

- (i) For conversion of GOI Loan of Rs. 317.77 Cr. taken for revamp of the project into Equity from the date of completion of the project *i.e.* 22.11.2005.
- (ii) For conversion of the GOI Loan of Rs. 78.18 Cr. and outstanding interest of Rs. 170.12 Cr. into equity.
- (iii) For further examination of issues relating to pricing in consultation with Department of Expenditure and to explore the possibility of handing over the management of BVFCL to any other fertilizer Public Sector Enterprises (PSE) who can provide their expertise for improving the performance of the company.

Accordingly, a note for consideration of CCEA was sent which was discussed in CCEA meeting held on 26.02.2009. As per the directions of CCEA in its meeting held on 26th February, 2010, the DOF has initiated action to finalize a comprehensive proposal for long term sustainability of BVFCL. The following measures have been taken to improve the functioning of the company:

**Financial Restructuring:** Government decided in their meeting held on 26th February, 2009 that appropriate support may continue to be provided to the Project till such time a comprehensive proposal is brought up before the Committee after requisite appraisals & consultations.

**MOU with NFL:** To address the problem of shortage of qualified and experienced persons, an MOU has been entered with NFL for Management Contract for 3 years on 7th August, 2009 to provide technical support for efficient operation of the plants, and on-site training of BVFCL personnel by NFL specialists.

**Study of plants by Process Licensor:** Rs. 8.00 Crores has been allotted to BVFCL in the FY 2009-10 for the study of plants and to come out with measures for sustained operations. BVFCL has appointed the process licensor in this regard. Based on the report of process licensor, BVFCL has furnished a fully tied up proposal to Department of Fertilizers for further action.

#### Shortage of fertilizers

3910. DR. JANARDHAN WAGHMARE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government is aware of the shortage of fertilizers in various parts of the country resulting in direct effect on food grains production;

- (b) if so, the details thereof;
- (c) whether Government has since taken any step or directed the fertilizer companies to make availability of adequate fertilizers to farmers; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) There is no major shortage of fertilizers in the country. The State-wise requirement and availability of major fertilizers like Urea, Di-ammonium Phosphate, Muriate of Potash (MOP) and Complex fertilizers during 2011-12 is given in statement (See below). As can be seen, there was tightness in availability of MOP during Kharif 2011. There is no viable source of Potash in the country as such the entire demand of MOP is met through imports. During the year 2011-12, contracting for import of MOP could not be materialized upto the month of July due to substantial increase of prices and cartelization by MOP producers in the International market. The contracting of MOP took place only in the month of August. As a result, MOP availability for direct application as well as for indigenous production of NPK fertilizers was comfortable in Rabi' 11-12.

Further, the steps taken by Government to provide adequate fertilizers to the farmers in the country are as under:

- (i) The gap between requirement and indigenous availability is met through imports;
- (ii) 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](http://www.urvarak.co.in)) also called as Fertiliser Monitoring System (FMS);
- (iii) The State Governments have been advised to instruct the State Institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies;
- (iv) State Governments play a 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 Agriculture department of various States through Video Conferences every week. The corrective actions, if required, are taken immediately to avoid any hardships to the farmers;

- vi) Fertilizer companies are required to print Maximum Retail Price (MRP) on the fertilizer bags clearly. Any sale above the printed net retail price will be punishable under the EC Act. Amount of subsidy per bag is also printed on each bag of Phosphatic and Potassic fertilizers;
- vii) Department of Fertilisers is having constant interaction with Ministry of Petroleum & Natural Gas, GAIL and other prospective suppliers of Natural Gas/Liquid Natural Gas (NG/LNG) so that gas requirement of the fertilizers industry is met; and
- viii) Government is always encouraging production of urea in the country to achieve self-sufficiency. The Government is considering a new policy for encouraging investments in Urea production plants. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic (P&K) fertilizers. Government has taken initiatives to encourage indigenous production in P&K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P&K fertilizers to acquire this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizers inputs to P&K sector.

### *Statement*

*State-wise cumulative requirement & availability of Urea, DAP, MOP & Complex fertilisers during the year 2011-12*

2011-12 (Figures in LMT)

Name of State	Urea		DAP		MOP		Complex	
	Require-ment	Availa-bility	Require-ment	Availa-bility	Require-ment	Availa-bility	Require-ment	Availa-bility
1	2	3	4	5	6	7	8	9
Andhra Pradesh	31.00	29.87	12.30	10.89	6.60	4.44	22.30	25.73
Karnataka	14.60	14.53	8.75	9.39	5.65	3.82	13.10	17.34

1	2	3	4	5	6	7	8	9
Kerala	1.90	1.50	0.47	0.44	1.80	1.51	2.55	2.20
Tamil Nadu	11.50	10.47	4.30	3.84	5.31	4.27	6.61	8.75
Gujarat	22.75	21.26	8.80	6.96	2.30	1.75	5.10	7.32
Madhya Pradesh	17.50	18.13	10.95	11.00	1.65	0.93	4.05	5.33
Chhattisgarh	6.25	6.20	2.90	2.71	1.15	0.85	1.54	2.21
Maharashtra	27.50	25.67	17.25	12.52	6.40	4.26	18.30	20.86
Rajasthan	16.25	17.58	7.30	7.17	0.50	0.25	1.76	1.54
Haryana	19.75	19.19	7.20	8.45	0.75	0.48	0.85	0.79
Punjab	26.00	28.32	10.15	10.10	1.06	0.73	1.00	1.30
Uttar Pradesh	58.00	58.59	19.65	18.69	4.00	1.82	11.25	12.86
Uttarakhand	2.40	2.49	0.33	0.39	0.09	0.04	0.71	0.53
Jammu & Kashmir	1.45	1.20	0.85	0.67	0.35	0.09	0.00	0.00
Bihar	20.75	18.11	5.00	4.72	2.45	1.29	3.75	4.03
Jharkhand	2.60	2.19	1.25	0.71	0.34	0.06	1.08	0.52
Orissa	6.40	5.28	2.60	1.90	2.05	0.92	3.14	3.46
West Bengal	13.25	12.76	5.10	5.05	4.00	3.08	9.00	8.96
Assam	3.00	2.68	0.60	0.37	1.40	0.94	0.27	0.07
All India	305.16	296.64	126.16	116.02	48.27	31.60	107.36	124.14

**Smuggling/black marketing of fertilizers**

3911. SHRI PARSHOTTAM KHODABHAI RUPALA:

SHRI BHARATSINH PRABHATSINH PARMAR :

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