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# **Impact of the Proposed GST on the Consumer Price Index in India**

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## *Abstract*

Fears that the movement to GST would add to inflation have been unfounded. In this study we ex-ante estimate the impact the movement to GST would have on inflation and show that it would be very marginal at best. The inflation argument to have multiple rates is therefore weak. The impact on the CPI is worked out by considering each item that goes into the CPI with the weights as in the CPI (drawn from NSS 2011-12). The problem in computation is that for some items there are multiple rates of overall tax (either Sales or Excise or both) within the same item as in the CPI. This issue has been handled by working with alternative of minimum existing rate, maximum and simple average to show that even when the minimum rate is used the impact on inflation in a shift to GST is minimal. However the difficulties and issues with GST may lie elsewhere as in the proposed double till, the destination basis which would have to be studied for their differential impact across industries and states.

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## 1.1 Introduction

Goods and Services Tax (GST) is one of the most important second generation reforms which has been in the offing for a long time now. Earlier, after the stabilization of 1991-92 and 1992-93, Government had carried out a very major tax reform in shifting from output based taxes to value added based taxes. This happened both for the Centre and the States, over a period. The Central Excise Duties are now being called CENVAT, for which input tax credit can be claimed except for a limited set of inputs<sup>3</sup>. The state taxes are called Value Added Tax (VAT), for which also input tax credit is provided. The service taxes were also introduced to broaden the base of the indirect taxes, and that was also on an input tax credit based mechanism. The gains from the same have been quite significant, which can be noted as follows:

- (i) Large avoidance of tax on tax, i.e. cascading effect of taxes.
- (ii) A compression in the number of rates that are applicable, even in the case of Excise, Sales, and Service taxes, despite a large number of states being in the picture.
- (iii) Incentivisation of compliance since in procurement of inputs, the user industries would have an incentive to claim the input tax credit.
- (iv) Removal of input use distortions, which used to come along with output taxes. And following from the same the technological choices could be affected as well as when fabric manufacturers under the earlier regime would have preferred cotton yarn and synthetic yarn given the lower rates of excise and sales taxes on cotton yarns.
- (v) And similarly discrimination against particular value added chains, which happens when taxes are on output rather than value added. One form this distortion takes is to discriminate against the buy decision versus the make decision to keep costs high.<sup>4</sup>

However in the current regime despite the use of value added principle in taxes., interstate movement of goods has been problematic. The “solution” to the same, in the form of a 1% Central Sales Tax (CST) levied on export of goods from a particular state to any other. In such cases, the 1% levy collected by the Centre which reverts to the originating state. Input tax credit was provided for all other taxes in the destination state. Thus, the indirect tax regime had moved towards a destination basis quite significantly, over a period that the excise duty and sales taxes were replaced by CENVAT and VAT respectively. However, the 1% CST provided some tax revenue to the originating state.

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<sup>3</sup> Most notably energy –electricity and petroleum have been kept out of the ambit of input credit (vatable) in the CENVAT system and this has add a deleterious effect on India’s exports adding as much as 5-8% to the debilities in manufacturing. The debilities in the case of energy intensive industries would be significantly more.

<sup>4</sup> While (i), (ii) and (iii) have been emphasized in the discussions, rarely have the severe distortionary effects of (iv) and (v) been emphasized.

The problems with the existing system of value added taxes are as follows: There is still a residual cascading effect, which comes from a fact that Sales taxes and Excise taxes are levied in sequence on the same base creating a tax on tax equal to  $E.C$  where  $E$  is the excise rate and  $S$  is the sales tax rate. Similarly taxes paid to the state (centre) on inputs could not be offset against taxes paid to centre (state) on outputs. Thus zero vatting of exports would not be realisable then. Similarly as is well known a major distortion of not having vatability between service tax and goods tax would be removed with the introduction of GST.

There is great variability in the rates of Excise, as also in the Service and Sales tax rates, and also there is variation across states. These create large locational distortions as well as the scope for dispute. The 1% CGST also stands in the way of efficient locational choices.

GST is planned as an all integrated indirect tax regime. It would carry the principle of input tax credit forward. It would apply for goods and services together, indifferent to the nature of output, i.e. whether it is a good or a service. It would tightly control the number of rates, and would be entirely destination based. However, as the GST requiring a major change in the Constitution of the country, has taken a while to materialize. Even now, though, a single GST administrative regime is not being contemplated. There would be two revenue tills, one for the centre and one for the states, with input tax credits being limited to the till itself. A GST Council has been set-up which would take the important decisions regarding the new regime. Parliament has agreed to go ahead with GST, leaving the details to the GST Council. As such, all states have agreed to the required constitutional amendments to make GST a reality.

## **1.2 GST: Overview**

GST, planned as a single indirect tax, on the supply of goods and services, is likely to be implemented by April, 2017 in India. The tax is proposed to subsume a majority of the currently levied indirect taxes such as, excise duty, service tax, value added tax, and various cesses and surcharges. While the proposed system is expected to increase compliance and ease administration, it is expected to have significant implications for consumers through its impact on inflation. The new regime shifts the incidence of tax from production to consumption, with input tax credit provided at each stage. The tax is thus expected to remove the inefficiencies in the current system, such as dual taxation and its cascading effect. However, the overall impact on consumer prices depends on the structure on the proposed tax, and the extent to which the expected cost-reduction is passed-on to the consumers.

The present study attempts to analyse the possible impact of GST implementation on the Consumer Price Index (CPI) in India. While the actual impact of the pass-through on inflation trajectory can only be ascertained after the GST is implemented, the current study attempts to bring out the differential impact GST would have vis-à-vis the current indirect tax incidence on CPI items.

In this study, we take account of all proposals under consideration with respect to the design of the new regime. Earlier on, there was a proposal to have a single uniform rate of 12% for all goods and services, with exempt goods being out of the net, and sin goods being charged at a higher rate. As such there would be only three rates, a zero rate for exempt goods, 12% for all goods and services, and a sin rate which can vary depending on the commodity. Another proposal that has been considered is a two rates structure, at 12% and 18%, in addition to the exempt category, and a surcharge on sin goods. Most recently, a third proposal with multiples rates is being considered, with 5%, 12%, 18% and 28%, in addition to the exempt goods category, and with an additional surcharge on sin goods. The last proposal, which is being actively considered, has arisen on account of the fear that inflationary impact of GST may be quite considerable. Fears that some states may lose revenue were additional considerations, given the need to compensate states, which would obviously see a decline in revenue, were other considerations behind the proposal.

Ex-ante, it is obvious that since the GST rates are supposed to be based on revenue neutrality, it is highly unlikely that there would be a significant inflationary impact. Revenue Neutral Rates (RNR), by definition, would not have an impact on overall expenditures, since the overall value of expenditure would be protected. However, small effects are likely, since the taxes on elements within the consumption basket would change. In order to capture these effects, the present study uses the Consumer Price Index (CPI), as it represents the consumption basket of an average Indian households, and changes in the weights through change in tax rates would reflect the impact of GST.

### **1.3 Evidence from across the world**

There are mixed evidences on impact of GST implementation on inflation, from across the world. Most of the studies establish that the impact is significant, but short-lived, felt within the first year of implementation. However, some studies have found no significant difference in the price levels before and after GST is implemented (Poh et.al. 2014). Researchers have argued that the pass-through might be in multiple stages, with increase in cost of production due to initial price rise and demand of high wages due to higher cost of living.

The most commonly found cross country evidence suggests that one-off effect of GST implementation dissipates within one year, controlling for country-specific characteristics. The Table below is reproduced from RBI (2016). The experience across countries suggests that inflation did increase in the immediate period after GST implementation. However, barring U.K., it eventually moderated over the year. The case of U.K. is different due to the Oil Crisis in 1973. The short term impact on inflation depends on a host of factors, including the tax base, GST structure including the rates, and efficiency of the administrative machinery.

Estimates of increase in inflation in India due to GST implementation vary on the basis of GST structure and the standard rate. In case of a single standard rate of 18%, the impact on inflation is expected to be moderate (RBI, 2016).

In Indian context, it is also anticipated that the reform in tax structure might even lead to a reduction in price levels, due to increased allocative efficiency (NCAER, 2009). Implementation of GST is expected to lead to tax buoyancy, and supply-chain efficiencies, through removal of cascading, and lower need of reconciliation at state borders (Religare, 2015).

*Table 1: Inflation before and after GST implementation (per Cent)*

|                                | t-1  | t    | t+1  | t+2  | t+3  | t+4  |
|--------------------------------|------|------|------|------|------|------|
| United Kingdom<br>(t= Q2:1973) | 7.9  | 9.3  | 9.2  | 10.3 | 12.9 | 15.9 |
| Canada<br>(t=Q1:1991)          | 5.0  | 6.4  | 6.2  | 5.8  | 4.1  | 1.6  |
| New Zealand<br>(t=Q4:1986)     | 10.7 | 18.7 | 18.6 | 18.9 | 16.6 | 8.6  |
| Australia<br>(t=Q3:2000)       | 3.1  | 6.1  | 5.8  | 6.0  | 6.1  | 2.5  |
| Malaysia<br>(t=Q2:2015)        | 0.7  | 2.2  | 3.0  | 2.6  | 3.4  | 1.9  |

*Source: Reserve Bank of India, Monetary Policy Report, October, 2016.*

#### **1.4 Data and Methodology**

Studies on the inflationary impact have been based on either before and after situation being compared, or through a regression exercise, wherein besides the dummy for the introduction of GST, other variables such as expected inflation were used.

However, in this study at this juncture, when the question is to estimate the impact if GST is introduced, there is a need to anticipate the inflationary impact, rather than ex-post measure the actual impact. Hence, we have resorted to the method of computing the impact by aggregating the price changes, with weights reflecting their importance in the consumption basket. The final pass-through impact on consumer prices will be known after actual implementation of the new regime, and will depend on many factors such as the structure and administration of the tax. In order to estimate the maximal impact we assume that all of the increase in prices (i.e. on the appropriate index) would happen over a year. Typically the impact elsewhere has taken a little more than a year to pass thru so the estimate on change in prices (which can serve as the inflationary impact) is an upper bound.

The following measure is used in the present study, to estimate the impact:

*Equation 1: Impact of GST on CPI*

$$I = \sum_{i=1}^n \left( \sum_{j=1}^m W_j \cdot \left( 1 + \frac{G_j}{(1 + E_j)(1 + V_j)} \right) + \left( \sum_{k=1}^{n-m} W_k \cdot \left( 1 + \frac{G_k}{1 + S_k} \right) \right) \right) - \sum_{i=1}^n W_i$$

Where:

I = Impact of GST on CPI

$W_i$  = CPI weights corresponding to CPI item i

$G_j$  = GST rate applicable on the  $j^{\text{th}}$  good or service

$E_j$  = Excise duty rate applicable on the  $j^{\text{th}}$  good

$V_j$  = VAT rate applicable on the  $j^{\text{th}}$  good

$S_k$  = Service tax rate applicable on the  $k^{\text{th}}$  service

The index 'I' measures the percentage change in tax incidence the proposed GST is expected to bring in CPI. A positive value of the measure would suggest higher incidence of the proposed taxation regime based on CPI, as compared to the current regime. On the other hand, a negative value would suggest lowering down of tax incidence with GST. We ignore entry taxes and other such taxes in the existing tax system since these are small.

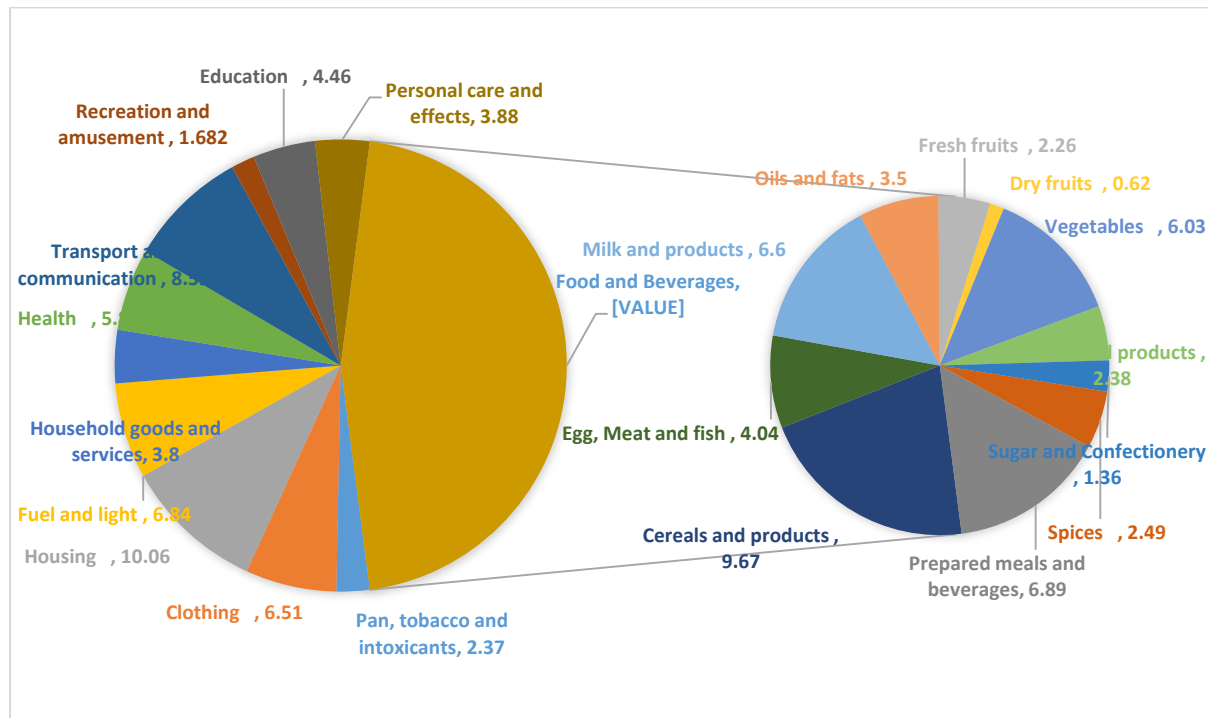
#### **1.4.1 CPI Item Categories and Weights**

We have taken the inflation as measured by the CPI. A note on CPI may be relevant at this stage. The CPI earlier used to be based on estimating the actual consumption expenditure of three classes of consumers, namely, agricultural workers, manual workers, and third non-manual urban workers. Since the Rangarajan Committee report (Rangarajan, 2001) the CPI is now defined by the basket as in the NSS Consumer Expenditure data of 2011-12. The committee has presumed that this captures the entire Indian consumption expenditure. *However, it is well known that the consumption expenditure as estimated by the NSS vastly underreports the total consumption expenditure in the country, for a variety of reasons. However, we go ahead and use the weights as in the CPI to estimate the inflationary impact as measured by the change in the price level, i.e. CPI itself, if the GST is implemented.*

The CPI has 298 commodities and services (Appendix 1), which are divided into 6 broad categories, namely, food and beverages, pan, tobacco and intoxicants, clothing and footwear, housing, fuel and light, and miscellaneous household goods and services such as health, education, transport and

communication, recreation and amusement, and personal care and affects. Weights for these items in the index are derived from the consumption expenditure data provided by National Sample Survey Organization's Household consumption expenditure survey. The revised CPI series with price reference year 2012, and weight reference year 2011-12, based on the 68<sup>th</sup> round of Consumer Expenditure Survey (CES) with reference period from July 2011 to June 2012 is used for analysis in the present study. Figure 1 presents the weighting diagram of CPI.

Figure 1: Consumer Price Index - Item Category Weights



The largest group is Food and Beverages, which constitutes around 45.8% of the CPI basket. Housing and Transport and Communication are the other large groups with 10% and 8.5% weights respectively. Within Food category, Cereals and products, Milk and products and prepared meals and beverages are large groups, having 9.6%, 6.6% and 6.8% weights respectively.

The CPI reflects the consumption of a person in the median family, rather than the weights emerging out of the weighted average consumption basket. The CPI would be quite appropriate to measure the inflationary impact on the median consumer. The consumption as reflected in the CPI be that of the median consumer, may not be reflective of all consumer groups. Therefore, we have computed the impact for the top two fractiles (80-90% and 90-95%), other than the top most (95% and above). Presumably, the vociferous middle class will fall in this category, and the impact on their CPI and inflation would be a very important measure. So we do a similar analysis for these two fractiles as well, taking the weights for their consumption from the NSS 2011-12.



## **1.4.2 Current and proposed tax-rates**

A host of indirect taxes are levied currently in India, including taxes on manufacture, sales, purchase, import and movement of goods and services. Three main taxes which form the mainstay of indirect tax regime, other than Customs duty, which are proposed to be subsumed by the GST, are:

### **1.4.2.1 Service Tax**

Service tax is levied by the service provider, and can be paid by the consumer in part or full, depending on the nature of the service. A uniform service tax rate of 15% is applied to all services, including a 0.5% Krishi Kalyan Cess (ET, 2016). However, abatements are given when a combination of services and material is involved in the final provision of service. For the purpose of the current study, effective rate of service tax for each service is applied, taking into account the applicable rates of abatements.

### **1.4.2.2 Excise Duty**

Excise duty is levied by the Central Government on manufactured products subject to clearance of products from storage or warehouses. Currently applicable rates of Excise duty with respect to manufactured items in the CPI basket are taken from the Central Board of Excise and Customs. The tax ranges from 6 to 12%, with very high rates applied to intoxicants and other sin goods.

### **1.4.2.3 Value Added Tax**

Value added tax (VAT) is levied on the final sale of product to consumers, by State Governments in case of intra-state sales, as well as Central Sales tax, which is collected by the Central Government, in case of inter-state sales. VAT rates for the present study are retrieved from the Gujarat Commercial Tax Website's VAT Schedules.

## **1.4.3 Current incidence and the proposed GST structure**

Current tax rates compiled from various sources are applied to calculate the current incidence of taxation on each of the 298 CPI items classified across all consumer groups. As long as the existing Excise, Sales tax and Service tax rates do not vary for sub items with the groups (lowest level of aggregation) that constitute the CPI, the base situation is easy to assess. However, when within a CPI group or item there are different rates, there is a problem in estimating the base situation. For example Biscuits and Chocolates etc., is one item or group (being in turn part of Food and Beverages) in CPI. Within Biscuits and Chocolates multiple excise rates are possible depending on the type of biscuits - the raw material used being the defining criteria. Instead of merely taking a simple average of the rates, or a weighted average (which would have presumed information of the proportion of each kind of biscuits and chocolates in the total of biscuits and chocolates), we have worked with a maximum rate, a minimum rate and a simple average rate. And carried each of these in the separate aggregation for a "minimum", "maximum" and "average" estimation.

There is no such problem with regards to GST. While GST in a detailed announcement could also have different rates for different sub-classes within a consumer group item, at the moment, we have considered GST rates to be the same for all the subclasses within a consumer group. Thus there are three estimates based on the minimum, maximum and average for the current rates for Excise, VAT and Service tax. This we do for each of the proposals, under GST, namely for a single 12% rate, double rate structure with 12% and 18% rates, and multiple rates structure with 5%, 12%, 18% and 28% rates. In all cases, the exempt category items such as food-grains, vegetables and fruits, eggs and milk etc. are assumed to be the same. An additional 20% cess on sin goods is applied, based on the ongoing discussion under the GST council (Times of India, 2016)

It is expected, that in the aggregate, working with the minimum of the existing rates of Excise, Vat and Service tax rates would give us the maximum impact on the CPI.

### **1.5 Findings**

The likely impact of GST implementation on CPI in India comes out to be moderate in all plausible scenarios. Figure 2 below presents the numbers for single GST rate (15%), double rates (12% and 18%), and multiple slabs (5%, 12%, 18% and 28%) recently fixed by the GST council. The figure presents the impact on CPI, taking into account the aggregation using “minimum”, “maximum” and “average” values of currently effective rates across CPI categories. GST is likely to have -0.2 to 0.58 per cent impact on CPI, in case of multiple slabs. In case of a single standard rate of GST at 12%, as envisaged in earlier discussions, CPI is likely to come down post GST implementation. Increasing the rate to 18% however, leads to an increase of between -0.29 and 1.74 % on CPI. The current cess rate is taken at 20% in order to match the current incidence of taxation on intoxicants and tobacco products. It is assumed that petrol and diesel are likely to be kept out of the ambit of GST (Business Standard, Aug. 4, 2016). Therefore the current incidence is assumed to be applicable even in the new regime.

The maximal impact for working with “minimum” existing rates and in the case of 12 and 18% GST rates is still only 1.74% i.e. under 2% so that the impact on the CPI is going to be very little<sup>5</sup>.

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<sup>5</sup> The impact on other measures of inflation – such as for the upper segments who do not find adequate representation under the CPI could be quite different. As long as the CPI has a very large weight on “food” – nearly 45% and on services like education which when basic and unbranded do not attract taxes –either today or under the proposed GST the impact is likely to be small.

Figure 2: Impact (Percentage) of the Proposed GST on CPI

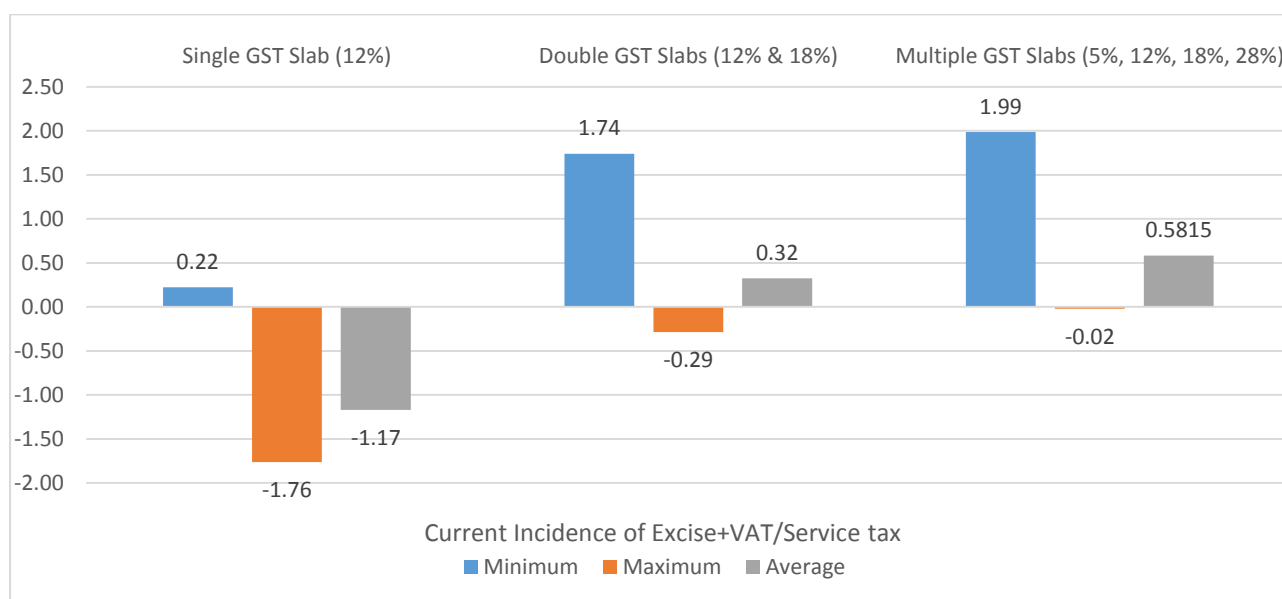
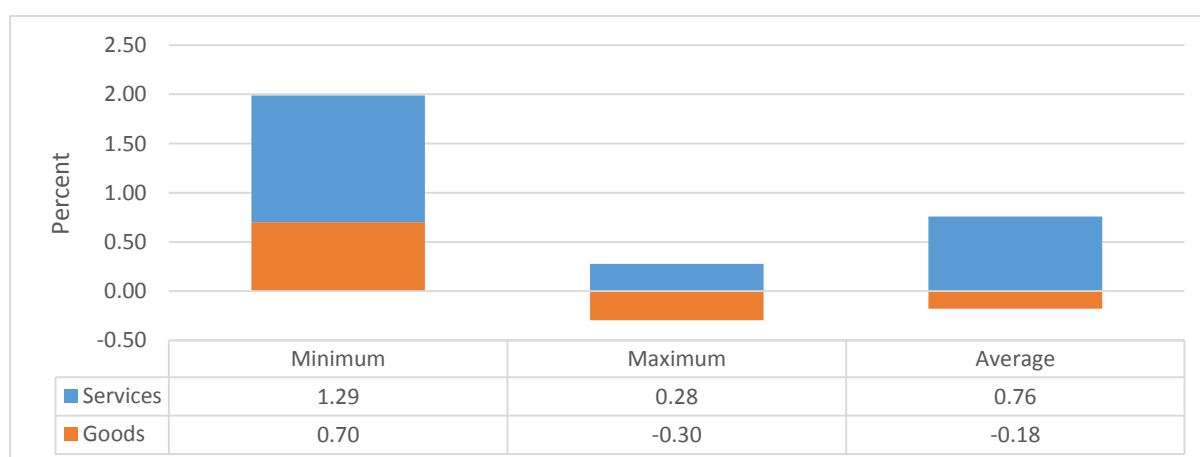


Figure 3 below presents the numbers for goods and for services separately, in the most plausible case of multiple slabs. It is evident from the figure that goods prices are likely to come down by 0.18-0.3 per cent, due to the fact that essential items including food-grains and their products are kept out of the tax-net.

Figure 3: Impact of the Proposed GST (Multiple slabs) on CPI (Goods and Services)



Service items are represented by a (S) mark in the CPI items list (Appendix 1). Service sector is expected to bear the impact of GST with a likely increase in price levels by 0.3-0.75 per cent. This is due to the increased tax incidence on most of the services. Currently the service tax rate is 15%, with effective rate on most of the services being 5-12% due to abatements.

Figure 4: CPI category-wise impact of GST on CPI (Multiple slabs)

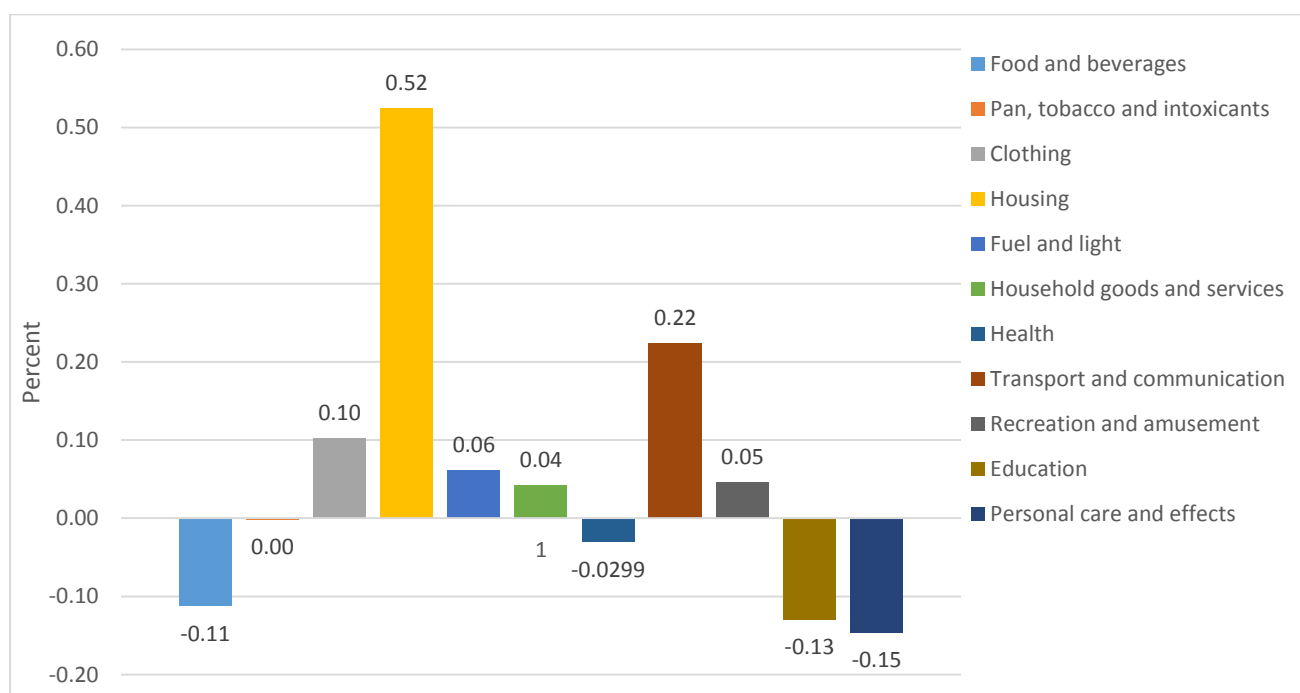


Figure 4 exhibits the break-up of impact of GST implementation on various CPI categories. Results are presented only for the most plausible scenario, with multiple slabs of GST, and average incidence of current indirect taxes. The highest impact is likely in case of housing services, which are currently taxed at 15% (with abatement up to 40% in rents, and 70% in case of under construction flats). With most services likely to fall under 18% slab in the newly proposed structure, housing sector is likely to see some increase.

Similarly, transport and communication category is likely to see a 0.22 per cent increase in prices, due to two main factors. One, the tax on automobiles is proposed to be at the highest rate of 28% ([www.mycarhelpline.com](http://www.mycarhelpline.com)), and two, communication services are expected to be taxed at 18%.

Highest reduction in prices is likely to be experienced by personal care and effects category, with gold and silver likely to be taxed at lower rates. Also, items of personal use are likely to fall under 18% category, whereas the current effective lies in the range of 18-30%.

In order to ensure that the figures reflect the implications of GST implementation for the bulk of the Indian middle class<sup>6</sup>, we repeated the same exercise with reconstituted weights of the CPI, for the 80-90% and 90-95% fractiles of all-India distribution of rural and urban population by Monthly Per Capita Consumption Expenditure (MPCE), using data from the 68<sup>th</sup> round of NSSO household

<sup>6</sup> As included in the NSS 2011-12. However the upper middle classes may be underrepresented proportional to their weight in consumption given that the NSS adopts a sampling process that is almost entirely household weighted.

consumption expenditure survey. The average MPCE of these fractiles and all-India average MPCE is given in the following table.

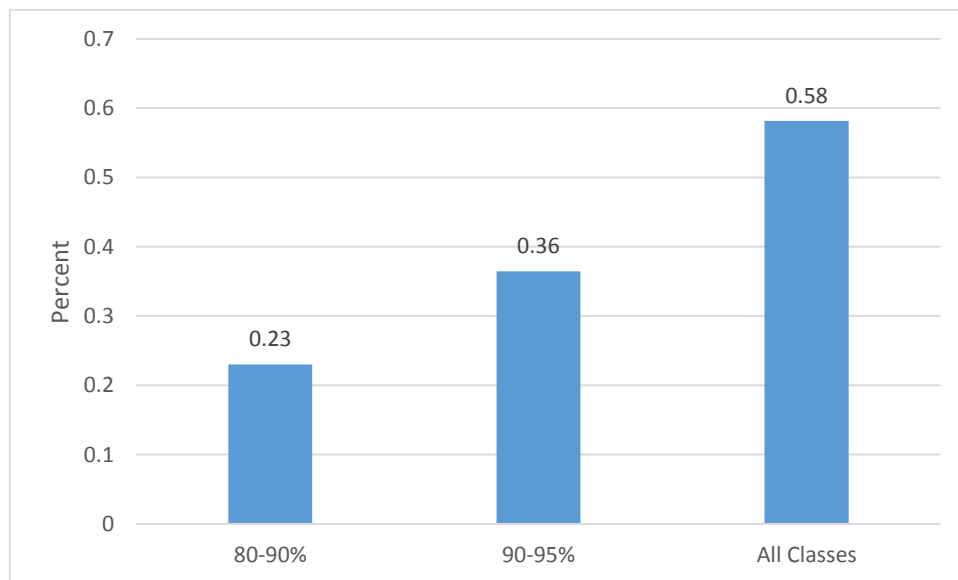
*Table 2: Average MPCE across population fractiles in India (2011-12)*

| Sr.No. | Fractile    | Average MPCE in Rs. (Rural) | Average MPCE in Rs. (Urban) |
|--------|-------------|-----------------------------|-----------------------------|
| 1      | 80-90%      | 2007                        | 3892                        |
| 2      | 90-95%      | 2556                        | 5350                        |
| 3      | All Classes | 1429                        | 2629                        |

The fact that, in relation to the overall MPCE, the overall consumption expenditure of these two groups would be 80% or more above that of the average (Median), raises the possibility that their consumption could be quite different. Hence we carried out the exercise.

Figure 5 below shows the values of measure ‘I’ (Equation 1) for these population classes. The incidence on consumption under the new regime, on 80-90% and 90-95% population classes based on MPCE is expected to be lower than the average impact across classes, as per the most plausible average incidence, and multiple GST slabs scenario.

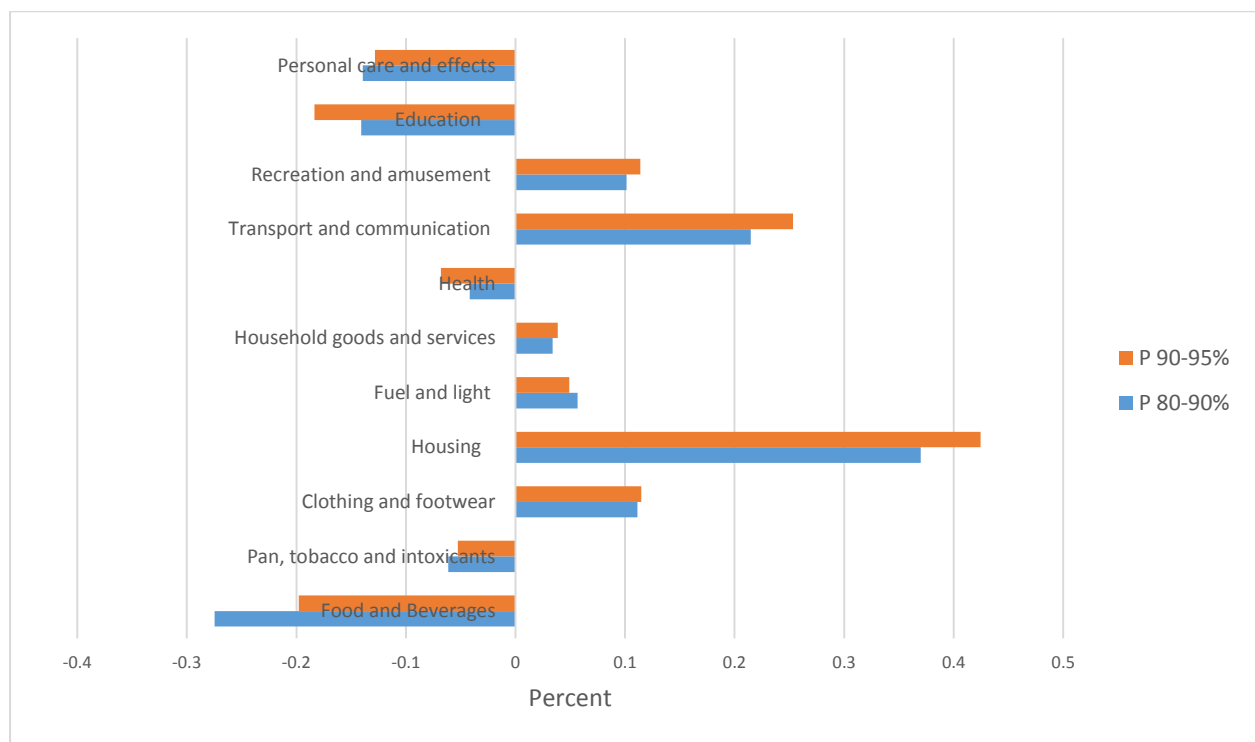
*Figure 5: Impact of proposed GST on population fractiles based on MPCE (in average current incidence, multiple GST slabs scenario)*



It is due to sectors such as Education, which have higher weightage for these higher expenditure classes and are expected to be taxed at lower rates under the new tax regime. On the other hand,

Housing has lower weight among the high expenditure classes (consumption expenditure on housing primarily comprises of rent, which has a lower share of expenditure in 80-90% and 90-95% expenditure classes), and the sector is expected to see a higher tax incidence with GST in place. Figure 6 below gives the category-wise impact of GST on 80-90% and 90-95% population classes, based on MPCE. Food and beverages category has a negative impact, because under the proposed GST regime, lower taxation rates are expected to be in place on processed food such as confectionary and beverages, as compared to the current incidence. These items have a higher weight in the 80-90% and 90-95% classes' consumption basket, as compared to the average CPI basket.

*Figure 6: CPI Category-wise impact of GST on 80-90% and 90-95% population fractiles based on MPCE*



The analysis exhibits that the proposed GST is not going to heavily impact the price-levels experienced by a high fraction of population. The final pass-through of GST on actual price levels will be based on many other factors, such as the tax rate structure, settlement of administrative issues between central and state government, and the extent of passing on the input-tax credit to the consumers. Latest media reports suggest that the Central Government is considering adding an anti-profiteering clause in the draft GST law, to ensure that businesses pass-on the benefits to the consumers, resulting in lower retail prices (ET, 2016)<sup>7</sup>.

<sup>7</sup> Though how this is going to be achieved without violation of the freedom to operate a business, and whether it can be feasibly carried out with an ex-ante ceiling on the rate of profit by businesses is difficult to visualize. Any such provision would only negate the possible positive effects of GST on the ease of business conduct.

## 1.6 Beyond CPI

GST implementation aims to “revolutionize” the indirect tax regime in India. It is expected to lead to growth in productivity and higher tax revenues in the medium term, due to better compliance and effective administration (Moody’s, 2016). With smoother tax-credit mechanism in place, decisions such as location of ware-houses, and stocking and transportation of goods could be taken purely on the basis of operational convenience of the firm. Locational choices, as well as input-output choices, make-buy and outsourcing, besides scale and technology choices could then increasingly be determined on economic and geographical factors rather than on the perversities in the tax system. This could lead to significant savings for businesses. Also, with the elimination of way-bills, a key-hurdle in the movement of goods will be removed, leading to increased productivity. Similarly greater compliance could reduce the pressure to have high rates on those who perform pay. All these are possible only if the movement to a GST is true to the spirit. A movement to GST merely in name but not otherwise –as when there are many rates, RNR rates being set at the levels at which no state entity would lose, independent two tills, multiple registrations could negate all the hoped for gains. Additionally being destination based the fiscal incentive to support production of tradables both goods and services by regional (state) governments is considerably weakened which would have to be recognised explicitly. The inflation fears at least on the CPI measure of inflation are quite unfounded.

The fact that at the retail level a large part of retail is likely to be tax exempt is the real issue

## 1.7 Conclusion

- With the move towards multiple slab structure, the overall impact on inflation is expected to be moderate, at 0.6% on an average.
- Service sector is likely to see price rise by 0.3 to 0.8 per cent, as opposed to goods sector, where prices are expected to fall by 0.2-0.3 per cent.
- Housing, transport and communication sectors are expected to experience price increase, whereas FMCG and health care are expected to see prices decline.
- The impact of the proposed GST regime is expected to be moderate for a very high fraction of the population. It is expected that prices experienced by the very high expenditure class, with significant exposure to luxury and sin goods will be affected highly.

Ex-ante the likely impact of GST on inflation can be presumed to be small, as the proposed GST rates are based on the principle of Revenue Neutrality, which by definition ensures that the overall consumption expenditure is not affected significantly. However, smaller impacts are likely, through changes in the tax rates on items within the consumption basket which are brought out. For broad consumption categories even then the impacts are small.

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Appendix 1: CPI Items with weights

| Item Code       | Item   | All India Combined Weight (Base 2012) |
|-----------------|--|---------------------------------------|
| 1.1.01.1.1.01.P | rice – PDS                                       | 0.37094                               |
| 1.1.01.1.1.02.X | rice – other sources                             | 4.37809                               |
| 1.1.01.1.1.03.0 | chira  | 0.09524                               |
| 1.1.01.1.1.05.0 | muri   | 0.11109                               |
| 1.1.01.1.1.06.0 | other rice products                              | 0.01765                               |
| 1.1.01.1.1.07.P | wheat/ atta – PDS                                | 0.17389                               |
| 1.1.01.1.1.08.X | wheat/ atta – other sources                      | 2.56052                               |
| 1.1.01.1.1.09.0 | maida  | 0.03112                               |
| 1.1.01.1.1.10.0 | suji, rawa                                       | 0.09511                               |
| 1.1.01.1.1.11.X | sewai, noodles                                   | 0.03381                               |
| 1.1.01.1.1.12.0 | bread (bakery)                                   | 0.10816                               |
| 1.1.01.1.1.13.X | biscuits, chocolates, etc.                       | 0.88308                               |
| 1.1.01.1.1.15.0 | other cereals                                    | 0.00116                               |
| 1.1.01.1.1.16.0 | cereal substitutes: tapioca, etc.                | 0.04756                               |
| 1.1.01.2.1.01.X | jowar & its products                             | 0.22633                               |
| 1.1.01.2.1.02.X | bajra & its products                             | 0.11249                               |
| 1.1.01.2.1.03.X | maize & products                                 | 0.05711                               |
| 1.1.01.2.1.05.X | small millets & their products                   | 0.00024                               |
| 1.1.01.2.1.06.X | ragi & its products                              | 0.04578                               |
| 1.1.01.3.2.01.0 | grinding charges (S)                             | 0.3242                                |
| 1.1.02.1.1.01.0 | goat meat/mutton                                 | 0.79377                               |
| 1.1.02.1.1.02.X | beef/ buffalo meat                               | 0.26752                               |
| 1.1.02.1.1.03.0 | Pork   | 0.05177                               |
| 1.1.02.1.1.04.0 | Chicken  | 1.22723                               |
| 1.1.02.1.1.05.0 | others: birds, crab, oyster, tortoise, etc.      | 0.00557                               |
| 1.1.02.2.1.01.X | fish, prawn                                      | 1.26713                               |
| 1.1.03.1.1.01.0 | eggs (no.)                                       | 0.43085                               |
| 1.1.04.1.1.01.X | milk: liquid (litre)                             | 6.41886                               |
| 1.1.04.2.1.01.0 | baby food  | 0.02533                               |
| 1.1.04.2.1.02.X | milk: condensed/ powder                          | 0.04114                               |
| 1.1.04.2.1.03.0 | Curd   | 0.09422                               |
| 1.1.04.2.1.04.0 | other milk products                              | 0.02747                               |
| 1.1.05.1.1.01.0 | mustard oil                                      | 1.32678                               |
| 1.1.05.1.1.02.0 | groundnut oil                                    | 0.33277                               |
| 1.1.05.1.1.03.0 | coconut oil                                      | 0.07884                               |
| 1.1.05.1.1.04.0 | Refined oil [sunflower, soyabean, saffola, etc.] | 1.26238                               |
| 1.1.05.2.1.01.0 | Ghee   | 0.47445                               |
| 1.1.05.2.1.02.0 | Butter   | 0.01041                               |
| 1.1.05.2.1.03.0 | vanaspati, margarine                             | 0.07187                               |
| 1.1.06.1.1.01.0 | banana (no.)                                     | 0.5598                                |
| 1.1.06.1.1.02.0 | Jackfruit  | 0.00414                               |
| 1.1.06.1.1.03.0 | Watermelon                                       | 0.04684                               |
| 1.1.06.1.1.04.0 | pineapple (no.)                                  | 0.0037                                |
| 1.1.06.1.1.05.0 | coconut (no.)                                    | 0.26253                               |
| 1.1.06.1.1.06.0 | green coconut (no.)                              | 0.04587                               |
| 1.1.06.1.1.07.0 | Guava  | 0.08133                               |
| 1.1.06.1.1.08.0 | Singara  | 0.00211                               |
| 1.1.06.1.1.09.X | orange, mausami (no.)                            | 0.12518                               |
| 1.1.06.1.1.10.0 | Papaya   | 0.04744                               |
| 1.1.06.1.1.11.0 | Mango  | 0.32017                               |
| 1.1.06.1.1.12.0 | Kharbooza  | 0.01243                               |

|                 |                                 |         |
|-----------------|---------------------------------|---------|
| 1.1.06.1.1.13.X | pears/nashpati                  | 0.00054 |
| 1.1.06.1.1.14.0 | Berries                         | 0.00139 |
| 1.1.06.1.1.15.0 | Leechi                          | 0.00849 |
| 1.1.06.1.1.16.0 | Apple                           | 0.47018 |
| 1.1.06.1.1.17.0 | Grapes                          | 0.1534  |
| 1.1.06.1.1.18.0 | other fresh fruits              | 0.11939 |
| 1.1.06.2.1.01.0 | coconut: copra                  | 0.10068 |
| 1.1.06.2.1.02.0 | Groundnut                       | 0.28769 |
| 1.1.06.2.1.03.0 | Dates                           | 0.04157 |
| 1.1.06.2.1.04.0 | Cashewnut                       | 0.07743 |
| 1.1.06.2.1.05.0 | Walnut                          | 0.00271 |
| 1.1.06.2.1.06.0 | other nuts                      | 0.01424 |
| 1.1.06.2.1.07.X | raisin, kishmish, monacca, etc. | 0.05616 |
| 1.1.06.2.1.08.0 | other dry fruits                | 0.04598 |
| 1.1.07.1.1.01.0 | Potato                          | 0.98404 |
| 1.1.07.1.1.02.0 | Onion                           | 0.64409 |
| 1.1.07.1.1.03.0 | Radish                          | 0.07207 |
| 1.1.07.1.1.04.0 | Carrot                          | 0.09395 |
| 1.1.07.1.1.05.0 | garlic (gm.)                    | 0.31022 |
| 1.1.07.1.1.06.0 | ginger (gm.)                    | 0.19177 |
| 1.1.07.2.1.01.X | palak/other leafy vegetables    | 0.43849 |
| 1.1.07.3.1.01.0 | Tomato                          | 0.57488 |
| 1.1.07.3.1.02.0 | Brinjal                         | 0.36816 |
| 1.1.07.3.1.03.0 | Cauliflower                     | 0.24628 |
| 1.1.07.3.1.04.0 | Cabbage                         | 0.18139 |
| 1.1.07.3.1.05.0 | green chillies                  | 0.2789  |
| 1.1.07.3.1.06.0 | lady's finger                   | 0.28287 |
| 1.1.07.3.1.07.X | parwal/patal, kundru            | 0.09627 |
| 1.1.07.3.1.08.X | gourd, pumpkin                  | 0.23613 |
| 1.1.07.3.1.09.0 | peas (Vegetables)               | 0.1032  |
| 1.1.07.3.1.10.X | beans, barbate                  | 0.14247 |
| 1.1.07.3.1.11.0 | lemon (no.)                     | 0.12705 |
| 1.1.07.3.1.12.X | other vegetables                | 0.56483 |
| 1.1.07.4.1.01.0 | pickles (gm.)                   | 0.09465 |
| 1.1.07.4.1.02.0 | chips (gm.)                     | 0.00764 |
| 1.1.08.1.1.01.0 | arhar, tur                      | 0.79607 |
| 1.1.08.1.1.02.0 | gram: split                     | 0.19899 |
| 1.1.08.1.1.03.0 | gram: whole                     | 0.0948  |
| 1.1.08.1.1.04.0 | Moong                           | 0.34532 |
| 1.1.08.1.1.05.0 | Masur                           | 0.30213 |
| 1.1.08.1.1.06.0 | Urd                             | 0.27353 |
| 1.1.08.1.1.07.0 | peas (Pulses)                   | 0.06756 |
| 1.1.08.1.1.08.0 | Khesari                         | 0.01151 |
| 1.1.08.1.1.09.X | other pulses                    | 0.08299 |
| 1.1.08.2.1.01.0 | gram products                   | 0.02327 |
| 1.1.08.2.1.02.0 | Besan                           | 0.15725 |
| 1.1.08.2.1.03.0 | other pulse products            | 0.03066 |
| 1.1.09.1.1.01.P | sugar – PDS                     | 0.08755 |
| 1.1.09.1.1.02.0 | sugar - other sources           | 1.13403 |
| 1.1.09.1.1.03.0 | Gur                             | 0.10303 |
| 1.1.09.2.1.01.0 | candy, misri                    | 0.00117 |
| 1.1.09.2.1.02.0 | Honey                           | 0.00327 |
| 1.1.09.2.1.03.X | sauce, jam, jelly (gm.)         | 0.02341 |
| 1.1.09.3.1.01.0 | ice-cream                       | 0.01163 |
| 1.1.10.1.1.01.0 | Salt                            | 0.15947 |
| 1.1.10.1.1.02.0 | jeera (gm.)                     | 0.37183 |
| 1.1.10.1.1.03.0 | dhania (gm.)                    | 0.33415 |
| 1.1.10.1.1.04.0 | turmeric (gm.)                  | 0.49651 |
| 1.1.10.1.1.05.0 | black pepper (gm.)              | 0.13988 |
| 1.1.10.1.1.06.0 | dry chillies (gm.)              | 0.5751  |
| 1.1.10.1.1.07.0 | tamarind (gm.)                  | 0.14786 |
| 1.1.10.1.1.08.0 | curry powder (gm.)              | 0.1796  |
| 1.1.10.1.1.09.0 | oilseeds (gm.)                  | 0.09063 |
| 1.1.12.1.1.01.0 | tea: cups (no.) (S)             | 0.855   |
| 1.1.12.1.1.02.0 | coffee: cups (no.) (S)          | 0.01961 |

|                 |  |         |
|-----------------|--|---------|
| 1.1.12.2.1.01.0 | cooked meals purchased (no.) (S)   | 2.42472 |
| 1.1.12.3.1.03.X | prepared sweets, cake, pastry  | 0.55402 |
| 1.1.12.3.1.04.0 | papad, bhujia, namkeen, mixture, chanachur   | 0.45658 |
| 1.1.12.3.1.05.0 | other packaged processed food  | 0.0782  |
| 1.1.12.3.1.01.X | Cooked snacks purchased [samosa, puri, paratha, burger, chowmein, idli, dosa, vada, chops, pakoras, pao bhaji, etc.] (S) | 1.16057 |
| 1.2.11.1.1.01.0 | tea: leaf (gm.)  | 0.9578  |
| 1.2.11.1.1.02.0 | coffee: powder (gm.)   | 0.0587  |
| 1.2.11.2.1.01.0 | mineral water (litre)  | 0.01601 |
| 1.2.11.2.1.02.X | cold beverages: bottled/canned (litre)   | 0.0885  |
| 1.2.11.2.1.03.X | fruit juice and shake (litre)  | 0.05149 |
| 1.2.11.2.1.04.X | other beverages: cocoa, chocolate, etc.  | 0.08627 |
| 2.1.01.1.1.01.0 | country liquor (litre)   | 0.35366 |
| 2.1.01.1.1.02.0 | foreign/refined liquor or wine (litre)   | 0.40344 |
| 2.1.01.1.1.03.0 | toddy (litre)  | 0.05788 |
| 2.1.01.1.1.04.0 | beer (litre)   | 0.05932 |
| 2.1.01.1.1.05.0 | other intoxicants  | 0.07639 |
| 2.1.01.2.1.01.0 | pan: leaf (no.)  | 0.06396 |
| 2.1.01.2.1.02.0 | pan: finished (no.)  | 0.15533 |
| 2.1.01.2.1.03.X | ingredients for pan (gm.)  | 0.13113 |
| 2.1.01.3.1.01.0 | bidi (no.)   | 0.42638 |
| 2.1.01.3.1.02.X | cigarettes (no.)   | 0.22928 |
| 2.1.01.3.1.03.0 | leaf tobacco (gm.)   | 0.0999  |
| 2.1.01.3.1.04.0 | snuff (gm.)  | 0.00056 |
| 2.1.01.3.1.05.0 | hookah tobacco (gm.)   | 0.00581 |
| 2.1.01.3.1.06.0 | cheroot (no.)  | 0.00424 |
| 2.1.01.3.1.07.0 | Zarda, kimam, surti (gm)   | 0.04869 |
| 2.1.01.3.1.08.0 | other tobacco products   | 0.26361 |
| 3.1.01.1.1.01.0 | dhoti (no.)  | 0.07465 |
| 3.1.01.1.1.02.0 | saree (no.)  | 0.89661 |
| 3.1.01.1.1.03.X | shawl, chaddar (no.)   | 0.0823  |
| 3.1.01.1.1.04.0 | lungi (no.)  | 0.11463 |
| 3.1.01.1.1.05.0 | kurta-pajama suits: males (no.)  | 0.0553  |
| 3.1.01.1.1.06.X | shirts, T-shirts (no.)   | 0.56646 |
| 3.1.01.1.1.07.X | shorts, trousers, bermudas (no.)   | 0.55365 |
| 3.1.01.1.1.08.X | baniyan, socks, other hosiery and undergarments, etc.(no.)   | 0.49077 |
| 3.1.01.1.1.09.0 | kurta-pajama suits: females (no.)  | 0.22295 |
| 3.1.01.1.1.10.0 | frocks, skirts, etc. (no.)   | 0.15122 |
| 3.1.01.1.1.13.0 | school/college uniform: boys   | 0.1697  |
| 3.1.01.1.1.14.0 | school/college uniform: girls  | 0.1353  |
| 3.1.01.2.1.01.X | coat, jacket, sweater, windcheater (no.)   | 0.19627 |
| 3.1.01.2.1.02.0 | knitting wool (gm)   | 0.00029 |
| 3.1.01.3.1.03.X | cloth for shirt, pyjama, kurta, salwar, etc. (metre)   | 0.67661 |
| 3.1.01.3.1.04.X | cloth for coat, trousers, suit, etc. (metre)   | 0.42346 |
| 3.1.01.3.1.06.0 | clothing (first-hand): other   | 0.05151 |
| 3.1.01.3.1.07.0 | clothing: second-hand  | 0.01268 |
| 3.1.01.3.1.08.X | gamchha, towel,  | 0.17775 |

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|                 | handkerchief (no.)   |         |
| 3.1.01.3.1.09.X | headwear, belts, ties (no.)  | 0.01145 |
| 3.1.01.4.2.01.X | washerman, laundry, ironing  | 0.12458 |
| 3.1.01.4.2.02.X | Tailor   | 0.38901 |
| 3.1.02.1.1.01.X | leather boots, shoes   | 0.20891 |
| 3.1.02.1.1.02.X | leather sandals, chappals, etc.  | 0.18209 |
| 3.1.02.1.1.03.0 | other leather footwear   | 0.07541 |
| 3.1.02.1.1.04.X | rubber / PVC footwear  | 0.31248 |
| 3.1.02.1.1.05.0 | other footwear   | 0.17108 |
| 4.1.01.1.2.01.X | house rent, garage rent (S)  | 9.51042 |
| 4.1.01.2.2.01.X | residential building & land (cost of repairs only) (S)                   | 0.28319 |
| 4.1.01.2.2.02.X | water charges (S)  | 0.16136 |
| 4.1.01.2.2.03.0 | watch man charges (other cons taxes) (S)                                 | 0.11478 |
| 5.1.01.1.1.01.0 | electricity (std. unit) (S)  | 2.26042 |
| 5.1.01.2.1.01.X | LPG [excl. conveyance]   | 1.28621 |
| 5.1.01.3.1.01.P | kerosene – PDS (litre)   | 0.34162 |
| 5.1.01.3.1.02.0 | kerosene – other sources (litre)   | 0.20712 |
| 5.1.01.3.1.04.0 | diesel (litre) [excl. conveyance]  | 0.00243 |
| 5.1.01.3.1.05.0 | other fuel   | 0.18412 |
| 5.1.01.4.1.01.0 | Coke   | 0.01073 |
| 5.1.01.4.1.02.0 | firewood and chips   | 2.06755 |
| 5.1.01.4.1.03.0 | Coal   | 0.03865 |
| 5.1.01.4.1.04.0 | Charcoal   | 0.00229 |
| 5.1.01.4.1.05.0 | dung cake  | 0.44196 |
| 6.1.01.1.1.01.0 | Bedstead   | 0.05715 |
| 6.1.01.1.1.02.0 | almirah, dressing table  | 0.03343 |
| 6.1.01.1.1.03.X | chair, stool, bench, table   | 0.01531 |
| 6.1.01.1.1.06.0 | other furniture & fixtures (couch, sofa, etc.)                           | 0.02471 |
| 6.1.01.1.1.07.0 | bathroom and sanitary equipment  | 0.00221 |
| 6.1.01.1.1.09.X | carpet, daree & other floor mattings                                     | 0.00152 |
| 6.1.01.2.1.01.0 | bed sheet, bed cover (no.)   | 0.18315 |
| 6.1.01.2.1.02.0 | rug, blanket (no.)   | 0.0732  |
| 6.1.01.2.1.03.X | pillow, quilt, mattress (no.)  | 0.04733 |
| 6.1.01.2.1.04.X | cloth for upholstery, curtains, tablecloth, etc. (metre)                 | 0.00187 |
| 6.1.01.2.1.05.0 | mosquito net (no.)   | 0.01258 |
| 6.1.01.2.1.06.X | bedding: others  | 0.00055 |
| 6.1.01.3.1.01.X | air conditioner, air cooler  | 0.05368 |
| 6.1.01.3.1.02.0 | Inverter   | 0.04317 |
| 6.1.01.3.1.03.0 | sewing machine   | 0.00077 |
| 6.1.01.3.1.04.0 | washing machine  | 0.02372 |
| 6.1.01.3.1.05.X | stove, gas burner  | 0.00001 |
| 6.1.01.3.1.06.0 | Refrigerator   | 0.09167 |
| 6.1.01.3.1.07.0 | electric fan   | 0.01542 |
| 6.1.01.3.1.08.0 | water purifier   | 0.00939 |
| 6.1.01.3.1.09.X | electric iron, heater, toaster, oven & other electric heating appliances | 0.00232 |
| 6.1.01.3.1.10.0 | other cooking/ household appliances                                      | 0.00539 |
| 6.1.01.3.1.12.0 | other durables (specify)....   | 0.00432 |
| 6.1.01.4.1.01.X | stainless steel utensils   | 0.17955 |
| 6.1.01.4.1.02.0 | pressure cooker/ pressure pan  | 0.00023 |
| 6.1.01.4.1.03.0 | other metal utensils   | 0.0127  |
| 6.1.01.4.1.05.0 | other crockery & utensils  | 0.01247 |

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| 6.1.01.4.1.06.0 | Earthenware  | 0.02858 |
| 6.1.01.4.1.07.0 | Glassware  | 0.00143 |
| 6.1.01.5.1.01.X | electric bulb, tubelight   | 0.18174 |
| 6.1.01.5.1.02.0 | plugs, switches & other electrical fittings                        | 0.00391 |
| 6.1.01.5.1.03.0 | electric batteries   | 0.01063 |
| 6.1.01.5.1.04.0 | Torch  | 0.04562 |
| 6.1.01.5.1.05.0 | Lock   | 0.0014  |
| 6.1.01.6.1.01.X | bucket, water bottle/ feeding bottle & other plastic goods         | 0.06602 |
| 6.1.01.6.1.02.0 | coir, rope, etc.   | 0.0038  |
| 6.1.01.6.1.03.0 | washing soap/soda/powder   | 0.86658 |
| 6.1.01.6.1.04.0 | other washing requisites   | 0.11649 |
| 6.1.01.6.1.05.X | incense (agarbatti), room freshener                                | 0.2037  |
| 6.1.01.6.1.06.0 | flower (fresh): all purposes                                       | 0.09094 |
| 6.1.01.6.1.07.0 | mosquito repellent, insecticide, acid etc.                         | 0.12291 |
| 6.1.01.6.1.08.0 | matches (box)  | 0.08463 |
| 6.1.01.6.1.09.0 | candle (no.)   | 0.03267 |
| 6.1.01.6.1.10.0 | other petty articles   | 0.15756 |
| 6.1.01.7.2.01.X | domestic servant/cook (S)  | 0.63912 |
| 6.1.01.7.2.03.0 | Sweeper (S)  | 0.04121 |
| 6.1.01.7.2.05.0 | Monthly Maintenance charges (S)                                    | 0.03951 |
| 6.1.01.7.2.07.X | other consumer services excluding conveyance (S)                   | 0.15721 |
| 6.1.02.1.2.05.X | hospital & nursing home charges (S)                                | 0.44057 |
| 6.1.02.2.1.01.X | medicine (non-institutional)                                       | 4.01148 |
| 6.1.02.2.1.03.X | family planning devices  | 0.00021 |
| 6.1.02.2.1.04.0 | Spectacles   | 0.0561  |
| 6.1.02.2.2.06.0 | other medical expenses (non-institutional)                         | 0.11599 |
| 6.1.02.2.2.07.0 | doctor's/ surgeon's fee-first consultation (non-institutional) (S) | 0.79049 |
| 6.1.02.2.2.08.X | X-ray, ECG, pathological test, etc. (non-institutional) (S)        | 0.47597 |
| 6.1.03.1.1.01.0 | motor car, jeep  | 0.48053 |
| 6.1.03.1.1.02.X | motor cycle, scooter   | 0.79266 |
| 6.1.03.1.1.03.0 | bicycle(without accessories)                                       | 0.13011 |
| 6.1.03.1.1.05.X | tyres & tubes  | 0.07221 |
| 6.1.03.2.1.01.0 | petrol for vehicle   | 2.18697 |
| 6.1.03.2.1.02.0 | diesel for vehicle   | 0.148   |
| 6.1.03.2.1.03.X | lubricants & other fuels for vehicle                               | 0.05002 |
| 6.1.03.2.2.04.0 | other conveyance expenses  | 0.00985 |
| 6.1.03.3.2.01.X | railway fare (S)   | 0.18495 |
| 6.1.03.3.2.02.0 | bus/tram fare (S)  | 1.36717 |
| 6.1.03.3.2.03.X | taxi, auto-rickshaw fare(S)  | 0.56825 |
| 6.1.03.3.2.04.0 | rickshaw (hand drawn & cycle ) fare (S)                            | 0.04553 |
| 6.1.03.3.2.05.0 | horse cart fare (S)  | 0.00386 |
| 6.1.03.3.2.06.0 | school bus, van, etc. (S)  | 0.24583 |
| 6.1.03.3.2.07.0 | air fare (normal): economy class(adult) (S)                        | 0.07722 |
| 6.1.03.3.2.08.0 | steamer, boat fare (S)   | 0.00043 |
| 6.1.03.3.2.09.0 | porter charges (S)   | 0.00199 |
| 6.1.03.4.1.01.0 | mobile handset   | 0.13506 |
| 6.1.03.5.2.01.0 | telephone charges: landline* (S)                                   | 0.17064 |
| 6.1.03.5.2.02.X | telephone charges: mobile  | 1.83916 |

|                 |   |         |
|-----------------|---|---------|
|                 | (S)   |         |
| 6.1.03.5.2.03.0 | internet expenses (S)   | 0.08004 |
| 6.1.04.1.1.01.X | radio, tape recorder, 2-in-1  | 0.00345 |
| 6.1.04.1.1.02.0 | Television  | 0.16209 |
| 6.1.04.1.1.03.0 | VCR/VCD/DVD player  | 0.00579 |
| 6.1.04.1.1.05.X | camera & photographic equipment   | 0.003   |
| 6.1.04.1.1.06.X | PC/ Laptop/ other peripherals incl. software                                    | 0.11073 |
| 6.1.04.1.1.07.0 | CD, DVD, audio/video cassette, etc  | 0.00469 |
| 6.1.04.1.1.11.0 | goods for recreation and hobbies  | 0.00156 |
| 6.1.04.1.1.12.X | sports goods, toys, etc.  | 0.11243 |
| 6.1.04.1.1.14.X | newspapers, periodicals   | 0.18135 |
| 6.1.04.1.2.04.0 | Photography (S)   | 0.02008 |
| 6.1.04.1.2.08.0 | VCD/ DVD hire (incl. instrument) (S)  | 0.0028  |
| 6.1.04.2.2.01.0 | cinema: new release(normal day)   | 0.1307  |
| 6.1.04.2.2.02.0 | monthly charges for cable TV connection (S)                                     | 0.82005 |
| 6.1.04.2.2.04.0 | library charges (S)   | 0.00002 |
| 6.1.04.2.2.05.0 | other entertainment   | 0.11324 |
| 6.1.04.2.2.06.0 | club fees (S)   | 0.00146 |
| 6.1.04.2.2.07.0 | hotel lodging charges(S)  | 0.00904 |
| 6.1.05.1.1.02.X | books, journals: first hand   | 0.55902 |
| 6.1.05.1.1.04.X | stationery, photocopying charges (S)  | 0.388   |
| 6.1.05.2.2.01.X | Tuition and other fees (school, college, etc.) (S)                              | 2.89814 |
| 6.1.05.2.2.02.X | private tutor/ coaching centre (S)  | 0.57665 |
| 6.1.05.2.2.03.0 | other educational expenses (incl. fees for enrolment in web-based training) (S) | 0.04018 |
| 6.1.06.1.1.01.0 | toilet soap   | 0.63817 |
| 6.1.06.1.1.02.X | toothpaste, toothbrush, comb, etc.  | 0.35605 |
| 6.1.06.1.1.03.X | powder, snow, cream, lotion and perfume   | 0.39324 |
| 6.1.06.1.1.04.X | hair oil, shampoo, hair cream   | 0.45016 |
| 6.1.06.1.1.05.X | shaving blades, shaving stick, razor  | 0.09756 |
| 6.1.06.1.1.06.X | shaving cream, aftershave lotion  | 0.04408 |
| 6.1.06.1.1.07.0 | sanitary napkins  | 0.08921 |
| 6.1.06.1.1.09.X | clock, watch  | 0.00017 |
| 6.1.06.1.1.10.X | suitcase, trunk, box, handbag and other travel goods                            | 0.00161 |
| 6.1.06.1.1.11.X | umbrella, raincoat  | 0.06197 |
| 6.1.06.1.1.12.X | lighter (bidi/ cigarette/ gas stove)  | 0.00029 |
| 6.1.06.1.1.14.X | any other personal goods  | 0.00003 |
| 6.1.06.2.1.01.0 | Gold  | 1.08035 |
| 6.1.06.2.1.02.0 | silver  | 0.11175 |
| 6.1.06.2.1.04.0 | other ornaments   | 0.01157 |
| 6.1.06.3.2.01.X | barber, beautician, etc. (S)  | 0.5517  |