



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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### **IDMA seeks exemption from octroi duty on bulk drugs in Maharashtra**

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**Suja Nair Shirodkar, Mumbai**

Indian Drug Manufacturers Association (IDMA) has submitted a memorandum to Ashok Shankarrao Chavan, chief minister, Maharashtra demanding exemption of octroi duty on bulk drugs in the state. The letter states that the high rate of octroi duty on bulk drugs in Maharashtra especially Mumbai by the BMC is forcing many pharma companies to shut their units and shift them to other states.

The letter submitted on August 23 2010, points out that Maharashtra is the only state charging octroi duty on various goods, with BMC imposing octroi duty between 5.55 to 7 per cent. At present the medicines are under price control imposed by the central government, however there is no provision for additional charges like octroi duty.

The letter informs that due to octroi in the state many of the large pharma companies have closed down their units in state and are relocating themselves to other states like Uttarakhand, Gujarat, Andhra Pradesh, Himachal Pradesh etc.

It warns, "Currently only very few units survive in the state especially Mumbai. If the government does not support these struggling units by withdrawing the additional burden of octroi duty they will also be forced to shut down their units and shift to other states."

The exemption on octroi duty is claimed only on life saving medicines and equipments and which are not applicable for other medicines. Because of which the cost of other vital drugs that are urgently needed are priced high and becomes costlier for patients. Other major problem faced is the huge delay in clearing the consignments from various check posts which leads to delay in the delivery of medicines to the patients.

Letter specifically states about withdrawing the octroi duty on bulk drugs especially bulk drugs like quinine sulphate etc. which are used for manufacturing anti-malarial formulations. This is in relation to the rampant spread of malaria in Mumbai, thus leading to urgent need for low cost, high quality anti malarial drugs.

Thus under such conditions IDMA has requested the State government to urgently issue a notification exempting octroi duty on anti malarial drugs and also direct the concerned officials at the various check posts to clear the consignments immediately. Such a step would enable the manufacturers to provide the medicines to the citizens at lower costs and reach it to them very quickly.

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=57309&sectionid=>