

**Release of fertilizer subsidies**

3394. DR. K.V.P RAMACHANDRA RAO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the huge amount of fertilizer subsidies is pending for release from Central Government, if so, the details thereof;
- (b) why there is a delay in release of fertilizer subsidies and;
- (c) whether Government has suggested any alternate mechanism for fertilizer companies to overcome shortage of funds?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): (a) The details of amount of Fertilizer Subsidies pending as on 27.03.2017 for release from Central Government are given in Statement (*See below*).

(b) The delay in release of fertilizer subsidies is mainly due to paucity of funds and non-receipt of Quality certificate (Proforma B2) from State Governments.

(c) Whenever there was shortage of funds, the Government tried to liquidate the pending subsidy by arranging loans under a Special Banking Arrangement (SBA). During the year 2016-17, the Department of Expenditure has allowed the Department of Fertilizers to avail ₹ 10,000 Crores as short term loan from the PSU Banks under SBA for payment of pending subsidy claims.

***Statement***

*The details of amount of Fertilizer Subsidies pending*

(₹ in crores)

| Sl. No. | Type of Fertilizer | Pending Subsidy |
|---------|--------------------|-----------------|
| 1.      | Imported Urea      | 171.97          |
| 2.      | Indigenous Urea    | 4884.14         |
| 3.      | Indigenous P&K     | 5487.60         |
| 4.      | Imported P&K       | 4507.26         |
|         | TOTAL              | 15050.97        |