

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2049
ANSWERED ON:03.08.2001
UNIFORM RATE OF SALES TAX ON DRUGS
JASWANT SINGH YADAV;RAJESH VERMA

Will the Minister of FINANCE be pleased to state:

- (a) whether his ministry has circulated uniform floor rate of sales tax on 19 August, 2000 where bulk drugs are categorized at 4 percent sales tax ;
- (b) if so, the details in this regard ;
- (c) whether this uniform rate of sales tax for bulk drugs has not been implemented by various States leading to imbalances in industrial production of bulk drugs in other States ; and
- (d) if so, the steps taken by the Government to rectify this anomaly ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b) : The Empowered Committee of State Finance Ministers set up to monitor implementation of the decision regarding uniform floor rates of sales-tax has placed bulk drugs under 4% category .

(c)&(d) : Most of the States have already implemented the decision regarding uniform floor rates of sales-tax. It was, however, decided in the Conference of Chief Ministers/Finance Ministers of States held on 5.7.2001 that the Government of India would be taking steps to withhold Central assistance and grants to States/UTs not complying with this decision by 31.7.2001.