

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:1825  
ANSWERED ON:07.03.2000  
DRUG INDUSTRY  
GADDE RAMAMOCHAN

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a): the action taken so far to make the drug industry a self-reliant and export –oriented industry; and
- (b): the investments and incentives proposed for the vigorous research and breakthrough innovations to strengthen this industry ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (b): The action taken to make the drug industry self-reliant and export-oriented, inter-alia, include: (a) setting up of the National Institute of Pharmaceutical Education and Research for training and educating research-oriented scientists; (b) setting up of the National Pharmaceutical Pricing Authority, which is at an arm's length from the Government and fixes prices in transparent manner; (c) setting up of an export cell in the Deptt. of Chemicals & Petrochemicals which is assisting pharmaceutical exporters; and (d) prompt recognition to R&D centres in pharmaceutical companies.

(b): The important incentives given for research and development, inter-alia, include: (a) weighted tax deduction @ 125% for sponsored research programmes in approved national laboratories/universities etc.; (b) exempting from price control a new drug which has not been produced elsewhere and which has been developed through indigenous R&D; and (c) exemption from customs duty to research equipment imported by public- funded and non-commercial institutions.