

**Exemption of Customs and Excise Duty on life Saving drugs**

5156. SHRI MANOJ BHATTACHARYA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether his Ministry recommended to the Ministry of Finance (MoF) some months back that all life saving drugs should be completely exempted from customs and excise duties;

(b) if so, the details thereof;

(c) the response of the MoF thereto; and

(d) whether Government are aware that the drug users are being fully exploited by the wholesalers and retailers both of whom are taking the consumers for a ride and if so, steps proposed to be taken in this direction ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRAPAL SINGH) : (a) and (b) This Ministry had, *inter-alia*, recommended that if a drug is identified to be 'life saving', it should be subjected to zero customs duty and zero excise duty.

(c) The response of the Government is contained in the Finance Bill, 2003.

(d) Fixation of prices of Scheduled drugs and formulations based thereon is an on-going process and is undertaken by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995. For a Scheduled formulation, a manufacturer is required to follow the prices fixed by the Government i.e., he cannot charge a price higher than the price fixed. For any violation of the price fixed, action is taken under the provisions of DPCO'95, Prices of non-Scheduled formulations are fixed by the manufacturers themselves. However, the Government may, if it considers necessary, so to do in public interest, fix or revise the retail price of any formulation including a non-Scheduled formulation. The State Drug Control Authorities are the field level enforcing agencies for implementation of the prices fixed by the Government.

**Criteria for Essential and life saving medicines**

5157. SHRIMATI JAMANA DEVI BARUPAL :

DR. T. SUBBARAMI REDDY :

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

(a) whether the Supreme Court has issued interim order asking Government

to lay down the criteria to bring essential and life saving medicines under price control by May 2, 2003;

(b) if so, whether Government have considered the interim order of the Supreme Court;

(c) whether Government are set to explore all options to push through the policy of progressive decontrol;

(d) if so, whether the Ministry has already consulted the Health Ministry and has sought the Law Ministry's opinion on this issue; and

(e) if so, by what time final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH) : (a) to (e) The Supreme Court vide its order dated 10-3-2003 in Special Leave to Appeal (Civil) 3668/2003 has directed, *inter-alia*, to formulate appropriate criteria for ensuring essential and life saving drugs not to fall out of price control and further directed to review drugs which are essential and life saving in nature till 2nd May 2003. The order of the Supreme Court and the relevant issues have been referred to the Ministry of Health and Family Welfare and Department of Legal Affairs.

#### Fertilizer units in Jharkhand

†5158. SHRI ABHAY KANT PRASAD : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) the details of fertilizer units operating in Jharkhand at present;

(b) whether these units are utilizing their full capacity;

(c) if so, the details thereof; and

(d) the steps being taken to enhance the production capacity of these units?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH) : (a) No fertilizer unit producing major fertilizers namely urea, DAP, complexes and SSP is in operation, at present, in Jharkhand State.

(b) to (d) Questions do not arise.

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†Original notice of the question was received in Hindi.