

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

UNSTARRED QUESTION NO:4979  
ANSWERED ON:25.04.2013  
MISUSE OF FERTILIZER SUBSIDY BY AGENTS  
Naik Dr. Sanjeev Ganesh

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

- (a) Whether the fertilizer subsidy is misused by agents of fertilizers in the country;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government in this regard?

**Answer**

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

(a) to (b): There are reports of misuse of fertilizer subsidy in view of alleged diversion of fertilizers for purpose other than agriculture use, black-marketing etc, but the same have not been confirmed by the State Governments.

(c): In order to prevent any misuse of subsidy by fertilizer companies, the following measure are already in place:

i. Monitoring of subsidy payments is done through the web based on-line Fertilizer Monitoring System (FMS), under which the companies are required to upload data relating to purchase of raw material, production, consumption, sales etc on daily basis. The fertilizer companies are required to generate subsidy bills for each month in the FMS.

ii. The subsidy bills are finally cleared only after receipt of prescribed Proforma-B issued by respective State Governments, where the subsidised fertilizers have been received/sold, certifying receipt/sales of the quantity of fertilizers have been received and sold in the state besides quality of the fertilizers.

iii. State Governments are adequately empowered to take preventive/punitive actions for violation of any of the provisions of Fertilizer Control Order (FCO) 1985 under Essential Commodities Act 1955. Black-marketing activity is violation of FCO.

iv. Department of Fertilizers has also advised/sensitized the State Governments for gearing up enforcement agencies under their jurisdiction to take appropriate action against the offenders, if any.