

(a) whether farmers are not getting the requisite benefit of subsidy on fertilizers;

(b) whether some fertilizer companies resort to tactics of Gold Plating *i.e.* indicating lower production capacity and on the basis of percentage production obtain huge subsidy;

(c) if so, whether there is any proposal to pass on subsidy directly to farmers according to their economic status; and

(d) if not, the safeguards taken to provide maximum benefit of subsidy to peasant, poor and marginal farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) No, Sir. The farmers are getting benefits of subsidy on fertilizers.

(b) The urea capacity of all the units in the industry had been reassessed and notified the reassessed urea capacity effective from April, 2000. Therefore, the Government has already mopped up gold plated capacities.

(c) and (d) The Government is considering the feasibility of giving subsidy directly to farmers. In this regard, 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 recommend a implemental solution for transfer of subsidy directly to the intended beneficiaries. The Task Force, has given its Interim Report. In respect of fertilizers, the Task Force in its interm report has recommended a three stage approach with respect to payment of subsidy directly to farmers. Phase-I is to capture the information on availability of fertilizers at the farm gate level, wherein the availability at the retailer level will be captured. In Phase-II, which will be implemented after the Phase-I stabilizes, the subsidy is expected to be transferred at the last point sale and in Phase-III, the subsidy is expected to be transferred directly to the intended beneficiary based on AADHAR Numbers. The fertilizer subsidy is transferred to the farmer (including the marginal and small farmers) by way of a heavily subsidized MRP. As on date, a farmer pays only approximately 50% of the cost of fertilizer as MRP.

#### **Privatization of sick/closed fertilizer units**

†3918.SHRI ASHK ALI TAK: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

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†Original notice of the question was received in Hindi.

- (a) whether any shortage in production and availability of fertilizers has been observed owing to closing of fertilizer manufacturing units;
- (b) if so, whether dependence on imports has grown to fulfil the demands of chemical fertilizers for some years in the country;
- (c) if so, the details of strategy formulated to continue the supply of chemical fertilizers in the country;
- (d) whether Government proposes to private sick/closed units; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Five Units of the Fertilizer Corporation of India Limited (FCIL) and three units of Hindustan Fertilizer Corporation Limited (HFCL) in the public sector are lying closed. The installed capacity of these closed units was approximately 2.28 Million Metric Ton.

In addition, one urea unit in the private sector *viz.* Duncan Industries Ltd. (DIL) Kanpur is currently closed due to financial constraints as reported by the company. Further, the urea unit of Fertilizers & Chemicals Travancore (FACT), Cochin has also been closed down.

(b) The import of urea for direct agriculture use is made on Government Accounts to bridge the gap between assessed demand and indigenous production. All other fertilizers are imported under Open General Licence (OGL). Companies import these fertilizers as per their commercial judgment based on demand supply situation in the country. The import of major fertilizers during the last three years is as under:

(Figures in Lakh MT)

Product	Years		
	2009-10	2010-11	2011-12
Urea	52.09	66.09	77.92
DAP*	59.75	76.96	75.05
MOP	49.08	63.57	39.80
NPK	-	9.80	36.44

\* Includes TSP/MAP/DAP lite.

(c) The Government is closely monitoring the availability of fertilizers in the country in coordination with State Governments. The meeting with all State Governments is done every week through video conference and the availability of fertilizers is ensured as per the requests of the State Governments.

(d) and (e) A proposal for revival of the closed units of HFCL & FCIL was submitted for consideration of Cabinet Committee on Economic Affairs (CCEA) proposing revival of the three closed units namely Sindri, Ramagundam, Talcher units of FCIL on Nomination basis through the consortium of the Public Sector Undertakings (PSUs) and five closed units namely Gorakhpur, Korba of FCIL and Durgapur, Haldia, Barauni of HFCL through Bidding process. The CCEA has approved the proposal in its meeting held on 4th August, 2011 with the stipulation that Board for Industrial and Financial Restructuring (BIFR) proceedings be expedited and thereafter, the matter including changes, if any required in bid parameters, be placed before the Committee for a final decision.

#### **Mobile handset market**

3919. SHRI T. M. SELVAGANAPATHI: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that consolidation of mobile handset market seems to be approaching fast;

(b) if so, the details thereof;

(c) whether it is also a fact that the demand for mobile handsets continues to grow by 15 per cent to cross Rs. 50,000 crore revenue; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) and (b) No industrial license is required for manufacture of mobile handsets. Department of Telecommunications is not maintaining data on consolidation of mobile phone companies.

(c) and (d) As per the data provided by Indian Cellular Association (ICA), the demand for mobile handsets has grown by 20% to 180 million in the year 2011 as compared to 150 million for the year 2010, while in value term the same stands at Rs. 38,200 crore in 2011 as compared to Rs. 34,500 crore in 2010 at a rate of