

Expansion proposals of monopoly companies referred to M.R.T.P. Commission

10870. SHRI P. M. SYEED.

SHRI A. R. BADRINAYAN:

SHRI M. V. CHANDRASHEKHARA MURTHY.

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Union Government have recently decided to refer all proposals of dominant and monopoly companies for expansion of setting up of new units to the M.R.T.P. Commission for its expert opinion before acceding clearance;

(b) if so, what is the main idea behind the new proposal;

(c) how many such cases are at present pending before the Commission which have been referred by Government;

(d) what is the time taken by the Commission to clear such cases; and

(e) whether the Union Government have referred the proposal of Swadeshi Polytex for doubling their capacity to the Commission and if so, the facts?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) No, Sir, Under the existing provisions of Sections 21/22/33 of the Monopolies and Restrictive Trade Practices Act, 1969, the Central Government may refer any application under any of the aforesaid provisions to the M.R.T.P. Commission for enquiry and report, if it is of the opinion that such an enquiry is necessary before passing orders on the application. The dominant position of an undertaking is also one of the criteria taken into consideration by the Government for deciding reference of an application to the M.R.T.P. Commission.

The High Powered Expert Committee under the Chairmanship of Shri Justice Rajinder Sachar, appointed by the Government to review *inter-alia* the M.R.T.P. Act, 1969, has, in its report, recommended that in the following types of cases under Sections 21, 22 and 23, the proposals should, subject to certain exceptions, be compulsorily referred by the Central Government to M.R.T.P. Commission for enquiry and final disposal:—

Section 21 and 22:

- (i) Applications received from a dominant undertaking for expansion or for setting up of a new undertaking for the manufacture of goods or provision of services in which it is already dominant;
- (ii) Any application by any undertaking to which Part A of Chapter III of the M.R.T.P. Act applies for expansion or setting up of a new undertaking involving an estimated capital outlay exceeding Rs. 5 crores and
- (iii) Any case in which more than one undertaking is the applicant or a case in which objections have been raised opposing the proposal.

Section 23(4):

- (i) Any proposal relating to acquisition by purchase, takeover or otherwise of the undertaking which together with the shares, if any, to which the transferee is already beneficially entitled or in which the transferee already has a beneficial interest, carry the right to exercise or control the exercise (in the case of a public limited company) of 33-1/3 per cent or more of the voting power at any general meeting of the company proposed to be acquired;
- (ii) The cost of purchase or acquisition exceed Rs. three crores; or

- (iii) Where the acquisition by purchase, takeover or otherwise is likely to result in the creation of a dominant undertaking within the meaning of Section 20(b) of the Act.

Copies of the Sachar Committee Report were laid on the Table of the House on 30-8-1978. The recommendations of the Committee are under consideration of the Government and suitable legislative measures would be initiated in due course.

(b) Does not arise.

(c) At present only two proposals are pending before the Commission under Section 21 of the M.R.T.P. Act.

(d) In terms of sub-section (2) of Section 30 of the M.R.T.P. Act, the M.R.T.P. Commission is to make its report on the matter referred to it within ninety days from the date on which the reference is received by it. However, in cases where the Commission, for special reasons to be recorded by it in writing, is of the opinion that the report cannot be made by it within the said period of ninety days, it can extend the period for submission of the report depending on the special circumstances of each case.

(e) Yes, Sir. The proposal of M/s Swadeshi Polytex Limited under Section 21 of the M.R.T.P. Act for effecting substantial expansion in the manufacture of Polyester Staple Fibre from 6,100 tonnes to 12,200 tonnes per annum was referred to the M.R.T.P. Commission on 31st January, 1979 for further enquiry and report. The Commission was to submit its report to the Central Government on or before 1-5-1979. The Commission has extended time upto 31-5-1979 under Section 30(2) of the M.R.T.P. Act, for submission of its report to the Government.

Drug industry called upon to make cheap medicines

10871. SHRI P. M. SAYEED:
SHRI A. R. BADRI-
NARAYAN.

Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state

(a) whether Union Government have called upon the drug industry to make available cheap medicines for poor people in rural areas;

(b) if so, whether the Union Government have decided to give all facilities and help to the drug industry to achieve this aim;

(c) whether the drug industry has forwarded certain proposals by which they can available on cheaper rate the medicines for rural poor; and

(d) if so, whether Government have accepted them?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA). (a) No, Sir. However, one of the broad objectives of the New Drug Policy is to ensure that drugs are available at reasonable prices in abundance in the country to meet the health needs of our people.

To give effect to the pricing decision forming part of the New Drug Policy, Government have issued on 31st March, 1979, the Drugs (Prices Control) Order, 1979 in replacement of the Drugs (Prices Control) Order, 1970.

In pursuance of paragraph 12 of the drugs (Prices Control) Order, 1979 Government have notified leader prices for various strengths/packs of Category I and II formulations, effective from 2nd April, 1979, which would be the ceiling sale price for all manufacturers of such formulations. Where, however, the prices prevalent on the date of commencement of the Order were lower than the leader