

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

UNSTARRED QUESTION NO:2047
ANSWERED ON:23.08.2012
MONITORING OF ECONOMIC STATUS OF FERTILIZER MANUFACTURERS
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the Government is regularly monitoring the economic status and efficiency of public sector and cooperative fertilizer manufacturers;
- (b) if so, the details thereof;
- (c) the details of fertilizer manufacturer units which have been found fully efficient and to which Government has to provide per tonne lesser subsidy;
- (d) whether the Government proposes to encourage these capable units for their expansion;
- (e) if so, the details thereof; and
- (f) the quantum of Government capital in cooperative institutions?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): Yes, Madam. Government regularly monitors the economic status and efficiency of public sector and cooperative fertilizer manufacturers by taking measures such as review of monthly and quarterly performance, setting up of targets for the companies in the Memorandum of Understanding (MoU) signed every year in terms of the Department of Public Enterprises (DPE) guidelines and monitoring it regularly through Quarterly Review Meetings (QRMs) held under the Chairmanship of Secretary.

(c) to (e): The New Pricing Scheme III dated 8.3.2007 and New Investment Policy dated 8.9.2008, introduced by the Department of Fertilizers, made provision for incentives for achieving efficiency in both capacity utilisation and energy consumption. Out of the 18 urea manufacturing units in public sector and cooperatives, 12 units are operating at 100% or more of their reassessed capacities. So far as energy efficiency is concerned, except for 4 units all of them have been operating with energy consumption below pre-set technical energy norms. Details of capacity utilisation, energy efficiency and per unit subsidy payment to the urea manufacturing units in public sector and co-operatives during 2011-12 is at Annexure-I

(f) : Only one cooperative society namely Krishak Bharti Cooperative Limited (KRIBHCO) is under the administrative control of Department of Fertilizers. As on date, Government's equity in KRIBHCO is Rs 188.90 crore. KRIBHCO had forwarded two cheques of the value of Rs 91.40 crore towards repatriation of Government of India equity which have been returned to KRIBHCO. If these repatriations are accepted by the Department, the Government of India's equity would be reduced to Rs. 97.50 crore.