

charging the same Excise and Customs Duties and other taxes, such as Sales Tax, which are there in different States. I would like to know, whether you are going to take cognizance of it,

There is a feeling in the minds of the farmers that the Department of Industry is giving a stepmotherly treatment to the causes of the farmers. For convincing the farmers, whether the Minister will take a bold step by taking cognizance of Mr. Rao's suggestion of exempting duties on less than 25 H.P. tractors in all fairness and the rate should be within the reach of the farmers *vis-a-vis* foreign technology.

SHRI J. VENGAL RAO : The answer to this question is this. In the last year's budget, the exemption was given upto 1800 cc. engine tractors That means upto 25 HP. That benefit is going to them. *(Interruptions)*

DR. KRUPASINDHU BHOI : What was the cost last year; and what is it now? You can give this information, so that the House may know. We are laymen.

MR. SPEAKER : He is talking about the excise duty, and not about the price.

SHRI J. VENGAL RAO : About the demand in our country, according to the 7th Plan projections, it is 95,000 tractors. Our licensed capacity is 1,95,000. Our installed capacity is 1,15,000 for tractors. *(Interruptions)*.

DR. KRUPASINDHU BHOI : I have not asked for that I have asked about the rates and prices.

MR. SPEAKER : He was asking about the excise duty.

(Interruptions)

Arbitrary high prices of drugs fixed by Drug Companies

*1029. **PROF. K.V. THOMAS :** Will the Minister of INDUSTRY be pleased to state :

(a) whether Government issued Drugs (Prices control) Order in 1979 and several companies got stay orders;

(b) if so, the number of cases pending final decision from the courts;

(c) whether these companies still continue to charge arbitrarily fixed high prices for drugs; and

(d) whether these companies are exempt from payment of income tax on profits earned due to differences in Government price and company price ?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : (a) to (d). A statement is given below :

Statement

(a) Some companies had obtained stay orders from various courts against prices fixed for some of their drugs under DPCO, 1979.

(b) and (c). There Writ petitions filed by M/s. Warner Hindustan, M/s. Parke Davis and M/s. Pfizer are still pending decision from the Bombay High Court. In other three cases concerning M/s Sandoz (India) Ltd., M/s Abbott Labs. and M/s Pfizer Ltd., appeals filed by the Government against the judgement of Bombay High Court dated 6.4. 1987 are still pending final decision. The concerned companies are charging their own prices for the formulations involved due to stay granted by the Bombay High Court,

(d) The Ministry is not aware of any such exemption being allowed by the Income Tax Authorities.

PROF. K. V. THOMAS : The multinational and big companies who manufacture drugs in this country are exploiting the poor people. The price of drugs is unilaterally fixed by these companies at a very exorbitant rate. Whenever Government tries to control these companies, they get shelter either in the High Courts or in the Supreme Court. They are worse than the terrorists. If the terrorists are killing people, these

big companies are exploiting millions of our poor people who find it very difficult to get two square meals a day. So, my question to the Minister is; what strong steps will be taken by Government to see that these companies are under the full control of Government, and that the prices are fixed, not by these big multi-national companies, but by Government which has given them licence for production ?

SHRI J. VENGAL RAO : Against the Government orders, 18 multi-national companies really got stays orders from various courts in the country; and 13 stay orders were vacated by the Supreme Court. In respect of five companies, six cases are pending in the Bombay High Court. Thirteen companies actually have to repay the prices they have collected during the stay period; they have to refund to the Government. They must deposit with the Government, according to the Supreme Court. An amount of Rs. 13-crores-odd is due from all these 13 companies. The amount recovered till now is nearly Rs. 4 crores; I think we will recover the remaining amount also. Six cases are still pending in the Bombay High Court.

PROF. K. V. THOMAS : I am very sorry to state that the Government is at the mercy of these multi-national companies. At any stage, Government is unable to control these companies. Government have mentioned in the statement that the concerned companies are charging their own prices on the formulations involved. So, Government should take special interest to see that the cases which are pending in the High Courts or the Supreme Court are settled immediately; and Government should give special instructions. So, my question to the Government is whether immediate steps will be taken, and instructions given to our own lawyers in the Supreme Court and the High Courts. Similarly, will Government take up any other legislation, whatever legislation is needed, so that these companies are controlled by Government? We should not be at the mercy of these companies.

SHRI J. VENGAL RAO : According to the latest DPCO, the Government has a right to fix any price for the drugs. We can bring it to the category two also. What to

do? These companies approached the High Court and the Hon. retired Chief Justice Chennappa Reddy give a judgement in 13 cases. Now we are recovering the amount. The judgement was given in favour of six companies by the Bombay High Court. Now our appeal is pending before a larger Bench. What can we do in such cases ?

[*Translation*]

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, in this regard I had made a special mention on 6th November, 1987 and the Hon Minister had given following reply on 2nd March, 1988.

[*English*]

"Early action is being taken to revise the price of medicines as per the provisions of DPCO, 1987"

[*Translation*]

Orders were issued in 1980-1981 for fixing the price with the companies. It is not known as to how the companies with the connivance of the Government could succeed in shelving the implementation of the directions with regard to prices by making the matter subjudice in the Supreme Court. In 1987, the Supreme Court somehow gave orders that recovery should be made and implementation too should be done within a period of 2 months and 14 days. The Government stated in this House that it would be done soon, but what is the cause of delay? What steps the Government is proposed to take for the recovery of overcharges which is being practised by the companies from its consumers? What punishment the Government is proposed to award to the officials responsible for this?

[*English*]

SHRI J. VENGAL RAO : As I have mentioned, in the case of 13 companies, the stay order was vacated by the Supreme Court. All these companies have approximately to pay Rs. 13 and odd crores. We have already recovered nearly Rs. 4 crores. We have appointed special officers and other staff and they are checking their accounts and they will collect the amount as early as possible.

[*Translation*]

SHRI RAM BHAGAT PASWAN : The Hon. Minister has mentioned only those companies which got the stay orders from the High Court and the Supreme Court, but has left out the companies which are charging the maximum price from the general public. Recently 13 companies in Delhi, which include Gratus Pharma and Ranbaxy etc. have been chargesheeted for overcharging and for manufacturing sub-standard drugs. I want to know from the Hon. Minister whether any legal action has been taken against such companies which are found to be indulged in overcharging as also manufacturing sub-standard medicines? If so, would you kindly state the number of cases in which court verdicts were given in favour of the Government and the companies?

[*English*]

SHRI J. VENGAL RAO : I have already mentioned that out of 18 companies, the stay order in the case of 13 companies was vacated. But we are collecting the amount. Six cases are pending in the Bombay High Court. A single judge Bench gave a judgement in favour of Six companies. Now an appeal is pending before the Bench.

SHRI SURESH KURUP : It is common knowledge that the most important reason for the high prices of drugs especially the life saving drugs is the use of brand name and the high pressure of salesmanship of the multinationals and they are also protected by a trade mark. Many western countries do not permit the use of a trade mark for drugs. If you insist that generic name should be used for these medicines and then they will not be given protection for a trade mark, automatically the prices of these drugs will come down. This is one of the most important recommendations of the Hathi Committee also. Bangladesh has followed their recommendations and adopted the Report of the Hathi Committee. They do not permit the use of brand name in their country and we are not implementing the important recommendation of the Hathi Committee. Would the government insist on the use of generic name for these medicines?

SHRI J. VENGAL RAO : I will send the information to the Hon. Member. The information is not readily available.

SHRI BASUDEB ACHARIA : What is this?

MR. SPEAKER : He will send the information.

SHRI SURESH KURUP : This is a long standing request of the people. The Hathi Committee has recommended this. (*Interruptions*).

SHRI BASUDEB ACHARIA : Your new drug policy contains this

SHRI J. VENGAL RAO : I am requesting you. Kindly see the question and see the supplementary.

MR. SPEAKER : You will get it. I will get you the answer. Do not worry.

(*Interruptions*)

MR. SPEAKER : Shri Digvijay Sinh.—Absent.

Dr. Venkatesh—Absent.

[*Translation*]

What has happened to him ever since, accompanied him in the delegation?

[*English*]

I shall have to take more care next time. Shri Bhattam Sriramamurty.

SHRI SAIFUDDIN CHOWDHURY : Was he also with you?

MR. SPEAKER : Shri Murlidhar Mane. What is all this happening?

Shri S. M. Guraddi—Absent.

SHRI S. B. SIDNAL : He is here.