

**Extraction of Oil from Coal**

7426. DR. VASANT KUMAR PANDIT: Will the Minister of ENERGY be pleased to state:

(a) whether it is a fact that Government have finalised a plan for extraction of oil from coal;

(b) whether the plan is in line with the technique followed in foreign countries for this purpose; and

(c) if not, the salient features of this new technique?

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI VIKRAM MAHAJAN): (a) to (c). The various aspects connected with setting up such a plan are still under examination.

**Setting up of second refinery in Gujarat**

7427. SHRI R. P. GAEKWAD: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government of Gujarat have made a proposal to establish a second Refinery in Gujarat; and

(b) if so, the progress and outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI DALBIR SINGH): (a) No, Sir.

(b) Does not arise.

**Landfall point for Bombay high and Bassein Gas Pipeline on shore of Gujarat**

7428. SHRI R. P. GAEKWAD: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Lovraj Committee has recommended Ubhrat,

a place near Surat, as a landfall point for the Bombay High and Bassein Gas Pipeline on the shore of Gujarat;

(b) if so, whether Public Investment Board has cleared the project; and

(c) if so, the cost involved in laying the pipeline and the time schedule for the completion of the said pipeline?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS

(SHRI P. C. SETHI): (a) Yes, Sir.

(b) Yes, Sir.

(c) The cost of the pipeline, as indicated by the Lovraj committee, is Rs.127.3 crores. The pipeline is expected to be completed by the end of 1983.

**Manufacture of Formulations by Drug Firms in Indian Sector**

7429. SHRIMATI USHA PRAKASH CHOUDHARI: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to lay a statement showing:

(a) how many drug companies in Indian Sector have been allowed manufacture of formulations based on indigenous, imported or canalised raw materials during the last three years, and basis on which such approvals were given;

(b) how many companies have not been allowed manufacture of formulations based on indigenous/imported/canalised raw materials during this period and basis for rejection of proposals;

(c) how Government reconcile their policy so as to allow expansion and growth of Indian Sector specially when foreign companies are producing large number of formulations without industrial licences/approvals; and

(d) the salient features in New Drug Policy for 100 per cent Indian units, companies with 40 per cent direct foreign equity and MRTP and large Indian houses, details of the same and how there are more incentives for

the 100 per cent Indian units than the others?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI DALBIR SINGH): (a) During the last three years, i.e. 1978 to 1980, 57 Indian companies have been granted 139 Industrial Licences for manufacture of bulk drugs and formulations. These licences have been granted mainly on their satisfying the provisions of the New Drug Policy Statement which was laid on the Table of the Lok Sabha on 29th March, 1978 and the location policy. This is in addition to Letters on Intent and registrations.

(b) 65 Indian companies have not been allowed to manufacture bulk drug and formulations mainly due to their not satisfying the ratio parameters of 1:10 of the New Drug Policy and locations not being in permissible areas under Location Policy.

(c) and (d). The activities of the multi-national drug companies are being regulated through the implementation of the following policy parameters contained in the Statement laid on the Table of the Lok Sabha on 29-3-1978:—

(i) Foreign companies producing only formulations or only bulk drugs not involving high technology with or without formulations are required to bring down their foreign equity to 40 per cent.

(ii) Appendix I activity (the core industries of importance to the national economy listed under Appendix I of Industrial Policy) in respect of "Drugs & Pharmaceuticals" has been re-defined to restrict the future activities of foreign companies.

(iii) Foreign companies will be allowed to take up manufacture only of bulk drugs involving high technology from basic stages and formulations linked therewith.

(iv) Foreign companies producing drug formulations based on imported bulk or producing bulk drugs from penultimate stages will have to manufacture within a period of two years bulk drugs concerned from the basic stage.

(v) In the case of foreign companies no expansion is to be granted in capacity for any but high technology bulk drugs and intermediates.

(vi) Foreign companies are not to be given fresh loan licences and the small scale sector will be a prohibited area for them.

(vii) Industrial Licences to foreign companies are to be given subject to the condition of supply of 50 per cent of actual production of bulk drugs to non-associated formulators and also subject to the condition that the overall ratio of bulk drug production to formulation is maintained at 1:5.

Certain data has been collected from various companies including foreign companies with regard to production of bulk drugs and drug formulations for the purpose of regularisation of excess production in terms of 1978 Drug Policy and also for recognition of installed capacities in terms of Department of Industrial Development notification dated 4-9-1980. This data is being processed. No final view has been taken on the claims made by these companies on the authority based on which they manufacture their products.

Companies mentioned in part (d) of the question are all treated as Indian companies under the Drug Policy except in the case of MRTP Indian companies who are required to part with 50 per cent actual production of bulk drugs to non-associated formulators whereas other Indian companies have to part with only 30 per cent of actual production of bulk drugs to non-associated formulators.