

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

STARRED QUESTION NO:243

ANSWERED ON:18.08.2011

PERFORMANCE OF PHARMACEUTICAL SECTOR

Chavan Shri Harischandra Deoram

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

- (a) the percentage of growth rate in the pharmaceutical industry in the country during each of the last three years and the current year;
- (b) the foreign investment made in the said industry during the said period;
- (c) whether the Government has taken fresh steps and policy decisions to boost the performance of pharmaceutical sector in the context of globalization; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION  
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d): A statement is laid on the Table of the House.

Statement refer to in reply to parts (a) to (c) of Lok Sabha Starred Question No. 243 answered on 18th August, 2011 regarding Performance of Pharmaceutical sector.

(a) : The growth rate of Indian pharmaceutical industry during 2007-08 to 2009-10 is as under:

Year      Turnover (in Rs. Crores)      Growth rate

2006-07	70309	
2007-08	81706	16.2%
2008-09	93887	14.9%
2009-10	104209	11%

(b) : Department of Industrial Policy & Promotion has informed that during 2008-09 to 2010-11 the following Foreign Direct Investment (FDI) was received in the Pharmaceutical sector:

Sl.No      Financial Year      FDI (in Rs. Crore)      FDI (in US\$ Million)

1.	2008-09	810.12#	181.61#
2.	2009-10	1,006.29	213.08
3.	2010-11	961.09	209.38

# = The figure does not include the FDI received from the sale of RANBAXY

(c) & (d): The Government has been taking various measures in helping the growth of Pharmaceutical industry. A scheme for Schedule W compliance by SSI Units in Pharma Sector under the overall umbrella of Credit Linked Subsidy Scheme (CLCSS) is being operated by Department of Pharmaceutical in collaboration with Ministry of MSME. Under the scheme, the Pharma SSI units are

eligible to get 15% (upto Rs. 15.00 lakhs) upfront capital subsidy on an institutional finance for an amount upto Rs. 1.00 crore to be availed by them for inclusion of well established and improved technology to make themselves Schedule IM' complaint. 246 Drugs and Pharmaceuticals enterprises have benefited from the scheme.

Besides this, the excise duty on medicines was reduced from 16% to 8% and further to 4%. In the last Union Budget, 2011-12 it was increased to 5%. Some parts of the country have also been declared as tax exempt areas. To encourage Pharma innovation and Research & Development, income tax benefit is provided under Section 35(2AB) of Income Tax Act, 1961. Department of Science and Technology are also implementing schemes in helping Pharma industry in their research work. Because of these measures, the country now ranks 3rd in terms of volume of production and 14th largest by value globally.