

Come Sept. 22, consumers, bizmen to feel the GST slab

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As consumers await price reductions following GST cuts, several FMCG companies have started selling products at reduced prices ahead of the September 22 deadline. Many delivery apps are promoting "GST cut sales" on food items, legumes, dairy and milk products. Shop owners and

retailers, however, are less optimistic, warning that actual price drops may only be visible in the coming months.

"For us, it might be easier to clear out stock within the next two months, but what about wholesalers who have stocks worth six months in their godowns?" asked the owner of a general store in Begumpet. "We also won't sell our stock at a loss. Products

will continue to be sold at old prices until companies send new stocks with revised price tags."

Mukesh Choudhary, who runs a provision store in Mahendra Hills, agreed that changes at the retail level would be slow. "Who would sell their products at a loss?"

"The real challenge lies with wholesalers and supermarkets, as they must clear out bulk stock

first," he added.

The Telangana Paper Merchants' Association welcomed the exemption of GST on notebooks but criticised the continued 18 per cent levy on raw paper.

"The rollback of GST on paper and boards from 18 per cent to five per cent is not a concession but a corrective necessity," said Secretary Ashish Jain Bansal. "It will help reduce education costs for

students, encourage recycling and eco-friendly paper bags, and support FMCG, pharma, and food industries with affordable packaging."

Irshad Ahmad, a CA and GST expert, said retailers are bound to sell products at revised rates under the Legal Metrology

(Packaged Commodities) Rules, 2011. "Companies must update prices on unsold stock immediately.

If that's not possible, they can sell products with both the old and revised prices, but only until December 31, 2025, or until stocks are cleared, whichever comes first," he explained.

"Many retailers have already declared they will pass on GST benefits to consumers. Price reductions will reflect the prevailing rate, and cuts will be visible on items such as food, stationery, and medi-

cines. The real challenge is with products where GST has been completely removed, such as certain medicines. In such cases, the choice lies between bearing the cost or passing it on to customers. Even in areas where GST has only been reduced, unsold inventory locks up working capital, forcing retailers to sell at lower prices until stocks are exhausted," he added.