

Inspection of Companies

1039. SHRIMATI KRISHNA SAHI: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that there are 50,000 Companies in the country;

(b) whether it is a fact that inspection of these Companies by the Government under section 209 of the Companies Act is made annually;

(c) whether it is a fact that during 1976-77, 1977-78 and 1978-79 years only 5 per cent of these companies have been inspected; and

(d) if so, the reasons for not inspecting these Companies effectively?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR): (a) There were 55,780 companies in the country as on 31st March, 1980.

(b) to (d). It is not necessary to inspect all companies annually. The total number of companies inspected during the years 1976-77, 1977-78 and 1978-79 is as follows:—

1976-77	421
1977-78	405
1978-79	389

Inspection under section 209A of the Companies Act is carried out on a selective basis under specific schemes such as Inspection of companies belonging to the first twenty Larger Industrial Houses, Indian subsidiaries and branches of foreign companies incurring losses consecutively for 3 years or more, and companies in respect of which complaints have been received. In addition, the Registrars of Companies are also conducting inspection of limited number of companies from time to time.

If all the companies are to be inspected annually a very large staff

will have to be appointed for the purpose. The benefits thereof will not be commensurate with the cost involved.

Revision of Policy for Regularisation of Drug Production

1040. SHRIMATI GEETA MUKHERJEE: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) what was the specific reason for the reversal of the Government policy of not regularising the production of drugs by foreign companies beyond their licensed capacity or the highest production in 1977 or 1978 or whichever is higher;

(b) is it a fact that the spokesman of the foreign drug companies—the OPPI—submitted a memorandum to Government prior to this decision; and

(c) if so, what were the points raised in that memorandum?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) The question of the implications of Government's decision regarding recognition of installed capacities in excess of licensed capacities announced by the Department of Industrial Development in August 1980 with specific reference to the decision of regularisation of excess production over the licensed capacities under the drug policy of 1978, is being examined in consultation with the concerned departments.

(b) The O.P.P.I. submitted a Memorandum dated 2-6-1980 to the Government.

(c) The major points raised in the Memorandum have already been laid on the Table of the House in reply to parts (a) and (c) to (f) of Unstarred Question No. 6016 for 29th July, 1980.