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Effect of GST on pharma products and economy of India: A review

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GST is an indirect tax system which takes account consumption done through sale, manufacture, and consumption of goods & services at a national level which mainly involves companies, industries, and services. The GST rates for medicines were decided by the GST Council. GST is levied under 5 different rates, namely NIL, 5%, 12%, 18% and 28% based on the HSN code of the item. GST is expecting to have a positive impact on the Indian Pharmaceutical Industries as it will decrease the manufacturing cost since eight different taxes are levied in the pharmaceutical industries helps in easy going business. Beside some positive impact, there are some negative impacts also. According to the revised list issued by the National Pharmaceutical Pricing Authority (NPPA), prices of most drugs have come down, which includes a list of antibiotics and drugs for treating Cancer, HIV, Diabetes. GST also affects the Business Strategy of Pharmaceutical Companies. From this article, people from different stream should aware of all the advantages and disadvantages of GST.