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Title: Need to reduce basic excise duty on life saving medical equipment.

DR. (SHRIMATI) CH. SUGUNA KUMARI (PEDDAPALLI): A drastic increase in duty on medical equipment and devices has taken a heavy toll on the health care sector. A basic duty of five per cent on life saving medical equipment and devices and an additional duty of 20.8 per cent on several others through a CVD of 16 per cent has hit the common man.

The Finance Bill 2002-03 has levied a basic duty of five per cent on 156 life saving equipment and devices (prices between Rs.1,000 and Rs.1.5 lakh). Typically these are imported devices and equipment used in heart, neurological and nephrological disorders and peripheral vascular diseases, for example, cardiac stents and catheters, cath lab and CAPD equipment (used in dialysis).

Further, some other crucial medical devices will now attract a CVD of 16 per cent.

The excise notification says that for companies with a manufacturing plant under MODVAT, CVD would be only four per cent. On the other hand, if the item is imported, CVD would be 16 per cent.

With increased costs limiting the size of the healthcare market, India may become less attractive for potential foreign investors.

I, therefore, request the Union Government to reconsider and reduce the duty hike on life saving medical equipment and devices like stent, catheter, etc., in the interest of general healthcare in the country.