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LOK SABHA

Tuesday 28th February 1984/Phalguna, 1905 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR SPEAKAR *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Parameters laid for value of production vis-a-vis import of Bulk Drugs

*41. SHRI HARIKESH BAHADUR : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) the parameters laid down by Government for value of production vis-a-vis import contents of formulations and bulk drugs manufactured in the large scale sector;

(b) whether the names of the companies which have not adhered to these parameters and have not gone basic and are being allowed to continue in the same manner will be laid on the Table; and

(c) the details of action taken by Government against each firm during the last two years ?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE) : (a) to (c) A statement is laid on the table of the House.

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Statement

(a) For formulations it is laid down for licensing that the ratio between imported and indigenous bulk drugs used should be 1:2 FERA companies will not be licenced formulations except those based on own bulk drugs produded from basic stage. FERA companies will be licensed bulk drugs only from basic stages. Apart from this, there is no import content parameter for licensing bulk drugs. For manufacturers in the FERA Sector licenced before the Drug Policy as per para 21 of the Policy Statement those producing bulk drugs from penultimate stages have to go basic in 2 years.

(b) The name of the foreign drug companies which are producing a few bulk drugs, licenced before the drug policy from penultimate stages and have not yet gone basic are given in the Annexure.

(c) As regards the companies mentioned in the Annexure in the absence of any provision under the Industries (Development and Regulation) Act, 1951 to call back the industrial licences already issued and impose fresh conditions thereon, the Policy decision regarding going basic cannot be implemented fully unless the said Act is amended suitably. Amendments have been proposed for the purpose However, in cases where foreign companies have applied for recognition of installed capacities under September 1980 Policy production from basic stage is now being stipulated as a condition subject to techno-economic feasibility and the other objectives of the drug policy. These companies are also not eligible for re-endorsement of capacities in respect of the relevant bulk drugs under the Schemes annonnced in April 1982 and April 1983.

The Licensing parameters are strictly kept in view while processing licence applications.

Annexure

1. M/s Alkali & Chemicals Corporation of India Ltd., Calcutta.
2. M/s Pfizer Limited.
3. M/s Hoechst Pharmaceuticals Ltd.
4. M/s Hindustan Ciba-Geigy Ltd
5. M/s Burroughs Wellcome Ltd.
6. M/s Bayer India Ltd.

SHRI HARIKESH BAHADUR : Mr speaker, Sir, in the statement laid down on the Table of the House, it is stated that for formulations it is laid down for licensing that the ratio between imported and indigenous bulk drugs used should be 1:2 I would like to know from the hon. Minister, whether it is a fact that no guidelines have been evolved so far to determine the value of ratio parameters, and also the value of ratio parameters given by various companies is never verified. These companies continue to expand; they are importing more raw materials and are doing excess production. That way they are making undue profit over hundred crores of rupees per annum by violating these parameters, but Government is not taking any action.

SHRI VASANT SATHE : The value parameters are already laid down and the guidelines are there Not only that, the DGTD does regular monitoring of the value of the drugs produced We also have the figures of the import content of the value available with us and we are constantly monitoring the import content as a ratio of the bulk drug indigenously produced and imported, which goes into the formulations, particularly of the companies which have not yet fallen in line with the parameters of the ratio 1:2.

SHRI HARIKESH BAHADUR : The hon. Minister says that he has got some monitoring unit. I have the names of some companies like Fairdeal, Lupin, Ranbaxy, Unique, Lyka, Anglo-French, Themis Chemicals Ltd. and Richardson Hindustan——all these companies are there, which have been given licence to manufacture bulk drugs from basic stages; but they are violating all these parameters. They are not following the instructions of Government. In fact, they are just doing excess production also, by killing the small scale industries which are basically there for the manufacture of these drugs But Government is not looking into this properly; and it is not being checked properly whether they are following these value par meters or not; and that is why they are creating a lot of problems for other small scale sector industries.

This IDPL has got no know-how for the manufacture of Erythromycin, and they can manufacture it from basic stage But they are importing intermediate chemicals, and they are producing it from intermediate stage And imported raw materials are being used for the manufacture of Erythromycin The indicates that Government is not following this policy of self-sufficiency and self-reliance properly Otherwise, this IDPL could have been encouraged to manufacture this Erythromycin That is why I would like to know from the hon Minister whether he would direct IDPL to manufacture this Erythromycin from the basic stage, if it has got the know how; and also whether Government proposes to set up any enquiry committee to look into these scandalous things which are generally going on in various drug producing units, which are not following these value parameters.

SHRI VASANT SATHE : Actually, out of all the companies which the hon. Member has quoted, except one, i.e. Richardson Hindustan, all are Indian companies; and therefore, this question of foreign companies misusing and exploiting – I don't think applies here Secondly as far as Erythromycin is concerned.....

SHRI HARIKESH BAHADUR : For

indigenous companies also, they should apply.

SHRI VASANT SATHE : As far as small-scale sector is concerned, the entire drug policy does not apply. No constraint applies to small-scale units at all. Therefore, he need not worry; and many of the small-scale units are producing bulk drugs in these fields, and we are encouraging them.

SHRI HARIKESH BAHADUR : These are not small scale industries.

SHRI VASANT SATHE : Yes. He said that Indian companies which are large companies should not be favoured, as against small companies, as against their interests. That is why I replied that way.

SHRI HARIKESH BAHADUR : It should be the same about multi-nationals also.

SHRI VASANT SATHE : I said that the question of multi-nationals did not rise You have not named the multi-nationals; in fact, I named them.

As far as Erythromycin is concerned we already have asked IDPL, a public sector unit, to go in for production; and they have gone in for production of Erythromycin from basic stage, from August 1983.

PROF. AJIT KUMAR MEHTA : Is it also a fact that while sanctioning industrial licences, Government has in most cases approved excess capacity, over-valuation of machinery and faulty technology, which tend to push up prices in the market from basic stages? Can the Minister assure this House that all the industrial licences granted by Government during the last five years are economically and technically viable; and if they are given inputs at International prices, these units can produce drugs at international prices? If so, what are the names of these units, and products produced by them; and if not, how does the hon. Minister want to rectify this exploitation of policy by large-scale units ?

SHRI VASANT SATHE : I will need notice, for the detailed things that he wants to know. If he writes to me, I will send a detailed reply to him.

SHRI SATISH AGARWAL : You can send detailed reply.

SHRI VASANT SATHE : I will send detailed reply.

SHRI INDRAJIT GUPTA : The names of six companies are given in the statement, that is FERA companies which are at the moment producing bulk drugs not from basic stages but from the penultimate stages. These six companies, you will notice, are all well-known multinational concerns. According to the statement, if I understand it correctly, the Minister is pleading that there is no way of rectifying this situation unless amendment is made in the IDRA; and without that amendment, these licences cannot be recalled which have already been given and fresh conditions cannot be imposed. I want to know what has prevented all this time from bringing forward a suitable amendment Bill ? Here he says, ' Amendments have been proposed for the purpose." I do not know what is the meaning of this sentence : "amendments have been proposed for the purpose ?" I want to know specifically whether an amending Bill is likely to be brought very soon during this session itself; and whether it will incorporate this provision that unless these companies comply with the requirements, then the licences which have already been issued can be called back and fresh conditions can be imposed also What is the delaying about because these are such big powerful companies ? He seems to be vacillating on this issue.

SHRI VASANT SATHE : This sector of industries is only one sector affected by the IDRA; IDRA itself is with the Industries Ministry and covers, as the hon. members in the House know the entire gamut of industries in the country.

Therefore, this amendment is comprehensive and has been under consideration since 1977-1978.....This question of amending IDRA is pending. The previous government also was considering it. As far as our Ministry is concerned, we have given concrete proposals for amendments concerned with our Ministry. But they have to be incorporated, as probably the ex-Industries-Minister would know, in the comprehensive amendment Bill of the IDRA.

SHRI INDRAJIT GUPTA : Why 7-8 years ?

SHRI VASANT SATHE : Why are you blaming me ? It is not a question of one Ministry; all Ministries concerned have to look at the amendment to IDRA. I cannot force their hands and say, do it only for this.

SHRI INDRAJIT GUPTA : We also know how Bills are amended. It is true that Act refers to all industries. But here is a specific industry with a specific feature of its own All industries are not dealing with this typical thing. This can be amended separately. Why can't it be ?

SHRI VASANT SATHE : The suggestion appears to be that we should amend it only for the purpose of these 5 industries.

SHRI INDRAJIT GUPTA : First bring the amendment :

SHRI SATISH AGARWAL : The Amending Bill is before them.

SHRI VASANT SATHE : Actually, if I were to do so, the mischief involved in these 5 companies is hardly Rs. 2 crores worth; whether a separate Bill only for this would be desirable thing or not is a suggestion we will consider.

(Interruptions)

SHRI INDRAJIT GUPTA : No action can be taken till then.

SHRI VASANT SATHE : We are taking action.

SHRI INDRAJIT GUPTA : You said, no action can be taken.

SHRI VASANT SATHE : No direct action can be taken.

श्री मनीराम बागड़ी : इनडायरेक्ट ऐक्शन क्या ले रहे है—वही बता दोजिए ।

SHRI VASANT SATHE : When they come for regularisation of excess production capacity or endorsement of excess capacity or some customs duty concessions, we use that as a lover and say, we will not give you this unless you comply with this. This is what I am trying to do.

SHRI SATISH AGARWAL : The hon. Minister has given radical ideas in his recently published book.

श्री मनीराम बागड़ी : आज मिलावटी खाद बेची जा रही है ।

अध्यक्ष महोदय : आप दूसरा सवाल दे दीजिए ।

श्री मनीराम बागड़ी : यह देश की रोटी का सवाल है । इस तरह स दवायें और खाद मिलावटी बिकी कि जिससे सारी नरमा कपास, बाजरा और दूसरी फसलें खराब हो गईं ।

National Communications Policy

*43. SHRI CHINTAMANI PANIGRAHI :
PROF. NARAIN CHAND PARASHAR :

Will the Minister of COMMUNICATIONS be pleased to state :