

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

UNSTARRED QUESTION NO:3697
ANSWERED ON:25.08.2011
SUBSIDY TO FERTILIZER UNITS
Singh Shri Ravneet

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

(a) the number of fertilizer units availing the subsidy and the amount of subsidy given to each of them during each of the last three years and the current year; and

(b) the steps taken by the Government to rationalize the subsidy structure and increase competition among them, so as to achieve higher levels of efficiency?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) There are 130 units including 80 units for SSP availing the subsidy. Subsidy given to each of them during each of last three years and current year are shown in Annexure I and II.

(b) The Government is trying to rationalize the subsidy structure by introduction of the Nutrient Based subsidy (NBS). The NBS has been in operation for P&K fertilizers since April, 2010. Briefly, the scheme envisages fixation of subsidy on the basis of nutrient content of N, P, K, S and micro nutrients in respect of Potassic and Phosphatic fertilizers (NPK). While the subsidy is fixed, with the Government retaining the option to intervene in case the prices fluctuate beyond reasonable value. This is the first step in ensuring competitive pricing by companies.