

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3200
TO BE ANSWERED ON : **21.03.2017**

liquidity crisis of fertilizer companies

3200: SHRI PARVESH SAHIB SINGH:

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

- (a) whether it is a fact that the State Fertilizer Companies are facing a liquidity crisis due to delay in release of subsidy to the companies and if so, the details thereof including the reasons for the delay in the release of subsidies to the companies;
- (b) the details of the steps taken by the Government to resolve the liquidity crisis within the industries;
- (c) the details of the steps taken by the Ministry on its assurance in November last year to clear the fertilizer subsidy arrears at the earliest; and
- (d) the status of implementation of Direct Benefit Transfers in fertilizer subsidy?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND
SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)-

(a) to (c): Subsidy is being paid to fertilizer manufacturing units on regular basis subject to availability of funds as per annual budget allocation by Ministry of Finance. Due to shortage in allocation of funds, monthly subsidy bills of a particular year converts into pendency which is cleared from allocation provided by Ministry of Finance through supplementary or from the annual budget of subsequent year(s), on priority basis.

As and when authorised, the Department of Fertilizers also makes Special banking Arrangements (SBA) for payment of subsidy claims of fertilizer companies in case of shortage of funds. During the year 2016-17, the Department of Expenditure has allowed the Department of Fertilizers to avail Rs. 10,000 crores as short term loan from the PSU Banks under SBA for payment of pending subsidy claims.

(d): At present, Direct Benefit Transfer (DBT) system for fertilizer subsidy payments in 16 districts is under implementation on pilot basis. Three more districts viz., Dhanbad in Jharkhand, Begusarai in Bihar and Gorakhpur in Uttar Pradesh have been included in the pilot project. The list of 19 pilot districts is placed at **Annexure-I**.

Under the proposed fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies instead of the beneficiaries, on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidised fertilizers to farmers/buyers will be made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries will be identified through Aadhaar Card, KCC, Voter Identity Card etc. Implementation of the DBT includes three basic steps which are as under:

- i. Installation of POS devices at retail points.
- ii. Training of the retailers to operate the POS devices.
- iii. Sale through POS machines through Aadhar based biometric authentication/Kisan Credit Card/Voter ID.

The present status of procurement and deployment of PoS machines and DBT implementation in pilot districts is placed at **Annexure-II**.

List of pilot districts

Sr. No	District
1	Krishna (AP)
2	West Godavari (AP)
3	Una (HP)
4	Hoshangabad (MP)
5	Pali (Rajasthan)
6	Rangareddy (Telangana)
7	Kishanganj (Bihar)
8	Karnal (HR)
9	Kurukshetra (HR)
10	Nasik (Maharashtra)
11	Raigarh (Maharashtra)
12	Tumkur (Karnataka)
13	Narmada, (Gujarat)
14	Thrissur, (Kerala)
15	Malda, (WB)
16	South 24 Parganas, WB)
17	Begusaria (Bihar)
18	Dhanbad, Jharkhand
19	Gorakhpur (Uttar Pradesh)

Status of DBT implementation in pilot districts

Sr. No	District	Retailers / PoS Required	PoS Received / Deployed	Master Training	DBT Status
1	Krishna (AP)	973	973/973	Completed	Live (1st Oct 16)
2	West Godavari (AP)	1100	1100/1100	Completed	Live (1st Oct 16)
3	Una (HP)	230	230/221	Completed	Live (1st Jan 17)
4	Hoshangabad (MP)	246	217/214	Completed	Live (1st Jan 17)
5	Pali (Rajasthan)	343	343/270	Completed	Live (1st Jan 17)
6	Rangareddy (Telangana)	205	205/184	Completed	Live (1st Jan 17)
7	Kishanganj (Bihar)	349	344/308	Completed	Live (1st Feb 17)
8	Karnal (HR)	772	772/590	Completed	Live (1st Feb 17)
9	Kurukshetra (HR)	550	520/332	Completed	Live (1st Feb 17)
10	Nasik (Maharashtra)	1346	1200/1200	Completed	Live (1st Feb 17)
11	Raigarh (Maharashtra)	200	200/200	Completed	Live (1st Feb 17)
12	Tumkur (Karnataka)	533	305/282	Completed	Live (1st Mar 17)
13	Narmada, (Gujarat)	95	95/95	Completed	Live (1st Mar 17)
14	Thrissur, (Kerala)	178	200/200	Completed	Live (1st Mar 17)
15	Malda, (WB)	800	Not Implemented as State Government is yet to come on board.		
16	South 24 Parganas, WB)	1225			
17	Begusarai, (Bihar)	694	Three additional districts were included in Pilot on 1st Feb, 2017. Sensitization process has been initiated. Procurement & deployment of devices in progress.		
18	Dhanbad, (Jharkhand)	26			
19	Gorakhpur, (UP)	1488			
	Total	11353	6422/5928		
