

telephone system in both the engines of the colliding trains, especially when there is a fog, by tele-communication based on the electronic system, it would be possible for them to keep contact with each other as far as the drivers are concerned and the accident can be avoided. This system has been tried in many parts of the world. I would like to know if he would like to extend this system to the railways.

SHRI VIJAY N. PATIL: Railway tele-communication is different as Prof. Madhu Dandavate knows from our tele-communication. If the Railway authorities want to have help from our experts, we will extend it to the Railway Department and that can be introduced in the Railway Department.

SHRI M. RAM GOPAL REDDY: I am also concerned with Maharashtra. My constituency is adjoining Maharashtra and I am a frequent visitor to Bombay city and also Dr. Swamy's place.

DR. SUBRAMANIAM SWAMY: Impostor.

SHRI M. RAM GOPAL REDDY: Sir, the telephone system that is working in Bombay, I think, is the best and ideal one.

DR. SUBRAMANIAM SWAMY: Then, what must be the condition in Andhra? God help Andhra.

SHRI P. SHIV SHANKAR: It is good.

SHRI M. RAM GOPAL REDDY: I want to know from the Minister whether such type of efficiency will be maintained in other cities also? Bombay, being the wealthiest city, let people pay more money and let them not disturb the present system thereby putting calls from other areas.

MR. SPEAKER: I want to ask you a question. As you told me are you from Bombay.

SHRI M. RAM GOPAL REDDY: Yes, Sir. I always go to Bombay. (Interruptions)

MR. SPEAKER: He has been caught red-handed!

### Share of Public and Private Sector in area of bulk drugs

\*315. SHRI SATYASADHAN CHAKRABORTY: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether, in the area of bulk drugs, the share of the public sector is only 42 per cent and that of the private sector is over 48 per cent;

(b) if so, whether Government propose to increase the production of the public sector in this field;

(c) if so, details of the plan, if any; and

(d) if not, the reasons for the same?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. SHIV SHANKAR): (a) to (d). A statement is laid on the Table of the House.

### Statement

(a) The share of the public sector in the production of bulk drugs during 1980-81 was about 26 per cent.

(b) Yes, Sir. It is proposed to increase the bulk drug production in the Penicillin, Semi-synthetic Penicillins, during 1980-81 to about Rs. 215 crores by the end of 1984-85.

(c) Yes, Sir. Projects for expansion in the manufacture of Antibiotics like Penicillin, Semi-synthetic Penicillins, Streptomycin, Tetracycline and Oxy-tetracycline, for the manufacture of new antibiotics like Erythromycin, Doxycycline and Gentamycin as well as for expansion in the capacity and manufacture of synthetic drugs like Analgin, Phenobarbitone, Vitamins, Nicotinamide and Sulpha Drugs have

been mostly completed and production is under stabilisation. The production of bulk drugs from these projects is expected to increase substantially in the next two years. A provision of Rs. 144.90 crores has also been made in the Sixth Plan for investment in the public Sector.

(d) Does not arise.

**SHRI SATYASADHAN CHAKRABORTY:** Sir, you must have noticed that in my Question, I wanted to pin point one thing that whether in this production of bulk drugs, the share of participation of the State sector was being enlarged, and the Minister in his reply has said that the share of the public sector in the production of bulk drugs during 1980-81 was about 26 per cent. You will agree with me that this is a negligible percentage whereas this is a vital industry where the public sector should have the most dominant role. I find in the Sixth Plan target—I do not mention the sphere of formulations to reach the target of bulk drugs set therein, the share of the public sector should be at least 42 per cent to 43 per cent. But he has said that by 1984-85, he will be able to increase it only by 32.33 per cent.

Now, my question is, considering the importance of this sector, are you going to restrict the production in the private sector and also restrict import of these drugs, and encourage indigenous production? In this respect, I can give you figures that have been worked out by the Working Group of your Ministry. The public sector would contribute Rs. 215 crores that comes to 32.33 per cent. The organised sector would contribute Rs. 365 crores—39.8 per cent. The multi-national companies would be Rs. 135 crores. 20.30 per cent. The small scale sector would be 7.52 per cent. So, you would find that

even in the Sixth Plan period, you will not be in a dominant position. What steps do you propose to take in regard to this?

**SHRI P. SHIV SHANKAR:** At the outset, I must thank my friend for being highly complimentary on this question where he proceeded on the premises that the public sector's contribution is 42 per cent.

I am thanking you for the compliment though the position is, as I have made it clear in the answer, that the contribution is only 26 per cent. I do share his anxiety about the performance of the drug industry so far as the public sector is concerned. I have myself been a little anxious about this sector. It is true that as far as the Sixth Five Year Plan is concerned, as has been indicated by my hon. friend, the production of bulk drugs in the public sector is likely to be only worth Rs. 215 crores, which will be roughly about 32 or 33 per cent.

With the present resources that we have, it appears to be difficult to raise the public sector production beyond that, as on today, because there are only four public sector companies where the investments have been effected from time to time. The investment has already been affected as a result of which I am expecting that once it reaches fruition, we will be able to produce bulk drugs roughly to the tune of Rs. 200 crores.

The main thrust of the question, as my hon. friend has put it, is having regard to this state of affairs whether we are going to restrict the production of private sector and curtail the imports I must submit that it depends on the drugs. There are certain essential drugs which have got to be imported; it is not possible for us to manufacture them and we do not have that much of technology. I assure my hon. friend and the House also that it is the intention of the Government to strictly follow the Drug Policy that had been laid down in 1978 and to see

that, as far as possible, the indigenous industry is encouraged. I assure this hon. House that we would not be extravagant either in imports or in trying to unduly encourage the private sector. That is all what I can commit at this stage.

**SHRI SATYASADHAN CHAKRABORTY:** So far as the technology is concerned, he can get in contact with the socialist countries. They can give him.

My next question to the hon. Minister is, whether he is aware of the fact that there are many drug industries in India which are producing drugs beyond their licensed capacity and without the authorisation of the Government and also that they are not producing certain drugs upto the licensed capacity to keep the prices high, particularly, in respect of essential drugs, they are producing less to reap more profits and they are producing certain other drugs in excess of the licensed capacity and, if so, what action does he propose to take against those companies which are flouting the Government of India's directive and producing more drugs without proper authorisation.

**SHRI P. SHIV SHANKAR:** As regards the borrowing of high technology, as my hon. friend has said, consistent with our foreign policy, we would not mind to borrow high technology from whichever source it comes. As regards the question of production of drugs beyond the licensed capacity, I am aware that the indigenous industries as also the multi-nationals, in quite a large number of cases, are producing drugs beyond the licensed capacity because of the installed capacity being more than the licensed capacity.

**PROF. N. G. RANGA:** Will not that help the consumer by reducing the prices?

**SHRI SATYASADHAN CHAKRABORTY:** In that case, you are to encourage smuggling. That will also help the consumer.

**SHRI P. SHIV SHANKAR:** As a result of this general policy, a decision was taken in the year 1980 to the effect that where it was a case of the installed capacity being more than the licensed capacity, the production could be regularised even though it was more than the licensed capacity. But when it came to the question of drugs, having regard to the Drug Policy, we bedged this by certain conditions. The conditions were consistent with the Drug Policy of 1978, with reference to the drugs which can be manufactured in the indigenous way or otherwise, and a separate press note was issued in October, 1981 by my Ministry. Of course, I agree that the approach is to regularise the production which is beyond the licensed capacity. That is for variegated reasons because some-times, as my hon. friend was suggesting, the demand should not be less. This seems to be so with respect to the indigenous industry as also the multi-nationals.

**SHRI NAWAL KISHORE SHARMA:** This is a very important question and, in view of the fact that the Hon. Minister has given a reply that the Government is considering to ensure the position of the Indian sector in the drug industry may I know whether the Government is aware that a large number of multi-nationals operating in the drug sector in India are not only repatriating huge profits but are also dumping those medicines which are banned in those countries and that the multi-nationals are indulging in a number of malpractices and, in view of this, whether the Hon. Minister has taken any concrete steps?

If it is not possible to see that the public sector grows in a big way because of financial constraints, is it at least possible to see that the Indian sector grows in a big way and that no licence is given to the multi-nationals for the manufacture of a drug for which expertise is available in India?

**SHRI P. SHIV SHANKAR:** I agree that where the technology is available

and where we feel that the Indian sector could produce these products, no fresh licence need be given at all. I am prepared to concede this part of it. Multi-nationals have been, of course, ruling this industry for quite some time. They have been having the upper hand. But because of the FERA policy now, their equity share participation is being reduced from time to time and I assure the House that, in the ultimate analysis, when it will be a case of enforcing the FERA in totality, very few foreign drug companies will remain who would be beyond the FERA Regulations.

A Committee had gone into that aspect. The Committee had made suggestions. Our action based on that.

My Hon. friends has also referred to dumping of medicines which have been rejected in foreign countries. When this aspect is brought to the notice of the Government, the Health Ministry as well as my Ministry, both of them, would take care of this.

श्री राम विलास पासवान : अध्यक्ष महोदय, मैं जानना चाहता हूँ कि क्या सरकार बतलायेगी कि आप अभी कितने करोड़ रु० की बल्क ड्रग इम्पोर्ट कर रहे हैं दूसरे देशों से और छठी पंचवर्षीय योजना में आप कितने का करने जा रहे हैं और उसको कट डाउन करने के लिए तथा अपने पांव पर खड़े होने के लिए सरकार क्या कार्यवाही कर रही है ?

अध्यक्ष महोदय : इसका जवाब तो दे दिया है ।

SHRI P. SHIV SHANKAR: In the Sixth Five Year Plan, the import of the drugs on the basis of the landed cost is roughly likely to be Rs. 150 crores of the bulk drugs. This would be the position.

My Hon. friend Shri Satyasadhan Chakraborty has already brought to the notice of the House the different

sectors and the amounts they are likely to produce in bulk drugs. He has already made the position clear. So far as this part is concerned, in the ultimate analysis, when it comes to the Sixth Five Year Plan, 1984-85, it will be negligible. The import would be to the tune of about 71/2 per cent of the drugs needed in this country.

### Proposal to set up Methanol Project in West Bengal

\*316. SHRI R. P. DAS:

SHRI NIREN GHOSH:

Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the West Bengal Government has requested the Central Government that the proposed methanol project be set up in West Bengal in partnership with the Centre;

(b) if so, the details thereof; and

(c) the steps taken by Government on the West Bengal Government's proposal, stating in particular whether the letter of intent has been issued?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. SHIV SHANKAR): (a) to

(c). A statement is laid on the table of the House.

### Statement

(a) to (c). M/s. West Bengal Industrial Development Corporation Limited had applied for an Industrial Licence for the manufacture of Methanol with a capacity of 0.5 million tonnes per annum and of Pipe Line Gas with a capacity of 135x106 NM<sup>3</sup>/year. Their application was considered by the Government and was prima facie rejected on the following grounds:

(i) The proposal is based on coal gasification and the investment involved is very large.