

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4549
ANSWERED ON:25.04.2008
OPIUM PROCESSING LICENCE
Pandey Dr. Laxminarayan;Tripathi Shri Chandramani

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to award the work of opium processing to the private sector companies;
- (b) whether the Government has given the licence to private sector companies for this purpose;
- (c) if so, the details thereof alongwith the terms and conditions for providing licence;
- (d) whether this licence policy has been opposed; and
- (e) if so, the basis thereof and the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir.

(b): The Government of India, after transparent procedure, has selected two companies for issue of licences for production of alkaloids from opium. Opium will continue to be produced only in the existing Opium factories at Neemuch (M.P.) and Ghazipur (U.P.) which will also produce alkaloids from opium.

(c): Actual licences are yet to be issued.

(d) & (e): The matter was raised under Rule 377 in the Lok Sabha on 27.2.2008 in which the Government was requested to review this policy stating the following:

- i. Opium is cultivated in the. districts of Mandsaur, Neemuch and Ratlam and in some districts of Rajasthan.
- ii. The opium is processed in the Government Opium and Alkaloid Factory in Neemuch in which hundreds of workers are employed,
- iii. It is learned that the Government has decided to handover the processing of opium to private companies and has selected two companies for the purpose,
- iv. The decision of the Government has created an apprehension that the Government has decided to privatise or close down the factory.
- v. It is also apprehended that these companies will have control over cultivation of opium and that, they will, in addition to codeine phosphate, also produce morphine.

It was replied that the Government has, with a view to augment the existing capacity of production of opium alkaloids from opium licitly produced in India, decided to licence two Indian companies to produce alkaloids from opium and has, after inviting expressions of interest and processing their bids, selected two companies for grant of licences. The production of alkaloids by these two private companies will supplement the production of the GOAWs. The companies can manufacture any alkaloids of opium such as morphine, codeine, thebaine, etc. However, there is no proposal to allow these companies to cultivate opium or exercise control over cultivation. There is also no proposal under consideration to privatise or close the Govt. Opium and Alkaloid Works, Neemuch.