

**Rejection of Government's injunction
appreciation regarding drug prices
by Supreme Court[^]**

1297. SHRI RAMANAND YADAV:
Will the Minister of CHEMICALS AND
FERTILIZERS be pleased to state:

(a) whether it is a fact that the Supreme Court has rejected the Union Government's plea for a stay against, the operation of the Delhi High Court Judgement on the question of fixing and revising drug prices under the Drug Price Control Order, 1979;

(b) if so, whether the quashing of Governments price revision orders by the High Court and rejection of the Union Government's stay plea by the Supreme Court would ultimately pave the way for a sharp increase in the prices of medicines; and

(c) if so, what steps Government propose to take to control the increase in the prices of medicines which have gone high in the recent past?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): (a) Government filed a special Leave Petition against the judgement of the Delhi High Court and also an application for stay of the operations of the judgement of the said court. Both these came up for hearing on the 18th April, 1985. The Supreme Court admitted the Special Leave Petition and posted the same for hearing on the 9th July, 1986.

(b) and (c) As the Supreme Court did not grant the stay and is yet to take up the hearing and deliver its judgement on the Special Leave Petition, in the meanwhile, the manufacturers are maintaining the prices which were prevailing prior to the announcement of the Drug (Price Control) Order, 1979 or the higher prices, if any, approved under Drugs (Prices Control) Order, 1979 based on the judgement of the High Court.

Fertilizer Plan in Andhra Pradesh

1298. PROF. C. LAKSHMANNA:
Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state whether Government propose to set up gas based fertilizer plants in Andhra Pradesh in view of the abundant availability of gas in Godavari basin and increasing demand for fertilizers in Andhra Pradesh?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): The quantity and commercial viability of the gas sources in the Godavari basin are yet to be confirmed. Hence the question of planning further fertilizer capacity based on this gas does not arise at this stage.

**Price increase of drugs manufactured
by Multinationals**

1299. SHRI SHANKARRAO NARAYANRAO DESHMUKH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) names of the products of Glaxo, Roche, German Remedies, Hoechst, Wyeth and Fairdeal Corporation for which his Ministry allowed price increase during 1983-84 and 1984-85;

(b) what were their earlier prices and increased prices along with the reasons for allowing increase in each case;

(c) names of new formulations for which price approval orders to the above mentioned companies were granted during last two years;

(d) whether it is a fact that no verification of purchase price of final stages of reaching a conclusion, "Were done while working the prices;

(e) whether it is also a fact that these companies have taken higher prices in their applications than the market prices;

(f) what were the prices taken in their applications and what were their market prices;

(g) whether there is any proposal to review the prices or to recover the differences under Drug Equalisation Fund; and

(h) if so, by when?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): (a) and (c) According to the information available out of the companies referred to only M/s. Hoechst India Limited were allowed increases in prices or two of their bulk drugs during the year 1983-84 and 1984-85. Details of these bulk drugs and their earlier prices and revised prices are given below: —

Sl. No.	Name of the bulk drug	Earlier price	Revised price as fixed by the Government
1.	Benzocaine	142.46 per kg.	187 per kg.
2.	Procaine	183.14 per kg.	260 per kg.

These increases in prices were necessitated on account of increase in cost of raw materials utilities, services and overheads etc. and were based on the recommendations of the Bureau of Industrial Costs and Prices.

(c) to (h) Information to the extent available would be collected and laid on the Table of the Rajya Sabha. Under Production of Drugs

1300. SHRI SHANKARRAO NARAYANRAO DESHMUKH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that number of bulk drugs producers have been working below the installed capacity due to free imports of those bulk drugs;

(b) if so, the particulars of the units which have not fully utilised their installed capacities due to the above reasons;

(c) what is the installed capacity of each unit for each drugs and percentage of unutilized capacity;

(d) names of those bulk drugs which have been allowed under open* General Licence under the current import policy for which the

indigenous units have the capabilities and installed plant and machinery and capacities are under utilisation; and

(e) what are the reasons for allowing free imports under these circumstances and what steps are being taken to revamp the utilisation of full capacity of these units?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATH.): (a) to (e) In the Import Policy 1985—88, a large number of drugs are in Restricted, Canalised and Limited Permissible Categories. These drugs cannot be freely imported. Following deletion of the list of Automatic Permissible Items, a large number of drugs were placed on OGL which can be imported by Actual Users (Industrial) only. Normally imports of only those drugs are allowed on OGL which are not produced indigenously or whose total production is inadequate to meet the indigenous demand. There is a standard arrangement to examine suggestions for change in the Import