

Confederation of Indian Pharmaceutical Industry (SSI)

Circular No.: 9

Date: 28.09.05

- (1) **Right to Information Act (RTI), 2004** : The Right to Information Act, 2004 which was tabled in the Parliament on December 23rd, 2004 was passed on 12th May, 2005. It has received President's assent on 15th June, 2005 and shall come into force by 12th Oct., 2005.

RTI bill confers statutory rights on the citizen for seeking information from public authorities. The Act provides for :

- i) Maximum disclosure and minimum exemptions..
- ii) An effective mechanism for access to information and disclosure by authorities.
- iii) A mechanism for appeal in case of non-compliance.
- iv) Penalties for failure to provide information as per law.

The Act is not applicable to Government Intelligence and Security Organizations like IB, RAW, BSF. It provides for exemption for all documents of the Cabinet and Council of Ministers.

The Act includes a right to copy and inspect records, take certified samples and inspect public works.

There will be a Central Chief Information Commissioner. All states will have Information Commissioners and officers at sub-divisional levels and sub-district levels to be designated as Public Information Officer.

- (2) **IDPL Revival** : Ministry of Chemicals and Fertilizers has prepared a proposal for revival of all the 5 units of IDPL. The package will be placed before Appellate Authority for Industrial & Financial Reconstruction for finalisation. An estimated sum of Rs.200 crores will be released for revival to be completed in two and a half years. NIPER will be the consultants for the revival of IDPL. Five units of IDPL are located at Chennai, Gurgaon, Haridwar (Rishikesh), Hyderabad and Muzaffarpur.
- (3) **Import against Advance Licence** : Bulk drugs imported against an advance licence from an unregistered source can only be used for execution of export orders and shall not be permitted to be used in the country in the event of cancellation of export order. This clarification has been issued by DGFT (HQ). According to the clarification, surplus material, imported against an advance licence from an unregistered source will have to be re-exported.
- (4) **National Manufacturing Competitiveness Council** : NMCC set up under the Chairmanship of Dr. V. Krishnamurthy has prepared a draft report of

recommendations to give Indian manufacturing sector a boost. The council feels that if India wants to achieve a GDP growth of greater than 8%, share of manufacturing sector should grow. At present manufacturing sector in India accounts for only 17% of GDP whereas in countries like China, Thailand and Malaysia the contribution is 35%, 34% and 31% respectively. The recommendations of the council are as below :

- for reaching reforms in labour law
- cheaper fund for manufacturing sector
- improvement in labour productivity
- infrastructure development
- lower import duties
- introduction of GST.

- (5) **Pre-Budget Exercise :** The Ministry of Finance has sent a communication to all industry associations and business chambers on preparation of the budget.

In the communication, the Finance Ministry has stated that all request for a change in tax and tariff should be supplemented with statistical information on production, price and revenue implications.

The Ministry has set 31st Oct., 2005 as the last date for submission of demands. Consultations and discussions with the Industry shall take place in the months of November and December.

- (6) **Abatement :** The revenue department had issued earlier a directive to the Industry on the issue relating to abatement where excise duty is charged on MRP basis. This was brought to the notice of all member associations. The directive had stated that all representatives for abatement on indirect taxes and duties should be accompanied by details of trade practices in that specific industry, nature of trade margins and discounts.

CIPI had requested its member associations for giving their suggestion on this subject but no such details have been received from any association.

- (7) **NPPA :**
- (i) NPPA has revised prices of 308 formulations recently. These revised prices may be seen at NPPA website www.nppaindia.nic.in
 - (ii) There is a proposal afoot in NPPA to do away with order no. A.O.134(e) dated March 02, 1995 providing exemption to small scale units. CIPI has taken up the matter with NPPA and had made a representation against this move.

- (8) **Recommendations of Task Force on Price Control Options :** A copy of press brief on this subject released by the Government has been sent to the members from Chairman's Office.

- (9) **Details for S.S. Ministry :** CIPI has received proforma from the Ministry of Small Industries. The same is produced below. Members are requested to give their detailed inputs so that a comprehensive memorandum may be submitted to the Ministry.

PROFORMA FOR PRODUCT SPECIFIC PROIPOSALS

- (i) Name of the Item :
 - (ii) Tariff Heading / Codes :
 - (iii) Present rate of duty :
 - (iv) Proposed change :
 - (v) Justificatioin :
 - (vi) Number of SSI units to be benefited :
 - (vii) Number of persons employed :
 - (viii) Price of the product (Indigenous International) :
 - (ix) Volume of Indigenous Production (Per Annum) :
 - (x) Volume of exports (Per annum) :
 - (xi) Value of Imports (Per annum) :
 - (xii) Estimated Annual Demand :
 - (xiii) Estimated Revenue Implications :
 - (xiv) Whether the Product is covered under General SSI Excise Exemption Scheme :
 - (xv) Whether Product is Reserved for exclusive manufacture in SSI sector :
 - (xv) Other relevant information, if any :
- (10) **Schedule 'M' :** The Rajya Sabha committee on Subordinate Legislation on Schedule 'M' has received comments from Ministry of Health also. CIPI may be clalled now in the month of November for trtheir final representation before the committee.
- (11) **Payment :** All the member associations are once again requested to pay their annual subscription for the year 1005-1006 amounting to Rs.15,000/-.
