

Controlling the prices of Life Saving Medicines

2922. SHRIMATI RAJANI PATIL:

SHRI DARSHAN SINGH YADAV:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government has taken any action to control prices of life saving medicines;

(b) whether Government contemplates to open Government medical stores in all cities of the country for providing such medicines to the common man at controlled fair rates and whether some such medical stores have already been opened; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): (a) The Drug (Prices Control) Order, 2013 (DPCO, 2013), does not contain any word such as life saving medicines. However, the Schedule-I of this Order contains medicines which are appearing in National List of Essential Medicines announced and amended by Ministry of Health & Family Welfare from time to time. The ceiling prices of these medicines are fixed by the Government and no manufacturer can sell their product beyond the ceiling price fixed by the Government.

(b) No, Sir.

(c) In view of reply to (b) above, question does not arise.

Incentivizing domestic production of fertilizers

2923. SHRI N. GOKULAKRISHNAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that overall domestic output of fertilizers has been going up for the past three years while imports are falling;

(b) whether it is also a fact that Government has been very proactive by introducing reforms from time to time to help production pick up pace as in the case of the new urea policy; and

(c) whether it is also a fact that Government is incentivizing production beyond reassessed capacity, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): (a) Yes, Sir. The overall

domestic output/ production of fertilizers has risen in the country during the last three years, these are given below:—

(Figure in 'LMT')

Year	Production
2014-15	385.39
2015-16	413.14
2016-17	413.99

Urea is the only fertilizer under statutory price control and its import is restricted and permitted through State Trading Enterprises (STEs), namely Metals and Mineral Trading Corporation of India (MMTC), State Trading Corporation Limited (STC) and Indian Potash Limited (IPL), under the Foreign Trade Policy of the Government. Urea for direct agricultural use is imported on Government account to bridge the gap between assessed demand and indigenous production. Government is also importing approximately 20 lakh Metric Tonnes urea from Oman India Fertilizer Company (OMIFCO) under Long Term Urea Off Take Agreement (UOTA) between GOI and OIMIFCO.

Import of fertilizers (other than Urea) is free, commonly known as Open General License (OGL). Various companies import these fertilizers as per their commercial judgement. Muriate of Potash (MOP) is the only fertilizer, demand for which is fully met through imports as there are no viable sources of MOP in the country. The production and import of fertilizers in comparison to last three years is as below:

(Figures in LMT)

Year	Urea		DAP		NPK		MOP#
	Import	Prod.	Import	Prod.	Import	Prod.	Import
2014-15	87.49	225.85	38.53	34.44	2.91	78.32	41.97
2015-16	84.74	244.75	60.08	37.87	6.29	83.01	32.43
2016-17	54.81	242.01	43.85	43.65	5.21	79.49	37.36

#MOP includes industrial and agriculture uses.

(b) Yes, Sir. The Government of India has notified the New Urea Policy (NUP)-2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the government. NUP-2015 has led to additional production of approximately 20 LMT as compared to 2014-15, from the existing gas based urea plants and the total production of urea during the year 2015-16 was 244.75 LMT, *i.e.* the highest ever urea production in the country. The indigenous urea production for 2016-17 was 242.01 LMT.

(c) Yes, Sir. As per para 5 of the New Urea Policy-2015 dated, 2015, for production of urea beyond RAC, the units are entitled for their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed costs of all the indigenous urea units subject to import parity price plus weighted average of other incidental charges which the government incurs on the imported urea. A further amendment was incorporated for production of urea beyond RAC during 2016-17 such that units were entitled beyond their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed cost of all indigenous urea units subject to sum of import parity price, other incidental changes which the Government incurs in the import of urea and weighted average of Central Government levies of urea paid by the urea manufacturing units.

Reclaiming of IFFCO by Government

2924. SARDAR BALWINDER SINGH BHUNDER: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that jurisdiction of Indian Farmers and Fertilizers Cooperative (IFFCO) is covered under the ambit of Central Vigilance Commission (CVC) and the Central Bureau of Investigation (CBI), if so, the complete details in this regard; and

(b) whether Government is mulling over to reclaim IFFCO by regaining control of shares returned by IFFCO in 2001 and bring back IFFCO under Government umbrella, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): (a) Department of Personnel and Training (DoPT) *vide* O.M No. 399/9/2010-AVD-III dated 01.02.2013 had clarified that Central Vigilance Commission (CVC) is duly empowered to exercise jurisdiction over National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and Krishak Bharati Cooperative Ltd. (KRIBHCO), and similar societies under Section 8(1) of the CVC Act, 2003. However, Hon'ble High Court of Delhi *vide* order dated 16.08.2016 in W.P.(C) No.2070/2013 filed by Indian Farmers Fertilizer Cooperative Ltd. (IFFCO) and W.P.(C) No.2616/2013 filed by KRIBHCO, *inter alia*, observed that O.M. No. 399/9/2010-AVD-III dated 01.02.2013 issued by Department of Personnel and Training does not survive. Further action is being taken by DoPT based on legal advice.

(b) The repatriation of Government of India equity by IFFCO is disputed as it was done in violation of the then IFFCO by-laws which was illegally and unlawfully amended by IFFCO.