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IDMA: Lift excise duty on R&D and samples

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Singapore: The Indian Drug Manufacturers' Association (IDMA) has sent a memorandum to the country's Finance Ministry requesting that all excisable goods used for Research and Development (R&D) purposes be exempted from Central Excise Duty. They also want the same to be applied to capital goods, raw materials, consumables, and reference standards used for research.

"Pharma manufacturers are required to keep a few boxes from each batch of a medicine manufactured till its expiry as 'control samples', as per the provisions of the Drug and Cosmetic Act and Rules. These cannot be sold and hence, should be fully exempted from Central Excise Duty. Similarly, medicine samples are provided to doctors as 'physician's samples', which should also be kept out of the purview of all duties and taxes," IDMA said in the memorandum.

IDMA expects that the weighed deduction of 200 percent for R&D expenses in an in-house facility will be extended for further period of five years, it said.

The industry body complained that in the last few budget presentations, the pharma industry has been overlooked and are anticipating a positive response from the new government.

"This year, we expect the dynamic and forward thinking new government to create a transparent atmosphere of confidence and trust, and provide suitable incentives and concessions to keep our growth momentum going," it said.