

(c) whether the fertilizer decontrol is being contemplated under pressure from the International Monetary Fund?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) The phosphatic and potassic fertilizers were removed from price and movement control w.e.f. 25.8.1992. Nitrogenous fertilizers are still under price and movement control and, at present, there is no proposal to decontrol nitrogenous fertilizers.

#### **Production and consumption of essential drugs**

3585. SHRI RAMDAS AGARWAL: Will the PRIME MINISTER be pleased to state:

(a) whether Government have so far undertaken any survey pertaining to production of life saving essential drugs vis-a-vis consumption thereof during the last three years;

(b) whether any revision in the prices of these drugs have been approved by Government so far, if so, the details thereof and if not, whether any survey to study many-fold increase in prices thereof has been conducted during the period January to November, 1992; and

(c) whether there is any difference between the prices as recommended by the BICP and those notified/approved by Government during the above mentioned period?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The actual production for 1989-90 and 1990-91 and estimated demand for 1990-91 and 1991-92 of monitored drugs is available in the Annual Report of 1991-92 of the Department of C & PC which is placed in

the Library of Parliament House. The demand has been met through indigenous production as well as, imports, wherever necessary.

(b) and (c) The prices of price controlled drugs are fixed/revised by the Government on the basis of cost-cum-technical studies conducted by BICP, escalation formula provided by BICP in their reports and in accordance with the provisions of DPCO, 1987. The BICP reports are inputs for decision making in the process of price fixation. These reports are confidential in nature. The revision in prices of drugs is an ongoing exercise. These increases are allowed to avoid shortages and ensure the availability at reasonable prices. The names of bulk drugs whose prices have been revised during the period January to November, 1992, with their previous prices and revised prices were given in respect of Rajya Sabha Unstarred Question No. 3807 answered on 3rd December, 1992.

#### **Exemption of drug products of M/s. Hoechst from Price Control**

3586. SHRI ABDUL SAMAD SIDDIQUI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Glybencolamide, Petoxyphylline and a number of other drugs produced by M/s. Hoechst do not qualify for exemption from price control and inclusion in non-scheduled category based on the criteria of Kelkar Committee;

(b) if so, the details thereof and the reasons therefor;

(c) whether it is also a fact that M/s. Hoechst virtually enjoy monopoly in these drugs and that they are charging exorbitant prices;

(d) whether it is a fact that these drugs have been kept outside price control under the

proposed Drug Policy; and

(c) what steps have been taken to conduct an enquiry into the whole matter and to fix the responsibility?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) The list of category II bulk drugs, as contained in the Drugs (Prices Control) Order, 1987 (DPCO '87) was drawn on the basis of recommendations made in the Main Report and the Supplementary Reports, of a committee constituted for this purpose headed by Dr. Vijay Kelkar, the then Chairman, BICP. Subsequently, there were a large number of representations received by the Government including letters from MPs, against inclusion/exclusion of drugs in the list of price control under DPCO, 1987.

The issues relating to inclusion/ exclusion of drugs under price control have been intensively examined as part of the review of Drug Policy '86. The review expertise has taken into account, *inter-alia*, the need for evolving objective and transparent criteria for the purpose of selection of drugs for price control. The outline of the approach has been spelt out in a background note which has been placed on the Tables of, both the Houses of Parliament on 12th August, 1992 for inviting suggestions from the Hon'ble Members and it is expected to be taken up for discussion soon.

#### Subsidy on inputs supplied to fertilizer industry

3587. SHRI ABDUL SAMAD SIDDIQUI: Will the PRIME MINISTER be pleased to state:

(a) what are the names of petro-based products and other inputs supplied to fertilizer industry at concessional rates;

(b) what are the rates of these inputs without concession and with concessions and what are the benefits received on these inputs by the fertilizer units;

(c) what is the total consumption of these inputs by the fertilizer industry

during the last three years, year-wise; and

(d) what is the total subsidy paid to the fertilizer industry directly or indirectly during the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Naphtha, low sulphur heavy stock (LSHS) and furnace oil are the petro-based inputs supplied to fertilizer units at concessional rates. Before de-canalisation of imported inputs for fertilizers, sulphur was also supplied at concessional rates to the fertilizer industry. This concessional rate in the case of sulphur is no more available. This concession, when it was available, was about Rs. 250 per tonne of sulphur.

(b) The current basic rates of the above mentioned petro-based products charged from the fertilizer industry and for other uses are as follows:—

		For fertilizer uses	For other industry
Naphtha	(Rs./tonne)	3722.78	6075.69
LSHS	(Rs./tonne)	2851.57	4804.07
Fuel Oil	(Rs./Kilo litre)	2812.43	4862.99

(c) The estimated quantities of these petro-based inputs consumed by the fertilizer industry during the last three years, have been as follows:—

(000'MT)

	1989-90	1990-91	1991-92
Naphtha	2156.0	2407.4	2245.2
LSHS/Furnace oil	2361.6	2082.3	2554.3

(d) The total subsidy directly paid to the fertilizer industry under the retention price scheme during the last 3 years was as follows:— (Rs./crores)

1989-90	3771.00
1990-91	3729.73
1991-92	3500.00

To the extent of concessional rate of petro-based inputs referred to in reply to