

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

UNSTARRED QUESTION NO:4406

ANSWERED ON:17.12.2009

REIMBURSEMENT OF DIFFERENTIAL COST

Balram Shri P.;Reddy Shri Anantha Venkatarami;Siricilla Shri Rajaiah

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

- (a) whether the Government of Andhra Pradesh has sent any proposal for reimbursement of differential cost on downward revision of prices of complex fertilizers;
- (b) if so, the details thereof;
- (c) the action taken by the Union Government thereon; and
- (d) if not, the time by which a final action is likely to be taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d):- The Maximum Retail Prices (MRPs) of complex fertilizers under the Concession Scheme were revised downwards by Government of India w.e.f. 18th June, 2008. It was clarified that all sales which have been made till 17th

June, 2008 will be paid subsidy based on pre-revised MRPs and those sales executed by the companies beyond 18th June, 2008 will be paid based on the revised MRPs. Accordingly, the subsidy is being paid to the fertilizer companies.

The Government of Andhra Pradesh has referred a case relating to Andhra Pradesh Markfed for reimbursement of differential amount of subsidy on the complex fertilizers. It has been clarified to the Government of Andhra Pradesh that the subsidy is paid by Government to the fertilizer companies, who are required to ensure sale of fertilizers at the notified MRPs. The companies have been paid subsidy as per the policy of the Government and the notification for downward revision of MRPs dated 17th June, 2008.