

No GST Council meeting until after poll results

Despite multiple state government requests, sources say meet unlikely before end of May

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PEOPLE will have to keep on paying high Goods and Services Tax (GST) on essential medicines, PPE kits, ventilators, etc, since the Union finance ministry has ruled out any emergency GST Council meeting until well after the poll results for five major states are announced. This, despite multiple requests from states such as Chhattisgarh and Maharashtra to hold an urgent GST Council meeting to reduce GST rates on essentials used in Covid treatment.

While the central government has reduced customs duty on such items recently, some attract high GST rates—in some cases, as high as 18 per cent.

However, with election results awaited for five states, the finance ministry is in no mood to hold any meeting until the end of May or the first week of June. "We got the request, but the GST meeting has to wait. We cannot hold GST meeting right now before new governments are elected in the states. There is a system to hold meetings," a senior official in the finance ministry told this publication.

It is important to note that the GST Council, chaired by

finance minister Nirmala Sitharaman, has not met since October 2020. During that meeting, it had met to discuss raising GST compensation for states in light of the hit on revenues arising from the pandemic. It had decided to meet again during the month, but that meeting was later postponed and hasn't been held yet.

Meanwhile, a plea has been filed before the Supreme Court seeking an exemption from GST for Covid-19 drugs, including Remdesivir, Tocilizumab, Favipiravir, and medical equipment used for Covid-19 care.

The plea, filed by NGO Public Policy Advocates, says: "The Act empowers the Central Government to exempt goods or services, or both, from the tax leviable... it is necessary in the public interest".

Given the unprecedented demand for these medicines and equipment on the market currently, there are already widespread reports of black marketing, and hoarding of such drugs and other medical equipment. India reported 3,79,257 new Covid-19 infections and 3,645 new deaths on Thursday, with total active cases in the country crossing 18 million.



Plea filed in Supreme Court

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