

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

UNSTARRED QUESTION NO:2908
ANSWERED ON:18.08.2011
REDUCTION IN PRICES OF DRUGS
Lal Shri Kirodi ;Rani Killi Krupa

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

- (a) whether the Government has issued an advisory to drug companies to pass on the excise duty benefits to the consumers;
- (b) if so, the details thereof and the response thereto;
- (c) whether the National Pharmaceuticals Pricing Authority has worked out the exact reduction in the prices of scheduled drugs and issued notification in this regard;
- (d) if so, the details thereof along with the likely reduction in the prices of scheduled drugs;
- (e) whether there is any possibility of fixing the uniform prices of drugs in all the States of the country;and
- (f) if so, the details thereof?

Answer

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

(a) & (b): The Government from time to time, notifies applicable Central Excise Duty on pharmaceutical formulations. Based on this, National Pharmaceutical Pricing Authority (NPPA) issues guidelines in case of non-scheduled drug formulations. Thus:

(i). Consequent upon reduction in Excise duty from 16% to 8% and rate of abatement from 42.5% to 35.5% notified by Ministry of Finance on 1.3.2008, NPPA issued guideline no. 2/2008 dated 10th March, 2008.