

(iv) Suit in USA against M/s. Pfizer of USA charging them with violation of Anti-trust laws in the manufacture of and sale of a group of broad spectrum antibiotics.

2. The present position on each of the above points is as under :—

(i) Regularisation of excess production of Oxytetracycline beyond the licensed capacity of M/s. Pfizer will be considered in the light of the New Drug Policy.

(ii) The position in regard to non-execution of Export Bond has already been explained in reply to Lok Sabha Starred question No. 236 answered on 1-8-78.

(iii) In 1970, when Drug Prices (Control) Order, 1970 came into force, M/s. Pfizer declared the price of Oxytetracycline Hcl. at Rs. 960/kg. as they were entitled to, since this item was not included in Schedule I to the said Order. The prices of formulations of Oxytetracycline are allowed based on the above price. BICP conducted cost-*cum*-technical examination for Oxytetracycline and submitted their report to the Government in the year 1975. Based on the report of the BICP, Govt. reduced the price of Oxytetracycline from Rs. 960/kg. to Rs. 725/kg. for captive use and Rs. 749/kg. for sale to other non-associated formulators. The prices of formulations based on the reduced price of Oxytetracycline have already given effect to the reduced prices.

(iv) Government of India filed a suit on 11-10-74 against six US Drug Manufacturing Companies, including Pfizer for allegedly having entered into a conspiracy for concerted price fixation and over-charging on domestic as well as overseas sales of Broad Spectrum Antibiotics in violation of the US Anti-Trust Laws. The Anti-Trust Laws provide that "any person who shall be injured in his business or property by reason of anything forbidden in the Anti Trust Laws may sue therefor in any District Court of the United States and shall recover three-fold the damages by him sustained and the cost of suit, including a reasonable Attorney's fee."

The defendant Companies had contended before the US Supreme Court that a "foreign nation" was not a "person" as defined in the Clayton Act (Anti-Trust Statute) and was, therefore, not eligible to sue them in US Courts.

The US Supreme Court in its judgement delivered on 11-1-1978 has, however, ruled against the defendant companies and held that foreign Governments may sue them in US Courts for "treble damages". The claims are now being processed further.

News regarding Government Nominees on Board of Directors of private Companies

4912. SRHI SURENDRA BIKRAM: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Governments' attention has been drawn to the news item published in the 'Economic Times' dated 22nd June, 1978 under the Caption 'Directors on Private Companies';

(b) if so, under what special circumstances the Government will place its nominees on the private sector companies; and

(c) in case of defalcations of funds and frauds, how minority shareholders will be able to save their interest and insist on placement of Government nominees on the Boards of Private Companies?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) Yes, Sir.

(b) In order to prevent the affairs of the company being conducted in a manner oppressive to any members of the company or in a manner which is prejudicial to the interests of the company or to public interest, Government nominees are appointed in public and private limited companies under Section 408 of the Companies Act, 1956. As and when such cases come to the notice of the Central Government, appropriate action as per provisions of the Companies Act, 1956 will be taken.

(c) In case of defalcation of funds and frauds, the minority shareholders may bring the matter to the notice of Government. If Government is satisfied after inspection or investigation into the affairs of the company that the charges are substantiated, it will take action to appoint Government directors in the Board of the Company under Section 408 of the Companies Act, 1956.

Release of canalised bulk drugs to M/s. Pfizer, Sandoz and Hoechst

4913. SHRI RAMDEO SINGH: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that M/s Pfizer, Sandoz and Hoechst have been granted canalised bulk drug in 1977-78 substantially in excess of the quantities released to them in 1974-75 and 1975-76;

(b) if so, under what provisions of ITG policy and rules laid down by the Ministry these releases were affected; and

(c) details of bulk drugs released in favour of these companies, each bulk-drug wise along with licensed capacity and what action is proposed to be taken against the officers for flouting statutory conditions?

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA),

(a) A statement showing the releases of canalised bulk drugs actually made by IDPL and CPG to M/s Pfizer, Sandoz and Hoechst during 1975-76, 1976-77 and 1977-78 is attached. These releases were made in accordance with the parameters prescribed for distribution of canalised raw materials from time to time.

(b) All the three companies mentioned above are DGTD units. Policy regarding distribution of canalised bulk drugs to DGTD units during the last three years has already been indicated in reply to Lok Sabha Starred Question No. 339 answered on 8-8-78. This policy is in line with the provisions in the I.T.C. Policies of last three years whereunder DGTD units were allowed import of raw materials by way of replenishment of such raw materials consumed in any

of the previous two years, whichever is advantageous.

(c) Details of canalised bulk drugs released to the three companies have been indicated in the attached statement. These releases were not linked to requirements as per licensed capacities for individual formulations being produced by them. From the total releases or various items of canalised bulk drugs, DGTD units could manufacture their range of formulations to the extent of market demand. In view of this, it was possible for such units to have produced certain formulations in excess of their approved capacities.

The policy relating to regularisation or otherwise of production in excess of licensed capacity is contained in the Statement laid on the Table of the House on 29-3-78 containing decisions of Govt. on the recommendations made by the (Hathi) Committee on Drug Industry. In terms of the new drug policy it has also been decided in such cases to issue consolidated industrial licences to drug manufacturing units indicating therein, *inter alia*, the capacities of formulations in terms of bulk drugs to be consumed. Once this is done, the release of canalised bulk drugs to DGTD units would get linked to their licensed capacities.

Statement

(Figs. in Kgs.)

Name of the Company	Canalised bulk drug	QTY released in		
		1975-76	1976-77	1977-78
1	2	3	4	5
<i>CPC items</i>				
M/s. Hoechst Pharmaceuticals Ltd.	Chloroquin Phosphate	230	..	175
	Prenylamine Lactate	170	435	435
	Prednisolone	..	..	19.5
	Vitamin B6	150	65	170
	Caffeine	..	..	645
	Chloramphenicol Powder	N.A.	3137	3015
<i>IDPL Items</i>				
	Tetracycline Hcl.	14710	14180	14180
	Tetracycline Base	745	1000	1000
	Streptomycin Sulphate	5025	5930	5930
	Vit. B1 oral	66	66	140

	1	2	3	4	6
		Vit. B2	22	30	70
		Analgin	125000	131175	128970
M/s Sandoz (I) Ltd.		<i>CPC Items</i>			
		Chloroquin Phosphate	185	100	100
		Vit. B6	240	200	20
		Caffeine	..	..	520
		Chloramphenicol Powder	N.A.	900	1875
		Chloramphenicol Palmitate	250	265	165
		Vit. 'C' Plain	3465	3720	4725
		Vit. 'C' Coated	2340	2940	385
		<i>IDPL items</i>			
		Tetracycline Hcl	3235	3050	3050
		Vit. B1-Mono	215	410	480
		Folic Acid	38.7	49.5	48
		Vit. B2	59	112	180
		Phenobarbitone	1312	1975	1975
		Amidopyrine	890	1385	1050
				(upto III quarter)	
		Tetracycline Base	..	900	1250
M/s Pfizer Ltd.		<i>IDPL items</i>			
		Streptomycin Sulphate	27695	12000	2000
		Sulphadimidine	11050	11150	10000
		Piperazine Hexa-Hydrate	..	5000	13185
		Oxytetracycline Hcl	..	..	5000
		Vitamin B1 Hcl.	..	..	150
		Vitamin B1 Amp.	129	100	90
		Vitamin B1 Mono	5579	6124	8800
		Vitamin B2	2736	2998	3550
		Folic Acid	226	236	250
		Vitamin B2-5-Phos	93	..	..
		<i>CPC Items</i>			
		Vitamin B6	1205	880	1505
		Chloroquin Phosphate	465	550	775
		Calcium-D-Pantothenate	3175	3445	3821
		D-Panthenol	80	78	75
		Vitamin C	38755	40575	45430
		Citric Acid	worth Rs. 40337	worth Rs. 34778	..
		Tartaric Acid	worth Rs. 37905	worth Rs. 11970	worth Rs. 39273
		Prednisolone	..	265	203.5

*Quantity released against 'Release Orders' within their values.