

(a) whether there was any announcement of Government for revival of fertilizer factory of Gorakhpur in Uttar Pradesh;

(b) if so, the initiatives being taken by Government for implementing this announcement;

(c) whether the fertilizer factory of Gorakhpur would be made operational this year; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) The Cabinet Committee on Economic Affairs had in its meeting held on 4.8.2011 approved the proposal for revival of closed units of Fertilizers Corporation of India Limited (FCIL) and Hindustan Fertilizers Corporation Limited (HFCL) including Gorakhpur unit of FCIL 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. Accordingly, the Draft Rehabilitation Schemes (DRS) of HFCL and FCIL have been submitted to BIFR for their approval. BIFR has appointed State Bank of India as Operating Agency for examining the DRS of HFCL and FCIL. At present, the matter is with BIFR. In view of this, it is not possible, at this stage, to give a time limit for operationalization of the Gorakhpur unit.

### **Spiralling prices of fertilizers**

807. SHRI DEVENDER GOUD T.: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that prices of fertilizers have increased 12 times in two years in Andhra Pradesh;

(b) whether it is also a fact that due to this rise in prices, the farming community in Andhra Pradesh has been affected very badly; and

(c) if so, the reasons that Government does not have control on the prices of fertilizers as we have in the case of urea?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) Nutrient Based Subsidy (NBS)

Policy is being implemented *w.e.f.* 1.4.2010 for Phosphatic and Potassic (P&K) fertilizers, which are non-Urea fertilizers. Under the policy, a fixed amount of subsidy decided on annual basis is provided on each grade of subsidized P&K fertilizers, depending upon its nutrient content. Maximum Retail Prices (MRP) of P&K fertilizers is fixed by fertilizer companies.

India is completely dependent on imports for Potassic Fertilizers and to the extent of 90% in Phosphatic fertilizers. Subsidy being fixed, the international prices of these fertilizers and their raw materials has direct bearing on the domestic retail prices. The prices of fertilizers and their inputs are highly volatile in the international market, therefore, the fertilizer companies keep adjusting MRPs of their fertilizers in line with international cost of fertilizers. The exchange rate fluctuations also affect the cost of acquisition of fertilizers and, consequently, result in change in the MRPs. Thus, the MRPs of P&K fertilizers keep changing throughout the country including in Andhra Pradesh.

The prices of P&K fertilizers have increased due to fluctuations in international prices, which is beyond the control of the Government and also on account of depreciation of Indian Rupee. Rise in prices of fertilizers have affected all farmers including those in Andhra Pradesh.

#### **Revival of closed urea plants**

808. SHRI P. RAJEEVE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government has decided to revive closed urea plants in the country;
- (b) if so, the details thereof; and
- (c) whether it is applicable to Fertilizer and Chemicals Travancore Limited (FACT)?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) Yes, Sir. The Cabinet Committee on Economic Affairs had in its meeting held on 4.8.2011, approved the proposal for revival of closed units of Fertilizers Corporation of India Limited (FCIL) and Hindustan Fertilizers Corporation Limited (HFCL) with the stipulation that Board for Industrial and Financial Restructuring (BIFR) proceedings be expedited and