

[Dr. Malcolm S. Adiseshiah]

taxes will be Rs. 16000 crores — 1 to 5 ratio which represents more imbalance, to which some of my predecessors have already drawn attention. Secondly, I draw the attention of the Government to the fact that all indirect taxes are not only inequitable as my friend, Mr. Nirmal Chatterjee, has said, and regressive, but they have also an inflationary effect and on the industry they have a cascading effect.

Seventh, the Finance Bill is based on a deficit of Rs. 1550 crores; it has now become Rs. 1605 crores. Now, the Reserve Bank of India has made a study of the deficits of the Central Government from 1961-62 to 1977-78. And they draw two rather startling conclusions. The first one they have drawn is that the Central Government deficits have a much larger impact on money supply and prices than bank credit to the commercial sector. We keep on criticizing banks as being too liberal to Commerce but really it is the deficits which lead to inflation.

6 P.M.

Secondly, they also point to the fact that though Government revenue and expenditure get adjusted to inflation, the time lag for the income getting adjusted to inflation is such that they have to go in for deficits.

Now, the next point....

THE VICE-CHAIRMAN (SHRI LADLI MOHAN NIGAM): You can continue afterwards. अब आधे घंटे की बहस शुरू होती है ।

HALF-AN-HOUR DISCUSSION ON POINTS ARISING OUT OF THE ANSWER GIVEN IN THE RAJYA SABHA ON THE 21ST MARCH, 1983, TO STARRED QUESTION NO. 305 REGARDING LOSSES INCURRED BY

[The Vice-Chairman (Dr. (Shrimati) Najma Heptulla in the Chair)]  
I.D.P.L. ...

SHRIMATI RODA MISTRY (Andhra Pradesh): Madam, Vice-Chairman, the Half-an Hour Discussion granted today on Starred Question No. 305 connected

with IDPL is going to help in giving us a chance of bringing to the fore front problems faced by this public sector.

Madam, Vice-Chairman, the hon. Minister may please bear with us when we bring certain facts to his knowledge. The purpose of doing so is to improve the functioning of the IDPL and not to criticise the Government or individuals. Now, there is something on change of technology from Russian to Italian.

(Interruptions).

श्री रामेश्वर सिंह (उत्तर प्रदेश) : मंत्री जो आप कहां जा रहे हैं? आधे घंटे की चर्चा के बाद आपको जवाब देना है, फाइनेंस बिल पर बहस होनी है ... (व्यवधान) । चैंयर ने यह कहा था कि हाफ-एन-आवर डिसकशन के बाद फाइनेंस बिल लिया जायेगा । चैंयर आप हैं, चैंयर श्री कल्पनाथ राय नहीं हैं । इसलिये मंत्री को यहां पर रहना चाहिए । यह चैंयर की व्यवस्था है । यह कोई मामूली बात नहीं है । मैं चाहता हूं कि चैंयर इस पर अपनी व्यवस्था दे । आप चैंयर की व्यवस्था के मुताबिक सदन की कार्यवाही को होने दीजिये । चैंयर ने जो व्यवस्था दी है, उसके मुताबिक काम नहीं होता है तो यह सरकार की बेइमानी है... (व्यवधान) ।

संसदीय कार्य विभाग में राज्य मंत्री (श्री कल्पनाथ राय) : उपसभाध्यक्ष महोदया, मैंने निवेदन किया है कि 6 बजे के बाद फाइनेंस बिल की कोई बात नहीं है । यह सोमवार को ले लिया जायेगा । यह चैंयर ने एक्सेप्ट कर दिया है । हाफ-एन-आवर डिसकशन के बाद हाउस खत्म होगा ।

श्री रामेश्वर सिंह : चैंयर ने ऐसा कुछ नहीं कहा है ... (व्यवधान) । आप एक मिनट के लिये मेरी बात सुन लीजिये । आप अभी यहां पर बैठें हैं । इससे पहले जो उपसभाध्यक्ष यहां पर बैठे थे वे अभी गये हैं । उन्होंने ऐसा कुछ नहीं कहा और आपने भी कुछ नहीं कहा । श्री कल्पनाथ राय अध्यक्ष नहीं हैं ।

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : उनकी चैयर से बात हुई है ।

श्री रामेश्वर सिंह : हम नहीं जानते हैं कि बेइमानी की क्या बात हुई है । मैं पूछना चाहता हूँ कि क्या चैयर ने आपसे कुछ पूछा है ... (व्यवधान) यह बहुत गंभीर बात है । आप इस पर अपनी व्यवस्था दीजिये । चैयर कोई बात कहते हैं और मंत्री उसको बदल देते हैं ... (व्यवधान) ।

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : देखिये, हाफ एन आवर का कोई पक्का नहीं है कि आप एक आवर में ही खत्म हो जाय । छः मँस्बर इस पर बोलने वाले हैं और उसके सातवें बे हैं । उसके बाद मिनिस्टर साहब ने भी जवाब देना है । यह 7 बजे के बाद तक भी चल सकता है । श्री आदिशषया अभी बोल चुके हैं, उनको भी अपनी बात खत्म करनी है । मन्ड को आने वाला ही है ।

श्री रामेश्वर सिंह : आप पहले मेरी बात सुन लीजिये । अगर हाफ एन आवर डिसकशन हाफ एन आवर में खत्म हो जाता है तो फिर आप इसको लीजिये ... (व्यवधान)

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : मैं तो 30 मिनट के बजाय 29 में ही खत्म करा दूँ, अगर आप लोग मानें तो ।

श्री रामेश्वर सिंह : इसमें हम आपकी मदद करेंगे । मेरा कहना यह है कि हाफ एन आवर के बाद हाउस चले, उसमें हम सहयोग करेंगे । इसमें कोई दूसरी बात नहीं है । लेकिन चैयर इस बारे में अपनी व्यवस्था दे कि इस डिसकशन के खत्म होने के बाद वित्त विधेयक को लिया जायेगा ... (व्यवधान) ।

जब चैयर ने यह कह दिया, यह व्यवस्था दे दी तो चैयर जाते वक्त यह भी भी व्यवस्था दे देता है कि नहीं साहब, इसके बाद हाउस नहीं बैठेगा या आपसे कहा जाता जो चैयर ने अनाउन्स किया था । यह चैयर कहा देता लेकिन चैयर ने नहीं किया । कल्पनाय राय जी ने कह दिया कि यह कर रहे हैं । मैं यह नहीं जानता कि यह चैयर ने व्यवस्था दी है या वे खुद कह रहे हैं ...

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : यह डिसकशन पूरा होने दीजिये उसके बाद फिर देखेंगे ।

श्री रामेश्वर सिंह : हम पूरा सहयोग करेंगे लेकिन आप अपने वचन पर रहे । सरकार वचन भंगता का काम न करे ।

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : यह हो जाय, उसके बाद देखेंगे । देखिये पांच मिनट योहि इसमें गंवा दिये ।

SHRIMATI RODA MISTRY: Madam Vice-Chairman, the purpose I am...

श्री रामेश्वर सिंह : देखिये उपसभाध्यक्ष महोदया, ... (व्यवधान) .. ये बेइमानी करेंगे तो मैं हाउस की कार्यवाही नहीं चलने दूंगा जब तक कि आप व्यवस्था नहीं देंगी ।

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : आधा घंटा तो चलने दीजिये । ... (व्यवधान) ...

श्री रामेश्वर सिंह : उपसभाध्यक्ष महोदया, देखिये वे भागे जा रहे हैं .. (व्यवधान)

उपसभाध्यक्ष (डा० (श्रीमती) नाजमा हेपतुल्ला) : जो संबधित मंत्री है वे तो बैठे ... (व्यवधान) ....

श्रीमती रोडा मिस्ट्री : जनाब, तीन साल में बोल रही हैं, मुझे बोलने तो दंजिये ।

उपसभाध्यक्ष (डा० श्रीमती) नाज़मा हेपतुल्ला : इतना तो ध्यान रखिये ।

श्री हुक्मदेव नारायण यादव (बिहार): यही तो इनमें कमी है ।

SHRIMATI RODA MISTRY: Madam Vice-Chairman, the purpose of this discussion taken up by me is not to criticise anybody, either the Government or the individuals, but to make sure that this public sector IDPL has a smooth sailing in the future to come. Something on change of technology from Russian to Italian.

Taking the House back to the inception of the industry, it is on record that Russian technology was approved and imported for the production unit when the project was started. Heavy investments running into crores of rupees were undertaken. Then, suddenly in 1978 Italian technology was adopted which resulted in the import of know-how and equipments for a second time involving fresh investment of crores of rupees which has crippled the IDPL from the very beginning. Moreover, the loss accumulated on these has again attracts 18 per cent interest adding up the losses year after year. After all this, we now learn that once again the management is shifting to yet another technology, the Indian-based firm M/s. Paxwell Bombay. It is not a bad thing to change technology for betterment of the institution, but here apparently, they are undertaking a trial and error system to arrive at some conclusions. A thorough inquiry by an independent committee could only reveal the true facts. It is not known why after so many years, this process has not been undertaken by the Government.

The out come supplies made and the future policy of supplies to be made to hospitals and institutions in different States. The small quantity of for-

mulations that the IDPL undertakes to produce is distributed to Government hospitals/institutions in different States but all Government hospitals and institutions are not compulsorily required to purchase from drug manufacturing public sector units. A large quantity is also purchased by them from private firms. This must be immediately enquired into and the purchase policy for Government use must be formulated and all Government purchases directed to public sector units which produce drugs in the country. The interesting point to know is the fact that State Governments on the one side owe large sums of money to IDPL, the recoveries being considered as losses pile up attracting interest of 18 per cent and, on the other hand, the same Governments do not hesitate to penalise IDPL by levying penalty for any non-payment of dues in the line of electricity, taxation, etc.

Madam, Vice-Chairman, the total amount of outstanding as on 1-4-1983 on account of sales made by the company is Rs. 26.8 crores.

DR. MALCOLM S. ADISESHIAH (Nominated): From State Governments?

SHRIMATI RODA MISTRY: The total amount of outstandings is Rs. 26.80 crores. Out of this, Rs. 22.73 crores is outstanding on account of sales of formulations which includes Rs. 14.15 crores outstanding from the State Governments. Madam Vice-Chairman, all these outstanding attract an interest of 18 per cent. But this is not made known to the public when the accounts are posted. It is suggested that a thorough enquiry by a Finance Commission be made so that all the erring bodies including the State Governments immediately pay the amounts and make the IDPL a viable unit.

The management must come forward to explain why the Rishikesh plant, despite best efforts is operating at 50 per cent of its rated capacity, the

Hyderabad plant 68 per cent and the Gurgaon plant at 30 per cent. In contrast, the drug companies in the private sector, in most cases, are operating at capacities far in excess of the licensed capacities granted to them. For certain drugs, raw materials and equipment are imported. On many occasions, the orders which are placed are kept in abeyance resulting in the materials getting out-dated and the machinery either used for other purposes or discarded. This has direct or indirect bearing on accumulation of losses which is of great help to the multi-nationals. Instances are constantly available and could be quoted if enquiry is initiated at any time. Madam, Let me take the memory of the hon. Minister back to 4th September, 1982, when a letter was addressed to him giving him a detailed break-up of the unused machinery which is lying, worth lakhs of rupees, all over IDPL in India and the purpose for which these were purchased. The remark column also says 'breakdown' before use'. Madam, we request the hon. Minister to go through this letter sent to him as soon as he came to the Ministry, with great hope that he would help us with his past experience of various Ministries.

IDPL's failure to attain a higher level of production is also responsible for the country's mounting bill on drug imports. IDPL has failed to perform the leadership role in the crucial field of drugs which it has been assigned under the new drug policy. For every institution of repute which has to compete in the world market, survival depends totally on market survey. But little or no market survey is undertaken in regard to the requirements of drugs in the country. For example, in 1967, when there was huge demand for tetracycline, IDPL ventured to go in for Potassium Penicillin. Other such examples could be given on different platforms to the hon. Minister. As such, the criticism made in Parliament on a number of occasions is to an extent correct. Although IDPL is the

biggest plant in Asia, it suffers for want of proper planning, direction, right decisions at the right time and also market survey. Result-oriented policies to achieve targeted objectives should be laid down.

Prior to 1979, canalisation of drugs lay with IDPL. Later, it was transferred to the STC which now canalises the products. The STC does this work undoubtedly for profit. When IDPL is an organisation with social objectives, and prices are controlled by the Government, the profits accrued through canalisation are enjoyed by the STC. This is a matter which needs to be looked into before blaming the IDPL for the huge losses which it is incurring year after year.

IDPL is functioning on a belated pricing policy. Survey of markets, costing and pricing are technical jobs and they have to be done in a professional manner to compete with the firms which are backed by the multi-nationals. Instead of a professional outlook, the time taken to declare the pricing policy of the IDPL is abnormal due to which they are rendered unremunerative.

There is poor vigilance and pilferage of equipments and finished goods. The vigilance organisation and central industrial security force in the IDPL is very ineffective to stop the thefts and pilferage of equipments, finished goods, spare parts. The example is cited of the stainless steel round plates (Discidents) 60 in number which were stolen from IDPL Hyderabad. The cost of these amount to approximately Rs. 7 lakhs. The police have retrieved these, but due to lack of proper follow-up they are still in police custody for the last two years.

Contract labour to contract job: IDPL used engage contract labour sometime back which caused resentment among the staff. The management has very conveniently changed over to contract work which in reality is the same as contract labour. This may be necessary for specialised jobs

[Shrimati Roda Mistry]

like electrification, installation, etc. Contract work causes extra expenditure and gives opportunity to middleman to make a profit at the cost of labour. Subsequently when contract is over after months the labour used by the contractor becomes restless and problems are created. Besides this when qualified experienced staff are on regular pay rolls and well equipped machinery is in the workshop, where is the need for contract work for packing, loading and unloading etc.?

Conclusions: IDPL, the joint drug producer in public sector, accumulated loss of Rs. 73.72 crores in 1981-82, the loss for 1982-83 is any body's imagination. In 1981-82 its losses mounted despite a 34 per cent increase in its turn over. The main cause seems to be loose management and excessive interference with the operations of the company by Government which gives orders without undertaking the responsibility of blame for the disaster that is caused at the instance of such orders at the public sector level.

Drugs to be marketed in distress valued at Rs. 29 crores. Thus Madam Vice-Chairman you have heard about the outstanding drugs payment stock of Rs. 26 crores and the drugs in stock of Rs. 29 crores which may be marketed in distress. IDPL is losing because proportionately it is producing far more bulk drugs and fewer formulations on which the profit margin is higher than the private sector. In 1981-82 two-thirds of its more than Rs. 100 crores worth of sales consisted of bulk. It looks as if IDPL management and its workers have no produce bulk drugs through their hard labour in order to allow others, i.e. the private companies, to enjoy the profits from sale of formulations. Again, it is a matter of grave concern that poor sales from lack of market survey marks before the time-limit for the use of the drug expires. We understand that the drug expires. We understand that the units are saddled with Rs. 29 crores

worth of manufactured drugs which are to be marketed in distress.

Madam Vice-Chairman, supplies to hospitals, marketing and production by other companies of the quality of drugs that were produced are some of the items of which the hon. Minister may take note of to take action in the future.

The financial situation of IDPL is grave in as much as it does not have funds to release the bank documents and at times, the demurrages are far above the cost of items because funds are delayed in forthcoming. It is surprising that financial experts have not been involved to work out the reasons which created the situation that the company faces today.

It has no working capital and sometimes faces problems for payment of salaries. Day-to-day functioning has to be seen to be understood. The corporation pays 18 per cent interest on late release of documents from Bank etc. Such interest so far paid run into crores.

Further, huge amounts of advances are lying to be adjusted owing to the rejection of drugs by suppliers. Excessive overdrafts is another cause for concern. It is felt that the Government should provide IDPL with sufficient working capital, clear off the huge interest it has to pay, tighten up the financial management and import policy. The amount so provided should not be less than the amount of liabilities of the Corporation as on 31-3-1983, inclusive of bank overdrafts, so that the Corporation takes off on a good footing: all problems mentioned be dealt with to ensure that a good image is created as required of a national drug manufacturing company to serve the needs of this last country. Thank you.

SHRI LADLI MOHAN NIGAM (Madhya Pradesh): Will the reply afterwards?

THE VICE-CHAIRMAN DR. (SHRIMATI) NAJMA HEPTULLA: He will reply to her and then again he will reply.

**THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE):** Madam, Vice-Chairman, I am thankful to the hon. Member, Shrimati Roda Mistry, for giving me an opportunity once again to discuss the question of IDPL and its management. I know how seriously the House is concerned about this public sector undertaking and since I took over this Ministry, the first thing that drew my attention was the working of the IDPL. Having had some experience of the working of the drug industry as a member of the Hathi Committee, I knew something about this public sector undertaking then also. It was hoped—and rightly,—that IDPL will play an important role in the entire field of drugs and pharmaceuticals, particularly when multi-nationals dominated for such a long period in producing bulk drugs in the country which are the basis for all formulations. The country was entirely dependent on foreign drugs. Somebody had to take the lead. As the private sector companies and even India sector were not very keen to go in for bulk, because as the hon. Member had pointed out, there is more profit in the formulations than in the bulk hence in the field of essential drugs particularly—like penicillin, tetra-cycline and others—the Govt. felt that we must make a beginning, be it a little more costly initially, because any time you want to go into something basic, some cost has to be incurred in our experience. We decided, therefore to set up IDPL, whose main task was to go in for this basic bulk drug in the field of essential and life-saving drugs and make the country progressively self-sufficient. It did play this role. Other public sector units, like Hindustan Antibiotics Ltd. which was the first to produce penicillin...

**DR. M.M.S. SIDDHU (Uttar Pradesh):** Standard Pharmaceuticals was the first to produce in India. It was in the Private sector.

**SHRI VASANT SATHE:** But it did not produce on that scale.

**DR. M. M. S. SIDDHU** That is right.

**SHRI VASANT SATHE:** The entire country's demand today is practically being met by HAL. Government did play its role. But I entirely agree and I have myself been saying this that public sector should not meet that it should be an inefficient sector. If we agree that the profiteering aspect is not there in the public sector, no personal profiteering interest is there, it is all the more reason why a public sector unit, with other efficiency being equal, should, in fact, produce the formulations at even lower costs than the private sector. That appears to be a logical reason. But what I have discovered to my dismay—and I may share this with the House—is that unfortunately we have not inducted a sense of accountability in the public sector management and, therefore, not only here but in other public sector undertakings as well, there are many factors which some day hon. Members of Parliament also will have to apply their mind to. Sometimes, in our enthusiasm to support the public sector, equating it with our objective of socialism, we think that public sector is socialism and therefore even if it is not managed properly, there is a tendency to defend it—right or wrong. I do not believe in this. It is not necessary. The public sector must be accountable because it is using public money. Whose funds are these? They are the nation's funds. Therefore, I have never understood this concept. Being a person who believes, as a conviction, in the principle of democratic socialism, even then I am not able to understand how the public sector can be allowed to be inefficient in management. There are well-known concepts and parameters of management now in terms of cost-benefit ratios. It is not as if you do not know these things—the cost of variables as against non-variables. Even granting social objectives of paying better wages, etc., and giving better conditions to workers and all that—even then—I am not able to understand why the public sector units should not do well. Then, particularly

[Shri Vasant Sethe]

in the field of drugs, we have been told that if you produce bulk drugs and not formulations, simultaneously the cost of bulk drugs is higher—and you have to sell it in the market in competition with the bulk drugs which are imported and which are cheaper because they are produced on economy of scale and sometimes even dumped to undercut your indigenous cost of the inputs some times. We do not consider these factors. I am getting aware of these things. Suddenly the State unit Supplying power will increase the power charges from 11 paise to 45 paise. Immediately that adds up. Suddenly the coal prices will go up, petroleum prices go up. Most of the drugs, as our people know, are petro-chemical based, particularly synthetics. Therefore, if the costs of the inputs keep on going up, obviously the cost of the bulk drugs also goes up—and then you don't have the formulations. Just as in other public sector undertakings, we produce the infrastructure. In the public sector we produce coal, we produce steel, we produce power unlike the products in the private sector where the real profit is. They will make the consumer goods and you do the donkey's work as it were. Everybody shouts at you; you must sell steel cheaper, you must give power cheaper, you must give coal cheaper. At the same time, you must pay better wages, give housing facilities and medical facilities because we are a socialist country. But then, who takes care of the cost factor? Having said this, I entirely agree with the hon. Member. I have studied this IDPL. Since I have taken over, I have held a series of meetings with the officials.

And I find that lack of accountability is the main reason for the heavy losses that we have suffered. You put a Chairman or a Managing Director for two years. What happens? One year he takes in trying to understand things. Next year he knows that he is going to retire and so he is trying to see how he can adjust later, where he will get a job, and all that.

Today, Madam, may I share with you one thing? Not only here but in fertilizers also where the accumulated loss is Rs. 600 crores, can you believe, I cannot on paper hold a single person responsible? Everybody is safe on file. And people have disappeared. They have been transferred. They have gone. How can we ever run a public sector with public money—There has to be greater accountability. Give a man a chance for five years. You can terminate his services if he is inefficient. Having tested, having found that he is efficient, give that man full authority: Gentleman, now you are responsible. Show the results. And have the monitoring. Why should every file and everything come to the Government? What for? As you say, it is interference.

SHRIMATI RODA MISTRY: It does happen.

SHRI VASANT SATHE: It is the system again. I will beg of the House through you, Madam, to consider one thing. Don't go away with this superficial satisfaction of inquiries and commissions and committees. It is very easy. I can satisfy you: Yes, an inquiry committee will be appointed. Four years afterwards you will get a report. Another committee will be appointed to evaluate the report of that committee. Will you have the satisfaction? I do not believe in this committology and this commissions and omissions business. The best thing is, I want results. Therefore, not only we are holding a series of meetings, but also we are appointing cells of officers to discuss and involve the people who know where the shoe pinches. We want to involve the employees, the field staff in decision-making. We have heard of workers participating in management. I want participatory management to be given effect to in our public sector units, at least in the fields I am dealing with.

So with this outlook we started, and you will be happy to know that a little reorganization, nothing else, has shown these results. In 1980-81, the loss was Rs. 16.82 crores. In 1981-82, it went up by Rs 10 crores. In 1982-83, it came down. (Interruptions) No increase in loss. In fact, it has been brought down by about

Rs. 2 crores, if you take the interest subsidy element of 81-82. This despite increase in expenses on salaries and wages by 3.09 crores of rupees, an increase in interest by Rs. 3.46 crores. The total improvement in performance in absolute financial terms is Rs. 8.55 crores. The cash loss without subsidy in 1981-82 was Rs. 13.72 crores. It has been reduced by Rs. 2.73 crores. This is also due only to reorganization, nothing more; no improvement in production and yet this is the result. The expense on items like oil, power has not been allowed to increase, though the production has been increased from Rs. 106 crores in 1981-82 to Rs. 118 crores. So, there is an improvement just by reorganisation and bringing a little efficiency. But there are many angles. As you said now, there are Rs. 26 crores arrears outstanding—with the State Governments Rs. 14 crores, with the Central Government Rs. 5 crores and with the trade about three or four crores of rupees. I can understand that everybody has to give 45 days allowance. Now what shall we do? The House should express some view. Why should the States at least not pay? If I get these Rs. 14 crores, I do not need to borrow working capital. Otherwise, today I will have to take from the Reserve Bank. I will have to beg or borrow to raise the working capital. As you rightly said, this inventory and other matters are there.

You raised the same questions about stainless steel. Yes, that theft was there in 1978-79. The goods have been found, but they are in custody because the matter is in court.

Then you said that we have gone from the Russian technology to the Italian technology and asked whether we are going from this Italian technology....

**SHRIMATI RODA MISTRY:** From Italian to Indian.

**SHRI VASANT SATHE:** Are we going from the Italian to the Indian technology? Paxwal or something?—You asked. My officers inform me, "No, Sir. We are not going in for any other technology." Therefore, Sir, those are the facts.

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I am thankful to the hon. Member. I received your letter. I have got enquiries made, and I found that after getting your letter our people were quick in action and some of the materials and equipment which were not being put to use, are now being started to be put to use. That is happening, and further steps are being taken. That is the result of your vigilance.

I, therefore, request the hon. Member to help us infrastructuring our public sector units. We want them. We have established a new cell for marketing with field staff. The Marketing Director and those junior to him were looking that after. The field staff had no voice. We have created a cell the other day, wherein the representatives of the field staff are there on the cell for marketing, along with the Director. A new Director has been appointed, and we have assigned it to them. We want feed-back. After all, what is the idea of putting a formulation in the market if there is no demand for it? How much percentage of the total market you are going to secure, you must know, and only produce this much. Just if 170 formulations or products have been put in the market, what is the percentage? Very low of the total market, we get. Then, what is the idea? So, this wasteful expenditure and exercise also has to be stopped. All this, we are trying to do, and with your kind co-operation and support, we hope that the IDPL and the management will show better results. I am thankful to the Members.

**SHRI MAQSOOD ALI KHAN (Karnataka):** About stainless steel equipment?

**श्री वसन्त साठे :** मिला गया ।

**SHRIMATI RODA MISTRY:** What about purchase by Government from the public sector? That is a very important factor. While the Government buys from others, the IDPL is lying idle.

**SHRI VASANT SATHE:** The small scale sector, if it produces, I do not think, we should say that Government should not buy from the small scale sector. But I will agree with you, if this is the view



[Shri Vasant Sathe]

of the House, that where the same product is being produced by the IDPL, quality being satisfactory or equal—I will say 'of standard quality'—quality being standard, preference should be given—after all you are spending public money—to the IDPL in Government purchases. That view is worth considering.

DR. M. M. S. SIDDHU: Madam Vice-Chairperson, first of all, I welcome the approach of the hon. Minister towards a better management or for a better policy decision being taken. But let us see what is the state of affairs first. We have got plants at Rishikesh, Hyderabad, Madras, Gurgaon and Muzaffarpur. According to the 1981-82 report which is available in the Library, there were losses at each of these plants: Rishikesh—Rs. 890 lakhs; Hyderabad—Rs. 666 lakhs; Madras—Rs. 56 lakhs; Gurgaon—Rs. 63 lakhs; and Muzaffarpur—Rs. 98 lakhs. Why are all these plants running in losses? The management may be bad at one place. There may be obsolete technology at one place. Is it there at all places?

Secondly, Madam, the annual report and the review statement which came afterwards have identified many of the points or factors which are leading to losses—for instance, the fact that prices are fixed by Government, the poor capacity utilisation, preponderance of institutional sales rather than trade, poor yield and high consumption of raw materials, increase in interest and so on. These were well brought out in the Directors' report of the IDPL and also in the review of the Government. Earlier, too, all these factors were known. For years together we were able to diagnose the illness better. But it is only a question of how to implement it.

As far as sales are concerned, one finds that the sales are about Rs. 100 crores. Out of that, according to the report, that formulations form a large bulk. May I quote from the editorial of a paper dated the 4th October, 1982:

"In 1981-82 two-thirds of its more than Rs. 100 crores worth of sales consisted of formulations."

Out of Rs. 100 crores, two-thirds are formulations. Then how and why should there be a loss? If you say that you produce only bulk drugs and the other sector produces more formulations, then you can say there are losses because of that. Now are the prices of the formulations of the IDPL competitive? If they are competitive, why are they not pushed in the market? The prices are sometimes higher than the prices of the small sector, the private sector and even higher than those of the multinationals.

Then it has also been said that they produce more as bulk drugs. I shall take the figures from 1974-75. The public sector share in 1974-75 was 36 per cent; in 1975-76, 31.1 per cent; in 1976-77, 32 per cent; in 1977-78, 28 per cent; in 1978-79, 24 per cent. Then it comes to 26 per cent and 23 per cent and in 1984-85 it is projected to be 32 per cent. Then we have the foreign sector and the Indian sector. What is the foreign sector's share? In 1974 it was 23 per cent. And it is going down to 21 per cent. Even in 1974-75 the foreign sector was producing almost equal to the public sector. And the Indian sector, I am glad to note, is doing better. From 25.5 per cent, it has gone up to 40.8 per cent in 1980-81. Therefore, if you say that the public sector is producing more as compared to the foreign sector plus the Indian sector, I think, it is not borne out by the figures. Then, as far as the public sector is concerned the formulations in 1974 were 6.2 per cent. The growth has been very slow. It is now 6.7 per cent in 1980-81. Therefore, nobody stopped the formulations. From 1974 formulations were there. Therefore, to say it is due to the formulations or the lack of it is not correct. Again, as Mrs. Roda Mistry has brought out, Rs. 29 crores worth of distress sales are there. Why distress sales—she has well brought out—when there is obsolescence, when we think in terms of products which are there. In medicines obsolescence takes place. Analgin is being produced. Sulfaguidin is being produced. It is also obsolete. Therefore, there has to be a proper planning for bulk drugs which are likely to be used. Then only things will improve. It is no Russian technology or Italian technology. Tetracycline

or penicillin are there. Old seeds are giving low results. Therefore, it is necessary that the IDPL must spend more money on research and development, if you want to keep on a par and if you are going to follow the new technological policy which was enunciated by the Prime Minister at the last Science Congress. Therefore, what is the role of science and technology in IDPL? Then our CDRI—Central Drug Research Institute—the CSIR, all have to help. May I remind the honourable Minister that sometimes the technology which is produced in India is not accepted by IDPL. I give you an example: Calmose, which is now a very famous product. It has now come from Hyderabad NPL. But IDPL did not take it. It is one of the hot-selling products, and Ranbaxy have made large profits. Therefore, it is essential that whatever technology is made available from our public sector scientific institutions, it should be made available to us. Now the question comes up: When you are producing such large bulk formulations, why is it that IDPL does not have the push? The reason has been given by the honourable Minister also, that so far most of the sales were institutionalised and the money was blocked. But who has stopped them from going to the market? That is the point. Why is it? Until and unless they go to the market, IDPL will not get the name. It is the well-known brand names which will be popular. Doctors will write those. Therefore, she is right that they should not depend upon bulk orders. It is not only the bulk products. They are there for bulk orders. The honourable Minister may remember in 1981-82 report it has been brought out that Rishikesh plant suffered losses, according to the report, due to one factor, that there was a strike by the carriers; they could not take the goods in March, 1982. Therefore, they have suffered losses. They suffered losses because they did not have capsules; they suffered losses because they did not have vials. These are all problems which call for better management. Therefore, it is not only this. They must think over ahead what is likely to be prescribed. Therefore, one thing I would like to say again, in the public sector we have got that

antibiotics plant. Why are they not able to produce the demand of the country and why do we have to import in lakhs? If I remember correctly, our import bill for antibiotics alone goes to the extent of Rs. 1,970 lakhs. And the antibiotics are wholly to be produced....

THE VICE-CHAIRMAN (DR. (SHRI-MATI) NAJMA HEPTULLA): In an half-an-hour discussion, you do not have to make speech. You have only to ask questions.

DR. M. M. S. SIDDHU: I am asking this very question. It is the failure of the management, it is the failure of the policies of the Government not only in marketing, but in technology also, that has brought about this result. I want to ask what the Government has done so far to remedy these defects? This is not a new phenomenon. What the Minister has said is brought out in the annual report.

श्री शिव चन्द्र झा (बिहार) : उप-सभाध्यक्ष महोदय, मंत्री महोदय ने बहुत जोर से कहा है जवाब देते हुए कि लास हो रहा है, आई० डी० पी० एल० में इतने का लास हो रहा है जो कि बहुत दुख की बात है। उनके दुख के साथ हम भी दुखी हैं। लेकिन क्या आपने जिस रूप में इस बात को रखा, पब्लिक सेक्टर में आई० डी० पी० एल० ही नहीं है और भी पब्लिक सेक्टर है और यहां व्यवस्था की बीमारी है लेकिन क्या आपका यह अर्थ है कि पब्लिक सेक्टर सच इज रोंग। क्योंकि जिस रूप में आपने रखा उससे वह आप एक ट्रेंड चला रहे हैं कि पब्लिक सेक्टर में होने से बीमारी आ जाती है और कहीं ऐसा न हो कि प्राइवेट सेक्टर में यह चला जाय। इसको आप साफ करें। क्योंकि इसमें कंप्यूजन हो जाता है। बावजूद खराबियों के पब्लिक सेक्टर जो है वह समाज का सेक्टर है और हमको उसको अच्छा बनाना है और ब्यूरोक्रेसी के कब्जे से उसको हटाना है। जो आपने कहा एकाउन्टेबिलिटी। तो एकाउन्टेबिलिटी

[ श्री भिव चन्द्र झा ]

का मतलब वहां क्या है ? स्वतः मिनिस्टर्स एकाउटेबिलिटी है ही नहीं दो महीने, छः महीने रहते हैं दूसरा आ जाता है और चने जाते हैं और नया मिनिस्टर कहता है कि हमको नहीं पता क्या हुआ । यह बीमारी तो यहां भी है । इसलिये टैकिंग आल दीज थिंग्स इनटू दी फन्सीडरेशन में चाहता हूं कि आप साफ करें कि मुल्क में इसको आप बढ़ाना चाहते हैं या नहीं बढ़ाना चाहते हैं ? यह मुल्क न बड़े या जितना बड़े सहे यह बढ़ता रहे यह आप साफ करें ?

दूसरी बात यह है कि आपने अभी कहा कि फारेन मल्टीनेशनल्स का कब्जा है । डा० सिद्धू ने भी कहा है कि अभी भी कब्जा है । क्या यह बात सही नहीं है कि विदेशी कंपनियां मेजर ड्रम्स प्रोड्यूस कर रही हैं तो उन पर कंट्रोल करने के लिये आपने कानून से कदम उठाये हैं और उसमें आपको कहां तक सकलता मिली है ?

तीसरा सवाल यह है कि क्या बात सही नहीं है कि फारेन कंपनियों को आपने आर्डर दिया है, नॉटिस दिया है कि क्विटी शेयर 40 प्रतिशत ले आवे । क्या आपके मंत्रालय ने आदेश नहीं दिया कि 40 प्रतिशत से ज्यादा नहीं होना चाहिए लेकिन उन्होंने इसकी डिफाई किया है और बहुतों से कम्पलाइ नहीं किया है । तो आपने उनके खिलाफ क्या कार्यवाही की है, क्या एक्शन लिया है ? 40 परसेंट रक्विटी शेयर के बारे में आपने क्या कार्यवाही की है ?

चौथा सवाल, फारेन कंपनियों जो काम कर रही है जितना भी मुनाफा चाहे जिस रूप में भी हो, उन्होंने पिछले तीन सालों में भेजा है वह आप हम को बतायें ?

पांचवां सवाल है कि आपने क्वालिटी की भी बात कही । यह बात अखबारों में भी आई थी कि मिन्सूरी का जो एन्टीवायटिस है उसकी क्वालिटी पर शक आ गया है और उसका सैम्पल लंदन भेज दिया गया

था, उसकी जांच के लिये, उसकी क्वालिटी की जांच के लिये ? तो क्या इसके लिये आपके पास मशीनरी है, क्वालिटी को चेक करने के लिये मशीनरी क्वालिटेबली अच्छी होनी चाहिए । चेक कर दिया । हां ठीक है मशीनरी लेकिन यह ठीक नहीं है । एग्जामिनर अच्छा एग्जामिन करे । तो क्या क्वालिटी के लिये एक क्वालिटेबिलिटी अच्छी मशीनरी आपकी है या नहीं ? आखिरी सवाल मेरा यह है । आप सिर्फ ड्रग ही नहीं प्रोड्यूस करते भारत सरकार के बहुत से कानून हैं उनके मातहत करने हैं । एक ही कानून को मानने से काम नहीं चलता है । मैंने अभी कृषिकेश का इन्स्पेक्शन किया है और दूसरी ड्रग यूनिट्स जो ०आई डी०पी एन० की हैं उनको देखा है । एकट क्लियरली कहता है कि जो लेबल वगैरह शीशियों पर लगाए जाते हैं वे बाईलिग्युअल होने चाहिये । आफिशियल लैग्वेज एकट की यह रिक्वायरमेंट है । वहां पर इन्स्पेक्शन के लिए हम लोग गये थे और हमने देखा कि बहुमत में जो लेबल लगाए जाते हैं वे बाईलिग्युअल नहीं लगाये जाते हैं । तो मैं यह जानना चाहता हूं कि सभी दवाइयों की शीशियों पर बाईलिग्युअल लेबल लगाने का कितना काम हुआ है कितनी तरक्की हुई है ? यहीं मेरे सवाल है ।

श्री लाल्लू मोहन निगम : मोहतरमा, मंत्री जी ने जो वातव्य दिया है उससे ऐसा लगता है कि बुनियाद में जो समस्या है उसको शायद नज़र-अंदाज करने की कोशिश कर रहे हैं । यह बात सही है कि जो इंतजाम है वह गलत है । घाटा क्यों होता है । इन सब चीजों पर मैं नहीं जा रहा हूं । मैं दो तीन बुनियादी सवाल आपसे पूछना चाहता हूं । एक यह है कि यह जो आप बाहर से करोड़ों रुपयों की दवाइयां मंगाते हैं उनके लिए जो बैच बनाया जाता है और

उनको पकाने में जिसे फार्मूलेशन कहते हैं जैसे स्फिरिट वाई-प्रोडक्ट निकाल कर बनाते हो उनमें जो निश्चित समय लगता है 100 से ले कर 180 घंटे क्या यह सही नहीं है। आप यह भी बता दीजिये कि पिछले तीन वर्षों में जितने भी आई०डी०पी०एल० के कारखाने हैं वहाँ के कितने ऐसे बैच खराब हो कर फेंके गये और फिर दूसरे बैच बनाने की कोशिश की गई और अगर इसी पर खाली आप नियंत्रण कर लें कि जितने बैच बनाए जाएं मुक्कमल तरीके से उसकी निगरानी हो ताकि लाखों रुपये की जो दवाएं बनाई जाती हैं उनको फेंकना न पड़े, इससे बहुत हद तक आपका घाटा दूर हो सकता है।

दूसरा जो शक मुझे लगता है वह यह है कि सवाल यह नहीं है कि कोई चेयरमैन दो वर्ष रहता है या एक वर्ष रहता है मुझे ऐसा लगता है कि कहीं पर बहुत बड़ी साजिश है। आपके मंत्रालय की कुर्सी के नीचे क्या हो रहा है आपको खुद पता नहीं है। उन से ले कर बहु-देशीय कम्पनीज हैं उनके साथ क्या-क्या जुड़ा हुआ है, नहीं तो क्या वजह है कि जब कभी तकनीकी विशेषज्ञ किसी वैज्ञानिक को आप लाने हैं साल भर में ही मुश्किल से कुछ करता है। उसने एक योजना बना कर दे दी उसके आधार पर आपने कारखाने के लिए चीजें और इंस्ट्रुमेंट्स जो चाहियें वह आपने मंगा लिये और वह चला जाता है उसके बाद इस्तेमाल उन चीजों का नहीं होता है। इस में सब से बड़ी साजिश है यह जो बहुत अच्छे किस्म के इंस्ट्रुमेंट्स वगैरह बाहर से आने हैं अगर डाइरेक्ट देशी या विदेशी हिन्दुस्तान की कम्पनीज मंगाएं तो उनको टेक्स वगैरह का लपड़ा पड़ता है, वह तो होता है, करते क्या है इन पब्लिक ग्रंडरेंटिंगज को जो सार्वजनिक उद्योग हैं वहाँ के साईंटिस्ट

को पटा कर उनकी जो ग्रन्डरन्टी रिक्वायरमेंट होती है वह बता देते हैं और फिर उनके आधार पर पब्लिक ग्रंडरेंटिंग के साईंटिस्ट अपनी रिक्वायरमेंट बना कर मंगा लेते हैं और उसके बाद वह चला जाता है उसको चलाने वाला नहीं है और फिर अगर एक लाख रुपये की मशीन मंगाई गई है तो उसको 40-50 हजार रुपये में स्कैप के भाव में बेचा जाता है और फिर इसको दूसरी कम्पनीज वाले खरीद लेते हैं। यह बहुत बड़ी बेईमानी है। तो जब तक आपका नियंत्रण इन चीजों पर नहीं होगा आप घाटे को पूरा नहीं कर सकते। ठीक है आप पांच अफसरों को बनाओ, पांच को निकालो इसमें मुझे कोई बहस नहीं है। यह आपकी जिम्मेदारी है। मैं एक ही बात जानना चाहता हूँ कि जिस देश से आपने यह तकनीक ली है, रूस से ली है, रूस का मामला है वहाँ जो दवाएं बनती हैं और आपके यहाँ बनी हुई दवाओं में मजदूरी का अनुपात यहाँ जरा कम है, क्या वहाँ की दवाईया सस्ती पड़ती हैं बनिस्बत हमारे यहाँ के, क्या बात है? ओवर-हेड एक्सपेंडीचर का सवाल हो, उसके मामले में अगर आप चाहते हैं कि बिड़ला, टाटा की तरह यह कम्पनियों करें तो फिर मुझे कुछ नहीं कहना है। सब से बड़ी बेईमानी जो हो रही है वह यह है कि हिन्दुस्तान में जो असंख्य नामों से एक ही फार्मेशन को उसमें थोड़ा सा फार्मूल में डिफरेंस कर के विभिन्न दवाइयां बना कर के बेची जाती हैं अगर आप चाहते हैं कि आपकी मार्किट, आपके बाजार द्वारा लोगों को सही और अच्छी दवा मिले तो उसका एक ही उपाय हो सकता है कि हिन्दुस्तान की सरकार एक स्टैंडर्ड फार्मोकोपिया बना दे। किसी भी बीमारी के इलाज के लिए 10, 20, 25 डाक्टरों को दुनिया के बड़े लोगों को बैठा लिया जाए जो नाम हो सकता हो बना लीजिए और उन दवाइयों को बनाइये और कहीं कोई कम्पनी हो चाहे निजी क्षेत्र की हो या दूसरे देशों या बहुदेशीय कम्पनी हो उस फार्मोकोपिया के अलावा दूसरी दवाई नहीं बना सकेंगे।

[श्री लाडली मोहन निगम]

7.00 P.M.

अगर आप सही नियंत्रण कर लें, अगर आप अपने नुस्खों के मामले में कुछ पाबंदी कर लें तो ये भी हो सकता है कि आप इस गरीब देश को कम से कम सस्ती दवाइया दे सकते हैं। बीमारी इन्सान की सबसे बड़ी मजबूरी है। मेरे पास कुछ ऐसे अलफाज नहीं हैं जिनको मैं इस्तेमाल करूं। मैं इतना ही कहना चाहता हूं कि बीमारी अगर इन्सान की मजबूरी है और जो इन्सान या कम्पनी किसी की उस मजबूरी से मुनाफा कमाती है तो फिर उसमें और कोड़े पर बैठने वाले में कोई फर्क नहीं होता। क्योंकि वह भी किसी की मजबूरी का फायदा उठाता है। बीमारी, कोई आदमी नहीं चाहता और जो मामला है उसी दृष्टि को मददेनजर रखते हुए सरकार ने सोचा था कि हिन्दुस्तान में सस्ती और अच्छी दवाइयां बनायेंगे। लेकिन हो यह रहा है कि हम लगातार घाटे में जा रहे हैं।

श्रीमती रोडा मिस्त्रि जी ने बहुत बातें कह दीं, मैं उन बातों को दोहरा नहीं रहा हूँ, मैं सिर्फ तीन चीजें आपसे जानना चाहता हूँ। एक क्या आप तैयार हैं, हिन्दुस्तान में हाथी कमीशन की रिपोर्ट के आधार पर कुछ स्टैंडर्ड फार्मुलेशन को बनाने के लिए और नियंत्रण करने के लिए कि इसके अलावा दूसरी चीजें नहीं बनेंगी।

दूसरा, जब आपने पेंसिलीन के बारे में कहा कि हम बनाते हैं तो उसमें मैं आपसे इतना ही निवेदन करना चाहता हूँ कि ये जो बैच वाली बदमाशी होती है इसको आप कैसे रोकने जा रहे हैं। इसकी ठीक से हारवेस्टिंग होती है कि नहीं। इसकी मानीटरिंग कोई नहीं हो रही है क्योंकि कोई आदमी जिम्मेदारी लेने को तैयार नहीं है।

तीसरी चीज यह है कि क्या आप यह कोशिश करेंगे कि हिन्दुस्तान में भारतीय तकनीक के जरिये ही, यह भी मैं बता दूँ

कि हिन्दुस्तान में जो सबसे पहले किसी भारतीय कम्पनी ने पेंसिलीन बनाया था। तो भारतीय तकनीक के आधार पर पेंसिलीन बनाया, ईजाद किया था, उनको बनाना शुरू किया था और यहां तक कि जो जीवनदायिनी औषधियां हैं उन के मामले में क्यों नहीं आप रोक लगाते हैं कि एक ही फार्मुलेशन होगा या दो फार्मुलेशन होंगे या तीन फार्मुलेशन होंगे उससे जगदा नहीं होंगे अलग अलग चीजों के लिए और वे भारतीय परिस्थिति के अनुसार, यहां के वातावरण के अनुसार यहां की बीमारियों के अनुसार होंगे। बहुत सी बीमारियां यहां जो होती हैं वे दुनिया के किसी देश में नहीं होती हैं, उससे आधार पर क्या आप तैयार हैं कि जो जीवनदायिनी औषधियां हैं, न बनाने के लिए मैं नहीं कहता, लेकिन मूलक में बनाने का अधिकार किसी भी बहुउद्देश्यीय कम्पनी को या भारतीय व्यक्तिगत कम्पनी को नहीं होगा। जीवनदायिनी औषधियां सिर्फ सरकार अपने कारखाने में बनायेंगी। अगर आप यह कनि सकें तब आप इन बहुउद्देश्यीय कम्पनियों और देशी कम्पनियों की जो बदमाशी और मोनोपोली है उसको रोक सकेंगे जो कि डेढ़ पैसे, दो पैसे के पेन किलर्स को आज बाजार में आठ आने या 12 आने के नीचे नहीं देती है। तभी आप बाजार में उन के मुकाबले में खड़े हो सकते हैं। इस वास्ते मैं आपसे कहना चाहता हूँ कि जो आपके हाथ में बहुत बड़ा काम है, देश का स्वास्थ्य आपके हाथ में है सारे गरीब इन कम्पनियों को देख रहे हैं, अगर इनको आप चढ़ाने की कोशिश करें तो दूसरी तरह से ये चलेगी नहीं। इसलिए मैं आपसे जानना चाहता हूँ कि क्या आप कोई कार्यवाही करेंगे। कमीशन को बात नहीं कहा। आप जांच करो जितनी मशीनरियां बुलायी गयी हैं वे

मशीनरियां क्यों नहीं इस्तेमाल की गयी, जो नहीं इस्तेमाल की गयीं और बेची गयीं स्ट्रैप में तो कहां और किस आदमी ने खरीदा, इसकी जांच करियेगा तो आपको चोर का पता लग जायेगा । आपके घाटे का जो आपने विस्तार दिया है तो मेरे पास भी आंकड़े हैं । मैं बता दूँ । यह बात सही है । तो आप सरकार से ऐसी बात क्यों नहीं कहते हैं कि जो राज्य सरकारें सार्वजनिक उद्योगों की बकाया रकम नहीं वसूल करती हैं तो केन्द्र जो इमदाद देता है उन राज्य सरकारों को, वह पैसा आपको पहले दे दें । जमे आप मान लीजिए कि पांच करोड़ रुपया मध्य प्रदेश पर बकाया है और मध्य प्रदेश को सरकार सौ करोड़ रुपये अनुदान के रूप में देती है तो पांच करोड़ रुपये आप काट कर बाकी उनको दे दीजिए । आप ऐसा करेंगे तो हो सकता है । याद भी नहीं होता है क्योंकि सरकारी लें देन तो खाली किताब की लिखा पढ़ी है और कुछ नहीं है । इस लिखा पढ़ी को सीधा करने में आपको क्या आति है । तो आपका यह तर्क कि राज्य सरकारों पर बकाया है, केन्द्र सरकार पर बकाया है, यह तो मुझे लगता है कि विधवा प्रताप है, आप अगर चाहें तो इसको कर सकते हैं । एक ही तरीका हो सकता है, आपने बहुत अच्छे तरीके से मामले को रखा है । मैं बहुत गम्भीरता से सुन रहा था । मुझे बहुत उम्मीद है कि आपके होंते हुए यह महकमा बदल जाय और आप इसमें बदलने का जो भी प्रयास करेंगे हम आपके साथ हैं । लेकिन शर्त एक है कि कोई निश्चित योजना बनाकर आपको पूरे सदन को देश को विश्वास में लेना होगा ताकि उनको भरोसा हो सके कि हमारी कम्पनियां, देश की सार्वजनिक कम्पनियां विदेशों की जरखरीद गुलाम

बदमाश नहीं है । जो आज तक साजिश चला है उसको आप रोकने का रास्ता बताइये तो हम मुतमइन हो सकते हैं ।

SHRI SHRIDHAR WASUDEO DHABE (Maharashtra): Madam Vice-Person, I do not agree with the statement....

SHRIMATI RODA MISTRY: Can we use Vice-Person? It is Vice-Chairperson.

SHRI SHRIDHAR WASUDEO DHABE: I am thankful to you for the correction. Madam, I do not agree with the Minister's statement saying that the public sector requires complete radical change of policy by the Government. Public sector has been started in our country with very definite objective and it was expected that it will attain commanding heights of production and including the social costs it will be profitable. But today, instead of attaining the commanding heights, we are achieving commanding heights of inefficiency and corruption. The reasons are different. You should follow what has been done in socialist countries. If you want to run the public sector you will have to accept it as a workers' sector. In Yugoslavia social enterprise is called a workers' enterprise and workers are elected directly and they manage it as commercial concern. Even if they have to take loans, the Government gives the loans. But it has been found that if the workers are given the responsibility the success has been tremendous, and it has succeeded. Therefore, the Government should take a policy decision to work it as a workers' sector. There should be no employer or private sector. It is no use saying that the private sector is good. Rs. 4,000 crores of income-tax arrears are not paid by them, and the Government has not been able to recover from them. That is the position of the private sector. Evasion of tax is one of the major contributions for the profits being made by the big establishments.

[Shri Shridhar Wasudeo Dhabe]

What is happening in the public sector? Workers' rights are eroded every-day. I would like the Minister to enquire. As a Member of the Public Undertakings Committee, I have visited the IDPL Hyderabad and the Hindustan Anti-biotics at Pimpri. There contract labour is employed which is the regular job of the workers. Not only that. They have found a new unfair labour practice unknown to the public sector. That is work on contract. They give the contract work. They give the contract of electrification complete to the private person. He may employ anybody and pay him very low wages. Electrification and many important operations which the IDPL have to do, they give it as contract work and contract labour are employed. The contract works are given to private parties. There was resentment by the union there. And the question comes again of the employment of that labour. Therefore, my suggestion is that the unfair labour practices which are going on in this public sector should be eradicated and the workers must be given full job satisfaction and they should feel that they are the partners in the industry.

The second thing which I wanted to point out is this. How can the Minister say that the Government will not purchase from their own public sector? Quality control must be strict. It must be competitive. You are yourself fixing the prices of these commodities. You are fixing the prices of the drugs. The Government is doing it. You have admitted that the inputs' costs are going up. The rates of electricity are raised and it becomes costlier. And we were told by the officers that hardly 20 per cent of the IDPL products and the Hindustan Anti-biotics products are purchased by the Government hospitals including the All India Institute of Medical Sciences here. They invite tenders. Multinational representatives and the officers of those institutions are in league, and they are making money at the cost of the public, at the cost of the public sector. Therefore, as a

policy, if the Government want the public sector to succeed, they must accept it as a social responsibility and all the State Governments and the Government institutions must purchase the drugs from the public sector. The quality control should be effective. In this connection, I have a suggestion to make. More money should be spent on research. If more money is spent on research, we can produce more drugs and the multinational racket can be stopped. Our workers, our officers and our scientists are dedicated people. They are doing a good job. But the resources which we are employing on the undertakings are very small as compared to the multinational's investment here.

[The Vice. Chairman (Shri Ladli Mohan Nigam) in the Chair]

And, therefore, if you really want to attack the multi-nationals or prevent them, the best way is to improve the quality of research in this country and then we should have the indigenous system of medicines. In this connection what I would like to say is that our marketing is totally neglected. Marketing in India and abroad is badly neglected. We can send our products to Asian countries. The multinationals outside produce bulk drugs at a very low cost but they sell them at competitive prices in markets here and in other countries. Many people in the market do not know what IDPL products are. Even the name is not known because marketing has been totally neglected. Now you must change the policy. It was good in the beginning when we started but now when we are having life-savings and important drugs people must know what the IDPL is producing. There must be goodwill in the country. Even if the prices are more, it does not matter, if the doctors prescribe these drugs. Multinationals give highest importance to advertisement. I would like to say one thing more and finish. Why should not the Government accept the policy of flexible costing? In the case of cost of living index if the prices go up we give the

workers more D.A. Similarly, if the cost of inputs and other things goes up which is beyond their control, there must be some flexible way of fixing the prices of the drugs. The IDPL or the Minister should have a monitoring cell which will from time to time fix the prices. If the input cost goes up and if flexible price policy is adopted. I think it will go a long way in reducing the losses of there concerns.

Sir, we should not make sweeping allegations that our public sector is bad. I am certain after having seen such big projects that they are also doing a good job and therefore the reasons for their losses must be found out. No reasons have been given in this answer to question No. 305 of 21st March. It has only been said that there are a variety of reasons. That is why Mrs. Roda Mistry asked for a half-an-hour discussion on this subject. In clause (c) of the reply only the amount of net losses suffered by the undertaking on account of various reasons is given. I think there should be a national debate on this question. This opportunity has been given to us by the Mover of this Half-an-Hour discussion. Otherwise, we would not have known what is happening. A very vague answer has been given to the above question. And in clause (c) of the answer it has been mentioned that the losses amount to Rs. 73 crores. What are the exact reasons therefor, we do not know. No reasons are given in the answer. I would like to have a clarification from the hon. Minister on this point.

DR. M9LCOLM S. ADISESHIAH: Mr. Vice-Chairman, Sir, I shall be very brief. First of all, I want to thank Mrs. Roda Mistry for having put this item on the agenda because, I think, as Mr. Dhabe has said, we, in Rajya Sabha, have no occasion to discuss this matter. And, I think, as Mrs. Roda Mistry has said IDPL is only one example of this huge area and I thank her for that. I would like to join Mr. Sil'hu in thanking the Minister for a very enlightening statement that he has made. The statement made by the Minister is not to be found either in the Report of

the Public Sector Undertakings which I have very carefully or in the Annual Report of his own Ministry. Therefore I look forward to seeing it in writing as to what he has said today. Sir, I have three questions to ask. First, I see that the total resources available to the IDPL are about Rs. 268 crores in 1981-82 and of these Rs. 150 crores are loan from the Government and credit from the banks. This I think is rather a high ratio for any undertaking. May I say that out of Rs. 268 crores, Rs. 150 crores are based on loans, which is a high ratio? Then I see from the report that the net loss is rising every year, for the last three years. In 1979-80 it was Rs. 7.2 crores, in 1980-81 it was Rs. 16.8 crores and in 1981-82 it was Rs. 27.4 crores. And the Minister in his oral reply to Parliament has said that the accumulated loss is now Rs. 73 crores for IDPL. Now, this is one factor. This has been taken from the report and I hope, he would confirm it.

The second point which I found very interesting is that the cost of production of IDPL is declining. This is from your report. It was 49.4 per cent in 1979-80, it was 46.1 per cent in 1980-81 and it was 42.7 per cent in 1981-82. The cost of production is declining which was not in line with what the Minister said in reply to us today. Secondly, I was very encouraged to find that the manpower cost ratio, which is the wages element, is also declining. I found that it was 14.3 in 1978-80, it was 13.2 in 1980-81 and it was 13.9 in 1981-82. And the value added per worker is rising. It was Rs. 1,406 in 1979-80, Rs. 1,668 in 1980-81 and Rs. 1,795 in 1981-82. Is there any change in the report?

I now come to the point which Mr. Dhabe was making. In the report five causes are given for this huge loss. One cause is that prices are not covering the cost of production. May I ask the hon. Minister that if this is the case, why is he not doing what the other Ministries are doing? Why does he not do what the Coal Ministry is doing? Why does he not do what the Steel Ministry is



[Dr. Malcolm S. Adiseshiah]

doing? That is, regularly administered the prices, should be raised, so that they will cover your cost of production. And I take it that drugs are no more essential than coal is. Coal is as much a poor man's commodity as drug is. I cannot accept the first reason for the huge loss, namely, that the cost of production is not being covered by prices.

Secondly, you referred to the poor capacity use. As has been pointed out by Shrimati Roda Mistry, the capacity use ranges from 30 per cent to 68 per cent. May I say that this is not always the fault of the management or the company or the Government? It is not the result of not having any market survey. I was chairing a seminar on the use of oral contraceptive pills. As you know, it is the IDPL which has been asked to produce this. But we are not using even one hundredth of the capacity in the country. IDPL were asked to produce, develop, these oral contraceptives. But the work of the Health Ministry, the work of all of us, voluntary agencies, has not enabled even one per cent of the capacity to be used. This is most scandalous. This capacity use question is more than management deficiency.

Third, on institutional sales, I think, Shrimati Roda Mistry has said enough. I think, this is scandalous, if the State Governments and the Central Government, as she has pointed out, are not meeting their bills. This has become a sickness.

SHRI SHRIDHAR WASUDEO DHABE: This is the case in every public sector. Coal Electricity, Railways...

DR. MALCOLM S. ADISESHIAH: Fourth I have looked at your inventories and Mr. Minister, may I say to you, as an economist, that you should get your inventories examined because six months of raw materials being maintained in your factory is much high and this is causing loss?

Lastly, you say, increased interest charges, increase in the cost of power, increase in the cost of fuel and then wages. Explains the continuing loss.

If your report is right, if your manpower cost ratio is falling and if the value added per man is rising, as I pointed out earlier, then, wages are not the reason for the losses that you have suffered. I would like to make this very clear. Am I right, therefore, in feeling, as Shrimati Roda Mistry and you also have admitted that it is really the management which needs to be improved and not the labour?

SHRI B. KRISHNA MOHAN (Andhra Pradesh): Sir, while associating myself with the views expressed and the suggestions made by Shrimati Roda Mistry and other hon. Members for putting the IDPL on sound lines, may I add that Shri-Vasant Sathe, ever since he took over, as the Minister for Chemicals and Fertilizers, has been doing his best, making a very sincere effort to look into the problems of the IDPL and trying to put the IDPL on sound lines? Mr. Vasant Sathe, while answering a question of mine and Dr. Najma Heptulla, on 29-2-1983, has stated the reasons for the losses of the IDPL. The reasons for the IDPL losses are: Under-utilization of installed capacity due to demand constraints, power shortages, simultaneous implementation of expansion programmes along with regular production programme; high consumption of raw materials due to non-stabilization of processes and technological problems; increase in power and fuel costs, wages and salaries, interest burden etc.; and has also suggested the steps to stabilise the technology and to solve technological problems so as to reduce consumption of raw materials and utilities; rationalisation of production based on the pattern of demand; reorganisation of the marketing division and full thrust on trade sales. Just now he has made it very clear that he has appointed a Marketing Director to look after the sales of the IDPL products. May I place before this House that there are two well-known products of the IDPL, one is the tetracycline and the other is the Vitamin B-Complex? Even though the IDPL is producing both these drugs, there is no demand for these products in the market and the products manufactured by other private agencies have a greater demand. Unless a market is there, a demand is there, the IDPL won't gain any profits. So, I suggest to the hon. Minister to appoint army of sales.

representatives so that a better market is created for IDPL Products.

**SHRI VASANT SATHE:** Mr. Vice-Chairman, Sir, I am thankful to you as well as to my hon. friends who have participated in this discussion and made very valuable suggestions. May I at the outset make it very clear that at no stage I have said that public sector has to be changed? I do not know why and how Shri Shiva Chandra Jha got that impression and I was not condemning the concept of public sector which was started by our great leader, Shri Jawaharlal Nehru, with the object of creating a sector which will have commanding height on our economy. All I am trying to submit is and as Shri Dhabe rightly said, unless public sector is made a participatory sector with the workers, it will not get the real accountability concept. I was only trying to say that when you compete with the private sector, and you all know the ills of private sector, how the black money has grown in this country and all that, this is not the place for me to say much about that. But precisely therefore we should not inject the ills of the private sector or ills of any other sector—call it bureaucratic or whatever you like—any sector where you have to produce goods on commercial, economic basis, and the parameters of economic production have to be followed. That is all I was trying to say. And if there is no difference on this—and I see no difference on this—all the ills that you have pointed out, the various factors of losses—I entirely agree that all these have to be taken into consideration. But this must be the job of the management which must be made accountable. Involve workers in it as well.

You suggested just now the field staff who do the marketing after you produce goods. Unless they are marketed, it is no use producing. So, therefore, those people are the real people. Your field people are there all over the country. We have all-India field staff of sales representatives. We must get proper feed-back. They must tell us what is the demand, what should be produced, how it can sell. Therefore, I am thankful to all the Members for the very valuable suggestions they have made. I am sure the management and we will keep these in mind.

I assure you of one thing that we will do our best, and I have an assurance from the management also that they will do their best to see that the sad story is over. It is no use glossing over it. You invest 90 crores in equity, take 150 crores in loan and incur a loss, till last year, of 73 crores and if this year is added, the entire equity is practically wiped out.

**SHRI SHRIDHAR WASUDEO DHABE:** What is the interest that you pay?

**SHRI VASANT SATHE:** 18 per cent interest is paid on loans. It is in crores of rupees. I entirely agree financially you should be able to... if you come to a point. Why should you rely too much on loan? But that happens when you do not generate surplus. You cannot plough it back, you do not have your reserves, you always depend on loan and Government is very reluctant to allow you to convert loan into equity. That also is an artificial thing. In fact, it is ultimately to reflect in their production and productivity. So, therefore surpluses must be generated in public sector as well. This must be kept in mind. This is how I approach. I do not want to criticise this sector or that sector. I am looking at it as the entire sector, all productive sector in this country should be, taken as a sector belonging to the nation and no sector should be allowed to fleece or loot or get away with unaccounted wealth, cheating the nation. That should not be allowed. Therefore, this tendency of only looking or wanting to criticise or control the public sector—I am not for that; I do not subscribe to that. I am only keen that the public sector should have a commanding height, it must set the right example and all the ills that you see in the management, as Dr. Adiseshiah pointed out, ultimately the whole thing comes to one thing—management, which includes economics, which includes cost-benefit ratio, which includes managerial technique, technology, etc. Incidentally someone got the impression—you said it—29 crores worth is in distress sale. This is absolutely wrong.

**SHRIMATI RODA MISTRY:** They are about to give it in distress sale.

SHRI VASANT SATHE: No, no, it may be in stock for sale, out in the market. But if you warn of this, our people will take a note that this should not become a distress sale. But today there is no such thing as being in distress sale.

I again agree that R&D effort is most important. We must take advantage of the entire R&D, whether it is done in the Indian Council of Medical Research or the National Drug Research Institute and have a coordinated approach. And more R and D should be done in the IDPL itself. All these are very valid suggestions. I again thank the hon. Members for drawing the attention of this Ministry. Once again, with this assurance to you, Mr. Vice-Chairman....

श्री शिव चन्द्र झा : मैंने यह पूछा था कि फारेन कम्पनियों को 40 परसेंट तक इक्विटी करने के लिए आपने आदेश दिया है या नहीं ?

श्री वसन्त साठे : दिया है ।

श्री शिव चन्द्र झा : उसके बारे में आपने कुछ नहीं बताया है ।

श्री वसन्त साठे : शिव चन्द्र झा जी, मेरे पास कोई रेडी मेटीरियल है नहीं जिससे मैं आपको तुरन्त जवाब दे सकूँ । यह सब जवाब इस वक्त मेरे पास नहीं है । मैं कोई एनसाइक्लोपोजिया तो नहीं हूँ । आप जैसा होशियार होता तो सारी जानकारी दे देता । आपको तो सारी दुनिया की जानकारी होती है, वैसी मुझे नहीं है । आप हर विषय के माहिर हैं । मुझे तो जानकारी लेनी पड़ती है आपको

देने के लिए । मैं आपको भिजवा दूँगा, कितनी क्या है । इस वक्त यह सारी जानकारी मेरे पास नहीं है । इसीलिए मैं आपको संतुष्ट नहीं कर पाया ।

अन्त में उपसभाध्यक्ष जी, मैं आपको तथा सब माननीय सदस्यों को बहुत धन्यवाद देता हूँ कि आपने मुझे यह मौका दिया ।

श्री हुक्मदेव नारायण यादव : श्रीमन्, मेरी बात का क्या हुआ ।

उपसभाध्यक्ष (श्री लाडली मोहन निगम) : आप सचिवालय से मालूम कर लीजिये ।

श्री रामेश्वर सिंह : श्रीमन्, मेरा एक प्वाइन्ट है ।

उपसभाध्यक्ष (श्री लाडली मोहन निगम) : आप मेरी बात सुन लीजिये । मैंने कहा था कि आधे घंटे की बहस के बाद आगे चर्चा चलेगी । मैं सदन को यह सूचित करना चाहूँगा कि आज साढ़े 7 बजे इन्टर पार्लियामेंटरी यूनियन की बैठक है, इसलिए जरूरी है कि सभी सम्माननीय सदस्य वहाँ जाना चाहते हैं । उनके अनुरोध पर मैं सदन की कार्यवाही कल 11 बजे तक के लिए स्थगित करता हूँ ।

The House then adjourned at thirty-two minutes past seven of the clock till eleven of the clock on Friday the 6th May, 1983.