

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:157  
ANSWERED ON:22.02.2013  
ARREARS TO FERTILIZER UNITS  
Jardosh Smt. Darshana Vikram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Central Government has examined the issue regarding backlog arrears of additional taxes levied by States which is not paid to fertilizer units either by Central Government or State Government;
- (b) if so, the details thereof and findings therefrom;
- (c) the further action taken with regard to the State Government's failure to refund the amount of taxes already collected; and
- (d) the time by which the matter is likely to be settled?

**Answer**

Minister of State in Ministry of Finance SHRI NAMO NARAIN MEENA

- (a) & (b) 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.
- (c) & (d) No further action is contemplated by Government of India in view of the position as stated above. It is for the State Governments concerned to examine the issue and take necessary action, as deemed fit.