

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
RAJYA SABHA
QUESTION NO 12.11.2010
ANSWERED ON
REIMBURSEMENT OF VAT ON FERTILIZERS .

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Shri Parshottam Rupala

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

(a) whether the Government is making efforts to revive closed fertilizer units of the country whereas financial condition of cooperative and public sector fertilizer producers of Gujarat have been deteriorating owing to non-payment of additional VAT of 2.5 per cent by Government levied on Natural Gas and Naphtha;

(b) by when payment of additional VAT would be made by Government;

(c) whether Government is aware that by putting unnecessary burden of this problem on farmers it would cause extreme resentment among them; and

(d) whether Government is making payment to the fertilizer units located in other States where additional VAT is being levied?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

(a) to (d): Various options to address the concerns of industry on account of non reimbursement of additional VAT & other taxes (not recognized under present NPS-III regime) are under examination with the Government.