

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6986

ANSWERED ON:08.05.2015

TAXES AND DUTIES ON MEDICINES AND CHEMICALS

Hegde Shri Anant Kumar Dattatreya; Naik Prof. Seetaram Ajmeera; Patil Shri Bheemrao Baswanthrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has provided/proposes to provide concessions in cess and taxes on various medicines sold in the country;
- (b) if so, the details thereof, item-wise;
- (c) whether the Government has received proposal for reduction in duties on some of the chemicals being imported or bought at international parity pricing; and
- (d) if so, the details thereof and the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) and (b): At present, life saving drugs or medicines specified in the List 4 annexed to the notification No 12/2012- Customs dated 17th March, 2012 (Sl. No. 148) of Government of India, Ministry of Finance, Department of Revenue vide G.S.R. 185(E), dated the 17th March, 2012 and bulk drugs (chemicals) used in the manufacture of such life saving drugs or medicines are exempt from basic customs duty and excise duty / CVD. Further, certain other drugs or medicines (including life saving drugs or medicines) specified in List 3 annexed to the notification No 12/2012- Customs dated 17th March, 2012 (Sl. No. 147) and bulk drugs (chemicals) used in the manufacture of such other drugs or medicines attract concessional basic customs duty of 5% and Nil excise duty / CVD.

(c) and (d): Representations seeking exemption from customs and excise duties on bulk drugs or chemicals etc are received throughout the year in Department of Revenue. They are forwarded to the Ministry of Health & Family Welfare and Department of Pharmaceuticals for examination and recommendation. At present, no proposal / recommendation for changes in the rate of such duty has been received from Ministry of Health & Family Welfare or Department of Pharmaceuticals.