

(a) whether with the increase of customs duty on drug intermediates in November, 1981 the cost of production of end products would go up beyond the notified price;

(b) how much provision has been left in the Drug Price Equalisation Account for grant of subsidies on this account to the small-scale units; and

(c) if so, what are the details of the same and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHR DALBIR SINGH): (a) Government have *vide* Ministry of Finance, Department of Revenue's Notification dated the 27th November, 1981 withdrawn the custom duty concession available on the following four drug intermediates:—

- (1) L-Base
- (2) D-Alpha Phenyl Glycine
- (3) D2-Aminobutanol
- (4) Guanidine Hydrochloride

It is not possible at this stage to say whether any upward revision in the prices of the connected bulk drugs would be necessitated due to the withdrawal of Customs' duty concession on the above for drug intermediates.

(b) and (c). The question of payment of any subsidy would arise only if and when Government fixes separate retention prices of the related bulk drugs for ex-intermediate stage viz-a-viz the pooled/common sale price of those bulk drugs.

Customs duty on Drug Intermediates

4946. SHRI T. M. SAWANT: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) what was the objective behind Government's move to drastically in-

crease the customs duty on certain drug intermediates recently;

(b) what is the number and capacity of small-scale units who are engaged in the manufacture of import substitute end-products manufactured out of these drug intermediates;

(c) whether the capacity of these small-scale units would remain idle in view of the inability of the small-scale units to sell the end-products at the notified price under DPCO; and

(d) if so, what steps Government have taken to ensure survival of small-scale units and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI DALBIR SINGH): (a) Government have *vide* Ministry of Finance, Department of Revenue's notification dated the 27th November, 1981 withdrawn the concessional rate of duty of customs which was announced in March 1979 on the following 4 items:—

- (1) L-Base
- (2) D-Alpha Phenyl Glycine,
- (3) Guanidine Hydrochloride,
- (4) D2-Aminobutanol.

The reasons for withdrawing the duty concession are that D-Alpha Phenyl Glycine and Guanidine Hydrochloride are not used in the manufacture of essential drugs by the drug manufacturers in the country and in their place Guanidine Nitrate and D-Alpha Phenyl Glycine Chloride Hydrochloride on which concessional rate of duty of customs is available are used. As regards L-Base and D2-Aminobutanol the custom duty concession was withdrawn to encourage the production of connected drugs from basic stages.

(b) to (d). In three of four cases, concessional rate of Custom's duty on the import of other intermediates required for the production of the same bulk drugs for which the three in-

intermediates are required, continue. The Small Scale Units can, therefore, import these intermediates for which concessional rate of Custom's duty continue and sell the related bulk drugs at the prices fixed by Government for such a bulk drug. In the remaining cases (i.e. L-Base) also depending upon its international price, Small Scale units can import the item. Those small scale units which hold an import licence can also obtain this intermediate at Government fixed price from the State Chemicals and Pharmaceuticals Corporation of India Limited.

As for the prices of the related bulk drugs, the provisions of the Drugs Prices Control Order would apply to them in case a need for further revision is warranted.

Minister's Address to Executives of Western Coal Fields Ltd. on 23rd October, 1981

4947. PROF. MADHU DANDAVATE: Will the Minister of ENERGY be pleased to state:

(a) whether while addressing the executives of Western Coalfields Ltd. at Nagpur on 23rd October, 1981 he expressed the view that "the workers had lost their trust in trade union leaders and public sector executives should stop in to fill this vacuum"; and

(b) if so, whether there is any proposal before Government to replace the trade unions by bureaucracy?

THE MINISTER OF ENERGY (SHRI A. B. A. GHANI KHAN CHAUDHURY): (a) No such statement as alleged was made.

(b) Does not arise.

Installation of Platform by Micoperi of Italy

4948. SHRI NARAYAN CHOUBEY: Will the Minister of PETROLEUM,

CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether MICOPERI of Italy, basically a salvage contractor was given the contract for installing SE/SI platforms at Bombay High;

(b) if so, how much foreign exchange has been released for their work;

(c) whether the same company was given optional work i.e. NU platform installation without prior release of foreign exchange by the Finance Ministry;

(d) whether the said company was a defaulter in their SE/SI work; and

(e) whether MICOPERI has been further recommended by his Ministry for installation of SJ platform, if so, the considerations therefor?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) M/s. Micoperi of Italy are primarily marine contractors for installation of offshore platforms and pipelines. A contract for installation of SE and SI platforms and pipelines along with the option for installation of another platform NU was awarded to M/s. Micoperi by the ONGC on the basis of global tenders as their offer was found to be the lowest technically suitable offer.

(b) Foreign exchange for US \$ 2,05,54,600 was released by the Government to the ONGC for installation of SE and SI platforms and laying of pipelines and risers by M/s Micoperi.

(c) Yes, Sir; M/s Micoperi was also given the optional work of installation of one additional platform NU by the ONGC under the provisions of the contract. The possibility of entrusting the work for the additional platform also to M/s Micoperi had been indicated to the Government by the ONGC at the time of requesting for approval for SE and SI platforms. The Government was, however, not approached by the ONGC for release of foreign exchange as no additional for-