

**THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI DALBIR SINGH)**

(a) An official delegation visited Japan recently for holding discussions with the Government of Japan in this regard. The final reactions of the Government of Japan are awaited

(b) The offers received from the Japanese firms are being evaluated.

(c) This question has not arisen in connection with the offers made by Japanese firms.

**Railway Communication in Chanda District of Maharashtra**

7241 **SHRI J G KADAM** Will the Minister of RAILWAYS be pleased to state

(a) whether there is only one Broad gauge Railway track in Chanda District in Maharashtra running from Nagpur to Hyderabad and the District needs more Railway lines for proper development, and

(b) what steps Government intend to take to develop Railway Communications in the District?

**THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MOHD SHAFI QURESHI)**

(a) and (b) Apart from the Nagpur—Hyderabad BG line, two BG branch lines also serve Chanda District, namely Mauri-Rajur (partially) and Tadali—Ghugus. The existing BG railway facilities together with the narrow gauge line from Chanda Fort to Nagbhir and beyond are considered to be adequate.

**Inflation of drugs prices by Foreign Pharmaceutical Companies**

7242 **SHRI N K SANGHI** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state

(a) whether foreign pharmaceutical companies load on the cost of production of a particular drug the overhead incurred by the firms on other accounts to inflate the cost of the drug for sale.

(b) what are the items that are permissible for calculation of sale price of drugs produced by these companies and whether any enquiry has been made to find out whether the provisions of the Drug Control Act are not being circumvented by smuggling into these calculations, other items, not permissible; and

(c) whether the above enquiries have revealed any lacunae in the Act itself and if so, the nature of the lacunae and what steps Government propose to take to plug the loopholes?

**THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI DALBIR SINGH)**

(a) No such instance has come to the notice of the Government so far

(b) and (c) The items that are permissible for calculation of sale prices of drugs-formulations are

- 1 raw materials cost,
- 2 conversion cost,
- 3 packing charges including cost of packing materials,
- 4 process loss and
- 5 a suitable mark-up, depending upon the essentiality of the products contained in the formulation, as notified in the Drugs (Prices Control) Order, 1970 Norms for conversion cost and packing charges have also been provided in the said Order. The Order also provides for the