

operative societies has come to the notice of the Reserve Bank. However, it is keeping a watch on the situation.

(d) Banks are expected to exercise normal banking prudence in advancing loans. The quantum of loan is to be determined taking into account the actual needs and the repaying capacity. The banks would also employ adequate supervision machinery to verify the proper utilisation and end use of the credit. There is, therefore, no need to entertain any misgivings that commercial banks would accumulate overdues or waste public money.

LOSS INCURRED BY I.D.P.L.

9161. SHRI VIRENDRAKUMAR SHAH : Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether according to its Annual Report for 1968-69 the Indian Drugs and Pharmaceuticals Ltd. incurred a loss of Rs. 9.1 crores in 1968-69 against its sales of Rs. 1.05 crores during the year;

(b) whether the report reveals that nearly a third of the Undertaking's entire income from sales was spent on the salaries on the Soviet experts attached to its three plants;

(c) whether it is a fact that the company produced drugs and instruments worth about Rs. 3.0 crores in 1968-69, but only a third of them were sold in the market and according to the company this was due to 'stiff competition';

(d) whether in view of the impending cut in drug prices whether the I.D.P.L. might find it much more difficult to face competition; and

(e) if the replies to parts (a) to (d) above be in the affirmative, the reasons for the poor showing by the I.D.P.L. when the various units in pharmaceuticals industry in the country are by and large fairing well ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) Yes.

(b) No. The salaries and subsistence allowance paid to the Soviet specialists during 1968-69 amounted to Rs. 29.05 lakhs while the total sales during the year were Rs. 105.59 lakhs.

M20LSS/70—5

(c) Yes. Due to factors beyond its control such as availability of products in the country imported through licenses issued earlier, the company could not sell its entire production of 1968-69 in that year itself. The same was however sold during the year 1969-70.

(d) It is too early to assess the impact of the revised prices on the working results of this Company.

(e) The main reason for the loss in 1968-69 is that production in Antibiotics Plant, Rishikesh and Synthetic Drugs Plant, Hyderabad was at commissioning and stabilisation stage during that year. A period of 2 to 3 years depending on the complexity of chemical operations and processes is required for reaching the efficiencies and norms given by the collaborators. Both Antibiotics Plant, Rishikesh and Synthetic Drugs Plant at Hyderabad will enter that Phase in the First quarter of 1971. The performance of the company has already shown an improvement as is evident from the fact that the sales have gone up to 489.79 lakhs during 1969-70. It is also not correct to compare the company with any other pharmaceutical unit in the country. There is no other unit which produces such wide range of drugs from basic stage as I.D.P.L.

FINDINGS OF SHRI P. D. OJHA AS PUBLISHED IN R.B.I. BULLETIN AND GOVERNMENT'S REACTION THEREON

9162. SHRI RABI RAY : Will the Minister of FINANCE be pleased to state :

(a) whether her attention has been drawn to the findings of Shri P.D. Ojha in a paper published in the January, 1970 issue of the Reserve Bank of India Bulletin under the entitlement "A Configuration of Indian poverty and Levels of Living";

(b) if so, whether she agrees with one of his findings that the number of people in the country below the absolute poverty line rose from 52 per cent to 70 per cent of the population; and

(c) the steps Government propose to take to remedy the situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) Yes, Sir.

(b) In the Government's view, the data used by Shri P. D. Ojha are subject to a number of limitations, and no definite con.