

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

UNSTARRED QUESTION NO:2120

ANSWERED ON:06.12.2012

IMPROVEMENT IN FERTILIZER SUBSIDY DISTRIBUTION SYSTEM

Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) whether the Government had constituted a task force headed by Shri Nandan Nilekani to solicit suggestions in order to bring improvement in the fertilizers subsidy distribution system;
- (b) if so, the details thereof;
- (c) whether the task force has submitted its report to the Government;
- (d) if so, the details thereof; and
- (e) the time by which its recommendations are likely to be implemented?

**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): Yes, Madam.

(b) to (d) : In order to bring improvement in the fertilizers subsidy distribution system, the Government had set up a Task Force on direct transfer of subsidy in the case of Fertilizers, LPG & Kerosene in the month of February 2011, under the chairmanship of Shri Nandan Nilekani. The Taskforce has submitted its interim report to the Finance Ministry in June, 2011, proposing an IT-driven Core Subsidy Management System (CSMS) to leverage the 'Aadhaar' unique identity numbers for distribution of subsidy. In the report, the Taskforce recommended a phased approach for direct disbursement of fertilizer subsidy to the intended beneficiaries. The following phases had been defined to achieve these objectives:

1. Phase I - Information Visibility till the Retailers
2. Phase II - Subsidy Payment to the retailers
3. Phase III - Subsidy Payment to the farmers (Intended Beneficiaries)

The Task Force further recommended publishing fertilizer availability data till retailer level on a transparency portal to check the leakages and remove any anomalies in the current system.

(e): The phase-I of the project has already been implemented. Final report of the Task Force is likely to be submitted by the end of this year