

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

UNSTARRED QUESTION NO:1169  
ANSWERED ON:13.08.2013  
DECONTROL OF FERTILIZER SECTOR  
Sivasami Shri C.

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

- (a) whether it is true that the fertilizer industry has sought immediate decontrol of the fertilizer sector;
- (b) if so, the details thereof and the response of the Government thereto;
- (c) whether the hike in prices of natural gas would lead to rise in the subsidy by Rs.11,000 crore; and
- (d) If so, the details thereof ?

**Answer**

MINSITER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPELEMNTATION (SHRI SRIKANT KUMAR JENA)

(a)& (b) : In order to ensure the balanced application of fertilizers, the Government of India introduced Nutrient Based Subsidy (NBS) policy w.e.f. 01.04.2010 for decontrolled Phosphatic & Potassic (P&K) fertilizers. Under NBS policy, a fixed amount of subsidy, decided on annual basis is provided on each grade of P&K fertilizers depending upon its nutrient (N,P,K,S) content. So far as Urea is concerned, there is no proposal to decontrol Urea.

(c)& (d): Yes, Madam. With the price of gas increasing by Rs.1.00/MMBTU, the additional cost of production of urea will increase by approx. Rs.24.893/ MT. So, the additional liability of subsidy on the Government account towards domestic urea would be Rs.24.893/MT approx.