

from 1973. They have supplied the sample to the World Health Organisation. In the Ministry which Mr. Sethi is presiding over now, in 1976 itself, the licensing capacity was inspected by the Deputy Drug Controller for the manufacture of this injection. The World Health Organisation and the Drug Controller of the Central Government, both are satisfied with this. I want to know from the hon. Minister, whether the information which is in our possession, is also available in his Ministry. Since the information is in our possession, his Ministry must also be having this information, but perhaps the multinational company has got lucrative public relations department and the small scale sector belongs to poor people, represented by some people on this side or that side. So, I would request the hon. Minister to give us information and, Sir, you will also help us in getting this information that when the World Health Organisation and the Drug Controller, both are satisfied, what are the considerations on which Johnson and Johnson have been granted licences I do not want to make any allegation because Mr. Sethi will be unnecessarily annoyed, but I want to help the small scale sector. Therefore, would you please do a favour and come to the rescue of the small scale sector by cancelling the licences of Hoechst and Johnson and Johnson forthwith?

SHRI P. C. SETHI: Sir, in the main body of the answer, I have given the name of the company which has originally been given the letter of intent and which has recently been converted into a licence. There is no mention of Johnson and Johnson. I do not have any such information . . .

SHRI ARVIND GANESH KULKARNI: It is there in the main Question itself.

SHRI SYED SHAHABUDDIN: Answer given in para (b) of the statement is misleading.

SHRI ARVIND GANESH KULKARNI: Part (b) of the question says: whether it is a fact that recently multi-nationals like Hoechst, Johnson and Johnson, have been granted licences to manufacture the same products.

SHRI P. C. SETHI: There is nothing contradictory, Mr. Kulkarni. In so far as the question relates to the multinationals like Hoechst and Johnson and Johnson, the reply has been given. I am saying that Johnson and Johnson have not been given, Hoechst have been given. That is what I have said and there is no question of hiding any information.

With regard to this letter of intent, I would like to point out that when this proposal was under consideration in the Ministry, the institutions like Diabetes Research Centre, Madras, Dr. K. P. Naik, SCB, Medical College, Cuttack, Chief Pathologist Bombay Hospital, Bombay and of Clinical Laboratory, Christian Medical College, Vellore, Head. Pathology Department, GSVM Medical College, Kanpur, Dr. Malaviya All India Institute of Medical Sciences, New Delhi and National Institute of Virology, Pune, all these institutions stressed the need for this vaccine because whatever is produced was RA Test kit and Australia Antigen kit which was not sufficient and moreover, they were not manufactured from the basic stage.

Overcharging for Betamethasone

*403. SHRI K. V. R. S. BALA SUBBA RAO:†
DR. (SHRIMATI) NAJMA HEPTULLA:

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

(a) whether it is a fact that M/s. Glaxo are overcharging the consumers to the extent of over Rs. four crores a year since 1964 on Betamethasone and its derivatives alone;

†The question was actually asked on the floor of the House by Shri K. V. R. S. Bala Subba Rao.

(b) whether this company has been found importing Vitamin A and intermediates of Betamethasone;

(c) if so, what are the details of imports during the last three years; and

(d) what action has been taken by Government against the Company?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) to (d) A Statement is laid on the Table of the Rajya Sabha.

Statement

(a) Government have, under the Drugs (Prices Control) Order, 1979, revised the price of Betamethasone and its derivatives effective from 12-5-1981 as follows:

(Rupees per Gram)

S. No.	Name of the Drug	Earlier Price	Revised Price
1.	Betamethasone Alcohol	134.28 (Price fixed by Government)	113.34
2.	Betamethasone 17-Valerate	220.00 (declared price under DPCO 1970)	105.85
3.	Betamethasone Di-Sodium Phosphate	225.00 Do.	126.23

Government had no power to alter the declared price of Betamethasone 17-Valerate and Betamethasone Di-Sodium Phosphate under DPCO of 1970 as these were not specified as essential drugs under the said Order. These powers became available to Government with the promulgation of DPCO 1979 on 31-3-1979.

The Company has not complied with this Order dated 12th May, 1981 and has represented against it to the Government. It has also filed a Writ Petition in the Delhi High Court challenging the reduction in the price announced by the Government. The court has issued an interim Order of stay of the price revision as well as of any reduction in the prices of formulations based on Betamethasone and its derivatives.

(b) and (c) Information is being collected and will be laid on the Table of the House.

(d) The question of any action will depend on the facts that come to light.

SHRI K. V. R. S. BALA SUBBA RAO: Sir, the hon. Minister in reply to Rajya Sabha Unstarred Question

No. 1065 answered on 4th May, 1981, has stated that M/s Glaxo is producing Vitamin A . . .

MR. CHAIRMAN: Please speak a little louder.

श्री प्यारे लाल खंडेलवाल : बिजली चली गई ।

श्री सभापति : स्पेशल मेंशन कर दी ।

श्री संम्यक सिन्हा रज्जी : आपकी तो सरकार ही फेल हो गई थी । (व्यवधान)

श्री मनुभाई पटेल : आपकी तो सरकार ही नहीं चल रही है ।

श्री जे० के० जैन : बिल्ली को खाब में छीछडे नजर आते है । (व्यवधान)

श्री मनुभाई पटेल : अंतुले पैदा हो रहे है । (व्यवधान)

श्री जे० के० जैन : बन्दर को हल्दी की गांठ मिल जाए तो वह पसारी बन बैठता है । (व्यवधान)

MR. CHAIRMAN: Please ask your question.

श्री सैयद सित्ते रज़ी : इनको कह दोनिए कि जोर न करें ।

श्री सभापति : जरा ठहर जाइये, नहीं तो झगड़ा बढ़ जाएगा ।

SHRI P. C. SETHI: I have not been able to make out, partly because the light was off and partly because the Member was speaking in a low voice.

MR. CHAIRMAN: Mr. Subba Rao, please ask your question again. Please come forward and ask it.

SHRI K. V. R. S. BALA SUBBA RAO: The hon. Minister in reply to Rajya Sabha Unstarred Question No. 1065 answered on 4th May, 1981, has stated that M/s. Glaxo is producing Vitamin A, Betamethasone and its derivatives from basic stages. It is also a fact that during the period 1979-80 M/s. Glaxo imported 4800 kgs of Vitamin A and during the period 1980-81, a quantity of 2450 kgs. of Vitamin A was imported by this company. Thus M/s. Glaxo made unintended profit of Rs. 11.86 lakhs and Rs. 6 lakhs during these two periods alone on account of difference between the Government fixed price and imported landed price. Apart from Vitamin A, M/s. Glaxo have imported penultimates for the production of Betamethasone and its derivatives during the year 1980, such as 87 kgs. of Trilene, 40 kgs. of Beta Meht Mehtyl Preg and large quantities of 16 DPA. I would like to know from the Minister whether these are facts.

SHRI P. C. SETHI: From whatever I have understood of hon. Member's question, the thrust of his question is that Vitamin A, which this company—M/s. Glaxo—is supposed to manufacture indigenously from the basic stage, has been imported by them last year and this year.

Sir, our information is that the company imported in 1980-81 650 kgs. of Vitamin A on 28th June, 1980, from France, at c.i.f. price of 197.44 per kg. Now his information is that they imported more than this. As far as this import is concerned, this figure

was given to us by the Director General of Imports. The company is repudiating this figure of import also. We have issued them a notice and the matter has now gone to the court, because they are repudiating it and saying that they have not imported. Therefore, this matter is *subjudice*. If they are found to have imported against the policy, then certainly action would be taken. As I have said, the notice has been served but we could not proceed further because of the court proceedings.

With regard to the profit made by the company on the import of Vitamin A, things could be ascertained only after we come to the conclusion that it has been imported.

SHRI K. V. R. S. BALA SUBBA RAO: Does the Government intend carrying out a detailed probe into the affairs of this company?

SHRI P. C. SETHI: We cannot have a roving probe. Of course, if there are definite allegations, we would certainly go into them.

DR. (SHRIMATI) NAJMA HEP-TULLA: In the statement given in reply to this question, the answer is that Government has no power to alter the declared price of Betamethasone 17-Valerate and Betamethasone Di-Sodium Phosphate. The original prices were Rs. 134.28, Rs. 220 and Rs. 225 and now the revised prices are Rs. 113.34, Rs. 105.85 and Rs. 126.23. According to your answer Messrs. Glaxo have gone to court. Over all these years, from 1964, they have been charging Rs. 100 per gramme of this drug and 400 kilogrammes of this drug is being imported. It means the profit made by Glaxo is about Rs. 400 crores. Now when the Government revised the prices, considering they are making exorbitant profits, they have gone to the court and, so, I suppose the matter is *subjudice*. What will the Government do in the case of these multi-nationals who are making very high and exorbitant profits? Whenever the Government revises the prices they go to court. So, what action is the

Government going to take in this respect?

SHRIMATI HAMIDA HABIBULLAH: Mr. Chairman, Sir, please look at me.

SHRI P. C. SETHI: As far as the prices of Betamethasone Alcohol, Betamethasone 17-Valerate and Betamethasone Di-Sodium Phosphate are concerned, in 1962 when for the first time the Drug Price Control Order came, their prices were fixed. However, in the 1970 Drug Price Control Order when the question was gone into, it was found that only 18 bulk drugs were adopted as essential drugs and, out of these 18 bulk drugs, Betamethasone 17-Valerate and Betamethasone Di-Sodium Phosphate were not included in the list of 1970, with the result that they came out of the price control. However, they were asked to give the prices which were ruling at that time, which they gave, and both prices remained in courts. After the 1979 Drug Price Control Order came into force, which was on 31-3-1979, the Government got the power to fix the prices again. However, it took time because meanwhile the prices of some of the products had gone up and these were revised and, therefore, it took us some time to decide. However, now, according to the 12-5-1981 Price Control Order, the price of Betamethasone Alcohol has been fixed at Rs. 134.28, Betamethasone 17-Valerate at Rs. 220 and Betamethasone Di-Sodium Phosphate at Rs. 225. They challenged this Order also in the court and the court has given a stay.

DR. (SHRIMATI) NAJMA HEP-TULLA: Everytime they will go to the court and keep on charging high prices.

MR. CHAIRMAN: He can't do anything about it.

SHRI B. IBRAHIM: Sir, I want to know whether it is a fact that the

Government has not so far reduced the prices of Betnonyite and Betnonyite-N Cream though the price of the raw material, that is, Betamethasone Valerate, has been reduced, by which these things should be available to the consumers at half the present prices. If so, why is this multinational company, Glaxo, being allowed to overcharge and what action does the hon. Minister propose to take against this company?

SHRI P. C. SETHI. Sir, as I have said, we have already revised the prices but, unfortunately, this remains a matter of dispute in the court.

MR. CHAIRMAN: Two more questions. Mr. Bhandare and, then, Mrs. Habibullah.

SHRI MURLIDHAR CHANDRA-KANT BHANDARE: Mr. Chairman, Sir, this is a classic example of how the multi-nationals are taking the Government for a ride.

SHRI PILOO MODY: The Government is taking the multi-nationals for a ride.

SHRI MURLIDHAR CHANDRA-KANT BHANDARE: I wish they did it. In the matter of essential drugs they produce 10 per cent of the licensed capacity. In the matter of drugs which can be produced in small scale, they overproduce by 300 per cent. But nothing is done. Here they are supposed to manufacture from the basic stage, but they import it. They violate the Foreign Exchange Regulations Act because the equity has not been diluted so far. They violate the Industries (Development and Regulation) Act by producing in this manner. They are two other Acts like the Import Trade Control Act which are also violated. Moreover, there is a provision under the Drug Price Control Order that

if there is a differential in the price charged—because they charge on the basis that this was an indigenous material by taking the benefit of the imported things—some of this would go to the Equalisation Fund, which really contributes to the import of various important life-saving drugs. Now I want to ask the hon. Minister what action has been taken to bring in this large chunk of crores of rupees into the Equalisation Fund so that it is available to the nation at large.

SHRI P. C. SETHI: Sir, at the moment, I am sorry I would not be in a position to say how we are going to take action with regard to the bringing of these funds into the Equalisation Fund. However, with regard to the production of Betamethasone which has been granted to this company in Methasone form, as the hon. Member has said, it is not so. They will be undertaken from the basic stages henceforth. The Manufacturing programme for the purpose shall be settled to the satisfaction of the Government. Fifty per cent of the production of Methasone shall be made available to non-associated formulators, which is the general condition for the grant of these licences.

MR. CHAIRMAN: Last question. Mrs. Habibullah.

SHRIMATI HAMIDA HABIBULLAH: Sir,.... (*Interruptions*). You have not been called. (*Interruptions*). Sir, I cannot understand this. He cannot be Mrs. Habibullah. Sir, I would like to ask the hon. Minister... (*Interruptions*).

SHRI P. C. SETHI: Sir, about an earlier question, I would just like to give the information.

MR. CHAIRMAN: He has more information than you have.

SHRI P. C. SETHI: Yes, Sir. But now I have got the information. Notice has been issued to the com-

pany for paying the difference in the prices of Sodium Diphosphate to be paid to the Equalisation Fund.

SHRIMATI HAMIDA HABIBULLAH: I would like to ask the hon. Minister whether it is a fact that the prices to the consumer for Glaxo Powder Adexoline Capsules, Adexolin Liquid, Becadex range of formulations have been fixed on the basis of Vitamin A price of Rs. 562 per kg. whereas Glaxo have imported a huge quantity of Vitamin A at a landed price of Rs. 300 per kg. including Customs duty and other charges. I would like to know what action the hon. Minister proposes to take in order to recover the unintended profit made by Glaxo on account of the difference; and further what steps he proposes to take to see that the consumers get these products at the correct price. Why has this multinational company been allowed to overcharge and what action is being taken under the Drugs Price Control Order?

SHRI P. C. SETHI: Sir, as far as Vitamin A is concerned, I have already answered by saying that, according to our information, they did import 650 kg. of Vitamin A, but they are challenging this and they say that they have not imported. Actually, they have imported at a price of Rs. 197.44 per kg. Therefore, after it is established that they have imported, action will be taken according to the rules and the normal procedure. Sir, with regard to the fixation of prices, I have already said that according to the Drugs Price Control Order of 1970 we had no authority to take action with regard to these drugs, but in 1979 we acquired that power and now we have issued that order; but unfortunately that is under challenge. But I can assure the hon. House and the hon. Members that all complaints which Mr. Bhandare has mentioned or the other hon. Members have mentioned about this company will be gone into,