1, however, the actual price had fallen further to ₹49, indicating that Vim not only passed on the full tax benefit but also offered an additional discount, providing clear savings to consumers. On the other hand, the Pril Lime Liquid Dishwash Gel (2-litre pouch), priced at ₹249 before the GST change, was expected to decrease to about ₹230. Contrary to this expectation, the price remained unchanged at ₹249, suggesting that the tax reduction was absorbed either by the manufacturer or the retailer, resulting in no direct benefit for buyers of this product.

10. Sanitary Napkins (Whisper, Sofy)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*100/118)	Actual price after GST revision (Price on 1 st DEC 2025)



Whisper Ultra Soft Sanitary Pads XL for women- 30 Count	285	241.50	285
SOFY Anti Bacteria Extra Long Slim 15+15+15 Sanitary Pads for woman Sanitary Pad (Pack of 45)	389	329.66	389

For **Whisper Ultra Soft Sanitary Pads XL (30 Count)**, the market entered September with a retail price of **285**. Under the new GST guidelines, which calculated a reduction from the 18% bracket, the price was theoretically expected to fall to **241.50**. However, by December 1, the actual price at the checkout counter remained pinned at **285**. This indicates that the manufacturer likely absorbed the tax benefit by adjusting the base price upward, ensuring the final MRP remained unchanged for the end-user.

A carbon-copy trend is visible with **SOFY Anti Bacteria Extra Long Slim (Pack of 45)**. This product carried a price of **389** in early September, with an anticipated post-revision price of **329.66**. Mirroring the strategy seen with Whisper, the actual market price recorded in December stayed exactly at **389**. In both instances, the consumer didn't see any relief in their monthly expenses for these essential items.d.

11.Packaged Tea/Coffee (Tata tea,Nescafe Coffee)

Product name	Selling price before GST revision(Price on 1 st SEP 2025)	Expected price after GST revision (Price*112/118)	Actual price after GST revision(Price on 1 st DEC 2025)
Tata Tea Gold Assam teas with Gently Rolled Aromatic Long Leaves Rich & Aromatic Chai Black Tea 100gram	55	52	65
Nescafe Classic Coffee Glass Jar, 50gram, Ground	399	378	370

A. Tata Tea Gold (100g)



On September 1, Tata Tea Gold (100g) was priced at ₹55, and based on calculations, the expected post-tax price would have been around ₹52. However, by December 1, the price had risen to ₹65. Since branded tea was already taxed at 5 percent prior to the reform, there was no tax benefit to pass on.

B. Nescafe Classic Coffee (50g Glass Jar)

On September 1, the 50g glass jar of Nescafe Classic Coffee was priced at ₹399, and after accounting for the GST reduction from 18 percent to 5 percent, the expected price was approximately ₹378. By December 1, the actual price had fallen further to ₹370, exceeding the anticipated benefit from the tax cut. This meant a total saving of ₹29 for consumers.

12.Butter/Ghee (Amul Butter, Patanjali Cow Ghee)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/112)	Actual price after GST revision (Price on 1 st DEC 2025)
Amul Salted Butter Pasteurised, 100 Grams	60	56.25	55
Patanjali Cow's Ghee, 1L(1 kg)	709		720

A. Amul Salted Butter (100g)

On September 1, Amul's 100-gram salted butter was priced at ₹60, and after adjusting for the GST reduction from 12 percent to 5 percent, the expected price should have been around ₹56.25. By December 1, however, the product was selling at ₹55, which is even lower than the theoretical tax-adjusted price. This shows that Amul acted proactively during the "GST 2.0" transition, not only passing on the entire tax benefit but also offering a small additional price reduction.

B. Patanjali Cow's Ghee (1L / 1kg)

On September 1, Patanjali Cow's Ghee (1 litre/1 kg) was priced at ₹709, although in some markets it was as high as ₹780. Based on the ₹709 starting price and the reduction in GST, the expected post-tax price should have been around ₹665. Contrary to expectations, the price increased to ₹720 by December 1.



This trend is disappointing for value-conscious consumers, as the 7 percent tax reduction did not translate into any savings at the retail level. Instead of becoming cheaper by roughly ₹44, the product ended up costing about ₹11 more than its September price.

13. Jams, Jellies (Kissan)

Product name	Selling price before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/112)	Actual price after GST revision (Price on 1 st DEC 2025)
Kissan Mixed Fruit Jam, 700g Jar	268	251	250

A. Kissan Mixed Fruit Jam (700g Jar)

On September 1, the product was priced at ₹268, and after adjusting for the GST change from 12 percent to 5 percent, the expected post-tax price works out to about ₹251.25. By December 1, the actual market price had settled at ₹250, which is marginally lower than the calculated figure. This indicates that Kissan closely adhered to the tax revision and effectively passed on the entire 7 percent tax benefit to consumers. The slight difference below the expected price suggests an added cushion in favor of buyers, reflecting a clear effort by the brand to comply with the spirit of the government's tax reform.

14. Chocolates (Cadbury Dairy Milk, Perk)

Product name	MRP before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/118)	Actual price after GST revision (Price on 1 st DEC 2025)
Cadbury Dairy Milk Chocolate, 95 g	160	142.40	180
Cadbury Perk Chocolate Bar, 13gram (Pack of 30)	140	124	150

A. Cadbury Dairy Milk Chocolate (95g)



On September 1, the 95-gram bar was priced at ₹160, and after accounting for the GST revision from 18 percent to 5 percent, the price should have fallen to around ₹142.40. Instead of declining by nearly ₹18 as expected, the price climbed to ₹180 by December 1, marking an increase of ₹20 over the original price. In effect, consumers are paying approximately ₹37.60 more than the ideal tax-adjusted price. This clearly shows that the benefit of the government’s tax relief was not passed on to buyers but was entirely absorbed—and more than offset—by a price hike at the manufacturer’s level.

B. Cadbury Perk Chocolate Bar (13g, Pack of 30)

On September 1, the bulk pack was priced at around ₹140, which works out to roughly ₹4.60 per bar. After adjusting for the GST reduction from 18 percent to 5 percent, the expected price should have come down to approximately ₹124.60. Instead, by December 1, the price had increased to ₹150. Although this rise is smaller in percentage terms compared to the single Dairy Milk bar, it still fails to deliver the anticipated saving of about ₹15. As a result, consumers are effectively paying a premium of nearly ₹25.40 over what the price should have been if the tax reduction had been passed on directly.

15.Pasta, Noodles (Maggi, Sunfeast Yippee)

Product name	MRP before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/112)	Actual price after GST revision (Price on 1 st DEC 2025)
Maggi 2 Minute Noodles - Masala, 420 Grams Pouch	90	84.40	83
Sunfeast YiPPee! Magic Masala Noodles, 70 Gm [Pack Of 12]	144	135	180

A. Maggi 2-Minute Noodles - Masala (420g Pouch)

On September 1, the product was priced at ₹90, and after adjusting for the change in GST from 12 percent to 5 percent, the expected price should have been around ₹84.40. By December 1, however, the actual price had fallen further to ₹83. This shows that Nestlé not only passed on the full tax benefit to consumers but also reduced the price slightly beyond what the calculation alone would suggest. As a result, the 420-gram pack became ₹7 cheaper compared to its September price.

**B. Sunfeast YiPee! Magic Masala (70g, Pack of 12)**

On September 1, the product was priced at ₹144, and with the GST rate reduced from 12 percent to 5 percent, the price should ideally have moved closer to ₹135. Instead of showing any decline, the price rose sharply to ₹180 by December 1. This represents an increase of about 25 percent over the original September price, making the upward movement particularly striking.

16. Utensils and Kitchenware (Milton, Pigeon)

Product name	MRP before GST revision (Price on 1 st SEP 2025)	Expected price after GST revision (Price*105/112)	Actual price after GST revision (Price on 1 st DEC 2025)
MILTON Flip lid 1000 Thermosteel Water Bottle, ISI Certified, 24 Hr Hot and Cold 1000 ml Steel Flask (Pack of 1, Silver)	989	927	876
Pigeon By Stovekraft Favourite Induction Base Aluminium Pressure Cooker with Outer Lid, 5 Litres, Silver	1095	1026	1095

A. MILTON Flip Lid 1000 Thermosteel Bottle (1L)

On September 1, the product was priced at ₹989, and after removing the earlier 12 percent tax and applying the revised 5 percent rate, the expected post-tax price would have been around ₹927. However, when the price was checked on December 1, it had fallen further to ₹876. This indicates that Milton went beyond merely passing on the tax benefit to consumers. The price reduction exceeds what the GST revision alone would have achieved, suggesting that the company may have paired the tax change with a seasonal promotion or a deliberate price cut to strengthen its market position during the year-end shopping season. Overall, consumers are effectively saving ₹113 compared to the September price, making this a clear example of over-delivery on tax savings.



B. Pigeon Favourite Induction Base Pressure Cooker (5L)

On September 1, the Pigeon cooker was priced at ₹1,095, and with the tax rate moving from 12 percent to 5 percent, the price should theoretically have dropped to around ₹1,026. However, even by December 1, the selling price remained unchanged at ₹1,095. Despite a clear reduction in the tax burden, there was no corresponding benefit passed on to the consumer.

Conclusion

This study demonstrates that the September 2025 GST slab revisions produced mixed outcomes in the FMCG sector. While the policy intent was consumer welfare enhancement through lower prices, actual market behavior varied widely across brands and categories. The evidence underscores the importance of complementary measures—such as price monitoring, competition enforcement, and transparency—to ensure that tax reforms translate into tangible consumer benefits.

References

- Aditya Birla Capital. (n.d.). *Fast moving consumer goods (FMCG): Meaning, examples, and industry overview*. Aditya Birla Capital.
- Confederation of Indian Industry. (2024). *Indian FMCG sector: Growth, employment and economic contribution*. CII Publications.
- CRISIL. (2024). *India FMCG outlook: Demand resilience and pricing dynamics*. CRISIL Research.
- Goods and Services Tax Council. (2025). *GST rate rationalization and “Next-Gen” GST reforms*. Government of India.
- India Brand Equity Foundation. (2024). *Fast moving consumer goods (FMCG) industry in India*. IBEF.
- IMARC Group. (2024). *India FMCG market: Industry trends, share, size, growth, opportunity and forecast*. IMARC.
- Ministry of Finance, Government of India. (2025). *GST notifications and circulars on rate revisions*. Central Board of Indirect Taxes and Customs (CBIC).



- PriceHistory.app. (2025). *Historical retail price tracking of FMCG products in India*.
- Srivastava, R., & Maxwell, J. (2024). Employment generation and sectoral contribution of FMCG industries in India. *Indian Journal of Economics and Business*, 23(2), 145–162.
- Choudhary, R., & Sahu, P. (2018). *Effects of GST introduction on commodity prices in India: An empirical assessment*. **Journal of Indian Taxation Studies**, 12(3), 45–62.
- India Brand Equity Foundation. (2024). *FMCG industry in India: Sector report*. <https://www.ibef.org/industry/fmcg>
- Iyer, S., & Venkatesh, R. (2020). *Pricing dynamics in the Indian FMCG sector post-GST implementation*. **International Journal of Retail & Distribution Management**, 48(7), 789–806.
- Mukherjee, A., & Chakraborty, T. (2020). *GST pass-through in Indian markets: The role of market structure, branding, and consumer price sensitivity*. **Economic Research Journal**, 33(4), 345–370.
- Patel, D., & Mehta, S. (2021). *Pricing strategies and tax pass-through in the Indian FMCG market*. **Journal of Marketing & Pricing**, 9(1), 15–37.
- Sharma, L., & Gupta, N. (2018). *Impact of GST rate changes on consumer goods prices in India*. **Asian Journal of Business and Economics**, 8(1), 102–118.
- Singh, A., & Chauhan, V. (2019). *A study of tax incidence and price adjustment after GST implementation in India*. **Indian Journal of Economic Policy Analysis**, 10(2), 77–95.