

[2 August, 2002]

RAJYA SABHA

Rise in prices of Medicines

1805. SHRIMATI VANGA GEETHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the price of medicines had seen an average increase of 15.62 per cent per annum during the last six years;

(b) if so, the reasons therefor; and

(c) the clear policies and guidelines proposed, to check price hike in pharma sector?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (c) As per the data of the Office of the Economic Advisor, Ministry of Industry and Commerce, the increase in wholesale price index for drugs and medicines during the last six years (1995-1996 to 2001-2002) is 84.32% and the average annual increase on compounding basis is 10.73%. The common reasons for rise in prices of medicines, in general, are rise in prices of raw materials, transport/freight charges, change in foreign exchange rates, change in taxes and duties etc.

Government have announced the Pharmaceutical Policy-2002 in February, 2002. The main objectives of this Policy are, *Inter-alia*, ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption and strengthening the indigenous capability for cost effective quality production. A copy of the Policy is available in Parliament Library.

Sale of holdings in Hindustan Antibiotics

1806. SHRIMATI N.P. DURGA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have decided to sell 100 per cent holdings in the Hindustan Antibiotics;

(b) if so, the amount with interest this enterprise owed to different banks as on 31st March 2002; and

(c) the details of efforts made during last three years to bring about improvement in the working of this enterprises?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) HAL is a company under reference to the Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial (Special Provisions) Act, 1985. The Government has conveyed to the BIFR in March 2002 that it is agreeable for a change in management of the company.

(b) and (c) A Statement giving the details is enclosed.

Statement

Amount outstanding towards banks from HAL as on 31.3.2002

(Rs. in lakhs)			
Bank	Loan	Interest	Total
Central Bank of India	356.23	—	356.23
Oriental Bank of Commerce	205.03	—	205.03
Punjab National Bank	799.11	—	799.11
Vijaya Bank	154.76	—	154.76
State Bank of India	2657.49	3098.66	5756.15
Bank of Maharashtra	235.21	543.79	779.00
UCO Bank	339.52	156.90	496.42
Canara Bank	3500.00	2831.25	6331.25
TOTAL	8247.95	6630.60	14877.95

Measures taken by the company during the period 1999-2000 to 2001-2002 to bring about improvement in working of the enterprise:

- (1) Stringent cost control measures, resulting in saving of raw material cost etc.
- (2) Introduction of VRS from 1996 onwards resulting in reduction of 622 employees.
- (3) Leasing out of Streptomycin drug facilities resulting in net income of Rs.4 crores per annum.
- (4) Restructuring of marketing department and distribution channel which has resulted in better performance and in cutting expenditure.

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- (5) Product mix of the company revamped and new product profile introduced resulting in better returns.
- (6) Management has introduced changes in the set up to make the company more competitive.

Ban on Use of Endosulfan

1807. SHRI C.O. POULOSE:

SHRI A. VIJAYA RAGHAVAN:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that continuous use of Endosulfan pesticide, causes severe damage to living organisms in the surroundings areas;

(b) whether any study has been conducted to ascertain its effect on environment and on human life:

(c) if so, the details thereof;

(d) whether many developed countries have banned/restricted the use of this pesticide.

(e) whether Kerala Government has also requested to ban it;

(f) if so, whether any ban/restriction has been imposed on its use in the country; and

(g) if not, whether Government would consider to ban its use?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) The Registration Committee constituted under Section 5 of the Insecticides Act, 1968 registers pesticides for use on food crops in the country only after satisfying itself regarding data on chemistry, bioefficacy, residues of the pesticides and their safety to human health, animals and environment. If pesticides are used as per the guidelines prescribed by the Registration Committee and following good agricultural practices, they do not pose any hazards to human health.

(b) and (c) The Expert Committees constituted by the Government of India in 1991 and 1998 to review the continued use or otherwise of Endosulfan recommended its continued use. In view of media reports