

PRESS RELEASE

Comparative analysis of the proposed GST Tax rates to the prevailing taxes on the below mentioned Important Commodities

1. **Sugar**: Sugar attracts specific central excise duty of Rs.71 per quintal plus Sugar Cess of Rs.124 per quintal, which translates to ad valorem rate of more than 6%. Including incidence on account of account of CST, octroi, entry tax, etc., the present total tax incidence would work out to more than 8%. As against this, the proposed GST rate on sugar is 5%.

2. **Tea and coffee (other than instant coffee)**: Tea and coffee attract Nil central excise duty and VAT rate of 5%. Considering embedded taxes in production of tea and coffee and the incidence on account of CST, octroi, entry tax, etc. the present total tax incidence works out to more than 7%. As against this, the proposed GST rate for tea and coffee (other than instant coffee) is 5%.

3. **Milk powder**: Milk powder attracts Nil central excise duty and 5% VAT. Considering embedded taxes in production of milk powder and the incidence on account of CST, octroi, entry tax, etc. the present total tax incidence works out to more than 7%. As against this, the proposed GST rate on milk powder is 5%.
