

Healthcare and Pharmaceutical sector

- Overview – Impact of GST Rate changes

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01

Relief on Medicines and Pharmaceuticals





Key Changes

Relief on Medicines and Pharmaceuticals

Impact on Patients

- ❑ GST on essential medicines has been reduced from **12% to 5% or Nil**.
- ❑ GST on Medicines, including Ayurvedic, Unani, homoeopathic siddha or Bio-chemic systems medicaments, put up in retail sale reduced from **12% to 5%**.
- ❑ GST on oncology drugs reduced **from 12% to NIL**
- ❑ Tax on services for bio- medical waste disposal is down from **12% to 5%**.
- ❑ GST on **job- work** in pharmaceutical manufacturing is **now 5%, down from 12%**.

Impact on Industry

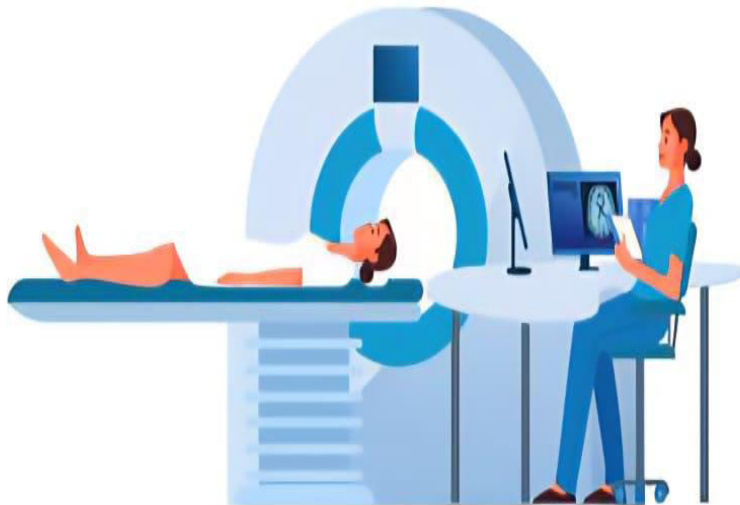
- ❑ Cutting the tax on manufacturing services (job- work) lowers production costs for pharmaceutical companies.
- ❑ Supports India's role as the "Pharmacy of the World" while ensuring affordability at home.



MRI



X-RAY



CT SCAN



ULTRASOUND

02

Reduction on Medical Devices & Equipment

Key Changes

Reduction on Medical Devices & Equipment

Lowering Treatment Costs

- ❑ GST on critical medical products like anesthetics, medical- grade oxygen, diagnostic kits, glucometers, and thermometers has been reduced **from 12% to 5%.**
- ❑ GST on all the machines and equipment in hospitals that use X-rays or radiation for scanning, diagnosis, or treatment reduced from **12% to 5%.**

Improving Access in Smaller Cities

Encourages healthcare facilities in Tier- 2 and Tier- 3 cities to upgrade their infrastructure bringing quality healthcare closer to more people.



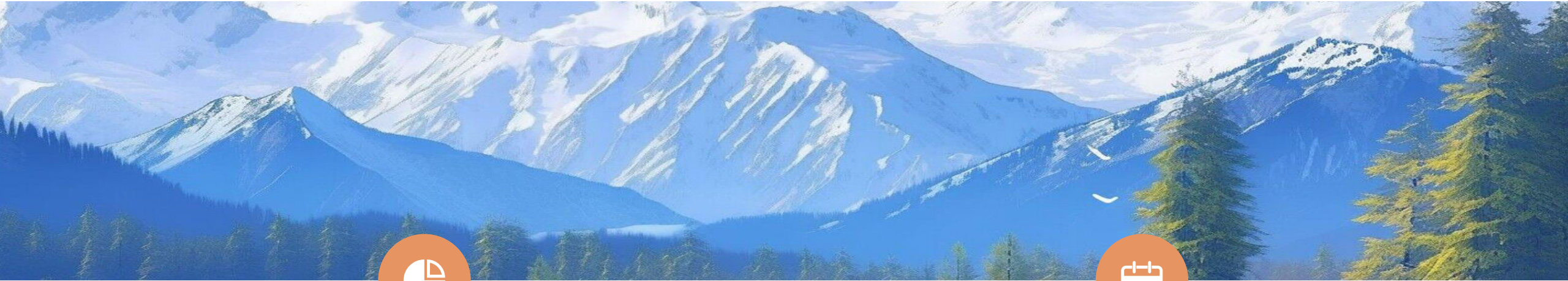


03

Affordable Vision Care

Key Changes

Affordable Vision Care



Societal Benefit

GST on spectacles, spectacle lenses and contact lenses has been reduced from **12% to 5%**.



Economic Benefit

Proper vision is linked to higher productivity and safety at work.



04

Wider Insurance Coverage



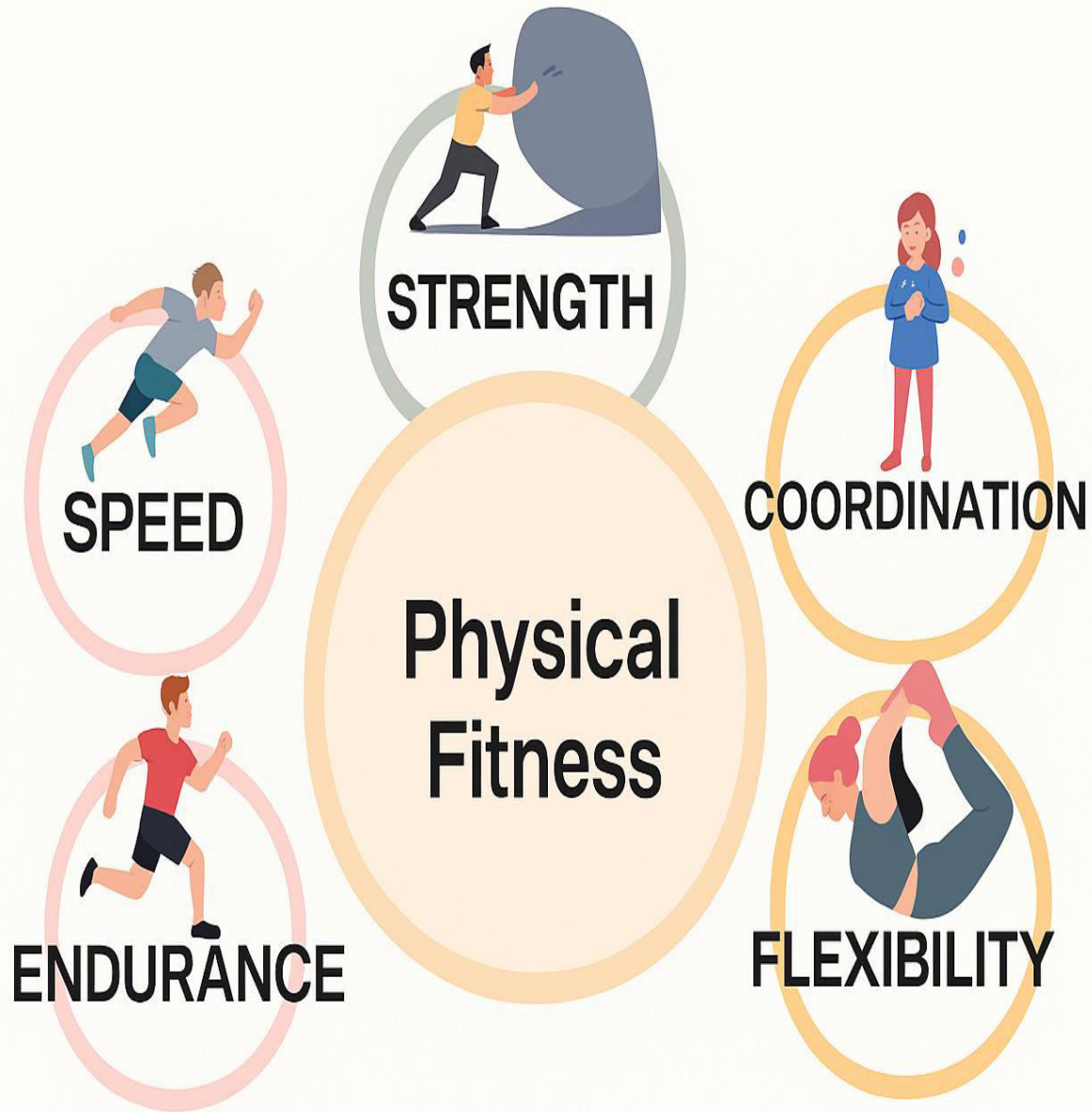
Wider Insurance Coverage

Incentivizing Protection

- ❑ GST has been fully exempted on premiums for individual health insurance policies, including family floater and senior citizen plans.
- ❑ GST has been fully exempted on premiums for individual Life insurance policies, including reinsurance thereof.
- ❑ GST reduced **from 18% to Nil**.

Reducing Out-of-Pocket Expenses

- ❑ This Encourages middle- class families to buy health coverage.
- ❑ With more people insured, fewer families will have to pay for hospitalizations from their savings.
- ❑ This will also help the vision of the government in achieving universal health coverage.



06

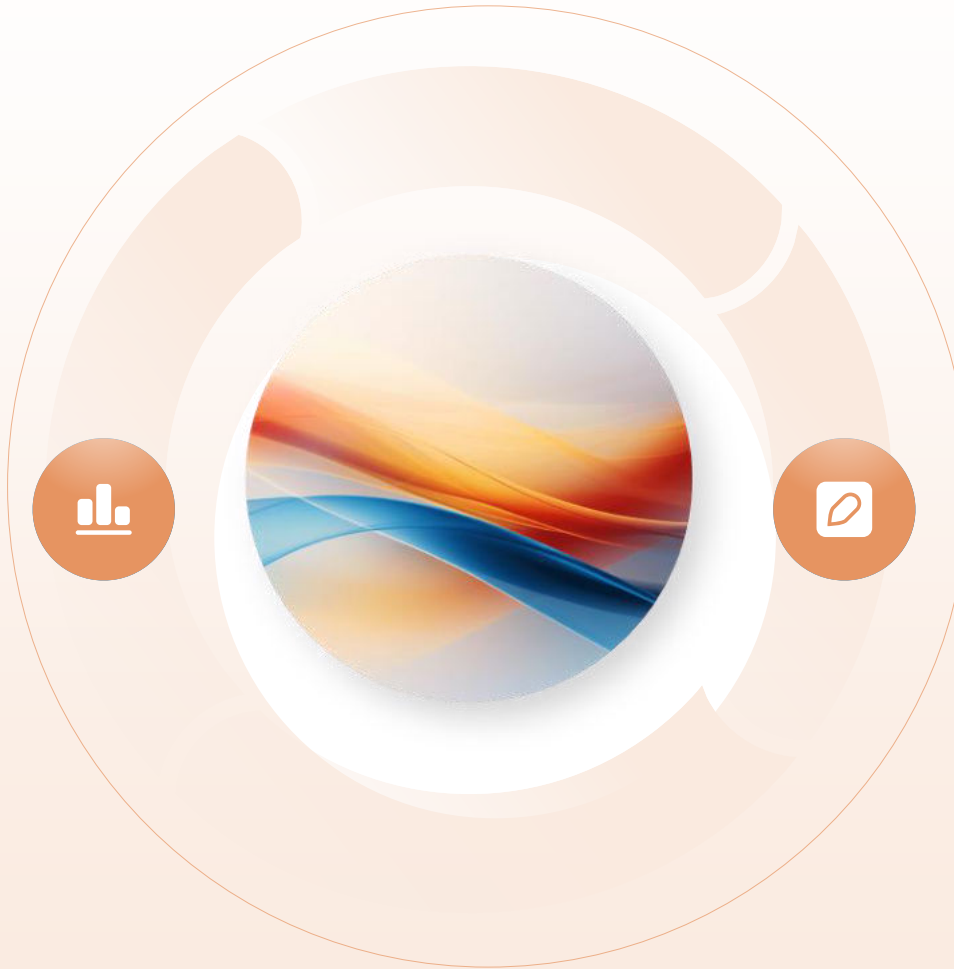
Fitness and Preventive Health

Key Changes

Fitness and Preventive Health

Making Fitness Affordable

GST on gyms and fitness centers has been significantly reduced from 18% to 5% without ITC.



Long-Term Vision

A fitter population leads to a lower incidence of lifestyle diseases.



07

Facilitation of Trade



Key Changes

Facilitation of Trade

Provisional Refund on Inverted Duty Structure – Key Benefits for Pharma Sector

Unlocking Working Capital

- 90% provisional refund enables faster release of eligible funds
- Reduces cash blockage due to accumulated Input Tax Credit (ITC)

Lowering Interest Burden

- Timely refunds lessen the need for external borrowing
- Direct savings on interest costs boost profit margins

Improved Cash Flow

- Frees resources for R&D, procurement, and manufacturing
- Smoothens day-to-day business operations

Catalyst for Growth & Investment

With improved cash flow and reduced financial pressure, pharmaceutical companies can direct more resources toward expansion initiatives, innovation programs, and long-term investments that strengthen the sector's contribution to public health.

Disclaimer

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