

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2770
ANSWERED ON – 25.03.2025

EXEMPTING MEDICINES AND MEDICAL GOODS FROM GST

2770. SMT. JEBI MATHER HISHAM:

Will the Minister of Finance be pleased to state:

- (a) whether Government is considering removing GST on all medicines and medical goods to reduce out-of-pocket healthcare expenses, if so, the proposed timeline;
- (b) whether Government has observed that Jan Aushadhi outlets impose GST on the MRP of medicine, whether directives would be issued to prevent this practice;
- (c) whether current legislation allows the imposition of GST on the MRP of medicines, the details thereof;
- (d) whether Government will exempt GST on medicines, consumables, and food provided to inpatients in hospitals, the implementation timelines thereof; and
- (e) State/UT-wise data on GST collected from medicines and medical goods over the past five financial years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): GST rates and exemptions are prescribed on the recommendations of the GST Council which is a constitutional body comprising of members from Union and State/UT governments. There is no such recommendation of the Council.

(b) and (c): GST is imposed on Jan Aushadhi medicines as per the provisions of the GST Acts and the decisions of the GST Council, with the applicable tax included in the MRP of the medicines. The Pharmaceuticals & Medical Devices Bureau of India (PMBI) follows these provisions when determining the MRP, ensuring that all medicines are sold at a fixed price across India, inclusive of the respective GST slab. As per GST Acts, GST is levied on the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

(d): GST rates and exemptions are prescribed on the recommendations of the GST Council which is a constitutional body comprising of members from Union and State/UT governments. However, health care services by a clinical establishment, an authorised medical practitioner or para-medics are fully exempt from GST, where room charges do not exceed Rs 5000 per day per patient. In addition, food supplied to in-patients is also exempt as part of composite supply of such health care services.

(e): State/UT wise data on GST collected from medicines and medical goods for the period from 2019-20 to 2023-24 is enclosed as Annexure.

Annexure to RS Unstarred PQ 2770

Rs in Crores

State	2019-20	2020-21	2021-22	2022-23	2023-24
Jammu and Kashmir	139.41	138.55	157.62	172.39	196.16
Himachal Pradesh	522.88	487.36	448.80	348.63	451.66
Punjab	409.03	413.84	426.03	436.31	578.50
Chandigarh	38.61	32.81	44.02	52.67	57.96
Uttarakhand	213.51	188.44	211.62	205.18	238.55
Haryana	338.44	426.58	530.77	570.29	690.82
Delhi	383.57	388.35	763.25	473.10	531.36
Rajasthan	188.86	184.20	307.53	348.47	403.35
Uttar Pradesh	743.59	744.80	933.18	981.59	1,123.81
Bihar	99.30	113.94	171.90	204.54	225.99
Sikkim	1,716.40	1,740.99	1,993.06	2,182.23	2,415.51
Arunachal Pradesh	0.96	2.87	0.68	1.01	2.16
Nagaland	2.11	1.71	2.40	3.75	5.28
Manipur	3.43	3.15	3.54	3.50	4.35
Mizoram	0.80	0.99	1.06	1.23	1.04
Tripura	7.08	4.97	7.24	8.29	9.07
Meghalaya	9.29	8.51	10.00	11.75	7.84
Assam	336.30	422.55	517.88	583.58	663.92
West Bengal	352.44	371.64	429.34	476.65	592.33
Jharkhand	35.08	42.62	60.14	64.59	70.72
Odisha	77.45	82.69	114.46	121.36	141.09
Chattisgarh	32.44	38.11	58.93	57.81	63.43
Madhya Pradesh	199.04	216.44	293.32	253.95	343.84
Gujarat	408.42	412.28	566.43	548.01	711.92
Daman and Diu	29.79	6.37	-	-	-
Dadra and Nagar Haveli	8.38	25.79	37.47	24.19	40.69
Maharastra	889.67	827.93	1,385.46	1,208.74	1,309.46
Karnataka	362.45	430.18	498.17	517.04	684.60
Goa	127.56	93.54	101.39	113.51	109.56
Lakshadweep	-	0.00	0.00	-	0.00
Kerala	258.58	266.01	357.43	435.80	482.55
Tamil Nadu	528.95	478.69	680.80	733.29	817.36
Puducherry	19.96	28.63	37.93	34.84	32.61
Andaman and Nicobar Islands	0.50	0.59	0.69	0.78	0.96
Telangana	236.17	259.02	360.74	329.35	390.12
Andhra Pradesh	141.22	156.93	209.15	198.89	216.06
Ladakh	0.00	0.07	0.11	0.27	1.85
Total	8,861.70	9,042.13	11,722.52	11,707.56	13,616.48

Source: GSTN

Note: Data is for CTH 3003 to 3006 and 9018 to 9022. The percentage contribution to each sector using figures from Table-12 of GST return for each GSTIN and each Return Period has been calculated. The figures have been apportioned from GSTR 3B (taxable value and Cash Used) to get contribution for each GSTIN, return period and aggregate.