

An Empirical Study On Gst Post Epidemic In The Healthcare Industry

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Abstract:

The Healthcare industry is one of the world's largest and fastest-growing industries. India's public expenditure on healthcare stood at 1.2% as a percentage of the GDP. Due to covid 19 situation was high from 2020 to 2022 spending on healthcare products was rapidly increasing and the intensification of production of healthcare products and services was also equally increasing. On the other hand, GST played a powerful contribution to the cost of products, while covid 19 economic crisis was in peak so cost of the living has questionably affected the public as well as the industrialist. Which eventually led to getting subsidies and guidance from the government regarding the tax payment and tax rate reduction. The research in this paper examines the impact of the GST tax rate and its influence directly and indirectly on the cost of products and services. The methodology has been used for this research paper is a fully concentrated pharmaceutical manufacturing industry, retail outlets and healthcare service centres in Chennai city. To have better clarity, responses of 127 healthcare industrialist was taken for data analysis. For analysis of the data, the one-way ANOVA, Correlation of coefficient, Friedman test and Manova was performed by using SPSS. It is found that the pandemic effect has the strongest significance followed by the democratization effect on the healthcare sector towards the cost of the products and services which is influenced by many indirect factors in which the GST plays an important role. GST and government played an equal role in the cost of the healthcare product. The results of the study will help the government of India as well as the healthcare sector to chalk out the facilities, awareness, satisfaction, improvement needed in the role of government in rendering the subsidies during the pandemic closure. The outcome will also help in the better way of governing the needs of the healthcare sector in this type of situation endeavour. The results of the proposed study indicate that during the pandemic situation the struggle went through the healthcare sector and guidance support was rendered by the government of India in the field of taxation. During these uncertain times usage of healthcare products is been rapidly increasing and intensely the cost of the product and services are indirectly and directly affected. This study shows the importance of government awareness and the rendering of the subsidiaries in the healthcare sector that will be benefited from it.

Keywords: GST, MSME, healthcare sector, awareness, pandemic Covid 19.

Introduction:

Healthcare has become one of India's largest sectors, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. (IBEF) The Indian pharmaceutical sector contributes about 2 per cent to India's GDP and around 8 per cent to the

country's total merchandise exports. (Drivers of Indian Pharmaceutical Exports*, n.d.)

Regarding the approval of the 122nd Amendment Bill, the Constitution (One Hundred and First Amendment) Act of 2017 was enacted. The GST is controlled by the GST Council, which is chaired by India's Finance Minister. Goods and services are taxed at the following rates: 0%, 5%, 12%, 18%, and 28% under the GST. (Pazir, n.d.) the anticipation that the new taxation structure would be able to help

India's economy grow and make a significant shift from unorganised to organised. In the event of rising tax rates, it directly affects consumer purchasing power. If tax rates are within the appropriate tax structure, it has an impact on consumer purchasing power.(Srinivasan P, n.d.)

Since a result of the GST, all healthcare and pharmaceutical firms must invest more in their production costs, as raw material costs have increased by 7%, necessitating a change in product MRP to absorb the impact. When it comes to the overall impact of GST on the end consumer, because manufacturing costs range from 10-15% of the product MRP, the GST impact on the end consumer is less than 1% by cutting C&F costs while paying higher GST on the finished product, resulting in a total net impact of almost 4% to the end consumer. (Gautam et al., 2019)

Stock returns, the exchange rate between the Indian rupee (INR) and the US dollar (USD), and foreign institutional investor (FII) net inflows are all used to measure the impact of the COVID-19 outbreak on the Indian financial market. The goal is to compare the outcomes of COVID-19's effects with those of two other key economic policy events in India: demonetization (November 8, 2016) and the installation of the Goods and Services Tax (November 8, 2016). (Mishra et al., 2020)

The government must guarantee that the measures reach every player in the MSME sector by implementing appropriate procedures and tracking mechanisms. MSMEs had a long and difficult path ahead of them, but prompt and effective governmental interventions and actions that address the core causes of the crisis and uncertainty are critical. It is critical to emphasize that Covid-19 is a crisis with an uncertain outcome; the government and businesses in every sector must collaborate and assist one another in order for businesses and economies to recover quickly.(Sipahi, 2020)

Literature Review:

In research paper impact of tax on developing countries with special reference to GST India states that The Goods and Services Tax would ensure that tax administration is free of corruption and transparent. Direct taxation has a limited scope in poor countries, while indirect taxation plays a large role. GST enables India

to negotiate better terms in international trade forums. In the short term, it may have an impact on economic growth due to a variety of factors, including a lack of public knowledge. The purpose of the Goods and Service Tax is to broaden the tax base by bringing small and medium businesses and the unorganised sector into compliance. This change will make the Indian market more secure and sustainable than previously, allowing Indian enterprises to compete with global firms. (Srinivasan P, n.d.). In the other word due to the Covid 19 it changed Indian economy and the trading ability of the MSME's which changed the economic stability. To tackle the problems faced by the MSME (healthcare industry) many steps been taken by the government which was discussed in the research established in the impact of goods and services tax (GST) on various sectors in India the manufacturing sector is now cheaper, and the tax cascade effect has been eliminated. The government's strategy is to get more people to pay taxes rather than have people pay higher taxes. GST Network was also established to address information technology challenges relating to GST registration, return filing, and payment. Infosys has been chosen to deliver Managed Services (MSP). The impact of GST on various sectors and businesses has been examined in the research. (Krishna Goswami & Agrawal, 2017)In the above paper work it is specified that after GST implementation in India healthcare and the pharma sector made rationalize their supply chain. Though there is an advantage of the compressing 8 taxes in to one tax and it also expected the manufacturing cost of the healthcare product is will be less. For the support of above contest the research paper on impact of GST on service sector discussed that it will level the playing field for generic medicine manufacturers, boost medical tourism, and simplify the tax code. If there is any cause for concern, it is with the pricing structure (as per latest news). The pharmaceutical industry is looking for a tax break because it will make affordable healthcare more accessible to all.(Board & Sajjan, n.d.)

In the paper on GST & its impact on various industries elaborately convey the favourable impact on the pharmaceutical industry because there were previously several taxes on medicine, but under the new regime,

As the study is interested in both the influence of the Indian government on the discourse and healthcare sectors. The research paper is completely structured with the primary data collected from the healthcare sector such as clinics, pharmaceutical companies and pharmaceutical retail outlets. In this paper the target respondents were set as healthcare sectors in the Chennai city. In Chennai major

Small company owners are likewise more interested in creating and participating in training than in seeking remedy for grievances through the use of consumer protection laws. Furthermore, the planned GST model's technical and complication has been a major factor in the preparation to be GST ready. The findings of multiple regression analysis revealed that there are five variables to consider. GST boosts the state's and country's revenue growth. The government should streamline and simplify the tax structure; GST boosts state and national income growth. The government should rationalise and simplify the tax structure; GST will avoid the cascading effect in the indirect tax regime; GST will aid in better conformity and revenue resilience; GST will bring uniformity with only two tax rates; GST will result in a good administration of tax structure; GST will result in a good administration of tax structure; GST will result in a good administration of tax structure; GST will result in a good administration of tax

structure; GST will result in a good administration of tax structure; GST will result in (13, n.d.) In the above study states that the finding is the most of the respondents were also not willing to support and accept the implantation of GST. Through the Ho field of experience and the awareness about GST in the healthcare sector is been tested.

H_{0b} There is no significance difference among field experience with Satisfaction about GST among the MSME owners.

H_{1b} There is a significance difference among field experience with Satisfaction about GST among the MSME owners.

In the study of perception of MSMEs towards favourable aspects of Goods and Service Tax (GST) in India states that the findings of this study have a good chance of being universally applicable in India's semi-urban areas, however the results may vary depending on the level of education in the state. As a result, using education level as a variable in a study of MSMEs' perceptions of GST could become a new topic of research for future academics. Furthermore, taking into account the same positive elements while simultaneously inculcating the negative aspects as dependent variables to examine the adaptability of GST among MSMEs after three years of GST might be a new research study for other researchers. (Meher & Gupta, n.d.)

H_{0c} There is no significance difference among field experience with changes in economic conditions after covid in healthcare sector.

H_{1c} There is a significance difference among field experience with changes in economic conditions after covid in healthcare sector.

In the historical evidence for economic effects of COVID – 19 research study Many countries' economies will undoubtedly deteriorate, with worldwide consequences, some of which are already evident. The labour market contractions are really severe. Existing labour market disequilibria may worsen as a result of the process, and this should be treated seriously. Rather than offering money to employees, this might be accomplished through assisting companies. Retailers and supermarket companies have been confronted with a problem. Stores can use internet channels, but decreased offline buying will still have a

negative impact on labour market dynamics. As a result, either employment in the retail industry must be acquired or other options must be explored. Most countries must plan for the connection between agriculture and food sectors and the retail sector in order to accommodate underqualified labour. (Ceylan et al., 2020)

H_{0d} There is no relationship between Level of Satisfaction about GST among the MSME owners and Role of Government during covid 19.

H_{1d} There is a relationship between Level of Satisfaction about GST among the MSME owners and Role of Government during covid 19.

The above hypothesis is been support by the research paper in the perception and impact of goods and services tax on micro, small and medium enterprises dictates that the perception of the GST implementation among MSMEs is closely related to the type of establishment; that is, perception differs amongst micro, small, and medium businesses. The acceptance of the GST, on the other hand, is consistent across all types of businesses. We've also seen a link between GST awareness, GST satisfaction, and the impact on business. Though there may be a few businesses that are unaffected by the huge impact of GST, this is likely due to a lack of expertise and knowledge about the new tax regime.

H_{0e} There is no relationship between level of awareness and role of government in creating awareness.

H_{1e} There is a relationship between level of awareness and role of government in creating awareness.

In the paper gives a support for the hypothesis created states in an analytical study of awareness and perception towards GST amongst traders in rural areas stated that traders support the adoption and implementation of GST, it's important to pay attention to the concerns they've voiced. More concerning is the fact that just about half of the respondents have signed up for the new system, with the majority relying on their advisors to do so. The lack of knowledge, along with antipathy toward reforms, may stymie the system's rapid implementation, particularly in small towns

where competent authorities have yet to develop and implement any orientation programmes.(Tesda & Barhate, 2017)

Awareness about GST	Field experience				F Value	P value
	1 year	2-5	5-10	Above 10		
Method of pay	3.88 (1.31)	3.77 (1.324)	3.97 (1.150)	3.33 (1.352)	1.57 (1.298)	0.2
Tax Rate	3.44 (1.263)	3.47 (0.882)	3.69 (0.965)	3.28 (0.914)	1.021 (0.966)	0.386
Filling Application	3.13 (1.025)	2.53 (0.909)	2.34 (0.937)	2.83 (1.159)	2.759 (1.028)	0.045*
Filling Enclosure	3.35 (1.000)	2.63 (1.001)	2.59 (1.043)	2.81 (1.283)	1.529 (1.105)	0.210
Procedure of application	2.81 (1.047)	2.79 (1.081)	2.72 (1.224)	3.25 (1.251)	1.498 (1.171)	0.218
Pro for approach authority	2.88 (1.088)	2.81 (1.160)	2.72 (1.250)	3.17 (1.276)	0.899 (1.207)	0.444
Tax system SGST	3.19 (1.167)	3.35 (1.307)	3.25 (1.164)	3.19 (1.305)	0.123 (1.242)	0.946
Tax system CGST	3.25 (1.065)	3.26 (1.364)	3.38 (1.157)	3.33 (1.265)	0.072 (1.238)	0.975
Tax system IGST	3.31 (1.041)	3.30 (1.337)	3.53 (1.016)	3.39 (1.248)	0.246 (1.189)	0.864

In the research paper social economic impact of COVID – 19 outbreaks in India states that with the uncertainty of a new recession and economic crisis, critical situations like these demand for strong and robust governance in health, business, government, and society at large. For individuals who may fall between the gaps, immediate support measures must be

H_{0f} There is no significant difference among changes in economic conditions after covid in healthcare sector.

H_{1f} There is a significant difference among changes in economic conditions after covid in healthcare sector.

Table 1: One way ANOVA for significant difference among field experience with awareness about GST

implemented and updated. To stabilise and motivate the economy throughout current recession, mid- and long-term initiatives are essential.(Sandeep Kumar et al., 2020).

Finding & Discussion:

*Denote 5% level of significant

H_{0a} There is no significance difference among field experience with awareness about GST.

H_{1a} There is a significance difference among field experience with awareness about GST.

P value is Below 0.5 (0.045) hence we rejecting the null hypotheses at 5% level of significant therefore There is a significance difference among field experience with awareness about GST. According to table 1 H_{1a} is expected stating that due the ministry of micro, small & medium enterprises have the knowledge management system which is created by the ministry for imparting knowledge to the MSME's owners and managers. Central board of indirect taxes & customs also has awareness program named GST Awareness campaign which gives full information "how GST has simplified compliance for taxpayers" and full details of the forms, challan and annexures which has to be included while tax filling is fully demonstrated in the campaign. Therefore, government gives lots of awareness campaign for providing information to the owners, managers and more experienced person in the MSME sectors knows more information about the GST method of payment whose experience more than 5 to 10 years in the field (3.97). Tax rate awareness which is been revised once in a while by the Government of India is also known by the experienced people from 5 to 10 years as owners (3.69). Filling application is mostly done by the new owners in MSME for GST proceeding purpose so the new owners of the field is less than a year have quiet good

knowledge (3.13). As filling enclosure is also involved with the filling application so the less than a year experienced owner in the MSME (3.35). Though filling application is done by the new owners fully the procedure for the application is well known by the owners above 10 years experiences (3.25). Procedure for approaching the authority in the GST filling purpose is known well by the experienced owners of above 10 years (3.17). About tax system of SGST the owners of 2 to 5 years of experience are aware (3.35), about tax system

of CGST the owners of 5 to 10 years are aware (3.38) and finally, about tax system of IGST the owners of 5 to 10 years are aware (3.53).

*Denote 5% level of significant

H_{0b} There is no significance difference among field experience with Satisfaction about GST among the MSME owners.

H_{1b} There is a significance difference among field experience with Satisfaction about GST among the MSME owners.

Table 2: One way ANOVA for significant difference among field experience with Satisfaction about GST among the MSME owners.

Satisfaction about GST	Field experience				F Value	P value
	1 year	2-5	5-10	Above 10		
About Tax	3.25 (0.856)	3.09 (1.130)	3.03 (1.121)	3.19 (1.037)	0.217 (1.062)	0.884
Filling & procedure	3.06 (1.181)	3.07 (1.142)	2.63 (1.238)	2.86 (1.268)	0.944 (1.207)	0.421
Authority approaches	2.94 (1.181)	2.44 (0.983)	3.00 (1.107)	2.69 (1.037)	1.977 (1.068)	0.121
Changes in tax over a time	3.13 (1.408)	2.79 (1.301)	2.75 (1.295)	2.31 (1.091)	1.875 (1.271)	0.137
Variation of tax rate	3.00 (1.317)	2.91 (1.360)	2.91 (1.228)	2.75 (1.273)	0.176 (1.285)	0.913

P value is ABOVE 0.5 hence we accepting the null hypotheses at 5% level of significant therefore There is no significance difference among field experience with Satisfaction about GST among the MSME owners. According to table 2 the field experience of owning or managing the MSME company of less than a year will not have satisfaction about the GST due to introduction to the new system is hard to adapt and follow the system (3.25). The filling and procedure of the GST is complicated process when there is a lack of awareness, usually filling of tax for GST will start from the second year of commencement of the business so there is no satisfaction of the GST filling and procedure for the experienced owners of 2 to 5 years (3.07) The relationship between experienced of 5 to 10 years is not satisfaction with the authority procedure of the Tax department (GST) (3.00). Tax changes over the time to time when the financial committee is

been held. New comers as owners' find difficult to accept the changes of the tax slabs frequently so the owners less than a year (3.13). Variation of the tax rate is also a big barricade for the satisfaction of the GST tax payment for the experience less than a year for the owners of the MSME (3.00).

*Denote 5% level of significant

H_{0c} There is no significance difference among field experience with changes in economic conditions after covid in healthcare sector.

H_{1c} There is a significance difference among field experience with changes in economic conditions after covid in healthcare sector.

Table 3: One way ANOVA for significant difference among field experience with changes in economic conditions after covid in healthcare sector.

	Field experience				F Value	P value
	1 year	2-5	5-10	Above 10		
Reducing healthcare affordability	3.19 (1.223)	2.65 (1.152)	3.31 (1.230)	3.00 (1.069)	2.208 (1.175)	0.091
Retrenchment of workers	3.50 (1.095)	3.09 (1.231)	2.97 (1.121)	2.92 (1.156)	1.017 (1.167)	0.388
Obstacles to the growth of business	2.69 (1.195)	2.93 (1.121)	3.13 (1.264)	3.03 (1.207)	0.523 (1.185)	0.667
18% of GST rate in healthcare	3.50 (1.366)	3.12 (1.331)	3.06 (1.268)	3.06 (1.351)	0.482 (1.318)	0.695
Input Tax Credit necessary	2.75 (1.125)	3.05 (1.253)	2.22 (1.099)	2.69 (1.327)	2.811 (1.249)	0.042*

P value is ABOVE 0.5 (0.042) hence we rejected the null hypotheses at 5% level of significance therefore There is a significance difference among field experience with changes in economic conditions after covid in healthcare sector. According to table 3 the reducing the healthcare affordability changes when the person who owns the experience of 5 to 10 years as managers of the MSME (3.31).

The experience as managers' and employees of MSME company or manufacturing were at risk of retrenchment of workers during the covid pandemic situation. The persons who have experience less than a year had retrenchment of work due to poor economic condition in the county (3.50). Due to bad economic all the business were finding hard to cope with that so many manufacturing and service sector was closed permanently or temporarily. Experienced owner of more than 5 years of holding the company did wend up the firm due to bad economy in the country (3.13). 18% of GST rate in healthcare definitely affected more customer and manufacturing

company who had to spend money on the health care product for manufacturing and consuming in the pandemic situation. The healthcare products were high consumed and manufactured during the covid 19 situation but at the same the GST rate of the items is 18% which made the product of the healthcare sector high and decrease in consumption and manufacturing. The experience of less than a year as an owner for the healthcare company found difficult to get customer on the high price on the product and service (3.50). Input tax credit necessary for all the healthcare items which is been wanted by the owners and employees when they pay more amount as tax. Above working experience of two years is said to be expecting the input tax credit necessary for the healthcare sector.

Table 4: Correlation Coefficient between Satisfaction about GST among the MSME owners and government role during after covid – 19.

Level of satisfaction	Role of government				
	Subsidies during covid 19 in GST	Exemption for Filing of Tax	Medicine tax rate reduction	Allowance by government	Control of retrenchment
About tax system	0.226*	0.023	0.066	0.107	0.040
Filing & Procedure of Tax	0.008	0.353**	0.326**	0.155	0.016
Authority approaches	0.248**	0.184*	0.262**	0.004	0.111

Time to Time change in Tax Rate	0.011	0.002	0.013	0.082	0.007
Variation of Tax rate in different products	0.162	0.027	0.110	0.121	0.076

*Denote 5% level of significant

** Denote 1% level of significant

H_{0d} There is no relationship between Level of Satisfaction about GST among the MSME owners and Role of Government during covid 19.

H_{1d} There is a relationship between Level of Satisfaction about GST among the MSME owners and Role of Government during covid 19.

P value is Below 0.5 and 0.1 hence we rejecting the null hypotheses at 5% & 1% level of significance therefore There is a relationship between level of satisfaction about GST among the MSME owners and role of government during covid 19. According to table 4 Tax system and subsidies during covid 19 in GST had a relationship stating that subsidies provided by the government or not considered to be the change in the level of satisfaction. As government steps forward to take action such as proposed action and issues of financial/statutory compliances Deliberate with the Ministry of Finance about lowering the GST rate on raw materials to offset some of the price increases. Relaxation of legislative requirements such as timely filing of GST returns, prompt refunds of GST payments, and other measures are required (0.226).(carina, n.d.) Filling and procedure of tax and

Exemption for filling of the tax has a relationship accepted that there are many exemptions was made by the central board of direct taxes (CBDT). During the current COVID-19 epidemic, the Central Board of Direct Taxes of the Government of India provides further relief to taxpayers by extending the deadlines for certain compliances. From June 30th, 2021 until various dates, the CBDT has extended the deadlines for 18 types of income-tax compliances. Notifications from June 25th, 2021 (0.353). (India Filings) Medicine tax rate reduction concentrate on the oxygen concentrators and drugs used to treat COVID 19 such as 5% and 12 – 18% (0.326). (dnaindia) Authority approached towards the subsidies during covid 19 in GST, exemption for filling of tax and medicine tax rate reduction was effective during the pandemic situation for all the healthcare sector which is been provided only for the sectors where there is no input tax credit can be availed indicated by the central board of excise and customs department. Input tax credit does not apply to tax deducted at source. The amount deducted, however, will be credited to the deduction's electronic cash ledger (after being accepted by the deducted in his Form GSTR-2A) and can be used to pay output tax. (CENTRAL BOARD OF EXCISE & CUSTOMS [Www.Cbec.Gov.in](http://www.Cbec.Gov.in) SECTORAL SERIES Government Services, n.d.)

Table 5: Correlation Coefficient between level of awareness and role of government in creating awareness.

Level of awareness	Role of government				
	Subsidies during covid 19 in GST	Exemption for Filing of Tax	Medicine tax rate reduction	Allowance by government	Control of retrenchment
Method of Paying Tax	0.095	0.079	0.072	0.099	0.122
Tax Rate of Products	0.067	0.111	0.050	0.073	0.103

Filing Application	0.024	0.045	0.001	0.001	0.076
Filing Enclosures	0.102	0.175*	0.010	0.049	0.229**
Procedure of Application	0.057	0.169	0.087	0.141	0.131
Procedure Approaches of Authorities	0.092	0.009	0.012	0.198*	0.074
tax system SGST	0.211*	0.016	0.041	0.163	0.034
tax system CGST	0.118	0.048	0.036	0.063	0.068
tax system IGST	0.221*	0.026	0.003	0.142	0.020

*Denote 5% level of significant

** Denote 1% level of significant

H_{0e} There is no relationship between level of awareness and role of government in creating awareness.

H_{1e} There is a relationship between level of awareness and role of government in creating awareness.

P value is Below 0.5 and 0.1 hence we rejecting the null hypotheses at 5% & 1% level of significance therefore There is a relationship between level of awareness and role of government in creating awareness. In this case, dismissing employees or reducing wages would exacerbate the crisis, weakening not only the employee's financial situation but also their morale in the face of the epidemic. As a result, you are requested to give the relevant notification to all employers/owners of

businesses in the state. (File 1, n.d.) Allowance by the government and procedure approaches of authorities have a relationship in budget 2022 GST is been reduced to 5% to encourage people to buy health cover, exempt small – ticket insurance products. (budget) Tax system SGST & IGST with Subsidies during covid 19 in GST stated that protecting one's health comes first in the hierarchy of necessities, and with the coming pandemic, health insurance is more important than ever. Health insurance is a necessary item that should be included in the 5% GST tax bracket to make quality healthcare more affordable. A considerable drop in the GST on all personal lines of products, from 18% to 5%, will encourage more people to purchase health insurance. It should be exempted for senior citizens.

Table 6: Friedman Test among changes in economic conditions after covid in healthcare sector.

Factor	Mean rank	Chi-square	P value
Reducing healthcare affordability	2.88	7.923	0.094*
Retrenchment of workers	3.22		
Obstacles to the growth of business	3.18		
18% of GST rate in healthcare	2.81		
Input Tax Credit necessary	2.91		

*Denote 5% level of significant

H_{0f} There is no significant difference among changes in economic conditions after covid in healthcare sector.

H_{1f} There is a significant difference among changes in economic conditions after covid in healthcare sector.

P value is Below 0.5(0.094) hence we rejecting the null hypotheses at 5% level of

significant. Therefore, there is a significance difference among changes in economic conditions after covid in healthcare sector. Retrenchment of workers (3.22) was the highest threat for the employees and owners of the healthcare system as a result of COVID-19's issues, businesses and research should recognise the particular obstacles and obligations that childless and single personnel confront. Organizations may choose to start tackling this problem by taking a more inclusive and, as a result, innovative approach to supporting all employees, taking into account various forms of family status. Human resource managers, for example, may want to focus on improving relationship-oriented HR systems to combat the increased risk of isolation among childless and single employees, as well as better prepare them for unanticipated events (like the current crisis) that can lead to feelings of loneliness and social exclusion. Employees can use relationship-oriented HR tools to strengthen links both inside and outside the company. (Kehoe R.R.) Obstacles to the growth of business (3.18) There is a market risk. Along with the outbreak of the epidemic, market demand will undergo significant structural changes in the short term, with demand for basic household products and medical supplies increasing significantly while demand for non-essential things decreases. Residents' propensity to consume has often decreased during the period of epidemic prevention and control. Risk in the supply chain Enterprises require external help, which logistics and transportation supply. Most governments throughout the world have taken appropriate measures to rigorously control local traffic logistics following the start of the virus in order to avoid its rapid spread.(Chen et al., 2021). Input Tax Credit necessary (2.91) According to AAR, the Input Tax Credit (ITC) on medications used to deliver outpatient health care services should be prohibited. Furthermore, if the drugs are delivered to the health care services in an unconventional manner, the petitioner is entitled to an income tax credit for the taxes paid on the unconventional pharmaceutical supply. "The input tax credit does not have to be restricted on medications delivered to others, i.e., customers who are neither inpatients nor outpatients, because no health care services are provided and the recipient is obligated to pay tax on such outward supply of medicines," says the report.

(saginfortech). Reducing healthcare affordability (2.88) Mechanisms are needed to assure the affordability and long-term financing of COVID-19 vaccines in low- and middle-income nations, which account for roughly 85% of the world population and may lack the financial capacity to purchase sufficient vaccine supplies. 18 and 19 Even in high-income nations, it is critical to ensuring that impoverished and marginalised groups have access to COVID-19 vaccines.(Wouters et al., 2021). 18% of GST rate in healthcare (2.81) Because of the ambiguity regarding the GST rates applicable on Fibre Drums due to their peculiar construction (partially corrugated), the Council decided that supplies of such Fibre Drums, even if made at a rate of 12 percent GST (during the period from 1.7.2017 to 30.9.2021), would be treated as fully GST-paid for the period prior to 1.10.2021. As a result, there would be no action to recover the difference tax (over and above the 12 percent already paid). However, because this decision was made solely to clarify prior practise in light of ambiguity, as explained in para 14.1, no refund of GST already paid at 18 percent would be authorised.(Circular No. 163_18_2021_GST, n.d.)

Conclusion and suggestions:

Due to covid 19 economy was very steep and took many months to recover from the bad economy which affected many sectors in India. Main sector which has to be running during the pandemic situation in all terms was the healthcare sector. All the services and products which they produce to the society was unaffordable due to the pricing of the product increased by many sources directly and indirectly. Some of the sources which the healthcare sector affected were cost of the product, increase in GST rate, lack awareness of the subsidies rendered by the government, lack of easy approaches to the authority about GST filling and procedures and many more. There are many factors affecting the structure of the healthcare sector, in that Internal risks are used in this article to refer to the conditions under which businesses can continue production and operations. Employees are the most immediate victims of COVID-19 because they are a company's most valuable asset. The labour force's efforts, which have resulted in isolation, casualties, and even death as a result

of the pandemic, have resulted in a labour shortage to some level, which surely affects enterprise output and operations and External risk, The policy environment in which businesses operate is referred to as external circumstances. when governments from many nations assess the reality of COVID-19, this is the most important step toward actually attaining epidemic prevention and control. During the COVID-19 prevention and control period, the Chinese government introduced a number of initiatives to help businesses overcome operational challenges, including tax reductions and exemptions, loan discounts, and financial subsidies, all of which yielded impressive results.(Chen et al., 2021). Both internal and external risk was the risks which can be taken by the government to straight up the GST and COVID – 19 impacts on the healthcare sector.

The pharmaceutical industry is at peace because formerly, eight distinct types of taxes were enforced, but now only one (one) tax would be applied. GST would aid the pharmaceutical industry in streamlining its supply chain. With the removal of CST, the main benefit for businesses would be a reduction in overall transaction costs (Central sales tax). It is also anticipated that manufacturing expenses will be reduced. The rise in the use of life-saving medications, on the other hand (for cancer, kidney ailments, etc). The government has authorised the sale of Pre-GST MRP products until supplies run out. However, a new rate of 12 percent (essential medications) and 5% (insulin and critical care items) would apply to new manufacture of these products.(Krishna Goswami & Agrawal, 2017). For recovery of the healthcare sector on its products and services government of India for a particular period of time it has reduced the GST rate from 12% to 5% on the health insurance so that the public and healthcare sector will be able to recover.

COVID 19 causes devastating losses in working hours and employment in many sectors all over India. When comes to healthcare sector huge losses are expected across different income groups but especially in upper-middle income countries (7.0 per cent, 100 million full-time workers). This far exceeds the effects of the 2008-9 financial crisis. To overcome the retrenchment of the employer's international

labour organization suggested that retrenchment of employers will affect the society and the employer's family welfare so indirectly it will leave a scar of the lives of billions of people. It was suggested that "We will all fail if one country fails. We need to create solutions that benefit all parts of our global community, especially those who are most vulnerable or least capable of helping themselves." (International labour organisation)

Beauty treatment, plastic surgery, rent a cab, life insurance, health insurance and others ITC is not available on food, beverages, club membership fees, beauty treatment, plastic surgery and others. However, ITC will be available if the category of inward and outward supply is same or the component belongs to a mixed or composite supply under GST. Also, it will be available if it is obligatory for an employer to provide the same to its employees under any law for the time being in force. (ITC regime). ITC was exempted for the healthcare services and products which made difficult during pandemic situation. During epidemic the expenditure on the products and raw materials was very high due to trade and economic was very steep so availing ITC would made easy on the producers and the consumers of the healthcare product.

The research on the impact due to implementation GST on the healthcare sector during pandemic situation which made effect because of the cost and pricing effect. Cost and price of the product was directly and indirectly affected due to reasons like awareness remedies taken by the government by the owners and managers in healthcare sectors. This paper states analysis, interpretations, suggestions and conclusions regarding the GST influence on the cost and price of the healthcare products and services.

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