

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 3795 TO BE ANSWERED ON: 16.07.2019**

**Diversion of Subsidised Urea**

**†3795 SHRIMATI REKHA VERMA:**

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

- (a) whether the Government is aware of illegal diversion of subsidised urea and other fertilizers for industrial purpose;
- (b) if so, the details thereof and the number of such cases registered and the action taken against the people found involved in such activities along with the revenue loss suffered by the States/Union Territories on that count during each of the last three years and the current year;
- (c) whether the Government proposes to make the use of neem coated urea compulsory for agro purposes, if so, the details thereof and the present status of the said proposal;
- (d) whether the Government proposes to produce cent percent subsidised neem coated urea in the country and if so, the percentage of urea being coated with neem presently; and
- (e) the date by which cent percent neem coated urea is likely to be made available in the market at subsidised rates?

**ANSWER**

MINISTER OF CHEMICALS & FERTILIZERS

**(D.V. SADANANDA GOWDA)**

---

(a) & (b): Sir, Government of India has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955 and notified Fertilizer Control Order (FCO), 1985 and Fertilizer (Movement Control) Order, 1973. The State Governments have been empowered to take appropriate action to curb Black-Marketing and Diversion of Subsidised Urea to Industrial Sector and to conduct search, make seizures and take punitive action against any person violating provisions of FCO, 1985 and Essential Commodities Act, 1955.

-: 2 :-

The number of cases of diversion reported by various State Governments in the last three year and current year is as follows:

Year	Diversion Cases	State
2019-20 ( Current year)	No case has been reported yet by any State Government.	NIL
2018-19	9	Gujarat -- 5 & Telangana -- 4
2017-18	1	Gujarat -- 1
2016-17	0	NIL

In all these cases, State Governments have taken appropriate actions as per FCO. Information on revenue loss is not available with the States as reported by State Government.

(c) to (e): Based on CCEA decision, vide notification dated 25<sup>th</sup> May, 2015 Department of Fertilizers had made it mandatory for all the domestic producers of urea to produce 100% as Neem Coated Urea. Entire quantity of indigenous urea and imported urea is being neem coated w.e.f 1<sup>st</sup> September, 2015 and 1<sup>st</sup> December, 2015 respectively.

\*\*\*\*\*