

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1337 TO BE ANSWERED ON : 09.02.2021

NBS Scheme

1337 DR. PRITAM GOPINATHRAO MUNDE:

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

- (a) whether the Government has initiated thorough scrutiny of cost of production/imports for all fertilizers under Nutrient Based Subsidy (NBS) Scheme;
- (b) if so, the details of the mechanism and the process being adopted for such scrutiny;
- (c) whether the prices of fertilizers have come down after implementation of such scrutiny in the country; and
- (d) if so, the details in this regard?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(SHRI D V SADANAND GOWDA)

(a) & (b): Yes, Sir. As approved by the Cabinet, Office Memorandum for evaluation of reasonableness of MRP of Phosphatic & Potassic (P&K) fertilizers was issued on 3.5.2013 to all P&K fertilizer companies. Subsequently, Department of Fertilizers initiated evaluation of the reasonableness of MRPs of P&K fertilizers as per the audited cost data submitted by the companies and also issued the detailed guidelines on 15.11.2019. Under the examination of reasonableness, the profit earned above 12% are treated as 'unreasonable profit'.

(c) & (d): The Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, NBS rates are decided on annual basis and provided as subsidy on P&K fertilizers depending on their nutrient content. P&K fertilizers are under Open General License (OGL) and decontrolled under the NBS Scheme. Therefore, MRP which is fixed by the P&K fertilizer companies as per market dynamics keeping in view the relevant factors like international prices, exchange rate, inventory level and NBS rates etc is monitored through the reasonable exercise by the Government.
