

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6972
ANSWERED ON:07.05.2010
RECOGNITION OF ANTI-CANCER DRUGS AS LSD
Sugumar Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received requests from some drug company/companies for the Tax waiver for clinical trials of anti-cancer drugs as the life saving drug;
- (b) if so, the details thereof and response of the Government there from;
- (c) whether the industry also asked for the creation of a robust regulatory mechanism and world class accreditation agency and also to put clinical studies under the ambit of service tax exemption; and
- (d) if so, the details thereof and the steps taken by the Government in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

- (a)&(b) No Sir. Government has not received any request from drug company/companies for the Tax waiver for clinical trials of anti-cancer drugs as the life saving drug. There is no excise duty on clinical trials. Clinical trials are also fully exempt from service tax with effect from 01.03.2007 vide notification No. 11/2007-Service tax, dated 01.03.2007. Further, no income tax is levied on expenditure on clinical trials of anti-cancer drugs by the drug companies, hence the question of tax waiver under direct taxes does not arise.
- (c) No such request has been received.
- (d) Does not arise in view of (c) above.