

(c) and (d) Indian fertilizer entities already have joint Ventures in Oman, Senegal, Morocco, Tunisia, Jordan and Nigeria.

Revival of Ramagundam Fertilizer Plant

1584. SHRIMATI GUNDU SUDHARANI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government has finally decided to revive Ramagundam Fertilizer Plant;

(b) if so, the details thereof;

(c) the recommendations made by the Cabinet Committee on Economic Reforms on revival of Ramagundam plant; and

(d) the estimated expenditure involved and the time within which it is going to be completed?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) Yes, Sir. The Cabinet Committee on Economic Affairs (CCEA) had in August, 2011 approved the Draft Rehabilitation Scheme (DRS) for revival of all the Units of Fertilizer Corporation of India Limited (FCIL), including Ramagundam Fertilizer Plant. DRS envisaged revival of Ramagundam Unit by M/s. Engineers India Limited and M/s. National Fertilizers Limited. Recently, CCEA in its meeting held on 9.5.2013, *inter-alia*, approved waiver of Government of India loan and interest of FCIL 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.

(d) The estimated expenditure is expected to be Rs. 4700 crore and the project is likely to be completed by the financial year 2017-18.

Re-prioritization of natural gas allocation

1585. SHRI A.W. RABI BERNARD: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Fertilizers Association of India (FAI) has strongly opposed

any changes in the priority status of gas allocation;

(b) if so, the details thereof;

(c) whether Government is aware that any additional replacement of even mmcmd of domestic gas with imported LNG will cost the exchequer almost Rs. 1000 crore; and

(d) if so, the details thereof and the steps taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir. FAI has strongly opposed the change in priority in allocation of gas to fertilizer sector.

(b) FAI has given Technical, Strategic, Financial and Socio-political reasons justifying the first priority of fertiliser sector in allocation of gas.

(c) and (d) There is a difference of USD 14-16 per million BTU in delivered cost of imported LNG and gas supplied from KG-D6 Basin. If substitution of 1 MMSCMD of domestic natural gas has to be made up with LNG, it will increase the fertilizer subsidy by more than Rs. 1000 crore. Actual impact will depend on the actual delivered cost of RLNG. In this regard, calculation sheet is given in the Statement.

Statement

Impact of Replacing 1 MMSCMD KG-D⁶ Gas with RING

Basis for Calculation

1 M3	8700 kcal
1 M3	34522 BTU
1 MMSCMD	34522 MMBTU
1 USD	60 Rs.

1	2	3	4	5	6	7
34522	6.5	22.0	15.5	535091	32105460	1171.8

Subsidy on fertilizers

1586. SHRI RAMACHANDRA KHUNTIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

- (a) whether Government has decided to reduce the fertilizer subsidy;
- (b) the total subsidy given on fertilizers to various companies in the last three years;
- (c) whether subsidies projected for fertilizers have been released in time and utilized, if not, the reasons therefor; and
- (d) whether Government has any plan to transfer the subsidy benefit directly to farmers through Bank, Post Office and Co-operative Societies alongwith the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The subsidy rates of Phosphatic and Potassic (P and K) fertilizers have been slightly reduced during the financial year 2013-14 as the international prices of these fertilizers have come down as compared to last year.

(b) The details of subsidy provided on P and K fertilizers and Urea through various companies in the last three years are given in the Statement (*See* below).