

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

UNSTARRED QUESTION NO:4200

ANSWERED ON:06.09.2012

SUBSIDY TO FERTILIZER COMPANIES

Majumdar Shri Prasanta Kumar;Singh Shri Brij Bhushan Sharan;Tirkey Shri Manohar

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

- (a) whether the Government is aware of cornering of the subsidy by the fertilizer companies by showing fake data about the fertilizer production;
- (b) if so, the number of such cases brought to the notice of the Government so far and the action taken/proposed to be taken against the guilty companies;
- (c) if not, whether the Government is likely to investigate the matter after revealing the scam by IFFCO;
- (d) if so, the details thereof;
- (e) the reasons for not getting the sufficient quantity of fertilizers by the farmers despite figures of more production than the demands are shown; and
- (f) the steps being taken by the Government for providing sufficient quantity of fertilizers to the farmers in the country?

Answer

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) : No, Madam.

(b) : In view of (a) above, question does not arise.

(c) & (d): A complaint has been received against IFFCO alleging purchase of raw materials at a higher price and manipulating sales to claim higher subsidy from the Government. The complaint is at various stages of examination.

(e) & (f): Government is always encouraging production of urea in the country to achieve self-sufficiency. Steps are continuously taken by the Department of Fertilizers for improvement in the system of delivery of fertilizers to the farmers. The following steps have been taken in the interest of ensuring adequate availability of fertilizers at affordable prices in the country:-

(i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS);

(ii) The State Governments have been advised to instruct the State institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies;

(iii) The regular weekly Video Conference is being conducted jointly by Department of Agriculture & Cooperation, Department of Fertilizers, Ministry of Railways and Department of Shipping with State Agriculture officials and corrective actions are taken to despatch fertilizers as indicated by the State Governments;

(iv) Fertilizer companies are required to print Maximum Retail Price (MRP) on the fertilizer bags clearly. Any sale above the printed MRP is punishable under the Essential Commodities Act;

(v) State Governments as enforcement agencies are adequately empowered to check the irregularities.

The fertilizer companies are expected to feed in the data of daily production, dispatch, receipt and sales in the web based FMS (www.urvarak.co.in). There are checks built into the system wherein the company has to update the following data within the specified time period:

- i. Production - 3 days.
- ii. Dispatch - 24 hours.
- iii. Receipt - 5 days.
- iv. Sales - 5 days.

The dispatch cannot be more than production plus opening stock. Receipt of fertilizer cannot be more the dispatch quantity. Sales cannot be more than inventory at district (i.e. receipt plus opening stock).

The Government is considering a New Investment Policy-2012 for increasing indigenous production of urea in the country.