

[Sh. Subramaniam Swamy]

Both sides agreed to remove trade constraints in order to encourage a better environment for expansion of bilateral trade. For this purpose, it was agreed to set up a Joint Trade Advisory Committee on Indo-Afghan Trade in Kabul and Delhi.

I also called on the President of the Republic of Afghanistan, His excellency, Dr. Najibullah and exchanged views with him on the latest situation in respect of the bilateral relations between India and Afghanistan as well as other matters of mutual interests. I also called on the Prime Minister of Afghanistan, His Excellency, F. Khaliqyar and the Foreign Minister of Afghanistan, H.E. Mr. Wakil. All of them unequivocally stated that Jammu & Kashmir was and would continue to be an integral part of India and any outside interference should not be tolerated. Equally they resent outside interference in the internal affairs of Afghanistan. They also stated that the Ministerial visit would strengthen further the age-old bond and friendship between the two countries.

14.50 hrs.

**CALLING ATTENTION TO MATTER OF
URGENT PUBLIC IMPORTANCE**

**Deregistration of 160 reputed medicine
firms including IDPL from the approved
list**

[*Translation*]

SHRI SHARAD YADAV (Badaun): Mr. Deputy Speaker, Sir, I call the attention of the Minister of Commerce and Minister of Law and Justice to the following matter of urgent public importance and request him to make a statement thereon;

"Situation arising out of the reported deregistration by Director General of Supplies and Disposals and Department of Defence Production of one hundred and sixty reputed medicine firms including the Indian Drugs and Pharmaceuticals Ltd. from the list of approved medicine suppliers thereby leaving the supplies in the hands of unreliable pharmaceutical firms and the steps taken by the Government in regard thereto."

[*English*]

THE MINISTER OF COMMERCE AND MINISTER OF LAW AND JUSTICE (SHRI SUBRAMANIAM SWAMY): - Sir, Directorate General of Quality Assurance (DGQA), Department of Defence Production and Supplies, Ministry of Defence is the nodal agency for capacity assessment of drugs/medicines manufacturing firms who intend to supply drugs/medicines to the Government Departments/Ministries. Directorate General of Supplies & Disposals (DGS&D) does not have any expertise in the field of drugs/medicines. The drugs/medicines manufacturing firms are registered by DGS&D on the basis of recommendations given by DGQA for supply to Government Departments/Ministries including Ministry of Defence. A re-assessment of the capacity of all the drugs/medicines manufacturing firms who were registered with DGS&D was undertaken in a suo moto manner by DGQA with the introduction of Good Manufacturing Practices (GMP) norms which were made a part of the licensing condition for firms in June, 1988. As a result of the re-assessment of the capacity, DGQA had recommended de-registration of 160 firms out of a total of 298 firms registered with DGS&D. The list initially included M/s. IDPL, Hyderabad Unit but their name was subsequently deleted from the list.

2. The recommendations of DGQA were considered by the High Power Committee on Drugs (HPCD) in its meeting on 25-

10-90. It is brought out that representatives from Ministry of Health and Family Welfare, Directorate General of Health Service (DGHS), Drug Controller of India, Various Hospitals at Delhi and Ministry of Defence are members of HPCD. The HPCD in its meeting deliberated the above issue at a great length and recommended that the recommendations of DGQA will be binding as far as supplies to Defence are concerned. For supplies to other users in the civil sector status quo can continue for a period of three months. In the meantime, DGS&D will finalise its recommendations regarding de-registration of the firms and report of HPCD again.

These recommendations will be then again submitted to the Government for its consideration.

3. The above recommendations of HPCD were considered by the Government and accepted. However, no formal de-registration of any firm has been done by DGS&D. Only the offers of the firms who have been recommended for de-registration by DGQA are not being considered for Defence indentors/requirements only.

4. It is incorrect to say that supplies have been left in the hands of unreliable pharmaceutical firms since there are still 138 firms registered with DGS&D and these firms are considered to be reliable since they have been found capable even on re-assessment of the capacity. In addition as stated above, none of the 160 firms recommended by DGQA have been deregistered formally, only their offers are not being considered for Defence indentors/requirements. These firms will be given suitable/adequate opportunity to explain their position prior to any action to formally deregister them.

[*Translation*]

SHRI SHARAD YADAV: Mr. Deputy Speaker, Sir, the hon. Minister has given an

incomplete reply. Rajiv Gandhi Government and the NF Government had decided about DGS&D, particularly about the centralisation of purchases in which misappropriation of crores of rupees is done. As it was a policy matter it was discussed in the House many times and the NF Government decided that the centralisation of purchases for various departments should be done away with. I had raised the matter of DGQA. They never made an effort in this direction. Assessment of Capacity is the jurisdiction of the DGQA and the firms can get registered only when they have a certificate of the DGQA. Statutory powers have been delegated at the state level to the drug Controller who issue licences but the capacity assessment is done by DGQA. It should be done beforehand. The statutory powers have been given to observe the norms of good manufacturing practices. 160 firms of international repute have been allowed to supply medicines. 5 firms which indulge in large-scale irregularities have been named. These firms have been black listed and their manufacturing capacity is also not satisfactory. 138 firms have been issued licences. I would like to point out to the hon. Minister that one firm is Faridabad based 'Dawson Pharmaceuticals' which had supplied bottles containing fungus on a large scale to Jaiprakash Narain Hospital. This was reported in the press also. The company was issued the certificate by DGQA. Another firm is Indore based 'Ernest'. When a patient was administered anaesthesia injection supplied by this firm in AIIMS, he died. This firm has also been black listed. Mr. Minister Sir, when the NF Government moved in this direction the DGQA in consultation with Director General Supplies and Disposal forwarded the proposal and when it came at the joint.

15.00 hrs.

secretary level in the supplies department the Secretary of the department strongly opposed the move of DGS & D. He proposed

[Sh. Sharad Yadav]

that all these firms should be de-registered. He noted that it was not in the jurisdiction of DGS&D. He wrote down five paragraph long note highlighting that it was illegal and unconstitutional and beyond the purview of the DG. The latter did not have any jurisdiction whatsoever in this matter. He could demarcate the areas which was well within his jurisdiction your Government came to power after this. The objections which were raised are in the joint secretaning's diary. Pressure came from DGS&D and DGQA and we don't know what happened thereafter. Sixth paragraph was inserted and it proposed the reverse of what had been written in the earlier paragraphs. This is in the note. You have to reply to the noting made by the officials of the supplies Department. How was that note changed. The joint Secretary and the Secretary of the Department categorically said that it is not in the jurisdiction of DGQA and is in the purview of State Drugs Controller. The DGQA can only assess the capacity. 160 firms were registered and the case of IPPL is well known now. Companies like Pfizer which are of international repute have never given a change of complaint. You want to make these corrupt companies of international repute. There is no complaint about 160 firms. CBI inquiry report was adverse against the rest of the firms and even the High Court had passed strictures. Those firms.....(*Interruptions*)

[*English*]

SHRI SHIKHO SEMA (Nagaland) Sir, I would like to know whether the hon. Member is seeking clarification or giving the information.

MR. DEPUTY SPEAKER: Here I would like to read out the Rule to you. It says:

"There shall be no debate on such statement at the time it is made but each

member in whose name the item stands in the list of business may, with the permission of the Speaker, ask a question.."

So, you can seek clarifications only.

[*Translation*]

SHRI SHARAD YADAV: I am doing both the things. Calling Attention Stands in my name only. I would like to submit that it is there in the diary. The sixth paragraph has been added under pressure. In reply to a question it was said on behalf of the Government in the Parliament that those five firms were useless and have been black listed. The two firms which I have named have also been included in this. It means that supply will made at almost double the price. Spirit behind competitive tender system has been killed. I would like to ask the hon. Minister as to who is responsible for making frequent changes in the noting and at whose instance and pressure was it done? First five paragraphs say something and the sixth paragraph proposes quite reverse. Under whose pressure was it done. How did the note change? What were the reasons? No doubt DGQA was authorized to register and assess the capacity but whatever he did in this case was outside his purview. They stayed in hotels in Bangalore and I even have the cheque numbers issued to them by these companies. I can give those numbers. Deal could not be struck with those 160 firms. those 138 firms who had supplied fingers infected injections were called reputed companies. The companies carried a profit of over one to two crore. I would like to submit here that the reply is contrary to the questions. The first thing is that though DGQA is anothorised to register companies but he has no right of de-registration. He has transgressed his authority. There has been resistance within the department also. Number of complaints have been registered against him. Allegations have been made that DGQA is not functioning

property and there are lot of irregularities. I would like to know under whose pressure was it done and why? There was no complaint gainst 160 companies and keeping them away from competition without notice was unconstitutional. This leaves no doubt that it had been done under pressure and through corrupt means. I would like the Government to give satisfactory reply to all these points.

[English]

SHRI SUBRAMANIAM SWAMY: Sir, the hon. Member has made a number of allegations about the irregularities that have been committed. I will certainly enquire into what he has said. I would just like to say that as far as this de-registration is concerned, DGQA which is a part of the Ministry of Defence is particularly competent to make these decisions as far as medicines supplied to the Ministry of Defence is concerned. But as far as the file notings and so on are concerned, I have been through the material that has been supplied to me and I would like to point out that first time a decision was taken under the good manufacturing practices norms and the recommendations were submitted by DGQA vide a letter dated 3.7.90 when the hon. Member was a Minister in the then Cabinet. He has referred that subsequently the movement of the files was hurried. All this happened before 25th of October, 1990. As far as the final decision of the Supply Department is concerned, which came for signature at the lower official level, it came on 30th of November. So, I would answer these questions in two parts.

As far as DGQA is concerned, it is perfectly competent to take a decision and I don't agree with the hon. Member when he says that they have no authority and they encroached upon the authority.

[Translation]

SHRI SHARAD YADAV: This is not what I say. This is what your officers have said. It has been noted on the file. I am ready to supply the facts. The matter should be looked into and there should be a debate on it I believe, it is not in your notice whether the entire thing was done according to proper procedure or not.

[English]

MR. DEPUTY SPEAKER: This is not correct.

SHRI SUBRAMANIAM SWAMY: If the Member had taken as much interest as a Minister in this matter, this could have been solved within the Government itself, because all the file movements that took place in an important way, were during the tenure when the previous Government was in power. But, nevertheless, since he has raised the matter, I will have it investigated to find out whether there has been *gadabadi*, as he says, and who are likely to be the beneficiaries, irrespective of who is going to be hurt by such an investigation.

[Translation]

SHRI SHARAD YADAV: Mr. Deputy-Speaker, Sir, I would like submit that when National Front Government was in power it was noted in the diary and even then the hon. Minister says it is wrong. That is why I am ready to furnish the details. (*Interruptions*) It is a clear case. Please look into this case seriously. Please conduct an inquiry, nothing else would suffice. It has been clarified...

MR. DEPUTY SPEAKER: Yadavji not like this. He has agreed to conduct an inquiry.
