

(c) the steps Government intends to take to check black marketing of fertilizers meant for the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAMAHIR) : (a) There are reports of alleged diversion of subsidized fertilizers meant for agricultural use to industrial users from some quarters. During the year 2014-15 three cases of diversion have been reported by the Government of Gujarat so far.

(b) and (c) For the year 2014-15, 29 cases of black marketing have been reported so far by various States namely Rajasthan, Gujarat, Uttar Pradesh and West Bengal. Here it is pertinent to mention that the distribution of fertilizers to the farmers within the State is the responsibility of the concerned State Government. Government of India has declared fertilizers as an essential commodity under the Essential Commodities Act and notified Fertilizer Control Order (FCO) under this Act. State Governments are adequately empowered to conduct search, make seizures and take punitive action against any person violating the provisions of FCO, 1985 and Essential Commodities Act, 1955.

In addition, Department of Fertilizers has, from time to time, written to the Chief Secretaries of various States and Ministry of Home Affairs to activate the enforcement agencies under their jurisdiction to take appropriate action to curb diversion, black-marketing and smuggling. Further, Department of Fertilizers, through weekly Video Conference with Department of Agriculture & Cooperation (DAC) and representatives of State Governments has been sensitizing and advising the State Governments to check black-marketing, diversion, smuggling and breach of MRP etc.

Restricting profits on sale of medicines

1424. SHRI SANJAY RAUT: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that some companies, are earning huge profit on medicines and medical equipments produced by them as there seems huge price difference between production cost and selling price as Maximum Retail Price (MRP) of different brands of the same medicine varies by as much as 1,700-1,800 per cent in the country;

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

(c) the details of steps taken or proposed to be taken by Government for restricting profit on medicines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND

FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR): (a) to (c) Pursuant to announcement of National Pharmaceutical Pricing Policy, 2012 (NPPP, 2012), the Government has notified Drugs (Price Control) Order, 2013 (DPCO, 2013) on 15.05.2013. Under DPCO, 2013, methodology for price fixation of drugs is 'Market based pricing' instead of 'Cost based pricing' provided earlier in the DPCO, 1995. NPPA has already fixed the ceiling prices in respect of 521 medicines till date out of 680 medicines (628 net medicines) included in the First Schedule of DPCO, 2013 on the basis of market based price data under provisions of said order.

Maximum Retail Price of different brands of the same molecules / medicines varies for both scheduled and non-scheduled formulations. However, in respect of scheduled formulations, no person is authorized to sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified by the NPPA. In respect of medicines not under price control, manufacturers are allowed to increase maximum retail price (MRP) by 10% annually. The NPPP, 2012 and DPCO 2013 does not regulate the production cost of medicines and medical equipments and the profit earned by the respective companies.

Closure of urea producing plants

†1425. SHRI NARAYAN LAL PANCHARIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the number of plants in the country producing urea;
- (b) whether it is a fact that two urea producing plants are facing closure for quite a long period of time; and
- (c) if so, the reasons therefore and the persons/institutions responsible for such closure?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR) : (a) to (c) At present, there are 30 urea manufacturing units in the country out of which 27 are gas based units while 3 units are Naphtha based units. As per the modified New Pricing Scheme (NPS) – III notified on 02.04.2014, the Naphtha units were allowed subsidy upto 30.06.2014 or till they convert to gas based, whichever is earlier. Government permitted the continuation of these units till 30.09.2014. From 01.10.14, these units had to shutdown. Government again permitted them to start operation for 100 days from the date of notification (07.01.2015). One of these 3 is a PSU and 2 are private sector units. The two private sector units have obtained an order from the court that subsidy shall continue till government decides for further operations. No person/institution is responsible for their closure.

†Original notice of the question was received in Hindi.