

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

UNSTARRED QUESTION NO:1833

ANSWERED ON:08.03.2016

Utilisation of Phosphatic and Potassic Fertilizers

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

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

- (a) whether the capacity of Phosphatic and Potassic fertilizers units is not being utilized optimally in the country and if so, the details thereof and the reasons there for along with the corrective measures taken/being taken by the Government in this regard;
- (b) whether the Government is aware of poor yield per hectare in the country as against other countries, if so, the corrective measures taken in this regard;
- (c) whether there is huge liabilities in the payment of subsidies and the consequent delay in receiving subsidies by the manufacturers; and
- (d) if so, the details thereof and the reasons therefor along with the corrective measures taken/being taken by the Government for timely payment of subsidies to the manufacturing units?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a) : Government is implementing Nutrient Based Subsidy (NBS) Scheme for Phosphatic and Potassic (P&K) fertilizers w.e.f. 1.4.2010. Under the scheme a fixed amount of subsidy decided on annual basis is provided on each grade of subsidized P&K fertilizers based on their nutrient content. Government is not concerned with the capacity utilization of P&K fertilizers units except Single Super Phosphate (SSP) manufacturers. In respect of SSP units, it has been made mandatory for the units to produce 40,000 Metric Ton Per Annum or utilize 50% of their capacity, whichever is lower to be eligible for subsidy.

(b): A comparative statement on yield per hectare of principal crops in major countries is enclosed as per Annexure - 'A'.

(c) & (d): Yes madam. There are substantial liabilities for payment of subsidies to fertilizers manufacturer companies. The liability as on 29.2.2016 to manufacturers of P&K fertilizers (Indigenous P&K fertilizers) is Rs. 6910.54 crores. As far as subsidy payment under Indigenous Urea is concerned, an amount of Rs. 38200.00 crore have been allocated under BE 2015-16. Out of which Rs. 37852.11 crore have been utilized leaving a balance amount of Rs. 347.89 crore. Details of bills paid till date is given below:

(i) 95% on A/c subsidy bills - paid upto August, 2015

(ii) Freight subsidy Bills - paid upto January, 2015

Pending claims, in hand, as on date under Indigenous Urea are worth of Rs. 15459.76 crores.

A proposal for additional funds of Rs. 26,190.00 crores under RE 2015-16/SBA/Supplementary, over and above BE 2015-16 was submitted to the Ministry of Finance. But the same has not been granted by the Ministry of Finance under RE 2015-16.
