

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

UNSTARRED QUESTION NO:5608
ANSWERED ON:10.05.2012
USE OF DOMESTIC GAS
Dubey Shri Nishikant

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

- (a) whether the fertilizer manufacturers have made undue profit by using domestic gas for manufacturing of phosphate and urea in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to effect proportionate recovery of such profit from the manufacturers;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor?

Answer

MINISTER OF THE 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) to (e): There is no undue profit urea manufacturers due to usage of domestic gas as feedstock. However, since Nutrient Based Subsidy policy is being implemented on Phosphatic & Potassic (P&K) fertilizers, there is no saving in subsidy on account of usage of domestic gas as feedstock. The matter was placed before Empowered Group of Ministers (EGoM) constituted on Gas pricing and Commercial Utilization of Gas. EGoM in its meeting held on 24th February 2012 decided that the proposal to suspend the supply of KG-D6 gas to P&K plants (Deepak Fertilizers & Chemicals Limited, Gujarat State Fertilizers & Chemicals Limited and Rashtriya Chemicals & Fertilizers Limited) including the proposal to restrict future supply of cheaper gas only to Urea fertilizer plants be kept in abeyance till 24-05-2012 during which time, the Department of Fertilizers will finalize the guidelines for effective recovery and thereafter the matter be placed before the EGoM.