

(a) whether it is a fact that fertilizer agencies charge much more than the MRP rates from the farmers in tribal areas; and

(b) if so, the measures proposed to be adopted to stop fertilizer agencies from exploiting the farmers especially in tribal areas?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) No, Sir. No report of overcharging have been received by the Department of Fertilizers.

(b) The fertilizer companies have been asked by Department of Fertilizers to print the MRP as well as the amount of subsidy on each bag of fertilizer and companies do follow this. The State Governments have also been requested to ensure that the fertilizers are sold at the MRP printed on the bags. Any sale above the printed maximum retail price is punishable under the Essential Commodities Act. This Department has not received any complaint that a company has not printed MRP while selling their fertilizers.

Building of fertilizer capacity in Middle East

1367. SHRI SANJAY RAUT: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government has received any report/suggestion to consider to build new fertilizer capacity in the Middle East, where gas supplies are abundant and relatively inexpensive; and

(b) if so, Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) The various proposals are under discussion in Middle East for exploring the possibility of putting up Ammonia-Urea fertilizer plant in countries like Oman, Saudi Arabia, Iran, Qatar and Kuwait. The Government is continuously following-up the issue of availability of gas with the competent authorities in the respective nations. However, no country has till now, given confirmation about availability/supply of gas at affordable price.

Revival of closed fertilizer units

1368. SHRI N.K. SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has been actively considering with an action plan to revive the closed fertilizer manufacturing units across the country;

(b) if so, the details thereof;

(c) whether the existing fertilizer units in the country are unable to meet the demand of urea in the country; and

(d) if so, to what extent revival of the closed fertilizer manufacturing units will meet this shortage?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) Government has decided to explore the feasibility of revival of the closed public sector fertilizer units of the Fertilizers Corporation of India Ltd. (FCIL) and Hindustan Fertilizers Corporation Ltd. (HFCL) subject to assured availability of natural gas, to meet the emerging demand production gap of urea in the country. The Government has constituted an Empowered Committee of Secretaries (ECoS) with the mandate to evaluate all investment options for revival of the closed units of FCIL/HFCL and to make suitable recommendations for consideration of the Government. The Government has also decided 'in-principle' to consider waiver of all pending liabilities of HFCL/FCIL against Government of India Loan & interest subject to availability of a fully tied up revival proposal for the closed units.

ECoS has already considered various possible investment options for revival of each of the closed units and decided to recommend the Revenue Sharing Model, for approval of CCEA.

In view of the interests shown by some PSUs in the Revival of these closed Units and detailed report with recommendations submitted by Project Advisor, M/s Delloitte, DOF has decided to call a meeting of ECOS to seek further necessary guidelines before obtaining approval of CCEA.

In addition, two urea units in the private sector viz. Duncan Industries Ltd. (DIL), Kanpur and Southern Petrochemical Industries Corporation Limited (SPIC), Tuticorin are currently closed. SPIC is going to start very soon and DIL has also shown their interest to start the plant by 2012-13. Further, the urea unit of Fertilizers & Chemicals Travancore (FACT), Cochin is also not in operation as it is uneconomical to operate.

Presently urea is being imported to bridge the gap between indigenous demand and production of fertilizers substantially to bridge the existing gap between demand and production of Urea in the country.

Smuggling and black-marketing of fertilizers

1369. SHRI PARSHOTTAM KHODABHAI RUPALA: Will the Minister of CHEMICALS AND FERTILISERS be pleased to state the steps taken by the Ministry to stop illegal smuggling and black-marketing of chemical fertilizers in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): State Governments have been advised by the Department of Fertilizers to keep a vigil and to check smuggling of fertilizers from India to other neighboring countries through land and sea routes.

Similarly Union Home Ministry has also alerted Border guarding forces viz., Border Security Force (BSF), Indo-Tibetan Border Police, Assam Rifles and Sashastra Seema Bal and Coast Guard to maintain strict vigilance on the borders to curb smuggling of fertilizers. Further, Ministry of Home Affairs has also addressed the Chief Secretaries to the Government of Arunachal Pradesh, Assam, Bihar, Gujarat, Manipur, Meghalaya, Mizoram, Nagland, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttarakhand and West Bengal to sensitize the authorities concerned to curb the smuggling of fertilizers into the neighboring countries.

Under Clause 21 of the Fertilizer (Control) Order, 1985 (FCO), it is mandatory to print the Maximum Retail Price (MRP) on the bags of fertilizers and no person is permitted to sell the material above the statutory/indicative price. The State Governments are adequately empowered under the provisions of the Fertilizer (Control) Order, 1985 to check such activities. Any violation of the provisions of the FCO, 1985 attracts penal/administrative action under the Essential Commodities Act 1955/FCO, 1985. State Governments have been advised to prevent such malpractices and ensure that the farmers are provided with proper quality of fertilizers at statutory/indicative price.

Department of Fertilizers has written to Chief Secretaries of the States having international boundaries for initiating action against person/persons involved in smuggling of fertilizers with the help of Central/State enforcement agencies.