

ground of inadequacy of Norms etc. are actually keeping their profitability after DPCO 1979 under check, by various irregular methods; if so, what is Government's reaction in this behalf?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) and (b) In the year 1978 the Government set up a Committee to investigate into the allegations of unduly large profits by the foreign companies. The Committee's investigations covered 47 drug companies which had foreign share holdings of 40 per cent or more during the year 1973 to 1974. After the analyses of the information from the companies, the Committee came to the conclusion that the profitability of foreign companies had matched with that of other profitable sectors of Industry in the country, such as, Papers and Chemicals Industry. The Committee also found that the profitability of these companies had more or less steadily declined between 1968-70 and 1974-75 although there was an increase in it during 1975-76. However, this increase was substantially less than profitability achieved in the period between 1969 and 1972. The Committee also observed that after the promulgation of the Drugs (Prices Control) Order, 1979, the entire basis of regulation of profitability of drug companies stand altered. It suggested that the effect of drugs (Price Control) Order, 1979 on the Drug Industry which must necessarily include the effect on the profitability should be assessed periodically. The drug companies are required to submit profitability returns in the Fifth Schedule to the Drugs (Price Control) Order, 1979.

The Committee's other major recommendations included the following:—

(i) The prices paid for imports by the companies must be subjected to scrutiny both by Government and by the companies at the senior most management level.

(ii) A research group in the Ministry (or in the B.I.C.P.) should be established to continuously study import prices, identify serious anomalies and seek clarifications from importing drug companies and attempt to determine the

most-effective method of arranging such imports. The studies made by the research Group should also be published in due course.

(iii) It should be arranged that the drug companies should publish annually details of imports of each raw material that together account for the major proportion of total imports.

(iv) The possibility of increasing the activities of the public sector trading organisations and public sector drug manufacturing and formulating units in importing the requirements of raw materials for the domestic drug industry through canalisation of gradually increasing number of raw materials or through submitting competitive offers for imported supplies to drug companies;

(v) Competition in items where import content is substantial should be increased.

Most of the recommendations have been considered by the Government. The import prices of raw materials are being scrutinised by the Government and in cases of anomalies clarifications from the importing companies are called for and examined. The Government also reviews the list of canalised drugs periodically and makes suitable changes therein. Government, however, did not consider it appropriate to entrust the canalisation of drugs to public sector drug companies. Instead Government entrusted the canalisation of drugs to the State Trading Corporation (STC).

(c) Government have not come across any instance of foreign company keeping its profitability under check by various irregular methods. The profits are required to be shown in the Annual Report which is a statutory document.

Identification of bulk drugs and formulations of doubtful validity

742. SHRI HUSEN DALWAI:

DR. MOHD. HASHIM
KIDWAI:

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

(a) what are the names of bulk drugs and formulations of doubtful validity which have been identified based on examination of applications for re-endorsement/recognition of installed capacities;

(b) what are the recommendations of working group set up by his Ministry to go into the question of nature of doubts in validity involved in each product; and

(c) what action has been taken on the recommendations of this working group?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) No re-endorsement/recognition of capacities in respect of items for which industrial approvals claimed are of doubtful validity has been granted. Endorsement of capacities have been issued in respect of 13 cases under August 1980 Policy, 36 cases under April 1982 Policy and 10 cases under April 1983 Policy. The details of items of doubtful validity detected, if any, in these cases would be compiled and laid on the Table of the House.

(b) and (c) The report of the Working Group set up to go into the question of validity of industrial approvals claimed for production of drugs has been submitted and the same has been referred to the National Drugs and Pharmaceuticals Development Council. Further action in the matter would take into account the recommendations made by the Development Council.

Regularisation of casual labours in the Ministry of Labour and Rehabilitation

743. SHRI RAM PUJAN PATEL: Will the Minister of LABOUR AND REHABILITATION be pleased to state:

(a) the number of casual labourers in his Ministry/Departments/Subordinate offices/attached offices who have been made regular during the last three years, year-wise;

(b) the number of casual workers who have been working for more than two years and have not been made regular and the reasons therefor; and

(c) whether his Ministry has formulated any time-bound programme for making them regular and if so, what are the details thereof and if not, what are the reasons therefor?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI VEERENDRA PATIL): (a) to (c) The information is being collected and will be laid on the Table of the Sabha in due course.

Shifting of offices of the Ministry of Labour and Rehabilitation

744. SHRI RAM PUJAN PATEL: Will the Minister of LABOUR AND REHABILITATION be pleased to state:

(a) whether it is a fact that a number of offices of his Ministry/Subordinate offices/Departments are functioning in rented buildings in Delhi and outside Delhi; and if so, since when;

(b) what are the names of such offices and the amount of monthly rent of each building occupied by these offices alongwith the date of occupation;

(c) whether it is a fact that his Ministry is reluctant to shift these offices from rented buildings to Government buildings; if so, what are the reasons therefor; and

(d) if the answer to part (c) above be in the negative, what steps have been taken so far to shift these offices from rented buildings to Government buildings?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI VEERENDRA PATIL): (a) to (d) The required information is being collected and will be laid on the Table of the Sabha in due course.

Non fixing of price of Hydroxy Ethyl Theophylline

745. SHRI MIRZA IRSHADBAIG AIYUBBAIG: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Hydroxy Ethyl Theophylline is being produced in the country for over 15 years;