

(SEVENTEENTH LOK SABHA) TWENTY-THIRD REPORT

REVIEW OF PENDING ASSURANCES PERTAINING TO THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)

Presented to Lok Sabha on 09/03/2021



LOK SABHA SECRETARIAT NEW DELHI

March, 2021/Phalguna, 1942 (Saka)

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COMPOSITION OF THE COMMITTEE ON GOVERNMENT ASSURANCES* (2020 - 2021)

SHRI RAJENDRA AGRAWAL

Chairperson

MEMBERS

- 2. Shri Sudip Bandyopadhyay
- 3. Shri Nihal Chand Chauhan
- 4. Shri Gaurav Gogoi
- 5. Shri Nalin Kumar Kateel
- 6. Shri Ramesh Chander Kaushik
- 7. Shri Kaushalendra Kumar
- 8. Shri Ashok Mahadeorao Nete
- 9. Shri Santosh Pandey
- 10. Shri Pashupati Kumar Paras
- 11. Shri M.K. Raghavan
- 12. Shri Chandra Sekhar Sahu
- 13. Dr. Bharatiben Dhirubhai Shyal
- 14. Shri Indra Hang Subba
- 15. Smt. Supriya Sule

SECRETARIAT

- 1. Shri Pawan Kumar
- 2. Shri Lovekesh Kumar Sharma
- 3. Shri S. L. Singh

Joint Secretary

Director

Deputy Secretary

^{*} The Committee has been constituted w.e.f. 09 October 2020 <u>vide</u> Para No. 1773 of Lok Sabha Bulletin Part-II dated 16 October, 2020.

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INTRODUCTION

I, the Chairperson of the Committee on Government Assurances (2020-2021), having been authorized by the Committee to submit the Report on their behalf, present this Twenty-Third Report (17th Lok Sabha) of the Committee on Government Assurances.

- 2. The Committee on Government Assurances (2019-2020) at their sitting held on 10 August, 2020 took oral evidence of the representatives of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) regarding pending Assurances.
- 3. At their sitting held on 03 December, 2020, the Committee on Government Assurances (2020-2021) considered and adopted this Report.
- 4. The Minutes of the aforesald sittings of the Committee form part of this Report.
- 5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI; 0<u>5 March,2021</u> 14 Phalguna, 1942 (Saka) RAJENDRA AGRAWAL, CHAIRPERSON, COMMITTEE ON GOVERNMENT ASSURANCES



REPORT

I. Introductory

The Committee on Government Assurances scrutinize the Assurances, promises, undertakings, etc., given by the Ministers from time to time on the floor of the House and report the extent to which such Assurances, promises and undertakings have been implemented. Once an Assurance has been given on the floor of the House, the same is required to be implemented within a period of three months. The Ministries/Departments of the Government of India are under obligation to seek extension of time required beyond the prescribed period for fulfilment of the Assurance. Where a Ministry/Department is unable to implement an Assurance, that Ministry/Department is bound to request the Committee for dropping it. The Committee consider such requests and approve dropping, in case, they are convinced that grounds cited are justified. The Committee also examine whether the implementation of Assurances has taken place within the minimum time necessary for the purpose and the extent to which the Assurances have been implemented.

- 2. The Committee on Government Assurances (2009-2010) took a policy decision to call the representatives of various Ministries/Departments of the Government of India, in a phased manner, to review the pending Assurances, examine the reasons for pendency and analyze operation of the system prescribed in the Ministries/Departments for dealing with Assurances. The Committee also decided to consider the quality of Assurances implemented by the Government.
- 3. The Committee on Government Assurances (2014-2015) decided to follow the well established and time tested procedure of calling the representatives of the Ministries/Departments of the Government of India, in a phased manner and review the pending Assurances. The Committee took a step further and decided to call the representatives of the Ministry of Parliamentary Affairs also as all the Assurances are implemented through it.



4. In pursuance of the *ibid* decision, the Committee on Government Assurances (2019-2020) called the representatives of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Ministry of Parliamentary Affairs to render clarifications with regard to delay in implementation of the pending Assurances pertaining to the Ministry of Chemicals and Fertilizers (Department of Fertilizers) at their sitting held on 10.08.2020. The Committee examined in detail the following Twenty-Three Assurances (Appendix-I to XXIII):

S.No.	SQ/USQ No. dated	Subject
1.	Special Mention dated	Reservation for SC/ST in MNCs
-	01.12.2005	(Appendix-I)
2.	Discussion on Motion of Thanks on President's Address dated 21.02.2006	Bill on Unorganized Workers (Appendix-II)
3.	SQ No. 71 dated 04,08.2011	Prices of Fertilizers
	0 110012022	(Appendix-III)
4.	USQ No. 591	Establishment of Urea Plants
	dated 15.03.2012	(Appendix-IV)
5.	SQ No. 128 dated 22.03.2012	Supply of Cheaper Gas (Appendix-V)
6.	. USQ No. 5608	Use of Domestic Gas
	dated 10.05.2012	(Appendix-VI)
7.	USQ No. 4200	Subsidy to Fertilizer Companies
	dated 06.09.2012	(Appendix-VII)
8.	USQ No. 1024	Revival of FACT Limited Cochin
	dated 29.11.2012	(Appendix-VIII)
9.	USQ No. 4449	Financial Assistance/Package to FACT
	dated 20.12.2012	(Appendix-IX)

10.	USQ No. 3120 dated 11.02.2014	Revival of FACT (Appendix-X)
11.	SQ No. 22 Dated 08-07-2014 (Supplementary by Dr. Anirudhan Sampath, MP)	Rise in Prices of Fertilizers (Appendix-XI)
12.	SQ No. 31 - Dated 08-07-2014	Revival of Closed/Sick Fertilizers Plants (Appendix-XII)
13.	USQ No. 73 Dated 08-07-2014	Financial Assistance to FACT (Appendix-XIII)
14.	USQ No. 661 Dated 15-07-2014	Sale of FACT's Share (Appendix-XIV)
15.	SQ No. 386 Dated 05-08-2014 (Supplementary by Shri N.K. Premachandran, M.P.)	Fertilizer Plants (Appendix-XV)
16.	USQ No. 4681 Dated 12-08-2014	Renovation of Fertilizer Factories (Appendix-XVI)
17.	USQ No. 384 Dated 25-11-2014	Revival of FACT (Appendix-XVII)
18.	USQ No. 5191 Dated 26-04-2013	Gas to Non-Urea Fertilizers Plants (Appendix-XVIII)
19.	USQ No. 339 Dated 06 08 2013	Complaints of Corruption against IFFCO Officers (Appendix-XIX)
20.	USQ No. 3898 Dated 18-02-2014	Dealing of KRIBHCO (Appendix-XX)

21.	USQ No. 240	New Investment Policy-2008
	Dated 25-11-2014	(Appendix-XXI)
22.	USQ No. 295	Reopening of FCI Plant in Telangana
	Dated 25-11-2014	(Appendix-XXII)
23.	USQ No. 301	New Fertilizer Industry
Dated 25-11-2014	(Appendix-XXIII)	

- 5. The Extracts from the Manual of Parliamentary Procedures in the Government of India, Ministry of Parliamentary Affairs laying guidelines on the definition of an Assurance, the time limit for its fulfilment, dropping/deletion and extension, the procedure for fulfilment, etc., besides maintenance of Register of Assurances and periodical reviews to minimize delays in implementation of the Assurances are reproduced at Appendix-XXIV.
- 6. During the oral evidence, the Committee drew the attention of the representatives of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) to the long pendency of as many as 89 Assurances of the Ministry at the time of constitution of the Committee (2019-2020). The Committee asked the representatives of the Ministry about the internal mechanism and system of monitoring and reviewing the implementation of pending Assurances in the Ministry. The Secretary, Ministry of Chemicals and Fertilizers (Department of Fertilizers) in his disposition before the Committee stated during evidence as under:-

"There is a Joint Secretary In-charge for Parliament Affairs in our Department. Under his leadership, every Assurance is reviewed. Whenever any difficulty is faced in fulfillment of an Assurance, there is a meeting of senior officers every Monday to find a solution thereof. In the meeting, the trouble/difficulty related with that Assurance is raised/discussed to find out what can be done to solve it. Our Minister of State looks after the Assurances related to the Ministry. The issues related to Assurance are discussed before him. This is the arrangement in our Ministry to follow-up the Assurances."

7. Pointing out that the Assurances pertaining to the years as long ago as 2005 and 2006 have been pending in the Ministry without much progress, the Committee raised doubts over Ministry's seriousness for timely fulfillment of Assurances. The Committee also wondered as to how the Assurances have been lingering for as long as 15 years if the same are being reviewed in the Ministry on weekly basis. On being enquired about the reasons, the Secretary, Department of Fertilizers responded during oral evidence as under:-

"I want to give a little clarification. Every Monday there is a meeting of senior officers. If there is any difficulty in any Assurance, the concerned Joint Secretary raises the problem. We do not hold meetings every Monday for Assurances. Just as you suggested that every month meeting should be held on a fixed date on Assurances and its minutes sent to the Committee, we will implement this thing and send a report to the Committee."

8. Subsequently, the Assurances mentioned at Si. Nos. 5, 6 and 18 have been implemented on 16.09.2020.

Observations/Recommendations

9. The Committee note that out of the 23 pending Assurances taken up by them, the Assurances mentioned at SI. Nos. 1 and 2 have been pending for more than 15 and 14 years respectively. Likewise, the Assurance mentioned at SI No. 3 has been pending for more than 9 years whereas the four Assurances mentioned at SI Nos. 4, 7, 8 and 9 could not be implemented despite a lapse of about 08 years. Further, the Assurance mentioned at SI No. 19 has been pending for more than seven years and the 12 Assurances mentioned at SI.Nos. 10 to 17 and 20 to 23 have been pending for more than six years. The Committee are concerned that these inordinate delays are there despite the fact that the Ministry has been conducting weekly review meetings wherein the difficulties in implementation of Assurances are discussed for finding solutions as claimed by the Secretary, Department of Fertilizers during the oral evidence. The inordinate delays in fulfillment of the Assurances explain the lack of seriousness and casual approach of the Ministry in undertaking proper follow-up

action once an Assurance has been made. Needless to mention, the utility and relevance of an Assurance are lost if there is inordinate delay in the implementation of the same. The Committee are of the view that the Department of Fertilizers *interalia* implements fertilizer subsidy schemes to make fertilizers available to farmers at affordable prices so as to sustain agricultural productivity which in turn plays crucial role in ensuring food security and in promoting rural livelihood and employment. The Committee recommend that the existing mechanism in the Ministry should be streamlined, infused with innovative ideas and back up with proper follow up action with a view to avoiding delays in fulfillment of Assurances. The Committee urge the Department of Fertilizers to delve further and put in place an effective mechanism for implementing the Assurances in a time bound manner so that things do not get stuck up and there is no inordinate delay in fulfilling the Assurances.

- II. Review of the Pending Assurances pertaining to the Ministry of Chemicals and Fertilizers (Department of Fertilizers).
- 10. In the succeeding paragraphs, the Committee deal with some of the pending Assurances pertaining to the Ministry of Chemicals and Fertilizers (Department of Fertilizers).
- A. Revival/Financial Restructuring of Fertilizers and Chemicals Travancore

 <u>Limited (FACT) and other Closed/Sick Fertilizer Plants</u>
 - (i) USQ No. 1024 dated 29-11-2012 regarding 'Revival of FACT Limited Cochin' (Appendix-VIII)
 - (ii) USQ No. 4449 dated 20-12-2012 regarding 'Financial Assistance/Package to FACT' (Appendix-IX)
 - (iii) USQ No. 3120 dated 11-02-2014 regarding 'Revival of FACT' (Appendix-X)
 - (iv) SQ No. 22 dated 08-07-2014 (Supplementary by Dr. Anirudhan Sampath, MP) regarding 'Rise in Prices of Fertilizers' (Appendix-XI)
 - (v) SQ No. 31 dated 08-07-2014 regarding 'Revival of Closed/Sick Fertilizers Plants' (Appendix-XII)

- (vi) USQ No. 73 dated 08-07-2014 regarding 'Financial Assistance to FACT' (Appendix-XIII)
- (vii) USQ No. 661 dated 15-07-2014 regarding 'Sale of FACT's Share' (Appendix-XIV)
- (viii) SQ No. 386 dated 05-08-2014 regarding 'Fertilizer Plants' (Appendix-XV)
- (ix) USQ No. 4681 dated 12-08-2014 regarding 'Renovation of Fertilizer Factories' (Appendix-XVI)
- (x) USQ No. 384 dated 25-11-2014 regarding 'Revival of FACT' (Appendix-XVII)
- 11. In replies to the abovesaid Questions (Appendix VIII to XVII), it was *inter-alia* stated that revival/financial restructuring of Fertilizers and Chemicals Travancore Limited (FACT) is under consideration. In reply to SQ No. 31 dated 08.07.2014 regarding 'Revival of Closed/Sick Fertilizers Plants (Appendix-XII), it was also stated that based on the recommendations of Board for Reconstruction of Public Sector Enterprises (BRPSE), a Cabinet Committee on Economic Affairs (CCEA) proposal seeking financial relief for Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) and setting up a new Ammonia Urea Complex at Namrup is under consideration in the Department.
- 12. Apprising the Committee of the further developments in the implementation of the Assurances, the Department of Fertilizers in their Status Note furnished in August, 2020 stated the following:-
 - "Based on recommendation of the Board for Reconstruction of Public Sector Enterprises (BRPSE) in its meeting held on 20.12.2013 on the revival plan by infusion of funds and waiver of GoI loans & interest of FACT subject to continuation of existing support for providing the company a level playing field with other fertilizer companies, D/o Fertilizers (DoF) moved a note for Cabinet Committee on Economic Affairs (CCEA) on 17.4.2014.
 - 2. Cabinet vide OM dated 17.5.2014 directed DoF to undertake fresh Inter Ministerial Consultation (IMC) and forward the revised note for consideration of CCEA with the approval of new Minister-in-charge. The revised CCEA note was circulated for IMC on 03.7.2014. D/o Expenditure (DoE) had reservations on the proposal. After incorporating

the comment of this Department against comments of DoE, the final copy of CCEA note was submitted on 12.9.2014 to Cabinet Secretariat.

- 3. PMO advised DoF to resolve the issue with DoE at first before approaching CCEA. On the deliberations with the DoE by DoF it was concluded that infusion of funds from Govt. of India side would not be possible and the company should work out a plan with its own internal resources for the restructuring of FACT. Thereafter a revised Cabinet note was circulated for IMC on 18.6.2015.
- 4. In order to avert immediate financial crisis of FACT, a Plan loan of Rs.1000 crores was sanctioned vide DoF order dated 21.03.2016.
- 5. Thereafter, a draft proposal on financial restructuring of FACT including land monetization was circulated on 23.02.2018 for IMC. Meanwhile in March, 2018, administrative approval for sale of 169.7 acres of land of FACT to BPCL for approx. Rs. 420 Cr. was granted.
- 6. Further, a high-level meeting was held on 10.08.2018 wherein it was inter-alia decided that NITI Aayog would conduct a drawing board study on the feasibility of merger of FACT and MFL with other Fertilizer Unit of DoF. Also, the proposal for sale of land is to be de-linked from the financial restructuring proposal.
- 7. As per the Cabinet approval on 24.07.2019, FACT has sold about 481.79 acres of land to the Government of Kerala and received Rs. 971.69 crores as sale proceeds, The Cabinet also approved utilization of the sale proceeds by FACT to address working capital deficiency, improvement of balance sheet and enabling the company to enhance physical and financial performance by implementing capacity expansion projects for sustainable growth of the Company.

FACT Board has approved CAPEX plan of Rs. 700 Cr. for following schemes

- > 1650 TPD NPK plant with pipe reactor (capacity expansion).
- > Other schemes including schemes for enhancing physical performance of the Company.
 - 8. Vide ID Note dated 22nd January, 2020, this Department has received recommendations made by NITI Aayog on the study report on "feasibility of merger of FACT & MFL with other fertilizer units of Department of Fertilizers and options for financial restructuring/revival of above PSUs". Vide ID note dated 13th May, 2020, DoF has sent its comments to PMO.
 - 9. In a high level meeting through Video Conference held under the Chairmanship of Principal Advisor to PM at 3.30 PM on June12, 2020 it was Inter-alia decided that FACT should monetize their vacant lands, enhance operating efficiencies and rationalize their manpower to achieve the desired restructuring to ensure that as far as possible there should not be any financial outgo of Government of India.

- 10. The decisions taken are under examination in consultation with concerned PSU, hence the assurances may not be fulfilled at this stage. Therefore the extension has been obtained up to 07.02.2021."
- 13. During oral evidence, the Secretary, Department of Fertilizers submitted the following position with regard to the fulfillment of these Assurances:-

"Revival of FACT/its financial restructuring is an ongoing process in which we have done a lot of work. This company has come in profit in the last financial year i.e. 2019-2020. Hence, by trying on behalf of the Government, by giving financial help, by giving permission to sell their land and allowing capital investment with that money, we have enabled FACT to stand on its own feet."

14. Acknowledging the Ministry's achievement in this regard, the Committee desired to know as to why the Ministry has now requested for further extension of time. The Secretary, Department of Fertilizers stated during oral evidence as under:-

"Sir, the process is not complete yet. We have taken the steps needed to make them stand on their own feet. They are now standing on their own feet. Now the question is arising as to whether their loan should be waived off or not. This question is not finalized yet. For this reason, we have written that the final decision on this subject is pending. But, the purpose of the Question and the Assurance has been fulfilled that is the FACT plant in Cochin should not be closed and its employees stay in employment continuously and this organization makes profit. About whether to waive of their loan or not, I would like to tell that the Government gave them a substantial amount in the year 2013. The Government is considering what should be done about the loan and the interest on it. If they come back in profit and repay the loan, then there will be no need to waive off their loan."

Observations/Recommendations

15. The Committee note with concern that ten Assurances given on the floor of the House from the year 2012 to 2014 regarding Revival/Financial Restructuring of

Fertilizers and Chemicals Travancore Limited (FACT) and other Closed/Sick Fertilizer Plants are pending for implementation even after a lapse of more than 8 years since giving the first Assurance. The Committee have been informed that FACT became sick during the financial year 2012-13. The Board for Reconstruction of Public Sector Enterprises (BRPSE) recommended for revival of FACT including measures for infusion of funds and waiver of Government of India loan and interest. A loan of ₹ 1000 crore with interest rate of 13.5% was sanctioned to FACT in 2016. Subsequently, approval was accorded for sale of land of FACT to Bharat Petroleum Corporation Limited (BPCL) (total approximately ₹ 420 crore) and sale of 481.79 acres of land held by FACT to the State Government of Kerala and utilization of sale proceeds by FACT. FACT received an amount of ₹ 971.69 crore from the State Government. The Committee also learnt that NITI Aayog looked into the matter of revival of FACT and the final study report of NITI Aayog was received by the Department of Fertilizers on 22nd Jan, 2020. On June 12, 2020 it was decided at the level of Prime Minister's Office (PMO) that FACT should monetize its vacant lands, enhance operating efficiencies and rationalise its manpower to achieve the desired restructuring to ensure that as far as possible there should not be any financial outgo of the Government of India in this respect. The decisions taken are under examination in consultation with the concerned Public Sector Undertaking (PSU). The Committee have further been informed during oral evidence that the purpose and intent of the Assurances have since been fulfilled as FACT has now come out of sickness and the interests of its workers have been safeguarded. However, the process is not fully complete since a decision on whether to waive off the loan and interest of FACT is yet to be taken. The Committee applaud the efforts made by the Department of Fertilizers in making FACT stand on its own feet. While emphasizing the fact that this is a sign of positive development, though belated, the Committee express the view that the Department of Fertilizers should be more proactive in monitoring the functions and financial performance of FACT. In Committee's view, the revival initiatives already taken by way of sale and allowing capital expenditure with the land-sale proceeds would not be of much help unless a long term, futuristic and effective mechanism for modernization and overall restructuring of FACT is devised and implemented at the earliest. The Committee, therefore, recommend without further delay. The Committee are also concerned that no mention has been made by the Department with regard to consideration of a CCEA proposal seeking financial relief for BVFCL and setting up of a new Ammonia Urea Complex at Namrup even though the same was assured in reply to SQ No. 31 dated 08.07.2014 regarding 'Revival of Closed/Sick Fertilizers Plants'. The Committee desire that the Government must also take prompt and appropriate action with a pragmatic approach to implement without further delay these Assurances as well.

B. Dealing of KRIBHKO

- 16. In reply to USQ No. 3898 dated 18.02.2014 regarding 'Dealing of KRIBHKO' (Annexure-XX), it was stated that the Department of Fertilizer has taken up the matter of bribery/irregularities involving pay off by a Norwegian company to clinch deal with Krishak Bharati Cooperative Limited (KRIBHCO) with the Ministry of External Affairs (MEA) to obtain a copy of the report (findings) from Norwegian Authorities through Indian Mission in Norway. The Department had also written a letter to CMD, KRIBHCO to furnish comments in the matter at the earliest. The matter would be further examined on receipt of Report from MEA and comments from KRIBHCO.
- 17. Apprising the Committee of the further developments in the implementation of the Assurance, the Department of Fertilizers in their Status Note furnished in August, 2020 stated the following:-

"CBI vide its endorsement No. 1110/RC ACI 2015 A0002 dated 06.05.2015 had filed an FIR against Dr J.S. Maini, the then AS &FA,Ministry of Chemicals & Fertilizers and others for criminal conspiracy and taking/acceptance of illegal gratification for exercise of personal interference with public servant.

CBI has now completed its enquiry and has requested for Sanction for Prosecution from this DoF. However, as per laid down procedure, CBI has to take Sanction of Prosecution from DoPT being the Cadre Controlling Authority for IAS officers. Accordingly, this Department has furnished its comments on 04.03.2020 with a request to take the matter with DoPT."

18. During oral evidence, the Additional Secretary, Department of Fertilizers briefed the Committee about the Assurance as under:-

"There are corruption charges in case of KRIBHKO which were against certain IAS officers and other officers. In this, Central Bureau of Investigation (CBI) has finalised its report. The action has been completed in the matter and the CBI has asked for the final prosecution sanction from the Department of Personnel and Training (DoPT). As soon as it happens, it will be complete."

19. The Committee enquired as to whether the CBI has got the permission. To this, the Additional Secretary, Department of Fertilizers replied during evidence as under:-

"Sir, this is not in our records yet".

20. The Committee desired to know as to when did the CBI request for the prosecution sanction. The Additional Secretary, Department of Fertilizers submitted as under:-

"Sir, we do not have details yet. DoPT asked for comments from us. We have given comments to DoPT on 04.03.2020. Now, action has to be taken by the DoPT on the request of CBI."

21. The Committee while pointing out the need to handle the matter quickly, specifically desired to know the details as to when did the CBI complete its investigation in the matter, when did it request for permission for prosecution sanction and how much time the Department is taking in compliance to the request of CBI. To this, the Additional Secretary, Department of Fertilizers replied as under:-

"Sir, we will give an update. They gave us the request this year only. we will give full details of it."

Observations/Recommendations

As another matter of concern, the Committee find that the Assurance given 22. in reply to USQ No. 3898 dated 18.02.2014 regarding 'Dealing of KRIBHCO' which involves a case of bribery/irregularity involving pay off by a Norwegian company to clinch deal with KRIBHCO is yet to be fulfilled even after a lapse of more than six years. The Committee note that the Central Bureau of Investigation (CBI) has completed the enquiry into the case and has requested for sanction of prosecution from the Department. During the disposition before the Committee, the representative of the Department of Fertilizers submitted that the Department has given its comments on 04.03.2020 to CBI with a request to take the matter with Department of Personnel & Training (DoPT) being the cadre controlling authority for Indian Administrative Service (IAS) Officers. The Committee, however, take strong exception to the submission of the Additional Secretary, Department of Fertilizers that the Department has no information regarding the details of the matter. The Committee feel that this shows cavalier attitude of the Department to this Assurance for the simple reason that instead of prevailing upon the CBI and DoPT for early disposal of the case to establish accountability, the Department has chosen to remain as a silent spectator and give much leeway to CBI and DoPT. The Committee criticize this attitude of the Department which gives the impression as if the Department is trying to shield/protect the officers who were involved in the corruption. The Committee feel that since the matter is of national concern, even if the Department of Fertilizers has completed its work, being the nodal Department, it is imperative for it to pursue the Assurance till its logical conclusion and ensure probity and accountability. The Committee also observe that lack of co-ordination between the Department of Fertilizers, CBI and DoPT is one of the major reasons behind delay in fulfillment of this Assurance. The Committee, therefore, urge upon the Department of Fertilizers to take all the requisite steps in a professional manner and scale up level of co-ordination with the CBI and DoPT for implementation of the Assurance without further delay.

Implementation Reports III.

As per the Statements of the Ministry of Parliamentary Affairs, Implementation Reports in respect of the Assurances given in reply to the following six SQs/USQs (three Fully Implemented and three Partly Implemented) have since been laid on the Table of the House on the dates as mentioned against each.

SI.No	Sl.No. in the Table (Para No.4)	Question No. dated	Date of Implementation
(i)	Sl. No 05	SQ No. 128 dated 22.03.2012 regarding 'Supply of Cheaper Gas'	16.09.2020
(ii)	SI.No.6	USQ No. 5608 dated 10.05.2012 regarding 'Use of Domestic Gas'	16.09.2020
(iii)	Sl. No 7*@	USQ No.4200 dated 06.09.2012 regarding 'Subsidy to Fertilizer Companies'	
(iv)	Sl. No 18	USQ No.5191 dated 26.04.2013 regarding 'Gas to Non-Urea Fertilizers Plants'	
(v)	Si. No 19*@	USQ No.339 dated 06.08.2013 regarding 'Complaints of Corruption against IFFCC Officers'	07.12.2016
(vi)	Sl. No 20*	USQ No.3898 dated 18.02.2014 regarding 'Dealing of KRIBHCO'	07.12.2016

^{*} Partly Implemented

NEW DELHI; 05 March,2021 14 Phalguna, 1942 (Saka)

RAJENDRA AGRAWAL, CHAIRPERSON, COMMITTEE ON GOVERNMENT ASSURANCES

[@] Fully Implemented on 11.02.2021

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Special Mention dt. 01/12/2005



(iii) Re: Need to provide reservation for dalits in multi national companies श्री सुकदेव पासवान (अरिया): अध्यक्ष महोदय, यू.पी.ए. सरकार के न्यूनतम साझा कार्यक्रम में अनुसूचित जातियों तथा अनुसूचित जनजातियों के लिए बहुराष्ट्रीय कंपनियों में आरक्षण देने की बात कही गई थी लेकिन काफी समय हो गया है और अभी तक यू.पी.ए. सरकार द्वारा इस पर कोई ध्यान नहीं दिया गया है। जितनी भी देश में सरकारी नौकरियां हैं, सभी विभागों में एस.सी.एस.टी. का बैक-लॉग अध्रा है और सरकार बिल्कुल इसे प्रा नहीं कर रही है। मैं आपके माध्यम से सरकार से कहना चाह्ंगा, यहां सोनिया गांधी जी भी बैठी हुई है, राम विलास पासवान जी भी बैठे हुए हैं, एस.सी.एस.टी. के इस बैक-लॉग को पूरा किया जाए और बहुराष्ट्रीय कंपनियों में दिलतों को आरक्षण मिले, इसकी व्यवस्था की जाए।

रसायन और उर्वरक मंत्री तथा इस्पात मंत्री (श्री रामविलास पासवान): अध्यक्ष जी, सरकार ने निर्णय लिया है कि एस.सी.एस.टी. का जो भी बैक-लॉग है, इसे 30 दिसम्बर, 2005 तक पूरा कर दिया जाएगा और जहां तक प्राइवेट सैक्टर में रिजर्वेशन देने की बात है, ग्रुप ऑफ मिनिस्टर्स कांस्टीट्यूट कर दिया गया है और उसकी रिपोर्ट भी आ गई है, वह सरकार के विचाराधीन है तथा वैल्फेअर मिनिस्ट्री उसका कोआर्डिनेशन कर रही है।

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Discussion on Motion of Thomps on Presidents Address dr. 21/02/2006

eye towards all these realities which we are facing. He did not mention a word about land reforms. There was no word about land reforms. In a country like ours, a country where in 1936 the Congress adopted Karachi Resolution declaring that free India will have land reforms - you can have an anniversary or a centenary of that declaration, but land reform has been scuttled in most of the States. Let us make a claim that - many of you will not contradict it - only in the Left-ruled States meaningful land reforms have been implemented. Is the President unaware of it..? (Interruptions)

Do not shout. There is no point in shouting. These are the realities. MR. DEPUTY-SPEAKER: Silence please.

SHRI C.K. CHANDRAPPAN: The President should have seen these realities. (Interruptions) Land reforms in the States of Madhya Pradesh and Andhra Pradesh; less we speak about it is better. Your land reform is a eye wash. It is not a land reform. All the studies made about the land reforms in India admit that the land reform has been meaningfully done to create a new life for the common people only by the Left-ruled States.. (Interruptions) I do not want your certificate but that is the reality.

MR. DEPUTY-SPEAKER: Only Shri Chandrappan's statement will go on record.

(Interruptions)*.

MR. DEPUTY-SPEAKER: Shri Chandrappan, address the Chair and not any individual. This is not the proper way.

SHRI C.K. CHANDRAPPAN: Mr. Deputy-Speaker, Sir, I will only look at you.

उपाध्यक्ष महोदय: अगर आप चेयर को एड्रेस करेंगे तो फिर शोर भी नहीं होगा।

SHRI C.K. CHANDRAPPAN: This is the problem. Why in the Human Development Index, our position has come down from 124 to 127? It is because of these realities about which the President did not speak a single word. Land reforms could have been a single measure by which big changes in the country would have taken place, about which he was silent. Shrimati Sonia Gandhi is

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here. I am happy. Sir, 50 per cent of the Indian population would have been happy if our President would have made a categorical statement that we will bring the Bill for one-third reservation for women in Parliament and the State Assemblies in this Session. Did he do so? He did not do so. He made a very enigmatic statement. He said they will try to do that. We were hearing that. This side, the NDA people were trying to do that. Now you are also saying that you will try to do that. Let us come to a position. Let us take risk. You introduce a Bill and see who are against women. If you do not take the risk, if you do not introduce the Bill, if you sing only the song: "We will try, we will try, we shall

* Not Recorded.

overcome", you will never overcome that. Let us not sing the song "We shall overcome". If you want to get the support of half of the population in the country, that single act of yours would have made a difference. The President did not say anything. He said: "We will try." We are tired of hearing that we shall try. There is another side of the picture. When you speak about the economic development, you see what is the plight of the common people? There is another thing. The annual income of 50,000 families in India is Rs. 5 crore each.

Another five thousand families have been added to that. There are 50,000 affluent families and another five thousand families have been added to that. Thirteen new billionaires have been created in India during this period. Does it mean that poverty alleviation is taking place or does it mean that our economic policies are creating millionaires? Another thing is that they are taxed with a very soft attitude. The tax net is widened. That means, more people should be taxed but more rich people are spared. The reality of the situation today is that India is the least taxed country. That situation should go. Otherwise you will make the poor man to feel the crunch of all the taxes. You will say that there is no money for development programmes. You have got a much trumpeted programme, Bharat Nirman. Last year, the President said in his Address that we have the



Bharat Nirman programme. Thereafter, Shri Chidambaram came and said here in his Budget that we are implementing the Bharat Nirman programme. I would have liked to hear from the President to what extent that implementation took place. One year has passed. You have only five years not 50 years. The President did not mention about it. He only said that Bharat Nirman is still there. How long will we hear this? Every year you will come and say: "Bharat Nirman is there." The Government is not seriously trying to implement it. That is our charge.

Sir, there is another thing, which I would like to say, that the workers especially the most downtrodden people, the agricultural workers are in the unorganized sector. The UPA Common Minimum Programme is there. It says that our focus would be to give such guarantees and that 90 per cent of the population or 93 per cent of the workforce would be given a better treatment. Have you spared a single second for that? Sir, these people promised that. Did they bring an enactment for deciding the minimum wage of the agricultural workers? That is a promise given in the Common Minimum Programme. They have not done it so far. They say, "We shall overcome." But so far they have not done it. So, you did not try to do that. On the contrary, you are trying to do things . (Interruptions)

SHRI BIJOY HANDIQUE: A Bill on the unorganised workers may be coming in this Session. It is in the process. (Interruptions)

SHRI C.K. CHANDRAPPAN: The President should have mentioned about this in his Address. You are not the President. I am debating the President's Address. (Interruptions)

SHRI BIJOY HANDIQUE: If you come to me, I will show you the document. . (Interruptions)

SHRI C.K. CHANDRAPPAN: If you are bringing it, then that is very good. . (Interruptions)

SHRI BIJOY HANDIQUE: This Bill on the unorganised workers may come in this Session. . (Interruptions)

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SHRI AJOY CHAKRABORTY (BASIRHAT): Not a single word has been mentioned in the President's Address. . (Interruptions)

SHRI C.K. CHANDRAPPAN: I am extremely happy that the Minister has made a statement. Can I take it as an assurance?. (Interruptions)

SHRI BIJOY HANDIQUE: It is in the process. If possible we are trying to introduce the Bill in this Session. (Interruptions)

SHRI C.K. CHANDRAPPAN: Why are you sliding back? You said that the Bill is coming in this Session. We welcome that. (Interruptions)

SHRI BIJOY HANDIQUE: I have said that we are trying to introduce this Bill. . (Interruptions) Shri Chandrappan, I will convince you. The Bill is in the process. It may come anytime now, maybe in the second half of this Session. . (Interruptions)

SHRI C.K. CHANDRAPPAN: Even then I am happy. In one second, he has slided thrice. He said: "The Bill is coming." Then he said: "It is in the process." Now he says: "It may come.". (Interruptions)

SHRI BIJOY HANDIQUE: I said: "The Bill may come in the second half of the Session." It might come. . (Interruptions)

SHRI C.K. CHANDRAPPAN ; Very good. I congratulate you.

If that Bill comes in the second half of this Session, then I congratulate you for that. I do not know why this was made a secret. Why did you not give the honour to the President to say this? Anyway I am happy that he has explained.



Government of India Ministry of Chemicals & Fertilizers Department of Fertilizers

LOK SABHA

STARRED QUESTION NO. *71 TO BE ANSWERED ON 4.8.2011

PRICES OF FERTILIZERS

*71. SHRI HARSH VARDHAN: SHRI P.C. MOHAN:

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

- the impact of Nutrient Based Subsidy Scheme on the prices of urea and (a)complex fertilizers;
- whether the scheme has led to an increase in the prices of fertilizers; (b)

(c) if so, the details thereof;

whether the Government has finalized the modalities for direct subsidy to (d) farmers on fertilizers:

(e) if so, the steps proposed or being taken to expedite the same; and

the steps taken to make adequate and timely availability of fertilizers at (f) reasonable prices to the farmers?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA) ...

(a) to (f) A statement is laid on the table of the House.



STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. *71 TO BE ANSWERED ON 4.8.2011 REGARDING PRICES OF FERTILIZERS ASKED BY SHRI HARSH VARDHAN AND SHRI P.C. MOHAN.

(a) to (c) Nutrient Based Subsidy (NBS) policy for decontrolled Phosphatic & Potassic (P&K) fertilizers has been implemented w.e.f. 1.4.2010.

The NBS is applicable for 22 grades of P&K Fertilizers which include Di-Ammonium Phosphate (DAP, 18-46-0), Di-Ammonium Phosphate lite (DAP, 16-44-0), Muriate of Potash (MOP), Mono Ammonium Phosphate (MAP, 11-52-0), Triple Super Phosphate (TSP, 0-46-0), Single Super Phosphate (SSP), 15 grades of complex fertilizers and Ammonium Sulphate (AS - (Caprolactum grade by GSFC and FACT). Primary nutrients, namely Nitrogen (N), Phosphorus (P) & Potash(K) and Secondary nutrient Sulphur(S) contained in the fertilizers mentioned above are eligible for NBS.

Under NBS, the subsidy on decontrolled P&K fertilizers is determined for each nutrient on per kg basis and fixed by the Government on annual basis. NBS is fixed taking into the consideration the affordability of the farmer and prevalent price level of fertilizers and fertilizer inputs in the international market at that time. Since the subsidy for each grade of fertilizers is fixed for a year, the Maximum Retail Price (MRP) of fertilizers at farm gate level has been opened. Accordingly, the MRP of P&K fertilizers is decided and fixed by the fertilizer producing companies or the importers. However, they are required to print MRP along with applicable amount of subsidy on each fertilizer bag clearly. Any sale above the printed MRP is punishable under the Essential Commodities Act.

Since under NBS, subsidy is fixed for a year, the increase or decrease in prices of fertilizers and its raw materials will have an impact on the MRP of these fertilizers which is fixed by the companies. The international prices of fertilizers and its raw materials in the year 2011 have increased substantially as compared to the prices in the year 2010. This increase in international prices of fertilizers and its raw materials have been taken into account while fixing the subsidy rates under NBS Scheme for the Year 2011-12. However, any further increase or decrease in international prices of fertilizers and its raw material is expected to have some effect in the MRP of these fertilizers which is fixed by the companies.

Urea remains under Government control and its import is canalised by the Government through designated canalising agencies. NBS Scheme has not been implemented on Urea and it continues to be governed by New Pricing Scheme-III (NPS-III). The MRP of Urea continues to be fixed by the Government and therefore NBS Scheme does not have any impact on the MRP of Urea. The MRP of Urea fixed by the Government is Rs. 5310 per metric tonne w.e.f 1st April 2010.



A Task Force on direct subsidy in respect of Kerosene, LPG & fertilizers has been set up under the chairmanship of Shri Nandan Nilekani, Chairman, Unique Identification Authority of India (UiDAI) to examine and implement a solution for transfer of subsidy directly to the farmers. The mandate of the Department of Fertilizers is to make available fertilizers to the farmers at affordable prices. The Task Force is expected to give an implementable solution on how the direct transfer of subsidy to the beneficiary can take place. An Interim Report of the Task Force has been submitted to the Government on 5th July, 2011 and is available on the website of Ministry of Finance.

In respect of fertilizers, the Task Force has recommended a three stage approach to the issue of direct subsidy. Phase-I is to capture the information availability regarding fertilizers at the farm gate level, wherein the availability at the last point of sale will be captured. In Phase-II, which will be implemented after the Phase-I stabilizes, the subsidy is expected to be transferred to the last point sale and in Phase-III, when the Phase-I & II stabilize, the subsidy is expected to be transferred directly to the intended beneficiary once the AADHAR numbers, are given to the beneficiaries and AADHAR enabled payment bridges are in place. The roll out of Phase-I will be in December 2011, and the roll out of Phase-II in June 2012. Phase-III will take place after AADHAR Numbers are given to all the eligible beneficiaries.

(f) As stated above, Urea is the only fertilizer, which is under price and partial movement and distribution control of the Government of India. All other fertilizers like DAP, MOP and NPKS complex fertilizers, SSP etc. are de-controlled. However, movement of 20% of quantity of P&K fertilizers is controlled by the Government. The demand of major fertilizers namely Urea, DAP, MOP and Complexes in the country is on the rise over the years. The increasing demand of fertilizers is bridged through imports. A statement showing the availability of fertilizers is at Annex-I.

The following steps are taken to meet the demand & supply of fertilizers:

(i) Zonal conferences each for Kharif and Rabi season are held every year, wherein the requirement and availability of fertilizers is assessed for all the States/UTs jointly by the State Governments, Department of Agriculture and Cooperation and Department of Fertilizers.

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- (ii) Monthly Supply Plan is given by Department of Fertilizers to each fertilizer company for the fertilizers supplied by them under the subsidy scheme. Monthly, Movement Orders are issued in respect of Urea. 20% of the price decontrolled fertilizers produced/imported are under the movement control under the Essential Commodities Act. DOF regulates the movement of these fertilizers to bridge the supplies in underserved areas. Freight subsidy is also given on the fertilizers under the Uniform Freight Subsidy Policy. The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS);
- (iii) The State Governments have been advised (i) to instruct the State Institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies (ii) to review the railway rake points in their states and take up the issues with the Railways for improvements, if any, required to ensure availability of fertilizers in every nook and corner of the State;
- (iv) The Government has introduced Nutrient Based Subsidy (NBS) Policy in respect of Phosphatic & Potassic fertilizers w.e. f. 1.4.2010. Under the NBS, State Governments have to play more proactive role to co-ordinate with the manufacturers/importers to tie up supplies of fertilizers as per the requirement of states;
- (v) Department of Fertilizers and Department of Agriculture & Cooperation are jointly reviewing fertilizer availability with State Agriculture Department through Video Conferencing every week. The corrective actions, if required, are taken immediately to avoid any hardships to farmers;
- (vi) The Department of Fertilizers contacts on phone the officials of major fertilizer consuming states on daily basis to find out any shortages of fertilizers in any part of the state and the corrective actions are taken immediately;
- (vii) In so far as decontrolled Phosphatic and Potassic fertilizers are concerned, subsidy is released on the receipt/sale of fertilizers;
- (viii) The gap between requirement and indigenous availability of Urea is met through imports:



(ix) Under NBS, Fertilizer companies are required to print Maximum Retail Price (MRP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed net retail price will be punishable under the EC Act.

ANNEXURE - I

Qty. In ('000 MTs)

19.88

26.37

10.60

522,00

34,50

59,45

25.80

885,01

114.38

238.25

16,68

5498.57

106.50

211.14

9.16

3744,00

7.88

27,11

7.50

1764.57

111.53

266.65

11.83

5100.50

107.24

263,64

54,37

6464,00

73.10

160.10

60.20

6091.12

W.

Orissa

West Bengal

Assam

All India

Cumulative Requirement & Availability of Urea, DAP/NPK & MOP during Kharif 2011 (April 2011 to June 2011)

MOP DAP+NPK State Availability Availability Requirement Stock Pre-Supply Availability Requirement Requirement. positioned 678.72 95.00 61.63 519.04 480.00 159.68 607.02 400.00 Andhra Pradesh 61,32 448.25 833,45 126.00 385.20 484.80 230.00 368.60 Karnataka 45,14 43,65 50,05 71.86 71.00 11.81 50.21 42.75 Kerala 253.20 82.00 78.73 188,19 65.01 214,59 196.25 195.00 Tamil Nadu 37,05 446.20 48.00 114.71 331.49 403.00 415.00 448,76 Gujarat 372,27 25.20 21.11 182.39 286.18 332.94 189.88 200.00 Madhya Pradesh 18.63 34.00 64.47 92.35 156.82 173.75 210.00 176.03 Chhatisgarh 52.01 682,66 947.73 140.00 265.07 777.21 939,90 744,60 Mahareshtra 6.52 167.93 . 13.00 70.45 97,48 162.40 245,09 Rajasthan 193,00 11.11 112.69 185.67 20,00 72.98 155.00 355.00 412.24 Haryana 19,40 172,43 224,38 26,00 51.96 801.36 256,00 760,00 Punjab 0,00 9.96 . 0.30 7.96 7.80 2.00 26.72 Himachal 27.50 Pradesh 6.50 0.00 18.73 17.74 0.99 25,00 J&K 42.00 31.48 40.17 55.00 357.71 614.64 256.93 1280.53 745,50 1526.00 UP 0.50 4.60 21.08 0.00 21.08 33.00 80.57 66,00 Uttarakhand 30.00 15.18 101.10 101.50 0.40 180.00 305,00 289.22 Bihar 10.00 1.83 20,70 20.15 0,65 31,47 44 00 45.00 Jharkhand

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 591
TO BE ANSWERED ON 15-03-2012

Establishment of Urea Plants

591. SHRI P.K. BIJU:

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

- (a) the amount likely to be invested by the Government to establish the urea plants and augment their production capacity;
- (b) whether the country is likely to be self-reliant in demand and supply of urea after these plants start producing urea; and
- (c) if so, the reaction of the Government thereto?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

(a) to (c): Government is considering amendments to the existing New Investment Policy of 2008 in order to attract new investments by Public/Private sector in Greenfield/Expansion/Revamp urea projects. Currently the demand production gap in urea is approx 10 Million Tonne. It is expected that in case 7 to 8 new Greenfield/Expansion plants may be established in next five years and we will be able to bridge the gap.

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Appendix-V

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO. *128
TO BE ANSWERED ON 22-03-2012

Supply of Cheaper Gas

*128. SHRI ANANDRAO ADSUL:

SHRI GAJANAN D. BABAR:

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

- (a) whether the Ministry of Chemicals and Fertilizers has opposed the Ministry of Petroleum & Natural Gas's move to snap supply of cheaper gas from RIL's Andhra offshore field to those units manufacturing potassic and phosphatic fertilizers;
- (b) if so, whether any resultant reduction in production of fertilizers will make the country much more vulnerable to the vagaries of rising international prices;
- (c) if so, the reaction of the Government thereto;
- (d) whether such move would lead to more imports or result in increase retail price for farmers; and
- (e) if so, the steps taken by the Government in this regard?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

(a) to (e): A statement is laid on the Table of House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. *128 TO BE ANSWERED ON 22 MARCH 2012 REGARDING SUPPLY OF CHEAPER GAS

(a) & (b): Department of Fertilizers (DoF) has requested Ministry of Petroleum & Natural Gas to continue supply of domestic gas including KG-D6 gas to potassic and phosphatic fertilizers. DoF has stated that in case expensive gas is used by these units, it may result in production of expensive ammonia, gas is used by these units, it may result in production of expensive ammonia, gost of which sometimes may be higher than the import price forcing these cost of which sometimes may be higher than the import price forcing these units to import Ammonia and ultimately making them import dependent. Therefore, Department of Fertilizers has proposed that all gains due to usage of natural gas for purposes other than urea will be calculated by DoF, based on either imported ammonia or any other benchmark, which will be recovered from these units. Specific guidelines will be framed by DoF in this regard.

(c) to (e): Empowered Group of Ministers (EGoM) has directed that the proposal to suspend the supply of KG-D6 gas to P&K plants (Deepak, GSFC and RCF) including the proposal to restrict future supply only to Urea fertilizer plants be kept in abeyance till 24-05-2012, during which time, the Department of Fertilizers will finalize the guidelines mentioned above and thereafter the matter will be placed before the EGoM.

Appendix-VI

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 5608 TO BE ANSWERED ON 10-5-2012

Use of Domestic Gas

5608. SHRI NISHIKANT DUBEY:

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

- whether the fertilizer manufacturers have made undue profit by using domestic gas for manufacturing of phosphate and urea in the country;
- (b) if so, the details thereof;
- whether the Government proposes to effect proportionate recovery of such profit (c) from the manufacturers; if so, the details thereof;
- (d)
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY

(SHRI SRIKANT KUMAR JENA)

There is no undue profit urea manufacturers due to usage of domestic gas as feedstock. However, since Nutrient Based Subsidy policy is being implemented on Phosphatic & Potassic (P&K) fertilizers, there is no saving in subsidy on account of usage of domestic gas as feedstock. The matter was placed before Empowered Group of Ministers (EGoM) constituted on Gas pricing and Commercial Utilization of Gas. EGoM in its meeting held on 24th February 2012 decided that the proposal to suspend the supply of KG-D6 gas to P&K plants (Deepak Fertilizers & Chemicals Limited, Gujarat State Fertilizers & Chemicals Limited and Rashtriya Chemicals & Fertilizers Limited) including the proposal to restrict future supply of cheaper gas only to Urea fertilizer plants be kept in abeyance till 24-05-2012 during which time, the Department of Fertilizers will finalize the guidelines for effective recovery and thereafter the matter be placed before the EGoM. ****

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Appendix - VII

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 4200 TO BE ANSWERED ON: 06.09.2012

Subsidy to fertilizer companies

†4200. SHRI BRIJBHUSHAN SHARAN SINGH: SHRI MANOHAR TIRKEY: SHRI PRASANTA KUMAR MAJUMDAR:

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

- (a) whether the Government is aware of cornering of the subsidy by the fertilizer companies by showing take data about the fertilizer production;
- (b) if so, the number of such cases brought to the notice of the Government so far and the action taken/proposed to be taken against the guilty companies;
- (c) if not, whether the Government is likely to investigate the matter after revealing the scam by IFFCO;
- (d) if so, the details thereof;
- (e) the reasons for not getting the sufficient quantity of fertilizers by the farmers despite figures of more production than the demands are shown; and
- (f) the steps being taken by the Government for providing sufficient quantity of fertilizers to the farmers in the country?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

⁽a): No, Madam.

⁽b): In view of (a) above, question does not arise.

⁽c) & (d): A complaint has been received against IFFCO alleging purchase of raw materials at a higher price and manipulating sales to claim higher subsidy from the Government. The complaint is at various stages of examination.

- (e) & (f): Government is always encouraging production of urea in the country to achieve self-sufficiency. Steps are continuously taken by the Department of Fertilizers for improvement in the system of delivery of fertilizers to the farmers. The following steps have been taken in the interest of ensuring adequate availability of fertilizers at affordable prices in the country:-
- (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS);
- (ii) The State Governments have been advised to instruct the Sate institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies;
- (iii) The regular weekly Video Conference is being conducted jointly by Department of Agriculture & Cooperation, Department of Fertilizers, Ministry of Railways and Department of Shipping with State Agriculture officials and corrective actions are taken to despatch fertilizers as indicated by the State Governments;
- (iv) Fertilizer companies are required to print Maximum Retail Price (MRP) on the fertilizer bags clearly. Any sale above the printed MRP is punishable under the Essential Commodities Act;
- (v) State Governments as enforcement agencies are adequately empowered to check the irregularities.

The fertilizer companies are expected to feed in the data of daily production, dispatch, receipt and sales in the web based FMS (www.urvarak.co.in). There are checks built into the system wherein the company has to update the following data within the specified time period:

- i. Production 3 days.
- ii. Dispatch 24 hours.
- iii. Receipt 5 days.
- iv. Sales 5 days.

The dispatch cannot be more than production plus opening stock. Receipt of fertilizer cannot be more the dispatch quantity. Sales cannot be more than inventory at district (i.e. receipt plus opening stock).

The Government is considering a New Investment Policy-2012 for increasing indigenous production of urea in the country.

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1024 TO BE ANSWERED ON: 29.11.2012

REVIVAL OF FACT LTD. COCHIN

1024. SHRI M.K. RAGHAVAN:

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

- (a) whether the Government proposes to revive the Fertilizers and Chemicals
 Travancore Limited, Cochin from its present condition; and
- (b) if so, the details of the package contemplated including augmentation of the plant, financial assistance and creating a brand value?

ANSWER

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

(a) & (b): Government of India had released Rs. 200 crore grant-in-aid to FACT in March, 2008 to sustain the operations of the company. The Government is also providing Plan fund loans for renewal and replacement of some of equipments of the plants. The details of Plan fund loans provided to FACT in the last five years are as under:

(Amount in Crore)

Year	Plan Loan allocated to FACT 15.00		
2007-08			
2008-09	13.00		
2009-10	34.00		
2010-11	89.99		
2011-12	60.74		

FACT again submitted a proposal for financial restructuring and also a cash grant for working capital requirement. Company was suggested to get a detailed financial restructuring proposal made by a consultant for submission to Board for Reconstruction of Public Sector Enterprises (BRPSE). The detailed financial restructuring proposal has been received and under examination.

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GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 4449 TO BE ANSWERED ON: 20.12.2012

FINANCIAL ASSISTANCE/PACKAGE TO FACT

4449. SHRI K.P.DHANAPALAN:

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

- whether the Government has provided/proposes to provide financial assistance/package to Fertilizers and Chemicals Travancore Limited (FACT) in (a)
 - if so, the details thereof along with its status as on date; and
 - the funds allocated and released for this purpose? (b) (c)

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY (Shri Srikant Kumar Jena) OF CHEMICALS & FERTILIZERS

(a) to (c): Government of India had released Rs. 200 crore grant-in-aid to Fertilizers and Chemicals Travancore Limited (FACT) in March, 2008 to sustain the operations of the company. The Government is also providing Plan fund loans for renewal and replacement of some of equipments of the plants. The details of Plan fund loans provided to FACT in the last five years are as under; (Amount in Crore)

	Plan Loan allocated to FACT
	15.00
Year	13.00
2007-08	34.00
2008-09	89.99
2009-10	60.74
2010-11	
2011-12	The state of the s

Further, a proposal has been received from FACT for financial restructuring an cash grant for working capital requirement and the same is under examination.

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3120 TO BE ANSWERED ON: 11.02.2014

REVIVAL OF FACT

†3120. SHRI CHARLES DIAS:

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

- the steps taken by the Government to revive the Fertilizers and Chemicals (a) Travancore Ltd. (FACT);
- whether there has been inordinate delay in implementing the revival package (b) for FACT;
- if so, the reasons therefor; and (c)
- the time by which the implementation of the revival package including pay (d) revision and increase in retirement age for employees, is likely to be done?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

(SHRI SIRKANT KUMAR JENA)

- : A comprehensive financial relief package for Fertilizers and Chemicals Travancore Ltd. (FACT) has been recommended by Board for Reconstruction of Public Sector Enterprise (BRPSE) in its meeting held on 20.12.2013. Based on the recommendations of BRPSE, a draft Cabinet Committee of Economic Affairs (CCEA) note has been circulated on 27.1.2014 for inter-ministerial consultation before seeking the approval of Cabinet. (b)
- : No, Madam.
- (c) : Does not arise.
- : Pay revision and enhancement in retirement age for employees are not the part of proposed Financial relief package. At this stage, the time for implementation of fir ancial relief package can not be indicated. However, the pay scale 2007 has already been implemented in the company.

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Appendix-XI

ANNEXURE

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS LOK SABHA

STARRED QUESTION NO: 22 ANSWERED ON: 08.07.2014

RISE IN PRICES OF FERTILIZERS

B.V. NAYAK

ANIRUDHAN SAMPATH

Will the Minister of

be pleased to state:-

CHEMICALS AND FERTILIZERS

- (a) whether the prices of fertilizers is on the rise in the recent past;
- (b) if so, the details thereof and the reasons therefor during each of last three years and the current year, fertilizer-wise;
- (c) the existing mechanism in place to monitor the movement of prices of fertilizers in the country;
- (d) whether adequate quantity of fertilizers is made available to the farmers during sowing season and if so, the details thereof and if not, the reasons therefor, and
- (e) the step taken/proposed to be taken by the Government to provide adequate quantity of fertilizers to the farmers at an affordable prices?

ANSWER

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (e): A statement is laid on the Table of the House, .

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 22 TO BE ANSWERED ON 08.07.2014 REGARDING RISE IN PRICES OF FERTILZERS.

(a) & (b): Urea is provided to the farmers at the statutory price of Rs 5310 per MT since 1.4.2010. This price was increased slightly by Rs. 50 per MT w.e.f. November 2012 to meet the expenses of retailers for acknowledging the receipt of fertilizers in the mobile based Fertilizer Monitoring System (m-FMS). So now the MRP is Rs 5360 per MT excluding the Central Excise Duty of 1% for the domestically produced urea and 1% Counter Vailing Duty (CVD) on the imported Urea and local taxes (VAT etc.) levied by various State Governments.

As regards Phosphatic & Potassic (P&K) fertilizers, the Government is implementing Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010. Under the NBS Policy, a fixed amount of subsidy is provided on each grade of subsidized P&K fertilizers depending upon its nutrient (N, P, K & S) content. The prices of P&K fertilizers are fixed by the fertilizer companies at reasonable level.

Our country is import dependent to the extent of 100% in Potassic sector and about 90% in

phosphatic sector in the form of either finished fertilizers or intermediates. Any increase in prices of fertilizers and its raw materials/intermediates in the international market and fluctuation in exchange the has a direct bearing on the prices of P&K fertilizers in the country.

With the easing of international prices of P&K fertilizers and its raw materials/intermediates, the prices of P&K fertilizers have remained stable since 2012-13 onwards. The quarter-wise MRPs of various subsidized P&K fertilizers fixed by fertilizer companies during the last three years and the current year are tabulated at Annexure-1.

- (c): In order to monitor the prices of fertilizers, the following steps/measures have been put in place under the NBS Policy:
- i) Prices of P&K fertilizers are monitored through web based Fertilizer Monitoring System (FMS).
- ii) Fertilizer companies are required to submit month-wise MRP data of their fertilizer products under FMS.
- iii) The fertilizer companies have been asked to submit cost data of their fertilizer products from 2012-13 onwards on six monthly basis.
- iv) In order to devise proper monitoring system regarding prices of P&K fertilizers, the fertilizer companies have been directed to have the same MRPs printed on the bags as applicable for each State in the FMS.
- (d): The Government provides adequate quantity of fertilizers to the farmers during Rabi as well as Kharif seasons. In this regard, a statement showing requirement, availability and sale of fertilizers during the previous years and the current year up to June 2014 is annexed at Annexure-2.
- (e): The following steps have been taken by the Government to ensure adequate supply of subsidized chemical fertilizers to the farmers:
- i) The month-wise demand is assessed and projected by the Department of Agriculture & Cooperation (DAC) in consultation with the State Governments before commencement of each cropping season.
- ii) On the basis of month-wise & state-wise projection given by DAC, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through following system:
- iii) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as FMS;
- iv) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
- v) Regular weekly Video conference is conducted jointly by DAC, Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State governments.

(Q. No. 22)

SHRI B.V. NAIK: Hon. Speaker, Madam, as per a news report which appeared in *The Indian Express* dated 10th June 2014, the Government is considering urea price hike to cap the fertiliser subsidies. The report says that the Government is considering a proposal to raise the price of urea, the fertiliser most used by the farmers, by at least 10 per cent in order to contain huge subsidy costs that are adding to the burden. Keeping in view the above I would like to know from the Minister whether the Union Government has finalised the urea price hike; if so, by what time a final decision in this regard is likely to be taken?

SHRI ANANTHKUMAR: Madam Speaker, I want to assure the House that our Government does not propose any hike in the urea fertiliser prices. The Government of India under the leadership of Shri Narendra Modi has decided to provide the subsidy required on urea, and to provide urea to all the farmers of the country with no dearth of urea.

Madam, we require 31 million tonnes of urea. The domestic production is 22 million tonnes, from Oman joint venture we get two million tonnes, and we import the remaining seven million tonnes of urea. I assure the House that for this kharief and rabi crops there will be no dearth of urea at subsidised prices to the farmers of the entire country.

SHRI B. V. NAIK: Madam Speaker, I would like to know from the hon. Minister of Chemicals and Fertilisers if there is any intention to provide additional subsidy on nutrient fertilisers like DAP, potash and compost. I ask this because many farmers are using more urea which does not help improve the fertility of land, while nutrient fertilisers are helpful to the fertility of land and also to the growth of agricultural production. So, is there any intention in the Government to provide additional subsidy on nutrient-based fertilisers?

SHRI ANANTHKUMAR: Madam, already the Government of India is providing subsidy on all nutrient-based fertilisers other than urea, especially nitrogen, phosphorous, potash and sulphate fertilisers. I entirely agree with the hon.

Member that for the sake of the soil health the ratio of the fertilisers has to be 4:2:1, but today unfortunately it is 8:2:1. The only way ahead is that we need to educate the farmers so that they not only use micro-nutrients, but also think about the soil health and shift to the organic manure whereby the balance can be maintained.

DR. A. SAMPATH: Madam Speaker, from the reply of the hon. Minister, I understand that the fertilizer basket of our nation is growing – the demand is growing and we have become the third largest consumer of fertilizers in the whole world. But at the same time, the hon. Minister stated the truth – our country is import-dependent to the extent of 100 per cent in potash-sector and about 90 per cent in phosphate-sector in the form of either finished fertilizer or intermediaries. It means that we are becoming more and more dependent on imports.

My question is, what measures the Government will take to increase production of fertilizer from the public sector. I would also like to know from the hon. Minister the current status of the urea-ammonia complex of FACT, Cochin in Kerala.

SHRI ANANTHKUMAR: Madam, regarding self-reliance in fertilizer sector, both in urea and non-urea fertilizers, the only way ahead for the Government is that we need to acquire assets in various other countries. We are import-dependent in both phosphate and potash raw materials. Therefore, the Government of India has undertaken many joint venture projects; we have undertaken joint ventures in Oman, Senegal, Jordon, Morocco and Tunisia. We are going to have joint ventures in Iran, Russia, Togo and Canada. So, we are on the anvil of all these acquisitions. Then, I think, we will be reaching near-self-reliance in this regard.

Secondly, regarding FACT, Cochin which is the mother of all the fertilizer companies in the country, I personally visited that company; my first visit as the Minister of Chemicals and Fertilizers was to FACT, Cochin. I went with the sole intention of reviving that unit. Already, we have made a revival plan for Rs.990

crore; that revival plan has been circulated. I hope that the revival plan will see the light of the day.

योगी आदित्यनाथ : माननीय अध्यक्ष महोदया, जब खेती का समय होता है, तब किसानों के लिए उर्वरक गायब होता है, यह पिछले दस वर्षों से हम लोग देखते आ रहे हैं। मैं माननीय मंत्री जी से जानना चाहता हूँ कि फर्टिलाइज़र कार्पोरेशन ऑफ इंडिया की गोरखपुर, सिंदरी, तालचर, रामागोण्डम तमाम ईकाइयाँ पिछले कई वर्षों से बंद हैं। बी.आई.एफ.आर. ने उन ईकाइयों को चलाने के लिए सरकार को निर्देश भी दिया है। मैं माननीय मंत्री जी से जानना चाहता हूँ कि सरकार इन ईकाइयों को चलाने के लिए क्या कर रही है, क्योंकि हम जो फर्टिलाइज़र आयात करते हैं, अगर उसका उत्पादन देश के अंदर ही होने लग जाएगा तो उसकी उपलब्धता और किसानों को सही दाम पर मिलना भी वह प्रारंभ हो जाएगा। इन ईकाइयों को चलाने के लिए सरकार क्या करने जा रही है?

श्री अनन्तकुमार : अध्यक्ष जी, माननीय सदस्य का प्रश्न दूसरे तारांकित प्रश्न पर है, परंतु फिर भी इस सवाल का जवाब देने का प्रयास में करूँगा। 1990 से गोरखपुर की फर्टिलाइज़र कंपनी बंद हुई है। इसलिए यदि इन सारी कंपनियों का हमको फिर से रिवाइवल करना होगा, तो जगदीशपुर से हिन्दिया की जो पाइपलाइन बनेगी गैस अथॉरिटी ऑफ इंडिया से, तब हम बरौनी के, सिंदरी के, हिन्दिया के और दुर्गापुर के ... (व्यवधान)

माननीय अध्यक्ष : कृपया बीच में मत टोकिए। आप बोलते जाइए।

ह्र(व्यवधान)

श्री अनन्तकुमार : मैडम, मैं जगदीशपुर से हिल्दिया की पाइपलाइन के बारे में बात कर रहा हूं और इस पाइपलाइन के इर्द-गिर्द में जो फर्टिलाइज़र कम्पनियां हैं, उनको रिवाइव करने के बारे में हम सोच सकते हैं। इसलिए पाइपलाइन बिछाने के साथ फर्टिलाइज़र कम्पनीज़ को रिवाइव करने का प्लान केन्द्र सरकार के कंसीडरेशन में है।

श्री जयप्रकाश नारायण यादव : अध्यक्ष जी, मैं माननीय मंत्री जी से यह जानना चाहता हूं कि भारत कृषि प्रधान देश है और जब खेती बेहतर होगी, किसानों के खेत में फसल लहलहाएगी तभी देश समृद्ध होगा। माननीय अध्यक्ष : आप प्रश्न पूछिए।

श्री जयप्रकाश नारायण यादव : माननीय अध्यक्ष जी, मेरा मंत्री जी से प्रश्न है कि जो उर्वरक है, खाद है, उसका स्टोरेज हर एक राज्य में कितना किया गया है, नंबर एक। बिहार के बाबत क्या किया गया है? दूसरा, किसानों को जो खाद मिलता है तो उसकी कीमत यदि ढाई सौ-तीन सौ रुपये प्रति क्विंटल है, वहीं बाजार में किसानों को सात सौ-आठ सौ रुपये प्रति क्विंटल आंसू बहाते हुए लेना पड़ता है। उसके लिए भी

उसको दर-दर की ठोकर खानी पड़ती है। इसलिए सरकार सुनिश्चित करे कि किसानों के आंखों में आंसु न बहे और सही रेट पर किसानों को खाद उपलब्ध हो, इसके लिए दिशा-निर्देश माननीय मंत्री जी देंगे और करेंगे। क्योंकि माननीय मंत्री जी बोल चुके हैं कि कृषि को हम आगे बढ़ाएंगे।

श्री अनन्तकुमार : अध्यक्ष जी, जहां तक खाद के वितरण की जिम्मेदारी की बात है, वह प्रदेश सरकारों की है। इसलिए माननीय सदस्य को मैं इतना ही कहना चाहूंगा कि खाद और उर्वरक का उत्पादन करके प्रदेशों तक पहुंचाने की ज़िम्मेदारी केन्द्र सरकार की है। इसको मॉनीटरिंग करने के लिए वेब पेज फर्टिलाइज़र मॉनीटरिंग सिस्टम शुरू किया है। हम इसके द्वारा रोजाना मॉनीटरिंग करते हैं और हफ्ते में एक बार कृषि मंत्रालय में वीडियो कॉनफ्रेंसिंग करके हर प्रदेश के कृषि मंत्रालय से जो मांग होती है, उसकी आपूर्ति के लिए काम करते हैं। एज़न्शियल कमोडिटी एक्ट के तहत फर्टिलाइज़र कंट्रोल ऑर्डर निकालने की ज़िम्मेदारी है, लेकिन ज्युरीस्डिक्शन प्रदेश सरकारों का है, उसके हिसाब से, यानी वहां होल्डिंग नहीं होनी चाहिए और किसानों को खाद मिलनी चाहिए, उसकी पूरी ज़िम्मेदारी प्रदेश सरकारों की है। लेकिन यहां से उत्पाद करके देश भर में खाद पहुंचाने की बात है तो मैं अध्यक्ष जी आपके माध्यम से हाउस को और पूरे देश को आश्वस्त करना चाहूंगा कि जो यूरिया और नॉन यूरिया खाद का आवटन करके मेजना चाहिए, वह हम भेज नुके हैं।

SHRI N.K. PREMACHANDRAN: Thank you, Madam. I would also like to thank the hon. Minister for assuring the House that the urea price will not be increased and the FACT will be revived. Out of 31 major fertiliser manufacturing units in India, only 10 units are making profit. They are getting the domestic natural gas at a price of 4.2 US dollars. My specific question to the hon. Minister is whether the domestic natural gas will be made available to all the companies, including the mother plant, FACT which you have cited just now, at a price of 4.2 US dollars. I would also like to know as to whether the Minister could assure the House that the revival package of Rs.990 crore, which is pending with the previous Government, will be implemented in a time-bound manner.

SHRI ANANTH KUMAR: Madam, the basic problem of providing fertilisers at an affordable rate is that for the supply of gas, which is the raw material for manufacturing of fertilisers, we are directly dependent on imports. Actually we require 46 MMBtu gas for producing fertilizer. But the gas available in the

08.07.2014

country is only 31 MMBtu. Therefore, we need to import remaining 16 MMBtu gas. As the hon. Member has rightly pointed out, the price of domestic gas is 4.2 dollars but the international gas is at 8.4 dollars ranging up to 23 dollars.

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SHRI N.K. PREMACHANDRAN: But FACT is purchasing gas at 15 dollars to 24 dollars.

SHRI ANANTHKUMAR: Actually, the FACT Plant in Travancore is taking the gas from Petronet in Kochi that is costing FACT 23 dollars per MMBtu.

Therefore, I suppose we need to think about pooling of gas. Not only pooling of gas, we also need to attempt the price pooling of gases, at least as regards the domestic gas.

माननीय अध्यक्ष : अब थोड़ा कल्चर को सुदृढ़ करें।

Q. 23 - Adv. Joice George

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GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO. 31*
TO BE ANSWERED ON: 08.07.2014

REVIVAL OF CLOSED/SICK FERTILIZERS PLANTS

†*31. SHRI YOGI ADITYA NATH:

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

- the total number of operational plants/units of Hindustan Fertilizer Corporation
 Limited at present;
- (b) the details of closed down/slck fertilizers plants/units in the country along with the reasons therefor;
- (c) whether the Government proposes to revive such plants/units; and
- (d) if so, the steps taken by the Government so far for their revival Plant/Unit-wise

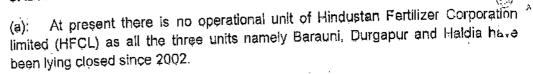
ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(SHRI ANANTH KUMAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO. 31 TO BE ANSWERED ON 08.07.2014



(b): the details of closed down/sick fertilizers plants/units of the public sector undertakings, along with the reasons are as under:

Name of the Sick PSU	Unit /State	Reasons for closure/sickness
	Sindri/	In view of the continuing losses of FCIL
Fertilizer Corporation	Jharkhand	and HFCL stemming from technical and
of India Limited (FCIL)	Gorakhpur/	financial non viability of operations,
·	Uttar Pradesh	Government decided to close down all the
	Talcher/Odisha	FCIL and HFCL in 2002.
	Ramagundam/	
	Andhra Pradesh	·
	Korba/	
	Chhattisgarh	
Hindustan Fertilizer	Barauni/Bihar	İ
Corporation Limited	Haldia/	1
(HFCL)	West Bengal	<u>.</u>
	Durgapur/	
	West Bengal	Delian of wood by
Madras Fertilizer	Manali,	Changes in Pricing Policy of urea by
Limited (MFL)	Chennai/	Government had negative impact on the
	Tamilnadu	financial performance of the Company.
		The New Pricing Scheme (NPS) for Urea
		was introduced from 1.4.2003 under which
ŀ		the earlier system of calculating the
		retention price of individual units on cost-
·		plus basis was replaced by a group-based
		normative cost. Introduction of NPS from
		01.04.2003 had a deleterious effect on the
		Company as there was an under recovery
		of Rs 1, 995/MT.
	1	Column for
•		Further, the Price Concession Scheme for
		complex fertilizers as applicable from
		1.4.2002 did not adequately compensate
		the Company for cost of 'N' in its flagship
	. [product NPK 17-17-17. Also old age of
		the plant had its say on the efficiency
	1	ratios of the products, thereby production
,		costs and sub optimal performance.

Fertilizers and Chemicals Travancore Limited (FACT)	Kochi/Kerala	The financial performance of FACT turned negative due to anomalies in the erstwhile price concession scheme for Complex fertilizer during 2002-03 to 2007-08, decontrol of Ammonium Sulphate in 1994 and introduction of Group Pricing Scheme for urea in 2003 led to stoppage of urea production on account of unviable economics—and restriction on the company's option to import ammonia.
Bharamputra Valley Fertilizers Corporation Limited (BVFCL)	Namrup/Assam	BVFCL is incurring financial losses since inception due to low capacity utilization & high energy consumption. The plants are underperforming due to obsolete technology, equipment failures and shortage of natural gas.

(c) & (d) : Yes, Madam. Government has taken following steps for revival of closed/sick units;

Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL):-

In 2008, Cabinet approved to revive Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizers Corporation Limited (HFCL) units subject to non-recourse to Government funding and to consider write off of GOI Loan & interest to the extent required, subject to submission of fully tied up proposals for final decision on waiver. The revival of these closed units would be through nomination route by PSUs and through bidding route by private sector. It was decided that Sindri, Talcher & Ramagundam units of FCIL are to be revived on nomination basis, whereas Gorakhpur & Korba units of FCIL & Durgapur, Haldia, & Barauni of HFCL are to be revived through bidding route.

Cabinet Committee on Economic Affairs (CCEA), in 2011, had approved the Draft Rehabilitation Scheme (DRS) for revival of all the Units of FCIL and HFCL. DRS envisaged revival of Talcher Unit by the consortium of M/s Rashtriya Chemical & Fertilizers Limited (RCF), M/s Coal India Limited (CIL) and M/s Gas Authority of India Limited (GAIL), revival of Ramagundam Unit by M/s. Engineers India Limited (EIL) and M/s. National Fertilizers Limited (NFL) and revival of Sindri unit by M/s Steel Authority of India Limited (SAIL).

Subsequently CCEA, in 2013, Inter-alia, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at positive net worth. This enabled FCIL to get de-registered from the purview of Board for Industrial and Financial reconstruction (BIFR). Proposal/action plan for revival of HFCL units is to be taken up once revival of FCIL units is on track.

For Talcher unit, it is proposed to establish two joint venture (JV) companies viz. first company for upstream coal gasification section with GAIL and second company comprising RCF, CIL and FCIL for downstream section of Ammonia-urea, Nitric Acid, Ammonium Nitrate plants, off sites and utilities. The Memorandum of Understanding (MOU) among consortium PSUs i.e. CIL, RCF, GAIL and FCIL, has been signed on 5.9.2013. GAIL has issued expression of interest (EOI) for selection of coal gasification technology. The due date for submission of EOI is 31.07.2014.

For Ramagundam Project, JV agreement and concession agreement between EIL and NFL are under discussion and has been scheduled for conclusion/approval by their respective boards by 30th July, 2014. EIL itself would take up the Engineering and Project Construction for the project.

For Sindri unit, SAIL-Sindri Projects Ltd. (SSPL), a wholly owned subsidiary of SAIL, has been incorporated in November 2011 for the purpose of revival of Sindri Unit of FCIL. However, not much progress has been made due to nonavailability of around 3000 Acres of contiguous piece of land for the Steel Plant. Out of total land of 6652 acres with FCIL at Sindri, only 498 acres (the area of existing fertilizer plant) is encroachment free contiguous land, as against the requirement of 3247 acres of encroachment free contiguous land for setting up the proposed facilities by SAIL.

Madras Fertilizer Limited:

Government is taking up a financial restructuring proposal with Board for Reconstruction of Public Sector Enterprises (BRPSE) for seeking the following reliefs:

Waiver of liabilities

- Outstanding loan worth Rs. 554.24 Crore (as on 31st March 2014) İ,
- Outstanding interest worth Rs. 345.30 Crore along with penal interest thereon (as on 31st March 2014)

Liberal and flexible Govt. Policy

- i. Continuation of special dispensation in pricing mechanism under NPS stage III upto conversion to Natural Gas
- ii. Continuation of additional subsidy for sourcing "N" through Naphtha based Captive Ammonia under NBS upto conversion to Natural Gas.

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL)

Government took up a proposal with Board for Reconstruction of Public Sector Enterprises (BRPSE) for financial restructuring of BVFCL. The BRPSE has recommended the following financial restructuring plan:

- (i) Waiver of total cumulative interests accrued on GOI loans amounting to Rs.566.20 crores till 31.3.2013.
- (ii) Waiver of loan of Rs.21.96 crores taken for revamp of Namrup-I, since this plant has been permanently stopped.
- (iii) Conversion of GOI loans provided to the company as interest free loan.
- (iv) The company on getting profit will service the GOI loans from 2013-14.
- (v) For Namrup-III, the capital expenditure of Rs.79.62 crores incurred beyond 31.3.2003 for revamp of the project to be recognized by GOI for calculating the concession rate of urea under NPS-III.

The Board has also recommended that above financial restricting plan should be part of the proposal to set up of new brown field plant so as to evolve a fully tied up comprehensive revival plan.

Based on the recommendations of BRPSE, a CCEA proposal seeking above financial relief and setting up a new Ammonia Urea complex at Namrup is under consideration in the Department.

Fertilizers and Chemicals Travancore Limited (FACT)

Government took up a proposal with Board for Reconstruction of Public Sector Enterprises (BRPSE) for financial restructuring of FACT. The BRPSE has recommended the following financial reliefs:

A) Infusion of funds

- (i) Approval for sanction of an Interest free loan of Rs 300 crore repayable in 10 years after a moratorium of 2 years to pay extra bank borrowings.
- (ii) Approval for sanction of grant of Rs 250 crore to pay suppliers and LIC on account of Gratuity.

B) Waiver of Gol Loans & Interest

- (i) Approval for write off of outstanding loans of Rs 282.73 crore as on 31.03.2013.
- (ii) Approval for write off of outstanding interest of Rs 159.17 crore as on 31.03.2013.

Accordingly, a proposal seeking approval of CCEA for sanction of above financial reliefs to FACT is under examination.

Appendix-X14

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 73 TO BE ANSWERED ON: 08.07.2014

Financial Assistance TO FACT

ADV. JOICE GEORGE: 73.

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

- whether the Government has provided any financial assistance/package for revival of Fertilizers and Chemicals Travancore Limited (FACT) units in the country including Kerala;
- if so, the details thereof along with the present status thereof; (b)
- whether the funds allocated for the purpose has been released; and (c)
- if so, the details thereof and if not, the reasons therefor? (d)

ANSWER

MINISTER OF STATE IN THE MINISTRY CHEMICALS & FERTILIZERS

(SHRI NIHAL CHAND)

- & (b): Considering the accumulated losses and erosion of net worth of FACT a comprehensive financial relief package was recommended by Board for reconstruction of Public Sector enterprises (BRPSE) in December, 2013. Based on the recommendations of BRPSE a proposal seeking approval of Cabinet Committee on Economic Affairs (CCEA) for sanction of financial reliefs to FACT is under consideration.
- (c) & (d): Funds could be released only after the approval of CCEA on the aforementioned proposal.

Appendix -XIV

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 661 TO BE ANSWERED ON: 15.07.2014

SALE OF FACT'S SHARE

661. MOHAMMED FAIZAL:

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

- (a) whether the Government is aware that Fertilizers and Chemicals Travancore Limited (FACT) is facing closure due to financial crisis:
- if so, the reaction of the Government thereto and the steps being taken by the Government for revival of FACT;
- (c) whether the Government proposes to sell the shares of FACT, Kerala;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the estimated revenue likely to be earned as a result thereof along with the manner in which the said revenue is likely to be utilized?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI NIHAL CHAND)

(a) & (b): Due to continuous loss and erosion of net worth, FACT is facing severe financial crunch. For sustainable operation of the company a financial restructuring package was recommended by Board for Reconstruction of Public Enterprises (BRPSE) in December 2013. Based on the recommendations of BRPSE, a proposal seeking approval of Cabinet Committee on Economic Affairs for sanction of financial reliefs to FACT has been circulated for inter-ministerial consultations. The proposal involves infusion of fresh fund as well as waiver of Government of India loans and interests.

(c): Yes, Madam.

- (d): As per Securities Contact Regulations Rules (SCRR) all listed CPSEs required to maintain at least 10% paid up capital of the company as public sharehold The companies which are not compliant with the requirement of minimum public shareholding are to be made compliant. For this purpose Government with the applic of SEBI created a Special National Investment Fund, for transferring shares of making CPSEs. Accordingly, the number of shares that were required to make F compliant with the minimum 10% public shareholding norms were transferred in At 2013 on irrevocable basis to this newly created Fund called Special National Investrict Fund (NIF) without any consideration. The Shares so transferred will be sold ov period of 5 years at appropriate time.
- (e): There are no estimates presently of the likely revenue on sale of shares of s loss making CPSEs. The proceeds received by the Special NIF from the sale of transferred shares will be used for Social Sector Schemes of the Government.

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILISERS

LOK SABHA

STARRED QUESTION NO.386* TO BE ANSWERED ON: 05.08.2014

FERTILIZER PLANTS

*386. DR. BANSHILAL MAHATO:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:-

- the details of fertilizer units in the country in operation and those lying sick under public, cooperative and private sectors, separately;
- (b) the quantum of fertilizer produced and the capacity utilization of units under operation during last two years and the current year;
- (c) whether some of these factories have become sick and others are on the verge of sickness/closure, if so, the details thereof and the reasons therefor;
- (d) whether the Government is aware of the inadequate feed stock including gas for the production of fertilizer and if so, the details thereof; and
- (e) the steps taken /proposed to be taken by the Government for the revival of sick units along with the revival package announced so far?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. *386 FOR REPLY ON 05.08.2014 REGARDING "FERTILIZERS PLANTS".

- (a) : The details of fertilizer units in the country in operation are at **Annexe-I**. Out of these fertilizer companies following three fertilizer companies are sick:
 - Madras Fertilizer Limited (MFL)
 - ii. The Fertilizer And Chemicals Travancore Limited (FACT)
 - iii. Brahmaputra Valley Fertilizers Corporation Limited (BVFCL)
- (b): The quantum of fertilizer produced and capacity utilization of units in the country during 2012-13 to 2013-14 and Kharif 2014 (April to June 2014) are at Annexe-II. The Installed capacities of DAP & Complex Fertilizers in many fertilizer manufacturing units are interchangeable.
- (c): As replied in part (a) of the question three fertilizer companies has become sick. Reasons of sickness of these fertilizer companies are as under:

Name of Sick PSUs	Reasons of Sickness		
Madras Fertilizer Limited (MFL)	Changes in Pricing Policy of urea by Government had negative impact on the financial performance of the Company. The New Pricing Scheme (NPS) for Urea was introduced from 1.4.2003 under which the earlier system of calculating the retention price of individual units on cost-plus basis was replaced by a group-based normative cost. Introduction of NPS from 01.04.2003 had a deleterious effect on the Company as there was an under recovery of Rs. 1,995/MT.		
Fertilizers and Chemicals Travancore Limited (FACT)	Further, the Price Concession Scheme for complex fertilizers as applicable from 1.4.2002 did not adequately compensate the Company for cost of 'N' in its flagship product NPK 17-17-17. Also old age of the plant had its impact on the efficiency ratios of the products and there on the production costs, The financial performance of FACT turned negative due to anomalies in the erstwhile price concession scheme for Complex fertilizer during 2002-03 to 2007-08, decontrol of Ammonium Sulphate in 1994 and also due to introduction of Group Pricing Scheme for urea in 2003 which led to stoppage of urea production on account of unviable economics.		
Bharamputra Valley Fertilizers Corporation Limited (BVFCL)	BVFCL is incurring financial losses since inception due to low capacity utilization & high energy consumption. The plants are underperforming due to obsolete technology, equipment failures and shortage of natural gas.		

(d): The urea units use domestic natural gas, Regasified Liquefied Natural Gas (RLNG) and Naphtha as feedstock for production of urea. The total requirement of gas for indigenous urea unit is about 46-47 MMSCMD of gas, which is met by domestic gas and imported RLNG. The EGoM in its meeting held on 23.8.2013 decided to maintain 31.5 MMSCMD of gas to fertilizers sector and give the sector first priority in meeting the shortfall below level of 31.5 MMSCMD from any additional production of NELP gas. The total gas supply during June 2014 was 42.866 MMSCMD. There has been short supply of domestic gas to the fertilizer sector as given below:-

Month	thly Gas supply data to the Fertilizer Sector (MMSCMD)			
	Allocation	Supply' (APM+JV+RIL+ONGC Non APM+ Others	Shortfall	
April, 2014	31.5	31.38	0.12	
May, 2014	31.5	29.246		
June, 2014	31.5	28.116	2.254	
		20.116	3.384	

(e): Government has planned financial restructuring of three sick units namely, MFL, BVFCL and FACT to sustain their operations. Generally, the proposals provide for infusion of fresh funds, waiver of Government of India loans as well as interest continuation of special dispensation in pricing mechanism under NPS Stage-III upto conversion to Natural Gas.



ANNEXE-I
Statement referred to in reply to part (a) of Lok Sabha Question NO. 386 to be answered on 05.08.2014

State-wise and Sector-wise No. of major Fertilizer units operating in the Country

si.	Name of		Sector			
No.	States	No of Units operating	Public	Co-operative	Private	Total
1	Andhra Pradesh	4	 	-	4	. 4
2	Assam	2	2			2
3	Bihar		<u> </u>		<u> </u>	
4	Chhatisgarh					
5_	Goa	1			11	11_
6	Gujarat	8		3	5	8
7	Haryana	1	1			11
8	Jharkhand			 	<u> </u>	
9	Karnatka	11			11	11_
10	Kerala	2	2			2
11	Madhya Pradesh	2	2			2
12	Maharashtra	3	2_		11	3
13	Orlssa	2		1 1	1 1	2
14	Punjab	2	2			2
15	Rajsthan	3			3	3
16	Tamilnadu	44	1		3	4
17	Uttar Pradesh	8		5	3	8
18	West Bengal	1	\		11	11_
	Total	44	12	9	23	44

Plant-wise Installed Capacity, production & %age capacity utilisation of Urea for the years 2012-13 to 2013-14 & Kharif 2014 (April to June, 2014)

	Reassessed			('000' MT)				
	Capacity		Product	Production		'% age Capacity Utilisation		
NAME OF PLANT'S		2012-13	013-14	Kharif 2014 (AprJune 14)	2012-13	2013-14	Kharif 2014 (AprJune 14)	
PUBLIC SECTOR:					<u> </u>			
NFL:Nangal-II	478.5	471.3	394.6	138.6	98.5	82,5	115.9	
NFL:Bhatinda	511.5	394.4	560,3	120.5	77.1	109.5	94.2	
NFL:Panipat	511.5	413.8	511.1	136.0	80.9	99.9	106.4	
NFL:Vijaipur	864.6	966.4	1006.3	259.1	111.8	116.4	119,9	
NFL:Vijaipur Expn.	864.6	965.2	1162.5	275.7	111.6	134.5	127.6	
Total(NFL):	3230.7	3211.1	3634,8	929.9	99,4	112.5	115.1	
BVFCL:Namrup II	240.0	109.4	70.6	28.2	45.6	29.4	47.0	
BVFCL:Namrup-III	315.0	281.3	235.3	78.3	89.3	74.7	99.4	
Total(BVFCL):	555.0	390,7	305.9	106.5	70.4	55.1	76.8	
RCF:Trombay-V	330.0	384.1	352.6	115,5	116.4	106.8	 	
RCF:Thal	1706.8	1951.6	1993.4	546.1	114.3	 	140.0	
Total(RCF):	2036.8	2335.7	2346.0	661.6	114.7	116.8	128.0	
MFL:Chennai	486,8	435.8	486.8	88,4	89.5	115.2	129.9	
TOTAL PUBLIC SECTOR	6309.3	6373.3	6773.5	1786,4		100.0	72.6	
COOP. SECTOR:				 	101.0	107.4	113.3	
IFFCO:Kalol	544.5	600,3	600.4	113.6	110.2		<u> </u>	
IFFCO:Phulpur	551.1	673.1	651.7	183.5	122.1	110.3	83.5	
IFFCO:Phulpur Expn.	864.6	992.0	951.0	238.9		118.3	133.2	
IFFCO:Aonla	864.6	1091.9	1103.0	179.3	114.7	110.0	110.5	
IFFCO:Aonla Expn.	. 854.6	1152.8	1074.2	178.8	126.3	127.6	83.0.	
Total(IFFCO):	3689,4	4510.1	4380.3	894.1	133.3	124.2	82.7	
KRIBHCO:Hazira	1729.2	2132.0	2209.9		122.2	118.7	96,9	
TOTAL COOP. SECTOR:	5418.6	6642.1	6590.2	548.7 1442,8	123.3	127.8	126.9	
Total (Pub.+Coop.)	11727.9	13015,4	13363,7	3229.2	122.6	121.6	106.5	
PRIVATE SECTOR:		- X001011			111.0	113.9	110.1	
GSFC:Vadodara	370.6	347.7	322.1					
SFC:Kota	379.0	384.8	403.2	89.1	93.8	86.9	96.2	
KFCL (DIL):Kenpur	722.0	0.0	313.2	101.1	101.5	106.4	106.7	
ZIL:Gog	399.3	385,6	376.3	155.6	0.0	43.4	86.2	
SPIC:Tuticorin	620.0	483.4	286.2	73.4	96.6	94.2	73.5	
MCF:Mangalore	380.0	379.5	378.9	167.7	78.0	46.2	108.2	
GNFC:Bharuch	636.0			25.8	99.9	99.7	27.2	
GF:Jagdishpur	864.6	708.8	696.4	139.9	111.4	109.5	88.0	
VFCL:Kakinada-1	597.3	1084.7	1035.5	247.4	125.5	119.8	114.5	
VFCL:Kakinada-li	597.3	787.6	646.8	153.5	131.9	108.3	102.8	
CFCL:Gadepan-I	864.6	777.7	780.1	151.3	130.2	130.6	101.3	
CFCL:Gadepan-II	864.6	1035.8	990.6	248.8	119.8	114.5	115.1	
CL:Babrala		1056.0	950.6	229.1	122.1	109.9	106.0	
SFL:Shahjhanpur	864.6	1119.8	1136.5	316.0	129.5	131.4	146.2	
OTAL PRIVATE SECTO	864.6	1007.9	1035.3	265.3	116.6	119.7	122.7	
OTAL(PUB.+COOP.+PV)	9024.5	9559.3	9351.7	2364.0	105.9	103.6	104.8	
~	20752.4	22574.7	22715.4	5593.2	108.8	109.5	107.8	

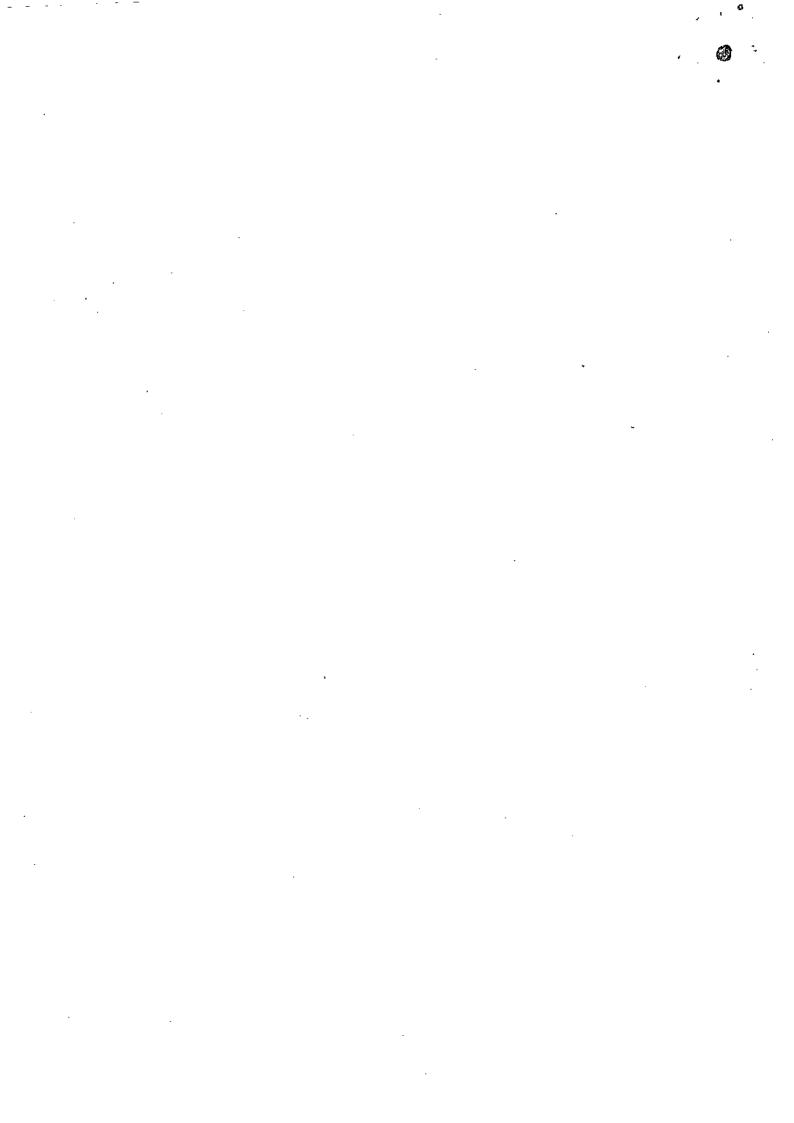
Plant-wise Installed Capacity, production & %age capacity utilisation of <u>DAP</u> for respect to 2012-13 to 2013-2014 & Kharif 2014 (April to June, 14)

(Fig. In '000' MT)

NAME OF PLANTS		•	Production			Percentage Capacity Utilization			
	Installed Capacity	2012-13	2013-14	Kharif 2014 (AprJune14)	2012-13	2013-14	Kharif 2014 (AprJune14)		
COOP. SECTOR:					.,		<u>. </u>		
FFCO:Kandla	1200.0	782.7	517.1	123.3	65.2	43.1	! 41.1		
(FFCO:Paradeep	1500.0	1159.9	915.1	198.8	77,3	61.0	53.0		
TOTAL CO-OP SECTOR	2700.0	1942.6	1432.2	322.1	71.9	53.0	47.7		
PRIVATE SECTOR:							<u> </u>		
GSFC:Vadodara	165.0	0.0	0.0	0.0	0.0	0.0	0.0		
Z1L:Goa	330.0	56.3	49.8	: 54.6	17.1	15.1	65.2		
GFL:Tuticorin	475.0	154.7	145.7	20.6	32.6	30.7	17.3		
MCF:Mangalore	220.0	119.4	117.7	25.1	54.3	53.5	45.6		
TCL:Haldia	675.0	204.9	241.2	54.5	30.4	35.7	32.3		
GSFC:Sikka-I & II	326.0	424.5	390.4	28.0	130.2	119.8	34.4		
GSFC:Sikka-II	396.0	0.0	0.0	52.6	0.0	0.0	53.1		
Total (Sikka-I&II):	722.0	424.5	390.4	80.6	58.8	54.1	4-1.7		
CIL:Kakinada	1925.0	224.9	570.5	94.7	11.7	29.6	19.7		
CIL: Vizag	0.0	0.0	19.3	0.0	0.0	100.0	0.0		
Hindalco Indus:Dahej	400.0	209.1	228.7	35.9	52.3	57.2	35.9		
PPL:Paradeep	720.0	310.6	415.5	104.1	43.1	57.7	57.8		
TOTAL PRIVATE SECTOR	: 5632.0	1704.4	2178.8	470.1	30.3	38.7	33.4		
TOTAL(CO-OP.+PVT.)	8332.0	3647.0	3611.0	792.2	43.8	43,3	38.0		

int-wise Installed Capacity, production & %age Capacity Utilisation of <u>Complexe Fertilizer</u> for t year 2012-13 to 2013-14 & Kharif 2014 (April to June, 2014)

Name of	Installed Production			on Percentage Capacity Utilization			
Company/Unit	capacity	2012-13	2013-14	Kharif 2014 (April to June, 2014	2012-13		Kharif 201
Public Sector:							June, 2014
FACT: UD/ Cochin	633.5	537.9	660.1	118,1	84.9	104.2	74.6
RCF: Trombay	690.0	610.4	515.1	126.8	88.5	74.7	73.5
MFL:Chennai	840.0	100.1	44.8	18,4	11.9	5.3	8.8
Total Public Sector:		1248.4	1220.0	263,3	57.7	56.4	48.7
Cooperative Sector:							
IFFCO: Paradeep/ Kandla	1635.4	1433.8	1760.7	292.8	87.7	107.7	71.6
Private Sector							27.5
GSFC:Vadodara	200.0	294.3	267.5	80.8	147.2	133.8	161.6
CIL:Vizag	1000.0	694.7	843.4	179.1	69.5	84.3	71.6
ZIL:Goa	330.0	195.0	436.3	76.1	59.1	132.2	92.3
GFL:Tuticorin	· 0.0	156.3	159.0	22,7	0.0	0.0	0.0
MCF:Mangalore	40.0	46.1	37.4	2.6	115.3	93.5	26.0
CIL:Ennore	330.0	185.0	180.0	32.9	56.1	54.5	39.9
GNFC:Bharuch	142.5	200.9	188.9	45.2	141.0	132.6	126.9
TCL:Haldia	0.0	258.3	250.1	79.2	0.0	0.0	0.0
GSFC:Sikka	0,0	10.3	87.2	8.5	0.0	0.0	0.0
CIL:Kakinada	0.0	654.0	644.2	151.8	0.0	0.0	0.0
DFPCL:Taloja	230.0	167.2	242.8	39.2	72.7	105.6	68.2
PPL:Paradeep	0.0	635.9	595.5	142.8	0.0 .	0.0	0.0
tal Private Sector:	2272.5	3498.0	3932.3	860.9	153.9	173.0	151.5
Total & ub.+Coop.+Pvt.):	6071.4	5180.2	6903.0	1417.0	101.8	113.9	93.44





डॉ. बंशीलाल महतो : आदरणीय अध्यक्ष महोदया, मैं माननीय मंत्री जी के जवाब से संतुष्ट हूं, लेकिन मेरा एक महत्वपूर्ण प्रश्न है कि छत्तीसगढ़ में कोरबा भारत वर्ष का एक अभिन्न अंग है। छत्तीसगढ़ में वर्ष 1976 से उर्वरक के कारखाने का शिलान्यास हुआ, लेकिन पूर्वदर्ती सरकार ने उसमें कुछ भी नहीं किया। क्या हमारी वर्तमान सरकार उस कारखाने पर खर्च करके उसे चालू करेगी? वह कोल आधारित प्लांट है, जैसा कि पहले उसका आकलन हुआ था। उसमें हजारों एकड़ जमीन ले ली गयी है और बाउंड्री वॉल भी तैयार है। जंगल की भी सफाई हुई थी। वहां पर अभी तक हजारों करोड़ों रुपये खर्च किये जा चुके हैं। मैंने आज जब लिस्ट देखी, तो छत्तीसगढ़ में स्थित उर्वरक कारखाने का कहीं कोई उल्लेख नहीं है।

में मंत्री महोदय से पूछना चाहता हूं कि क्या उस कारखाने को पुनः चालू किया जायेगा? मेरा दूसरा प्रश्न यह है कि प्रत्येक सदस्य...(व्यवधान)

माननीय अध्यक्ष : आप अपना दूसरा प्रश्न बाद में पूछिये।

माननीय मंत्री जी, माननीय सदस्य आपके उत्तर से बहुत संतुष्ट हैं, लेकिन अब आप उन्हें और संतुष्ट कीजिए।

...(व्यवधान)

श्री अनन्तकुमार: अध्यक्ष महोदया,, बहुत-बहुत धन्यवाद। छत्तीसगढ़ में कोरबा का फर्टिलाइजर प्लांट है, उसे वर्ष 1973 में शुरू करने की सोच थी। उसके लिए सभी प्रबंध भी हो चुके थे, मशीनरी भी लायी गयी थी, लेकिन उसे खोला नहीं गया। वर्ष 1990 में उस फर्टिलाइजर प्लांट कों बंद कर दिया गया। उस फर्टिलाइजर प्लांट को कैसे शुरू करें, इस बारे में हम प्रदेश सरकार के साथ बात करेंगे। यदि हो सका, तो ज्वाइंट वेंचर में उसे रिवाइव करने की कोशिश करेंगे।

खाँ. बंशीलाल महतो : अध्यक्ष महोदया, मैं मंत्री जी से पूछना चाहता हूं कि क्या इस संबंध में छत्तीसगढ़ सरकार से कोई प्रस्ताव आया है? मेरा कहना है कि छत्तीसगढ़ सरकार से प्रस्ताव लाया जाये। मैं खुद उसे प्रस्ताव को भिजवाऊंगा। आप उसे चालू कराइये, क्योंकि इस पर पहले ही काफी रुपये खर्च हो चुके हैं। यह बहुत उपयोगी कारखाना है। वहां कोयले का मंडार है और ऊर्जाधानी है। वहां पानी की भी समस्या नहीं है। ये सारी उपलब्धता वहां प्राकृतिक रूप से है, इसलिए उसे चालू करना आवश्यक है।

श्री अनन्तकुमार: अध्यक्ष महोदया, मैं माननीय सांसद डॉ. बंशीलाल महतो के सुझाव का स्वागत करता हूं। मैं कहना चाहूंगा कि हम खुद उस फर्टिलाइजर प्लांट को शुरू करने के लिए छत्तीसगढ़ चले जायेंगे! ...(व्यवधान)



SHRI BHARTRUHARI MAHTAB: Madam Speaker, my question arises from the last part of the Question which relates to the revival of sick units. The intelligent Minister is aware that the Talcher fertilizer plant is not sick. It has been totally closed down. There was some attempt during the last days of the UPA II regime to revive the Talcher fertilizer plant.

I would like to understand from the Minister, through you, what steps this Government has taken other than the steps taken earlier by the UPA Government to revive that fertilizer plant in Talcher.

SHRI ANANTH KUMAR: After becoming sick only the plants get closed down. Regarding Talcher fertilizer plant, I would like to say that we had two rounds of meetings with all the concerns, with the Minister of Coal, with the Minister of Petroleum and Natural Gas. We are going to establish two joint ventures, one with the Coal India Limited and the other with the GAIL. With these two joint ventures, with coal gasification model, we are going to revive the Talcher plant. If everything goes according to the plan, I think, we are going to give a good news in November – December of this year itself.

SHRI N.K. PREMACHANDRAN: In the reply given by the hon. Minister, it has been stated that the financial performance of the FACT turned negative due to the anomalies in the erstwhile price concession scheme for complex fertilizer during 2002-03 to 2007-08. I do agree with him. But the main problem is that the FACT is forced to close down the Ammonia Plant due to the direction, verdict from the hon. Supreme Court. So, it is a commitment on the part of the Government of India that the FACT would be duly compensated. FACT as also the Ministry submitted a proposal for the Rs.900 crore financial restructuring package and the plan has been submitted. It is pending before the Government of India. I would like to know from the hon. Minister whether the revival plan of FACT would be done at the earliest so that the company can be revived in toto.

SHRI ANANTHKUMAR: After assuming charge as the Chemicals and Fertilizers

Minister, my first visit was to the oldest fertiliser plant of India, the FACT. I

visited Kochi. I inspected the Kochi Plant. After that, we have held rounds of



meetings regarding the revival of FACT which is a premier fertilizer plant. We have also proposed a Rs.929 crore revival package It is under the consideration of the Government of India)

There is an issue. The issue is of getting the feed-stock from Petronet. Recently, I held a meeting with the Petroleum and Natural Gas Minister and the other representatives of the Petroleum and Natural Gas Ministry. Our Government led by Shri Narendrabhai Modi wants that the FACT should be revived.

PROF. SAUGATA ROY: Madam, the hon. Minister has spoken about the closed fertilizer plants. It is strange that India is one of the biggest importers of fertilizer. When India goes to the international market, the price of fertilizer goes up. In spite of that, the fertilizer plants are lying closed in the country. Shri Mahtab has mentioned about the Talcher Unit; Shri Premachandran has mentioned about the FACT Plant in Kochi. In West Bengal, there were only two fertilizer plants: one at Haldia and the other at Durgapur. Both these have been lying closed for a long time. Sometimes it happens that technology is outmoded and at other times it happens that the feedstock like Naphtha or natural gas or coal is not available. What, according to him, is the reason for the closure of these factories? What steps the Government is going to take to revive the only two fertilizer plants in West Bengal?

SHRI ANANTHKUMAR: Madam Speaker, the hon. Member Prof. Saugata Roy has raised a very valid question. He has also said in his question that feedstock is an important issue. The grand vision of our Prime Minister Shri Narendrabhai Modi is to have a gas grid in the country and it has been mentioned in the recent Budget also. The gas grid between Jagdishpur and Haldia which the GAIL is going to lay is going to connect by the spur-way all the fertilizer plants which have been closed That is an important issue. The fertilizer plant in Gorakhpur, Sindri, Barauni, Durgapur and in Haldia are important. Recently, I have taken a meeting with GAIL, meeting with the Petroleum and Natural Gas Minister. SAIL is also participating in Sindri. Hence I had a meeting with the Steel and Mines Minister. I think when we lay the pipeline between Jagdishpur and Haldia, it is going to be

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the first ever gas corridor in this part of the country, the Hindi heartland because it is not only going to cater to the fertilizer plants but also it is going to cater to the petro-chemical plants; it is going to cater to the steel mills also. I think it will rejuvenate industrialisation in the Hindi heartland. I think that will be the solution for Durgapur and Haldia also.... (Interruptions)

माननीय अध्यक्ष : उत्तर से सबको संतुष्ट कर रहे हैं। कृपया बैठिए।

...(व्यवधान)

HON. SPEAKER: Q. No. 387 – Shri Rattan Lal Kataria.

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 4681 TO BE ANSWERED ON: 12-08-2014

Renovation of Fertilizer Factories

4681: SHRI P.K. BIJU:

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

- (a) whether the Government has any policy to increase production of fertilizer in the country by adopting modern technology;
- (b) if so, the details thereof;
- (c) whether the Government proposes to renovate the plants of the Fertilizer and Chemicals Travancore Limited (FACT) in Kerala;
- (d) if so, the details thereof; and
- (e) the present production quantity of various fertilizers at FACT in Kerala?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI NIHAL CHAND)

(a) & (b): The New Investment Policy (NIP)-2008 aimed at attracting investment in urea sector by linking concession price to the Import Parity Price. Under this aforementioned policy, sixteen units have undertaken revamp which has resulted in production of around 20 lakh metric tonne of urea per annum.

The Government had notified the New Investment Policy (NIP)-2012 on 2nd January, 2012 to facilitate fresh investment in urea sector in future to reduce India's import dependency in urea production. Under NIP-2012, the energy norms of new projects will be recognized at 5 Gcal/MT, which is comparable to the best urea units around the world.

(c) & (d): During the current year 2014-15, FACT has submitted a proposal to the Government of India for release of fund for renovation of fertilizer plants of FACT.

They have submitted a comprehensive financial relief package for the long term sustainable operation of the company. BRPSE at its meeting held on 20.12.2013 have recommended a financial relief to FACT which includes infusion of fresh funds, waiver of GOI loans & interests, grant of additional compensation for use of LNG etc.

The recommendation of the BRPSE is under the consideration of Department of Fertilizers for seeking the approval of Cabinet.

(e) : The installed capacity of the fertilizer plants of FACT and actual production during the year 2013-14 is given below:

Product	Installed Capacity (MT)	Actual Production (MT)
Ammonium Sulphate	225000	178792
Factamfos	633500	660079

Apporlix XVII

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 384 TO BE ANSWERED ON: 25.11,2014

Revival of FACT

384. SHRI ANTO ANTONY

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

- (a) whether the Government has received any proposal from the State Government of Kerala recently regarding the revival of Fertilizers and Chemicals Travancore Limited (FACT)
- (b). if so, the details thereof and the response of the Government thereto; and
- (c) the present status of the said proposal?

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI AMANTH KUMAR)

(a) to (c): A letter has been received from Chief Minister of Kerala requesting approval of financial relief package to Fertilizers and Chemicals Travancore Limited (FACT) for its sustained and continued operations. Government has requested State Government of Kerala for exemption of Value Added Tax (VAT) and granting permission for mixed use of land for setting up joint ventures as profit centres.

Department of Fertilizers, in order to address the issue of sickness of FACT, has formulated a comprehensive proposal seeking financial restructuring of FACT for the consideration/approval of Cabinet Committee of Economic Affairs. Department of Expenditure has raised some issues on the proposal. Department of Fertilizers is in discussion with Department of Expenditure to resolve these issues.

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Appendix - XVIII

LOK SABHA

UNSTARRED QUESTION NO. 5191

TO BE ANSWERED ON 26.4.2013

GAS TO NON-UREA, FERTILIZERS PLANTS

5191. SHRI N.CHALUVARAYA SWAMY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

पेट्रोलियम और प्राकृतिक गैस मंत्री

- (a) whether the Government proposes to cut off the supply of cheap gas to non-urea fertilizer plants;
- (b) if so, the details thereof;
- (c) whether the move is likely to affect the public fertilizers companies and the country's ammonia production which is used for producing fertilizers; and
- (d) if so, the details thereof?

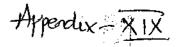
ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (श्रीमती पनबाका लक्ष्मी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAAKA LAKSHMI)

(a) to (d): The matter regarding supply of domestic gas to different fertilizer plants was placed before the EGoM in its meeting held on 24.2.2012. The EGoM inter alia directed that the proposal to suspend the supply of KG D6 gas to P&K plants (Deepak, GSFC and RCF) including the proposal to restrict future supply only to urea fertilizer plants be kept in abeyance till 24.5.2012, during which time Department of Fertilizers (DoF) will finalize the Guidelines on adjustment of subsidy on allocation of gas to P&K fertilizer plants.

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GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA UNSTARRED QUESTION NO. 339 TO BE ANSWERED ON: 06.08.2013

COMPLAINTS OF CORRUPTION AGAINST IFFCO OFFICERS

339. SHRI C.R. PATIL

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

- (a) Whether Government is aware/ has received complaints of corruption against top officers of Indian Farmers Fertilizer Cooperative Limited(IFFCO) including gifting of IFFCO properties;
- (b) If so, the details thereof with names of such officers with corruption charges;
- (c) Whether Government would investigate all charges against officers of IFFCO through investigating agencies; and
- (d) If not, reasons there for.

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS & FERTILZIERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

(SRIKANT KUMAR JENA)

(a) & (b): Department of Fertilizers has received the following complaints against Shri U.S. Awasthi, MD, IFFCO and IFFCO Management including gifting of IFFCO properties:

- 1. A complaint dated 25.05.2010 of Shri Nishikant Dubey, MP, Lok Sabha against Shri U.S. Awasthi, MD, IFFCO was forwarded by CVC. A copy of the same complaint was also received directly. The allegations were regarding subsidy frauds by opening Kisan International Trading, a 100% subsidiary in Dubai, illegal contract for cornering a posh bungalow for himself from society's fund, buying political favours in violation of MSCS Act and earning huge illegal commission in imports of raw material and finished fertilizers, investment in Legend International Holdings, repatriation of Government Equity through illegal means, defrauding the Government by manipulating sales & claiming higher subsidy and manipulation of election of Board of IFFCO and prevailing lawlessness.
- Another complaint of Nishikant Dubey, MP was forwarded by PMO vide its letter dated 09.06,2010. The same complaint was also received through the then PS to Hon'ble Minister of Finance vide his letter dated 30.08,2010. The allegations were with regard to wrong disclosure in violation of established

accounting practices by IFFCO and siphoning of money and money laundering activities of Shri U.S Awasthi, MD.

- 3. A complaint dated 20.06.2011 was received from Shri V. Aruna Kumar, MP, Lok Sabha forwarded by PMO vide its letter dated 06.07.2011. The allegations are regarding decision taken by IFFCO Management to benefit themselves rather than member farmers, decision of IFFCO Management to gift its MD a bungalow at Hauz Khas, New Delhi worth Rs 50 crore, Commonwealth Village which is a sheer wastage of poor farmers money, making fertilizer and fertilizer raw materials worth Rs 600 crore per annum to Kisan International Trading to bypass Govt. of India guidelines, manipulated to give advantages to persons, companies are opened and closed to gain personal commissions and loss to organization, purchase of Paradeep Plant from Oswal private company without due diligence at Holding in Australia.
- 4. A complaint was received in this department from CVC vide its letter no. 013/C&F/002 dated 07.03.2013 forwarding therewith a copy of complaint dated 22.02.2013 from Shri Nikhil Kumar, District Magistrate, District South West, Government of Delhi. The complaint is about dubious, imprudent, financially improper transaction by IFFCO transferring the title, ownership, possession of its prime property located at L-4, Hauz Khas Enclave, New Delhi to its Managing Director Shri U.S Awasthi vide conveyance deed
- 5. A complaint was received from Shri Nishikant Dubey, MP, Lok Sabha vide letter dated 01.04.2013 which has been forwarded by PMO vide its letter dated 09.04.2013. The same letter has also been forwarded by the Cabinet Secretariat vide its I.D dated 12.04.2013. The allegations leveled in the complaint are regarding IFFCO is making huge operational losses year after year. IFFCO making wrong disclosures in violation of established accounting practices, the current cash flow position of IFFCO smacks some serious problem, there is no oversight over the affairs of IFFCO, (v) IFFCO and IFFCO makes more than Rs 6000 crore worth of purchase of raw materials but there is no tender and no transparent system.

(c) & (d): The complaints are at various stages of examination/investigation.

Appendix XX

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3898 TO BE ANSWERED ON: 18.02.2014

DEALING OF KRIBHCO

3898. SHRI ADHALRAO PATIL SHIVAJI:

SHRI D.B. CHANDRE GOWDA:

SHRI YASHVIR SINGH:

SHRI NEERAJ SHEKHAR:

SHRI ANANDRAO ADSUL:

SHRI DHARMENDRA YADAV:

SHRI ASADUDDIN OWAISI:

SHRI GAJANAN D. BABAR:

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

- (a) Whether a case of bribery/irregularities involving pay off by a Norwegian firm to clinch deal with Krishak Bharati Cooperative Limited(KRIBHCO) has come to the notice of the Government:
- (b) if so, the details thereof;
- (c) whether the Government has inquired into the matter;
- (d) if so, the details and outcome thereof and
- (e) the action taken or being taken by the Government in this regard.

ANSWER

MINISTER OF STATE(INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

(SHRI SRIKANT KUMAR JENA)

⁽a) and (b): Yes Madam, Department of Fertilizers has received newspaper reports published in "The Hindu" and "The Tribune" through Principal Director General(M&C), Press Information Bureau, Government of India regarding Fertilizer scam involving a former officer of this department, Krishak Bharati Cooperative Limited(KRIBHCO) and Norwegian Fertilizer company Yara

International. The press report published in "The Tribune" dated 19.01.2014 mentions that Director, CBI has stated that CBI has received a Letter Rogatory(LR) through Interpol and they are examining the papers.

Further, Central Vigilance Commission has forwarded copies of news items appeared in "The Hindu" dated 17.01.2014 and in the "Indian Express" dated 16.01.2014 regarding payment of bribe to Indian Officials by YARA, a Norwegian company in setting up of a JV with KRIBHCO. The newspaper report has contended that Norwegian criminal investigators have said fertilizer giant Yara illegally paid \$1 million to a top Indian bureaucrat's son in return for his helping it secure a joint venture with KRIBHCO.

(c) to (e): Department of Fertilizer has taken up the matter with Ministry of External Affairs(MEA) to obtain a copy of the report/findings from the Norwegian Authorities through Indian Mission in Norway. This department has also written a letter to CMD, KRIBHCO to furnish comments in the matter at the earliest. The matter will be further examined on receipt of Report from MEA and comments from KRIBHCO.

Appendix XXI

GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 240 TO BE ANSWERED ON: 25-11-2014

New Investment Policy-2008

240 SHRIMATI DARSHANA VIKRAM JARDOSH:

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

- (a) whether the Government proposes to make amendments in New Investment Policy (NIP)-2008 formulated for attracting investment in the Urea Sector;
- (b) if so, the details of major amendments made/likely to be made to address the concerns of urea manufacturing sector; and
- (c) the present status of NIP-2008?

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI ANANTH KUMAR)

(a): Yes, Madam.

(b) & (c): The amendment to New Investment Policy (NIP) - 2008 is under consideration of the Department of Fertilizers.

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GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO.295 TO BE ANSWERED ON: 25.11.2014

Reopening of FCI Plant in Telangana

295. SHRI SUMAN BALKA:

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

- whether the Government proposes to take steps to reopen Fertilizers. (a) Corporation of India (FCI) at Ramagundam in Telangana State
- if so, the details thereof; and (b)
- the time by which FCI is likely to be reopened? (c)

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI ANANTH KUMAR)

Yes madam. The Ramagundam unit of Fertilizer Corporation of India (a) to (c): Limited (FCIL) is proposed to be revived by a Consortium of Public Sector Undertakings namely National Fertilizers Limited (NFL), Engineers India Limited (EIL) and FCIL by forming a Joint Venture Company. As per the tentative time line proposed for the project is expected to be commissioned in the last quarter of 2018

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GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 301 TO BE ANSWERED ON 25.11.2014

New Fertilizer Industry

301. SHR! SUNIL KUMAR MONDAL:

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

- whether the Government proposes to establish new fertilizer industry and (a) reopen closed fertilizer plants in the country;
- if so, the details thereof and new fertilizer plants that are likely to be (b) established;
- the time by which new fertilizer plants/closed plants are likely to be (c) established/made functional; and
- the details of progress made regarding revamping of closed fertilizer . (d) plants/units in the country, plants/unit-wise?

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI ANANTH KUMAR)

In 2008 Cabinet approved revival of closed units of FCIL and HFCL subject to non-recourse to Government funding and to consider write off of GOI Loan & interest to the extent required. The revival of these closed units would be through nomination route by PSUs and through bidding route by private sector. Sindri, Talcher and Ramagundam Units of FCIL to be revived on nomination basis. Gorakhpur & Korba units of FCIL and Durgapur, Haldia, Barauni of HFCL to be revived through

In August, 2011, the Cabinet Committee on Economic Affairs (CCEA) had approved the Draft Rehabilitation Scheme (DRS) for revival of all the Units of FCIL and HFCL. DRS envisaged revival of Talcher Unit by the consortium of M/s.Rashtriya Chemical & Fertilizers Limited (RCF), M/s Coal India Limited (CIL) and M/s Gas Authority of India _ mited (GAIL), revival of Ramagundam Unit by M/s. Engineers India Limited (EIL) and M's National Fertilizers (NFL) Limited and revival of Sindri unit by M/s Steel +455 cm, of India Limited (SAIL).

In its meeting held on 9.5.2013, CCEA, inter-alia, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at positive net worth. This enabled FCIL to get de-registered from the purview of Board for Industrial and Financial reconstruction (BIFR). Proposal/action plan on revival of HFCL units to be taken up once revival of FCIL units is on track.

The progress of revival of FCIL units is as under:

Revival of Talcher:

Talcher unit of FCIL to be revived by consortium of PSUs namely RCF, GAIL, CIL and FCIL by forming two joint venture companies, namely JV 1 & JV 2 with the following time line:

i. JV formation through RoC : By 30.11.2014
ii. Financial closure & Zero date : By 1.01.2015
iii. Commissioning of Project : By 31.12.2018

Revival of Ramagundam:

Ramagundam unit of FCIL to be revived by consortium of PSUs namely NFL,EIL and FCIL by forming a JV company with the following time line:

i. JV formation : By 31.12.2014
 ii. Award of contract to Technology Licensors : By 31.03.2015
 iii. Project completion : By 30.09.2018

Revival of Sindri

For Sindri unit, SAIL-Sindri Projects Ltd. (SSPL), a wholly owned subsidiary of SAIL, has been incorporated in November 2011 for the purpose of revival of Sindri Unit of FCIL. Out of total land of 6652 acres with FCIL at Sindri, only 498 acres (the area of existing fertilizer plant) is encroachment free contiguous land as against the requirement of 3247 acres of encroachment free contiguous land required by SAIL for setting up the proposed facilities. However, no much progress has been made due to non-availability of around 3000 Acres of contiguous piece of land for the Steel Plant.

In the context of the proposed Jagdishpur-Haldla Pipeline of GAIL, Department of Fertilizers is exploring the feasibility of fast tracking the revival, of Gorakhpur unit of FCIL. Revival of Korba unit through bidding is pending.

Extracts from Hanual of Parliamentary Procedures in the Government of India, Ministry of Parliamentary Affairs, New Delhi

Chapter 8

Assurances

8.1 During the course of reply given to a question or Definition a discussion, if a Minister gives an undertaking which involves further action on the part of the Government in reporting back to the House, it is called an 'assurance'. Standard list of such expressions which normally constitute assurances as approved by the Committee on Government Assurances (CGA) of the respective House, is given at Annex-3. As assurances are required to be implemented within a specified time limit, care should be taken by all concerned while drafting replies to the questions to restrict the use of these expressions only to those occasions when it is clearly intended to give an assurance on the floor of the House.

8.2 An assurance given in either House is required to be Time limit for fulfilled within a period of three months from the date of fulfilling an the assurance. This limit has to be strictly followed.

8.3 To ensure early fulfillment of assurances, entire Online Assurances process beginning from culling out of assurances from the proceedings of the House to the submission of Implementation Report including extension of time, dropping and transfer of assurances have been automated through a Software Application named "Online Assurances Monitoring System" (OAMS). Requests for extension of time, dropping or transfer of assurances and submission of Implementation Report through any other offline mode shall not be entertained under any circumstances.

Monitoring System (OAMS)

Culling out of Assurances

8.4 When an assurance is given by a Minister or when the Presiding Officer, directs the Government to furnish information to the House, it is extracted by the Ministry of Parliamentary Affairs, from the relevant proceedings and communicated to the Department concerned online through 'OAMS' normally within 20 working days of the date on which it is given on the floor of the House.

Deletion from the list of assurances

8.5 If the administrative Ministry/Department has any objection to treating such a statement as an assurance or finds that it would not be in the public interest to fulfill it, it may upload its request at 'OAMS' within a week of treating such statement as assurance for getting it deleted from the list of assurances. Such action will require prior approval of the Minister concerned and this fact should be clearly indicated in their communication containing the request. If such a request is made towards the end of stipulated period of three months, then it should invariably be accompanied with a request of extension of time. The department should continue to seek extension of time till the decision of the Committee on Government Assurances is conveyed through 'OAMS'. Requests received through offline mode shall not be entertained by either Rajya Sabha/Lok Sabha Secretariat or Ministry of Parliamentary Affairs.

Extension of time for fulfilling an assurance

8.6 If the Department finds that it is not possible to fulfill the assurance within the stipulated period of three months or within the period of extension already granted, it may seek further extension of time as soon as the need for such extension becomes apparent, indicating the reasons for delay and the probable additional time required alongwith details of action taken/progress made in the matter. All such request should be submitted at 'OAMS' for decision by CGA thereon with the approval of the concerned Minister.

Registers of Assurances

8.7.1 The particulars of every assurance will be entered by the Parliament Unit of the Ministry/Department concerned in a register as at Annex 4 after which the assurance will be passed on to the concerned section

8.7.2 Even ahead of the receipt of communication from the Ministry of Parliamentary Affairs through 'OAMS' the section concerned should take prompt action to fulfill such assurances and keep a watch thereon in a register as at Annex 5.

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8.7.3 The registers referred to in paras 8.7.1 and 8.7.2 will be maintained separately for the Lok Sabha and the Rajya Sabha assurances, entries therein being made session wise.

The Section Officer in charge of the concerned section Role of Section will:

Officer

- (a) scrutinize the registers once a week;
- (b) ensure that necessary follow-up action is taken without any delay whatsoever;
- (c) submit the registers to the branch officer every fortnight if the House concerned is in session and once a month otherwise, drawing his special attention to assurances which are not likely to be implemented within the period of three months; and
- (d) review of pending assurances should be undertaken periodically at the highest level in order to minimize the delay in implementing the assurances.
- 8.8 The branch officer will likewise keep his higher officer and Minister informed of the progress made in the implementation of assurances, drawing their special attention to the causes of delay.
- 8.9.1 Every effort should be made to fulfill the assurance Procedure for within the prescribed period. In case only part of the information is available and collection of the remaining information would involve considerable time, Implementation Report(IR) containing the available information should be uploaded at 'OAMS' in part fulfillment of the assurance, within the prescribed time limit. However, efforts should continue to be made for expeditious collection of the remaining information for complete implementation of the assurance at the earliest.

fulfillment of an

8.9.2 Information to be furnished in partial or complete fulfillment of an assurance should be approved by the Minister concerned before it is uploaded at 'OAMS' in both English and Hindi versions in the prescribed pro forma as at Annex-6, together with its enclosures. After online submission of the Report for fulfillment of the assurance partial or complete as the case may be, four hard copies each in Hindi and English version with one copy of each version duly authenticated by the officer concerned should be sent to the Ministry of Parliamentary Affairs for laying until e-laying is adopted by the concerned House.

8.9.3 The Implementation Report should be submitted at 'OAMS' only. Implementation Report sent by any other mode or sent to Rajya Sabha/Lok Sabha Secretariat directly, will not be considered for laying.

Laying of the Implementation Report on the Table of the House 8.10 The Ministry of Parliamentary Affairs, after scrutiny of the Implementation Report, will arrange to lay it on the Table of the House concerned. A copy of the Implementation Report, as laid on the Table, will be forwarded by Ministry of Parliamentary Affairs to the member(s) concerned. Details of laying of Implementation Report submitted by the Ministry/Department concerned would be made available by the Ministry of Parliamentary Affairs at 'OAMS'. The Parliament Unit of the Ministry/Department concerned and the concerned section will, on the basis of information available at 'OAMS', update their records.

Obligation to lay a paper on the Table of the House vis-àvis assurance on the same subject

8.11 Where there is an obligation to lay any paper (rule/order/notification, etc.) on the Table of the House and for which an assurance has also been given, it will be laid on the Table, in the first instance, in fulfillment of the obligation, independent of the assurance given. After this, a formal report regarding implementation of the assurance indicating the date on which the paper was laid on the Table will be submitted at 'OAMS' in the prescribed pro forma (Annex-6) in the manner already described in para 8.9.2

8.12 Each House of Parliament has a Committee on Committees Government Assurances nominated by the Chairman/ Speaker. It scrutinizes the Implementation Reports and the RSR 211-A time taken in the fulfillment of Government Assurances LSR 323, 324 and focuses attention on the delays and other significant aspects, if any, pertaining to them. Instructions issued by Ministry of Parliamentary Affairs from time to time as available on 'OAMS' are to be followed strictly.

on Government Assurances

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8.13 The Ministries/Departments will, in consultation with Reports of the the Ministry of Parliamentary Affairs, scrutinize the reports Government of these two Committees for remedial action wherever Assurances called for.

8.14 On dissolution of the Lok Sabha, the pending Effect on assurances assurances do not lapse. All assurances, promises or on dissolution of undertakings pending implementation are scrutinized by the new Committee on Government Assurances for selection of such of them as are of considerable public importance. The Committee then submits a report to the Lok Sabha with specific recommendations regarding the assurances to be dropped or retained for implementation by the Government.

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Appendix - XXV

MINUTES

COMMITTEE ON GOVERNMENT ASSURANCES (2019-2020) (SEVENTEENTH LOK SABHA) TWELFTH SITTING (10.08.2020)

The Committee sat from 1530 hours to 1635 hours in Committee Room "C", Parliament House Annexe, New Delhi.

PRESENT

Shri Rajendra Agrawal - Chairperson

MEMBERS

- 2. Shri Nihal Chand Chauhan
- 3. Shri Ramesh Chander Kaushik
- 4. Shri Kaushalendra Kumar
- 5. Shri Ashok Mahadeorao Nete
- 6. Shri Santosh Pandey

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary

2. Shri Lovekesh Kumar Sharma - Director

3. Shri S.L. Singh - Deputy Secretary

WITNESSES

Ministry of Chemicals and Fertilizers (Department of Fertilizers)

1. Shri Chhabilendra Roul - Secretary

Shri Dharam Pal - Additional Secretary

3. Shri Partha Sarthi Sen Sharma - Joint Secretary

4. Ms. Aparna.S.Sharma - Joint Secretary

Ministry of Labour and Employment

Shri A.K. Samantaray - Deputy Director General

Ministry of Social Justice and Empowerment

1. Shri Bharat Lal Meena - Director

Ministry of Parliamentary Affairs

Shri P.K. Halder - Under Secretary

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- 2. Thereafter, the representatives of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Ministry of Parliamentary Affairs were ushered in. Welcoming the witnesses to the sitting of the Committee, the Chairperson impressed upon them not to disclose the deliberations of the Committee to any outsider. The Committee then took oral evidence of the representatives of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) regarding pending Assurances. The Committee were perturbed to note the long pendency of the Assurances of the Ministry. The Chairperson asked the Secretary, Department of Fertilizers to give an overview of the pending Assurances of the Department and also enquired about the internal mechanism and system of monitoring and reviewing the implementation of pending Assurances in the Department.
- 3. The Secretary, Ministry of Chemicals and Fertilizers (Department of Fertilizers) accordingly briefed the Committee on the above issues. The Chairperson asked the representatives of the Ministry to furnish the Minutes of their review meetings for monitoring of pending Assurances.
- 4. The Chairperson and Members thereafter raised various queries and sought certain clarifications on the 23 pending Assurances (Annexure) taken up for the day. The witnesses responded to these queries and also provided clarifications. As some queries required detailed reply and inputs from various quarters, the Chairperson asked the witnesses to furnish written replies on the same in due course.
- 5. The evidence was completed.
- 6. The Chairperson thanked the witnesses for deposing before the Committee and furnishing the available information on the queries raised and clarifications sought by them.
- 7. The witnesses, then, withdrew.
- 8. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

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ANNEXURE

(Or partment of Fertilizers) discussed during oral evidence held on 10.08.2020

SI.No.	SQ/USQ No. dated	Subject
1	Special Mention dated 01-12-2005	Reservation for SC/ST in Multi National Companies
2	Discussion on Motion of Thanks on President's Address dated 21-02-2006	Bill on Unorganized Workers
3	SQ No. 71 dated 04-08-2011	Prices of Fertilizers
4	USQ No. 591 dated 15-03-2012	Establishment of Urea Plants
5	SQ No. 128 dated 22-03-2012	Supply of Cheaper Gas
6	USQ No. 5608 dated 10-05-2012	Use of Domestic Gas
7	USQ No. 4200 dated 06-09-2012	Subsidy to Fertilizer Companies
8	USQ No. 1024 dated 29-11-2012	Revival of FACT Limited Cochin
9	USQ No. 4449 dated 20-12-2012	Financial Assistance/Package to
10	USQ No. 3120 dated 11-02-2014	Revival of FACT
11	SQ No. 22 dated 08-07-2014 (Supplementary by Dr. Anirudhan Sampath, MP)	Rise in Prices of Fertilizers
12	SQ No. 31 dated 08-07-2014	Revival of Closed/Sick Fertilizers Plants
13	USQ No. 73 dated 08-07-2014	Financial Assistance to FACT
14	USQ No. 661 dated 15-07-2014	Sale of FACT's Share
15	SQ No. 386 dated 05-08-2014 (Supplementary by Shri N.K. Premachandran, M.P.)	Fertilizer Plants
16	USQ No. 4681 dated 12-08-2014	Renovation of Fertilizer Factories
17	USQ No. 384 dated 25-11-2014	Revival of FACT
18	USQ No. 5191 dated 26-04-2013	Gas to Non-Urea Fertilizers Plants

		- Use against
	220 dated 06-08-2013	Complaints of Corruption against
19	USQ No. 339 dated 06-08-2013	IFFCO Officers
	5000 J-1-d 19 02-2014	Dealing of KRIBHCO
20	USQ No. 3898 dated 18-02-2014	
	11 2014	New Investment Policy-2008
21	USQ No. 240 dated 25-11-2014	
	125 11 2014	Reopening of FCI Plant in Telangana
22	USQ No. 295 dated 25-11-2014	
	105 14 2014	New Fertilizer Industry
23	USQ No. 301 dated 25-11-2014	

Appendix -XXVI

MINUTES

COMMITTEE ON GOVERNMENT ASSURANCES
(2020-2021)
(SEVENTEENTH LOK SABHA)
FIRST SITTING
(03.12.2020)

The Committee sat from 1100 hours to 1215 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Rajendra Agrawal - Chairperson

MEMBERS

- 2. Shri Ramesh Chander Kaushik
- Shri Kaushalendra Kumar
- 4. Shri Santosh Pandey
- 5. Shri Pashupati Kumar Paras

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary

2. Shri Lovekesh Kumar Sharma - Director

3. Shri S.L. Singh - Deputy Secretary

WITNESSES

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At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them that the sitting has been convened to (i) chalk out future programme of the Committee; (ii) consider and adopt 14 draft Reports; (iii) consider 25 Memoranda containing requests received from various Ministries/Departments for dropping or otherwise of 61 pending Assurances; and (iv) take oral evidence of the representatives of the Ministry of Civil Aviation regarding pending Assurances.

- 2. Thereafter, the Committee took up for consideration and adoption the following 14 Draft Reports:-
 - (i) Draft Seventeenth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)';
 - (ii) Draft Eighteenth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)';

- (iii) Draft Nineteenth Report (17th Lok Sabha) regarding 'Review of Pending Assurances
 Pertaining to the Ministry of Power';
- (iv) Draft Twentieth Report (17th Lok Sabha) regarding 'Review of Pending Assurances Pertaining to the Ministry of Youth Affairs and Sports (Department of Sports)';
- (v) Draft Twenty-First Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)';
- (vi) Draft Twenty-Second Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)';
- (vii) Draft Twenty-Third Report (17th Lok Sabha) regarding 'Review of Pending Assurances Pertaining to the Ministry of Chemicals and Fertilizers (Department of Fertilizers)';
- (viii) Draft Twenty-Fourth Report (17th Lok Sabha) regarding 'Review of Pending Assurances Pertaining to the Ministry of Defence (Department of Defence)';
- (ix) Draft Twenty-Fifth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)';
- (x) Draft Twenty-Sixth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)';
- (xi) Draft Twenty-Seventh Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)';
- (xii) Draft Twenty-Eighth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)';
- (xiii) Draft Twenty-Ninth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)'; and
- (xiv) Draft Thirtieth Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)'.
- The Committee adopted all the above mentioned 14 Draft Reports without any amendment and authorized the Chairperson to present the Reports at a later date.

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The Committee then adjourned.

Appardix-XXVII

COMPOSITION OF THE COMMITTEE ON GOVERNMENT ASSURANCES* (2019 - 2020)

SHRI RAJENDRA AGRAWAL

Chairperson

MEMBERS

- 2. Shri Sudip Bandyopadhyay
- 3. Shri Nihal Chand Chauhan
- 4. Shri Gaurav Gogoi
- 5. Shri Nalin Kumar Kateel
- 6. Shri Ramesh Chander Kaushik
- 7. Shri Kaushalendra Kumar
- 8. Shri Ashok Mahadeorao Nete
- 9. Shri Santosh Pandey
- 10. Shri Pashupati Kumar Paras
- 11. Shri Parbatbhai Savabhai Patel
- 12. Shri M.K. Raghavan
- 13. Shri Chandra Sekhar Sahu
- 14. Dr. Bharatiben Dhirubhai Shyal
- 15. Smt. Supriya Sule

SECRETARIAT

1. Shri Pawan Kumar

Joint Secretary

2. Shri Lovekesh Kumar Sharma

Director

3. Shri S. L. Singh

Deputy Secretary

^{*} The Committee was constituted w.e.f. 09 October, 2019 $\underline{\textit{vide}}$ Para No. 609 of Lok Sabha Bulletin Part-II dated 09 October, 2019

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