

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

UNSTARRED QUESTION NO:3772  
ANSWERED ON:05.08.2014  
FINANCIAL CRISE  
Chavan Shri Harishchandra Deoram

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

- (a) Whether the Ministry is facing liquidity crisis for payment of subsidy bills:
- (b) If so, whether special banking arrangement provided by the Government for 2013-14 for payment of subsidy bills has been exhausted;
- (c) If so, the details thereof;
- (d) Whether the Ministry has sought additional funds from the Government to overcome the liquidity crises and if so, the details thereof, and
- (e) Whether the prices of fertilizers have increased as a result thereof and if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHAL CHAND)

(a): No, Madam. Normally, appropriate funds are allocated by the Government for release of fertilizer subsidy in the beginning of the financial year. However, if availability of funds in the particular years is found inadequate, the Department, seeks additional fund allocation under supplementary budgetary grants or revised estimates. If no funds are allocated to meet subsidy, Special Banking Arrangement (SBA) is made by raising short-terms loans from nationalized banks against subsidy receivables by fertilizer companies to liquidate outstanding subsidy bills. .

(b)&(c) : In the year 2013-14, an SBA for raising loan of Rs. 13961.08 crore against the sanctioned amount of Rs.14000.00 crore was made with nationalized banks. The loan amount was refunded to the nationalized banks immediately after allocation funds in the Budget Estimates for 2014-15 and the Government interest liability on the loan, amounting to Rs. 169.93 crore was paid on monthly basis from the existing subsidy budget for 2013-14 and 2014-15.

(d) : Yes, Madam. A request to avail loans upto Rs.18230.00 crore under SBA was made to Ministry of Finance to meet the carryover liability and the subsidy claims for April & May 2014 in respect of indigenous urea. After the approval of the Ministry of Finance, loans to the tune of Rs.7000 crore were raised in the month of June 2014 from consortium of nationalized banks to meet the subsidy claims relating to indigenous urea.

(e): No, Madam.