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STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2020-21)

SEVENTEENTH LOK SABHA

MINISTRY OF CHEMICALS AND FERTILIZERS

(DEPARTMENT OF PHARMACEUTICALS)

[Action Taken by the Government on the Observations / Recommendations contained in the Fourth Report of the Standing Committee on Chemicals and Fertilizers (Seventeenth Lok Sabha) on "Demands for Grants" of the Ministry of Chemical and Fertilizers (Department of Pharmaceuticals)]



ELEVENTH REPORT

LOK SABHA SECRETARIAT

NEW DELHI

FEBRUARY, 2021 /MAGHA, 1942 (SAKA)

REPORT
STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2020-21)

(SEVENTEENTH LOK SABHA)

MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT PHARMACEUTICALS)

[Action Taken by the Government on the Observations / Recommendations contained in the Fourth Report of the Standing Committee on Chemicals and Fertilizers (Seventeenth Lok Sabha) on "Demands for Grants" (2019-20)" of the Ministry of Chemical and Fertilizers (Department of Pharmaceuticals)]



Presented to Lok Sabha on 11.02.2021

Laid in Rajya Sabha on 11.02.2021

LOK SABHA SECRETARIAT
NEW DELHI

FEBRUARY, 2021/MAGHA, 1942 (SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2019-20)**

Smt. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2	Shri Maulana Badruddin Ajmal
3	Shri Ramakant Bhargava
4	Shri Prataprao Govindrao Patil Chikhlikar
5	Shri Rajeshbhai Naranbhai Chudasama,
6	Shri Ramesh Chandappa Jigajinagi
7	Shri Kripanath Mallah
8	Shri Satyadev Pachauri
9	Smt Aparupa Poddar
10	Shri Arun Kumar Sagar
11	Shri M. Selvaraj
12	Shri Pradeep Kumar Singh
13	Shri Uday Pratap Singh
14	Shri Nandigam Suresh
15	Er. Bishweswar Tudu
16	Shri H. Vasanthakumar
17	Shri Prabhubhai Nagarbhai Vasava
18	Dr. M.K Vishnu Prasad.
19	Shri Deepak Bajj
20	Dr. Manoj Rajoria
21	Shri Shriniwas Dadasaheb Patil

RAJYA SABHA

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaque Karim
25	Shri Vijay Pal Singh Tomar
26	Shri Arun Singh
27	Shri P. Selvarasu^
28	Shri A.D. Singh^
29	Shri K. Vanlalvena^
30	Vacant*
31	Vacant

SECRETARIAT

1.	Shri Manoj K. Arora	-	Officer on Special Duty
2.	Shri A.K. Srivastava	-	Director
3.	Shri C. Kalyanasundaram	-	Additional Director
4.	Ms Sonia Sankhla	-	Assistant Committee Officer

^Nominated to the Committee w.e.f 22.07.2020.

**Shri Amar Singh expired on 01.08.2020.*

COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS

(2020-21)
Smt. Kanimozhi Karunanidhi - Chairperson
MEMBERS
LOK SABHA

2	Shri Maulana Badruddin Ajmal
3	Shri Deepak Baij
4	Shri Ramakant Bhargava
5	Shri Prataprao Govindrao Patil Chikhalikar
6	Shri Rajeshbhai Naranbhai Chudasama,
7	Shri Ramesh Chandappa Jigajinagi
8	Shri Pakauri Lal
9	Shri Kripanath Mallah
10	Shri Satyadev Pachauri
11	Smt Aparupa Poddar
12	Dr. M.K.Vishnu Prasad
13	Shri Atul Kumar Singh alias Atul Rai
14	Shri Arun Kumar Sagar
15	Shri M. Selvaraj
16	Shri Pradeep Kumar Singh
17	Shri Uday Pratap Singh
18	Shri Indra Hang Subba
19	Shri Er. Bishweswar Tudu
20	Shri Prabhubhai Nagarbhai Vasava
21	Dr. Sanjeev Kumar Singari#

RAJYA SABHA

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaque Karim
25	Shri M.V. Shreyams Kumar
26	Shri Jaiprakash Nishad
27	Shri Anthiyur P. Selvarasu
28	Shri Arun Singh\$
29	Shri A.D. Singh
30	Shri Vijay Pal Singh Tomar
31	Shri K. Vanlalvena

SECRETARIAT

1.	Shri Manoj K. Arora	-	Officer on Special Duty
2.	Shri A.K. Srivastava	-	Director
3.	Shri C. Kalyanasundaram	-	Additional Director
4.	Ms Sonia Sankhla	-	Assistant Committee Officer

\$Re-nominated to the Committee w.e.f. 23.12.2020.

#Nominated to the Committee w.e.f 28.12.2020 vice Shri Nandigam Suresh

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2019-2020) having been authorised by the Committee to submit the Report on their behalf, present this Eleventh Report (Seventeenth Lok Sabha) on Action Taken by the Government on the observations/ recommendations contained in the Fourth Report (Seventeenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers (2019-20) on Demand for Grants (2019-20) pertaining to the Department of Pharmaceuticals.

2. The Fourth Report (Seventeenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers was presented to Lok Sabha on 12.12.2019 and laid in Rajya Sabha on 12.12.2019. The Action Taken replies of Government to all observations / recommendations contained in the Report were received on 18.05.2020. The Standing Committee on Chemicals and Fertilizers (2019-20) considered and adopted this Report at their sitting held on 11.08.2020 and 12.10.2020 respectively.

3. An analysis of the Action Taken by the Government on the observations/recommendations contained in the Eleventh Report (Seventeenth Lok Sabha) of the Committee is given in **Appendix-II**.

4. For facility of reference and convenience, the further Comments of the Committee have been printed in bold letters in **Chapter-I** of the Report.

New Delhi;
8 February, 2021
19 Magha, 1942 (Saka)

KANIMOZHI KARUNANIDHI
Chairperson
Standing Committee on
Chemicals and Fertilizers

INTRODUCTORY

This Report of the Standing Committee on Chemicals and Fertilizers (2019-20) deals with the action taken by the Government on the Observations / Recommendations contained in the fourth Report (17th Lok Sabha) of the Committee on 'Demands for Grants (2019-20)' of the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) which was presented to Lok Sabha on 12.12.2019. In all, the Committee made 14 Observations / Recommendations in the Report.

1.2 The Ministry of Chemicals & Fertilizers (Department of Pharmaceuticals) were requested to furnish replies to the Observations/ Recommendations contained in the Fourth Report within three months from the date of presentation of the Report, i.e. by 12.03.2020. The Action Taken Replies of the Government in respect of all the 14 Observations / Recommendations contained in the Report have been received from the Ministry of Chemicals and Fertilizers (Department of Fertilizers) *vide* their O.M No. 23003/3/2019 dated 18.05.2020. These Replies have been examined and categorized as follows:-

- (i) Observations/Recommendations that have been accepted by the Government:

Rec. Nos. 1,2,3,4,5,6,7,11,13 & 14 (Total =10)

Included in Chapter-II of the Report

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply:

Rec. Nos. Nil (Total=Nil)

Included in Chapter-III of the Report

- (iii) Observations/Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration-

Reco. Nos. Nil (Total=Nil)

Included in Chapter IV of the Report

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited-

Reco Nos. 8,9,10 &12

(Total =4)

Included in Chapter V of the Report

1.3 The Committee desire that the Action Taken Notes on Observations / Recommendations contained in Chapter-I of this Report and the Final Replies in respect of Observations / Recommendations contained in Chapter-V for which final replies are still awaited should be furnished expeditiously.

1.4 The Committee will now deal with action taken by the Government on some of their Observations / Recommendations which still require reiteration or merit comments as enumerated in Chapter I.

CHAPTER 1

(Recommendations on which comments have been made by the Committee)

Recommendation No.1

1.5 The Committee had made the following observations / recommendations with regard to inadequate budget allocations for the Department for 2019-20 :-

“The Committee are constrained to note that only Rs. 235.51 crore could be allocated by the Ministry of Finance out of Rs. 398.05 crore proposed by the Department of Pharmaceuticals for the current financial year 2019-20. The proposed amount of Rs. 398.05 crore included Rs. 366.05 crore for Central Sector Schemes. In view of the curtailed allocation, the Department had to spread thinner allocation amongst its Central Sector Schemes totaling to Rs. 204.30 crore. In this regard, the Committee note the views expressed by the Department that the reduction in outlay would have an adverse impact on the implementation of various Schemes and will not be sufficient to achieve the targets fixed by the Department for its major Central Sector Schemes. As per the details given by the Department, development of National Institute of Pharmaceutical Education and Research (NIPER), implementation of Umbrella Scheme of Development of Pharmaceutical Industry and also the Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP) are likely to be affected due to reduced allocation of funds. Since it is a vital sector concerning health upkeep of the entire population of the country, the Committee strongly recommend that the Ministry of Finance should consider the proposals of the Department for allocation of funds to the various Central Sector Schemes of the Department and allocate requisite amount of funds for the Schemes of the Department at RE stage during 2019-20. The Department should also take up this matter at the highest level with the Ministry of Finance and this recommendation made by the Committee should be conveyed to that Ministry for necessary action at its level.”

Reply of the Government

1.6 The Department of Pharmaceuticals, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under:-

“Department of Pharmaceuticals has proposed total budget estimates amounting to Rs. 398.05 crore for FY 2019-20. But it was curtailed to

Rs. 235.51 crore. Out of the proposed budget estimates by DoP an amount of Rs. 366.05 crore was kept for Central Sector Schemes. Curtailed allocation resulted in thin allocation among the Central Sector Schemes. Due to this fact implementation of Jan Aushadhi Scheme (PMBJP), NIPER, Development of Pharmaceuticals, and Consumer Awareness Publicity and Price Monitoring (CAPP) was adversely affected.

The matter has been taken up at the highest level and the Hon'ble Minister of Chemicals & Fertilizers requested the Union Finance Minister for allocating the funds sought by Department at RE 2019-20 (Rs. 1635.58 crore) stage and BE 2020-21 (Rs. 694.05 crore). However, the Department has been allocated Rs. 562.33 crore for RE 2019-20 and Rs. 333.58 crore for BE 2020-21. The Department was able to utilize 99.63% of its RE (i.e Rs. 560.25 crore) as on 31.3.2020. However, the recommendation of the committee has been noted for better utilization of funds in future."

Comments of the Committee

1.7 The Committee are pleased to note that the Ministry of Finance has raised the budgetary allocation for the Department from Rs. 235.51 crore at BE stage to Rs 526.33 crore at RE stage during 2019-20 and that a higher budgetary allocation of Rs. 333.58 core has been made at BE stage for the year 2020-21. Since the Department has received the desired push on financial front, the Committee are hopeful that the same will be resulted in effective and efficient implementation of schemes under the Department. It is expected that the Department would focus on timely utilization of funds by expediting its decision making process and planning for effective implementation of schemes and programmes of the Department. Further, considering the current COVID-19 pandemic related health emergency in the country, the Committee recommend that the budgetary support to the Department of Pharmaceuticals should be further increased for effective implementation of Schemes under the Department and particularly

emphasis should be laid on the Umbrella Scheme of Development of Pharmaceutical Industry which is aimed at overall development of pharmaceutical industry in the country.

Recommendation No.2

1.8 The Committee had made the following observations / recommendations with regard to budgetary support of Department to BPPI :-

“The Committee appreciate that the guiding Principle of Bureau of Pharma Public Sector Undertakings of India (BPPI) which implements the important scheme of PMBJP to continuously strive to increase its revenue and decrease its operating cost so that it 35 sustain its operations through internal resources. During 2019-20, BPPI will approximately need Rs. 245 crore for running its operations. Out of this, it is in a position to generate Rs. 202.50 crore from its operations and only Rs. 42.50 crore is required by it as grant from the Government. The Committee while appreciating the efforts of BPPI to be completely self sustainable in the implementation of PMBJP, are of the firm view that the objective of the PMBJP to provide generic medicines at affordable prices to the people should not in any way diluted and therefore recommend that the Government should provide grants to BPPI till it completely attains its self-sustainability. Department should place its demand for additional fund requirements for implementation of PMBJP during 2019-20 with the Ministry of Finance for allocation of funds at RE stage and convey the views expressed by this Committee in this regard.”

Reply of the Government

1.9 The Department of Pharmaceuticals, in their Action Taken Reply has stated as under :-

“The recommendation of the Committee has been noted for further compliance.”

Comments of the Committee

1.10 The Committee note that Bureau of Pharma Public Sector Undertakings of India (BPPI) is continuously striving for complete self sufficiency in implementation of PMBJP. During 2019-20, out of Rs. 245

crore required by BPPI for implementation of the Scheme, Rs. 202.50 crore was generated by it from its operation and only Rs. 42.50 crore was sought as grant from the Department /Government. In view of the mandate of PMBJP to provide quality generic medicines at affordable prices to the people particularly the poor and needy, the Committee had recommended that the Government should provide grants to BPPI till it completely attains self – sustainability. The committee are happy to note that the same has been noted by the Department for further compliance. The Committee hope that utmost importance would be given by the Department for the large scale implementation of this important Scheme and the gap between the fund requirement and fund generation would be fully met by the Department till BPPI attains self sustainability.

Recommendation No.4

1.11 The observations/ recommendations of the Committee regarding opening PMBJP Kendras in Primary Health Centers were as under :-

“The Committee note that the Department has requested the State Governments to allot space in Primary Health Centers with free electricity for opening PMBJP kendras in rural and remote areas including mountainous, hilly and tribal areas. The Committee recommend that sincere efforts should be made by the Department to convince the State 36 Governments to provide space in PHCs to open PMBJP kendras in rural, remote, hilly and tribal areas. Progress made in this regard should also be conveyed to the Committee.”

Reply of the Government

1.12 Action Taken Reply of the Department of Pharmaceuticals in this regard is as under :-

“Department of Pharmaceuticals and the Bureau of Pharma PSUs of India (BPPI) had written letters to Principal Secretaries (Health and Family Welfare) of all States/UTs requesting to provide rent free space in Government Hospital for opening Jan Aushadhi Kendras. The Department has written request letters to Hon’ble Chief Ministers and Chief Secretaries of these states to open Jan Aushadhi Kendras in maximum number of Government Hospital to make available quality generic medicines at affordable prices. Secretary, Department of Pharmaceuticals has also written request letters to Chief Secretaries of all States/UTs on 26.12.2019.”

Comments of the Committee

1.13 The Committee note that the Department has written to all the State Governments/Union Territories to provide rent free space in Government hospitals for opening Jan Aushadhi Kendras. However, the thrust of the earlier recommendation was providing rent free space in Primary Health Centres with free electricity for opening PMBJP Kendras in rural and remote areas including mountainous, hilly and tribal areas. Since the poor and needy people visit PHCs often particularly in rural and remote areas including mountainous, hilly and tribal areas, the Committee recommend again that the Department and BPPI would impress upon the State Governments to provide rent free space and free electricity in PHCs for opening PMBJP Kendras in rural and remote areas including mountainous, hilly and tribal areas.

Recommendation No.5

1.14 The Committee had made the following observations / recommendations regarding coverage of PMBJP Kendra in a district :-

“The Committee note that presently on an average 8 PMBJP Kendras are functioning in a district and this may be increased to 9 kendras in a district by the end of the year. In Committee's view, this number of PMBJP kendras may not be sufficient to meet the lofty ideal of the Scheme to provide quality generic medicines at affordable prices to the people as it would be difficult

to people to travel long distances in search of a PMBJP kendra particularly when they are in urgent need of medicines. The Committee, therefore, recommend to open more PMBJP kendras in every district in the country so as to benefit more number of people.”

Reply of the Government

1.15 The Department of Pharmaceuticals, in their Action Taken Reply has stated as under :-

“The Department is committed to increase the outreach of Jan Aushadhi Kendras to more people particularly in aspirational districts in the country. As on 30.04.2020, 6321 Jan Aushadhi Kendras are functional in 726 districts of the country. The Department is taking proactive steps to open more Kendras and cover the remaining districts of the country in this Financial Year i.e. 2020-2021.”

Comments of the Committee

1.16 The Committee are pleased to note that 6321 Jan Aushadhi Kendras are functional in 726 districts of the country. This works out to be an average of about 8.7 BMBJP kendras in a district. Even though the Department is taking proactive steps to open more Kendras and proposes to cover the remaining districts of the country in this Financial Year i.e. 2020-2021, the Committee feel that the present number of PMBJP kendras in a particular district is not sufficient to meet the needs of people for quality generic medicines at affordable prices and therefore recommend again to open more PMBJP kendras in every district in the country so as to make it easily accessible for the masses.

Recommendation No.6

1.17 With regard to implementation of the Umbrella Scheme of the Department "Scheme for Development of Pharmaceutical Industry" the Committee had observed / recommended as under :-

“The Committee are concerned to note that the Umbrella Scheme of the Department namely "Scheme for Development of Pharmaceutical Industry" largely remains non-starter due to various issues involving implementation of the Scheme. This is a Central Sector Scheme with a total outlay of Rs. 480 crore for a three year period from 2017-18 to 2019-20. About Rs. 4.64 crore has only been spent during the period from 2017-18 to 2018-19 and an allocation of Rs. 8.29 crore has only been made for 2019- 20. This Scheme includes five sub-schemes viz. Assistance to Pharmaceutical Industry for Common Facilities (APICF); Assistance to Bulk Drug Industry for Common Facility Centre; Assistance to Medical Device Industry for Common Facility Centre ; Pharmaceuticals Technology Upgradation Assistance Scheme (PTUAS); and Pharmaceutical Promotion and Development Scheme (PPDS). The Committee find that only token allocation of Rs. 1 lakh has been made for the sub-schemes of Pharmaceuticals Technology Upgradation Assistance Scheme, Assistance to Bulk Drug 37 Industry for Common Facility Centre and Assistance to Medical Device Industry for Common Facility Centre during 2019-20. These schemes are running into third year of their implementation and still only token allocation has been made for 2019-20. Since it is the flagship scheme of the Department aimed at overall development of the Pharmaceutical industry, the Committee recommend the following:- (i) Immediate and effective steps should be taken by the Department for actual implementation of these schemes from the current financial year onwards. The progress made in this regard should be conveyed to the Committee on each of the sub-scheme. (ii) Third Party evaluation of all sub-schemes should be conducted and corrective steps should be taken based on the evaluation for flawless implementation of the Schemes. Similarities in the sub-schemes may also be studied for suitable action. (iii) Fresh proposals have come under the sub-schemes. All these proposals should be scrutinized as per scheme guidelines and timely approvals should be accorded on these proposals. Since budgetary allocation of only Rs. 8.30 crore has been made for the entire umbrella scheme, funds required for implementation of the sub-schemes should be obtained at RE stage during 2019-20. Scheme-wise details of action taken in this regard should be furnished to the Committee within three months. (iv) Immediate steps should be taken for implementation of the important Sub- scheme "Pharmaceuticals Technology Upgradation Assistance Scheme. The process of selection of a Public Sector Financial Institution to implement the Scheme should be expedited and the progress made in this regard should be conveyed to the Committee in the Action Taken Replies.”

Reply of the Government

1.18 The Department of Pharmaceuticals, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

“Status of implementation of Umbrella scheme for Development of Pharmaceutical Industry:

Assistance to Bulk Drug Industry for Common facility Centre:

The existing sub-scheme of Department of Pharmaceuticals termed as “Assistance to Bulk Drug Industry for Common facility Centre” under the umbrella scheme for Development of Pharmaceutical Industry proposed to provide a one-time grant-in-aid to the tune of Rs.100 crore per Bulk Drug Park CFC or 70% of the project cost, whichever is less, for creation of common facilities in the upcoming Bulk Drug Park promoted by State Government/State Corporations.

Bulk drug manufacturing industry is highly capital intensive and to develop one Bulk Drug Park of world class facilities, it is felt that an investment of around Rs.1000 Crore per park would be required. Since the present financial assistance of Rs 100 Crore per Bulk Drug Park is quite inadequate for the effective implementation of the scheme, it was decided to revise the existing sub-scheme. The revised scheme has been approved by the Union Cabinet on 20.03.20 and is now termed as “Promotion of Bulk Drug Parks”. The total size of the Scheme is Rs.3000 Crore and tenure of the Scheme will be five years (2020-21 – 2024-25).

The scheme will provide grant-in-aid to 3 Bulk Drug Parks with a maximum limit of Rs.1000 Crore per park or 70% of the project cost of Common Infrastructure Facilities, whichever is less. In case of hilly states and North East Region, the grant-in-aid would be Rs.1000 Crore per park or 90% of the project cost of Common Infrastructure Facilities, whichever is less. The Common Facilities at the Park would provide easy access to standard testing and infrastructure facilities and reduce the manufacturing cost significantly. The scheme would be implemented through a State Implementing Agency (SIA). The guidelines of the sub-scheme are under preparation.

Assistance to Medical Device Industry for Common Facility Centre:

The existing sub-scheme of Department of Pharmaceuticals termed as “Assistance to Medical Device Industry for Common Facility Centre” under the umbrella scheme for Development of Pharmaceutical Industry proposed to provide a one-time grant-in-aid to the tune of Rs.25 Crore or 70% of the project cost, whichever is less, for creation of common facilities in the upcoming medical device parks.

Since the common facilities creation requires a large investment and the grant provided under the existing scheme was very less, it was decided to revise the existing sub-scheme so as to provide adequate funds to upcoming medical device parks for creation of common facilities. The revised scheme has been approved by the Cabinet on 20.03.20 and is now termed as “Promotion of Medical Device Parks”. The total size of the Scheme is Rs.400 Crore and tenure of the Scheme will be five years (2020-21 – 2024-25).

The scheme will provide grant-in-aid to four (4) Medical Device Parks with a maximum limit of Rs.100 Crore per park or 70% of the project cost of Common Infrastructure Facilities, whichever is less. In case of hilly states and North East Region, the grant-in-aid would be Rs.100 Crore per park or 90% of the project cost of Common Infrastructure Facilities, whichever is less. This would reduce the manufacturing cost significantly and create a robust ecosystem for medical device manufacturing in the country. The scheme would be implemented through a State Implementing Agency (SIA). The guidelines of the sub-scheme are under preparation.

Assistance to Pharmaceutical Industry for Common Facilities:

Assistance under the sub-scheme is admissible for creation of Common Facilities by Government as well as Private Entrepreneurs in pharma sector. Under this sub-scheme grant-in-aid for creation of identified infrastructure and common facilities will be granted to a Special Purpose Vehicle (SPV) set up for the purpose. Maximum limit for the grant-in-aid under this sub-scheme would be Rs. 20 Crore per Cluster or 70% of the project cost of Common Facilities, whichever is less. It is proposed to promote pharma units in existing 10 pharma clusters by 2024-25. To implement this sub-scheme for 2020-2025, a total sum of Rs. 200 Crore would be required. An EFC note for the same is under preparation.

Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS):

In the change scenario, some amendments in the PTUAS have been proposed and included in the Umbrella scheme as one of the Sub-Schemes for which an EFC Memorandum has already been moved by the Department. Third Party evaluation for all the sub-schemes including PTUAS has been initiated and report is under finalisation.

One of the major reasons for delay in operationalisation of the sub-scheme was due to non-boarding of any Public Sector Financial Institution (PSFI) through open competitive bidding. In the revised guidelines, both options of the appointing PSFI through open competitive bidding or by nominations are included. In case, no PSFI comes on board through open competitive bidding, then the Department will appoint one eligible PSFI by nomination to implement the sub-scheme.

New Schemes under the Umbrella Scheme:

In addition, the Cabinet has approved on 20.03.2020 two Production Linked Incentive (PLI) Schemes for Bulk Drugs and Medical devices industry to promote their domestic manufacturing and to address their high import dependence. These schemes are to be included under the umbrella scheme for development of Pharmaceutical Industry. The detailed Scheme Guidelines are under preparation. The highlights of the two schemes are as follows:

Production Linked Incentive (PLI) scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMS)/ drug intermediates and Active Pharmaceutical Ingredients (APIS) in India.

Under the scheme, financial incentive is given to eligible manufacturers of critical KSMS/Drug Intermediates and APIs on their incremental sales over the base year (FY 2019-20) for a period of 7 years. The rate of incentive will be 20 % (of incremental sales value) for fermentation based bulk drugs and 10% for chemical synthesis based bulk drugs. A total outlay of Rs. 6,940 Crore has been approved for the scheme for a period of 07 years subsequent to the base year. The scheme would be implemented through a Project Management Agency (PMA) to be nominated by the Department of Pharmaceuticals. With the successful implementation of this Scheme it is expected that India would be well positioned as a global hub for manufacturing of critical KSMS/Drug Intermediates and APIs along with the final drug formulations.

Production Linked Incentive (PLI) scheme for promoting domestic manufacturing of Medical Devices.

Under the scheme, financial incentive of 5% is given on the incremental production / sales of targeted medical device segments over the base year (FY 2019-20) for a period of 6 years. The target for PLI Scheme is to provide assistance to about 25-30 manufacturers under the following categories of medical devices:-

- a. Cancer care/Radiotherapy medical devices,
- b. Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices,
- c. Anesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices and
- d. All Implants including implantable electronic devices like Cochlear Implants and Pacemakers.

A total outlay of Rs. 3,420 Crore has been approved for the scheme for a period of 06 years. The scheme would be implemented through a Project Management Agency (PMA) to be nominated by the Department of Pharmaceuticals. The PLI Scheme is expected to boost domestic manufacturing, attract large investments and lead to substantial reduction in import in the medical device sector, particularly in the identified target segments.

Status of third party evaluation of the umbrella scheme for Development of Pharmaceutical Industry:

The work of Third Party Evaluation of the Scheme "Development of Pharmaceutical Industry" was awarded to Centre for Global Development Research Private Ltd. (CGDR). As per the terms, it was directed to submit the report before 18.03.2020. However, on the request of CGDR vide their email dated 16.03.2020, an extension upto 31.03.2020 was given. However, due to present COVID pandemic, CGDR could not submit the report. The CGDR vide its email dated 27.04.2020 has informed the Department that they would submit the report within a week."

Comments of the Committee

1.19 The Committee note that specific steps have been taken by the Department to implement the sub schemes of the Umbrella Scheme for

Development of Pharmaceutical Industry viz. Assistance to Pharmaceutical Industry for Common Facilities (APICF), Assistance to Bulk Drug Industry for Common Facility Centre, Assistance to Medical devices Industry for Common Facility Centre; Pharmaceutical Technology Up-gradation Assistance Scheme (PTUAS) and Pharmaceutical Promotion and Development Scheme. The revised scheme on 'Assistance to Bulk Drug Industry for Common Facility Centre' has been approved by Union Cabinet on 20.03.2020 and has been renamed as 'Promotion of Bulk Drug Parks'. The total size of the scheme is Rs. 3000 crore for next 5 years (2020-21 to 2024-25). It has revised the one time grant- in-aid for setting up one Bulk Drug Park Common Facility Centre from Rs. 100 crore or 70% of the project cost to around Rs. 1000 crore per park or 70% of the project cost. Similarly, the scheme on 'Assistance to Medical Device Industry for Common Facility Centre' has been renamed as 'Promotion of Medical Device Park'. This scheme will now provide grant- in- aid to four Medical Device Park with maximum limit of Rs. 100 crore per park or 70% of the project cost of CFC. Earlier it was only Rs. 25 crore or 70% of the project cost of CFC. Further, the Department proposes to promote pharma units in existing 10 pharma clusters by 2024-25 under Assistance to Pharmaceutical Industry for Common Facilities Scheme. But for implementation of this Scheme, the Department requires a financial outlay of Rs. 200 crore for the period 2020 to 2025 for which Expenditure Finance Committee (EFC) note is under process. To kick start Pharmaceutical Technology Upgradation Assistant (PTUAS), the Department has revised its guidelines, now Public Sector Financial Institution (PSFI) can be appointed by open competitive bidding as well as

by nomination. The Department has also conducted third Party evaluation of all sub-schemes and its report is under finalization stage. In addition, the Cabinet has also approved on 20.3.2020 two new Production Linked Incentive schemes for Bulk Drugs and Medical Devices industries with the objective to promote domestic manufacturing and to contain import dependence. The Committee feel that the launching of these two new schemes with the outlay of Rs. 6940 crore for next 7 years and Rs. 3420 crore for next 6 years respectively is a step in the right direction. These are the initial steps taken by the Department for the holistic development of pharmaceutical industry in the country and concrete and effective steps are necessary for successful implementation of these revised and new schemes. The Committee would therefore like to be apprised of the progress made in regard to implementation of each of the above Schemes. The Committee should also be informed about the outcome of third party evaluation and action taken thereon.

Recommendations No.10 and 11

1.20 With regard to regular campus facility in all NIPERs the Committee had observed / recommended as under :-

“The Committee also note that only NIPER at Mohali is functioning from its own premises and all other NIPERs have been allotted land for construction of their regular campus. As of now, about 90% construction of campus of NIPER Guwahati has been completed. NIPER Ahmedabad has finalized the design of campus and recently issued tender. The construction of campus would commence by January, 2020, subject to provision of additional funds by Ministry of Finance. In case of other NIPERs, though Expenditure Finance Committee has decided to defer construction till March, 2020, the individual Institutes have been advised to take steps to finalize drawings of their campus so that the construction of campuses can

commence immediately on approval of Expenditure Finance Committee. The Committee are concerned to note that out of seven NIPERs, only NIPER, Mohali is having its own campus. Since NIPERs are institutions of national importance which imparts post graduate and doctorate education and conduct research in various streams of Pharmaceuticals, it is very much necessary that they have state of the art infrastructure and laboratory facilities. The Committee, therefore, recommend that immediate necessary steps should be taken by the Department for the construction of regular campuses for all the six NIPERs within a definite period of time.”

1.21 The Committee had made the following observations / recommendations with regard to additional fund allocation required for NIPERs :-

“The Committee are further concerned to note that the Department had sought Rs. 250.00 crore for seven NIPERs in BE 2019-20. However, Ministry of Finance has allocated only Rs 150.00 crore to NIPERs. This financial allocation is not adequate to achieve the targets. The Committee also note that Expenditure Finance Committee in its meeting held on 26.03.2018 approved Rs. 959.53 crore for the period 2017-18 to 2019-20. However, only Rs. 465.77 crore has been allocated for the period. Recently, the Department has sent a request to Ministry of Finance to allocate additional Rs 300.00 crore including Rs 25.00 crore to urgently fill up the regular posts of faculty and non-faculty in six NIPERs and Rs 275.00 crore for the purchase of equipments and machineries for six NIPERs and completion of the construction of NIPER Guwahati campus and starting of construction of NIPER Ahmedabad campus and the proposal is pending with the Ministry of Finance. Since the fund allocation is very much necessary for full-fledged functioning of these NIPERs, the Committee recommend that the Department should take up this matter of additional requirement of Rs. 300 crore during 2019-20 for NIPERs at highest level with the Ministry of Finance for allocation of the funds at RE stage. This recommendation of the Committee may also be sent to that Ministry for its compliance.”

Reply of the Government

1.22 The Department of Pharmaceuticals, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

“NIPER-Guwahati has already started functioning from its new regular campus. A provision of Rs. 22.00 crore have been made in the BE 2020-2021 to complete the remaining construction work of the campus of the

Institute. An amount of Rs. 20.00 crore has been allocated in BE 2020-21 to NIPER- Ahmedabad to start construction work of the campus. As regard construction of campus of NIPER-Raebareli, Kolkata, Hajipur and Hyderabad, the Department will take up the matter with the Department of Expenditure in the fresh Expenditure Finance Committee (EFC) Proposal.

A Proposal for seeking additional funds of Rs. 300.00 crore for NIPERs from the fund allocated in EFC was sent to the Department of Expenditure, but only additional Rs. 10.00 crore were approved in RE 2019-20. An amount of Rs. 202.45 crore has been allocated to NIPERs for BE 2020-21.”

Comments of the Committee

1.23 Since NIPERs are being set up with the objective to run them as institutes of national importance in the field of pharmaceutical education and research, the Committee recommended that immediate necessary steps should be taken by the Department for construction of regular campuses for all six NIPERs with in a definite period of time. As of now, only NIPER Guwahati has started functioning from its new regular campus and an amount of Rs. 20 crore has been allocated in BE 2020-21 to NIPER Ahmedabad for construction of its campus. As regards other four NIPERs viz. Raebarelli, Kolkata, Hajipur and Hyderabad, the Department will take up the matter with Department of Expenditure in the fresh Expenditure Finance Committee (EFC) proposal. The Committee are sanguine that the Department would be successful in getting the requisite amount of funds from EFC and would complete the construction of campus of other five NIPERs in a time bound manner. The requirement of funds for the construction of campuses for the above mentioned NIPERS should be clearly stated in the EFC proposal and the Department should pursue the matter vigorously with the

Ministry of Finance for early clearance of EFC proposal. The Committee may be informed about the progress made in this regard.

Recommendation No. 12

1.24 The Committee had made the following observations / recommendations with regard to setting up of four new NIPERs:-

“The Committee note that the setting up of four new NIPERs at Madurai, Tamil Nadu and in the states of Rajasthan, Chhattisgarh and Maharashtra has been deferred by Expenditure Finance Committee till March, 2020 so as to consolidate the present NIPERs first. In this regard, the Committee recommend that process of starting of these NIPERs should begin at the right earnest so that these States would also be benefitted of this institution of national importance.”

Reply of the Government

1.25 The Department of Pharmaceuticals, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

“EFC in its meeting held on 26.03.2018 had deferred setting up of the proposed four new NIPERs at Madurai, Maharashtra, Chhattisgarh and Rajasthan. It was also suggested that the same may be reviewed in the year 2020 by the Department during the Fifteenth Finance Commission period (2020-2025). Accordingly, the matter will be taken up with the Department of Expenditure through EFC, after third party evaluation of the Scheme, which is under progress.”

Comments of the Committee

1.26 The Committee note that the matter regarding setting up of four new NIPERs at Madurai, Maharashtra, Chhattisgarh and Rajasthan will be taken up with the Department of Expenditure through EFC, after third party evaluation of the Scheme, which is under progress. Since Fifteenth Finance

Commission (2020-2025) period has already commenced, the Committee feel that it is expedient that Department prepare the EFC proposal and place the same before EFC at the earliest for setting up of these four NIPERS in a time bound manner.

Recommendation No. 14

1.27 The Committee had made the following observations / recommendations with regard to Assistance to Price Monitoring Resource Units (PMRUs) :-

“The Committee note that ‘Assistance to Price Monitoring Resource Units (PMRUs)’ is one of the component of Consumer Awareness Publicity and Price Monitoring (CAPP) scheme under which Government of India has initiated setting up of Price Monitoring and Resource Units (PMRU) at the States/Union Territories that would provide all necessary support to the State drug Controllers and National Pharmaceuticals Pricing Authority (NPPA) to trickle down benefits of the Drugs Prices Control Order (DPCO), 2013 at the grass root level. This Scheme is being implemented by NPPA. PMRUs are societies registered under Societies Registration Act having their own Memorandum of Association/ Bye Laws. The Committee note that 10 PMRUs have been established in the states of Kerala, Gujarat, Odisha, Rajasthan, Haryana, Nagaland, 43 Tripura, Uttar Pradesh, Punjab and Andhra Pradesh. The Department has fixed target for setting up two more PMRUs during 2019-20 and to cover all states/ Union Territories by 2023-24. In this regard, the Committee note that the process of setting up of PMRUs largely depends upon the preparedness and cooperation of the respective State Government and their respective State Drug Controllers/ Food and Drug Administrators. Since PMRUs will be helpful in monitoring prices of drugs at grass root level, the Committee recommend that concrete steps should be taken by the Department for the setting up of PMRUs in all the states/ UTs by 2023-24. In case of non-cooperation by any states/UTs, this matter may be taken at Chief Minister level by stating the benefits of the Scheme.”

Reply of the Government

1.28 The Department of Pharmaceuticals, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

“ As per the revised target for the year 2019-20, PMRUs have been set up in total 12 States/ UTs, viz., Kerala, Gujarat, Odisha, Rajasthan, Haryana, Nagaland, Tripura, Uttar Pradesh, Punjab, Andhra Pradesh, Mizoram and Jammu & Kashmir.

The suggestion of the Committee to take the concrete steps for setting up of PMRUs in all the States/ UTs by F.Y. 2023.-24 and in case of non-cooperation by any States/ UTs, matter may be taken at Chief Minister level by stating the benefits of the Scheme, is noted for action, if required in due course.

In the BE 2020-21, a total budget provision of Rs.4.50 crore is made for Consumer Awareness, Publicity and Price Monitoring (CAPP), this scheme has 2 components, namely i) Assistance to Project Monitoring Resource Units(PMRUs)(Rs.2.50 crore) and ii) Advertising and Publicity of CAPP (Rs.2.00 crore).”

Comments of the Committee

1.29 The Committee note that Price Monitoring Resource Units (PMRUs) have been set up in 12 States viz., Kerala, Gujarat, Odisha, Rajasthan, Haryana, Nagaland, Tripura, Uttar Pradesh, Punjab, Andhra Pradesh, Mizoram and Jammu & Kashmir and that the Department is committed to set up PMRUs all States/UTs by 2023-24. However, the Committee are concerned to note that only Rs.2.50 crore has been allocated in the BE of 2020-21 for Assistance to PMRUs which appears to be grossly inadequate for opening new PMRUs in other States and Union territories which are yet to be covered. The Committee, therefore, recommend that the additional funds required for setting up of PMRUs should be sought from the Ministry of Finance at RE stage of 2020-21 and the Budget Estimates for 2021-22 and 2022-23 should also be finalized on the basis of fund requirement for setting up of PMRUs in all states/UTs The Committee may be informed about the action taken in this regard.

CHAPTER – II

OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No.1

2.1 The Committee are constrained to note that only Rs. 235.51 crore could be allocated by the Ministry of Finance out of Rs. 398.05 crore proposed by the Department of Pharmaceuticals for the current financial year 2019-20. The proposed amount of Rs. 398.05 crore included Rs. 366.05 crore for Central Sector Schemes. In view of the curtailed allocation, the Department had to spread thinner allocation amongst its Central Sector Schemes totaling to Rs. 204.30 crore. In this regard, the Committee note the views expressed by the Department that the reduction in outlay would have an adverse impact on the implementation of various Schemes and will not be sufficient to achieve the targets fixed by the Department for its major Central Sector Schemes. As per the details given by the Department, development of National Institute of Pharmaceutical Education and Research (NIPER), implementation of Umbrella Scheme of Development of Pharmaceutical Industry and also the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) are likely to be affected due to reduced allocation of funds. Since it is a vital sector concerning health upkeep of the entire population of the country, the Committee strongly recommend that the Ministry of Finance should consider the proposals of the Department for allocation of funds to the various Central Sector Schemes of the Department and allocate requisite amount of funds for the Schemes of the Department at RE stage during 2019-20. The Department should also take up this matter at the highest level with the Ministry of Finance and this recommendation made by the Committee should be conveyed to that Ministry for necessary action at its level.

Reply of the Government

2.2 Department of Pharmaceuticals has proposed total budget estimates amounting to Rs. 398.05 crore for FY 2019-20. But it was curtailed to Rs. 235.51 crore. Out of the proposed budget estimates by DoP an amount of Rs. 366.05 crore was kept for Central Sector Schemes. Curtailed allocation resulted in thin allocation among the Central Sector Schemes. Due to this fact implementation of Jan Aushadhi Scheme (PMBJP), NIPER, Development of Pharmaceuticals, and Consumer Awareness Publicity and Price Monitoring (CAPP) was adversely affected.

The matter has been taken up at the highest level and the Hon'ble Minister of Chemicals & Fertilizers requested the Union Finance Minister for allocating the funds sought by Department at RE 2019-20 (Rs. 1635.58 crore) stage and BE 2020-21 (Rs. 694.05 crore). However, the Department has been allocated Rs. 562.33 crore for RE 2019-20 and Rs. 333.58 crore for BE 2020-21. The Department was able to utilize 99.63% of its RE (i.e Rs. 560.25 crore) as on 31.3.2020. However, the recommendation of the committee has been noted for better utilization of funds in future.

COMMENTS OF THE COMMITTEE

(Please see Para No. 1.7 of Chapter- I of the Report)

Recommendation No.2

2.3 The Committee appreciate that the guiding Principle of Bureau of Pharma Public Sector Undertakings of India (BPPI) which implements the important scheme of PMBJP to continuously strive to increase its revenue and decrease its operating cost so that it sustains its operations through internal resources. During 2019-20, BPPI will approximately need Rs. 245 crore for running its operations. Out of this, it is in a position to generate Rs. 202.50 crore from its operations and only Rs. 42.50 crore is required by it as grant from the Government. The Committee while appreciating the efforts of BPPI to be completely self-sustainable in the implementation of PMBJP, are of the firm view that the objective of the PMBJP to provide generic medicines at affordable prices to the people should not in any way diluted and therefore recommend that the Government should provide grants to BPPI till it completely attains its self-sustainability. Department should place its demand for additional fund requirements for implementation of PMBJP during 2019-20 with the Ministry of Finance for allocation of funds at RE stage and convey the views expressed by this Committee in this regard.

Reply of the Government

2.4 The recommendation of the Committee has been noted for further compliance.

COMMENTS OF THE COMMITTEE

(Please see Para No. 1.10 of Chapter- I of the Report)

Recommendation No. 3

2.5 The Committee are happy to note that 1200 PMBJP Kendras are proposed to be opened during 2019-20. Presently there are 5300 Kendras in 675 districts and target has been fixed for increasing the number of Kendras to 6200 in 723 districts during 2019-20. Likewise product basket of medicines is also proposed to be increased from 900 to 1200 during the year. In this regard, the Committee recommend that concrete steps should be taken to achieve the targets fixed for opening of PMBJP Kendras and to expand the product basket during the year as more Kendras with considerable product basket would benefit more people to get generic medicines at affordable prices. The progress made in this regard may be apprised to the Committee.

Reply of the Government

2.6 The Department has already opened 6321 PMBJP Kendras as on 30.04.2020. Out of these 1166 Kendras have been opened in Financial Year 2019-20. The Scheme has covered 726 districts out of 728 districts of the country. The Department is taking proactive steps to open more Kendras and cover the remaining 2 districts of the country in this Financial Year i.e. 2020-21. As on 30.04.2020, there are 1250 medicines and 204 surgicals in the product basket of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP).

Recommendation No. 4

2.7 The Committee note that the Department has requested the State Governments to allot space in Primary Health Centres with free electricity for opening PMBJP Kendras in rural and remote areas including mountainous, hilly and tribal areas. The Committee recommend that sincere efforts should be made by the Department to convince the State Governments to provide space in PHCs to open PMBJP Kendras in rural, remote, hilly and tribal areas. Progress made in this regard should also be conveyed to the Committee.

Reply of the Government

2.8 Department of Pharmaceuticals and the Bureau of Pharma PSUs of India (BPPI) had written letters to Principal Secretaries (Health and Family Welfare) of all States/UTs requesting to provide rent free space in Government Hospital for opening Jan Aushadhi Kendras. The Department has written request letters to Hon'ble Chief Ministers and Chief Secretaries of these states to open Jan Aushadhi Kendras in maximum number of Government Hospital to make available quality generic medicines at affordable prices. Secretary, Department of

Pharmaceuticals has also written request letters to Chief Secretaries of all States/UTs on 26.12.2019.

COMMENTS OF THE COMMITTEE

(Please see Para No. 1.13 of Chapter- I of the Report)

Recommendation No. 5

2.9 The Committee note that presently on an average 8 PMBJP Kendras are functioning in a district and this may be increased to 9 kendras in a district by the end of the year. In Committee's view, this number of PMBJP kendras may not be sufficient to meet the lofty ideal of the Scheme to provide quality generic medicines at affordable prices to the people as it would be difficult to people to travel long distances in search of a PMBJP kendra particularly when they are in urgent need of medicines. The Committee, therefore, recommend to open more PMBJP kendras in every district in the country so as to benefit more number of people.

Reply of the Government

2.10 The Department is committed to increase the outreach of Jan Aushadhi Kendras to more people particularly in aspirational districts in the country. As on 30.04.2020, 6321 Jan Aushadhi Kendras are functional in 726 districts of the country. The Department is taking proactive steps to open more Kendras and cover the remaining districts of the country in this Financial Year i.e. 2020-2021.

COMMENTS OF THE COMMITTEE

(Please see Para No.1.16 of Chapter- I of the Report)

Recommendation No. 6

2.11 The Committee are concerned to note that the Umbrella Scheme of the Department namely "Scheme for Development of Pharmaceutical Industry" largely remains non-starter due to various issues involving implementation of the Scheme. This is a Central Sector Scheme with a total outlay of Rs. 480 crore for a three year period from 2017-18 to 2019-20. About Rs. 4.64 crore has only been spent during the period from 2017-18 to 2018-19 and an allocation of Rs. 8.29 crore has only been made for 2019-20. This Scheme includes five sub-schemes viz. Assistance to Pharmaceutical Industry for Common Facilities (APICF); Assistance to Bulk Drug Industry for Common

Facility Centre; Assistance to Medical Device Industry for Common Facility Centre; Pharmaceuticals Technology Upgradation Assistance Scheme (PTUAS); and Pharmaceutical Promotion and Development Scheme (PPDS). The Committee find that only token allocation of Rs. 1 lakh has been made for the sub-schemes of Pharmaceuticals Technology Upgradation Assistance Scheme, Assistance to Bulk Drug Industry for Common Facility Centre and Assistance to Medical Device Industry for Common Facility Centre during 2019-20. These schemes are running into third year of their implementation and still only token allocation has been made for 2019-20. Since it is the flagship scheme of the Department aimed at overall development of the Pharmaceutical industry, the Committee recommend the following:-

- (i) Immediate and effective steps should be taken by the Department for actual implementation of these schemes from the current financial year onwards. The progress made in this regard should be conveyed to the Committee on each of the sub-scheme.**
- (ii) Third Party evaluation of all sub-schemes should be conducted and corrective steps should be taken based on the evaluation for flawless implementation of the Schemes. Similarities in the sub-schemes may also be studied for suitable action.**
- (iii) Fresh proposals have come under the sub-schemes. All these proposals should be scrutinized as per scheme guidelines and timely approvals should be accorded on these proposals. Since budgetary allocation of only Rs. 8.30 crore has been made for the entire umbrella scheme, funds required for implementation of the sub-schemes should be obtained at RE stage during 2019-20. Scheme-wise details of action taken in this regard should be furnished to the Committee within three months.**
- (iv) Immediate steps should be taken for implementation of the important Sub- scheme "Pharmaceuticals Technology Upgradation Assistance Scheme.**

The process of selection of a Public Sector Financial Institution to implement the Scheme should be expedited and the progress made in this regard should be conveyed to the Committee in the Action Taken Replies.

Reply of the Government

2.12 Status of implementation of Umbrella scheme for Development of Pharmaceutical Industry:

Assistance to Bulk Drug Industry for Common facility Centre:

2.13 The existing sub-scheme of Department of Pharmaceuticals termed as “Assistance to Bulk Drug Industry for Common facility Centre” under the umbrella scheme for Development of Pharmaceutical Industry proposed to provide a one-time grant-in-aid to the tune of Rs.100 crore per Bulk Drug Park CFC or 70% of the project cost, whichever is less, for creation of common facilities in the upcoming Bulk Drug Park promoted by State Government/State Corporations.

Bulk drug manufacturing industry is highly capital intensive and to develop one Bulk Drug Park of world class facilities, it is felt that an investment of around Rs.1000 Crore per park would be required. Since the present financial assistance of Rs 100 Crore per Bulk Drug Park is quite inadequate for the effective implementation of the scheme, it was decided to revise the existing sub-scheme. The revised scheme has been approved by the Union Cabinet on 20.03.20 and is now termed as “Promotion of Bulk Drug Parks”. The total size of the Scheme is Rs.3000 Crore and tenure of the Scheme will be five years (2020-21 – 2024-25).

The scheme will provide grant-in-aid to 3 Bulk Drug Parks with a maximum limit of Rs.1000 Crore per park or 70% of the project cost of Common Infrastructure Facilities, whichever is less. In case of hilly states and North East Region, the grant-in-aid would be Rs.1000 Crore per park or 90% of the project cost of Common Infrastructure Facilities, whichever is less. The Common Facilities at the Park would provide easy access to standard testing and infrastructure facilities and reduce the manufacturing cost significantly. The scheme would be implemented through a State Implementing Agency (SIA). The guidelines of the sub-scheme are under preparation.

Assistance to Medical Device Industry for Common Facility Centre:

The existing sub-scheme of Department of Pharmaceuticals termed as “Assistance to Medical Device Industry for Common Facility Centre” under the umbrella scheme for Development of Pharmaceutical Industry proposed to provide a one-time grant-in-aid to the tune of Rs.25 Crore or 70% of the project cost, whichever is less, for creation of common facilities in the upcoming medical device parks.

Since the common facilities creation requires a large investment and the grant provided under the existing scheme was very less, it was decided to revise the existing sub-scheme so as to provide adequate funds to upcoming medical device parks for creation of common facilities. The revised scheme has been approved by the Cabinet on 20.03.20 and is now termed as “Promotion of Medical Device Parks”. The total size of the Scheme is Rs.400 Crore and tenure of the Scheme will be five years (2020-21 – 2024-25).

The scheme will provide grant-in-aid to four (4) Medical Device Parks with a maximum limit of Rs.100 Crore per park or 70% of the project cost of Common Infrastructure Facilities, whichever is less. In case of hilly states and North East Region, the grant-in-aid would be Rs.100 Crore per park or 90% of the project cost of Common Infrastructure Facilities, whichever is less. This would reduce the manufacturing cost significantly and create a robust ecosystem for medical device manufacturing in the country. The scheme would be implemented through a State Implementing Agency (SIA). The guidelines of the sub-scheme are under preparation.

Assistance to Pharmaceutical Industry for Common Facilities:

Assistance under the sub-scheme is admissible for creation of Common Facilities by Government as well as Private Entrepreneurs in pharma sector. Under this sub-scheme grant-in-aid for creation of identified infrastructure and common facilities will be granted to a Special Purpose Vehicle (SPV) set up for the purpose. Maximum limit for the grant-in-aid under this sub-scheme would be Rs. 20 Crore per Cluster or 70% of the project cost of Common Facilities, whichever is less. It is proposed to promote pharma units in existing 10 pharma clusters by 2024-25. To implement this sub-scheme for 2020-2025, a total sum of Rs. 200 Crore would be required. An EFC note for the same is under preparation.

Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS):

In the change scenario, some amendments in the PTUAS have been proposed and included in the Umbrella scheme as one of the Sub-Schemes for which an EFC Memorandum has already been moved by the Department. Third Party evaluation for all the sub-schemes including PTUAS has been initiated and report is under finalisation.

One of the major reasons for delay in operationalisation of the sub-scheme was due to non-boarding of any Public Sector Financial Institution (PSFI) through open competitive bidding. In the revised guidelines, both options of the appointing PSFI through open competitive bidding or by nominations are included. In case,

no PSFI comes on board through open competitive bidding, then the Department will appoint one eligible PSFI by nomination to implement the sub-scheme.

New Schemes under the Umbrella Scheme:

In addition, the Cabinet has approved on 20.03.2020 two Production Linked Incentive (PLI) Schemes for Bulk Drugs and Medical devices industry to promote their domestic manufacturing and to address their high import dependence. These schemes are to be included under the umbrella scheme for development of Pharmaceutical Industry. The detailed Scheme Guidelines are under preparation. The highlights of the two schemes are as follows:

Production Linked Incentive (PLI) scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMS)/ drug intermediates and Active Pharmaceutical Ingredients (APIS) in India.

Under the scheme, financial incentive is given to eligible manufacturers of critical KSMS/Drug Intermediates and APIs on their incremental sales over the base year (FY 2019-20) for a period of 7 years. The rate of incentive will be 20 % (of incremental sales value) for fermentation based bulk drugs and 10% for chemical synthesis based bulk drugs. A total outlay of Rs. 6,940 Crore has been approved for the scheme for a period of 07 years subsequent to the base year. The scheme would be implemented through a Project Management Agency (PMA) to be nominated by the Department of Pharmaceuticals. With the successful implementation of this Scheme it is expected that India would be well positioned as a global hub for manufacturing of critical KSMS/Drug Intermediates and APIs along with the final drug formulations.

Production Linked Incentive (PLI) scheme for promoting domestic manufacturing of Medical Devices.

Under the scheme, financial incentive of 5% is given on the incremental production / sales of targeted medical device segments over the base year (FY 2019-20) for a period of 6 years. The target for PLI Scheme is to provide assistance to about 25-30 manufacturers under the following categories of medical devices:-

- e. Cancer care/Radiotherapy medical devices,
- f. Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices,
- g. Anesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices and
- h. All Implants including implantable electronic devices like Cochlear Implants and Pacemakers.

A total outlay of Rs. 3,420 Crore has been approved for the scheme for a period of 06 years. The scheme would be implemented through a Project Management Agency (PMA) to be nominated by the Department of Pharmaceuticals. The PLI Scheme is expected to boost domestic manufacturing, attract large investments and lead to substantial reduction in import in the medical device sector, particularly in the identified target segments.

Status of third party evaluation of the umbrella scheme for Development of Pharmaceutical Industry:

The work of Third Party Evaluation of the Scheme "Development of Pharmaceutical Industry" was awarded to Centre for Global Development Research Private Ltd. (CGDR). As per the terms, it was directed to submit the report before 18.03.2020. However, on the request of CGDR vide their email dated 16.03.2020, an extension upto 31.03.2020 was given. However, due to present COVID pandemic, CGDR could not submit the report. The CGDR vide its email dated 27.04.2020 has informed the Department that they would submit the report within a week.

COMMENTS OF THE COMMITTEE

(Please see Para No.1.19 of Chapter- I of the Report)

Recommendation No.7

2.14 The Committee note that there are five Central Public Sector Enterprises (CPSEs) under the administrative control of the Department of Pharmaceuticals. Of the five PSUs, two viz. Indian Drugs & Pharmaceuticals Limited (IDPL) & Hindustan Antibiotics Limited (HAL) are sick, Rajasthan Drugs & Pharmaceuticals Limited (RDPL) has reported losses since 2013-14 and is incipient sick. Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) & Bengal Chemicals & Pharmaceuticals Limited (BCPL) are profit making CPSEs. The Committee further note that IDPL, HAL and RDPL are making huge losses and the Government has decided to go for strategic sale of HAL which means its plant and machinery will be sold to a manufacturer through a competitive bid. As far as IDPL and RDPL are concerned, the Government propose to close these PSUs and to sell their assets to meet the liabilities. The Committee are concerned about the settlement of salary and other dues of the employees of these sick PSUs and in this

regard, the Committee note that the Department has moved file to the Ministry of Finance to either make necessary provision in RE of 2019-20 or to provide one-time grant before RE so as to pay the salaries and other dues of the employees. The Committee strongly recommend that the Department should take concrete steps to settle the salaries and other dues of the employees of these PSUs by taking up at highest level in the Ministry of Finance to either provide one-time grant or make adequate provision in the RE of 2019-20. The concern expressed by this committee should also be conveyed to the Ministry of Finance. The committee should be apprised of the progress made in this regard within three months of the presentation of this Report.

Reply of the Government

2.15 The projection of funds in RE 2019-20 was reflected by PSU Division. Further, D.O. letter dated 13.12.2019 from Secy (P) to Secy D/o Economic Affairs was issued requesting release of Rs.330.35 crore to PSUs to meet pending salaries and VRS as approved by the Cabinet dated 17.07.2019. Further, the matter was also taken up at the highest level and the Hon'ble Minister of Chemicals & Fertilizers requested the Union Finance Minister on 09.12.2019 for allocating the funds sought by the Department at RE 2019-20/BE 2020-21. Subsequently, M/o Finance has allocated Rs.160 crore in the First supplementary Demands for Grants 2019-20 for payment of employee's liabilities of unpaid salary/VRS of PSUs i.e. IDPL, RDPL and HAL. At RE 2019-20, the Ministry of Finance has allotted Rs.333.18 crore for settlement of dues of PSUs.

Recommendation No. 11

2.16 The Committee are further concerned to note that the Department had sought Rs. 250.00 crore for seven NIPERs in BE 2019-20. However, Ministry of Finance has allocated only Rs 150.00 crore to NIPERs. This financial allocation is not adequate to achieve the targets. The Committee also note that Expenditure Finance Committee in its meeting held on 26.03.2018 approved Rs. 959.53 crore for the period 2017-18 to 2019-20. However, only Rs. 465.77 crore has been allocated for the period. Recently, the Department has sent a request to Ministry of Finance to allocate additional Rs 300.00 crore including Rs 25.00 crore to urgently fill up the regular posts of faculty and non-faculty in six NIPERs and Rs 275.00 crore for the purchase of equipments and machineries for six NIPERs and completion of the construction of NIPER Guwahati campus and starting of construction of NIPER Ahmedabad campus and the proposal is pending with the Ministry of

Finance. Since the fund allocation is very much necessary for full-fledged functioning of these NIPERs, the Committee recommend that the Department should take up this matter of additional requirement of Rs. 300 crore during 2019-20 for NIPERs at highest level with the Ministry of Finance for allocation of the funds at RE stage. This recommendation of the Committee may also be sent to that Ministry for its compliance.

Reply of the Government

2.17 A Proposal for seeking additional funds of Rs. 300.00 crore for NIPERs from the fund allocated in EFC was sent to the Department of Expenditure, but only additional Rs. 10.00 crore were approved in RE 2019-20. An amount of Rs. 202.45 crore has been allocated to NIPERs for BE 2020-21.

COMMENTS OF THE COMMITTEE

(Please see Para No. 1.23 of Chapter- I of the Report)

Recommendation No. 13

2.18 The Committee note that the main functions of NPPA include fixation and revision of prices of scheduled formulations under the Drugs Price Control Order (DPCO), 2013. Hence they are fixing prices of almost 18.6 per cent of the medicines manufactured by entire Pharma industry. Prices of rest of the medicines/drugs which are non-scheduled drugs are not controlled by NPPA. Manufacturer can fix the price but the same cannot be increased by 10 per cent per annum. In Committee's view, prices of non-scheduled drugs which comprises 81.4% of the medicines/ drugs sold in the country should also be controlled by NPPA. In this regard, the committee note the admission made by the Department that there is huge margin between the cost and price of non-scheduled drugs and they need to work on it. Since it is very much necessary to control the prices of non-scheduled drugs, the committee recommend that suitable mechanism should be devised by the Department of Pharmaceuticals and NPPA to control the prices of non-scheduled drugs so as not to pinch the purses of common man.

Reply of the Government

2.19 The provisions of the Drugs Price Control Order (DPCO), 2013 are as per the National Pharmaceuticals Pricing Policy 2012. However, the recommendation of the committee has been taken note of.

Recommendation No. 14

2.20 The Committee note that ‘Assistance to Price Monitoring Resource Units (PMRUs)’ is one of the component of Consumer Awareness Publicity and Price Monitoring (CAPP) scheme under which Government of India has initiated setting up of Price Monitoring and Resource Units (PMRU) at the States/Union Territories that would provide all necessary support to the State drug Controllers and National Pharmaceuticals Pricing Authority (NPPA) to trickle down benefits of the Drugs Prices Control Order (DPCO), 2013 at the grass root level. This Scheme is being implemented by NPPA. PMRUs are societies registered under Societies Registration Act having their own Memorandum of Association/ Bye Laws. The Committee note that 10 PMRUs have been established in the states of Kerala, Gujarat, Odisha, Rajasthan, Haryana, Nagaland, Tripura, Uttar Pradesh, Punjab and Andhra Pradesh. The Department has fixed target for setting up two more PMRUs during 2019-20 and to cover all states/ Union Territories by 2023-24. In this regard, the Committee note that the process of setting up of PMRUs largely depends upon the preparedness and cooperation of the respective State Government and their respective State Drug Controllers/ Food and Drug Administrators. Since PMRUs will be helpful in monitoring prices of drugs at grass root level, the Committee recommend that concrete steps should be taken by the Department for the setting up of PMRUs in all the states/ UTs by 2023-24. In case of non-cooperation by any states/UTs, this matter may be taken at Chief Minister level by stating the benefits of the Scheme.

Reply of the Government

2.21 As per the revised target for the year 2019-20, PMRUs have been set up in total 12 States/ UTs, viz., Kerala, Gujarat, Odisha, Rajasthan, Haryana, Nagaland, Tripura, Uttar Pradesh, Punjab, Andhra Pradesh, Mizoram and Jammu & Kashmir.

The suggestion of the Committee to take the concrete steps for setting up of PMRUs in all the States/ UTs by F.Y. 2023.-24 and in case of non-cooperation by any States/ UTs, matter may be taken at Chief Minister level by stating the benefits of the Scheme, is noted for action, if required in due course.

In the BE 2020-21, a total budget provision of Rs.4.50 crore is made for Consumer Awareness, Publicity and Price Monitoring (CAPP), this scheme has 2 components, namely i) Assistance to Project Monitoring Resource Units(PMRUs)(Rs.2.50 crore) and ii) Advertising and Publicity of CAPP (Rs.2.00 crore).

COMMENTS OF THE COMMITTEE

(Please see Para No.1.29 of Chapter- I of the Report)

CHAPTER – III

**OBSERVATIONS / RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

NIL

CHAPTER – IV

**OBSERVATIONS / RECOMMENDATIONS IN RESPECT OF WHICH REPLIES
OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

NIL

CHAPTER – V

OBSERVATIONS / RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE OF INTERIM NATURE

Recommendation No. 8

5.1 In regard to other two profit making PSUs, the Committee note that the Government has decided to go for strategic investment of KAPL and strategic sale of BCPL. However, these processes are on hold due to court cases. In this regard, the Committee note that the Department of Pharmaceuticals has not supported the disinvestment of KAPL at any stage as KAPL is a profit making PSU since its inception and the Department has acknowledged its role in supply of generic medicines under various Government programmes. BCPL is also producer of anti-snake venom which is not produced by other PSUs. It has also brought turnaround in profits during the last three years. In Committee's view, co-existence of public sector and private Sector and the healthy competition between them would result in production of quality medicines at prices affordable to the people. KAPL and BCPL are profit making PSUs and their presence may be necessary for the supply of essential medicines during the time of natural calamities, other exigencies and outbreak of epidemics, etc. Moreover, the presence of PSUs in this sector may provide a level playing field as far as the prices of medicines are concerned. If this sector is entirely left to Private sector, prices of medicines may be fixed by them at their will in the absence of competition from Public Sector enterprises. The Committee, therefore, recommend that the policy decision to disinvest/sale of KAPL and BCPL should be revisited in view of their strategic importance and instead they should be strengthened with modernization, diversification and superior technical know-how so as to enable them remain competitive in this crucial sector. The Committee are of the view that the policy decision of the Government should be based on facts and figures.

Reply of the Government

5.2 The decisions of strategic disinvestment of BCPL and KAPL are as per the extant policy of the Government. Both the decisions are presently held up as the matters are pending before the Courts. A copy of the Recommendation of the Committee has already been forwarded to M/o of Finance (DIPAM) and NITI Aayog for reconsideration of the decision of strategic sale of KAPL & BCPL by PSU Division on 14.02.2020. However, their response/reply is awaited.

Recommendation No.9

5.3 The Committee note that there are seven NIPERs at Mohali, Guwahati, Ahmedabad, Hajipur, Raebareli, Kolkata and Hyderabad. Out of these only NIPER-Mohali, which was established in 1998, is fully operational and others which were operational since 2007-08 are functioning only with the help of Mentor Institutes. These new NIPERs are lacking infrastructure and regular academic and other staff. In this regard, the Committee are satisfied to note that in these six NIPERs, the faculty posts have been created in January 2019 and the Recruitment Rules of all these posts have been framed by the Department. NIPER Ahmedabad, Guwahati, Hyderabad, Kolkata and Raebareli have already issued advertisements for filling up of the posts. NIPER Hajipur is in the process of advertising the posts. It is expected that all the posts will be filled by NIPERs by December 2019. Since more than a decade is over after creation of NIPERs at Guwahati, Ahmedabad, Hyderabad, Kolkata and Raebareli, the Committee recommend that faculty and other posts of these NIPERs should be filled by regular staff before December, 2019 and the Committee should be apprised about the progress made in this regard.

Reply of the Government

5.4 NIPER-Ahmedabad, Guwahati, Hyderabad, Kolkata, Raebareli have filled up faculty and non-faculty posts based on the student's strength and requirement. NIPER-Hajipur has also issued advertisement for filing up of posts, but the selection has been withheld due to lockdown due to COVID 19 pandemic. It is expected that all the posts will soon be filled on normalisation of the situation.

Recommendation No.10

5.5 The Committee also note that only NIPER at Mohali is functioning from its own premises and all other NIPERs have been allotted land for construction of their regular campus. As of now, about 90% construction of campus of NIPER Guwahati has been completed. NIPER Ahmedabad has finalized the design of campus and recently issued tender. The construction of campus would commence by January, 2020, subject to provision of additional funds by Ministry of Finance. In case of other NIPERs, though Expenditure Finance Committee has decided to defer construction till March, 2020, the individual Institutes have been advised to take steps to finalize drawings of their campus so that the construction of campuses can commence immediately on approval of Expenditure Finance Committee. The Committee are concerned to note that out of seven NIPERs, only NIPER, Mohali is having its own campus. Since NIPERs are institutions of national

importance which imparts post graduate and doctorate education and conduct research in various streams of Pharmaceuticals, it is very much necessary that they have state of the art infrastructure and laboratory facilities. The Committee, therefore, recommend that immediate necessary steps should be taken by the Department for the construction of regular campuses for all the six NIPERs within a definite period of time.

Reply of the Government

5.6 NIPER-Guwahati has already started functioning from its new regular campus. A provision of Rs. 22.00 crore have been made in the BE 2020-2021 to complete the remaining construction work of the campus of the Institute.

An amount of Rs. 20.00 crore has been allocated in BE 2020-21 to NIPER-Ahmedabad to start construction work of the campus.

As regard construction of campus of NIPER-Raebareli, Kolkata, Hajipur and Hyderabad, the Department will take up the matter with the Department of Expenditure in the fresh Expenditure Finance Committee (EFC) Proposal.

COMMENTS OF THE COMMITTEE

(Please see Para No.1.23 of Chapter- I of the Report)

Recommendation No.12

5.7 The Committee note that the setting up of four new NIPERs at Madurai, Tamil Nadu and in the states of Rajasthan, Chhattisgarh and Maharashtra has been deferred by Expenditure Finance Committee till March, 2020 so as to consolidate the present NIPERs first. In this regard, the Committee recommend that process of starting of these NIPERs should begin at the right earnest so that these States would also be benefitted of this institution of national importance.

Reply of the Government

5.8 EFC in its meeting held on 26.03.2018 had deferred setting up of the proposed four new NIPERs at Madurai, Maharashtra, Chhattisgarh and Rajasthan. It was also suggested that the same may be reviewed in the year 2020 by the Department during the Fifteenth Finance Commission period (2020-2025).

Accordingly, the matter will be taken up with the Department of Expenditure through EFC, after third party evaluation of the Scheme, which is under progress.

COMMENTS OF THE COMMITTEE

(Please see Para No.1.26 of Chapter- I of the Report)

**New Delhi;
8 February, 2021
19 Magha, 1942 2 (Saka)**

**KANIMOZHI KARUNANIDHI
Chairperson
Standing Committee on
Chemicals and Fertilizers**

(Vide Para 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FOURTH REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2019-20) ON DEMAND FOR GRANTS (2019-20) OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF PHARMACEUTICALS).

I	Total No. of Recommendations	14
II	Observations / Recommendations which have been accepted by the Government: (Vide Recommendation Nos. 1, 2,3,4,5,6,7,11,13 and 14)	10
	Percentage of Total	71.43%
III	Observations / Recommendations which the Committee do not desire to pursue in view of the Government's reply:- (Vide Recommendation No. Nil)	Nil
	Percentage of Total	0.0%
IV	Observations / Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration:- (Vide Recommendation No. Nil)	Nil
	Percentage of Total	0.0%
V	Observations / Recommendations in respect of which final replies of the Government are still awaited: (Vide Recommendation Nos. 8,9,10 and 12)	4
	Percentage of Total	28.57%

**MINUTES OF THE TWELFTH SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2019-20)**

The Committee sat on Tuesday, the 11th August, 2020 from 1100 hrs. to 1430 hrs. in Committee Room No. 1 Block A, Extension to Parliament House Annexe Building, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

MEMBERS

LOK SABHA

2. Shri Ramakant Bhargava
3. Shri Satyadev Pachauri
4. Shri Arun Kumar Sagar
5. Shri Uday Pratap Singh
6. Dr. Manoj Rajoria

RAJYA SABHA

- 7 Dr. Anil Jain
- 8 Shri Vijay Pal Singh Tomar
- 9 Shri Arun Singh
- 10 Shri A. D. Singh

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri Manoj K. Arora | - | OSD (LSS) |
| 2. | Shri A. K. Srivastava | - | Director |
| 3. | Shri C. Kalyanasundaram | - | Additional Director |

2. First the Hon'ble Chairperson expressed her deep sorrow on the sad demise of Rajya Sabha Member Shri Amar Singh who was also a sitting Member of the Committee. The Committee observed two minutes silence as a mark of respect to the departed soul.

3. The Hon'ble Chairperson then welcomed three Rajya Sabha Members viz. Shri P.Selvarasu, Shri A.D.Singh and Shri Vanlalvena who have been nominated as Members of the Committee.

4. The Committee thereafter took up for consideration and adoption the following draft Action Taken Reports:

(i) Draft Action Taken Report on 'Demands for Grants 2019-20' (Department of Chemicals and Petrochemicals);

(ii) Draft Action taken report on 'Demands for Grants 2019-20' (Department of Fertilizers); and

(iii) Draft Action Taken report on 'Demands for Grants 2019-20' (Department of Pharmaceuticals).

5. After deliberations, the above mentioned Draft Action Taken Reports were unanimously adopted by the Committee without any changes/amendments.

Session II

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Session-III

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A copy of the recording of the proceedings of the sitting has been kept.

The Committee then adjourned.

xxx matters not related to this report.

**MINUTES OF THE FIRST SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2020-21)**

The Committee sat on Monday, the 12th October, 2020 from 1100 hrs. to 1145hrs.
in Committee Room 'B', Parliament House Annexe, New Delhi

Ms. Kanimozhi Karunanidhi - **Chairperson**

**MEMBERS
LOK SABHA**

2. Shri Deepak Bajj
3. Shri Ramesh Chandappa Jigajinagi
4. Shri Kripanath Mallah
5. Shri Satyadev Pachauri
6. Shri Arun Kumar Sagar
7. Shri Uday Pratap Singh
8. Shri Indra Hang Subba

RAJYA SABHA

9. Shri M.V. Shreyams Kumar
10. Shri Jaiprakash Nishad
11. Shri Anthiyur P. Selvarasu
12. Shri Arun Singh
13. Shri A.D. Singh
14. Shri Vijay Pal Singh Tomar
15. shri K. Vanlalvena

SECRETARIAT

1. Shri Manoj K. Arora - Officer on Special Duty (LSS)
2. Shri Anil Kumar Srivastava - Director
3. Shri Panna Lal - Under Secretary

Session I

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Session-II

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XXXX

2. The Committee thereafter took up for consideration and adoption of following draft Action Taken Reports:

- (i) Action Taken Report on Demands for Grants 2019-20 (Department of Chemicals and Petrochemicals);
- (ii) Action Taken Report on Demands for Grants 2019-20 (Department of Fertilizers);
- (iii) Action Taken Report on Demands for Grants 2019-20 (Department of Pharmaceuticals);
- (iv) Action Taken Report on Study of System of Fertilizer Subsidy (Department of Fertilizers).
- (v) Action Taken Report on Demands for Grants 2020-21 (Department of Chemicals and Petrochemicals);
- (vi) Action Taken Report on Demands for Grants 2020-21 (Department of Fertilizers);
- (vii) Action Taken Report on Demands for Grants 2020-21 (Department of Pharmaceuticals).

3. After deliberations, the Committee adopted the draft Action Taken Report(s) unanimously without any change/amendments. The Committee also authorized the Chairperson for finalize and present the Action Taken Reports to the Parliament.

4. The Committee also decided to hold its next sitting tentatively in the second week of November, 2020.

The Committee then adjourned.

XXXX matters not related to this report.