

# GST rationalization for household insecticides: A public health imperative

April 2026



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# Foreword

Vector-borne diseases remain a persistent public health challenge in India, disproportionately affecting vulnerable populations across urban and rural areas. As a category central to household level protection, household insecticides serve as an essential layer of defense, particularly in regions where environmental and socio-economic conditions increase vulnerability to such diseases.

Despite their critical health function for general public, household insecticides continue to be taxed at 18% under the GST framework, placing them at a clear disadvantage compared to other essential health and hygiene products that are taxed at significantly lower rates. This disparity has direct implications for affordability and access, especially for low-income and rural households, where the need for preventive protection is often the greatest.

The industry has long operated within a robust regulatory framework that demands stringent standards of quality, safety, and compliance. Yet the current tax structure creates an uneven competitive landscape, placing compliant manufacturers at a disadvantage relative to unregulated and untaxed alternatives. This not only undermines consumer safety but also weakens the formal sector.

This report underscores the need for a calibrated and pragmatic policy shift. Rationalizing the rate to 5%, along with providing clear classification within the GST schedule, will improve affordability, discourage the proliferation of substandard products and support greater formalization of the sector.

As an industry association, we believe that aligning fiscal policy with public health priorities is both timely and necessary. We remain committed to engaging constructively with policymakers and stakeholders to advance a framework that enhances access, ensures safety and strengthens India's collective efforts in combating vector-borne diseases.



**Home insect  
control association**

Household insecticides play a pivotal role in India's preventive health ecosystem, delivering crucial last mile protection in the nation's efforts against vector borne diseases. Despite their strategic importance and amid ongoing GST 2.0 rationalization, where several health oriented FMCG and pharmaceutical essentials have been appropriately repositioned into lower tax brackets, the current treatment of household insecticides may be viewed as not fully aligned with their public health relevance. These products directly support preventive health strategies, strengthen household level resilience, and contribute to safer living environments—objectives that are undermined when price levels may restrict access. This elevated fiscal burden weakens affordability, having a larger impact on lower income households, and stands at odds with the agenda of rationalizing the GST rates on common man items.

Through this report, we have evaluated the sector across multiple dimensions, including market structure, regulatory conditions, public health significance, and the prevailing indirect tax framework. The analysis highlights a clear disconnect between the essential role these products play and their current GST classification. The existing tax structure may not only undermine affordability for vulnerable households but could also introduce market distortions that can weaken consumer safety and hinder the growth and formalization of the sector.

Importantly, the report situates household insecticides within India's evolving preventive health priorities. As policy continues to focus on accessibility, and alignment with national health outcomes, there is rationale to revisit the GST treatment of products that directly bolster disease prevention efforts and complement large scale government programs.

The insights and the inputs for policy consideration presented here are intended to support policymakers and stakeholders in advancing a more coherent, equitable, and health aligned approach to taxation and regulation in this essential sector.



**Dr. Bipin Sapra**

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# Executive

## summary

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Pursuant to the 56th GST Council Meeting held on 22 September 2025, Goods and Services Tax rates for a majority of products across various consumer-driven sectors were rationalized to a lower rate of 5%. However, certain goods, particularly those classified under the homecare and healthcare segments, which are equally essential in character, were not included in the rationalization exercise. One such product is household insecticides.

Household insecticides have evolved into a widely adopted, daily-use product category with deep penetration across socio-economic segments. Their importance extends beyond convenience; they serve as an accessible and effective first line of defense against diseases such as malaria, dengue and chikungunya. These products play a central role in reducing exposure to vector-borne diseases (VBDs), complementing public health interventions.

With high penetration across urban and rural households and a growing market driven by increasing health awareness and hygiene needs, these products function as a first line of defense at the household level. Their widespread usage, including among low-income segments, underscores their importance in safeguarding public health and supporting productivity. Despite this, household insecticides continue to be taxed at 18% under the GST framework, creating a disconnect between their essentiality and fiscal treatment.

The report highlights that this elevated tax rate adversely impacts affordability, particularly for economically vulnerable households most exposed to VBDs. With a significant proportion of Indian households operating under constrained income levels, the current pricing structure could possibly render quality-assured insecticides a discretionary purchase rather than a necessity. This has contributed to relatively lower penetration in rural areas and has facilitated the proliferation of substandard and unregulated products, which are often misclassified under lower tax slabs. Such products could pose serious health risks due to unsafe formulations and also lead to revenue leakage while affecting the competitiveness of compliant manufacturers.

Further, the report brings out the misalignment between household insecticides and other comparable health and hygiene products such as soaps, sanitizers and medicines, which are taxed at 5% or lower in recognition of their preventive health role. It also notes that while India has made significant progress in combating VBDs through large-scale government programs, household insecticides remain under-integrated into formal public health strategies despite their proven effectiveness in complementing these interventions. Bridging this gap is essential to achieving broader disease control objectives and enhancing last-mile protection.

From an industry perspective, the sector operates within a stringent regulatory framework requiring extensive testing, registration and compliance, which increases the cost of production. The higher GST rate compounds these challenges by widening the price gap between compliant and non-compliant products, thereby distorting market dynamics. Additionally, while concerns around an inverted duty structure may arise from rate rationalization, the report emphasizes that public health priorities and affordability considerations should take precedence, as seen in similar precedents across essential FMCG and healthcare products.

In light of these findings, the report presents its policy consideration for rationalizing the

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GST rate on household insecticides  from **18% to 5%,**

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along with introducing a clear and distinct classification for such products under the GST schedule. This measure is expected to improve affordability and accessibility, encourage the use of safe and regulated products, reduce the prevalence of counterfeit goods and promote greater formalization of the industry. Ultimately, aligning tax policy with public health objectives will strengthen India's preventive healthcare ecosystem, support ongoing disease control initiatives and promote equitable access to essential protection for all sections of society.

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# Introduction

Vector-borne diseases (VBDs) such as malaria, dengue, chikungunya and several others continue to pose a significant public health challenge in India. In this context, household insecticides play a crucial role as the first line of defense in preventing these diseases, particularly in regions where environmental conditions favor the breeding and spread of vectors. By offering accessible and convenient protection at the household level, these products have become an indispensable part of India's public health ecosystem, safeguarding millions of families against vector-related illnesses.

The **household insecticides industry in India** reflects its growing importance, with market penetration already reaching **92% to 99% in urban areas** and **64% to 73% in rural areas**<sup>1</sup>. The Indian household insecticide market, has expanded from **INR7,147 crore (US\$0.79 billion)**<sup>2</sup> in 2023 to **INR8,138 crore (US\$0.90 billion)**<sup>3</sup> in 2025<sup>4</sup>, driven by increasing health awareness, urbanization and the rising need for hygienic living conditions. As a **daily-use fast-moving consumer good (FMCG)**, household insecticides are used across income segments, contributing not only to **disease prevention** but also to the **overall well-being and productivity** of the country.

With their clear health and social utility, these products are essential household products for the common person. However, despite the essential nature, household insecticides are currently taxed at **18% under the Goods and Services Tax (GST)**, a rate significantly higher than that applied to other essential FMCG products such as soaps, toothpaste, shampoos and healthcare products including medicines and diagnostics.

Given this difference in tax treatment, the current GST structure does not fully reflect the essential nature and public health relevance of household insecticides. The higher tax rate may limit access for many households and counter broader public health efforts to manage vector borne diseases. Rationalizing the GST rate on these products is therefore a policy imperative for multiple reasons.

First, they **bridge critical gaps in vector-borne disease prevention**, complementing WHO-recommended interventions such as insecticide-treated nets (ITNs) and indoor residual spraying (IRS), both of which face logistical and coverage challenges. Lowering the GST rate may strengthen the effectiveness of these public health measures, aligning with national programs such as the **National Vector Borne Disease Control Program (NVBDCP)** and the **Urban Malaria Scheme**, as well as private sector initiatives like **EMBED**<sup>5</sup>, which have successfully reduced malaria incidence through community-based interventions.

Second, a **reduction in the GST rate to 5%** might curb the market penetration of **unregulated and substandard insecticide products**, which currently gain traction due to their lower tax rates. In many cases, such products are incorrectly classified under other categories attracting 5% GST, enabling their sale at lower prices despite containing harmful chemicals that may pose significant health and environmental risks. This misclassification not only endangers consumers but also results in revenue loss to the government. The existing high tax rate widens the cost gap between **quality-assured branded products** and unsafe alternatives, inadvertently pushing **low-income consumers** toward unregulated and potentially hazardous options. Lowering the tax impact, therefore, enhances both product affordability and public safety, so that all sections of society can access reliable and effective mosquito control solutions.

Finally, the issue of **affordability** and parity with other similar products remains central to this discussion. With **over 86% of Indian households earning less than INR10 lakh (US\$11,064)**<sup>6</sup> annually<sup>7</sup> and FMCG forming **more than half of household expenditure**, a high GST rate on an essential health and hygiene product such as household insecticides places an unfair burden on the average consumer. In contrast, **essential FMCG items** used for hygiene purposes such as soaps, toothpaste, shampoos and healthcare products including medicines and diagnostics are taxed at **5% or nil rates**, acknowledging their role in maintaining health and hygiene. By the same logic, **household insecticides, being equally vital for disease prevention and public health, merit similar tax rate rationalization.**

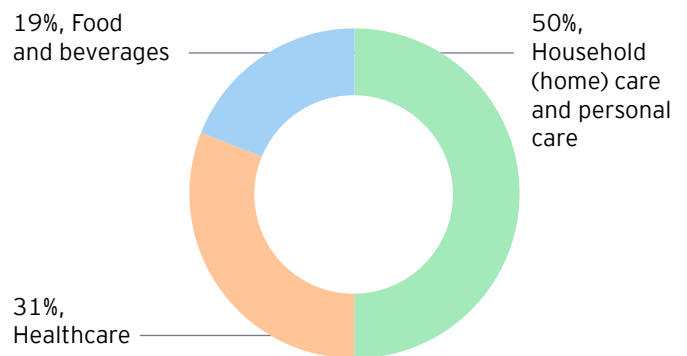
In light of these considerations, this report examines the **essentiality, formulation, market dynamics and policy relevance** of household insecticides, underscoring their importance as both a **public health necessity** and a **core FMCG product** deserving of equitable fiscal treatment under the GST framework.



# Overview

The FMCG sector, India's fourth-largest industry<sup>8</sup>, plays a vital role in the economy by driving consumption, creating jobs and supporting livelihoods across rural and urban areas. Characterized by high turnover, low prices, short shelf lives and large sales volumes, FMCG facilitates affordability and accessibility through extensive distribution networks. The sector's growth is fueled by rising disposable incomes, a young population and increasing brand awareness<sup>9</sup>. This is evident from the growth projections of the sector, with a current market size of INR21.69 lakh crore (US\$240.05 billion)<sup>10</sup> in 2024 and projected to grow at a CAGR of 17.33% to reach INR98 lakh crore (US\$1,084.2 billion)<sup>11</sup> by 2033<sup>12</sup>.

**Figure 1: Major segments of FMCG products**



Source: <https://www.equitymaster.com/research-it/sector-info/consprds/Consumer-Products-Sector-Analysis-Report.asp>

FMCG are items meant for daily use. Items in this category include all consumables (other than groceries/pulses) that people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff and household accessories, extending to certain electronic goods. These items are meant for daily or frequent consumption and have a high return<sup>13</sup>. In addition to the above, basis industry estimates, all India penetration and the New Consumer Classification System (NCCS) D and E segment penetration of FMCG products has been greater than 75%.

Household insecticides fall under the "home care" category of FMCG products<sup>14</sup>, which are indispensable for maintaining health and hygiene. Further, the data also establishes that this product category has a penetration rate of 78% among households where the price point is below INR50 per unit. Yet, their consumption is highly sensitive to price changes due to the narrow income margins of the majority of Indian households. According to Kantar's 2022 analysis, India comprises approximately 317 million urban and rural households, out of which 86% earn less than INR10 lakh (US\$11,064)<sup>15</sup> annually<sup>16</sup>.

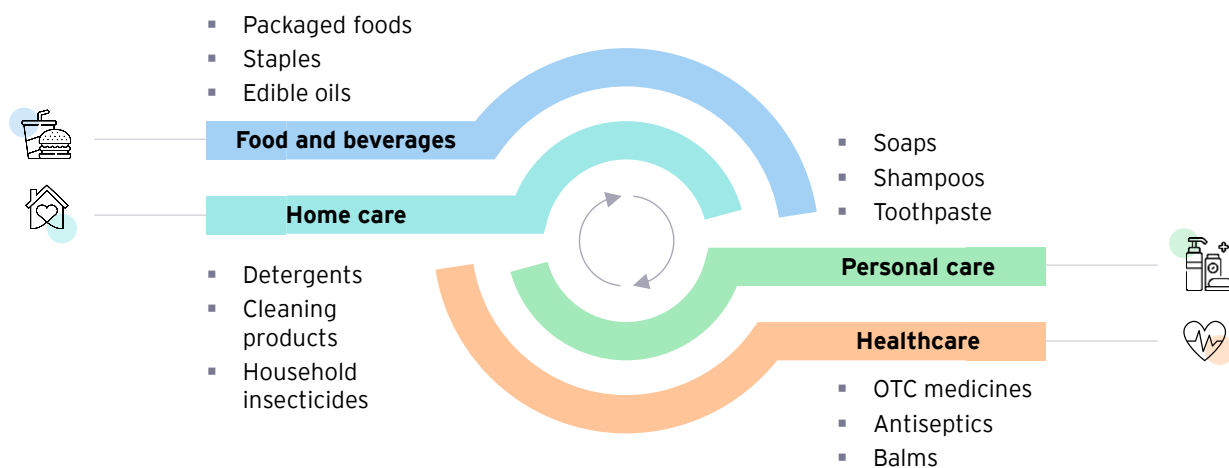
Data from the Household Consumption Expenditure Survey (HCES) 2023-24 reinforces this income difference, revealing that the average monthly per capita expenditure (MPCE) in rural India stands at INR4,122 (US\$45.60)<sup>17</sup>, significantly below the urban average of INR6,996 (US\$79.11)<sup>18</sup>. This income gap directly influences purchasing power and restricts access to many health-related FMCG products, including household insecticides. The higher tax rate, therefore, exacerbates the affordability challenge, placing an additional financial burden on economically weaker sections of society<sup>19</sup>.

## Household insecticides: Overview, importance and essential character

FMCG are items which are meant for daily or frequent consumption and are characterized by a well-established distribution network, intense competition between the organized and unorganized segments and low operational

costs<sup>20</sup>. The FMCG industry, which thrives on this stable and resilient demand across economic cycles, covers key essential sectors.

**Figure 2: Essential FMCG products**



Source: <https://www.drviyaymalik.com/fmcg/#:~:text=FMCG%20industry%20provides%20an%20attractive%20business%20environment%20with%20a%20stable%20demand%20across%20all%20phases%20of%20economic%20cycles%20with%20low%20volatility%20in%20demand>

## Household insecticides

Household insecticides are chemical formulations or devices intended for use within houses, offices or enclosed spaces to prevent, destroy, repel, mitigate insects and other vectors, thereby preventing nuisance and reducing the risk of vector-borne diseases. Different Insecticides work against different vectors, mainly targeting mosquitoes, cockroaches, ants, bedbugs, rats, ticks, flies and other vectors, and are classified under Customs Tariff Heading 3808 91 91 as a subcategory of insecticides.

For the purposes of GST classification, it is pertinent to note that HSN 3808 is a broad tariff entry covering insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, plant-growth regulators, disinfectants and similar products. This heading encompasses products intended for both agricultural use as well as those meant for household or public health applications. Consequently, agricultural insecticides and household insecticides presently fall under the same overarching HSN framework, despite their distinct end-use, consumer base, regulatory environment and public health objectives.

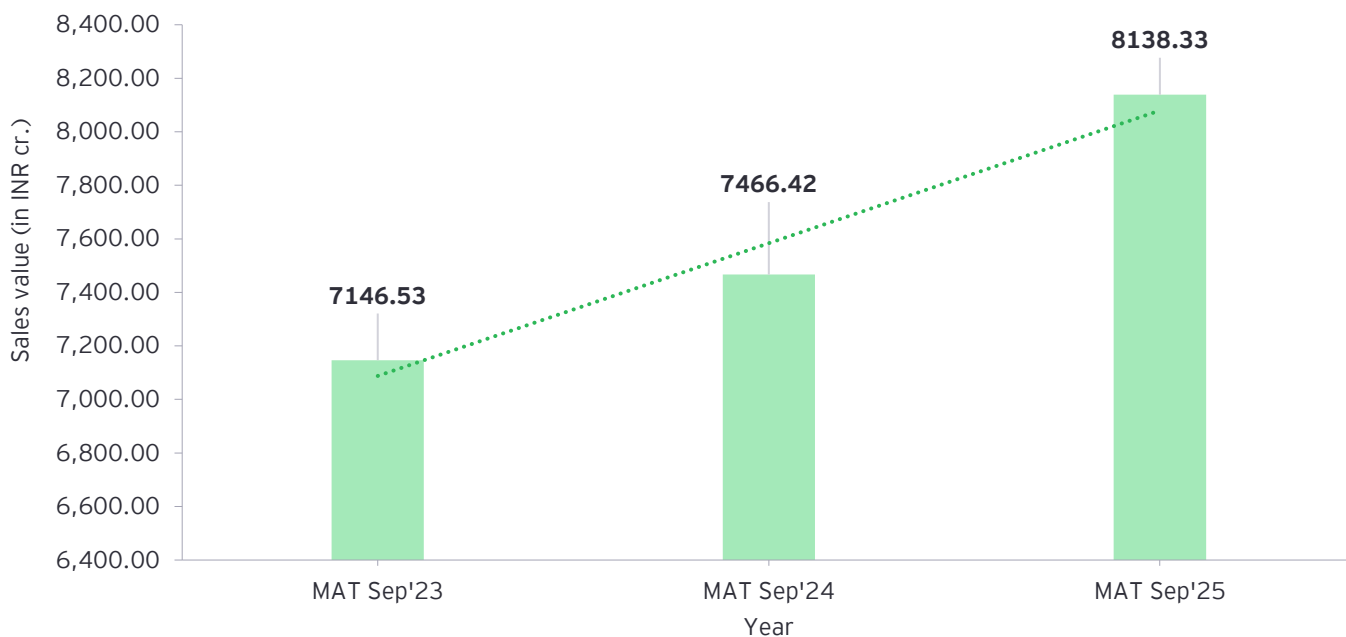
Agricultural insecticides are primarily used on farms to manage field pests that cause significant damage to crops. These formulations typically contain higher concentrations of active ingredients and their handling requires the use of appropriate personal protective equipment. In most cases, agricultural insecticides need to be diluted with water or a suitable solvent before being applied using appropriate spraying equipment.

On the other hand, household insecticides are ready-to-use products used for control of pests in houses such as mosquitoes, cockroaches, ants, bed bugs and houseflies, many of which are vectors for diseases like malaria and dengue. These products contain much lower concentrations of active ingredients and are intended for use within homes or other enclosed spaces.

In addition to the above, it is pertinent to note that, in line with the Customs Tariff classification adopted under GST, CTH 3808 91 91 covers repellents for insects such as flies and mosquitoes. It is important to note that this entry also does not cover the entire range of household insecticides.

Market size and CAGR: The household insecticide market has expanded from INR7,147 crore (US\$0.79 billion)<sup>21</sup> in 2023 to INR8,138 crore (US\$0.90 billion)<sup>22</sup> in 2025.

**Figure 3: Market size of household insecticides (2023-25)**



Source: Nielsen IQ

In the household insecticides segment, which includes insect repellents, urban markets dominate with nearly 70% of total sales, while rural areas account for the remaining 30%. This difference is also reflected in consumer spending patterns – average monthly expenditure on such products stands at approximately **INR62.17 (US\$0.7)**<sup>23</sup> in urban areas, compared to only **INR8.03 (US\$0.09)**<sup>24</sup> in rural regions, highlighting a significant urban-rural divide in both usage and affordability<sup>25</sup>.

Household insecticides are broadly classified into two categories based on their mode of application and functional efficacy:

- A. Spatial repellents:** These repel vectors in surrounding areas, such as coils, mats, liquid vaporizers, aerosols, sprays, emanators, diffusers, incense sticks, torches and electric devices that ward off vectors from the surroundings, including sonic or ultrasonic sound device repellents.
- B. Topical repellents:** These are applied directly to the skin or clothes, such as lotions, creams, gels, sprays, roll-ons, stick balms, patches, wearable bands, bracelets and repellent garments.

Though there are a variety of products, they fulfill the same consumer need depending on convenience and cost.

Additionally, in terms of household reach, the insecticide category demonstrates strong national coverage, with a 79% all-India penetration rate and 76% usage among NCCS DE households, underscoring its widespread adoption across socio-economic groups. This high penetration reflects not only the ubiquity of insecticide use in day-to-day living but also highlights the essential role these products play in protecting Indian households against vector-borne diseases and other insect-related health risks.

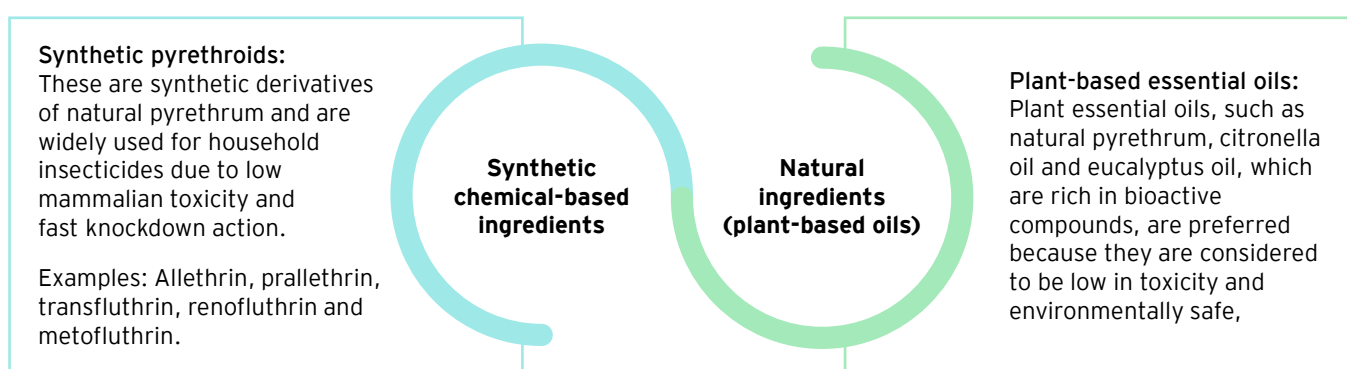
## Manufacturing process and inputs used

Household insecticides are ready-to-use products that consist of several components, sometimes including devices, which enable them to repel different types of vectors (as mentioned above). The formulation of insect repellents comprises multiple components that together provide effectiveness, stability and user comfort. At the core are the active ingredients, such as synthetic pyrethroids, which cause knockdown to insects. These are supported by inert ingredients – including water, alcohols, fillers, colorants and gels – that help deliver the active ingredients.

To maintain product integrity and shelf life, preservatives are added if required. Fragrances and odor-masking agents are incorporated to enhance user acceptability by neutralizing the strong smell of certain active ingredients and adding pleasant scents. This also provides cue for product usage and helps prevent overuse of insecticide.

Finally, packaging materials – including sprays, aerosol cans, diffusers and other protective containers – are essential for preserving product quality and enabling safe, convenient use by consumers.

**Figure 4: Active and inert ingredients in household insecticides**



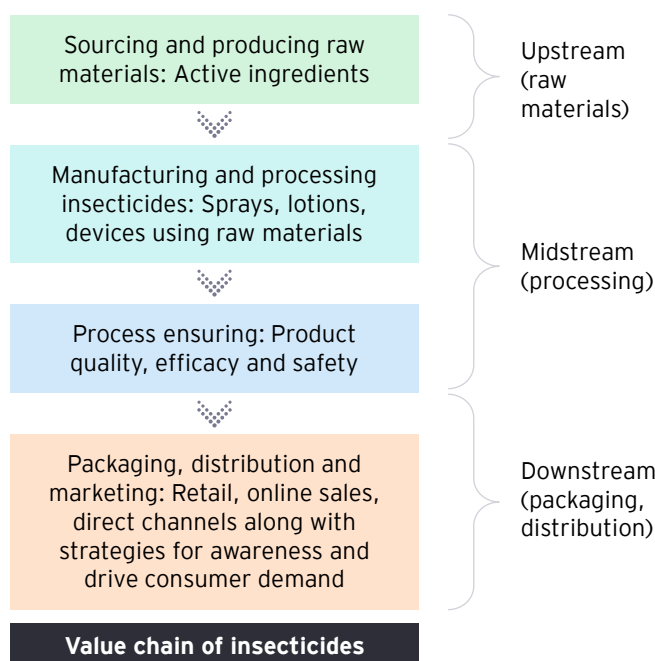
Source: <https://www.rei.com/learn/expert-advice/insect-repellents.html>  
<https://npic.orst.edu/factsheets/repellents.html#howmany>  
<https://resjournals.onlinelibrary.wiley.com/>  
<https://www.frontiersin.org/journals/pharmacology/articles/10.3389/fphar.2020.00214/full>  
<https://www.verywellhealth.com/natural-mosquito-repellents-88853>

Understanding the efficacy and formulation of various household insecticide formats provides essential context for examining the manufacturing and distribution of these products. The production of insect repellents follows a structured industrial process, beginning with the sourcing of raw materials and extending through formulation, packaging and distribution. The section below outlines the basic manufacturing process of insect repellents across the upstream, midstream and downstream stages of the value chain.

While the format of insect repellents, whether topical (such as creams, gels and roll-ons) or spatial (such as coils, vaporizers and sprays), plays an important role in determining their mode and duration of protection, their efficacy primarily depends on the active ingredients used, which constitute the key factor driving variations in performance across different product types.

Household insecticides are a highly regulated category, similar to drugs, where products are required to be registered with the Central Insecticide Board (CIB). There are high costs involved in product development as well as product registration, which places additional demands on organizations involved in manufacturing and selling. Reducing GST will help companies offset some costs and focus on innovation. This will also support Government of India initiatives such as “Make in India” and “Atmanirbhar Bharat.”

**Figure 5: Manufacturing process**



Source: <https://pmarketresearch.com/>

## The critical role of household insecticides in combating vector-borne diseases

Vector-borne diseases account for more than 17% of all infectious diseases, causing more than 7,00,000 deaths annually<sup>26</sup>. These diseases are transmitted through a range of vectors such as mosquitoes, cockroaches, ticks, fleas,

flies and rodents, each associated with serious illnesses that threaten both urban and rural populations alike. The following table enlists the types of VBDS prevalent worldwide.

**Table 1: Vector-borne diseases and carriers**

Vectors/carriers	Disease
Mosquito	Malaria, zika, dengue, chikungunya, yellow fever
Ticks	Lyme disease, encephalitis
Fleas	Plague
Flies	Enteric diseases, sleeping sickness
Bugs	American trypanosomiasis
Rodents	Leptospirosis, plague, hantavirus infection, lassa fever, rat-bite fever (RBF), tularemia
Cockroaches	Dysentery, cholera, diarrhea, typhoid, Hepatitis A, allergies and asthma
Houseflies	Dysentery, cholera, leprosy, tuberculosis

Source: <https://secure.medicalletter.org/>  
<https://www.si.edu/>  
<https://www.cdc.gov/>  
<https://journals.lww.com/IJPH/pages/default.aspx>  
<https://kidshealth.org/>  
<https://www.who.int/news-room/fact-sheets/detail/vector-borne-diseases#:~:text=Vector%2Dborne%20diseases%20account%20for%20more%20than%2017%25%20of%20all%20infectious%20diseases%2C%20causing%20more%20than%20700%20000%20deaths%20annually>

Household insecticides form the first line of defense for millions of households, particularly in high-risk and densely populated regions. These products, by reducing human-vector contact, serve as an essential complement to government-led disease control strategies. In this context, household-level vector control measures, including the use of insecticides, emerge as indispensable components in reducing transmission and vector-borne diseases.

Household insecticides serve as an important extension of large-scale interventions. While national programs deploy tools like ITNs or IRS<sup>27</sup>, many households supplement these with consumer products (aerosols, coils, vaporizers) to protect against night- and day-biting vectors.

In India, the use of household-level insecticide and repellent products is already widespread and deeply embedded in everyday practice. A rural survey conducted by the National Institute of Epidemiology, Ayapakkam, Chennai, Tamil Nadu, India, ICMR School of Public Health in Tamil Nadu<sup>28</sup> found that 95% of households reported using at least one household pesticide product and 94% used one specifically for mosquito control. Among those households, 75% used mosquito coils and 36% used liquid vaporizers for mosquito control. This high prevalence signals that household-level insecticide tools (coils, vaporizers, etc.) are already a major component of vector-control behavior in Indian homes, rather than an optional add-on.

On the public health front, the official programs and guidelines of the NVBDCP recognize household products too. For example, the “Guidelines for Integrated Vector Management for Control of Aedes Mosquito”<sup>29</sup> states that “household insecticide products, namely, mosquito coils, pyrethrum space spray and aerosols have been used extensively for personal protection against mosquitoes.”

In the global context, a study in Mexico observed that 87% of households regularly used pyrethroid-based commercial insecticide products in high mosquito-exposure areas<sup>30</sup>. Similarly, a study in Thailand analyzing five commercial aerosol formulations found substantially varying mosquito mortality but clear efficacy when formulated correctly<sup>31</sup>. Upon review of such independent studies, it is evident that properly formulated insecticides are more efficient and have widespread use in high-exposure areas.

From the perspective of public expenditure and household spending, another survey across India found that 49% of households spend INR200 (US\$2.21)<sup>32</sup> or more each month on mosquito-control measures (coils, sprays, machines, etc.), while 37% spend up to INR200 (US\$2.21)<sup>33</sup>.

This indicates that usage of household insecticide or repellent products is not only frequent but also constitutes a meaningful cost to households, especially in low- and middle-income brackets, highlighting both sustained demand and economic implications.

## Regulatory landscape around the household insecticide industry

The classification and taxation of products that contribute to public health and hygiene reveal an important precedent for rationalizing the GST rate on household insecticides. Over the years, the Government of India has adopted a progressive and pragmatic approach in lowering GST rates on essential health-protective and hygiene-related products such as soaps, hand sanitizers, masks and disinfectants, recognizing their indispensable role in maintaining public health and preventing disease transmission<sup>34</sup>.

Household insecticides in India are governed by a stringent regulatory framework anchored in the Insecticides Act, 1968<sup>35</sup> and the Insecticides Rules, 1971<sup>36</sup>, supplemented by applicable Bureau of Indian Standards (BIS) specifications, environmental regulations, occupational safety laws and consumer protection norms.

Any product intended to function as an insecticide, whether a mosquito coil, incense stick, aerosol spray, liquid vaporizer, gel or mat, is required to undergo mandatory registration with the Central Insecticides Board and Registration Committee (CIBRC)<sup>37</sup> under Section 9 of the Insecticides Act, 1968.

This process obliges manufacturers to submit extensive chemistry, toxicology, bio-efficacy, storage stability and analytical data to demonstrate that the product is safe, effective and fit for consumer use. Only after obtaining registration from CIB&RC can a manufacturer apply for a license to produce the insecticide under Section 13, which itself requires adequate quality-control facilities, trained personnel and compliance with state licensing inspections. Imported products are subject to equally rigorous approval and customs-based hazardous-chemical controls.

The regulatory framework extends beyond registration and manufacturing oversight to include comprehensive labeling, packaging and marketing requirements. Under Rules 18 and 19 of the Insecticides Rules, 1971, all household insecticides must bear approved labels specifying active ingredients, toxicity classification, antidotes, first-aid instructions and detailed directions for safe use. Packaging standards, often guided by BIS norms, require tamper-proof, child-resistant and leak-proof formats to facilitate safe storage within homes.





## Initiatives taken to curb VBDs

Vector-borne diseases (VBDs) such as malaria, dengue, chikungunya, Japanese encephalitis (JE), filariasis and kala-azar continue to pose significant public health challenges in India due to the country's diverse climatic conditions and widespread vector habitats. Recognizing their impact on morbidity, mortality and economic productivity, the Government of India has developed a comprehensive framework of programs and strategies to prevent, control and ultimately eliminate major VBDs. These initiatives integrate disease surveillance, early diagnosis, vector control, community participation and inter-sectoral coordination to achieve measurable reductions in disease incidence and mortality. The National Centre for Vector Borne Disease Control (NCVBDC) – under the Ministry of Health and Family Welfare – serves as the nodal agency for policy formulation and program implementation across states and union territories.

The NVBDCP, subsumed under the National Health Mission (NHM), serves as the umbrella program for all VBD prevention and control efforts. Its goals include reducing mortality from malaria, dengue and Japanese encephalitis, eliminating malaria by 2030 and filariasis by 2027. The NVBDCP's strategy emphasizes integrated vector management, case detection and treatment, strengthened laboratory and surveillance systems and enhanced community mobilization. Complementing these efforts are specific initiatives such as the Urban Malaria Scheme (UMS), which targets mosquito control and disease reduction in densely populated cities through environmental management, anti-larval measures, space spraying and public awareness campaigns. Similarly, programs like the National Filariasis Control Program (NFCP) and the National Kala-Azar Elimination Program focus on targeted interventions in endemic regions through vector control, anti-parasitic treatment, environmental sanitation and incentivized community participation.

These interventions have yielded significant progress in reducing disease prevalence. For instance, malaria cases declined by nearly 69% between 2017 and 2023, with malaria-related deaths dropping by 68% during the same period. Dengue surveillance and response capacity have been strengthened through the establishment of 805 Sentinel Surveillance Hospitals and 17 Apex Laboratories across India, enabling early outbreak detection and timely intervention. Likewise, mass drug administration for filariasis, JE vaccination drives and kala-azar elimination strategies have substantially reduced cases and deaths. Through a combination of scientific vector management, robust monitoring and community engagement, India continues to advance toward its goal of eliminating key vector-borne diseases, aligning national efforts with the World Health Organization's Global Vector Control Response (GVCR) framework and broader public health objectives.

### National Vector Borne Disease Control Program (NVBDCP)

It is an umbrella program for prevention and control of vector-borne diseases and is subsumed under NHM<sup>38</sup>.

The programs included within NVBDCP are Malaria Control Program, National Filaria Control Program and Activities, Elephantiasis preventive and control measures,

Dengue-Chikungunya Preventive Measures, JE Preventive Measures and the Plague Control Program<sup>39</sup>.

#### Goals of NVBDCP

- Reduction of mortality on account of malaria, dengue, Japanese encephalitis (JE) and efficient morbidity control
- Elimination of malaria by 2030
- Elimination of filaria by 2027

### Adaptation strategy and action plan for vector-borne diseases (NVBDCP)<sup>40</sup>

- ➔ Protective measures and greater community mobilization
- ➔ Increased technical capacity
- ➔ Improved infrastructure
- ➔ Strengthened monitoring and surveillance systems
- ➔ Case management, lab diagnosis and clinical management
- ➔ Vector management, environmental management for source reduction, chemical control, personal protection and legislation

It has been implemented across all states<sup>41</sup>.

In addition to the above, the Government of India has implemented a comprehensive set of disease-specific programs and control strategies to combat VBDs under the NCVBDC. Each initiative is tailored to address distinctive epidemiological and ecological aspects of individual diseases such as malaria, dengue, chikungunya, filariasis, kala-azar and JE. These programs integrate key components like vector control, early diagnosis, case management, community participation and environmental sanitation. The government also incentivizes participation by healthcare workers, strengthens laboratory and diagnostic networks and supports states through training, funding and surveillance systems. The table below summarizes the major national programs and initiatives aimed at prevention, control and elimination of major VBDs in India, outlining their objectives, strategies and key interventions.

**Table 2: National programs and initiatives**

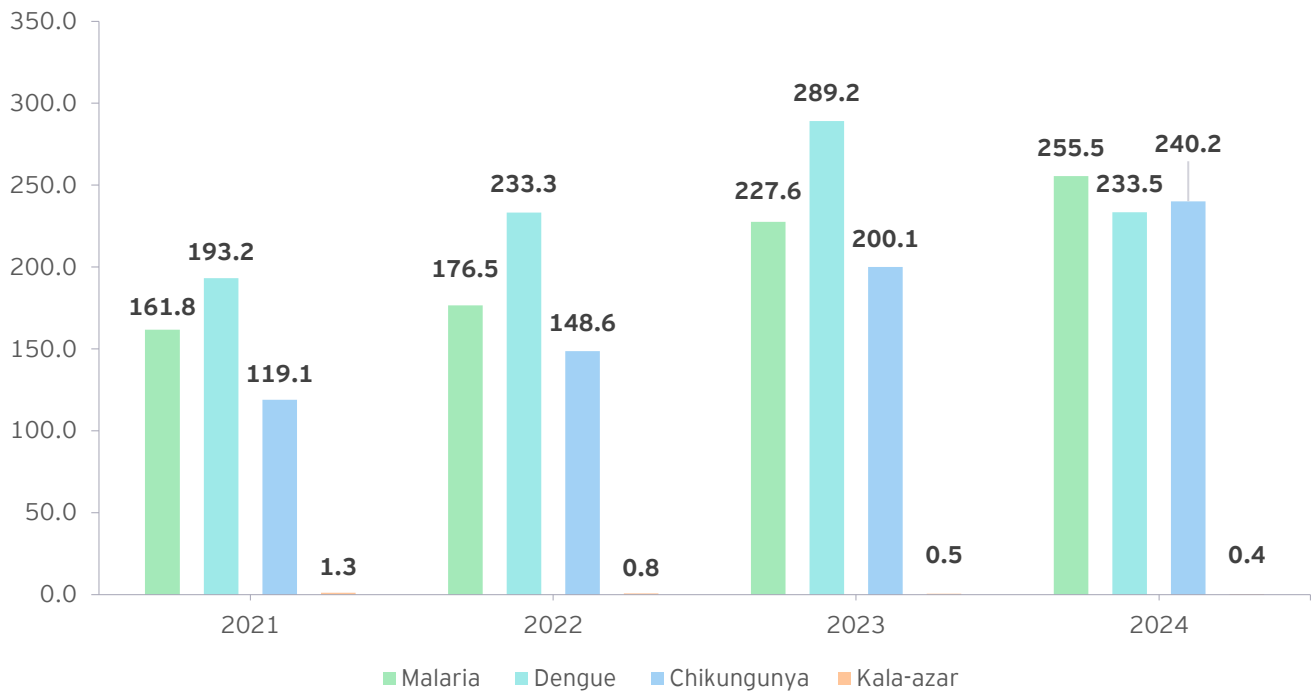
Program/initiative	Objective/goal	Key strategies	Major interventions/features
<b>Urban Malaria Scheme<sup>42</sup></b>	Reduce malaria transmission and protect urban populations using available means.	<ul style="list-style-type: none"> <li>Parasite control through hospitals, dispensaries and clinics.</li> <li>Source reduction and minor engineering.</li> <li>Anti-larval and space spray methods.</li> <li>Legislative and awareness measures.</li> </ul>	<ul style="list-style-type: none"> <li>Space spraying of insecticides around positive cases.</li> <li>Use of larvicides (Temephos, BT), larvivorous fish (Gambusia, Guppy).</li> <li>Weekly Dry Day campaigns and sanitation drives.</li> </ul>
<b>National Filaria Control Programme<sup>43</sup></b>	Delimit the problem, control filariasis in endemic areas and train staff.	<ul style="list-style-type: none"> <li>Weekly anti-larval measures.</li> <li>Environmental and biological control.</li> <li>Anti-parasitic control using DEC.</li> </ul>	<ul style="list-style-type: none"> <li>Mass Diethylcarbamazine administration.</li> <li>Urban anti-larval work and rural indoor spraying.</li> <li>Use of larvivorous fish and source reduction activities.</li> </ul>
<b>National Kala-Azar Elimination Program<sup>44 45</sup></b>	Reduce kala-azar incidence to less than 1 case per 10,000 population at block level by 2023.	<ul style="list-style-type: none"> <li>Early diagnosis and complete case management.</li> <li>Integrated vector management and surveillance.</li> <li>Strengthening HR and program management.</li> <li>Advocacy, communication and social mobilization.</li> </ul>	<ul style="list-style-type: none"> <li>ASHA incentives [INR500 (US\$5.53)<sup>46</sup> per KA/PKDL case].</li> <li>Wage loss compensation [INR4,000 (US\$45.23) PKDL, INR500 (US\$5.53)<sup>47</sup> KA].</li> <li>Free diagnosis and treatment at CHC/PHC.</li> <li>Real-time monitoring via Kala-azar Management Information System (KAMIS).</li> <li>Collaboration with 22 medical colleges.</li> <li>High-level reviews by Health Ministry and PM.</li> </ul>
<b>Dengue &amp; Chikungunya Control Initiatives<sup>48</sup></b>	Strengthen disease surveillance, early diagnosis and outbreak management.	<ul style="list-style-type: none"> <li>Surveillance through Sentinel Surveillance Hospitals (SSHs).</li> <li>Case management and community participation.</li> <li>Capacity building and training.</li> </ul>	<ul style="list-style-type: none"> <li>805 SSHs and 17 Apex Labs linked for advanced diagnostics.</li> <li>Annual kit allocation with buffer stock.</li> <li>Regular advisories and outbreak monitoring.</li> <li>National Health Mission funds support prevention and control.</li> </ul>
<b>JE/Acute Encephalitis Syndrome (AES) Control Measures<sup>49</sup></b>	Prevent and control JE/AES cases and deaths through vaccination and improved surveillance.	<ul style="list-style-type: none"> <li>Vaccination campaigns.</li> <li>Strengthening diagnostics and training.</li> <li>Programmatic monitoring and advisories.</li> </ul>	<ul style="list-style-type: none"> <li>Routine JE vaccination in 334 districts; adult vaccination in 42 districts (Assam, West Bengal, Uttar Pradesh).</li> <li>171 SSHs and 15 ARLs with free diagnostic kits.</li> <li>JE case management training in endemic states. Regular advisories before transmission seasons.</li> </ul>

Source: <https://ncvdc.mohfw.gov.in/>

India has seen significant progress in reducing malaria incidence and mortality rates, according to the World Malaria report, by WHO<sup>50</sup>. The number of estimated malaria cases in India decreased to 2 million cases in 2023 from 6.4 million in 2017 (69% decrease) and the estimated malaria deaths decreased to 3,500 from 11,100 (68% decrease) during the same period<sup>51</sup>. Between 2000 and

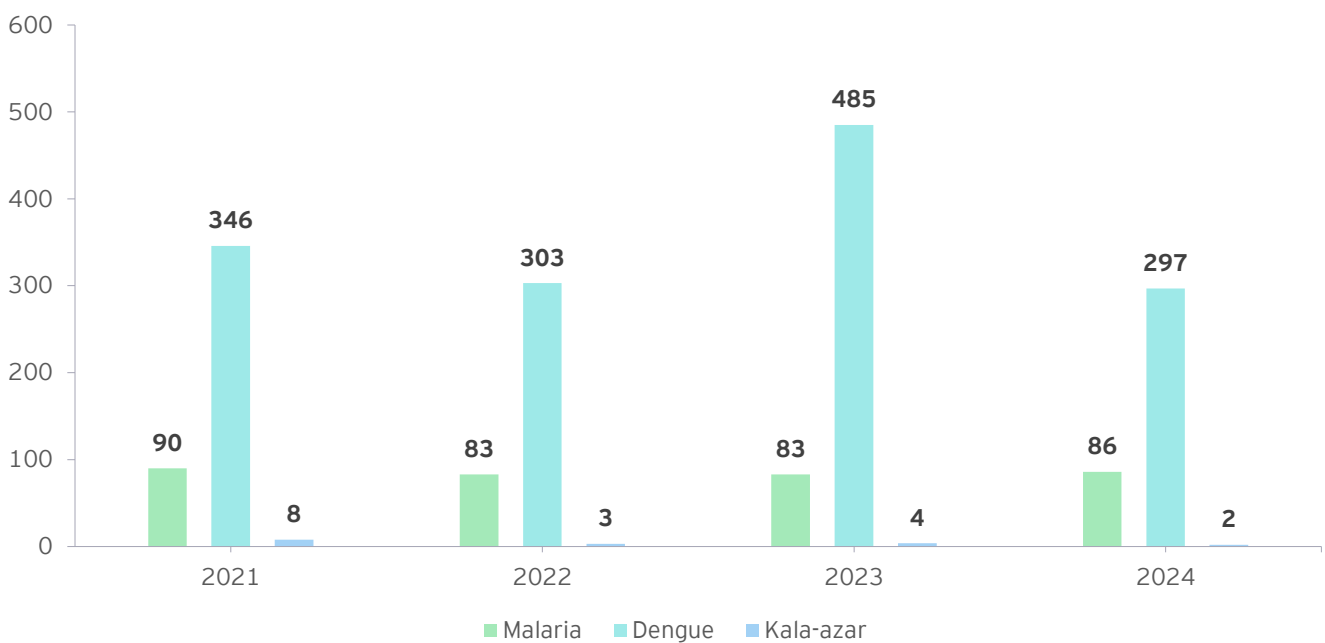
2023, the malaria mortality rate reduced by 88.8%, from 2.7 to 0.3 per 1,00,000 population at risk<sup>52</sup>. Furthermore, in the case of leptospirosis, over 21,000 cases were reported between 2015 and 2020 across various states in India, with a significant rise in cases during monsoon seasons resulting in approximately 291 deaths<sup>53</sup>.

**Figure 6: Year-wise cases (in thousands) caused by vector-borne diseases**



Source: <https://ncvbdc.mohfw.gov.in/>

**Figure 7: Year-wise deaths caused by vector-borne diseases**



Source: <https://ncvbdc.mohfw.gov.in/>



# State-level initiatives and action plans to control vector-borne diseases

The Ministry of Health and Family Welfare, under the National Program on Climate Change and Human Health (NPCCHH), has issued comprehensive State and Union Territory - specific Health Action Plans on Vector-Borne Illnesses<sup>54</sup>, outlining a coordinated national framework for surveillance, preparedness and response in the context of climate variability.

A review of these plans reveals a consistent set of core interventions across all states and UTs, centered on strengthening active and passive disease surveillance, enhancing monitoring systems such as early warning and response mechanisms and improving diagnostic and laboratory capacities. States uniformly prioritize capacity building through training of healthcare workers, multipurpose workers and field staff; robust Information, Education and Communication (IEC) campaigns to increase community awareness; and inter-sectoral collaboration with municipal bodies, environmental departments, research institutions and national health programs.

All action plans emphasize vector management, including environmental control, elimination of breeding sites, use of indoor residual spraying (IRS) and larvicides, deployment of Long-Lasting Insecticidal Nets (LLINs) and biological control measures such as larvivorous fish.

Additionally, states have outlined protocols for epidemic preparedness, emergency response planning, post-disaster surveillance and the integration of climate parameters, such as rainfall, humidity and temperature into their vector surveillance systems.

These plans uniformly highlight the need for community mobilization, outreach activities and facilitating adequate logistic support, including procurement of insecticides and prevention tools, thereby reinforcing a nationwide approach to reducing the prevalence of vector-borne diseases under changing climatic conditions.

In addition to the above, the Government of India, through the NCVBDC under the NHM, channels cash and commodity grants to states and union territories to support surveillance, IRS/LLINs, diagnostics, training and epidemic preparedness. Official state-wise data for FY 2018-19<sup>55</sup> (NCVBDC) shows the central allocation for NVBDCP that year at INR491.98 crore with central releases of INR335.44 crore, reflecting substantial targeted support to states wherein larger allocations have gone to high-burden states (for example, Madhya Pradesh was allocated INR204.13 crore in 2018-19 while Uttar Pradesh and West Bengal also received sizeable allocations). These allocations and releases have continued year-on-year, demonstrating sustained and in many cases increasing central financing to states for vector-control activities – a pattern that underscores the government's proactive and continuing investment in combating vector-borne diseases.

Vector-borne diseases remain a major public health concern, affecting millions of people each year and posing significant challenges to healthcare systems. Diseases such as malaria, dengue, kala-azar are transmitted through vectors like mosquitoes, which often thrive in tropical and subtropical regions. These infections contribute substantially to morbidity and mortality, particularly among low- and middle-income groups, where socio-economic factors favor their spread and hinder cure. Strengthening surveillance, prevention and control measures therefore remains essential to reducing their impact and achieving long-term disease elimination goals.

# 3

## Challenges faced by the industry



Despite their critical role in preventing vector-borne diseases (VBDs), the household insecticide and repellent sector continues to face multiple challenges that hinder its growth, equitable access and integration into public health systems. These challenges are multi-dimensional, spanning affordability constraints, behavioral and awareness barriers and policy gaps in recognizing insect repellents as essential preventive health tools.

The tax rate on these products is high at 18%, which contributes to public health and hygiene concerns and sets an important precedent for rationalizing the GST rate on household insecticides. These are part of the essential product category consumed by the common person and fit into the narrative of Next Gen GST 2.0 reforms implemented as part of the 56th GST Council. The following details outline the various challenges faced by the industry due to the high GST rate and emphasize the necessity of rationalizing the GST rate.

### Constraining affordability and access among low-income consumers

One of the most significant challenges confronting the household insecticide sector is the high retail cost of good-quality repellents, particularly for low-income and rural consumers. Premium repellents, especially those using safer, globally tested active ingredients, are priced beyond the purchasing capacity of a large part of the population. For instance, topical repellents such as roll-ons typically retail between INR80-INR100 for 8 to 10 ml, creams and gels between INR150-INR350, while electric liquid vaporizer refills generally range from INR70-INR120 per 45 ml bottle and a single aerosol room spray can cost anywhere between INR150-INR250<sup>56</sup>. These price points represent a non-essential, discretionary expenditure for rural households with limited disposable income. As a result, while urban households show near-saturation in adoption (92% to 99%), rural penetration remains considerably lower (64% to 73%).

The cost issue is compounded by the existing 18% GST rate levied on these products, classifying them alongside non-essential goods despite their direct role in disease prevention. For most rural households, especially those earning below INR10 lakh (US\$11,064)<sup>57</sup> annually, this makes insect repellents a discretionary rather than a regular purchase. The outcome is a critical affordability gap wherein those most at risk of vector-borne diseases are often the least able to afford preventive protection.

Given the importance of the product and the fact that it is an essential commodity for the common person, it should remain affordable without compromising on the quality of input products used in their manufacture. Accordingly, to prevent households from being adversely impacted by taxes and to boost consumption, the product merits a lower GST rate.

## Consumption of substandard products and increase in the informal economy

The proliferation of unregulated insecticides poses a significant threat to public health and consumer safety, as such products often bypass quality standards, may contain hazardous chemicals and undermine compliant manufacturers by being sold at lower prices.

Many such products contain unapproved or harmful chemical actives, are manufactured without licenses and evade the rigorous toxicity and efficacy evaluations required of legitimate insecticide products.

Furthermore, registered household insecticides use permitted active ingredients evaluated and approved by Central Insecticides Board & Registration Committee (CIB&RC) and internationally recognized bodies like WHO. For instance, coils and vaporizers legally deploy synthetic pyrethroids such as d-allethrin, prallethrin or transfluthrin within prescribed limits, whereas unregistered agarbattis and coils have been found to contain unregistered chemicals and have not undergone regulatory processes<sup>58</sup>.

Critically, these manufacturers deliberately classify such products under the 5% GST slab applicable to ordinary incense sticks, thereby bypassing the licensing, certification and testing obligations mandated under the Insecticides Act.

This tax arbitrage, combined with non-compliance with registration requirements, enables counterfeit products to enter the market at significantly lower price points, undercutting compliant manufacturers while exposing consumers to potentially unsafe formulations that may be ineffective or harmful.

The misuse of the 5% GST category not only distorts the market but also erodes public health safeguards, as unregulated products bypass quality controls integral to preventing exposure to toxic and unregistered products. The higher 18% GST imposed on compliant household insecticides inadvertently widens this price differential, creating a structural incentive for illicit producers to remain outside the regulatory framework.

The current 18% GST rate indirectly incentivizes the use of substandard and counterfeit insecticides, which are sold at lower prices but pose significant health risks due to poor chemical formulations and lack of regulatory compliance. This also results in loss of revenue for the exchequer. Rationalizing the GST rate to 5% might reduce the price differential between genuine and spurious products, thereby encouraging consumption of quality-assured insecticides. This step not only protects consumers from harmful alternatives but also reduces public health risks arising from unsafe chemical exposure.

For instance, mosquito repellent incense sticks containing insecticide or pesticide molecules are required to be approved by the Government of India and attract GST at 18%. However, the market has witnessed the proliferation of substandard products – incense sticks containing unapproved insecticides or pesticides but sold under the guise of regular agarbattis – which are subject to GST at only 5% under HSN 33074100. A nationwide YouGov survey<sup>59</sup> titled “One Mosquito, Countless Threats” found that nearly 69% of respondents expressed concern about the widespread availability of such unregistered and illegal mosquito repellent incense sticks<sup>60</sup>. Laboratory testing in accredited labs further confirmed the presence of unapproved chemicals in these products<sup>61</sup>. Such counterfeit insecticides pose significant health risks due to poor chemical formulations and lack of regulatory oversight, while simultaneously resulting in loss of revenue to the exchequer.

Rationalizing the GST rate for household insecticides to 5% substantially reduces this arbitrage, thereby encouraging manufacturers to enter or return to the formal regulatory system. By aligning the tax impact of compliant products with those currently misclassified as incense sticks, the policy might promote industry formalization, improve adherence to safety and efficacy standards and help consumers access scientifically validated, quality-assured insecticide products. In turn, this strengthens public health outcomes and reinforces the objectives of national vector-borne disease control programs by facilitating the wide accessibility and competitive pricing of safe and effective household insecticides.

## Limited integration of household insecticides into government preventive healthcare frameworks

Although insect repellents play a proven role in combating VBDs by repelling mosquito bites and limiting the spread of malaria, dengue, chikungunya and other vector-borne diseases, they remain largely excluded from the formal public health and disease prevention framework of the Government of India. Current programs, such as the NVBDCP and the UMS, focus predominantly on large-scale interventions such as indoor residual spraying, distribution of ITNs and larval control measures. These are critical but do not fully address personal protection needs, especially in outdoor or peri-urban contexts where nets and spraying are impractical.

The growing public health challenge due to the spread of VBDs has directly driven demand for insect repellents, positioning the category as an indispensable component of household consumption. WHO-recommends the use of ITNs/LLINs, IRS and chemoprevention for vulnerable groups in order to prevent VBDs. However, these measures often face limitations such as pungent chemical odors, the need for periodic retreatment, logistical challenges in distribution and inconsistent usage at the household level.

In this context, household insecticides serve as a reliable supplementary tool in reducing the prevalence of malaria, dengue, chikungunya and other VBDs. Furthermore, household insecticides are available in diverse formats,

including spatial products such as coils, sprays, traps, incense sticks, liquid vaporizers, aerosols and herbal/natural repellents. These options provide flexible, cost-effective and widely accessible protection in both indoor and outdoor settings, extending coverage beyond what ITNs alone can provide.

Household insecticides bridge these gaps wherein ITNs/ IRS fail to prevent VBDs due to their limited coverage and practicality. Household insecticides offer affordable, adaptable and widely distributed solutions that cater to all socio-economic groups. Recognizing their indispensable role in complementing global best practices, rationalization of GST to 5% is necessary to enhance accessibility, support preventive healthcare objectives and provide parity with other essential health-protection products.

Household insecticides could serve as a complementary measure to bridge these operational gaps. However, their exclusion from government procurement lists and preventive campaigns means that they are not distributed through public channels or subsidized for vulnerable

groups. Integrating repellents into national disease control programs could significantly expand coverage, particularly in endemic zones, while simultaneously boosting awareness and demand.

Complementing government initiatives, private-sector CSR efforts by various companies have demonstrated successful on-ground behavior change, capacity building and enhanced community access to preventive tools. EMBED's phased interventions in rural and high-risk regions like Madhya Pradesh and Maharashtra showed measurable reductions in malaria incidence, increased awareness and adoption of personal protective measures.

Given this synergy between state programs and CSR initiatives, the current GST rate of 18% does not fully support the above-mentioned vision. Alignment is required as it might reduce cost barriers, amplify the reach and effectiveness of public health interventions and reinforce the public-private ecosystem working to combat vector-borne diseases.

## Non-parity with other FMCG and pharmaceutical products

The classification and taxation of products that contribute to public health and hygiene reveal an important precedent for rationalizing the GST rate on household insecticides. In the last GST Council, as part of the GST Next Gen Reforms 2.0, the Council adopted a progressive and pragmatic approach in lowering GST rates on essential daily household commodities, health-protective and hygiene-related products considering their role in a common person's life, maintaining public health and preventing disease transmission.

The GST 2.0 reforms have already rationalized tax rates on a wide range of essential FMCG such as soaps, toothpaste, shampoos and hair oils to 5%, recognizing their role in health and hygiene. Household insecticides fall within the same category of essential goods, yet they continue to be taxed at 18%, creating a difference in treatment.

Maintaining parity with comparable FMCG products might correct this inconsistency, reinforce the principle of equity in tax policy and align the tax rate applicable on household insecticides with the broader rationalization framework adopted by the Council.

Similarly, pharmaceutical and medical products such as medicines, oxygen, gloves, diagnostic kits, blood glucose monitoring systems and thermometers have been rationalized from 12% to 18% to 5% or nil, underscoring the government's recognition of their essentiality. Given that household insecticides are directly linked to the prevention of VBDs, an issue central to public health, they merit the same equitable treatment.

**Table 3: Essential FMCG, Pharmaceutical and Medical Products - HSN and GST**

Item	Description	HSN	GST rate
Soap	Soap and organic surface-active products and preparations, in the form of bars, cakes, molded pieces or shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent	34011	5%
Handwash	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap	340130	5%
Toothbrush	Toothbrushes, including dental-plate brushes	96032100	5%
Toothpaste	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages, in paste	33061020	5%
Medicines	Onasemnogene Abeparvovec, Asciminib, Mepolizumab, Pegylated Liposomal Irinotecan, Daratumumab, Daratumumab Subcutaneous, Teclistamab, etc.	Under Chapter 30	Nil
Gloves	Surgical rubber gloves or medical examination rubber gloves	4015	5%

Item	Description	HSN	GST rate
Gloves	Surgical rubber gloves or medical examination rubber gloves	4015	5%
Diagnostic kits	All diagnostic kits and reagents	3822	5%
Blood glucose monitoring systems	Blood glucose monitoring system (glucometer) and test strips	90 or any other Chapter	5%
Thermometers	Thermometers for medical, surgical, dental or veterinary usage	9025	5%

Source: <https://cbic-gst.gov.in/gst-goods-services-rates.html>, EY Analysis

## Challenges after rate rationalization under the GST 2.0 reforms

A number of essential commodities where the GST rate has been reduced to 5% have inputs and input services that continue to attract 18%. Given the wide difference in the rates, some accumulation is anticipated. Additionally, under the prevailing two-rate structure, the occurrence of inverted duty structures (IDS) remains an inherent reality that both the government and the industry must continue to address and work with. The government has tried to solve this problem as much as possible in the current set of reforms, yet some inversion and accumulation persist.

With household insecticides being an essential household commodity, reducing their GST rate to 5% may create an IDS, since critical inputs such as active ingredients, solvents, surfactants, emulsifiers, aerosol propellants, packaging materials and device components as well as input services generally attract a higher GST rate. As a result, a 5% GST on the final product may lead to accumulated input tax credit (ITC) and increased working capital pressure for legitimate manufacturers.

However, the presence of an inverted duty structure should not be a deterrent to rationalization, particularly when affordability and public health imperatives are central to vector control in low-income, high-risk regions. The government has previously rationalized several essential household and health-protection products to the 5% or nil GST slab despite embedded inverted duty structures. Under the GST 2.0 reforms, products such as soaps (HSN 34011), handwash (HSN 340130), toothbrushes (HSN 96032100), toothpaste (HSN 33061020), surgical gloves (HSN 4015), diagnostic kits and reagents (HSN 3822), blood glucose monitoring systems and medical thermometers (HSN 9025) were reduced to 5% in recognition of their essential nature and the need for wide accessibility.

Rationalizing GST on household insecticides to 5% follows the same principle. These products have high national penetration and indispensable public-health relevance, yet remain unaffordable for large segments of low-income households – as reflected in the significant urban-rural consumption divide. Lowering the GST rate enhances affordability, reduces reliance on unsafe unregulated alternatives and strengthens government and CSR-led disease-control programs, which aligns with the broader objectives of health protection, affordability and deeper market penetration. This approach is consistent with the government's vision of making essential goods affordable under the GST framework.

The household insecticide sector stands at a critical intersection of public health necessity and tax policy considerations. Despite their indispensable role in combating vector-borne diseases such as dengue, malaria and chikungunya, affordability barriers, tax-induced market distortions and limited integration into public health frameworks continue to undermine their effectiveness. These challenges reinforce the urgent need for a corrective and equitable policy intervention through GST rate rationalization.

Addressing these systemic issues through rationalized taxation and supportive regulatory measures is essential to enabling equitable access, safeguarding consumer safety and strengthening India's disease prevention ecosystem. The following chapter sets out key recommendations to realign policy with public health priorities and enable the sector to contribute effectively to national VBD control goals.

# 4

## Recommendations

A close-up photograph of a person's hands working at a desk. One hand is using a white calculator, while the other points at a tablet displaying colorful charts and graphs. In the background, a laptop screen is visible. The scene is brightly lit, suggesting an office or professional environment.

- Despite their essential function, household insecticides are currently taxed at 18% under the GST regime, the same rate applied to discretionary consumer goods. The higher tax rate undermines affordability and accessibility, particularly for low-income and rural households, which are often the most vulnerable to vector-borne diseases.
- With 86% of Indian households earning less than INR10 lakh (US\$11,064)<sup>62</sup> annually, and FMCG products already constituting more than half of total household expenditure, imposing an 18% GST on essential hygiene products such as household insecticides places a disproportionate financial weight on the common person.
- Comparable health-protective FMCG products such as soaps, sanitizers, masks and disinfectants are taxed at 5% or even nil, in recognition of their essential role in maintaining hygiene and preventing disease transmission. Household insecticides perform a similar preventive health function and therefore deserve parity in fiscal treatment.
- Rationalizing the GST rate might not only improve affordability but also encourage greater adoption of quality, regulated insecticide products, reducing the use of unsafe, untested and low-quality substitutes prevalent in informal markets.
- Additionally, the current tariff heading HSN 3808 encompasses a wide range of products, including insecticides, rodenticides, fungicides, herbicides, disinfectants and similar preparations used across agricultural, industrial, public health and household applications.

In view of such wide coverage, any rationalization of the GST rate applicable to household insecticides (HI) necessitates the unambiguous classification within the GST rate structure as follows:

- A specific entry (highlighted in red) may be inserted in Schedule I of Notification No. 9/2025-Central Tax (Rate), dated 17 September 2025, to explicitly cover household insecticides under HSN 3808 91 91:

Schedule I: 5% - Notification No. 9/2025 - Central Tax (Rate)		
S.No.	Chapter/heading /subheading /tariff item	Description of goods
[New]	3808 91 91	Repellents for insects such as flies, mosquito and other vectors used as household insecticides.  Explanation: For the purpose of this entry, "Household Insecticide" means any insecticide intended for use only in households, offices and similar premises, and expressly excludes any insecticides/pesticides intended for use in agriculture, industry, pest control operations, public health, or storage.

- A simultaneous amendment (highlighted in red) is suggested to be made in Sr. No. 95, Schedule II of Notification No. 9/2025-Central Tax (Rate), dated 17 September 2025, to exclude "Household Insecticides" from the said serial number:

Schedule II: 18% - Notification No. 9/2025 - Central Tax (Rate)		
S.No.	Chapter/heading /subheading /tariff item	Description of goods
95	3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products [other than bio-pesticides mentioned against S.No. 260 of Schedule - I] [other than items specifically covered under against S.No. (to be inserted) of Schedule I - HSN 3808 91 91]

- The above definition of "Household Insecticides" is based on the proposed definition of "ordinary use pesticide" used in the Pesticides Management Bill 2020, which is yet to be passed. Given the proposed definition is broad, we have limited the current definition to include only the household insecticides.
- Aligning the GST rate of household insecticides with other essential FMCG items might bridge the rate gap and enhance India's preventive healthcare framework in line with the objectives of the NVBDCP.
- This measure might help establish parity with comparable health and hygiene products, enhance affordability and access for low-income households, discourage the proliferation of substandard and illegal products and promote greater formalization of the sector.

To promote the objectives and vision of building an

**"Atmanirbhar Bharat"**

and to promote health, hygiene and cleanliness, it is recommended that the GST rate on household insecticides falling under HSN 3808 be rationalized from

**18% to 5%.**

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## EY

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