

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

UNSTARRED QUESTION NO:3331

ANSWERED ON:17.03.2015

NON PAYMENT OF SUBSIDY

Dhruvanarayana Shri Rangaswamy;Karandlaje Km. Shobha;Paraste Shri Dalpat Singh;Venugopal Dr. Ponnusamy

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

- (a) whether the Government has not made payment of subsidy to the fertilizer companies;
- (b) if so, the details of amount unpaid and the reasons therefor during each of the last three years and the current year, company-wise;
- (c) whether the non-payment of subsidy dues has lead to severe financial crunch for fertilizer companies and if so, the reaction of the Government thereto;
- (d) the action/steps taken by the Government to expedite payment of subsidy to fertilizer companies;
- (e) whether the Government has asked the fertilizer industry to suggest ways to bring down urea consumption to reduce subsidy bill; and
- (f) if so, whether it is a fact that Economic Survey 2013-14 pointed out that the Government and farmers are together i;wastefully spending crore of rupees on urea and if so, the reaction of the Government thereto?`

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a): No, Madam. Government has made payment of subsidy to the fertilizers companies to the extent of the budget allocation. The subsidy on Indigenous Urea has been made upto the month of august, 2014 and the subsidy on P&K Fertilizers has been made upto October/November 2014.

(b) : The details of amount unpaid during each of the last three years and the current year is as under:

(Rs. In Crore)

Particular	2011-12	2012-13	2013-14	2014-15
Indigenous Urea	0.00	447.49	1098.64	15803.93
Imported P&K Fertilizers	0.00	409.87	1116.82	1694.32
Indigenous P&K Fertilizers	0.00	707.86	1516.47	3144.44

Unpaid amount largely relates to balance claim from November' 12 onwards and On Account claims from September, 14 onwards (for Indigenous Urea) and November, 14 onwards (for P & K fertilizer). Balance amount from Nov, 12 onwards could not be paid due to non-receipt of Proforma-B2 (Quality Certificate) from the State Governments. Further, On Account could not be paid due to inadequate budget allocations. Company-wise detail is given at Annexure I & II & III.

(c) & (d): No. Madam. In order to meet outstanding urea subsidy claims of urea manufacturers, the Department has requested Ministry of Finance to permit this Department to avail loans to the tune of Rs.27,477 crore from Nationalized Banks under a Special Banking Arrangement. However, no response has been received from Ministry of Finance despite reminders from Minister level.

(e): No Madam.

(f): Not applicable in view of (e) above.