

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1201
ANSWERED ON:30.11.2012
Additional State Levies to Fertilizer Units
Jardosh Smt. Darshana Vikram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government in consultation with Ministry of Fertilizers has not considered alternative options to resolve settlement of arrears of back log issue of additional State levies of fertilizer units and if so, the reasons therefor;
- (b) whether the Ministry has received any communication from National Advisory Council in this regard, if so, the action taken or proposed to be taken in this direction; and
- (c) the time by which the matter is likely to be resolved?

Answer

SHRI NAMO NARAIN MEENA Minister of State in Ministry of Finance

(a), (b) &(c) The Government does not favour the proposal to recover past period losses of the Urea manufacturers from the prospective sales, as it would mean that any purchase of Urea by a farmer after implementation of the scheme would attract Additional Cost due to Non-recognised Input Taxation (ACNT) for his purchase, plus an additional ACNT for the losses suffered by the manufacturer for the period October 01, 2006 to March 31, 2011. That would tantamount to making a farmer buying Urea now to partially pay for someone else who bought it earlier.

The National Advisory Council forwarded a letter of Shri Jivabhai A Patel, former MP regarding issues relating to backlog loss to certain fertilizer companies. The NAC did not make any recommendation in this behalf but only sought information on the issues raised by the former MP.