

respect of drugs not covered under the Drugs (Prices Control) Order, 1995 *i.e.* non-scheduled drugs, manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc.

(f) The prices of scheduled bulk drugs and formulations thereof are fixed in accordance with the provisions of DPCO, 1995. However, price of non-scheduled drugs are fixed by manufacturers themselves depending on various factors as mentioned in reply to Para (c) to (e) above.

Renewal of contracts of NIPER

735. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that a high powered Committee was constituted in the National Institute of Pharmaceutical Education and Research (NIPER), Mohali, to consider renewal of contracts by NIPER;

(b) whether the report of the Committee has been received, if so, what are the major recommendations and findings; and

(c) the reaction of Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) Yes, a committee has been constituted in the National Institute of Pharmaceutical Education and Research (NIPER) to review the existing Recruitment Rules. The Committee will see the renewal of the contract aspect as well. The Committee's report is awaited.

Keeping Urea in the list of controlled fertilizers

736. SHRIMATI MAYA SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is considering to review rate of secondary freight for Urea and if so, by when decision in this regard will be taken;

(b) whether Government is considering to bring Urea into the list of decontrolled fertilizers, if so, by when decision in this regard is likely to be taken; and

(c) whether there is adequate stock of Urea in the country, if so, reasons for very less allocation of Urea to Government of Madhya Pradesh under ECA; and

(d) whether ECA would be increased?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Under the Uniform Policy for freight subsidy on subsidized fertilizers, the freight is paid on transportation of fertilizers as rail freight and road freight. The rail freight is paid on actual whereas the road freight is paid on the basis of normative district leads and a normative per tonne per Km rate. There is no concept of secondary freight under the Uniform freight policy effective from 1st April, 2008.

†Original notice of the question was received in Hindi

(b) No, Sir.

(c) and (d) Yes, Sir. As per extant policy, Urea is the only fertilizer which is under partial movement and distribution control of the Government of India *i.e.*, only 50% of the indigenous production is regulated under ECA. One of the reasons for less ECA to Madhya Pradesh is likely inflow of Non-ECA quantity of Urea from two units of NFL, Vijaipur located in Madhya Pradesh.

The gap between the assessed requirement and indigenous availability of Urea is bridged through ECA allocations from Urea imported on Government Account.

The availability of Urea in Madhya Pradesh during the month of April, 09 to June, 09 of current Kharif 2009 has been over and above the assessed requirement as follows:

	(Qty. in '000' MT)		
Months	Requirement	Availability	Sales
April '09	26.00	75.17	15.85
May '09	71.5	123.77	30.98
June '09	136.50	185.49	103.72

Revival of Madras Fertilizers Ltd.

737. SHRI T.K. RANGARAJAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the financial restructuring proposal for the revival of Madras Fertilizers Limited (MFL) has been approved;

(b) what steps have been taken to produce NPK fertilizers in Madras Fertilizers Ltd., which is in great demand in southern part of India; and

(c) what steps have been taken to bring LNG to produce the fertilizer at cheaper rate in MFL?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) No, Sir. The company had appointed M/s. Deloitte Consultants for suggesting measures and road map for financial restructuring/ revival of the company. Based upon the report of the Consultant, MFL is finalizing a long term integrated plan to sustain its operations, utilize its unused or idle assets, and reduction in equity capital to reduce accumulated losses. The Government has recently approved amendment in the New Pricing Scheme-III for urea units which is expected to make urea operations of the company viable. The company may consider re-start of its NPK production depending upon the profitability of the operations.

Regarding supply of LNG to MFL, Department of Fertilizers has taken up the matter with Ministry of Petroleum & Natural Gas for early pipeline connectivity and availability of gas to enable conversion from Naphtha to gas. Ministry of Petroleum & Natural Gas has informed that the pipeline connectivity by RIL from Kakinada-Chennai is expected by December, 2011.