

gov.in for inviting the comments from all the stakeholders. The comments received were examined and a final draft UCPMP was prepared and circulated to pharma associations for their comments. The comments received are being examined.

Nutrient based subsidy on urea

2492. SHRI K.N. BALAGOPAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether Government has received any suggestion to introduce nutrient-based subsidy on urea;

(b) if so, the details thereof; and Government's reaction thereto; and

(c) the total quantity of urea used in the country annually and the subsidy annually given on urea for the last five years?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHAL CHAND): (a) Yes, Sir.

(b) The committee under the chairmanship of Shri Saumitra Chaudhari, Member, Planning Commission evaluated various alternatives on Nutrient Based Subsidy regime in urea sector and submitted its report on 29th April 2011. The summary of recommendations of the Committee is given in the Statement-I (*See. below*)

As regards implementation of Nutrient Based Subsidy (NBS) in Urea, Department of Fertilizers (DoF) did not support NBS in Urea sector as proposed by the Committee. At present, there is no such proposal to introduce NBS in Urea.

(c) The statement showing sales of Urea during the last four years and current year (upto June-2014) is as follows:

Sales of Urea during the last 4 years and the current year

Year	Sales of Urea
2010-11	282.25
2011-12	294.77
2012-13	301.58
2013-14	304.54
2014-15 (Upto June-14)	64.55

[Figures in Lakh Metric Tonne (LMT)]

The details showing annual subsidy given on urea for the last five years has been given in the Statement-II

Statement-I*Report of Committee of Secretaries on Nutrient Based Subsidy in Urea Sector***1. Composition of the Committee**

DR. Saumitra Chaudhuri, Member, Planning Commission	Chairman
Secretary, Department of Fertilizers	Member
Secretary, Department of Expenditure	Member
Secretary, Department of Agriculture and Cooperation	Member
Secretary, Member of Petroleum and Natural Gas	Member

2. Summary of Recommendations of Committee headed by Dr. Saumitra Chaudhuri

- (1) The concepts of “cut-of quantity and energy norm, as presently used, are being carried forward.
- (2) The recommendations here pertain to the subsidy regime upto the “cut-off” point. Beyond the “cut-off” point, production will be covered by the amendments to the New Investment Policy which is to be decided upon. In the interim, the present arrangement for subsidy beyond the “cut off” point, which is linked to import parity price under New Investment Policy of 2008, will continue.
- (3) The fertilizer companies will be free to change the retail selling price of their product within reasonable limits. All incidence of taxes, including recently introduced 1 per cent Excise Duty and State VAT, if any, will be passed on to the consumer after adjusting for any input tax credits that may exist.
- (4) Restrictions regarding the add-ons for neem-coated, zincated and other kinds of modified/fortified urea will be suspended. Units will however, make sure that there is adequate supply of plain urea, if the farmer wants plain urea.
- (5) Of the 21 gas-bassed units, there will be a notional gas price pooling for 17 units. This will be operated by the FICC/Department of Fertilizers presently. This pooling of gas will be on the basic of existing energy norms on actual gas mix and upto gas usage for “cut-off quantity”.
- (6) Four small units (RCF Trombay, GSFC and two units of BVFCL) will be kept out of this gas price pooling arrangements.

- (7) The flat subsidy of ₹ 4,000 per tonne would be available to all gas-based units. In addition, 21 units have been classified depending on various established parameters. Some units will only receive the basic subsidy, a second group will receive additional subsidy of ₹ 675 per tonne and a third group additional subsidy of ₹ 1,800 per tonne while fourth group shall receive ₹ 1,600 per tonne. This additional subsidy will be phased out to two differential rates over the period of next three years *i.e.* to ₹ 4000/MT for Group A and B and ₹ 5,000/MT for the rest of the Groups. Thereafter, a view may be taken on the timeframe to phase out this additional subsidy.
- (8) The subsidy regime for Naphtha and FO/LSHS units will continue to be along the present lines except for 2 changes. First, along with the other units they will be free to set the retail selling prices within reasonable levels. Second of the increase in net selling price, at least ₹ 80 per tonne will go to reduction in subsidy. Fuel price increase will be passed through as being presently done. This arrangement will continue upto March 2013.
- (9) The gas price pooling will be based on actual gas price paid and will, therefore, have to be periodically updated. Increase or decrease in gas prices will be passed on to the consumer through the selling price.

The Report of the Committee is submitted.

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Dr. Saumitra Chaudhuri,
(Chairman of the Committee)
Member, Planning Commission

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Ms. Sushama Nath
Secretary, Dept of Expenditure

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Dr. Sutanu Behuria, Secretary
Department of Fertilisers

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(for) Shri P K Basu, Secretary
Department of Agriculture and Cooperation

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(for) Shri S. Sundaresan Secretary
Department of Petroleum and Natural Gas

New Delhi: dated the April 29th, 2011

Statement-II

Statement showing sector-wise/unit-wise subsidy paid on Indigenous and Imported Urea During the years 2009-10 to 2013-14

(₹ in crore)

Sl.No.	Unit	Subsidy Paid/ (-recovered)				
		2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7
Public Sector						
1.	RCF-Thal	1227.65	705.35	708.51	954.80	1498.15
2.	RCF-Trombay	66.02	313.94	232.53	219.05	287.99
3.	MFL	1147.82	1290.71	1768.74	1427.26	1492.63
4.	NFL-BHATINDA	983.62	923.88	1107.87	1201.50	1364.51
5.	NFL-PANIPAT	846.27	801.39	1213.97	1193.59	1433.86
6.	NFL-VIJAYPUR-I	255.68	289.41	408.54	413.43	677.59
7.	NFL-VIJAYPUR-II	324.18	443.14	502.98	583.53	932.43
8.	NFL-NANGAL	930.77	748.96	1270.69	1123.71	1345.93
9.	BVFCL-Namrup-III	26.37	114.13	59.22	104.63	109.29
10.	BVFCL-Namrup-II	21.81	56.10	119.83	65.71	80.57
11.	GSFC (State Govt.)	181.13	88.85	196.83	134.64	200.33
12.	GNFC (State Govt.)	964.59	489.55	878.30	858.82	1119.54
TOTAL		6975.91	6265.41	8467.24	8280.67	10542.82
Cooperative Sector						
1.	KRIBHCO	649.61	460.80	591.75	660.01	1216.62
2.	IFFCO-PHULPUR-II	1144.54	764.96	907.75	981.90	1651.10
3.	IFFCO-PHULPUR-I	692.09	626.30	583.99	804.39	1004.36
4.	IFFCO-KALOL	670.91	315.28	382.09	359.68	375.54
5.	IFFCO-AONLA-I	593.16	376.49	439.11	539.56	953.58
6.	IFFCO AONLA-II	624.56	380.32	481.44	528.02	682.75
TOTAL		4374.87	2924.15	3385.49	3873.56	5883.95
Private sector						
1.	NFCL-I	208.78	260.16	397.75	307.12	527.88
2.	NFCL-II	666.14	393.47	387.33	344.50	466.87
3.	CFCL-I	441.77	545.59	689.51	701.45	1205.46
4.	CFCL-II	769.33	753.72	751.38	889.10	1144.19
5.	TATA CHEMICALS	573.78	595.76	643.26	606.89	937.77
6.	ZACL	1036.68	780.25	781.21	1101.68	1263.14
7.	SFC	466.76	223.40	277.47	274.31	314.19
8.	INDOGULF	700.43	453.20	717.68	648.40	1388.03

1	2	3	4	5	6	7
9.	SPIC	0.00	637.67	2164.66	1477.96	791.90
10.	KSFL	448.82	410.32	452.42	614.02	609.91
11.	MCFL	916.98	837.63	1170.02	880.34	1221.53
12.	KFCL	0.00	0.00	0.00	0.00	202.36
TOTAL		6229.47	5891.17	8432.69	7845.77	10073.23
GRAND TOTAL		17580.25	15080.73	20285.42	20000.00	26500.00
Imported Urea		6999.98	9255.95	17475	20016	15353.3
Indigenous+Imported Urea		24580.23	24336.68	37760.42	40016.00	41853.30

Selling of medicines by MNCs at high price

†2493. SHRI NARESH AGRAWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is aware of the fact that Multi National Companies (MNCs) are selling medicines listed under National Essential Medicine List at exorbitant price;

(b) if so, the details thereof; and

(c) the remedial measures action taken by the Government in this regard, if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHAL CHAND): (a) to (c) All the medicines specified in the National List of Essential Medicines 2011 (NLEM) have been included in the Schedule-I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013) and brought under price control. The National Pharmaceutical Pricing Authority (NPPA) fixes/revises the prices of scheduled medicines as per the provisions of DPCO, 2013. No person is authorized to sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified by the NPPA. Whenever any case of overcharging is brought to the notice of NPPA or is detected by NPPA during its monitoring and enforcement activities, necessary action is taken for initiating recovery proceedings under the DPCO, 2013. NPPA has initiated action for overcharging in respect of 451 formulations under DPCO, 2013 which *inter-alia*, also includes formulations manufactured/ marketed by Multi National Companies (MNCs). Further, NPPA has issued demand in two cases for an amount of ₹ 54.03. crore and has recovered ₹ 54.01 crore which includes *suo-moto* payment in four cases till 30.6.2014 under DPCO, 2013. However, no separate record in this regard for MNCs is being maintained by NPPA.

†Original notice of the question was received in Hindi.