

cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality, etc. The Government takes corrective measures where the public interest is found to be adversely affected.

Functioning of fertilizer companies

†353. SHRIMATI SAROJ DUBEY:
SHRI MOOLCHAND MEENA:

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

(a) whether it is a fact that fertilizer producing companies have been held responsible for their functioning;

(b) if so, the details thereof; and

(c) the salient features of fertilizer policy with special reference to subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) to (c) A new pricing policy for urea units has been formulated keeping in view the recommendations of Expenditure Reforms Commission for replacing the existing Retention Price Scheme (RPS). The new scheme will aim at greater transparency, uniformity and efficiency in subsidy disbursements to urea units and will induce urea manufacturing units to take cost reduction measures and be competitive. The new scheme will be implemented in stages. Stage-I would be of one year duration, from 1.4.2003 to 31.3.2004. Stage-II would be of two years duration, from 1.4.2004 to 31.3.2006. The modalities of the subsequent stages would be decided after review of the implementation of the Scheme during the Stage-I and Stage-II:

There will be six groups based on vintage and freestock for determining the group based concession under the new Scheme, namely, pre-1992 gas based units, post-1992 gas based units, pre-1992 naphtha based units, post-1992 naphtha based units, fuel oil/low sulphur heavy stock (FO/LSHS) based units and mixed energy based units.

†Original notice of the question was received in Hindi.

In Stage-I, i.e. from 1.4.2003 to 31.3.2004, the allocation of urea under the Essential Commodities Act, 1955 (ECA) will be restricted up to 75% and 50% of installed capacity (as reassessed) of each unit in Kharif 2003 and Rabi 2003-04, respectively. The supply of urea to the farmers will be at Maximum Retail Price (MRP) anywhere in the country both in the case of urea under ECA allocation and decontrolled urea. During Stage-II, urea distribution will be totally decontrolled after having evaluated the Stage-I.

Life saving drugs

354. SHRI MANOJ BHATTACHARYA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are aware that the prices of drugs and medicines, particularly life saving drugs have attained soaring height; and

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

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) and (b) The Drugs (Prices Control) Order, 1995 does not make any distinction between life saving drugs and other drugs. In accordance with the provisions of the said Order, the National Pharmaceutical Pricing Authority (NPPA) fixes prices of the drugs listed in its first schedule and formulations based thereon. Prices of non-scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc.

An analysis of data (December, 1998—December, 2001) of ORG-MARG, which publishes monthly reports of "Retail Store Audit-Market for Pharmaceutical Products in India" revealed the following position with respect to prices of medicines having a minimum annual sale value of Rs. 1.00 crore:

- (i) Price of 2557 such medicines which appeared during all three years of 1999 to 2001 were analysed.