

1	2
DAP	95.94
MOP	30.26
NPK	99.81

(b) The details of amount of subsidy paid by Government to fertilizer industry during 2001 to 2013 are as under:-

(Rupees in crores)

Year	Imp Urea	IMP P&K	Indigenous P&K	Indigenous Urea	Total
2001-02	147.50	744.00	3759.52	8044.00	12695.02
2002-03	1.16	736.58	2487.94	7790.00	11015.68
2003-04	0.82	720.00	2606.00	8521.00	11847.82
2004-05	742.37	1165.18	3977.00	10242.99	16127.54
2005-06	2140.88	2097.00	4499.20	10652.58	19389.66
2006-07	5071.06	3649.95	6648.16	12650.37	28019.54
2007-08	9934.99	6600.00	10333.80	16450.37	43319.16
2008-09	12971.18	32597.69	32957.10	20968.74	99494.71
2009-10	6999.98	23452.06	16000.00	17580.25	64032.29
2010-11	9255.95	20850.00	20650.00	15080.73	65836.68
2011-12	17475.00	16571.92	20237.49	20285.44	74569.85
2012-13	20016.00	14576.10	16000.00	20000.00	70592.1
2013-14	15353.37	13926.86	15500.00	26500.00	71280.23

(c) and (d) At present, the proposal to provide the Fertilizer subsidy to farmers, directly in their account, is on hold in view of the decision taken in the meeting on Direct Transfer of Fertilizer Subsidy chaired by the Principal Secretary to Hon'ble Prime Minister on 06.05.2013, in which it was discussed and decided that Direct Benefit Transfer (DBT) in fertilizers is complex matter as there are problems in targeting, determining entitlements and preparing beneficiary databases.

#### **Production in Naphtha-based fertilizer units**

3036. DR. K.P. RAMALINGAM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that all Naphtha-based fertilizer units in the country have been asked to continue their production with the existing Naphtha fed system till Government makes available natural gas for them, if so, the details thereof; and

(b) whether it is also a fact that the representatives of Naphtha-based fertilizer units have held discussion with Government in this regard very recently, and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANS RAJ GANGARAM AHIR): (a) Yes, Sir. As per the provisions of the Modified New Pricing Scheme (NPS)-III for existing urea units dated 2nd April, 2014, “the production of the high cost naphtha based urea units viz., Southern Petrochemicals Industries Corporation (SPIC) - Tuticorin, Madras Fertilizers limited (MFL)- Manali and Mangalore Chemicals and Fertilizers Limited (MCFL) - Mangalore will continue till the gas availability and connectivity is provided to these units or June, 2014 whichever is earlier, beyond which subsidy for naphtha based plants will not be paid.” However, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27th August, 2014 had decided to continue urea production from the three Naphtha based urea units upto 30th September, 2014.

(b) Yes, Sir. Based on the discussions held, the Department of Fertilizers has prepared and submitted a final CCEA Note for permitting operation of the three Naphtha based urea units. The CCEA in its meeting held on 10th December, 2014 considered the note submitted by Department of Fertilizers and allowed the operation of these plants only for a period of 100 days from the date of notification. The subsidy to these units will be paid in the following manner:

- (i.) The concession rate for these plants will be determined notionally on the basis of weighted average delivered cost of spot RLNG to recently converted plants after deducting state taxes (VAT, Entry tax) on Naphtha/FO or the cost of production of urea from Naphtha/FO after deducting state taxes (VAT, Entry tax) on Naphtha/FO, whichever is lower.
- (ii.) The above decision will be operationalized after concerned State Governments agree to waive the local taxes (VAT, Entry Tax) on Naphtha/FO used as feedstock for urea production.

The CCEA further directed that a proposal for alternative arrangements be finalised for its consideration, before the expiry of the aforesaid period.

#### **Overcharging for drugs under price control**

3037. SHRI P. BHATTACHARYA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that medicines manufactured from all basic medicines/