

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1791 TO BE ANSWERED ON: 06.03.2018

Interest Burden on Urea

1791+ SHRI RAVINDRA KUMAR PANDEY:

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

- (a) Whether the Government is aware of the heavy burden of interest on urea manufacturers;
- (b) If so, the details of the accumulated amount of interest during the last three years, PSU-wise and cooperative sector wise;
- (c) Whether urea manufacturers are compelled to borrow loan from the banks due to delay in payment of subsidy and the burden of subsidy is carried forward every year;
- (d) Whether the Government is aware of the problems being faced by the urea manufacturers;
- (e) If so, the details thereof; and
- (f) Whether the Ministry has approached the Ministry of Finance to provide relief to the urea manufacturers by providing special banking facilities in the current financial year and if so, the details and the present status thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

(a) & (b): Yes, Madam. However, no such data is maintained by the Department of Fertilizers.

(c), to (e): The Government has decided to introduce Direct Benefit Transfer (DBT) system for fertilizer subsidy payments. Under the proposed fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies on weekly basis on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized fertilizers to farmers/buyers will be made through Point of Sale (PoS) devices installed at each retailer shop.

(f): Yes Madam. Ministry of Finance has been approached for Special Banking Arrangement (SBA) for fertilizers during the current financial. However, the SBA is not being utilized for payment of Urea subsidy.
