

**THE MINISTER OF CHEMICALS AND FERTILISERS (SHRI P. C. SETHI):** As far as the implication of excise duty is concerned, as soon as the Finance Minister made the announcement, the companies were asked to revise the prices on the basis of whatever impact of excise duty was there. As far as the customs duty impact is concerned, the B.I.C.P. people will have to be asked by these companies and it is only after they have examined the cost proposals then only the prices will be revised, otherwise not.

(a) whether the Pimpri Drug Unit near Pune is working below the installed capacity;

(b) if so, the reasons therefor; and

(c) the steps being taken to improve the position?

**THE DEPUTY MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI C. P. MAJHI):** (a) to (c). A statement is laid on the Table of the House.

*Statement*

(a) Details relating to the installed capacity, actual production and percentage of utilisation of the installed capacity of main items in the production range of HAL during 1974-75 and 1975-76 are given below:—

**Pimpri Drug Unit**

\*752. **SHRI Y. ESWARA REDDY:** Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Items	Installed capacity	Production		Percentage utilisation	
		1974-75	1975-76	1974-75	1975-76
Penicillin (mmu)	84	62.83	64.82	75	77.4
Streptomycin (T)	80	63.37	62.1	78.7	77.5
Viials filled (lakhs)	600	434	522	72	87

(b) Non-availability of certain essential raw materials and power cuts imposed were the main factors responsible for the under utilisation of capacity in regard to bulk drugs and non-availability of glass vials for the production of vials.

(c) Steps have been taken to increase the production of penicillin and Streptomycin by obtaining improved strains from abroad. Similarly alternate source has been located for the supply of glass vials. It is expected that with the improvement in the raw material position and the stabilisation of technology, the capacity will be more or less fully utilised.

**SHRI Y. ESWARA REDDY:** I have gone through the statement. In the statement, it is stated:

"It is expected that with the improvement in the raw material position and the stabilisation of technology the capacity will be more or less fully utilised."

I hope, it will be done soon. This being the premier plant for manufacturing the basic antibiotics in the country, may I know whether it has started, besides penicillin and streptomycin, the manufacture of any new drugs that are extensively used but are at present being imported and, if

so, what are they and whether the production is going on satisfactorily?

**THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI):** The production line includes penicillin, streptomycin, vials, tablets, capsules and other products and, in 1975-76, penicillin (bulk) and streptomycin (bulk). Recently we have tried to import technology from Japan. We have entered into an agreement. We have taken steps to increase the production of penicillin and streptomycin by obtaining improved strains from abroad. We hope, after some time, it will be able to increase the production considerably and it will be, more or less, at par with modern technology. We hope that the Company will be able to turn the corner after this.

**SHRI Y. ESWARA REDDY:** May I know whether this Company has submitted any plans for its expansion and diversification and, if so, what are its plans, the amount of investment necessary for them and to what extent the Government has accepted those plans to finance them and implement them?

**SHRI P. C. SETHI:** In the Draft Five Year Plan, a sum of Rs. 30 crores has been provided for expansion and diversification of production of this Company. They would be given this money. Now, as far as this is concerned, it would be utilised as per the details that I am giving: expansion of the capacity of penicillin plant involving an estimated capital outlay of Rs. 2.92 crores; expansion of the streptomycin plant at an estimated cost of Rs. 2.91 crores; expansion of the semi-synthetic penicillin plant at an estimated cost of 1.67 crores; establishment of an Erythromycin plant at an estimated cost of Rs. 4.15 crores; establishment of new formulations plant at an estimated cost of Rs. 1.46 crores.

The feasibility reports in regard to penicillin, streptomycin and Erythro-

mycin plants are being examined *vis-a-vis* the expansion of the ABP through a technical group

**SHRI ANANTRAO PATIL:** From the statement it is seen that the utilisation of capacity during 1974-75 in the case of Penicillin is 75, in the case of Streptomycin it is 78.7 and in the case of vials it is 72. For 1975-76 the respective figures are 77.4, 77.5 and 87. May I know from the Minister whether the utilisation of capacity upto 72 per cent in a sophisticated drug industry like HAL in the past few years can be considered to be highly satisfactory? What are the norms for this drug industry? And though the utilisation is only about 70 per cent, the Minister has stated that they are giving approval for the expansion of the project. May I know when this new project is likely to be started?

Secondly, is it a fact that HAL has turned the corner and is likely to break even during 1976-77.

**SHRI P. C. SETHI:** As a matter of fact the capacity utilisation is not satisfactory and we have made an on-the-spot enquiry and also got a report from the Company. They say that the shortfall is, firstly on account of power shortage, and secondly due to non-availability of raw materials such as Methanol and caustic soda. Now, however, caustic soda is abundantly available. They said that they also had paucity of funds but, according to us there was no paucity of funds: it is mainly due to non-availability of Methanol, power shortage and some labour trouble.

#### **Railway Workshops utilising installed capacity**

**6753. SHRI ISHAQUE SAMBHALLI:** Will the Minister of RAILWAYS be pleased to state:

(a) whether all the workshops belonging to Railways are utilising fully their installed capacities;

(b) if so, the facts thereof; and