

GST will lead to lower tax burden in medicaments

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The roll out of Goods and Services (GST) Tax will bring benefits to the consumers due to reduced tax rates on various commodities such as medicaments and medical devices, etc.

There will be lesser tax burden in case of Medicaments, including Ayurvedic, Unani, Siddha, Homeopathic or Bio-chemic systems also. 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

Similarly, 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%.