

Vintage Allowance of 5% each both in respect of capacity utilization norm and consumption norm for urea units that had been in operation for ten years or more, was introduced during the 5th Pricing Period w.e.f 1.4.1988 as one of the pricing parameters within the overall framework of the Retention Price Scheme. The policy parameters/norms including vintage allowance for the 5th Pricing Period were continued for the 6th Pricing Period i.e. upto 30.6.1997. A Group of Ministers (GoM) has been constituted to look into the various aspects of the urea pricing including vintage allowance. GoM has taken note of the response/suggestions of the fertilizer industry also in this regard. Final policy parameters norms for 7th and 8th Pricing Periods would be announced after approval of the competent authority.

#### **FDI in domestic pharma sector**

5423. SHRI GHULAM NABI AZAD:

DR. T. SUBBARAMI REDDY:

SHRIMATI AMBIKA SONI:

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

(a) whether the new drug policy provides for 100 per cent Foreign Direct Investment in the domestic pharma sector;

(b) if so, whether this limit was raised from 51 per cent to 74 per cent in March, 2000;

(c) if so, the reasons for increasing the same to 100 per cent; and

(d) **by when** this drug policy would be announced?

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE):** (a) to (d) The Pharmaceutical Policy — 2002, announced in February 2002, provides that foreign investment upto 100% will be permitted, subject to stipulations laid down from time to time in the Industrial Policy, through the automatic route in the case of all bulk drugs cleared by Drug Controller General (India), all their intermediates and formulations except in the case of bulk drugs produced by the use of recombinant DNA technology, bulk drugs requiring in-vivo use of nucleic acids as the active principles and specific cell/tissue targeted formulations. This has been done with a view to further

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**RAJYA SABHA**

liberalising the Foreign Direct Investment regime. Earlier, the limit was raised from 51% to 74% vide Press Note No. 2(2000 Series) dated 11th February, 2000 issued by the Department of Industrial Policy and Promotion, followed by a Press Release in March 2000 by the Department of Chemicals and Petrochemicals amending the "Modifications in Drug Policy 1986" announced in September, 1994.

**Subsidy to fertilizer plants in Tamil Nadu**

**5424. PROF. M. SANKARALINGAM:** Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of subsidy extended to the fertilizer companies in the country in general and Tamil Nadu in particular during the last three years;

(b) whether the production of fertilizer has improved during the same period;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE):** (a) Urea being the only fertilizer under statutory price, distribution and movement control, is covered under Retention Price Scheme and is eligible for payment of subsidy. Details of subsidy given to urea companies in the country during the last three years are given in the table below:

		Rs. in crore
Sl. Period No.	Amount of subsidy paid to urea companies in the country	
1. 1999-2000	8670.00	
2. 2000-2001	9480.00	
3. 2001-2002	8257.00	