

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

UNSTARRED QUESTION NO:6694
ANSWERED ON:06.05.2010
REVIEW OF UREA MARKETING POLICY
Rathwa Shri Ramsinhbhai Patalbhai

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

- (a) whether the Government has recently reviewed the urea Marketing Policy;
- (b) if so, the details in this regard;
- (c) whether the Government proposes to permit open market sale of 50 per cent urea and to keep 50 per cent urea under controlled sale in the interest of farmer community;
- (d) if so, whether the Government has constituted a committee to suggest measures for reviving sick/closed urea plants and to set up new gas based/coal based urea plants in the country; and
- (e) if so, the details thereof alongwith the composition, terms of reference and the stipulated period of submission of report by the said Committee?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (b): Government of India has decided to increase the Maximum Retail Price of urea by 10% , from Rs. 4830 PMT to Rs. 5310 PMT w.e.f. 1.4.2010. There is no change in marketing mechanisms of the urea.

(c): As per policy for stage –III of NPS for urea, the Government will continue to retain the authority to direct movement of urea stock upto 50% of production under Essential Commodities Act..

(d) to (e): Pursuant to the decision dated 30.10.2008, an Empowered Committee of Secretaries (ECOS) was constituted on 7.11.2008 under the Chairmanship of Secretary (Fertilizers) and Secretaries of Department of Expenditure, Department of Disinvestments, Planning Commission, Department of Public Enterprises and Ministry of Petroleum & Natural Gas as Members to look into all the financial models for revival of each of the closed units.

The Committee in its first meeting on 5.12.2008 had approved the Terms of Reference (TOR) for consultants and that FCIL and HFCL should finalize appointment of consultants as per the TOR already approved.

The second meeting of the ECOS was held on 24.08.2009 in which various financial models for revival were considered and it was decided to recommend the Revenue Sharing Model, for approval of the CCEA. M/s Deloitte India Pvt. Ltd. have been selected as Project Advisers for implementation of the selected options for revival of the closed units of Sindri, Ramagundam, Talcher and Gorakhpur in respect of FCIL and Durgapur Unit of HFCL. M/s PDIL has been appointed by HFCL as Consultant for evaluation of existing assets of the closed units and certification through Registered Valuer. ECOS has advised to obtain the approval of CCEA for the recommended Revenue Sharing Model for revival before implementation of the same. At present, DOF is in the process of finalizing the note on the subject for Inter-ministerial circulation.