

of three years confirmed service, if so, why the same policy is not being adopted by State Bank of India; and

(c) the particulars of Godown Durbans who have passed Higher Secondary Examination and have more than three years of service in State Bank of India in Delhi in case of Scheduled Castes and Scheduled Tribes ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) Information is being collected and will be laid on the Table of the House to the extent available.

Malpractices by Multinational Companies

4393. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the spirit of FERA is being circumvented by certain multinationals by framing the articles of association of the 'Indianised' company in a manner so that the multinationals are assured of Board control despite minority holdings;

(b) if so, what steps Government propose to take to prevent such malpractices.

(c) against this background whether it is a fact that M/s. John Wyeth & Brothers are a 100% branch trading in drugs manufactured by an associate company who have the manufacturing licences and where American multinational company, principal of John Wyeth & Brothers, has 40% equity participation; and

(d) if so, the reasons why had John Wyeth & Brothers not been asked to comply with FERA and amalgamate with its associate company ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b)

FERA guideline seek to determine the permissible level of non-resident equity in Indian companies. However, control of companies under the Companies Act is primarily determined by the voting power flowing from the extent of equity holding in the company. In companies where foreign shareholding is reduced to 40%, the control will be dependent on the actual distribution of the remaining shares in the Indian hands. If this share is widely distributed among shareholders who cannot combine, the effective control may remain in the hands of the foreign shareholder.

(c) and (d) The U.S. principal viz. American Home Products has three entities in the country. Directives under FERA have to be issued to each enterprise separately taking into account the nature of activity undertaken by the unit. M/s Wyeth Laboratories Ltd., is engaged in the manufacture of bulk drugs and has been allowed to retain 74% foreign equity. John Wyeth & Brothers is a trading wing of the group. It is a branch and has been directed to get converted into an Indian company with foreign equity not exceeding 40%. Wyeth (India) Ltd. has no commercial or manufacturing activity. It owns real estate and rents it. Under FERA it has been directed to Wind up its operations. It would not be feasible to invoke FERA for amalgamation of operating units.

Amount of S.D.R.s authorised by I.M.F.

4394. SHRI R. PRABHU :

SHRI BISHNU PRASAD :

Will the Minister of FINANCE be pleased to state :

(a) the total amount of S.D.Rs. authorised by International Monetary Fund for purchase by India during the year ended on 30 June, 1983;

(b) whether the full amount in this regard has been drawn and if so, the dates on which these were drawn and the amount so drawn; and

(c) the schedule of drawings of SDR for the fiscal year ending on 30 June 1984 ?

PRANAB MUKHERJEE) : (a) S.D.R. 1800 Million.

(b) Yes, Sir. The drawals were made as follows :

THE MINISTER OF FINANCE (SHRI

Date of drawal		Amount (in million SDRs)
July	14,1982	600.00
November	4,1982	300.00
February	24,1983	600.00
May	16,1983	300.00
Total		1800.00

(c) The phasing of drawals of SDR 1200 million under the Third Year Programme 1983/84 approved by I.M.F. is as follows :

- (i) SDR 400 million : On approval.
- (ii) SDR 200 million : After 29th October 1983.
- (iii) SDR 400 million : After 29th January 1984.
- (iv) SDR 200 million : After 29th April, 1984.

Financial Performance by Government Companies

4395. SHRI R. PRABHU : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government companies have improved the financial performance during 1982-83 compared to 1981-82;

(b) the total anticipated profits before and after taxation of the public sector undertakings during 1981-82 and 1982-83; and

(c) which are Government companies which have substantially increased their profits during 1982-83 compared to 1981-82 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PATTABHI RAMA RAO) : (a) An early assessment of the overall performance of public enterprises based on provisional financial data indicates improved performance of the enterprises in 1982-83 over 1981-82,

(b) The provisionally estimated profits before tax and after tax for 1982-83 are Rs. 1525.24 crores and Rs. 599.48 crores, respectively, as compared to Rs. 1074.18 crores and Rs. 484.58 crores recorded in 1981-82.

(c) A statement is enclosed.