

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO. 563
TO BE ANSWERED ON: **06.02.2018**

Interest burden on urea producers

563: SHRI RAHUL KASWAN:

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

- (a) whether the Government is aware about the burden of excessive interest levied on urea producers and if so, the details thereof indicating the amount of interest accumulated during the last three years, Government undertaking-wise and co-operative sector wise;
- (b) whether the Government has taken note of the difficulties being faced by the urea producers including the delay in reimbursement of subsidy due to which urea producers have to avail bank loans and the burden of subsidy is carried forward year after year and if so, the details thereof;
- (c) whether his Ministry has approached the Ministry of Finance for special banking provision in the current financial year to provide relief to urea companies; and
- (d) if so, the details and present status thereof?

ANSWER

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

(RAO INDERJIT SINGH)

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

(b): 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.

(c) & (d): Department of Fertilizers regularly approaches Department of Expenditure (DoE) for special banking arrangements. A proposal for special banking arrangement for an amount of Rs 7000 crores has been sent to DoE.
