

levied on Naphtha/FO consumed for urea production (VAT, Entry tax) on Naphtha/FO, whichever is lower.

4. The compensation for other variable cost e.g. the cost of bag, water charges and electricity charges and fixed cost will be determined in accordance with existing provisions of NPS-III and Modified NPS-III.
5. DoF shall review the progress of infrastructure for supply of gas and readiness of these three Naphtha based urea units to receive gas, on quarterly basis.
6. The urea production by MCFL and SPIC is hereby regularized from 17th April, 2015 and 24th April, 2015 respectively and the units will be eligible for subsidy on urea production for this period on existing provisions as on 16th April, 2015 till the issue of this notification (17th June, 2015).
7. The specific energy consumption norms for these 3 units from financial year 2018-19 will be 6.5 G.Cal/MT of urea.

Yours faithfully,

(Vijay Raj Singh)

Director (Fertilizers)

Tel: 011-23386398

Copy to:

Director (Movement).

1. CMO-MFL.
2. MO-MCFL.
3. CEO-SPIC.

Supply of urea to States

530. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is in a position to meet the demand for urea during the current agriculture season, particularly in States like Andhra Pradesh;

(b) if so, the details regarding available stocks and anticipated demand in respect of Andhra Pradesh and Telangana respectively; and

(c) whether Government considers it prudent to allow liberal urea imports and ending the present practice of canalized imports through agencies like STC and MMTC?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR): (a) The availability of all the fertilizers including Urea has been satisfactory throughout the current Kharif season 2015. DoF has provided 24.80 LMT of Urea more than the requirement of February, and March, 2015 during the lean months of last Rabi season for prepositioning and the States including Andhra Pradesh and Telangana have adequately pre-positioned the Urea in these two months.

(b) The availability of Urea taking the pre-positioned quantities into consideration is as per the following table:

(Figures in LMT)

	Requirement (April to June, 15)	Excess supply in Feb. and March, 2015	Opening Stock as on 01.04.15	Fresh Receipts	Availability (with excess supplies in Feb./March, 2015)	Sales (April To June)
All India	73.29	24.80	1.30	71.59	97.69	70.20
Andhra Pradesh	2.50	0.49	0.09	2.15	2.73	2.10
Telangana	3.50	0.54	0.2	2.70	3.36	2.76

As can be seen from the above table, availability of Urea is very comfortable against the sales.

(c) As per extant practice Urea is imported through canalized agencies viz. STC, MMTC and IPL and there is no change in the present practice.

Illegal diversion of subsidized urea

531. SHRI RANJIB BISWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that highly subsidized urea is being diverted for industrial use leading to its shortage for agriculture, if so, the details thereof;

(b) whether Government has made it mandatory for all domestic manufacturers to produce and importers to import neem coated urea to be used for agriculture in order to curb its illegal diversion, if so, the details thereof; and

(c) the total amount of subsidy as well as foreign exchange likely to be saved as a result thereof?