

IFFCO

The complaints mainly alleged gross mismanagement of funds along with siphoning off money and fabricated balance sheet by IFFCO, wrong disclosures in violation of established accounting practices and misleading the stakeholders especially the banks by IFFCO, manipulation of Multi-State Co-operative Act and further manipulating bye laws of society and illegal repatriation of Government equity by IFFCO Board, regular money laundering process adopted by U.S. Awasthi, MD and his sons, his relatives and his friends associated with IFFCO, illegal and unlawful methods adopted by U.S. Awasthi to grab the guest house and posh bungalow, subsidy frauds by U.S. Awasthi, MD, IFFCO by opening Kisan International Trading, earning huge illegal commission in imports of raw materials and finished fertilizer thereby creating huge loss to the society.

KRIBHCO

A complaint received from Central Vigilance Commission vide letter dated 29.11.2005 regarding alleged irregularities in acquisition of M/s Oswal Fertilizers Plant by KRIBHCO.

(c) and (d) No case of conflict of interest is under probe in the Department of Fertilizers in respect of cooperatives fertilizers units. However, Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) has received multiple complaints and on the basis of which certain information relating to subsidiary companies of KRIBHCO, New Delhi has been sought by them from KRIBHCO. Further action, if any, would be taken as per the provisions of the Multi State Cooperative Societies Act, 2002 and rules made there under.

Release of subsidy to GSFC

41. PROF M.V. RAJEEV GOWDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the reasons for the release of subsidy withheld for the year 2010-11 to Gujarat State Fertilizer Corporation (GSFC);

(b) the recommendations of the Fertilizer Industry Coordination Committee (FICC) in this regard;

(c) whether Government intends to release the subsidy withheld for the period 2013-17; and

(d) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (RAO INDERJIT SINGH): (a) and (b) An amount of ₹ 96.84 crore

of subsidy has been withheld against the proposed recovery from Gujarat State Fertilizers and Chemicals Limited (GSFC) for the diversion of molten urea for non agricultural purposes, *i.e.* for the production of industrial product.

Department of Fertilizers is the competent authority to take decision in the matter.

(c) No subsidy has been withheld for the period 2013-17 in respect of GSFC.

(d) In view of the above, question does not arise.

Retail margin on generic drugs

42. SHRI K.C. RAMAMURTHY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of countries that are prescribing generic medicines in place of branded ones;

(b) whether it is a fact that as per a study conducted by Indian Journal of Pharmacology, the retail margin on generic drugs is as high as 1000 per cent of manufacturing cost;

(c) if so, the response of Government on the above study; and

(d) the response of Government to some doctors' view that all generic drugs are not as effective as the branded ones?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): (a) Every country has its own standards and its own laws and regulations for prescribing medicines which are done keeping in view of the particular requirements of the country.

(b) A Research Article published in Indian Journal of Pharmacology in April 2011 said that margins for retailer were very high for branded-generics. The retailer margin for five branded medicines examined in the study was in the range of 25-30%, but for their branded-generics versions manufactured by the same company, it was much higher.

(c) Both generic and branded medicines are treated alike for fixation of ceiling price under the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013). As per DPCO, 2013, all manufacturers of Scheduled medicines (branded or generic) have to sell their products within the ceiling price fixed by the Government. The DPCO, 2013 provides that 16% of price to retailer shall be allowed as a margin to retailer, while fixing ceiling price of scheduled formulations and retail prices of new drugs.