

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) to (c) In the case of majority of foreign drug companies the foreign exchange outgo on account of remittances, import of raw materials etc. was more than foreign exchange earned through exports during the three year period from 1978-79 to 1980-81 for which the data is readily available. To a large extent, this is because the industry has been set up more for import substitution rather than for export production.

As per the provisions of 1978 Drug Policy the activities of foreign drug companies are being so channelised as to sub-serve the national interest. Further in the case of foreign drug companies suitable export obligations are also being imposed while deciding their applications for substantial expansion/re-endorsement/recognition of capacities.

(d) and (e) The Import Policy in respect of drugs and pharmaceuticals is reviewed on annual basis. Certain instances of imports of some raw materials not permitted under the industrial licence have come to the notice of Government.

Recommendations of Committee formed to investigate into profiteering by drug Companies

741. SHRI HUSEN DALWAI:

DR. MOHD. HASHIM KIDWAI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Drug Policy, of 1978 provided for setting up a Committee to investigate into the allegations of large profits by Drug Companies;

(b) if so, what were the findings of the Committee;

(c) what decisions have been taken by Government to the recommendations of this Committee;

(d) what are the recommendations which his Ministry has implemented;

(e) whether it is a fact that multinational drug companies are importing

bulk drugs and other raw materials from their principals at very high prices on transfer basis;

(f) if so, what steps have been taken in this regard;

(g) the names of drugs imported by each multinational company from their principals with quantity and CIF prices during the last three years, year-wise; and

(h) whether any instance of over-invoicing has come to the notice of his Ministry and if so what action was taken against the concerned company?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) Yes, Sir.

(b) to (d) The recommendations of the Committee and the action taken thereon was indicated in-Rajya Sabha Unstarred Question No. 714 answered on 28th February, 1983. (A copy attached)

(e) and (h) Some of the bulk drugs are being imported by multi-national companies from their principal, but, no instance of transfer pricing or over-invoicing has come to the notice of my Ministry.

(f) Does not arise.

(g) Information to the extent available will be collected and laid on the Table of the House.

Unstarred Question No. 714, answered in the Rajya Sabha on the 29th February, 1984.

Committee on Profitability of Foreign Companies

714. DR. JOSEPH LEON D'SOUZA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the Committee on profitability of foreign companies suggested continuous monitoring the profitability of the foreign drug companies; and

(b) if so, what action has been taken in the matter and also on other recommendations of the Committee; and

(c) whether it is a fact that foreign companies which criticized the policy of Government for pricing drugs on the