

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2061
ANSWERED ON:05.08.2003
FERTILIZER PRODUCING COMPANIES
GUNIPATI RAMAIAH

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

- (a) whether it is a fact that Fertilizer Producing Companies have been held responsible for their performance; and
- (b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) & (b) : The Government periodically reviews the performance of fertilizer producing companies with a view to ensuring adequate supply of fertilizers throughout the country and efficient production practices. However, in case of public and cooperative companies, the Government further monitors their overall operational and financial performance in terms of various parameters such as energy consumption norms, revenue/capital expenditure, project implementation, marketing cost and financial performance etc. Further, the Government also regulates the disbursement of subsidy to fertilizer companies under the New Pricing Scheme (NPS) for urea units and under the concession scheme for decontrolled phosphatic and potassic fertilizers. NPS has been introduced w.e.f. 1.4.2003 replacing the erstwhile Retention Price Scheme with a view to encourage greater transparency, uniformity and efficiency in subsidy payments and inducing urea units to take cost reduction measures on their own to be competitive.