

categorized as non-scheduled drugs. In respect of non-scheduled formulations, which are not covered under price control, manufacturers fix their prices by themselves without seeking the approval of Government/NPPA. Also, there are no control on the launch price of the non-scheduled drugs/medicines. However, as a part of price-monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of IMS Health and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest.

Operating NFL plants by RLNG

816. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether in order to reduce Government subsidy outgo, National Fertilizers Limited (NFL) has converted fuel oil based fertilizer plants at Nangal, Bhatinda and Panipat to RLNG as feedstock at a whopping investment of Rs. 4000 crores;

(b) if so, whether NFL is getting sufficient quantity of RLNG to operate its plants at a cost lower than the cost of operating on fuel oil;

(c) whether a quoted price of RLNG the project has resulted into negative saving; and

(d) if so, the investment of Rs. 4000 crores having gone as waste, what action Government has taken and whether any accountability has been fixed?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The Government has announced on 6th March, 2009 a policy for conversion of FO/LSHS units to gas based units, which is applicable to NFL and GNVFC only. The conversion of plants to gas based will reduce the cost of production of urea which will result in savings in subsidy outgo on indigenous urea.

(b) The Department of Fertilizers has requested Ministry of Petroleum and Natural Gas for allocation of domestic gas to three units of NFL. Decision regarding allocation of gas as per decision of EGoM is awaited from Ministry of Petroleum and Natural Gas/GAIL. Meanwhile, NFL has tied up spot gas from M/s GAIL for the requirement at Nangal and Bathinda and with M/s IOCL for the requirement at Panipat, in the absence of allocation of domestic gas for these projects. Post commissioning, the total requirement of gas shall be met on spot basis till the allocation of domestic gas is made by the Government and no shortfall with respect to required quantity of gas is anticipated. The present price of spot gas is around USD 16-18/MMBTU against the present of FO/LSHS of around USD 22-24/MMBTU.

(c) Post conversion to gas, there shall be reduction in energy consumption in the range of 2-2.5 Gcal/MT urea at the respective Units. At the gas price of around USD 16-18/MMBTU against the present of FO/LSHS of around USD 22-24/MMBTU, there would be positive savings.

(d) In view of (b) and (c) above, question does not arise.

Implementation of nutrient based subsidy

817. DR. GYAN PRAKASH PILANIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is implementing the Nutrient Based Subsidy (NBS) Policy for decontrolled Phosphatic and Potassic (P&K) fertilizers, *w.e.f.* 1 April, 2010;

(b) if so, quantify the benefits that have accrued thereof, and

(c) the reaction of farmers thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) and (c) A formal study of the policy and its impact is yet to be conducted. However, there is a proposal under consideration to get the study done by a reputed consulting firm, which will include consultation with all stake holders including the farmers.