

SHRI P. K. DEO: I am speaking about the Governor.

is of very vital concern to the country and if I take a little more time I beg of you to bear with me.

श्री इलहाक सम्मेली : मैं यह बात इस लिए कह रहा हूँ कि कटक के चुनाव में श्री इसके बाद पापुलर गवर्नमेंट को गिराना इन्हीं एक्स-महाराजा श्री बिजु पटनायक जैसे लोगों जो सबसे बड़े पीलिटिकल ब्लैकमेलर थे, का काम था। इन्हीं लोगों ने परबज करके वहाँ की गवर्नमेंट को गिराया है। मैं मालूम करना चाहता हूँ कि अगर ऐसे लोग इस तरह का इन्जाम लगाएंगे तो क्या आप उनको एक्स-प्लेनशन का मौका देंगे।

MR. CHAIRMAN: Government will duly reply to these points. Mr. Deo, I would request you to confine yourself to larger issues of principles alone. I am afraid, you must conclude immediately. You are now encroaching on the time of others. You may continue tomorrow, if you like.

SHRI P. K. DEO: Yes, I will continue tomorrow, Sir.

17.33 hrs.

HALF-AN-HOUR DISCUSSION

C.O.B. LICENCES TO DRUG MANUFACTURING FIRMS

MR. CHAIRMAN: The House will now take up half-an-hour discussion re: C.O.B. Licences to Drug manufacturing firms. Mr. Bosu, I need not tell you how to devote the time, because you know the procedure. I want only to just point out that four more participants are there after you and then, the Minister has to reply....

SHRI JYOTIRMOY BOSU (Diamond Harbour): You mean, 4 more to put questions....

MR. CHAIRMAN: Yes.

SHRI JYOTIRMOY BOSU: I would like, deaths, starvation, illness and Chairman, that this is a subject which

Sir, the Indian Drug industry is an index of foreign domination through so-called technology and because of the chaotic Government policies there are multi-national, big business houses which dominate this vital industry, which is an industry which is vital for the country, not only to supply the life-saving medicines, but also the health-saving medicines which are necessary to keep the people in a healthy working condition. But, although this is so vital for the common man, for the people of the country as a whole, they have converted it into a quick money-making affair. People are suffering from malnutrition. Even pure drinking water is not available. Our resources are being exploited in the interest of foreign monopolists than anybody else. There are very few Indian firms, and out of 25,00 units, only a handful of foreigners dominate the whole range of business and the three public sector units. 40 foreign firms alone control 50 per cent of the total business in the country as a whole. Government is being pressurised to make a show of adoption of certain steps.

Take for example, the Drug Price Control Order. But was there any real decline in the profits of these big drug tycoons? If you ask me, 'No' is the answer.

The real remittances are much more. I shall read out some of the profits. In the case of Alkalis and Chemicals Corporation of India, the subscribed capital was Rs. 465 lakhs, the turnover in 1969 was Rs. 1525 lakhs, in 1970 it was Rs. 2243 lakhs and in 1971 it was Rs. 2579 lakhs, and the net profits in 1969-70 were Rs. 88.66 lakhs. Mr. Chairman, Sir, you understand accounts very well. In 1970-71, in one year's time, the profits went up to Rs. 237.84 lakhs, all on human miseries, deaths, starvation, illness and disease.

[Shri Jyotirmoy Bosu]

Then, take the case of the Anglo-French Drug Co. The paid-up capital was Rs 0.10 lakhs. The turnover in 1969 was Rs 143.29 lakhs, in 1970 it was Rs 171.93 lakhs, and the profits in 1968-69 were Rs 23.33 lakhs, in 1969-70 they were Rs 29.78 lakhs and in 1970-71, they jumped further to Rs 33.53 lakhs, all with a paid-up capital of Rs 16,000 only.

A similar thing is true of Bayers, Beechams, Boots, Johnson & Johnson, Pfizers, Reckitt and Coleman, Sandoz, Glaxo, Roche and so many others. I do not want to take the time of the House by quoting all these figures. I would only point out that the equity capital bears no relation to the profit, the turnover bears no relation to the profit, and it is jumping up every year. They are talking of socialism and they are talking about control of monopoly and they are talking about safeguarding the consumer interests but the consumer here is an ailing dying man.

SHRI K. S. CHAVDA (Patna) They are not Indian monopolists but they are foreigners.

SHRI JYOTIRMOY BOSU I am talking about foreigners at the present moment. Their interests have been safeguarded. If the hon. Minister wants more details, he can easily refer to unstarred question No. 1191 of mine answered on 27th February, 1973. He will get all the details there.

Let me take the case of one company, namely Pfizers. From 1959, the amounts remitted by this company towards dividend were as follows. In 1959, it was Rs 5.88 lakhs, in 1960, it was Rs. 8.19 lakhs, an increase of 50 per cent, in 1961, it was Rs 28,43,750, a rise of 550 per cent, in 1962, it was Rs 41.86 lakhs, a rise of 750 per cent, in 1969 it went up to Rs 60,40,170 an increase of 1160 per cent and in 1970, it went up to Rs 63,12,975, an increase of 1200 per cent, and in 1971, an increase of 1300 per cent from the base year. This total sent out as pro-

fit is Rs. 4,82,87,637; within a very short span of time, this amount has been sent out.

They exercise great influence in drug supply, on the medical profession and on Government. The reply to my question No. 4888 on COB licences to foreign companies was absolutely vague. It was a violation of the very purpose of the licensing.

The type of companies that got the COB licences establishes their power, their money power, influence and political lobbying at the right place. For example, for the Glaxos, Sandoz, CIBA, Pfizers, Merck, Sharp and Dohme and others, scores of COB licences were granted. Glaxos alone got 100 COB licences. They pushed back with Government's help Indian firms out of existence most of whom were making a bare living out of it.

I have got a memorandum, and I have made an extract from it, and I shall just read it out.

"COB licence does not mean licences issued to units carrying on manufacturing activities before the Industries (Development and Regulation) Act, 1951 came into force, as stated by the hon. Minister. COB licences were issued in 1970."

There are persistent reports that many irregularities have been committed in the issue of COB licences. Briefly, some of the irregularities are: (1) that certain (about 400) permission letters were issued which have no legal backing, (2) that these permission letters have been taken into account while issuing COB licences. This is highly irregular. (3) that some firms such as Hoechst and May and Baker etc. did not apply for conversion of permission letters into COB licences within the prescribed time limit. These firms are producing bulk drugs and formulations based on permission letters and even indulging in unauthorised production with impunity. All the same, applications for conversion of

permission letters into COB licences are being entertained even after the prescribed timelimit.

I would like to know whether it is a fact that the DGHS has pointed that COB licences include certain formulations and drugs which have not been produced at all, particularly by two foreign firms, Sandoz and Roche, and if so, whether Government would refer all COB cases to a parliamentary committee for a thorough probe and investigation.

(4) COB licences have been issued for certain formulations and drugs which were not produced, much less marketed. Can you imagine that, Mr. Chairman? A few instances are as follows: Sandoz; items Intestopan, Torecan and Sentivin; Glaxo—105 formulations and still further COB licences, Roche—Diazeham and so many others.

(5) Some of the foreign firms are producing formulations much in excess of the capacity allowed to them under COB licences.

(6) The sale value of production of items covered by COB licences is reported to be of the order of about Rs. 85 crores today, that is 30 per cent of the total production of drugs. The time-barred applications of foreign firms, particularly for formulations, are going to count for Rs. 300 crores in the years to come, that means 50 per cent of the Fifth Five Year Plan target for the industry.

I would like to know whether any norms and guidelines have been laid down for assessing the effective steps taken by the foreign firms to produce formulations etc. which they have not produced before the issue of COB licences. Normally the criteria for assessing effective steps should be is it a fact or not?—

(a) whether any actual user import licences for raw materials were obtained; (b) whether any returns

of actual production or the state of readiness to go into production was reported to the authorities; (c) whether any endorsement on import licences to import additional raw materials required for producing new items was secured.

In short, COB licences have been issued without proper care and consideration. Consideration, of course, is there, but it is a different consideration. I do not want to go into that, the political aspect of it; I want to deal now only with the economic aspect of it. Some of the firms, particularly foreign-dominated firms, have been given undue advantage.

(7) While issuing COB licences, the usual conditions such as exports and dilution of foreign equity etc. were not imposed in the case of foreign firms. I want to ask the hon. Minister why that is so. Under the law, the Government are fully competent to impose such conditions. This has given unfair advantage to foreign firms over our own sons of the soil, namely, Indian firms.

(8) Considering the number of irregularities committed in the issue of COB licences and the far reaching effects, all COB licences should be reopened, preferably by the Drugs Controller and it should be done under the supervision of an all-party parliamentary committee and the irregularities should be rectified, everything should be unearthed and the people told of what they have been doing. Drastic action should be taken under the law against those who are guilty.

It is also suggested that in view of this tremendous scandal about the issue of COB licences, the matter be referred to an independent parliamentary body, as I have just mentioned, for a thorough probe and inquiry.

The production of these is around Rs. 300 crores, as I have just mentioned. What is the capital? Rs. 250

[Shri Jyotirmoy Bosu]

crores. The lowest drug production-capital ratio. Elsewhere the ratio is 20 to 50. In India, it is 1 to 21. They have higher profits.

Then there is the price control order. Although they talk about 15 per cent, they never touch anything below 20 per cent. As for foreign sale figures, it is 300 to 400 per cent of their equity capital, and the profits are in actual fact 60 to 80 per cent of the equity. They transfer their profit to other unessential commodities. The Government have permitted the production of chewing gum, medicated lozenges, talcum powder, tooth paste and tooth brushes on excessive profits. The Government had been shutting eyes to these things.

I talked about the Anglo-French company with an equity capital of Rs. 10,000 and the annual turnover is Rs. 200 lakhs. The parent firm is involved in fraud. In United Kingdom, which is a capitalist country, the Monopolist Commission there has castigated and they have directed this firm to pay excess profit over a period of six years amounting to 24 million pounds. A refund of 24 million pounds, Mr. Minister. But what happens to this country? God knows what will happen.

There is the sale of two types of tranquilisers where the prices are highly inflated. These are imported to the United Kingdom and are sold at abnormally high price, and made profit of, from the parent unit.

Then there is librium which is imported into India at Rs. 5,500 per kilogram. To other countries, it is has been sent at Rs. 312 per kilo. It is Rs. 312 for other countries, and the poorest man in the world, an Indian, has to pay Rs. 5,500 per kilo. To Columbia, another American-dominated country, it is 1,250 dollars a kilo. The retail price is 20 dollars a kilo. Can you imagine that? The

foreign firms import the basic drug here at a very high price. There is no Government pressure to reduce it, and the new trick is to import intermediates and penultimate chemicals through intermediaries, at 300 to 400 per cent of the final drug itself, and the Government has misled us in this regard. The pretext is, more and more drug manufacturing. All fake stories have been given, and then there is over-invoicing without any restriction or check of the final product of these chemicals which have been pushed up in price and we were fleeced. For example, there is chloramphenicol; its world price is Rs. 100 a kilogram. But here, the wholesale price is Rs. 400 per kilogram. This shows the class character.

AN HON. MEMBER. Rs. 600.

SHRI JYOTIRMOY BOSU: Yes; Rs. 600. But why? Because of the class character of the Government. They do not want to disturb those people and they want the foreign monopolists to come and plunder and exploit the ailing, poor, starving Indian who is suffering from malnutrition and whose per capita income is 73 dollars, the lowest in the world.

The foreign firms are being more favoured. 15 foreign subsidiaries prepare formulations earning high profits. There are foreign trading units in operation. We want to know why you have not stopped them. They do not produce any basic materials. Those who helped the people are on the verge of collapse and those who want to stand on their own legs went out of existence. Fake figures are produced. Many enterprising Indians are thrown out. The production of foreign companies is much in excess.

About the COB licences, I have given you the figures. We want an explanation. The reason is, low capital/production and low production ratio. The machinery imports are underinvoiced; they bring more

machinery for the same money than they show in the books of account. It is a very strange thing. Usually, for the same type, when you buy a thing you do over-invoicing but for this industry, one of the main industries, under invoicing is done for the import of machinery so that you can produce far in excess of your licensed capacity. The installed capacity is higher than the licensed capacity. The Government is hand in glove with these criminals. Otherwise, this could never have taken place. They give excessive facilities—

MR. CHAIRMAN: The hon. Member's time is up. Please complete.

SHRI JYOTIRMOY BOSU: Sir, I am under your command. I bow to you. I will sit down.

Ten tonnes of analgin was imported by the STC by air. Why is that so? We in India have to pay for it. They are power groups; they purchase retired Indian Civil Service officers. We have so many of them. Glaxos have been able to buy over Mr. Boothalingam. Sandoz, Mr. N. R. Pillai and then Mr. Ranganathan, former Auditor General. Indians, you can so easily purchase them; there is always a price for a person in Delhi. I do not know when this will end, buying over Secretaries, Ministers, politicians, lobbying the corridors, white man's Indian slaves. Sandoz is basically a multi-national firm, employing 1400 people with sales of Rs. 10 crores, 700 per cent of the share capital. Can you imagine, you know, Mr. Chairman, capitalisation so well. Is it done in any other industry, this plunder and loot. The average remuneration of an employee is Rs. 1,000 but very few get Rs. 5,000 or Rs. 10,000 plus perquisites Rs. 30,000. But more than 50 per cent of this is kept for the five per cent at the top, ex-government servants, politicians, their relations, sons-in-law, henchmen, etc. In reply to a question it was stated that a firm worth Rs. 150 lakhs sends Rs. 30—40 lakhs in dividend, royalty, technical know-

how, God-knows so many other things. Of course as long as Messrs. Subramaniam and Borooah smile at them, who can stop them from plundering the poor Indians by these remittances by inflating the price of basic drugs. This is one of the greatest of disgraces of the country where the man is the poorest in the world, where man starves, where the per capita income is the lowest in the world, because of the Government's alliance and conspiracy with foreign monopolies, tycoons and octopuses, the ailing man, the dying man is sucked and exploited and finally is made to go to the grave.

MR. CHAIRMAN: Shri Chavda, please come direct to questions.... (Interruptions)

SHRI K. S. CHAVDA: I shall come directly to the question provided you assure me that the Minister would reply straightaway to my question.

My first question is this. When our Indian monopolists exceed their capacity even by 10 per cent they are taken to task. I should like to know from the hon. Minister why action has not been taken against foreign monopolists. foreign manufacturing companies when they exceeded their capacity by more than 300—400 per cent? On the contrary they have been regularised. I want to know the reasons.

My second question is whether it is a fact that the D.G.H.S. have pointed out that COB licences include certain formulations and drugs which have not been produced at all particularly by Glaxo-105 formulations, by Sandoz-Intestopan, Torecan and Sentevini and by Roche-Chlodriazeposide, Diazepam and other formulations?

If so, whether Government would refer all COB cases to the Cabinet Secretariat for investigation?

The total production annually of drugs and pharmaceuticals in the country is about Rs. 300 crores. But out of this, the production of Rs. 85 crores is covered by COB licences. I

[Shri K. S. Chavda]

would like to know whether any guidelines have been laid down for assessing the effective steps taken by the foreign firms to produce formulations etc. which they have not produced before the issue of COB licences. By effective steps I mean, (1) obtaining actual user import licences for raw material, (2) reporting to the authorities concerned returns of actual production, and (3) securing endorsement on import licences to import additional raw material required for producing new items

जो रजिस्ट्रार शास्त्री (पटना) कुल मिला कर पंद्रह कम्पनियों को सी० धो० बी० लाइसेंस दिए गए हैं और उन में से ज्यादातर कम्पनियाँ विदेशी हैं। विदेशी कम्पनियों की लूट की कहानी घापने सुन ही ली है। उसी लूट को दियोग से रकते हुए मैं सवाल कर रहा हूँ।

क्या यह सच है कि विदेशी दवा कम्पनियों जिन मूल वस्तुओं से यानी बैसिक स्ट्रेचर से दवाएँ तैयार करती हैं उन्हीं से आई०डी०पी० एल०जी सरकार की कम्पनी है वह भी दवाएँ तैयार करती हैं? यदि हाँ तो क्या यह भी सच है कि सरकारी कारखाने में बनी दवाओं में विदेशी कम्पनियों से बनी दवाएँ महंगी होती हैं? यदि हाँ, तो इस लूट को रोकने के लिए सरकार ने कौन सी कार्रवाई की है?

जहाँ तक इन लोगों की जानकारी है आई०डी०पी०एल० में बनी दवाएँ हिन्दुस्तान के सरकारी धर्मशालाओं में भी नहीं खरीदी जाती हैं। यदि यह सच है तो इसका क्या कारण है? वे यहाँ की बनी हुई दवाएँ खरीदे इसके लिए घापने कौन सी कार्रवाई की है।

12.00 hrs.

क्या यह सच है कि विदेशी दवा कम्पनियों बहुत झिलावट—एडवर्टीजिंग—करती हैं, जिस की चर्चा रोज़ अखबारों में हो रही है? क्या सरकार ने इस बात की जांच की है कि उस झिलावट की भाषा कितनी है और उस को रोकने के लिए सरकार ने कौन सी कार्यवाही

की है—क्या किसी कम्पनी के खिलाफ कोई मुकदमा चलाया गया है और क्या किसी विदेशी कम्पनी के आधिकारिक को सजा दी गई है?

क्या सरकार विदेशी दवा कम्पनियों की लूट तथा झिलावट की समाज विरोधी कार्यवाही को देखते हुए—सरकार एन्टी सोशल एलिमेंट्स के नाम पर बहुतों को पकड़नी है, लेकिन सब से बड़े एन्टी सोशल लोग ये हैं—उन के लाइसेंस को कीमन रद्द कर के उन का राष्ट्रीयकरण करेगी? इस में कौन सी कठिनाई है?

विदेशी दवा कम्पनियाँ हर माल करोड़ों रुपये मुनाफे के देश से बहार भेज रही हैं। मैं यह जानना चाहता हूँ कि पछिने तीन सालों में कितनी मुनाफे की राशि देश से बाहर भेजी गई है और क्या सरकार उस पर राक नहीं लगा सकती है? घाप ने अखबारों में देखा होगा कि ग्लैक्सो कम्पनी के एम्पलाईज को इन सब कार्यवाहियों के खिलाफ धीरे अपनी मामों को लेकर महीनों में आन्दोलन करना पड़ रहा है।

आई०डी०पी०एल० की दवाओं को ज्यादा से ज्यादा पापुलराइज करने और बेचने के लिए सरकार ने कौन सी स्कीम बनाई है? यह मेरे सब सवालों का दिव है—यह सबाल सब से महत्वपूर्ण हैं। जल्दी महोदय इस बारे में ज़रूर बतायें।

जो मूल अण्ड डाटा (पावी) सभापति महोदय, मैं यह जानना चाहता हूँ कि क्या वह प्रश्न घाने के बाद मंत्री महोदय ने इन सी० धो० बी० लाइसेंस के बारे में जांच कर ली है और क्या किसी अधिकारी को दोषी या अप्रष्ट पाया है। इस सम्बन्ध में जो कार्यवाही की गई है, क्या वह उस से सन्तुष्ट हैं या नहीं? क्या वह उन अधिकारियों के खिलाफ कार्यवाही करेंगे, जिन्होंने जान बूझ कर विदेशी कम्पनियों से मिल कर अपने लाभ के लिए देश को मुक्तान पहुँचाया है? क्या मंत्री महोदय ने इस बात

की जांच की है कि जो लाइसेंस एस्यू किये गये, वे ठीक इस्यू किये गये या गलत इस्यू किये गये? क्या अब इस बारे में अनक़्वायरी की जायगी या नहीं?

क्या मंत्री महोदय इस मामले की जांच करने के लिए पार्लियामेंट के मेम्बरों की कोई कमेटी बिठायेंगे, जिस में सब पार्टियाँ के सदस्य हों?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): Mr. Chairman, Sir, the question at issue during this evening's discussion was about my reply to Unstarred Question No 4880 by Mr. K. S. Chavda. Mr. Jyotirmoy Bosu's contention is that my reply is unconvincing. What I had said was:

"As C.O.B. licences have been issued to regularise the capacities which were deemed to have been established, the question of expansion by such firms to the detriment of any other Indian party does not arise."

As you know, this is a very wide subject and it has a very long history also. Therefore, in reply to a Question, my reply could not be adequate. The reply that I had given, in a nutshell, clearly indicates what the C.O.B. stands for. So far as Mr. Bosu's speech is concerned, so far as the references to foreign companies, their profits and remittances, etc., are concerned, all these are very important subjects. I am certainly grateful to him for giving a lot of information. But this is a problem which has to be looked into in further details.

SHRI K. S. CHAVDA: Are we to understand that the Government has no information?

SHRI D. K. BOROOAH: When I say, I am grateful to the hon. Member for enlightening me, I do not admit that I am ignorant. I am one of those persons who continues to learn

SHRI K. S. CHAVDA: The Government knows and does not take any action. That is the main point.

SHRI D. K. BOROOAH: When I come to this House, I do not come to teach people. I come to learn. I have that much of humility left in me. So, I am grateful not only to Mr. Bosu but also to Mr. Chavda, not only for today's intervention but earlier also, I discussed this matter with him and I got a lot of information from him.

So far as those informations are concerned, we are looking into that and, I am sure, we will come to some conclusions. But today's question is, whether the C.O.B. licences were issued in accordance with the procedure laid down by the Government of India and whether they were in conformity with the rules. What is a C.O.B. licence? It is a "Carry-On Business" licence. (Interruptions) These C.O.B. licences were issued in respect of various items.

In 1951, the Industries (Development and Regulation) Act was passed when registration and licensing system was introduced in this country. In 1966 what was done? By a notification dated the 29th November, 1966, the industrial undertakings, both in engineering and non-engineering fields, were given the freedom to diversify their production by manufacture of new articles or also expansion of the existing production to the additional value of 25 per cent. In other words, if they were producing goods worth Rs. 1 lakh, they were allowed to produce goods worth Rs. 1,25,000....

SHRI JYOTIRMOY BOSU: How generous.

SHRI D. K. BOROOAH: It was done in 1966. I cannot take credit for this generosity. (Interruption) So far as this item is concerned, if he is pleased to call it 'generous', I am sorry I cannot accept that compliment.

[Shri D. K. Borooah]
because I was not responsible for this generosity.

SHRI JYOTIRMOY BOSU: On a point of order. He cannot disown his responsibility. Office is a continuous process. He is constantly saying, 'I did not do anything'....

MR. CHAIRMAN: He did not say that. There is no point of order.

SHRI D. K. BOROOAH: Mr. Jyotirmoy Bosu said that it was 'very generous'. I only say that I cannot take the credit for that generosity.

Then in 1970 this diversification was modified. Those who belonged to foreign companies and those who belonged to larger industrial houses—whose total plant and machinery exceeded the prescribed limit—were not allowed to undertake continued production of this, but it was provided that those who had already gone into production and also those who had taken effective steps for production would be allowed to have a C.O.B. licence....

MR. CHAIRMAN: In all the spheres?

SHRI D. K. BOROOAH: Those items which they were producing. In 1966 they were entitled to expand to the extent of 25 per cent. Now they were not allowed to expand, but what they were allowed was to continue under C.O.B. licence.

Now this is a matter of carry-on-business licence. Carry-on-business licence is recommended by the Ministry of Petroleum and Chemicals. It passes through the DGTD. It passes through the Director of Health Services. Then it goes to the Licensing Committee....

SHRI JYOTIRMOY BOSU: It passes through Shri Uma Shankar Dikshit, the Treasurer of the Congress Party.

SHRI D. K. BOROOAH: This is finalised by the Licensing Committee. Earlier, so far as the Indian companies were concerned, it was processed only by the Ministry. Now, it has been decided whether it be Indian or foreign because Indian larger undertakings and dominant undertakings are also covered, so all these go through DGTD to find out as to what was their production and whether they have taken effective steps for production....

SHRI JYOTIRMOY BOSU: Did the DGTD come and sanction Maruti?

SHRI D. K. BOROOAH: Then, it goes to the Director of Health Services and the Licensing Committee.

MR. CHAIRMAN: In other words, it conforms to the procedure and the criteria.

SHRI D. K. BOROOAH: Yes, Sir, it conforms to a certain procedure and criteria. If it is a question of profit and loss, then we can discuss it on some other occasion. To-day, the question is....(Interruptions) I have been in Parliament for some time now and I know the rules. I had also been Speaker of a House, so I know the parliamentary procedure....(Interruptions).

MR. CHAIRMAN: He is only pointing out that he will reply to questions connected with COB licence. Questions of profits are incidental only.

SHRI JYOTIRMOY BOSU: He can help the country by exposing these things.

SHRI VASANT SATHE (Akola): Mr. Jyotirmoy Bosu can afford to be irrelevant whereas the Minister cannot.

SHRI D. K. BOROOAH: A charge was made that COB licences were granted only to foreign firms and not

to Indian firms. That is not a fact. 12 foreign firms were issued COB licences and 4 Indian firms were also issued COB licences.

SHRI K. S. CHAVDA: A scandal is going on in COB licences. Is the Minister prepared to refer all COB licences to the Cabinet Secretariat?

SHRI JYOTIRMOY BOSU: Why Cabinet Secretariat?... (Interruptions)

MR. CHAIRMAN: If I find that the hon. Members are not interested in the reply of the Minister, then I will be forced to adjourn the House. You have to listen to the Minister.

DR. KAILAS (Bombay South): They are not interested in the reply. It is all a political game.

MR. CHAIRMAN: I would request you to co-operate with me, Mr. Bosu. He is replying. You may agree or may not, but you should listen to him.

SHRI JYOTIRMOY BOSU: Point of order. All the three of us have raised that the matter should be given to a Parliamentary Committee for a thorough probe and one hon. Member said that it may be referred to the Public Accounts Committee which is a committee of the House. If the hon. Minister would make observations on that, we shall be extremely grateful.

SHRI D. K. BOROOAH: I will come to that.

MR. CHAIRMAN: There is no point of order. (Interruptions).

SHRI D. K. BOROOAH: It is good to listen also.

Sir, the charge was that all the COB licences which were given, were given to foreign companies. I beg to state that 12 companies were foreign companies and 4 companies were Indian companies. Mr. Bosu said about Sandoz. He said that Sandoz is full of sons and sons-in-laws of

the people in high places and so on. I came across the Managing Director, he is Ja Banerjee; another chap is Dr. Bhattacharyya; another is Dr. Deb. I did not ask whose sons they were....

SHRI JYOTIRMOY BOSU: Next time you ask.

SHRI D. K. BOROOAH: Next time I will ask.

DR. KAILAS: They were not relations of Mr. Borooah.

SHRI JYOTIRMOY BOSU: What about Bhoothalingams and Ranganathans and Pillais?

SHRI D. K. BOROOAH: There are Pillais and Bosus....

SHRI JYOTIRMOY BOSU: No Bosu.

SHRI D. K. BOROOAH: Pillais, Bhattacharyyas, Bosus and others (Interruptions).

MR. CHAIRMAN: Order please; let the Minister finish. He can take care of himself.

SHRI D. K. BOROOAH: I can take care of myself. What we have done now is this.. (Interruptions).

MR. CHAIRMAN: Order please, no dialogue across please.

SHRI D. K. BOROOAH: We have now discussed this matter and we have come to the conclusions that even in the issue of COB licences certain conditions should be imposed. We have added two conditions in respect of the foreign companies. One of the conditions is this:

"Suitable Dilution of foreign equity e.g. to 60 per cent from 100 per cent"

That is, wherever they are 100 per cent, they may come to, say, 60 per

[Shri D. K. Borooah]
cent. This is one condition. The second condition is this:

"The party should earn sufficient foreign exchange to meet the cost of imported raw material."

These are the two conditions.

SHRI JYOTIRMOY BOSU: At what price? How much foreign invoicing? Who verifies the price?

SHRI D. K. BOROOAH: In addition to this we propose to add another clause. We propose that a particular percentage,—in a certain case it is being suggested that 60 per cent—of production, should be exported.

SHRI JYOTIRMOY BOSU: At what price?

SHRI D. K. BOROOAH: There are very few COB Licences left. Because, under the new dispensation which came up on 18th February 1973, the new policy in respect of drug industry..

SHRI JYOTIRMOY BOSU: Your party has been purchased by these drug manufacturing firms. That is why you cannot plug the loopholes. Your party has taken millions of rupees. That is why you allow them.

MR. CHAIRMAN: Mr. Bosu...

SHRI JYOTIRMOY BOSU: Your party is on the payroll of foreign manufacturers.

MR. CHAIRMAN: Mr. Bosu, while you are entitled to make whatever allegations you want to make,....

SHRI JYOTIRMOY BOSU: I am not talking about Mr. K. K. Shah; I am not talking about the money..

MR. CHAIRMAN: If you want to listen to the reply, please listen. Otherwise I will adjourn the House. (Interruptions). Mr. Borooah can very well take care of himself.

SHRI JYOTIRMOY BOSU: Let Mr. Borooah say something substantial. Mr. Borooah is a very good stage-manager, we know. But here I say: Please don't practice that art; here we are simple people, innocent people, representing the people of India. You may kindly give us straightforward reply whether you are willing to constitute a thorough probe. That is all that we want. If you have any skeleton in the cupboard, you must admit it.

MR. CHAIRMAN: Let the hon. Minister come to the answers directly.

SHRI D. K. BOROOAH: I shall reply to the question raised by Shri K. S. Chavda...

SHRI JYOTIRMOY BOSU: On a point of order I should not like to presume for a moment that this august House consists of any persons who are on the pay-rolls of foreign medicinewallahs....

DR. KAILAS: These things should not go on record. I want your decision on this. (Interruptions).

MR. CHAIRMAN: Let the hon. Minister kindly complete his answer.

SHRI D. K. BOROOAH: I have talked about regularisation. In fact, COB is nothing but regularisation of what was done in 1966.

SHRI JYOTIRMOY BOSU: We want a probe.

SHRI D. K. BOROOAH: As for the guidelines, these are the guidelines, and in accordance with the guidelines it has been done and there is a machinery which does it.

SHRI JYOTIRMOY BOSU: We want a parliamentary probe. If he does not have any skeletons to hide in the cupboard, let him agree to this.

SHRI K. S. CHAVDA: We want a probe.

SHRI D. K. BOROOAH: I am here to tell the truth and not to please Shri K. S. Chavda.

SHRI JYOTIRMOY BOSU: Not even me?

SHRI D. K. BOROOAH: I am not convinced by the eloquence of Shri Jyotirmoy Bosu nor by his histrionic talents that a probe is necessary.

SHRI JYOTIRMOY BOSU: The silver nali will never make him satisfied.... (Interruptions).

SHRI D. K. BOROOAH: But certainly, I shall bear in mind what the hon. Member has said, and certainly I shall see that the rules are observed, and if the rules have not been observed, I shall see why they have not been observed. But I am not convinced by whatever they have said, that a probe is necessary, and, therefore, I cannot accept the demand for a probe.

18.26 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, July 26, 1973/Sravana 4, 1995 (Saka).