

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

UNSTARRED QUESTION NO:2537
ANSWERED ON:25.11.2010
ADDITIONAL FINANCIAL BENEFIT KTO COMPANIES
Singh Shri Ganesh

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

(a) whether due to huge drop registered in the prices of fertilizers in the International market, the companies importing fertilizers are getting additional financial benefit; and

(b) If so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): Government of India has introduced Nutrient Based Subsidy Policy for 2010-11 for decontrolled Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010 (w.e.f. 1.5.2010 for SSP). Under the Nutrient Based Subsidy Policy, subsidy for indigenous and imported P & K fertilizer (DAP, MOP, NPK Complexes, MAP, TSP, AS, SSP) has been announced on annual basis for 2010-11. The prices of fertilizers registered minor reduction in the international market in the period April 2010 - July 2010. The marginal decrease in the prices, if any was offset by the adverse Rs./US \$ exchange rate. However, from late July and August 2010 onwards, fertilizers and fer inputs have registered sharp increase. Nutrient Based Subsidy has been fixed annually for 2010-11 and there is no change even though prices have increased.