

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

STARRED QUESTION NO:192  
ANSWERED ON:04.03.2003  
SUBSIDY DUES OF FERTILIZER INDUSTRY  
CHANDRA NATH SINGH

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

- (a) the total amount due as subsidy to fertilizer industry by the end of year 2002, company-wise;
- (b) the reasons for accumulation of dues;
- (c) the effect of this on the performance of fertilizer industry; and
- (d) the remedial measures taken/proposed to be taken to pay the dues for improving upon the situation?

**Answer**

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 192 to be answered on 4.3.2003

(a) : The total outstanding dues as on 31.12.2002 for 19 urea manufacturing companies/Cooperative Societies namely Brahmaputra Valley Fertilizers Corporation Ltd., Chambal Fertilizers & Chemicals Ltd., Fertilizers & Chemicals Travancore Ltd., Gujarat Narmada Valley Fertilizers Corporation Ltd., Gujarat State Fertilizers Corporation Ltd., Indian Farmers Fertilizers Cooperative, Indo Gulf Fertilizers Ltd., Krishak Bharti Cooperative, Mangalore Chemicals & Fertilizers Ltd., Madras Fertilizers Ltd., Nagarjuna Fertilizers & Chemicals Ltd., National Fertilizers Ltd., Neyveli Lignite Corporation Ltd., Oswal Chemicals & Fertilizers Ltd., Rashtriya Chemicals & Fertilizers Ltd., Sriram Fertilizers Corporation Ltd., Southern Petrochemicals Industries Corporation Ltd., Tata Chemicals Ltd. and Zuari Industries Limited, is Rs. 1432 crore approximately. Some of the technical parameters as also the impact of escalation/de-escalation are under verification/updation to arrive at the exact amount payable to the urea units. Likewise, the outstanding recoveries as on 31.12.2002 from urea units due to implementation of policy parameters for 7th and 8th pricing period has been estimated by Fertilizer Industry Coordination Committee to be Rs. 424 crore.

(b) to (d) : An amount of Rs. 6499.00 crore has been allocated under Budget Estimates for the year 2002-03. An additional amount of Rs. 1000 crore has been provided on supplementary demands. The arrears of payments are mainly on account of implementation of the policy parameters for 7th and 8th pricing periods covering the period from 1.7.1997 to 31.3.2003, which were approved by the Government on 16.5.2002. Based on parameters approved for 7th and 8th pricing periods, unit-wise payments and recoveries have been estimated. The balance outstanding dues of urea companies would be accommodated by making provision in the Budget.