

Payment of additional VAT

†649. SHRI PARSHOTTAM KHODABHAI RUPALA:
SHRI BHARATSINH PRABHATSINH PARMAR:

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

(a) the date on which Central Government will make payment of additional VAT as a subsidy to public sector and cooperative fertilizer producing agencies of Gujarat because Central Government has implemented a new policy in this regard *w.e.f* 1 April, 2011 but in the meanwhile, the above agencies of Gujarat have suffered losses and the State Government is not in position to repay this additional VAT for this period; and

(b) by when Central Government will repay it?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) Under the New Pricing Scheme (NPS) for urea policy, additional VAT is not considered for reimbursement. Therefore there is no provision for payment of subsidy. However additional VAT which is not reimbursed, is brought under the purview of a separate policy regarding 'recovery of incidence of non-reimbursable input taxation levied by State Governments from time to time in the subsidy regime' effective from 01.04.2011. A copy of order No. 12014/4/2009-FPP, dated 29th March, 2011 and dated 31st March, 2011 regarding recovery of non-reimbursable input taxation levied by State Governments from time to time in the subsidy regime, issued by the Department of Fertilizers is enclosed. Under this Scheme, the urea units are allowed to recover additional incidence of non-reimbursable taxes on the urea sold in the States levying additional VAT by levying additional MRP in these States and deposit the same with Government. Thereafter, the same will be redistributed on quarterly basis to the concerned urea producing units.

As regards the impact of non-reimbursed additional taxation for the period from 1.10.2006 to 31.03.2011, the fertilizer companies have to intimate to Department of Fertilizers, the amount of ACTN (Additional Cost due to Non-Recognized input taxation) due to additional VAT, levied by the State Governments for urea sold in the States from 1.10.2006 to 31.03.2011. The Government will take up the matter with concerned State Governments for reimbursement.

Outsources medicines being sold at high rates

†650. SHRI SATYAVRAT CHATURVEDI:
SHRI MOTILAL VORA:

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

†Original notice of the question was received in Hindi.