

**Exemption of Customs and Excise Duty on life Saving drugs**

5156. SHRI MANOJ BHATTACHARYA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether his Ministry recommended to the Ministry of Finance (MoF) some months back that all life saving drugs should be completely exempted from customs and excise duties;

(b) if so, the details thereof;

(c) the response of the MoF thereto; and

(d) whether Government are aware that the drug users are being fully exploited by the wholesalers and retailers both of whom are taking the consumers for a ride and if so, steps proposed to be taken in this direction ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI OFFIATRAPAL SINGH): (a) and (b) This Ministry had, *inter-alia*, recommended that if a drug is identified to be 'life saving', it should be subjected to zero customs duty and zero excise duty.

(c) The response of the Government is contained in the Finance Bill, 2003.

(d) Fixation of prices of Scheduled drugs and formulations based thereon is an on-going process and is undertaken by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995. For a Scheduled formulation, a manufacturer is required to follow the prices fixed by the Government i.e., he cannot charge a price higher than the price fixed. For any violation of the price fixed, action is taken under the provisions of DPCO 95, Prices of non-Scheduled formulations are fixed by the manufacturers themselves. However, the Government may, if it considers necessary, so to do in public interest, fix or revise the retail price of any formulation including a non-Scheduled formulation. The State Drug Control Authorities are the field level enforcing agencies for implementation of the prices fixed by the Government.

**Criteria for Essential and life saving medicines**

5157. SHRI JAMANA DEVI BARUPAL :

DR. T SUBBARAMIREDDY:

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

(a) whether the Supreme Court has issued interim order asking Government