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GST exemption for products used by differently abled people

Specified assistive devices, rehabilitation aids and other goods for differently abled people attract the lowest (non-Nil) GST rate of 5%. Most of the inputs for such goods attract 18% GST. Nil GST on any goods zero rates inputs, while domestic goods continue to bear input taxes. Further, for any goods which attract GST rate (other than Nil) which is lower than the inputs for such goods, the Central Goods and Services Tax Act, 2017 (GST law) provides for refund of accumulated input tax credit. Thus, 5% GST on assistive devices, rehabilitation aids, their manufacturers would enable their domestic manufacturers to claim refund of any accumulated Input Tax Credit. That being so, the 5% concessional GST rate on these devices/equipment would result in reduction of the cost of domestically manufactured goods, as compared to the pre-GST regime.

As against that, if these devices/equipments are exempted from GST, then while imports of such devices/equipments would be zero rated, domestically manufactured such devices/equipments will continue to bear the burden of input taxes, increasing their cost and resulting in negative protection for the domestic value addition.

This was stated by Shri Santosh Kumar Gangwar, Minister of State for Finance in written reply to a question in Rajya Sabha today.

DSM/SBS/KA