

November, 1992, the estimated loss came down to Rs. 11.64 crores, after providing for depreciation of Rs. 30.21 crores.

(c) and (d) The provisional loss can be attributed mainly to availability of imported caprolactam at much cheaper price, forcing FACT to sell its caprolactam at below the remunerative price. The increased input cost in respect of petroleum products and de-control of phosphatic fertilizers has also affected FACT's profitability.

The Company has already represented to the Government for reviewing the customs duty leviable on imported caprolactam and raw materials used for its manufacture. In respect of phosphatic fertilizers, the situation is expected to improve once the prices of these products stabilise in the free market situation.

#### **Non-implementation of provisions of Drug Policy, 1986**

3593. SHRI SUDHIR RANJAN MAJUMDAR:

SHRI RAJNI RANJAN SAHU:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Drug Policy, 1986 and DPCO 1987 have not been implemented in full;

(b) whether it is a fact that his Ministry have neither implemented phased Manufacturing Programme for Ratio Parameter;

(c) whether it is a fact that his Ministry could get information from drug companies about imports from their principles and their associates;

(d) if so, the names of the companies which provided such information after announcement of the Drug Policy, 1986 and IDPLC, 1987 year-wise so far; and

(e) whether his Ministry have made any study of the informations provided by drug companies, if so, the details thereof and Government's reaction thereto?

THE MINISTER-OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) 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) to (e) These details have been called for from the concerned companies through their associations, but the response has not been very encouraging.

#### **Over-invoicing of imports by M/s. German Remedies**

3594. SHRI H.HANUMANTHAPPA:  
SMT. SATYA BAHIN:  
SHRI ANANT RAM  
JAISWAL:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that M/s. German Remedies are still resorting to over-invoicing of imports of Dipyrindamol, Verapamil Hcl and Nitroso compound which account for about Rs. 6 crores annually;

(b) whether it is a fact that element of over-invoicing is about Rs 3 crores per annum;

(c) whether it is a fact that the company is resorting to this practice by appointing German Managing Director;

(d) what is the name of present Managing Director;

(e) whether it is a fact that Development Commissioner (PI) is also involved in this game plan; and

(f) what steps have been taken to investigate the matter and prevent the outflow of foreign exchange in this manner?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) and (f) The alleged over-invoicing of imports of drugs by various drug companies including that of M/s. German Remedies were referred to Enforcement Directorate for inquiry and investigation. After detailed investigation, the Enforcement Directorate has conveyed that their investigation do not disclose contravention of the various provisions of FERA Act, 1973. To the extent information is available, Nitroso Compound is not imported by the Company.

(d) Mr. Gordon R. Wing.

(e) No, Sir. There is absolutely no basis for such a charge against the Officer concerned.

#### **Increase in drug prices**

3595. SHRI ANANT RAM JAISWAL:  
SHRI H. HANUMANTHAPPA:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 512 given in the Rajya Sabha on the 26th November, 1992 and state;

(a) what are the names of drugs where his Ministry have allowed increases on suo moto basis during the last three years, yearwise;

(b) what are the names of the producers and what was the production of each during the same period;

(c) what are the names of main intermediates required for each drug and what was the CIF price of each available at the time of suo moto increase in the respective drug and what was the consumption norm taken in each case;

(d) whether his Ministry have called the details of stocks of intermediates and the respective drug from any of the producer;

(e) if so, the names of such producers; and

(f) what are the names/composition of formulations based on these drugs whose prices were increased suo moto and what was its earlier and increased price of each?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) (a) and (b) Price increases have been allowed and notified in respect of a number of bulk drugs during the last 3 years, as per the provisions of DPCO, 1987 from time to time, copies of which are available in the Parliament House Library. However, prices of 55 bulk drugs using imported raw materials were revised by the Government in 1991 due to change in exchange rate of rupee against major foreign currencies on the basis of cost data available with the Government and in consultation with BACP as per provisions of DPCO, 1987. The names of bulk drugs are given in the enclosed statement (see below). As per the provisions of DPCO, 1987 the price of bulk drugs are fixed drugwise and not producerwise.

(e) to (c) The prices of 55 bulk drugs using imported raw materials were revised by the Government after taking into account the total imported inputs including intermediates and raw materials which differ from drug to drug and manufacturer to manufacturer, depending upon the stages of production and technology etc., whose numbers would run into several thousands and time and labour involved in compiling this information will not be commensurate with results likely to be achieved.

(f) The prices of ceiling packs of formulations based on 55 bulk drugs referred to above were also revised on suo-moto basis. These prices were notified in the Official Gazette, a copy