

**Revision and fixation of Prices of bulk drugs and formulations**

448. DR. NARREDDY THULASI REDDY:  
SMT. SATYA BAHIN:

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

(a) what are the names of bulk drugs and formulations the prices of which have not been fixed or revised after the DPCO, 1987;

(b) whose responsibility was it to revise or fix prices;

(c) whether it is a serious lapse;

(d) who is responsible for such a state of affairs and what action is proposed to be taken against the concerned; and

(e) whether there is linkage between the BICP officers in the drug division and the concerned producers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO): (a) After the promulgation of DPCO, 1987 the prices of 83 indigenously produced bulk drugs and its salts, have been fixed/revised. 38 bulk drugs are either not manufactured in the country or are being substantially imported. For the remaining 21 bulk drugs as indicated in the enclosed Statement (See below) cost-cum-technical studies have been initiated by the BICP.

(b) to (e) The prices of indigenously produced bulk drugs and formulations are fixed as per the provisions of DPCO, 1987 on the recommendations of Bureau of Industrial Costs and Prices. Detailed cost-cum-technical studies are voluminous and time consuming.

**Statement**

*List of Bulk Drugs*

1. Griseofulvin
2. Chlorpromazine

3. Cimetidine
4. Diphenoxylate
5. Glipizide
6. Hydralazine
7. Imipramine
8. Iron Dextran
9. Isosorbide Dinitrate
10. Loparamide
11. Metochlorpramide
12. Metoprolol
13. Nalidixic Acid
14. Naproxen
15. Povidone Iodine
16. Promethazine
17. Rantidine
18. Reserpine
19. Timolol Maleate
20. Valporic Acid
21. Verapamil

**Prices of formulation of Rantidine**

449. DR. NARREDDY THULASI REDDY:  
SHRIMATI SATYA BAHIN:

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

(a) whether it is a fact that prices of formulations of Rantidine are based on bulk drug price of Rs. 4370/- Kg. and no prices for indigenously produced bulk drug have been fixed although its production was commenced before 1987;

(b) whether it is also a fact that the drug is available at Rs. 1700/- kg. in the country and inspite of price control the consumer has been made to pay two to three times the price;

(c) whether it is a fact that the producers of the Zintac brand name have along robbed the consumer at the rate of Rs. 28 crores per annum.

(d) what steps have been taken to inquire into the whole matter and punish the guilty; and

(e) whether it is a fact that paragraph 7(2) of the DPCO, 1979, which dealt with such type of cases, was removed to enact such scandles?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND THE DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO): (a) The ceiling prices of Ranitidine formulations were fixed on 17.3.1988 on the basis of bulk drug weighted average import price of Rs. 4396/- Kg.

(b) and (c) BICP are in the process of conducting the Cost-cum-Technical Study of indigenously produced Ranitidine.

(d) and (e) Do not arise.

#### Turnover criteria for price control of drugs

450. SHRI H. HANUMAN THAPPA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that turnover criteria is being applied to identify drugs for price control with reference to 1989-90 as the base year, mainly to omit newer drugs and drugs of multinationals like Cefotaxim, Fortum etc. from price control;

(b) whether it is a fact that the purpose of review of 1987 policy was to rectify omissions of the Kelkar Committee that instead more omissions have been committed;

(c) who is responsible for such a state of affairs and with what motives; and

(d) what steps have been taken to investigate earlier scandal as well as the present one?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE OF THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND THE DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) to (d) The reasons for review have been mentioned in the Background Note placed on the Table of the House on 12.8.92 and which

was discussed on 18th, 19th and 23rd August, 1992.

#### Request for the revision of bulk drug prices

451. DR. NARREDDY THULASI REDDY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that requests for revision in prices of bulk drugs and the representations against the prices fixed are pending for years;

(b) whether it is also a fact that only those requests are considered where the concerned producers agree to pay in cash and kind to the concerned or their relatives;

(c) what is the datewise receipt and disposal of requests for the past two years and why no system was evolved; and

(d) what steps have been taken to investigate the whole matter and fix responsibility?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND THE DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) to (d). The prices of indigenously produced bulk drugs are fixed/revised from time to time on the basis of cost-cum-technical studies conducted by the BICP. This involves collection of necessary information from the various manufacturers, verification by the visit to the plants located in various parts of the country and analysis of the data from technical, costing and economic angles. This detailed study is time consuming and in some cases there is delay by the manufacturers in furnishing the requisite information to the BICP.

#### Cost of Urea and natural gas

452. SHRI BHUPINDER SINGH MANN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what is the cost of natural gas that is being charged from urea fertilizer plants;