THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) The Government, during the last one year, referred price revision of the following bulk drugs to BICP :

1. Vitamin C and its sallts
2. Erythromycin and its salts
3. Prednisolone
4. Hydrocortisone

The BICP sent recommendations in respect of first two bulk drugs. In case of the other two drugs the reference was made to BICP in November, 1992 only.

In regard to formulations suo moto price revision is also, some times, referred to BICP by this Department. However, no case is pending with BICP at present. Compilation of the details in respect of all such cases is a voluminious work and time and labour involved will not be commensurate with the results likely to be achieved.

(b) Increase in prices of formulations is on account of changes in a number of parameters like Material Cost—comprising of active ingredients and excipients (imported as well as indigenous), Conversion Costs, Packing Charges, and Packing Material Costs (imported as well as indigenous).

No study has been made in regard to the extent of price-rise of formulation, on account of individual cost inputs.

(c) The necessary steps are taken by the Government from time to time on duty reduction on raw materials of essential drugs to ensure availability of these at reasonable price to the consumer. For example, duty on drug intermediates/raw materials required for the manufacture of 218 bulk drugs was reduced in June, 92.

Non Implementation of provisions of the Drug Policy of 1986

1603. SHRI SUDHIR RANJAN MAJUMDAR : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that none of the provisions of ratio parameter nor phased manufacturing programme of Drug Policy, 1986 have been implemented;

(b) if so, the reasons therefor;

(c) whether it is a fact that even the definition of ex-factory value has not been spelt out;

(d) if so, what are the basis of arriving to ex-factory value;

(e) what is the percentage of imported raw materials to domestic in respect of production of each drug under phased Manufacturing Programme;

(f) whether it is a fact that import of penultimate and intermediates are not covered under ratio parameter;

(g) whether it is a fact that drug companies are importing late stage intermediates instead of bulk drug to escape from ratio parameters; and

(h) what are the names of drug companies which are importing late stage intermediate and names of drugs and intermediates ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) :

(a) and (b) No Sir. Every proposal received from any company in the organised sector for manufacture of bulk drugs and formulations is cleared only after verifying their compliance of ratio parameters and basic stage of manufacture fixed by the Government respectively. Where there are constraints regarding technology etc., to avoid import of the finished bulk drugs, basic stages are relaxed for specified drugs for specified periods.

(c) and (d) The ex-factory value is generally the sale value of the drug or formulation excluding excise duties and the Government does not consider such data unless it is certified by a Chartered Accountant.

(e) The import content in respect of each drug depends upon various factors such as international price of imported raw materials, intermediates, exchange rate of the rupee etc. Since these factors as well as the c.i.f. value of the drugs are dynamic in nature, the percentage of import content also various from time to time.

(f) Yes, Sir.

(g) and (h) Industrial approvals for manufacture of bulk drugs are given only as per basic stages. Manufacture from late stage intermediates is permitted only in a few cases like Rifampicin, Pentazocin, Sulphadiazine, Pindalol, Ethambutol, Chloroquine Phosphate, Thioridazine etc. by giving relaxation to the basic stage, taking into consideration various reasons like technological constraints, economic viability etc.

Production of New Drugs

1604. SHRI H. HANUMANTHAPPA :
SHRI RAJNI RANJAN SAHU :
SHRIMATI SATYA BAHIN :

Will the PRIME MINISTER be pleased to state :

(a) what are the new bulk drugs produced by M/s. Parke Davis, Boots Pharmaceuticals, Roche Products, Hindustan Ciba Geigy, Duphar Interfran, Hoechst and Glaxo after the announcement of Drug Policy, 1986;

(b) what was the production from the date of commencement of production upto 31st October, 1992 year-wise and what is the stage of manufacture of each drug by each company;

(c) whether it is a fact that all these drugs are outside price control;

(d) what was the sales turnover, net fixed assets and profit before tax of each company year-wise after the announcement of Drug Policy, 1986;

(e) whether it is a fact that profits of these companies have gone up but no new investment has been made by these companies; and

(f) if so, what was the profits on sales turnover and on capital employed during these years ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) and (b) Since the announcement of the Drug Policy, 1986, Industrial Licences have been given to these companies for the manufacture of seven new drugs indicated in Annexure-I., along with the starting stages. [*See* Appendix CLXV, Annexure No. 29] Data in respect of production of Diclofenac Sodium and Ranitidine is available, which is given at Annexure-I.

(c) Of the seven drugs mentioned in Annexure-I, only Diclofenac Sodium and Ranitidine are under price control.

(d) to (f) The sales turnover, profits before tax and profits on sales turnover in respect of these companies, to the extent available, is given at Annexure-II. [*See* Appendix CLXV, Annexure No. 29]. The information on net fixed assets is not available. The profits/profitability of these companies have varied during this period. However these companies have been given approval for investments around Rs. 28.94 crores for the production of new drugs after the announcement of Drug Policy, 1986.

Increase in the Prices of Pyrental Pamoate

1605. SHRI HANUMANTHAPPA :
SHRI RAJNI RAJAN SAHU :
SHRIMATI SATYA BAHIN :

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that the prices of Pyrental Pamoate was increased from Rs. 1282/- per Kg to Rs. 1346 - per Kg. based on interim price fixed under DPCO, 1979 for one year, if so, what are the reasons therefor;

(b) whether it is a fact that no cost study has been done hereafter although this drug is available at Rs. 900/- per Kg.

(c) what is the present notified price and when its price was increased and what were the basis on which the price was increased in the absence of cost study by BICP; and

(d) what steps have been taken to reduce the price ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (d) Under DPCO, 1987 BICP studied cost structure of Pyrental Pamoate and submitted its report in October, 1989. The continuation of price of this bulk drug at Rs. 1250 per kg. was notified on the basis of the above BICP report. The