

item, which means, this is still landing there. He is free to hold his view. I am free to hold my view. My view is, this can be done only at the level of national JCM.

SHRI DIPENDRABHUSAN GHOSH: Will the Minister kindly supply the minutes of the meeting where it has been stated that it requires approval of the National Council.

MR. CHAIRMAN: That is all right. Question No. 203. You have entered into a debate with him.

PROF. SOURENDRA BHATTACHARJEE: It was the Minister who initiated the debate.

MR. CHAIRMAN: That is all over Question No. 203.

#### Import of Raw Materials by M/s. Glaxo

\*203. SHRIMATI AZIZA IMAM<sup>†</sup>  
SHRIMATI USHA MALHOTRA:

Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to refer to Starred Question No. 9 given in the Rajya Sabha on the 23rd November, 1981 and state;

(a) whether it is a fact that M/s. Glaxo, apart from Triene, Epoxide, and 16-DPA, have also imported and have procured imported Beta Methyl Preg, Triene cathylate, Diosgenin, which are intermediates and raw materials used for the production of Betamethasone;

(b) whether it is also a fact that Glaxo have imported much higher quantity of intermediates than they have reported to Government;

(c) what steps have been taken by Government to procure full details from the company; and

<sup>†</sup>The question was actually asked on the floor of the House by Shrimati Aziza Imam.

(d) what is the price benefit which the company is enjoying on account of import of raw materials and penalti-mates of Betamethasone?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) to (d) A Statement is laid on the Table of the Rajya Sabha.

#### Statement

(a) and (b) M/s. Glaxo Laboratories (India) Limited *vide* their letter dated the 13th November, 1981 have reported the imports of the following penultimates {intermediates required for the production of the Betamethasone and 4 its derivatives:—

#### (1) TRIENE:

Year of Import	Quantity imported (Kgs.)
1978-79	50
1979-80	50
1980-81	50
After April, 1981	50

#### (2) 9.11 EPOXIDE

The company have reported import of only 200 grams in April, 1980 for research work.

#### (3) 16-DPA:

25 kgs. of Mexican 16-DPA was reported to have been imported by the company in December, 1980 for relative quality evaluation. The company have intimated that this quantity was rejected on quality grounds and returned and has not been paid for.

The company have reiterated and confirmed the above position as regards the import of intermediates for the production of Betamethasone and its derivatives to my Ministry in their letter of 26th November, 1981. These details do not show that they have

imported Beta Methyl Preg, Triene Cathylate or Diesgenin for production of Betamethasone and its derivatives during the last three years. However, a scrutiny of the daily list of imports issued by the Customs House show an import of 40 kgs. of Beta Methyl Preg by M/s. Glaxo Laboratories (India) Limited. This is being verified. The company has also been asked to furnish information regarding procurement of an imported intermediate/penultimate for the production of Betamethasone and its derivatives from within the country during the last three years. This information is yet to be received. The information so far furnished by M/s. Glaxo Laboratories (India) Ltd., is under verification.

(c) The details asked for by the Government on 14th September, 1981 have since been made available by M/s. Glaxo Laboratories (India) Limited vide their letter dated 20th November, 1981. On scrutiny, it is found that any further details are required, they would also be called for from the company.

(d) M/s. Glaxo Laboratories (India) Limited in their letter dated the 13th November, 1981 reported that 50 kgs. of Triene lead to the production of approximately 10 kgs. of Betamethasone as against their annual production ranging from 280 kgs. to 425 kgs. The Bureau of Industrial Costs and Prices have been advised to make an in-plant study of the full details concerning import of penultimate/intermediates by Glaxo and make their recommendations concerning price of Betamethasone to the Government. The effect of imported raw materials and penultimate on the cost of production of M/s. Glaxo vis-a-vis the price would be known after the BICP report is received, and analysed.

SHRIMATI AZIZA IMAM: Sir, I would like to know from the hon. Minister whether it is a fact that manufacture of Betamethasone which is priced by this company in India at over Rs. 2 lakhs a kilogram, involves a number of irregularities, and if so, what steps the Ministry has taken to

ensure that this multinational really produces the drug from the basic stage, i.e. from indigenous material, as per their proposal. Has the Ministry issued any instructions to the Customs authorities and the Chief Controller of Imports so that this company could be restrained from importing the intermediates?

SHRI P. C. SETHI: Sir, the history of this company dates back to 1957 when they were licensed to produce only 120 kilograms of Cortisone, Hydrocortisone, Prednisolone. Then in 1964 they were further given a licence for the manufacture of Betamethasone also and the total capacity was raised to 300 kgs.

Now so far as 1964 licence is concerned, we have not yet been able to trace the file so that we could find out whether there was any condition about going from the basic stage itself. However, it was stated that the penultimate stage drug would be imported for the manufacture of this drug.

Then, Sir, in the year 1978, this company again came up with a further request for the raising of the capacity, including that of Betamethasone to 450 kgs., and when this licence was given, it stipulated the condition that they would manufacture it from the basic stage and 50 per cent of the production of the basic stage would be given to the non-associated formula-tors.

As far as Customs question is concerned, we have received reports from the Customs about import of certain intermediates like Triene, which have been given in the main body of the answer. This happens to be under OGL still and therefore there is no restriction on the import of this. But whether they have imported excess quantities over and above 50, 50 or 50 kgs. which they have indicated, is being enquired into.

SHRIMATI AZIZA IMAM: Sir, my information is this. During the year 1980-81 itself, this company procured

9.6 tonnes of imported Diosgenin from Export Houses, particularly from M/3. A. Seventilal and M/s. Kantilal Manila], Bombay. What is the connection between M/s. Glaxo and these Export Houses? Is there any proposal to probe the full affairs of this company, specially when they annually remit Rs. 1.31 crores as dividend and import raw materials directly or indirectly worth about 7 to 8 crores of rupees.

SHRI P. C. SETHI: Sir, from the reports of the Custom House, we have come to know that apart from the information that this company has given to us, they have imported 40 kgs. of Beta Methyl Preg in the current year. Now as far as these imports are concerned, we are having a complete probe into the imports by this company as well as the conditions of the licences issued from time to time in 1957, 1964 and 1978 and I can assure the hon. Member that we will not hesitate in taking any step which is necessary in order to curb any illegal activities of this company.

SHRIMATI USHA MALHOTRA: Will the Minister for Petroleum, Chemicals and Fertilizers kindly refer to the question and the statement issued by the Ministry that apart from importing Triene which is a necessary intermediate for Betamethasone, the company has also been able to import Beta Methyl Preg as admitted by the Ministry? I would like to ask the hon. Minister when the last verification was made or whether it was discovered earlier and, if so, why it was overlooked and why some measures were not taken to issue a deterrent sort of directive from the Government. I would also like to ask the hon. Minister whether it is a fact that Glaxo is producing Betamethasone from the last but one stage instead of the basic stage and is enjoying the price based on basic stage production thus making heavy profits and, if so, what steps have been taken by the Ministry to reduce the prices of Betamethasone and its salts and why the poor consumers of this country are unneces-

sarily paying prices for the medicines based on these drugs.

*(Interruptions)*

SHRI P. C. SETHI: I have given in the main body of the answer that this company has imported Triene in 1978-79, 1979-80, 1980-81 and also after April 1981. But I have also pointed out that this particular Triene happens to be in the OGL. Secondly, so far as Triene is concerned, this is not in the penultimate stage; it is in the intermediate stage where unless there is a stipulated condition in the licence of 1964...

MR. CHAIRMAN: It is open General Licence.

SHRI P. C. SETHI: It is an Open General Licence intermediate. Now, as far as Beta Methyl Preg is concerned, I have already said that we have received the report from the Customs House and we are inquiring into this particular case. As far as the price is concerned, originally in the 1970 Drug Control Order this was not included. Then, after 1970, as far as the alcohol stage is concerned, it was included by the Wanchoo Committee, a price was fixed and they were selling at that price. But in regard to the other two stages there was no price fixation. Recently, in May 1981, we have given the price fixation as was given to us by the BICP, but the company has gone to court and got a stay order.

SHRIMATI HAMIDA HABIBUL-LAH: Sir, Sir... *(Interruptions)*

MR. CHAIRMAN: Just a minute. I have already asked him. There are some people who never get a chance—and they are also equally elected.

SHRI K. V. R. S. BALASUBBA RAO: Sir, will the Minister be pleased to state whether it is a fact that while taking permission from the Government, Glaxo undertake to produce from indigenous raw materials whereas in reality when they start production they do so only from imported intermediates and, if so, why such a

company is being allowed to operate such a high foreign equity of 75 per cent in this country?

SHRI P. C. SECHI: Sir, as the secretary of the company concerned, we have already referred the matter to the FERA Committee to reduce the equity of this company from 75 per cent to 40 per cent and the Reserve Bank will be taking action. With regard to production from the raw materials from the basic stage, as I pointed out in the 1978 licence—from 300 to 425—which was given to them, now we have stipulated the condition that they would manufacture from the basic stage. But in the earlier licence of 1964 whether it was from the basic stage or not, we have not yet been able to trace the matter.

MR. CHAIRMAN: Dr. Siddhu —  
Dr. Siddhu... • (interventions)

SHRIMATI HABIBULLAH: Sir, .....

MR. CHAIRMAN: Yes, Mrs. Habibullah.

DR. M. M. S. SIDHU: Sir, ...

MR. CHAIRMAN: I asked you, Dr. Siddhu, but you were holding a conference. Now I have called Mrs. Habibullah.

SHRIMATI AMIDA HABIBULLAH: I would like to tell the hon. Minister that it is really shocking that some multinational companies are cheating the Government and acting against the interests of our country. Is it not a fact that the Glaxo Laboratory is resorting to unauthorised imports under the guise of producing high value hormones? The hon. Minister is aware that from the beginning of the year 1970 Glaxo has been charging exorbitant price for Betamethasone and its salts and it has unnecessarily imported raw materials and intermediaries at high prices to benefit their principals. I know, Sir, the hon. Minister is going to say that he is going to make an enquiry. I would like to quote....

1489 RS—2

श्री समापति : टाइम खत्म हो रहा है, अब सवाल कीजिये ।

श्री हामिदा हबीबुल्लाह :—  
हमने माना कि तग़ाफ़ुल न करोगे लेकिन, ख़ाक़ हो जायेंगे हमें तुमको ख़बर होने तक ।

All this cheating will go on. These people will go on importing all kinds of materials at high prices and it will be too late....

श्री समापति : सवाल तो इस में है ही नहीं । शायरी ज्यादा है इसलिए इसका जवाब नहीं होगा । (व्यवधान)  
मुश्किल तो यह है कि मैं तो दवाओं के नाम ही नहीं पढ़ सकता भालूम नहीं कि यह कैसे सीख कर आये हैं ।

Question Hour is over.

## WRITTEN ANSWERS TO QUESTION

### Power Production Targets

\*204. SHRI ARVIND GANESH  
KULKARNI:

DR. M. M. S. SIDHU:

Will the Minister of ENERGY be pleased to state:

(a) whether it is a fact that the prospects of the power production target of 20000 MW by the end of the Sixth Plan being fulfilled are bleak, in the light of the review of the performance during 1980-81 and the anticipated performance in 1981-82;

(b) if so, what are the major reasons for the shortfall in the commissioning of new units and for the low utilisation of existing units;

(c) whether it is also a fact that BHEL does not have the manufacturing capacity to meet the demand for heavy power equipment, if the targets were to be met; and

(d) if so, what steps government propose to take to deal with this matter?