

**FIFTH REPORT**  
**STANDING COMMITTEE ON**  
**PETROLEUM & CHEMICALS**  
**(1999-2000)**

**(THIRTEENTH LOK SABHA)**

**MINISTRY OF CHEMICALS & FERTILIZERS**  
**(DEPTT. OF CHEMICALS**  
**& PETRO-CHEMICALS)**

**DEMANDS FOR GRANTS**  
**(2000-2001)**

*Presented to Lok Sabha on 25.4.2000*  
*Laid in Rajya Sabha on 25.4.2000*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**  
*April, 2000/Chaitra, 1922 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
PETROLEUM AND CHEMICALS  
(1999-2000)

Shri Mulayam Singh Yadav — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Ashok Argal
3. Shri Ramchander Baina
4. Shri Ananda Mohan Biswas
5. Shri Ajay Singh Chautala
6. Dr. (Smt.) C. Suguna Kumari
7. Shri Padam Sen Choudhary
8. Shri T.T.V. Dhinakaran
9. Shri Dilipkumar Mansukhlal Gandhi
10. Shrimati Sheela Gautam
11. Shri Pawan Singh Ghatowar
12. Shri Shriprakash Jaiswal
13. Shrimati Nivedita Mane
14. Shri Punnulal Mohale
15. Shri P. Mohan
- \*16. Shri B.K. Handique
17. Shri Ashok Pradhan
18. Shri Mohan Rawale
19. Shri Arjun Sethi
20. Shri Shyama Charan Shukla
21. Shrimati Kanti Singh

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\*Nominated *w.e.f.* 24.1.2000 vice Sh. Vilas Muttemwar who was nominated to Standing Committee on Transport and Tourism.

(iv)

22. Shri Prabhunath Singh
23. Shri D.C. Srikantappa
24. Dr. Ramesh Chand Tomar
25. Shri Tarlochan Singh Tur
26. Shri Shankersinh Vaghela
27. Shri Ratilal Kalidas Varma
28. Shri B. Venkateshwarlu
29. Shri Rajesh Verma
30. Dr. Girija Vyas

*Rajya Sabha*

31. Shri Ahmed Patel
- \*32. Vacant
33. Shrimati Basanti Sarma
- \*34. Vacant
- \*35. Vacant
- \*36. Vacant
- \*37. Vacant
- \*38. Vacant
39. Shri K. Kalavenkata Rao
40. Shri Anil Kumar
41. Shri P. Soundararajan
42. Shri Mukesh R. Patel
43. Shri Gaya Singh
44. Prof. Ram Gopal Yadav
45. Dr. (Smt.) Joyasree Goswami Mahanta

SECRETARIAT

- |                       |                             |
|-----------------------|-----------------------------|
| 1. Dr. A.K. Pandey    | <i>Additional Secretary</i> |
| 2. Shri John Joseph   | <i>Joint Secretary</i>      |
| 3. Shri Brahm Dutt    | <i>Deputy Secretary</i>     |
| 4. Shri J.N. Oberoi   | <i>Under Secretary</i>      |
| 5. Smt. Madhu Bhutani | <i>Reporting Officer</i>    |

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\*Vacancies caused consequent upon retirement of Miss Saroj Khaparde and Sarvashri H. Hanumanthappa, Kanak Mal Katara, Ram Nath Kovind, Dipankar Mukherjee and Smt. Malti Sharma, all Members of Rajya Sabha from the membership of Rajya Sabha w.e.f. 2nd April, 2000.

## INTRODUCTION

I, the Chairman, Standing Committee on Petroleum and Chemicals (1999-2000) having been authorised by the Committee to submit the Report on their behalf present this Fifth Report on Demands for Grants of the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals for the year 2000-2001.

2. The Committee examined/scrutinised the Demands for Grants pertaining to the Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals for the year 2000-2001 which were laid on the Table of the House on 14th March, 2000.

3. The Committee took evidence of the representatives of the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals at their sitting held on 31st March, 2000.

4. The Committee considered and adopted the Report at their sitting held on 11th April, 2000.

5. The Committee wish to express their thanks to the Officers of the Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals for furnishing the material and information which they desired in connection with the examination of Demands for Grants of the Ministry, for the year 2000-2001 and for giving evidence before the Committee.

6. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
17 April, 2000  

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28 Chaitra, 1922 (Saka)

MULAYAM SINGH YADAV,  
*Chairman,*  
*Standing Committee on*  
*Petroleum and Chemicals.*

## REPORT

### A. Introductory

The main objective of Department of Chemicals and Petrochemicals under the Ministry of Chemicals and Fertilizers is to plan, develop, regulate and control industries in the field of chemicals, pharmaceuticals and petrochemicals. The main activities of this Department in relation to these industries are overall sectoral planning, development and control of these industries. It also includes issues like monitoring of production and imports and in the case of pharmaceuticals ensuring availability as well as pricing of drugs and formulations. The activities of this Department also include the administrative control of the public sector undertakings in these areas and administration of Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985. The following public sector undertakings/institutions/organisations are under the administrative control of the Department:

- (i) Hindustan Organic Chemicals Ltd. (HOCL)
- (ii) Hindustan Insecticides Ltd. (HIL)
- (iii) Indian Drugs & Pharmaceuticals Ltd. (IDPL)
- (iv) Hindustan Antibiotics Ltd. (HAL)
- (v) Smith Stanistreet Pharmaceuticals Ltd. (SSPL)
- (vi) Bengal Chemicals and Pharmaceuticals Ltd. (BCPL)
- (vii) Bengal Immunity Ltd. (BIL)
- (viii) Indian Petrochemicals Corporation Ltd. (IPCL)
- (ix) Petrofils Cooperative Ltd. (PCL)
- (x) Central Institute of Plastics Engineering and Technology (CIPET)
- (xi) National Institute of Pharmaceuticals Education and Research (NIPER)

(xii) Institute of Pesticides Formulation Technology (IPFT)

(xiii) National Pharmaceutical Pricing Authority (NPPA)

#### Analysis of Demands for Grants

2. The Demands for Grants (No. 5) of the Department of Chemicals and Petrochemicals (hereinafter referred to as the Department) were laid on the table of the Lok Sabha on March 14, 2000. Demands for Grants has made provisions for Plan and Non-Plan expenditure. It consists of two parts *viz.* Revenue Section and Capital Section for the year 2000-2001 and contains the following figures:

(Rs. in crores)			
	Plan	Non-Plan	Total
Revenue Section	24.98	121.38	146.36
Capital	15.02	50.86	65.88
	40.00	172.24	212.24

3. A detailed statement showing the item-wise actual expenditure, for the year 1998-99, Budget Estimates and Revised Estimates for 1999-2000 and the Budget Estimates for 2000-2001 are given at Appendix I. Out of total Demands for Rs. 212.24 crore, the major heads are: compensation to victims of Bhopal Gas Tragedy (Rs. 104.89 crore), Central Institute of Plastics Engineering and Technology (Rs. 9.50 crore), National Pharmaceutical Pricing Authority (Rs. 5.69 crore). Grant to National Institute of Pharmaceutical Education and Research (Rs. 15 crore) and loans to PSUs (Rs. 58.35 crore). Head-wise demands are discussed in the succeeding paragraphs:

**MAJOR HEAD 3451**

**B. Secretariat/Economic Services (Rs. 5.42 crore)**

4. The Head is mainly for salaries of the Ministry's officials and other office expenses like travelling, OTA and publications. Item-wise actual expenditure for 1998-99, Budget Estimates and Revised Estimates for 1999-2000 and Budget Estimates for 2000-2001 has been shown in the table given at Appendix I. A provision of Rs. 542 lakh has been made under the 'Secretariat Head' in 2000-2001 against the revised estimate of Rs. 479 lakh (1999-2000) and actuals of Rs. 448 lakh in 1998-99. The increase in the Budget Estimates under Secretariat Head over the previous year is mainly due to increase in expenditure on salary, domestic and foreign travel.

5. Explaining the reasons for the continuous increase in Budget for the Secretariat these, the Department informed as follows:

"...main reason for increase in the salary head is the provision for normal increment, two additional DA instalments, H.R.A. provision for retirement benefits during the next year and for filling up of the vacant posts by 31.5.2000 as per the direction of CAT. In the case of domestic TA, the main reasons are the payment of pending bills of Rs. 5.57 lakhs for the last year, travel by officer on election duty, visits by the staff of MoS (C&F)'s office, and to accommodate increase in train and air fares."

6. The Committee, observed that in 1998, the staff strength in the Ministry was 252 which became 257 in 1999 and for 2000-2001 it is proposed to be 268. The Committee sought clarification regarding proposed increase in staff and enquired whether it was based on any scientific manpower study or not. The Department clarified their position in a written reply:

"There is no proposal to increase the staff strength. The staff strength of 268 includes 13 posts created for the office of Minister of State for Chemicals and Fertilisers (Shri Ramesh Bais) on co-terminus basis as per the existing orders. During 1999, 3 posts for official language and 2 posts for Record Room were created with the proper approval of Internal Finance Division and the Ministry of Finance."



7. Asked whether the economy directives issued by the Government were being adhered, the Department replied in affirmative.

8. The Committee note that as against the actual expenditure of Rs. 413 lakh during 1997-98 and Rs. 448.12 lakh in 1998-99, the Revised Estimates for the year 1999-2000 have been kept at Rs. 479 lakh. The Budget Estimates for 2000-2001 have been placed at Rs. 542 lakh. Although the Department has justified the increase occurring due to filling up of the vacant posts by 31.5.2000 as per the direction of CAT and provision for retirement benefits, the Committee feel that some check should be applied on continuous increase over the last two years. The Committee urge the Department to make all necessary efforts to adopt cost control measures so that the expenditure under this head is minimised.

(Recommendation No. 1)

### C. Central Institute of Plastics Engineering and Technology (CIPET)

9. Central Institute of Plastics Engineering and Technology (CIPET) was established in 1968 as an Autonomous organisation under the Administrative Control of Deptt. of Chemicals and Petrochemicals. The basic objective of the CIPET is to give special training and assistance in the development and growth of plastic industry. It also undertakes physical testing of the plastic materials. By the efforts of the State Governments 12 Extension Centres of CIPET have been established in various parts of the country viz., Chennai (H.Q.), Lucknow, Bhubaneshwar, Mysore, Ahmedabad, Amritsar, Bhopal, Hyderabad and Imphal. In addition, the establishment process of extension centres at Patna in Bihar and Haldia in West Bengal is likely to begin by mid June 2000 and the construction is expected to be completed by March 2002 and CIPET Extension Centre at Guwahati in Assam had been approved by the Government in March, 1999. The Budget provision for the Institute during the year 2000-2001 is as under:

(Rs. in crores)

Year	Plan	Non-Plan	Total
1998-99 (Actuals)	5.25	5.37	10.62
1999-2000 (BE)	4.00	4.40	8.40
1999-2000 (RE)	4.00	4.00	8.00
2000-2001 (BE)	5.50	4.00	9.50

10. Asked about the latest position in regard to setting up of CIPET centres at Patna, Haldia and Guwahati, the Department stated:

**“(a) CIPET Extension Centre at Patna in Bihar**

A Training Centre was initially established at Patna in September, 1994 in Industrial Sheds provided by the State Government of Bihar at Pataliputra Industrial Estate. In December, 1998 the Government approved upgrading the Training Centre at Patna into a full-fledged Extension Centre at a total project cost of Rs. 9.20 crores.

The Government of Bihar has allotted 5.25 acres of land at the Export Promotion Industrial Park EPIP, Hajipur Industrial Area in two stages. An architect has been appointed and tender documents are under preparation; these are expected to be finalized shortly. The construction activity is expected to begin by mid June 2000 and is likely to be completed before March, 2002.

**(b) CIPET Extension Centre at Haldia in West Bengal**

The Centre has been functioning in an Industrial shed hired at the NSIC Complex, Howrah from the academic year 1996-97. The total estimated cost of the Project is Rs. 9.60 crores. The Centre has all the essential machinery and equipment, including some latest. State-of-the-art machinery to meet the requirements of conducting four long term training courses and rendering technical services to the plastic industries.

A plot of land measuring 7.75 acres, allotted by the State Government at Haldia, was taken over in March, 1999. The Architect has been appointed. The Plan and the detailed drawings have been approved by the Haldia Municipal Town Planning Authority. Preparation of estimate, tender document and selection of contractor for construction of the building activities are under progress. The construction activity is likely to begin by mid-June, 2000 and the construction is expected to be completed by March, 2002.

From the Academic year 1998-99, four Long Term Courses were started with 130 students. The Centre has trained 224 students since inception.

**(c) CIPET Extension Centre at Guwahati in Assam**

The Government approved the setting of a full-fledged CIPET Extension Centre at Guwahati in Assam in March, 1999. The estimated cost of the Project is Rs. 10.35 crores. The total cost of the project is to be shared by the Government of India and the Government of Assam on 50:50 basis.

The Government of Assam has provisionally allotted land for the Centre near Sangsari Township on the National Highway 31-A and the possession of the land would be taken over shortly after completing the formalities. As an interim arrangement, the State Government has allotted four industrial sheds measuring 2700 square feet each at Amingaon near the Export Promotion Industrial Park where one Training Course has been started with 28 students."

11. The Committee enquired whether the present Budget allocation would be sufficient to meet the expenses of these three Centres and other old centres too. The Ministry replied as follows:

"The present Budget allocation would be sufficient or establishing the CIPET Centres at Patna, Haldia and Guwahati. As for the existing centres, there is no plan allocation for them."

12. When asked further whether the Government has got success in obtaining more foreign funds for modernization of CIPET centres in the country, the Department in a written reply stated:

"The Government is making all possible efforts to obtain more foreign funds for modernization of CIPET centres spread throughout the country. A Project Report for "Capacity Building of CIPET Centres for Development in Thrust Areas" at a cost of US\$ 14 million was forwarded to the Organisation of Petroleum Exporting Countries (OPEC) Fund for International Development,

Vienna, Austria. As advised by OPEC, the Project proposal has been suitably modified and the cost of the revised project is US\$ 7.00 million. This has been re-submitted to OPEC through the Ministry of Finance. OPEC's decision thereon is awaited."

13. Asked further about the number of sponsored projects CIPET undertook during the last one year and the amount of money generated from these projects, the Department replied:

"CIPET has undertaken 4 sponsored projects during the last year and the project period varied from 2 to 3 years and the project cost is given below:

S.No.	Name of Project	Sponsored by	Project Cost (Rs. in lakhs)
1.	Development of Toughened Engineering Plastics	Department of Science & Technology	22.66
2.	Setting up facilities for manpower development and training in the field of composites	TIFAC-DST	35.00
3.	New curing Systems for Thermo-Plastics Toughened Thermoset Plastics Toughened Themoset Epoxies	Indo-US Funding Programme	14.23
4.	Development of polymer materials for special applications	Indo-Russian ILTP in Science and Technology	13.64

Besides the above 4 sponsored projects, CIPET has undertaken a number of consultancy/advisory services to the plastics and its allied industries."

14. The Committee further enquired about the details of earnings and internal resources by different centres during the last three years, the Department submitted as follow:

“Details/year-wise breakup of Internal Resources generated by different Centres of Central Institute of Plastics Engineering and Technology is as follows:

(Rs. in lakhs)

Name of the Centres	1996-97	1997-98	1998-99	1999-2000 (upto Feb.)
Chennai	106.18	149.15	163.24	176.09
Ahmedabad	118.08	146.69	183.06	160.05
Lucknow	52.19	58.29	54.88	56.22
Hyderabad	50.74	58.20	79.79	65.57
Bhubneshwar	51.90	73.35	104.58	72.91
Bhopal	45.62	56.28	84.29	80.09
Amritsar	21.51	27.98	36.58	40.20
Mysore	47.36	57.49	65.88	79.55

The Internal Resources generated have been helpful in the development of the Centres. More specifically, the CIPET centres at Ahmedabad, Bhubneshwar and Bhopal were able to achieve complete self-sufficiency during the financial year 1998-99.

The overall achievement towards self-sufficiency of CIPET has increased from 64% in the year 1997-98 to 85% during the current financial year, *i.e.* 1999-2000.”

15. The Committee feel satisfied over the progress made in regard to establishment of CIPET Extension Centres at Patna in Bihar and at Haldia in West Bengal. The construction work is expected to be completed by March 2002. But regarding the CIPET Extension Centre at Guwahati in Assam the progress is very slow. The Committee feel sorry that the Government have taken more time in getting possession of land. The process of construction should start after taking an early possession of the land. The Committee would like the Government to coordinate with the Government of Assam so that work could commence immediately and completed by March 2002 alongwith other two Extension Centres.

*(Recommendation No. 2)*

16. The Committee are happy to note that almost all CIPET Centres have shown encouraging results in regard to generation of internal resources and earnings. The overall achievement towards self-sufficiency has increased from 64% in 1997-98 to 85% in 1999-2000. Three Centres *viz.* Ahmedabad, Bhubneshwar and Bhopal have already achieved self-sufficiency. The Committee recommend that the Government should pay more attention to the Centres with the objective of achieving complete self-sufficiency by the end of 9th Plan. For this purpose they should undertake more projects and expand the base for consultancy/advisory and industrial training services.

*(Recommendation No. 3)*

MAJOR HEAD '2852'

#### **D. Assam Gas Cracker Project**

17. The Assam Gas Cracker Project was proposed in 1984 for utilisation of petrochem fractions of natural gas resources of the State for polymer production which could create a large scale employment and help in economic development of Assam. Letter of Intent was issued in 1991 based on feasibility report of EIL. The project is undertaken by Reliance Assam Petrochemicals Ltd. with Assam Industrial Development Corporation as partner. The project costing over Rs. 3600 crores. (without participation of Central Government) is proposed to be located at Tengakhat in Dibrugarh District. Owing to various disadvantages of setting up the unit in Assam, the Central Government has agreed to grant one time capital subsidy of Rs. 377 crores for the proposed complex. A provision of Rs. 26 crores and Rs. 1.01 crores was made in the Budget Estimates and Revised Estimates for the year 1999-2000 respectively. A token provision of Rs. 1.00 crore has been made in the Budget Estimates 2000-01 under non-plan and Rs. 1.00 lakh under plan.

18 The project could not take off despite several recommendations of the Committee as the most contentious issue of Gas Supply Agreement between the Reliance Assam Petro-chemicals Ltd. (RAPL) and Oil India Ltd. (OIL) remained unresolved. The Committee held a joint meeting of the representatives of Ministry of Petroleum and Natural Gas, Department of Chemicals and Petro-chemicals, and Government of Assam. This was followed by another meeting when the Committee were informed that the issue has been sorted out and now there was no hurdle in taking off the project. The Committee appreciated their performance and hoped that work would commence soon and completed within 44 months from the day of start. Assuring the Committee that his department would discharge their responsibility, the Secretary, Department of Chemicals & Petro-chemicals said:

“We will not leave our responsibility. Even if we leave, I think, Committee will not allow us. But meter relating to 44 months will start only when both these things should happen.”

19. When Committee enquired about the amount of Rs. 1.01 crore, a provision made for the year 2000-2001 for Assam Gas Cracker Project and no work has actually been started on this project till now, the Department stated in a written note:

“In order to offset locational disadvantages, the Central Government approved a one-time capital subsidy of Rs. 377 crores and infrastructure subsidy of Rs. 72 crores for the Assam Gas Cracker Project. The release of subsidy would be linked to the progress in the implementation of the project. A token provision of Rs. 100 lakhs and Rs. 1 lakh has been made under Non-Plan and Plan heads, respectively in the B.E. for 2000-01. No amount has been released by the Central Government. However, depending upon the progress in implementation of the Project adequate budgetary provision would be considered at RE stage.”

20. About acquisition of land, Chief Secretary, State Government of Assam stated that:

“The requirement of land was first 1262 acres and of that land 128 acres was Government land and that was handed over to the Company. The planned land acquisition proceedings was started and it came to a still when the award was to be given. At that time, the RIL did not deposit the money which they had to deposit

because they wanted to first have the gas agreement signed. ...So far as land is concerned, we have made all arrangements. In the meanwhile, the air headquarters also mentioned that there has to be some change in the location of the land. So, an Alternative area of 160 acres of land has been identified by the Assam Government.

So, the land has been identified. It is not only that. Alternative land has also been identified for the number of families who might have to be given land elsewhere. So far as the land issue is concerned, that should not pose a problem. The first problem is about signing of the agreement for the project."

21. When Committee enquired about the number of families/ persons, facing the rehabilitation problem due to commissioning of this project and steps taken by the Department to solve the problems of the displaced persons, the Department stated:

"The number of families/persons which would be required to be rehabilitated would be known only after the finalisation of the site and initiation of the process of land acquisition. Appropriate measures for rehabilitation would undoubtedly be taken by the Government of Assam. The Central Government would not have any direct role in this regard."

22. The Committee are glad to note that in pursuance of the recommendations of the Committee the long/pending issue of Gas Supply Agreement between the Reliance Assam Petrochemicals Ltd. (RAPL) and Oil India Ltd. (OIL) has been resolved and the Draft for Agreement has been signed. The Committee express satisfaction over the role played by the Department of Chemicals and Petrochemicals in bringing all the parties together with a view to resolving the contentious issue of Gas Supply Agreement. The Committee believe that as facilitator of the project, the department will continue to monitor the progress periodically and for this a time schedule of each activity involved before zero date would be worked out and adhered to.

*(Recommendation No. 4)*



23. The Committee feel that another time consuming issue is land acquisition. As informed by the Chief Secretary, Assam Government the land has been identified. Out of 1262 acres of that land, 128 acres was Government land and that has been handed over to the company. Acquisition of the remaining land is pending since RAPL has to deposit compensation amount to the State Government. The Committee desire that now after the finalisation of gas agreement, RAPL should be asked to deposit money so that the acquisition process may start soon. Any further delay in this regard is not desired at this stage.

(Recommendation No. 5)

#### MAJOR HEAD '2852'

#### E. Bhopal Gas Leak Disaster

24. Budget provision under the head consists of two parts *viz.* voted and charged, provisions made under the 'head' during the years 1997-98 to 1999-2000:

(Rs. in crores)

	Actuals 1998-99	BE 1999-2000	RE 1999-2000	BE 2000-01
Voted	46.82	62.50	239.87	104.89
Charged				

The major component of the above Budget provision is Rs. 97 crore for meeting exchange variation payment and administrative expenditure incurred by the office of Welfare Commissioner, Bhopal (Rs. 7.79 crore). During the year 1999-2000 an amount of Rs. 239.87 crore has been spent as against the Budget Estimates of Rs. 62.50 crore.

25. According to the Department, the latest position in regard to adjudication of compensation claims as on 29.2.2000 was as follow:

Category	Cases Registered	Decided	No. of awarded cases	No. of pending cases	Total amount awarded (Rs. in crores)	Total amount disbursed (Rs. in crores)	Total No. of claimants to whom amount disbursed
01 (injury)	10,01,723	9,70,682	5,06,348	31,041	1322.85	1247.25	4,75,941
02 (Loss of Livestock)	658	619	226	39	0.10	0.06	129
03 (Loss of property)	4,901	4,786	497	115	0.12	.09	411
04 (Death)	22,149	20,911	13,703	1,238	82.69	79.48	12,614
<b>Total</b>	<b>10,29,431</b>	<b>9,96,998</b>	<b>5,20,774</b>	<b>32,433</b>	<b>1405.76</b>	<b>1326.88</b>	<b>4,89,095</b>

26. On being asked about the progress of rehabilitation schemes being taken up under Action Plan, the Department in a written reply stated:

“According to the information sent by the State Government of Madhya Pradesh, some schemes have not been completed in the extended period of action plan which expired on

**30.9.99.”**

27. The amount earmarked initially and revised during each extended period for each scheme and the amount actually spent on these schemes as on 31.1.2000 as intimated by the State Government is as follows:

(Rs. in lakhs)

S.No.	Name of Scheme	Original Sanction	1st Revision	2nd Revision	Exp. as on 31.1.2000
1.	Medical Rehabilitation	7702.91	9602.11	15035.11	16636.88
2.	Economic Rehabilitation	1398.75	1450.75	2117.75	2222.20
3.	Social Rehabilitation	3771.88	4121.88	4971.88	4569.23
4.	Environmental Rehabilitation	2194.93	2376.27	2376.27	2360.81
5.	Miscellaneous	529.26	529.26	529.26	515.31
6.	Judicial and administrative	712.27	770.07	770.07	1103.54
Total		16310.00	18850.34	25800.34	27407.97

28. Some of schemes under the action plan have not been completed, so far. These are as follows:

**Schemes under medical rehabilitation:**

- (a) The construction of Kamla Nehru Hospital has been completed and it has started functioning with effect from 14.1.2000. So far, facilities of dialysis, pathology and gastroenterology are available. For further equipping the Hospital, Hospital Services Consultancy Corporation has been engaged which has started action to purchase equipment. The Hospital is expected to function to full capacity by July, 2000.
- (b) OPD wing of Indira Gandhi Mahila Avam Bal Chikitsalya has started functioning *w.e.f.* 30.8.99. Its 50 bed wing started functioning *w.e.f.* 15.3.99. For purchasing equipment, Hospital Services Consultancy Corporation has been engaged.

### **Schemes under Economic Rehabilitation**

- (a) Rs. 4 crore have been provided for the economic rehabilitation of gas victims through non-Governmental organisations. For utilising this amount, a scheme has been formulated with the help of Rajya Hastshilp Vikas Nigam which is under consideration.

### **Facility for drinking water**

- (a) To supply drinking water in 10 wards surrounding UCC Plant, a sum of Rs. 3 crore was provided. Out of this amount, Rs. 60 lakh have been given to Bhopal Nagar Nigam. The Nigam has constructed the overhead water tank. Laying of pipeline is being undertaken.

The Supreme Court, in its judgement dated 25.1.2000, has directed the State Government to complete the schemes relating to medical rehabilitation within four months from the issue of the order.

29. When Committee asked about the strategy being followed by Department of Chemicals and Petrochemicals for quick disposal of the pending cases, the Secretary, C&PC replied:

“About the Bhopal gas leak disaster, the position broadly is that out of the total claims pertaining to compensation, which are in the region of just over ten lakhs, almost about 9.9 lakhs claims have been disposed of by the machinery that has been set up. This machinery functions under a sitting Judge of the Madhya Pradesh High Court. Sir, we are hopeful that in the course of the coming financial year, all the pending claims will be disposed of by the various authorities. Of course, I might add that there was a phenomenon that claims which had been dismissed for non-prosecution, requests could be made at any time after a gap of any length of time for their restoration. So, that was really an open-ended arrangement. Recently, by a notification, it has been indicated to all that such claims can be got restored for consideration within a period of two months from the first of March, 2000 so that all claims which would have been restored or not would have been applied for, in any case, by the 30th April. So, we expect that even taking such revised claims into account, the machinery that is in place will be able to take care of the compensation claims within the course of the next financial year.”

30. Enquired about the appropriate utilisation of amount released by Supreme Court in April, 1996 for setting up of additional facilities for Bhopal Gas victims in the speciality Hospital, the Department of C&PC stated in a written note:

“On direction from the Supreme Court, an additional amount of Rs. 187 crore and interest accrued thereon (Rs. 7.78 crore) was released for the hospital project. Bhopal Memorial Hospital Trust, which is an autonomous body set up under the direction of the Supreme Court, has intimated that the hospital is nearing completion and will be commissioned soon.”

31. The Committee further asked about the progress of Bhopal Memorial Hospital Trust, targets achieved by the Trust so far and benefits achieved by the people of Bhopal from speciality hospital, the Secretary, C&PC replied during evidence:

“I would submit that our representative has been attending the meetings of the Trust and he has been doing his bit for getting it expedited. As we have stated in our reply, the hospital building is nearing completion, but the completion of the building is not the end of the hospital. A lot more has to be done and, according to our information, about Rs. 110 crore has, so far, been spent on that project. But much more needs to be done. I would use the good offices of our representative on the Trust to see that things can happen faster. But I would again very respectfully submit that there are limits with regard to our effectiveness in this respect, partially because it is a Trust set up by the Supreme Court, under the orders of the Supreme Court. It is an independent Trust and we have a role as a member, we will try and discharge to the best of our ability.”

32. On being asked about the amounts spent over establishment of Welfare Office, relief of Bhopal Gas victims, claimants, rehabilitation etc., the Secretary, C&PC replied:

“The whole expenditure spent over the organisation of Welfare Commissioner for distribution of claims is incurred by Department of Chemicals and Petrochemicals. Details are given in Demands for Grants, for the year 2000-2001.”

33. He further stated:

“There are certain rehabilitation aspects which are also going on. There was an action plan for about Rs. 258 crore. That was to be shared in the ratio of 75:25 between the Government of India and Government of Madhya Pradesh. The Government of India has released the entire amount. According to the information which we have received from the Government of Madhya Pradesh, the entire amount of Rs. 258 crores has been utilised. There are certain actions on the part of the State Government which are still going on.”

34. The Committee note that out of total outlay of Rs. 258 crore for Action Plan, the Central Government has given its full share of 75%. The hospital has been entrusted to a Trust appointed by the Supreme Court. However, the Committee find that progress of work has not been satisfactory. Due to this victims of the Bhopal Gas Tragedy are not getting proper treatment and other facilities in the hospital in time. The Committee strongly reiterate that the Ministry should take up with the Trust through its representatives that it needs to be completed expeditiously.

*(Recommendation No. 6)*

35. The Committee regret to note that apart from the hospital some schemes of the Action Plan for rehabilitation of Bhopal Gas victims have not been completed as yet, even after taking several extensions including the last one which expired on 30.9.99. This has not only increased the expenditure but the main purpose of the schemes has also been defeated. After such a long period the Kamla Nehru Hospital has started functioning, it is not fully equipped yet. The same position exists in respect of Indira Gandhi Mahila Avam Bal Chikitsalaya. The Committee once again urge the Government to persuade the State Government or the representatives of the Trust to complete the work of all rehabilitation schemes in all respects without any further delay. The compliance report in regard to each incomplete scheme should be obtained and the Committee may be apprised accordingly.

*(Recommendation No. 7)*

## MAJOR HEAD '2852'

**F. Pharmaceutical Export Promotion Scheme (PEPS)**

36. An export promotion cell in the pharmaceutical division has been created with the objective of boosting pharmaceutical export and to act as a nodal centre for all queries/issues regarding pharma exports. The Pharmaceutical Export Promotion Scheme (PEPS) envisage operation of Pharmaceutical Export Promotion Cell (PEPC) to act as a nodal agency to promote export of pharmaceuticals. For the PEPS a grant of Rs. 15 lakh has been provided to enable the Cell to undertake its activities and pursue its objectives.

37. Following table shows the details of the exports of Drugs, pharmaceuticals and fine chemicals during the last three years as follows:

Year	Value of Exports of Drugs, Pharmaceuticals & Fine Chemicals (Rs. in crores)
1996-97	4341.80
1997-98	5419.32
1998-99	6152.22

38. The Committee asked about the objectives and achievements made through PEPS by organising seminars and workshops. The Department stated the following objectives in a written note:

“To be the nodal centre for all queries/issues regarding pharma exports;

to undertake any activity, which wil promote and accelerate pharmaceutical exports from India;

To organise seminars and workshops on standards, quality control requirements etc. of important countries so as to prepare domestic companies exporting their products;

to suggest, in consultation with the Industry, modification in the EXIM Policy.

A major item of work undertaken by the Cell under PEPS was the organisation of visit of a team of Russian experts to India in April, 1999 to explore the possibility of accreditation of Indian Testing Laboratories for pre-shipment inspection of pharmaceutical exports. The experts visited several Indian Testing Laboratories located in different parts of the country. The occasion was also utilised to organise a Seminar on the new drug registration procedure introduced in the Russian Federation. The experts' visit was widely welcomed by the Indian exporters as was reflected in their overwhelming response. Consequent to the visit of the expert team 13 reputed Indian companies have been exempted from batch by batch testing for the purpose of export of pharmaceuticals to the Russian Federation."

39. Elaborating further the role of the cell to promote the export activities in the international market, the Department stated in a written note:

"The Cell is in the process of preparation of a database on a wide gamut of information related to status of pharmaceutical industries in various countries including details of documentation guidelines for licensing of pharmaceutical companies, registration procedures for medicines, details of pharmaceutical market with information on local production, demographic data, details of health-care system, health indicators and prevalent disease pattern etc. These are helpful for Indian exporters, helping them to tap new market for exporting pharmaceuticals, Queries/issues regarding pharma exports from the exporters as well as Indian Mission abroad have also been attended to promptly. For this purpose, the Cell has corresponded with about 60 Indian Missions abroad and has been able to collect valuable information on about 42 countries. Dissemination of the data so collected to various companies as well as exporters has helped pharma exports from India. Quality complaints and other requests of immediate nature from various embassies, related to pharma exports, are also attended to promptly for remedial action."



40. The Committee are happy to note that the Government has initiated steps to promote export through Pharmaceutical Export Promotion Schemes. The Committee expect some better results in the near future. Most of the drug producing companies try to produce drugs which have a better demand in Indian market and naturally they have developed an expertise in production of such medicines. In the Committee's view, while collecting data from various countries by the Government it would be more beneficial to concentrate mainly on the countries where there is a similar climate and demographic pattern and diseases so that possibilities for higher export become a reality.

*(Recommendation No. 8)*

41. The Committee feel that the so-called poor quality of Indian medicines could be a hurdle in getting more export orders. The Committee desire that the Government should take some prompt initiatives to ensure supply of the better quality medicines because reputation means a lot, particularly in the export market. For this purpose they may provide better data to domestic companies through Seminars and workshops so that they may improve quality of their products. Government should also take steps which encourage the Indian companies.

*(Recommendation No. 9)*

MAJOR HEAD '2852'

**G. National Institute of Pharmaceuticals Education and Research (NIPER)**

42. A Registered Society in the name and style of the National Institute of Pharmaceuticals Education and Research (NIPER) was set up on 27th February, 1991. The Institute has been set up at SAS Nagar Mohali, near Chandigarh on 130 acres of land, provided free of cost by the State Government of Punjab, with an approved outlay of Rs. 99 crore. NIPER has been conceived as an Institute of excellence and learning in Pharmaceutical science and technology and it will be the only Institute of its kind in the country. NIPER has been declared as an Institute of national importance by Act of Parliament (No. 13 of 1998). During the year 1999-2000 a provision of Rs. 13 crore was made for the Institute but only Rs. 11.78 crore were utilised. A provision of Rs. 15 crore has been made in the Budget Estimates for 2000-2001.

43. When Committee enquired into the reasons for under-utilisation of money in the advanced stage of establishment of the Institute the Department stated:

“Major components of the funds for the year 1999-2000 are under the budgetary heads of buildings and equipments.

Most of the functional buildings needs sequential work to be done by different agencies such as civil construction, electrical, public health, external and internal service and environmental control. Any delay in the functioning of one agency leads to a chain reaction of delays.

Most of the equipments required at the Institute is sophisticated and imported. The lead time for the procurement of the instruments is often 3 to 6 months. Also very detailed pre-installation requirements need to be fulfilled before import of such equipment leading at times to delays. The procurement of equipments is also linked to recruitment of highly trained personnel for the faculty which also has been delayed because of non-availability of suitable candidates.”

44. Asked about the staff strength, fund position and activities being conducted by the Institute, the Department stated in a written note:

**“Staff Strength:**

The staff strength of the Institute as on 29.2.2000 is as follows:

(a) Technical	59
(b) Non-technical	20
Total	79

**Funds Position:**

As on 24.3.2000 there is a balance of Grant-in-aid of Rs. 1131.98 lakhs. This is committed towards budgetary heads, namely, building, air conditioning, furniture and fixture, external services (including river training work), Equipment (including L/Cs already opened).

**Activities:**

The Institute is engaged in four major activities:

**Teaching Programmes:** The Institute is conducting academic programmes in seven disciplines of pharmaceutical sciences leading to M. Pharm., M.S. (Pharm.), M.Tech. (Pharm) and Ph.D.

**Continuous Education Programmes:** The Institute regularly conducts national and international seminars and workshops for academic and industry personnel from India and other developing countries to upgrade and update their knowledge base and make them abreast of newer developments in different areas. Some of the programmes are aimed to improve the awareness of the participants from these developing countries about the quality products available from India, leading to increased exports.

The Institute is engaged in new drug discovery programmes in some of the thrust areas like tuberculosis, malaria, diabetes relevant to India. The Institute has created infrastructural facilities in different disciplines for meaningful research in these areas. The Institute is also engaged in elucidating the mechanisms of development of multiple drug resistance particularly in tuberculosis and malaria. This is of crucial importance to the country."

45. One of the major objectives of the Institute is to help the Indian Pharmaceutical Industry in facing the new challengers because of the globalisation. To meet the needs of the Industry the Institute has created facilities for the following:

- Bio-availability studies
- Impurity profiling of bulk drugs
- Stability studies as per ICH guidelines
- Toxicological studies
- Synthesis and Technology of chiral drugs
- Scale up technique in pharmaceutical industry
- Computer aided drug design
- Primary drug screening"

46. When asked further about the sponsored projects started by the National Institutes, and their objectives and achievements, the Department stated:

"The Institute has been selecting sponsored projects which are relevant to the country. Some of the major areas in which the Institute has been involved are (a) Development of pharmacopeial standards for ISM drugs (b) Development of agro technology and cultivation of medicinal plants (c) Synthesis of new chemical entities as anti-leishmanial agents or anti malarial agents having blood and tissue schizontocidal activity (d) Regulation of multiple drug resistance by proteinphosphorylation in leishmania donavani (e) Development of controlled release formulations (f) Development and evaluation of transdermal drug delivery systems (g) Impurity profiling of bulk drugs and stability indicating assays and (h) Bio-equivalence studies. The projects have been sponsored by Government agencies as well as private industries.

The objectives of different projects include, a better understanding of the underlying biological events in some tropical diseases, attempts to discover new drugs and improve the quality and efficacy of existing drugs by using different technologies so that the therapeutic efficacy of the patent drug is improved with concomitant reduction of toxicity. The objective of carrying out the impurity profiling and bio-equivalence studies is to accelerate the exports of indigenously manufactured bulk drugs and formulations. Development of pharmacopoeial standards for herbal products is very essential to the acceptance and wider usage of these products."

47. The Committee note that on procurement/installation of equipments, provision of various facilities and recruitment of required personnel and other related activities are being taken up by NIPER so that the full potential can be realised. Due to delay in procuring some machines/equipments, available funds to the Institute could not be utilised fully. In the meantime the Institute has started its activities. The Committee would like the Institute to complete all pending work/procurement process/recruitment so that the Institute can start working at its full potential. Needless to point out it should strive hard to achieve excellence which is one of prime objectives of the Institute.

*(Recommendation No. 10)*

48. The Committee have taken note of the sponsored projects undertaken by the Institute and appreciate the work of the Institute and defined objectives of these projects. The Committee would be happy if the objectives of different projects are achieved fully. The Committee desire that the Institute should pay special attention towards development of herbal medicines.

*(Recommendation No. 11)*

MAJOR HEAD '2852'

#### **H. Institute of Pesticides Formulation Technology (IPFT)**

49. The Institute of Pesticides Formulation Technology (IPFT) at Gurgaon is a non-profit making organisation. The Institute has a Governing body comprising of academicians, eminent scientists, administrators, financial experts, professionals as well as experts from the pesticide industry. The objective of the Institute is to promote advancement of Pesticide Formulation Technology in India. The Institute aims to develop and promote safer, efficient, economical and environment friendly pesticide formulation and utilities indigenously available raw materials. The Institute is recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The Institute has also been assigned the role of Technical Coordinator Unit of the Regional Network on Safe Pesticides Production and Information for Asia and the Pacific (RENPAF), Programme of UNDP/UNIDO on Pesticide Formulation and Quality Control.

50. During the year 1999-2000, the Budget Estimates for the Institute was Rs. 3.50 crore and only Rs. 1.25 crore was utilised by the Institute. Now a provision of Rs. 2.61 crore has been made in the Budget Estimates for the year 2000-2001.

51. When Committee enquired about the reasons for under-utilisation of the amount during the year 1999-2000, the Department stated in a written note:

"The Department of Chemicals and Petrochemicals provides a grant-in-aid of Rs. 100 lakh per annum to the IPFT for meeting its revenue expenditure. During the year 1998-99, also an amount of Rs. 100 lakh was provided. In January 1999, the Standing Finance Committee of the Department approved the construction of a new state-of-the art laboratory buildings for the IPFT. The

estimated cost was Rs. 440 lakh. To meet part of this expenditure, an additional amount of Rs. 200 lakh was provided in the Revised Estimates. This amount was released towards the end of 1998-99. The budget estimate for the year 1999-2000 of Rs. 350 lakh included Rs. 100 lakh for the revenue expenditure and balance amount of Rs. 250 lakh for the building.

As the amount for construction of the laboratory building had already been provided during 1998-99, there was no need for providing for the building during 1999-2000. Hence, the Revised Estimate was scaled down to Rs. 125 lakh. Of this, Rs. 100 lakh was for meeting the revenue expenditure and Rs. 25 lakh was for meeting the Contribution of the Govt. of India in the UNDP assisted project on development of Neem based pesticide. The provision for the year 2000-2001 is Rs. 261 lakh which includes Rs 100 lakh for revenue expenditure of IPFT, Rs. 36 lakh as the contribution of Government of India for the year to the UNDP — assisted project on development of Neem based pesticides and Rs. 125 lakh towards the construction of the new laboratory building for IPFT, which is under construction.”

52. The Committee further sought details of new schemes initiated to enhance the activities of Formulation Laboratory and Analytical Laboratory during the year 2000-01. The Department replied in a written note:

“The Institute has been able to initiate several new schemes to enhance the activities of both the Formulation Laboratory and the Analytical Laboratory during the year 2000-2001.

#### **Formulation Laboratory**

The Central Insecticides Board (CIB)/Registration Committee, Ministry of Agriculture, Government of India accepts scientific data generated by IPFT which is required under Section 9 (3) and 9 (3)(b) of The Insecticides Act, 1968 in respect of the new formulations and technical products likely to be produced in the country. As a result, a number of Pesticide manufacturers approach the Institute for generation of data required for obtaining registration. This is an activity which helps generating additional income.

The Institute is in the process of transferring the following new user and environment friendly pesticide formulations technologies during the year 2000-2001.

- Chlorothalonil WDG for United Phosphorous Limited
- Devrinol WDG for United Phosphorous Ltd.
- Endosulfan WDG for Excel Industries
- Glyphosate WDG for Excel Industries
- Mancozeb WDG for Sabbero Organics
- N125 Seed Dressing agent for De-Nocil
- Aza (Neem) formulation for vector control for EID Parry (I) Ltd.
- Aza (Neem) based repellent Creame for EID Parry (I) Ltd.
- Aza (Neem) based shampoo for pet care for EID Parry (I) Ltd.
- Aza (Neem) based Micro-emulsion for EID Parry (I) Ltd.

Efforts are on to participate in the joint collaborative research programmes of Department of Science and Technology (DST), Department of Bio-Technology (DBT) and Ministry of Environment (MOEF) with Indian Institute of Chemical Technology (IICT), Hyderabad, Industrial Toxicology Research Centre (ITRC), Lucknow, National Building Research Institute (NBRI), Roorkee, Delhi University, Delhi and Indian Institute of Technology (IIT), Delhi. This will not only enhance the credibility of the Institute but will also help develop new generation formulations in India.

#### **Analytical Laboratory**

The Analytical Laboratory has participated in the Round Robin Testing Programme of the OPCW and has just completed the Seventh Official OPCW Proficiency Test during the month of March, 2000. Additionally, the Institute is working out, jointly with the Central Pollution Control Board, a programme in which the Analytical Laboratory of the Institute would be generating data under the aegis of the Pollution Control Board of India. Once this programme is formally approved, there will be significant increase in the analytical activities of the laboratory."

53. In the context of earlier recommendation, the Committee desired to know whether the process of filling up of various posts after the creation of independent staff cadre has been completed. The Department in a written reply stated as follows:

“The recruitment process for all the scientific posts has been completed. IPFT has now a full cadre of scientists of its own. The Administrative posts are being filled up on need basis and all the posts are expected to be filled up by December, 2000.”

54. The Committee feel that the Institute has not been able to keep pace with the changing atmospheric and climatic conditions in the country. The Committee’s impression is based on the increasing number of diseases in agriculture, horticulture and forestry and inability of the prevalent pesticides to cure those diseases. A serious study has to be made to assess as to what has gone wrong that pesticides did not show results when cotton crop was infected with fungus and farmers were driven to commit suicide. There are complaints that pesticides are either diluted or are adulterated. The Committee recommend that an integrated mechanism has to be established to see the changing needs of the farmers, role of the Institutes such as IPFT to cater to these needs, involvement of State Governments and the Ministry of Agriculture. If needed the existing laws relating to spurious pesticides which do not protect the interest of the farmers should be amended to make them effective. IPFT should define its role in providing qualitative pesticides and guide the Government as to how to ensure this.

*(Recommendation No. 12)*

MAJOR HEAD ‘2852’

#### I. National Pharmaceutical Pricing Authority (NPPA)

55. The National Pharmaceutical Pricing Authority (NPPA) was established on 29.8.1997 with a view to enforcing the provisions of the Drugs (price control) Order (DPCO) and to perform the functions assigned to it. As a part of the Drug Policy announced in 1994, an independent body of experts has been set up which is responsible for price fixation/revision of prices of bulk drugs and formulations and other related matters such as updating the list of drugs under price control by inclusion/exclusion on the basis of the established criteria/guidelines. It is the responsibility of the NPPA to ensure that prices fixed are reasonable for the consumer. It is a balancing act undoubtedly



and it may be regarded as unfair by certain quarters from time to time but that is an exercise which is conducted by NPPA and action taken accordingly. NPPA, being an expert body, renders expert advice besides providing inputs and various data. A provision of Rs. 5.69 crore has been made for meeting the administrative expenses of NPPA during 2000-2001 against the provision of Rs. 4.52 crore in the Revised Estimates 1999-2000.

56. Elaborating upon the objectives being achieved by NPPA, the Department submitted the following written reply:

“Price fixation/revision is a continuous process and involves fixation of prices of scheduled bulk drugs and formulations. It is a techno-economic cum costing and statutory exercise. The Drugs Price Control Order (DPCO), 1995 has listed 74 bulk drugs in its first schedule which alongwith the formulation based on them are under price control.

Some of the broad objectives of NPPA are as under:

**Fixation of Bulk Drugs Prices:**

Since its inception NPPA has fixed the prices of 29 bulk drugs and 14 derivatives. Out of 29th Scheduled bulk drugs and 14 derivatives, price of 7 bulk drugs and 2 derivatives were reduced, those of 20 bulk drugs and 11 derivatives raised, while prices of 2 bulk drugs were fixed for the first time under DPCO, 1995 and that of one derivative was not changed.

**Fixation of Formulation Prices:**

NPPA is largely adhering to the mandate of Government to fix the prices in a time bound manner as prescribed under the DPCO. Prices of formulations are being fixed/ revised within the stipulated period of two months of submission of completed application. From April 1999 till 25.3.2000 NPPA has fixed revised/prices of 262 formulations and since inception of NPPA till 25.3.2000 prices in respect of 965 formulation packs have been fixed/revised.

The prices of drugs are fixed under the DPCO and keeping in view the objectives of Drug Policy in such a way that they are reasonable for consumers as well as manufacturers.

**Price Monitoring:**

The Drug Policy announced in September, 1994 envisaged monitoring the prices of decontrolled formulations (non-scheduled formulations) marketed in the country. The following norms and methodology are adopted in this regard:

Norms and Methodology for Monitoring of Prices of Non-scheduled formulations.

- (a) Collect data of selected drugs from Super Bazar and analyse the price changes during the period.
- (b) Scrutinize Monthly Reports of 'Retail Store Audit Market for Pharmaceutical Product in India' published by ORG-MARG and analyse the data on monthly/quarterly basis.
- (c) Examine the price list/supplementary price list filled by the manufacturing units from time to time.
- (d) As a thumb rule, take up for scrutiny cases involving price rise of 20% or more on the last price charge (MRP) of the drugs.

**Achievements in price monitoring**

- (i) It is estimated that there are about 25,000 to 30,000 formulations (packs) marketed in the country. These are manufactured by a large number of organised sector (about 300) and unorganised sector (about 19000) units. These formulations based on about 550 bulk drugs which are of common use. The formulations based on 74 scheduled bulk drugs are under price control category, prices of the remaining formulations are to be monitored by involving the State Governments through their Drug Control Organisations for the task.
- (ii) NPPA is also utilising the data published in 'Retail Store Audit Market for Pharmaceutical Products.' Such data are examined regularly whenever abnormal price increase of above 20% over the last price in the case of non-schedule formulation are noticed, the same are looked into by taking up the matter with the concerned manufactures and action is taken under DPCO, 1995, if necessary.

- (iii) In order to ensure transparency and faster dissemination of information, NPPA has launched its own website *www.nppaindia.com* and information relating to the prices, norms fixed by NPPA and important circulars sent to Associations etc. are up uploaded on the website regularly for the benefit of manufacturers as well as consumers.
- (iv) NPPA is regularly reexamining the price lists submitted by various companies. Whenever price violations are noticed appropriate steps under DPCO-1995 for recovery of overcharged amount are initiated.
- (v) Of the 74 scheduled bulk drugs under DPCO 1995, ten bulk drugs are under Court cases at Delhi and Bombay. NPPA is not in a position to enforce the prices of formulations based on these bulk drugs. There are also cases on some formulations filed by some companies in High Courts at Hyderabad and Bangalore.
- (vi) NPPA has been extending technical assistance/advice to the Government on policy issues with supporting data from time to time."

#### **Office Accommodation for NPPA**

57. While examining the budget proposals for the year 1999-2000 the Standing Committee for Chemicals and Petrochemicals had opined as follows:—

"The Committee would like the Government to take necessary steps to find suitable accommodation in Central Government complexes or arrange some low rented premises to avoid heavy expenditure for this purpose. Since, the authority has to play an important role in future it should have a suitable place and a well equipped office urgently."

In reply, the Department has stated:—

"Directorate of Estates was requested to allot suitable accommodation to NPPA. However, the Directorate expressed its inability to provide office accommodation and allowed NPPA to hire accommodation from the open market. As CCA decided to locate NPPA in Delhi/New Delhi hence hiring of accommodation had to be done accordingly. On receipt of advice and non-availability certificate from the Directorate of Estates,

as per prescribed Government procedure, the requirement was advertised in the press and the final selection has been made from the offers received. Premises of M/s. HIL were not on offer.

NPPA has since finalised a rented accommodation at 2E/21, Jhandewalan Extension, New Delhi. The new accommodation consisting of entire building with exclusive possession and use is being hired after the assesemnt of fair rent by the CPWD at monthly rent of Rs. 54/- per sq. ft.

While the location of the NPPA office in HIL's premises in Delhi was not considered, locating this office outside Delhi was not regarded administratively convenient."

58. The Committee are happy to note that in pursuance to the recommendations made by the Committee, NPPA has finalised the rented accommodation at a reasonable rent. The Committee trust that with the passage of time office expenses would come down considerably. Now NPPA should start establishing a better working environment with appropriate infrastructure for effective monitoring. Since computers will play a major role in the data collection process, better facilities should be developed for their proper maintenance.

*(Recommendation No. 13)*

59. The Committee recognise that after the establishment of NPPA, process of price fixation has become more efficient. However, the Committee desire that while fixing prices, the Authority should take into consideration the per capita income in the country, *i.e.* paying capacity, quality and availability of medicines to all sectors of the society. The Committee are of the view that there is greater need for having effective monitoring/control over supply/market forces in the country which affect the common man. The most common menace in the drug sector is the presence of spurious drugs/medicines. The Committee, therefore, desire that the Government should strengthen its monitoring system to ensure that consumers get genuine quality medicines at a reasonable price. This is all the more necessary in case of life saving durgs and medicines meant for curing tropical diseases.

## MAJOR HEAD '4857/6857'

**J. Investment and Loans to PSUs**

60. The following table shows the amount given to sick PSUs under the Ministry:—

Year	(Rs. in crores)			
	Investment		Loan	
	Plan	Non-Plan	Plan	Non-Plan
1998-99 (Actuals)	8.35		7.65	78.83
1999-2000 (RE)	5.79		8.50	85.00
1999-2000 (BE)	7.54		6.75	41.19
2000-2001 (BE)	7.53		7.49	50.86

61. The five public sector units, namely, IDPL, Hindustan Antibiotics Ltd. (HAL), Bengal Chemicals and Pharmaceuticals Ltd. (BCPL), Sumit Stanistreet and Pharmaceuticals Ltd. (SSPL) and Bengal Immunity Ltd. (BIL) have all been in the red due to outmoded technology, excessive work force, high overheads, weak marketing set ups, excessive reliance in international sales, etc. All these units have been referred to BIFR and revival package approved by Government for BCPL, BIL and SSPL are under implementation. Latest position about these units is as under:—

Indian Drugs and Pharmaceuticals Ltd. (IDPL)	IDPL was declared sick and referred to BIFR in 1992. A revival package was approved in 1994. The operations of IDPL could not reach the targetted levels in 1994-95. It was decided to revise the revival plan. The revival package has not been approved so far. Operations of IDPL are closed except marginal production in some of the units. The wage and salaries of the employees and workers of the company is
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being paid from non-plan assistance released from time to time by the Government. Revival proposal with cut off dates on 31.3.2000 and 30.6.2000 is under consideration of the Government. A provision of Rs. 56.09 crore has been made in the Revised Estimates as against the Budget Estimates of Rs. 33.72 crore (1999-2000).

Since the future of IDPL is uncertain, only a token provision of Rs. 1.00 lakh has been made in Annual Plan outlay of IDPL for 2000-2001.

Petrofils Cooperative  
Ltd. (PCL)

PCL has been incurring losses for the last 6-7 years. On account of severe financial constraints and impending disconnection of power supplies there is complete shutdown of all the plants from the last week of November, 1998. The employees are being paid wages on the basis of non-plan assistance given by the Government. A rehabilitation proposal, which is based on techno-economic viability study submitted by PCL is under consideration. A provision of Rs. 100 crore has been made in the Budget Estimates and a provision of only one lakh in Annual Plan outlay.

Hindustan Antibiotics  
Ltd. (HAL)

Incurring losses since 1993-94, it was referred to BIFR in January, 1997. A rehabilitation for the company is under consideration. A provision of Rs. 5.00 crore has been made as plan and non-plan assistance.

Hindustan Insecticides  
Ltd. (HIL)

The plan outlay for the year 2000-2001 has been kept at Rs. 11.86 crore and plan assistance 9.48 crore. Disinvestment Commission has recommended diverting of 51% equity in HIL to a strategic partner, alongwith management control.

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Bengal Immunity Ltd. (BIL) & Sumit Stanistreet Pharmaceutical Ltd. (SSPL)	Revival packages of these units were put in operations in 1994-95. Performance is far below. Operating agency IDBI has declared that the company cannot be revived. Since the future of SSPL is uncertain, a token provision of Rs. 1.00 lakh has been made.
Bengal Chemicals & Pharmaceuticals Ltd. (BCPL)	Revival package of BCPL was put into operation in 1994-95. A provision of Rs. 11 crore has been made through Budgetary Support. The revival package is performing satisfactorily.

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### Revival of IDPL

62. During the course of examination the Committee pointed out that IDPL was declared sick and referred to BIFR as far as back as 1992. A package for revival was sanctioned in 1994 which according to the Ministry failed in the first year itself, *i.e.* 1994-95. Enquired about the Government's view on the rehabilitation proposals submitted by IDPL and the reasons for not making sincere efforts to finalise the proposal. The Department in a detailed note submitted as under:—

“IDPL was declared sick by BIFR on 12.8.1992. A package for revival of IDPL was sanctioned by BIFR *w.e.f.* 1.4.1994. The cost of the package was Rs. 155 crore with cash infusion of Rs. 119.94 crore by the Government upto 1995-96. Besides this, the sacrifices on the part of the Government was to the tune of Rs. 149.84 crore conversion of loan into equity, Rs. 20.02 crore conversion of plan loans to interest free loan and Rs. 285.11 crore towards the waiver the penal and compound interest totaling Rs. 454.97 crore.

The Government released financial assistance to the tune of Rs. 140.31 crore during the period upto 1995-96.

The package failed in the first year itself *i.e.* 1994-95 as the company was able to achieve a production of Rs. 199 crore only against the target of Rs. 328 crore, sales of Rs. 183 crore as against the target of Rs. 306 crore and made a loss of Rs. 77 crore as against the projected profit of Rs. 0.08 core.

IDPL management thereafter suggested modifications in the plan, envisaging a fresh financial assistance of Rs. 98 crore. The Government approached BIFR for economic analysis of the modifications proposed. BIFR appointed IDBI as the Operating Agency for the purpose. Further M/s. A.F. Ferguson and Co. (AFF) were also engaged for a diagnostic study.

According to M/s. A.F. Ferguson and Co., IDPL is over staffed, plant and equipments are in bad shape, product mix required drastic changes, the high social cost and overheads need to be trimmed, marketing needs to be fully revamped and the accounting and financial system need to be put in place. The report was categorical in its stand that on "as is where is" basis, the company is non-viable. The report recommended a drastic reduction in manpower from the existing 7,600 to 2,310 and investment of Rs. 130 crore (approximately) for the modernization and purchase of technology and consolidation of formulation unit at one place over a period of 2 years. The report also recommended that the facilities like housing, schools, colleges, guest houses etc. be run on a no profit no loss basis or these may be transferred to the concerned civil authorities.

IDBI examined the history of IDPL and went into the details of recommendations made for each unit by M/s. A.F.F. IDBI was of the opinion that given IDPL's past record it would be impossible to implement the measures recommended by AFF within the prescribed period. IDBI was also of the opinion that it was difficult to bring the overheads in line with the industry in a short period of time.

The issues relating to IDPL were discussed in a meeting of the Committee of Secretaries held on 22.1.97. An Inter-Ministerial Committee set up to examine the matter concluded that it would be no longer possible for the Government of India to remain as promoter. The recommendations of the Inter-Ministerial Committee were considered by a Group of Ministers and they set out the parameters for the revival of IDPL. One of the parameters set out was that the Management and workers assume the responsibility for the unit on self-sustaining basis unit-wise. IDPL management in consultation with the workers prepared and submitted a revised proposal to the Government on 24.10.97. As per revised proposal submitted by IDPL the



total estimated cost was Rs. 1,092.92 crore with cash infusion of Rs. 449.41 crore from the Government of India. Besides, the proposal also envisaged that around Rs. 144 crore to be fetched from the sale of surplus land be retained by the company. This widely differed from the parameters set out by the Group of Ministers. The Group of Ministers had recommended cash infusion of Rs. 246 crore and also the proceeds from the sale of surplus and were to be retained by the Government. Further, the workers did not agree to accept the responsibilities with the management jointly to manage and run the three units of IDPL as a whole on a self-sustained basis as was recommended by the Group of Ministers. Subsequently, IDPL submitted another proposal in June, 1998 with cut off dates as 30th September, 1998, 31st December, 1998 and 31st March, 1999. On examining the proposal, the total cost computed was Rs. 2,034.12 crore including Rs. 48.01 crore towards capital expenditure, direct cash infusion of Rs. 646.96 crore (this included Rs. 119.90 crore proposed to be fetched from the sale of land) and other sacrifices.

The revised proposal of IDPL also did not conform to the parameters laid down by the Group of Ministers. IDBI and AFF had not found the revival of IDPL as viable. While giving due consideration to these aspects, it was decided to get a fresh techno-economic study conducted by Dr. L.K. Behl, a former CMD of IDPL. Dr. Behl submitted in April, 1999 an Action Plan for the revival of IDPL. The same was examined in the Department and it was found that the Plan was not practicable and would not result in the revival of the company. However, with a view to making another attempt for preparing an agreed revival package with means of finance fully tied up, proposals have been obtained by the Department from the IDPL, with cut-off dates as 31.3.2000 and 30.6.2000. The proposal envisaged Rs. 572 crore as funds from the Government of India as on 30.6.2000 besides Rs. 345 crore as conversion of loans into Grants, waiver of outstanding interest on loans to the tune of Rs. 136 crore and Rs. 54 crore as write off of penal and compound interest, plus Rs. 198 crore as contingent liabilities. The same are under examination in the Department in consultation also with various Central Ministries/Departments, State Governments/PSUs Banks and Central PSUs, from whom concessions/relief are expected in the proposals."

63. When the Committee wanted to know the details of various revival proposals for IDPL during the last five years along with the cut-off dates and funds required and sacrificed by GOI, the Department stated in their written reply:

(Rs. in crores)

**Cash Infusion by GOI**

Sl. No.	Date of Submission Revival Proposal by IDPL	Cut-off date	Operations & Payment of Liabilities as Equity/ Grants	VRS as Grant-in aid	Total (4+5)	Capital Restructuring of GOIL Loans into Equity/ Grants	Sacrifices by GOI Waiver/write-off of interest on GOI Loans
	14.6.1995	95-96 onwards	299	81	380	224	308
	28.2.1996	96-97 onwards	147	85	232	280	295
3.	24.10.1997	31.12.1997	363	86	449	178	
4.	1.6.1998	30.9.1998	412	91	503	229	108
		31.12.1998	418	94	512	241	123
		31.3.1999	424	96	520	259	135
	28.1.2000	31.3.2000	468	97	565	326	173
		30.6.2000	473	100	573	345	190

64. The Committee further wanted to know the details of amount spent for payment of salaries etc. to the employees since closure of various units of IDPL, the Department stated as follows:

"The year-wise amount spent for payment of salaries etc. to employees including of 100% subsidiaries, since October, 1996 is

given below:

Year	(Rs. in crores)
1996-97 (Oct. 96 to March 97)	30
1997-98	64
1998-99	70
1999-2000 (Upto Dec. 99)	66

65. Briefing the Committee about the latest position of IDPL, the Secretary, Chemicals and Petrochemicals deposed during evidence:

"It is fairly a complex situation as far as IDPL is concerned, particularly, the plant has not been running for a few year. It will need substantial investment. Even for using it at the present conditions it needs substantial investment. The technology is old."

66. The Committee reiterate their earlier position that making IDPL, a viable organisation is the social responsibility of the Government. It is really distressing to note that even after repeated recommendations of the Committee, nothing has moved the Government to show concrete results. There is criminal wastage of public funds in conducting one study after another since 1992. The handling of IDPL case is a typical one which reflects the 'non-working culture' in Government, passing the buck from one organisation to another. The Committee once again recommend that the Government should in all fairness act in an effective manner to make IDPL functional and viable. In the Committee's opinion, this action will have multi-pronged positive effects on workers and pharmaceuticals sector as a whole. It will also help in removing sickness in public enterprises and most importantly improve the Government's image that it is interested in protecting and maintaining social security.

*(Recommendation No. 15)*

**Revival of Petrofils Cooperative Ltd. (PCL)**

67. Petrofils Cooperative Ltd. (PCL) has been incurring losses since 1994-95 and there is no production in PCL since last week of November, 1999 and the salaries, wages are being paid by using non-plan assistance given by the Government. The Committee wanted to know the reasons for not approving the rehabilitation proposal submitted in February, 1999, the Department stated in a written note:

“The rehabilitation proposal submitted by PCL management in February, 1999 had been examined in the Department and thereafter, the process of inter-ministerial consultation was taken up. In terms of the procedure, the views of concerned Ministries and Departments are to be obtained to enable the Government taking a decision at the appropriate level. This process of consultation has since been completed and the matter is expected to be decided by the Government in the near future.”

68. When asked about the reasons for not assisting the cooperative at the time when it had shown encouraging financial results particularly to avoid disconnection of power supply the Department stated in a written note:

“Petrofils Cooperative Limited has been incurring losses since 1994-95. The Society had defaulted in payment of bills for power availed from the Gujarat Industrial Power Company Limited (GIPCL). While PCL had been making payments of current dues from April 1997, it could not pay the outstanding arrears and, by July 1998, the total outstanding dues amounted to Rs. 8.83 crore. This Department had taken up with the Principal Secretary, Energy and Petrochemical Department, Government of Gujarat in August 1998 to allow PCL some time for payment of the arrears and continue power supplies against payment of current bills. GIPCL, however, did not agree and insisted that PCL should pay the outstanding arrears. The society was not in a position to pay the arrears. It was also not possible for the Government to take up payment of such liabilities of the society. The PCL management had, in view of the impending disconnection, taken a safe shut down of its plants in anticipation of disconnection of power supply.”

69. The Committee take a serious view over the approach shown by the Government in regard to Petrofils Cooperative Limited. The Cooperative had already submitted a revised rehabilitation proposal in February, 1999 as per the guidelines of the Department. In between PCL showed better financial performance also and in view of this the Committee had recommended an early approval of the revival package. That time also it was noticed that PCL was facing a difficult situation in regard to payment of electricity bills, etc. The Committee are sorry to say that the Government did not try to find any way to help PCL to avoid disconnection of electricity followed by shut down of the unit. In the Committee's view, this could be avoided. Since Government have already taken too much time in the finalisation of revival package, the Committee desire that Government should take a final decision without any further delay.

*(Recommendation No. 16)*

#### **Revival of Hindustan Antibiotics Limited (HAL)**

70. HAL is incurring losses since 1993-94. The company was referred to BIFR in January, 1997 and was declared sick on 31st March, 1997.

71. Asked about the performance of HAL and latest position of its revival package, the Department in a note stated:

"HAL was declared sick industrial company by BIFR on 31st March, 1997. BIFR appointed IDBI as an Operating Agency to suggest measures for rehabilitation of the company. The revival package is at an advanced stage of finalisation. The Company, however, on its own, has initiated a number of remedial measures for improving its financial position. some of these are as follow:

- (i) Upgradation of technology for manufacturing of Penicillin G and increasing production and productivity.
- (ii) A number of cost reduction measures have also been adopted. These include the following:
  - (a) Reduction in the cost of raw materials by way of procuring directly from manufacturers.

- (b) Reduction in wages by introducing VRS to reduce excess manpower.

The financial assistance released to the company during the period from 1995-96 to 1998-99 was to the tune of Rs. 18.86 crore. The performance of the company during the last 5 years is as follows:

Year	Value of Production (Rs. in Crores)	Net Profit/(loss) (Rs. in Crores)
1995-96	181.32	(20.94)
1996-97	116.82	(32.25)
1997-98	98.12	(28.90)
1998-99*	80.31	(14.62)
(1999-2000)* (Upto Dec. 99)	99.16	(08.42)

\*Figures are provisional."

72. The Committee are happy to note that HAL has taken a number of remedial measures for improving the financial position which has shown consistently positive results in reducing losses. The revival package submitted by HAL is still lying with the Government, though at an advanced stage. The Committee expect that revival package will be cleared without any further delay.

(Recommendation No. 17)

#### Revival of Smith Stanistreet Pharmaceuticals Ltd. (SSPL)

73. On being asked about the latest position in regard to revival of SSPL, the Department stated in their written reply as follows:

"This company was declared sick by BIFR on the 21st December, 1992. BIFR appointed Industrial Reconstruction Bank of India (now Industrial Investment Bank of India), Calcutta as the

Operating Agency to make techno-economic viability study and to suggest measures for revival. BIFR sanctioned a revival scheme on the 31st August, 1994 for a period of 10 years beginning from 1994-95. The cost of the scheme was Rs. 6.94 crore, the Government contribution was to the tune of Rs. 5.64 crore during the year 1994-95 and 1995-96. As against this the actual financial assistance was Rs. 9.35 crore during this period.

BIFR, after review, decided that the projections for the year 1996-97 would need fresh look and issue directions to the OA to rework the projections. The SSPL management prepared revised projections and forwarded the same to the Operating Agency in April, 1997. The cost of the scheme as per the projections prepared by Operating Agency works out to Rs. 24.15 crore.

The modified projections did not inspire much confidence. The net worth of the company would have been negative to the extent of Rs. 8.61 crore even at the end of 2003-2004. The OA has come to the conclusion that it is not possible to revive SSPL except with extra-ordinary reliefs and concessions from the Government of India, public sector institutions. The accumulated losses of the company as on 31st March, 1999 are Rs. 63.74 crore (provisional).

Pending a decision on the future of the company, the Government is releasing the financial assistance to enable the company to meet the wages/salaries of the employees/workers.

The Government in August 1999 appointed a full time Managing Director for the Company. The production and Sales have shown improvement after his joining. The performance of the Company during the last five years is as follows:

Year	Value of Production (Rs. in Crores)	Net Profit/(loss) (Rs. in Crores)
1995-96	06.00	(04.09)
1996-97	07.16	(04.93)
1997-98	04.00	(04.95)
1998-99*	01.17	(06.08)
1999-2000* (Upto Dec. 1999)	01.74	(03.77)

\*Figures are provisional.

74. The Committee are happy to note that SSPL has shown an improvement in production and sales during 1999-2000 after the appointment of the new CMD. This shows that there is still a potential and a scope of improvement. In view of the changed situation the Government should take all possible initiatives to enable the company to move on the path of recovery. As recommended in the previous Reports of the Committee, the Government should try to provide all possible reliefs/concessions from Government of India/Public sector institutions.

*(Recommendation No. 18)*

#### **Disinvestment Proposals of PSUs**

75. While referring to the disinvestment process of the undertakings under the Department of Chemicals and Petrochemicals, the Committee wanted to know the present status of disinvestment of IPCL, HOCL and HIL. About the disinvestment of HOCL, the Department stated in written reply:

“The Disinvestment process is in the initial stages. Disinvestment Commission had classified HOCL as “non-core” and recommended disinvestment of 33% out of GOI shareholding of 58.61% to a strategic partner while retaining 26% with GOI. The recommendations are being processed.”

About the disinvestment process of HIL, the Department informed that:

“The Disinvestment Commission in its recommendation has concluded that India’s agrochemicals market is fully contestable and no public purpose would be served by HIL continuing under Government ownership and control. It has also classified HIL as a non-core company. The Commission has recommended that Government should offer a minimum of 51% of its equity to a strategic buyer alongwith management control in order to enable it to diversify its product range with new technology and additional investment.

The report of the Disinvestment Commission is currently under scrutiny and a decision in the matter will be taken keeping in view the over-all policy and the particular aspects of the company.”



76. While going into the details of procedure being followed for the purpose of disinvestment, the Committee wanted to know that whether any revaluation of assets or replacement cost is taken into account before initiating the actual disinvestment process, the Secretary, Chemicals and Petrochemicals showed inability in expressing any view in this regard. He further clarified the position as under:

“We have a strong consultative process in deciding such matters. If during the course of the consultative process it is decided by the Government that a revaluation of assets needs to be done by IPCL or by the Department, we would do it, but that need has not been expressed or felt so far, and therefore, what has happened up till now has been without going through this exercise.”

77. In reply to a question, the Secretary, Chemicals & Petrochemicals informed:

“The fact of the matter is that the disinvestment exercise has reached a particular stage and that is undeniable. As the Secretary of the Department, the disinvestment exercise is beyond my purview and, therefore, as a part of the disinvestment exercise, if it is felt that a revaluation of assets is required, it would not be for me, as the Secretary of the Department to initiate that or decide that. But it would be for somebody else for the Government in a broader sense and not for me.”

78. The Committee take a serious view over the decision of disinvestment of IPCL, HOCL and HIL without revaluation of assets and assessment of replacement cost of these companies. The matter could be discussed during the process of consultations to decide the matter. Revaluation of assets is an ongoing process and it does not require any clearance from any quarter. The Committee do not approve of the position taken by the Department that they would revalue the assets of IPCL only when some reference comes to them. The Committee are of the strong opinion that before initiating

any exercise for disinvestment, revaluation of assets, etc. should be made essential. Accordingly, the Committee recommend that the Department of Chemicals and Petrochemicals should initiate suo-moto exercise of revaluation of assets of the undertakings which are being considered for disinvestment and position so emanating from the revaluation exercise should be placed before the concerned Ministries/Departments. This may help in arriving at prudent decisions in the disinvestment process.

*(Recommendation No. 19)*

NEW DELHI;  
17 April, 2000  

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28 Chaitra, 1922 (Saka.

MULAYAM SINGH YADAV,  
*Chairman,*  
*Standing Committee on*  
*Petroleum and Chemicals.*



**APPENDIX I**

**STATEMENT SHOWING ITEM-WISE ACTUAL EXPENDITURE FOR THE YEAR 1998-99, BUDGET ESTIMATES & REVISED ESTIMATES FOR 1999-2000 & BUDGET ESTIMATES FOR 2000-2001**

(Rs. in Crores)

Sl. No.	Major heads	1998-99 Actuals												1999-2000 Budget			1999-2000 Revised			2000-2001 Budget		
		1998-99 Actuals			1999-2000 Budget			1999-2000 Revised			2000-2001 Budget											
		Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total									
	3	4	5	6	7	8	9	10	11	12	13	14	15									
	Secretariat-Economic Services	3451		4.48	4.48		4.78	4.78		4.79	4.79		5.42	5.42								
<b>Industries</b>																						
<b>Petro-chemicals Industries</b>																						
2	Central Institute of Plastics Engg. & Technology (CIPET)	2852	5.25	5.37	10.62	4.00	4.40	8.40	4.00	4.00	8.00	5.50	4.00	9.50								
	Subsidy to Assam Gas Cracker Project	2852			2.68	1.00	25.00	26.00	0.01	1.00	1.01	0.01	1.00	1.01								

1	2	3	4	5	6	8	9	10	11	12	13	14		
<b>Chemicals &amp; Pharmaceutical Industries</b>														
4.	Bhopal Gas Leak Disaster	2852		46.82	46.82		62.50	62.50		239.87	239.87		104.89	104.89
	Grant to Institute of Pesticides Formulation Technology	2852	3.00		3.00	3.50		3.50	1.25		1.25	2.61		2.61
6.	National Institute of Pharmaceuticals Education & Research (NIPER)	2852	13.00		13.00	13.00		13.00	11.78		11.78	15.00		15.00
	Regional Network on Pesticides for Asia & Pacific (RENAP)	2852	0.05		0.05	0.14		0.14	0.14		0.14	0.14		0.14
	Chemicals Weapons Convention (CWC)	2852		0.10	0.10		0.25	0.25		0.22	0.22		0.23	0.23

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
9.	National Pharmaceutical Pricing Authority (NPPA)	2852		2.68	2.68		4.00	4.00		4.52	11.52		5.69	5.69
10.	Pharmaceutical Export Promotion Scheme (PEPS)	2852		0.04	0.04		0.17	0.17		0.14	0.14		0.15	0.15
11	Mega Chemical Industrial Estate (MCIE)	2852										1.23		1.23
12.	Pharmaceuticals Research & Dev. Programme (PRDP)	2852	0.18		0.18	0.16		0.16	0.16		0.16	0.16		0.16
13.	Chemicals Promotion & Dev. Scheme (CPDS)	2852	0.20		0.20	0.16		0.16	0.12		0.12	0.16		0.16

	3	4	5	6	7	8	9	10	11	12	13	14	
Chemical Export Promotion Scheme (CEPS)	2852										0.17		
Total-Industries		21.68	62.17	83.85	21.96	96.32	118.28	17.46	249.75	267.21	24.98	115.96	140.9
Non Plan Loans to Public Enterprises		35.68	138.42	174.10									
Smith Stainistreet Pharmaceuticals Ltd.	6857		3.01	3.01		2.34	2.34		3.84	3.84		2.34	
15.02 Bengal Chemicals & Pharmaceuticals Ltd.	6857	3.50	1.00	4.50		0.25	0.25		0.25	0.25		0.01	
15.03 Bengal Immunity Ltd.	6857	0.00	3.98	3.98		2.88	2.88		5.62	5.62		3.42	
Indian Drugs & Pharmaceuticals Ltd.	6857	0.00	66.34	66.34		33.72	33.72		56.09	56.09		35.00	

	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Petrofils Co-operative Ltd.	6856	0.00	4.50	4.50		1.00	1.00		18.20	18.20		10.08	10.08
15.06	Hindustan Antibiotics Ltd.	6857	3.00	0.00	3.00		1.00	1.00		1.00	1.00		0.01	0.01
	<b>Total</b>	<b>42.18</b>	<b>78.83</b>	<b>85.32</b>		<b>41.19</b>	<b>41.19</b>		<b>85.00</b>	<b>85.00</b>		<b>50.86</b>	<b>50.86</b>	
	Investment in Public Enterprises	4856	2.00		2.00	0.01		0.01	0.01		0.01	0.01		0.01
		4857	6.35		6.35	7.53		7.53	5.78		5.78	7.52		7.52
		6857	7.65		7.65	8.50		8.50	6.75		6.75	7.49		7.49
			16.00		16.00	16.04		16.04	12.54		12.54	15.02		15.02
<b>Grand Total</b>		<b>79.86</b>	<b>141.00</b>	<b>185.17</b>	<b>38.00</b>	<b>142.29</b>	<b>180.29</b>	<b>30.00</b>	<b>339.54</b>	<b>369.54</b>	<b>40.00</b>	<b>172.24</b>	<b>212.24</b>	



**APPENDIX II**

**MINUTES**

**STANDING COMMITTEE ON PETROLEUM & CHEMICALS  
(1999-2000)**

**Eighth Sitting 31.3.2000**

The Committee sat from 1100 hrs. to 1315 hrs.

**PRESENT**

Shri Mulayam Singh Yadav — *Chairman*

**MEMBERS**

*Lok Sabha*

2. Shri Ramchander Binda
3. Shri Padam Sen Choudhary
4. Shri Dilip Kumar Mansukhlal Gandhi
5. Smt. Sheela Gautam
6. Shri Pawan Singh Ghatowar
7. Shri Shriprakash Jaiswal
8. Shri Punnulal Mohale
9. Shri P. Mohan
10. Shri B.K. Handique
11. Shri Arjun Sethi
12. Shri Shyama Charan Shukla
13. Shrimati Kanti Singh
14. Shri Prabhunath Singh
15. Shri D.C. Srikantappa
16. Shri Sankersinh Vaghela
17. Shri B. Venkateshwarlu
18. Shri Rajesh Verma
19. Dr. Girija Vyas



*Rajya Sabha*

20. Smt. Basanti Sarma
21. Smt. Malti Sharma
22. Shri Dipankar Mukherjee
23. Shri Gaya Singh
24. Prof. Ram Gopal Yadav

## SECRETARIAT

1. Shri John Joseph            *Joint Secretary*
2. Shri Brahm Dutt            *Deputy Secretary*
3. Shri J.N. Oberoi            *Under Secretary*

**Representatives of Department of  
Chemicals and Petro-Chemicals**

- Shri Arvind Varma, Secretary (C&PC)
2. Shri Suresh Chandra, JS&FA
  3. Shri Ashok Chawla, JS (PC&A)/Acting CMD, IPCL/Acting Director (CIPET)
  4. Shri Sharad Gupta, JS (PI)
  5. Shri Shantanu Consul, JS (B, C&E)
- Shri S.K. Sood, MS (NPPA)

**Representatives of Public Sector Undertakings  
and Other Organisations**

- Shri M.C. Abraham, CMD, Hindustan Antibiotics Limited (HAL)
2. Shri Rajendra Mohan, CMD, Hindustan Insecticides Limited (HIL)
- Dr. Reena Ramachandran, CMD, Hindustan Organic Chemicals Limited (HOCL)
4. Dr. C.L. Kaul, Director, National Institute of Pharmaceutical Edn. and Research (NIPER)
  5. Shri Probir Roy, MD, Bengal Chemicals and Pharmaceuticals Limited (BCPL)

6. Shri C. Bhattacharya, CMD, Petrofils Co-operative Limited (PCL)
7. Shri S.K. Roy, MD, Bengal Immunity Limited (BIL)
8. Shri Arun Kumar, Chairman, National Pharmaceutical Pricing Authority (NPPA)
9. Shri V.K. Sareen, CMD, Indian Drugs and Pharmaceuticals Limited (IDPL)

The Committee took oral evidence of the representatives of the Ministry of Chemicals and Fertilisers, Department of Chemicals and Petrochemicals in connection with examination of Demands for Grants for 2000-2001.

2. During the course of evidence, the main issues which came up for discussion included availability and pricing of drugs in the market, role of the National Pharmaceutical Pricing Authority (NPPA), R&D in the Pharmaceutical Sector, the effect of spurious pesticides on Crops, Bhopal gas disaster and action taken so far to rehabilitate victims, disinvestment in PSUs falling under the administrative control of the Department, revaluation of assets of such companies which are being disinvested, revival of sick units with special reference to IDPL, Implementation of Assam Gas Cracker Project, and effect of WTO on prices of drugs/pesticides.

3. The Chairman placed on record the contribution made by Members of the Committee belonging to Rajya Sabha namely S/Shri H. Hanumanthappa, Kanak Mal Katara, Ram Nath Kovind, Dipankar Mukherjee, Smt. Malti Sharma and Miss Saroj Khaparde who are retiring from the membership of Rajya Sabha from 2nd April, 2000. He welcomed re-election of S/Shri Ram Nath Kovind and Dipankar Mukherjee to the Rajya Sabha and congratulated them.

4. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

**APPENDIX III**

**MINUTES**

**STANDING COMMITTEE ON PETROLEUM & CHEMICALS  
1999-2000**

**Tenth Sitting 11.04.2000**

The Committee sat from 1130 hrs. to 1230 hrs.

**PRESENT**

Shri Mulayam Singh Yadav *Chairman*

**MEMBERS**

*Lok Sabha*

2. Shri Ashok Argal
3. Shri Ananda Mohan Biswas
4. Shri Ajay Singh Chautala
5. Dr. (Smt.) C. Suguna Kumari
6. Shri Padam Sen Choudhary
7. Smt. Sheela Gautam
8. Shri Pawan Singh Ghatowar
9. Shri Shriprakash Jaiswal
10. Smt. Nivedita Mane
11. Shri B.K. Handique
12. Shri Ashok Pradhan
13. Shri Mohan Rawale
14. Shri Prabhunath Singh
15. Shri D.C. Srikantappa
16. Shri Tarlochan Singh Tur
17. Shri Shankersinh Vaghela
18. Shri B. Venkateshwarlu
19. Shri Rajesh Verma
20. Dr. Girija Vyas

*Rajya Sabha*

21. Shri Ahmed Patel
22. Smt. Basanti Sarma
23. Shri Anil Kumar
24. Shri P. Soundarajan
25. Shri Gaya Singh
26. Prof. Ram Gopal Yadav

## SECRETARIAT

1. Shri Brahm Dutt                      *Deputy Secretary*
2. Shri J.N. Oberoi                      *Under Secretary*

3. The Committee considered, approved and adopted the following Draft Reports with some verbal changes:

(i)

- (ii) 5th Report on 'Demands for Grants of the Ministry of Chemicals and Fertilisers, Department of Chemicals and Petro-chemicals for the year 2000-2001'.

(iii)

3. The Committee placed on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

4. The Committee also authorised the Chairman to finalise the Reports after factual verification by the concerned Ministries/ Departments and present the same to the Parliament in the Current Session.

*The Committee then adjourned.*

