

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

STARRED QUESTION NO:218

ANSWERED ON:06.03.2006

PRODUCTION OF FERTILIZERS

Shiwankar Shri Maha Deo Rao;Yadav Shri Kailash Nath Singh

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

- (a) the total quantum of fertilizers produced by the Public Sector Undertakings during 2005-06;
- (b) whether all the undertakings are earning profit;
- (c) if not, the number of undertakings incurring loss during the last three years;
- (d) whether the Government has sanctioned restructuring of such units on the basis of techno-economic feasibility; and
- (e) if so, the funds spent so far during 2005-06 to improve their production and turn them profit making?

**Answer**

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 218 DATED 6.3.2006

(a) The fertilizer Public Sector Undertakings (PSUs) have produced about 25.51 lakh tonnes of Nitrogenous and 2.35 lakh tonnes of phosphatic fertilizers in nutrient terms during 2005-06 upto January, 2006.

(b) No, Sir.

(c) Hindustan Fertilizer Corporation Ltd.(HFC), Fertilizer Corporation of India Ltd.(FCI) and Pyrites, Phosphates and Chemicals Ltd.(PPCL) are three sick fertilizer PSUs in respect of which a decision for closure had already been taken by the Government and they are not in production. Fertilizers and Chemicals Travancore Ltd.(FACT) and Brahmaputra Valley Fertilizer Corporation Ltd.(BVFCL) have been making losses during the last three years. Madras Fertilizers Ltd.(MFL) which earned profit during 2002-03 has been incurring losses from 2003-04.

(d) Financial restructuring proposals in respect of FACT and MFL have been considered by the Board for Reconstruction of Public Sector Enterprises (BRPSE) and recommendations of the Board have been processed for obtaining approval of the competent authority in the Government. HFC and FCI have submitted proposals for the revival of the Barauni & Durgapur units (HFC) and Gorakhpur & Sindri units (FCI), respectively by setting up gas based brown-field urea plants. In respect of Haldia unit of HFC, Shriram EPC has submitted a proposal for reviving the unit by setting up Coke Oven Complex including manufacture of fertilizers. FCI Aravali Gypsum and Minerals India Ltd. (FAGMIL) has expressed its interest in reviving the Amjhore unit of PPCL by mining and selling the pyrites directly as fertilizers. However, the revival of the above units will depend on the techno-economic viability and availability of gas in respect of the urea units.

(e) Government of India has released the following budgetary support to the loss making PSUs during 2005-06 (upto February, 2006):-

(Rs. in crore)  
Name of PSU Plan Non-Plan

BVFCL	35.34	10.61
FACT	40.00	-