

PRESS RELEASE

Note on Important Commodities

1. **Cement**: Packaged cement attracts central excise duty of 12.5% + Rs.125 PMT and standard VAT rate of 14.5%. At these rates, the present total tax incidence works out to more than 29%. If we include tax incidence on account of CST, octroi, entry tax, etc., the present total tax incidence would work out to more than 31%. As against this, the proposed GST rate for cement is 28%.

2. **Medicaments, including Ayurvedic, Unani, Siddha, Homeopathic or Bio-chemic systems**: Medicaments, in general, attract 6% central excise duty and 5% VAT. Further, CST, octroi, entry tax, etc. are also applicable in general. At these rates, the present total tax incidence works out to more than 13%. As against this, the proposed GST rate on medicines, including ayurvedic medicines, is 12%.

3. **Smart phones**: Smart phone attracts 2% central excise duty [1% excise duty + 1% NCCD]. VAT rates vary from State to State from 5% to 15%. Weighted average VAT rate on smart phones works out to about 12%. Thus, the present total tax incidence on smart phones works out to more than 13.5%. As against this, the proposed GST rate for smart phones is 12%.

4. **Medical devices including surgical instruments**: Medical devices, including surgical instruments, in general attract 6% central excise duty and 5% VAT. Along with CST, octroi, entry tax, etc., the present total tax incidence on them works out to more than 13%. As against this, the proposed rate under GST is 12%.

5. **Puja samagri including havan samagri**: These goods will be under Nil category. However, exact formulation for the same is yet to be finalised.
