

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

UNSTARRED QUESTION NO:1534  
ANSWERED ON:18.11.2010  
PRICES OF LIFE SAVING MEDICINES  
Ganpatrao Shri Jadhav Prataprao

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

- (a) whether the prices of life saving drugs have increased immensely due to taxes and tariffs;
- (b) if so, the details alongwith reasons therefor; and
- (c) the details of the reduction made in the taxes and tariffs to keep the life saving drugs accessible to the poor patients during the last three years and the current year?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) No, Sir.

(b) Question does not arise.

(c) In the recent past, the Government has reduced the rate of excise duty twice on Drugs & Pharmaceuticals from 16% to 8% vide notification no. 4/2008 - CE dated 01.03.2008 and subsequently from 8% to 4% vide notification no. 58/2008 - CE dated 07.12.2008. The reduction in the excise duty has resulted in reduction in the prices of scheduled drugs and formulations, the prices of which are fixed by the National Pharmaceutical Pricing Authority (NPPA) under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 1995). Whenever rates of excise duty, custom duty etc. are revised, the NPPA issues a notification quantifying the impact on the prices of scheduled drugs and formulations fixed by it. In case of medicines out of price control, i.e. non scheduled drugs/formulations, NPPA also issues advisories to drug companies to pass on the benefits to the consumers whenever there is reduction in excise duty etc.