

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

STARRED QUESTION NO.*177

TO BE ANSWERED ON MONDAY THE 14TH MARCH, 2022
PHALGUNA 23, 1943 (SAKA)

GST ON DIAMONDS AND LIFE SAVING MEDICINES

***177. DR. T.R.PAARIVENDHAR:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently reduced the Goods and Services Tax (GST) to 0.25 per cent from the existing 3 per cent for diamond industry;

(b) if so, the details thereof;

(c) whether the Government has any proposal to reduce/exempt GST on any other products particularly life saving medicines both imported and Indian made medicines;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

ANSWER

MINISTRY OF FINANCE
(MS. NIRMALA SITHARAMAN)

(a), (b), (c), (d) and (e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.*177 RAISED BY DR. T.R. PAARIVENDHAR FOR 14TH MARCH, 2022 REGARDING GST ON DIAMONDS AND LIFE SAVING MEDICINES

(a) and (b): GST rates on various commodities are prescribed based on the recommendation of the GST Council comprising members of both the Union and the States. At the roll out of GST, the Council had recommended 0.25% GST rate on non-industrial rough diamonds and 3% GST rate on all other diamonds including industrial rough diamonds and cut and polished diamonds. Subsequently, on the basis of recommendations of GST Council, GST rate was reduced from 3% to 0.25%, initially for industrial rough diamonds (with effect from 22.09.2017) and later, for all other diamonds including cut and polished diamonds (with effect from 25.01.2018). Since then, GST rate on diamonds have remained unchanged.

(c), (d) and (e): GST rates on all goods including Life Saving Medicines are prescribed on the recommendations of GST Council. A large number of lifesaving medicines are already at the lower rate of 5%. Others attract 12% GST rate. Further, certain exemptions from IGST to a few pharmaceutical products have also been given as follows:

- (i) Imports of Medicines/drugs/vaccines supplied free of cost by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an International Organization subject to specified conditions.
- (ii) Imported Lifesaving Medicines for personal use supplied free of cost by overseas supplier, subject to specified conditions.
- (iii) Zolgensma and Viltepso medicines used against Spinal Muscular Atrophy, a life-threatening disease affecting especially children, when imported for personal use.