

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2574
ANSWERED ON:04.12.2009
IMPORT OF RAW MATERIALS BY PHARMACEUTICAL COMPANIES
Bali Ram Dr.

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether advance licenses have been issued to pharmaceutical companies for importing raw materials for the use of noninfringing process;
- (b) if so, the details thereof;
- (c) whether it has been reported that these pharmaceutical companies are importing raw materials much higher in quantities than the notified norms without proper approval;
- (d) if so, the details of such companies; and
- (e) the action taken by the Government in this regard?

Answer

THE MINISTER OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

- (a) Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry has stated that few Pharmaceutical companies have been issued Advance licenses for import of raw-materials based on non-infringing process. These Input-Output Norms are based on the process under which pharmaceutical product is produced and are higher than the Standard Input-Output Norms (SION) for the said product.
- (b) DGFT has stated that as per information readily available, M/s LUPIN Ltd., M/s CADILA PHARMA Pvt., Ltd., and M/s MEDICORP TECHNOLOGIES INDUSTRIES Ltd., have been granted Advance licences on the basis of non-infringing process.
- (c) to (e) DGFT has stated that Imports under the Advance Licensing Scheme are subject to Actual User condition. The Advance License holder is required to maintain a true and proper account of consumption and utilization of duty free inputs against each Authorization. Random checks can be undertaken both by the Central Excise Authorities and the Regional Authorities of DGFT. In case of violation of license conditions, penal action is taken under Foreign Trade (Development and Regulation) Act, 1992 and the Customs Act, 1962.