

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

UNSTARRED QUESTION NO:1868

ANSWERED ON:23.08.2012

SUBSIDY ON FERTILIZERS

Mahato Shri Narahari; Roy Shri Nripendra Nath; Tirkey Shri Manohar

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

- (a) whether it is a fact that 80 percent of the subsidy being provided by the Government is given to the fertilizer producing companies and remaining 20 per cent is given after the reports from the State Governments are received;
- (b) if so, the details thereof;
- (c) whether the Union Government is aware that most of the fertilizer producing companies receiving subsidies are non-existent;
- (d) if so, the details thereof;
- (e) whether the Government is considering investigation of irregularities prevalent in fertilizer subsidy;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

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

(a) and (b): With effect from 1st April 1997, the manufacturers/importers of fertilizers were paid 80% 'On Account' concession/subsidy after sale of Phosphatic and Potassic (P&K) fertilizers month-wise, in a prescribed Proforma 'A', duly certified by the authorized signatory of the company as well as by its statutory auditor. The balance 20% of the payment of concession was released to the manufacturers/importers based on the Certificate of sales issued by the State Governments in prescribed Proforma 'B'.

At present, the manufacturers/importers of P&K fertilizers (except SSP) are allowed 'On Account' payment of 85% (90% with Bank Guarantee) on the basis of arrival/receipt of fertilizers in the districts of the State/UTs based on the certification of statutory auditor of the company. Based on certification of receipts by the State Governments and certification of sales by the auditor of the company, the remaining 15% is released.

In the case of SSP, 'On Account' payment of 85% of subsidy is released based on sales certified by the auditors of the company and remaining 15% is released only after certification of sales by the State Governments in prescribed format.

In the case of Urea, month-wise subsidy is paid to the fertilizer companies registered under subsidy policy for Urea through regular and residual bills as generated in web based Fertilizer Monitoring System.

(c) & (d): No madam. All fertilizer companies receiving subsidy are existing.

(e) to (g): No such irregularity has come to the notice of the Government.