

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

UNSTARRED QUESTION NO:2578

ANSWERED ON:25.11.2010

ADDITIONAL FUNDS FOR PROVIDING SUBSIDY ON FERTILIZERS

Chavan Shri Harischandra Deoram

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

- (a) whether the Ministry has sought crores of additional funds for providing subsidy on fertilizers; and
- (b) if so, the details thereof and the reasons for demanding heavy additional funds?

**Answer**

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

(a) Yes, Madam.

(b) Details of the additional funds required for the financial year 2010-11 is as under:

(Rs. In Crores)

INDIGENOUS	INDIGENOUS	IMPORTED	IMPORTED
UREA	P & K	UREA	P & K

B E	15980.73	13000.00	8355.95	15500.00
RE	17476.49	25086.38	12774.60	26908.38
Additional Fund	1495.76	12086.38	4418.65	11408.38

The reasons for increase in funds are as under:

(i) Increase in the prices of fertilizers in the International market viz-a-viz assumptions made at the time of finalization of budget estimates 2010-11, which had to be factored into while finalization rates of NBS for P&K fertilizers. Increase in the RE of 2010-11 on account of subsidy rates under NBS is Rs. 7922.25 crore (calculated as the difference between payments under NBS and payments envisaged under BE for quantities assumed in RE).

(ii) Increase in the requirement of quantities of fertilizers as indicated by Ministry of Agriculture and Cooperation viz-a-viz the quantities assumed at the time of 2010-11. While finalizing the budget estimates, sales quantities of P & K fertilizers during the year was assumed at 256.60 LMT. However, actual requirement of P&K fertilizers during the current financial year as per the assessment made by the Ministry of Agriculture and Cooperation, is around 318.72 LMT. This also has impacted the budgetary requirements and impact on this account at the current NBS rates is estimated at 7339.13 crore.

(iii) In order to compensate fertilizer companies on losses due to sale of bonds, Ministry of Finance have agreed to provided budgetary support of Rs. 1400 crores of which Rs. 700 crores are proposed to be provided during the current financial year.