

#GST Rate Reduction: Reduction in Cost of Business - #GST 2.0



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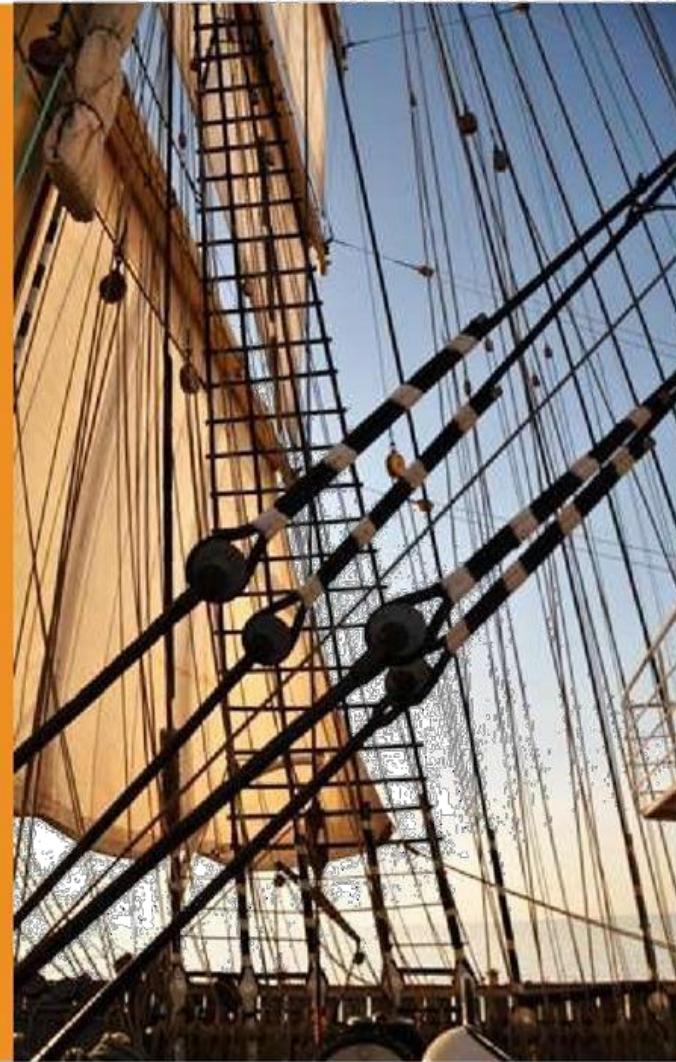
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Change in Production Cost

I. Production -

- 1. Savings in Coal** – Rate increased from (5% + 400 per MT compensation Cess) [effective 13% approx.] to 18% with ITC – Now entire ITC is a savings
- 2. Packaging Rates/ Certain Acids GST Rates reduced (12%/18% to 5%)** - may require re-negotiation for companies

Others-

- 3. Food Products major changes (7% - 12%)** - Canteens may require to re-negotiate
- 4. Insurance** – No relief on Group Mediclaim & Life Insurance [Companies may need to restructure and re-negotiate with Insurance Companies]
- 5. GTA – 12% to 18% (with ITC)** – Accumulated Credit for Traders to go up (Traders may go to the 5% RCM regime)
- 6. Government Works Contracts (Need to be renegotiated)** - 12% to 18%
- 7. Construction** – All inclusive contracts may require re-negotiate for de-escalation as cements/ Boards/ granite, etc blocks/ Fly Ash Bricks Rates are down

THANK YOU



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