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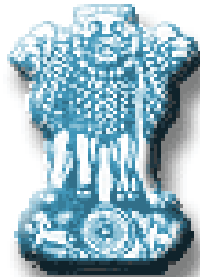
**STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2023-24)**

(SEVENTEENTH LOK SABHA)

**MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF FERTILIZERS)**

**Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Forty-Third Report (Seventeenth Lok Sabha) on
'Planning for Fertilizers Production and Import Policy on Fertilizers Including GST
and Import Duty thereon' of the Ministry of Chemicals and Fertilizers
(Department of Fertilizers)**

FIFTY-SECOND REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

February, 2024/ Magha, 1945 (Saka)

FIFTY-SECOND REPORT

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(2023-24)**

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(DEPARTMENT OF FERTILIZERS)**

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Presented to Lok Sabha on 08th February, 2024

Laid in Rajya Sabha on 08th February, 2024



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2024/ Magha, 1945 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS

(2023-24)

Dr. Shashi Tharoor - Chairperson

MEMBERS LOK SABHA

2. Shri Dibyendu Adhikari
3. Maulana Badruddin Ajmal
4. Shri C.N. Annadurai
5. Shri Deepak Baij
6. Shri Ramakant Bhargava
7. Shri Prataprao Patil Chikhlikar
8. Shri Rajeshbhai Naranbhai Chudasama
9. Dr. Sanjay Jaiswal
10. Shri Ramesh Chandappa Jigajinagi
11. Shri Kripanath Mallah
12. Shri Satyadev Pachauri
13. Smt. Aparupa Poddar
14. Shri Arun Kumar Sagar
15. Shri Muniyan Selvaraj
16. Dr. Sanjeev Kumar Singari
17. Shri Atul Kumar Singh
18. Shri Pradeep Kumar Singh
19. Shri Indra Hang Subba
20. Shri Parbhubhai Nagarbhai Vasava
21. Vacant*

RAJYA SABHA

22. Shri G. C. Chandrashekhar
23. Dr. Anil Jain
24. Shri Arun Singh
25. Shri Ram Nath Thakur
26. Shri Vijay Pal Singh Tomar
27. Vacant
28. Vacant
29. Vacant
30. Vacant
31. Vacant

SECRETARIAT

- | | | |
|-------------------------|---|------------------|
| 1. Shri Chander Mohan | - | Joint Secretary |
| 2. Smt. Geeta Parmar | - | Director |
| 3. Shri Kulvinder Singh | - | Deputy Secretary |

* Vacant vice [Shri Uday Pratap](#) Singh, MP(LS) who resigned his seat in LS w.e.f. 06.12.2023. [Lok Sabha Secretariat Notification No. 21/1(1)/2023/T(B) dated 6th December, 2023]

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2023-2024) having been authorized by the Committee, do present on their behalf this Fifty-Second Report on Action taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-Third Report (Seventeenth Lok Sabha) on 'Planning for Fertilizers Production and Import Policy on Fertilizers Including GST and Import Duty thereon' pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers.

2. The Forty-Third Report was presented to Lok Sabha and also laid in Rajya Sabha on 09th August, 2023. The Department of Fertilizers, Ministry of Chemicals and Fertilizers furnished their replies on 10th October, 2023 indicating Action Taken on the Observations/Recommendations contained in the Forty-Third Report. The Committee considered and adopted the Draft Report at their sitting held on 07th February, 2024.

3. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Fifty-Second Report (Seventeenth Lok Sabha) of the Committee is given in **Appendix-II**.

4. For ease of reference, Observations/Recommendations of the Committee have been printed in bold letters in the Report.

New Delhi;
07 February, 2024
18 Magha, 1945 (Saka)

DR. SHASHI THAROOR
CHAIRPERSON,
STANDING COMMITTEE ON
CHEMICALS AND FERTILIZERS.

CHAPTER-I

REPORT

This Report deals with Action Taken by the Government on the observations/ recommendations of the Standing Committee on Chemicals and Fertilizers contained in their Forty-Third Report (17th Lok Sabha) on 'Planning for fertilizers production and Import Policy on fertilizers including GST and Import Duty thereon' pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers.

1.2 The Forty-Third Report was presented to Lok Sabha and laid in Rajya Sabha on 09th August, 2023. The Report contained 20 Observations/Recommendations. Action Taken Replies in respect of all the Observations/Recommendations contained in the Report have been received and are categorized as under:

- (i) Observations/ Recommendations which have been accepted by the Government:
Rec. Para No. 2,3,4, 5,6,7,8,9,10,11,12,13,14,15, 16, 17, 18, 19 and 20
(Total=19)
Chapter-II
- (ii) Observations/ Recommendations which the Committee do not desire to pursue in view of the Government's reply:
Rec. Para No. Nil
(Total = 00)
Chapter-III
- (iii) Observations/ Recommendations in respect of which replies of the Government have not been accepted by the Committee which require reiteration:
Rec. Para No. 1
(Total=01)
Chapter-IV
- (iv) Observations/ Recommendations in respect of which the final replies of the Government are still awaited:
Rec. Para No. Nil
(Total = 00)
Chapter-V

1.3 The Committee desire that the Action Taken Notes on the Observations/ Recommendations contained in Chapter-I of this Report may be furnished to the Committee within three months of the presentation of this Report.

1.4 The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

RECOMMENDATION AT SL. NO. 1

Production and Consumption of Fertilizers in the Country

1.5 The Committee had noted in their Report that the cumulative total production of Urea, DAP, MOP and NPK during the year 2022-23 (up to November, 2022) was 281.83 LMT whereas their cumulative total consumption was 401.46 LMT. Thus, there was a deficit of 119.63 LMT for all types of fertilizers in the country. The position in respect of urea, which is the main fertilizer in the country, was more alarming as the consumption of Urea during 2022-23(up to January, 2023) was 319.03 LMT as against its production of 237.15 LMT in the country resulting in deficit of about 81.88 LMT. The Department had admitted that the production capacity of Urea in the country does not commensurate with the demand of Urea in the country and the gap between demand and supply is filled through imports only. The Committee had, therefore, desired that Department of Fertilizers should take all remedial measures to contain the deficit of various types of fertilizers in the country especially Urea, as consumption of Urea is the highest in the country, and make the country more self-reliant. The Committee liked to be apprised of the steps taken by the Department in this regard.

1.6 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as under:

“ As regards to the Committee’s recommendation that the Department should take all remedial measures to contain the deficit of various types of fertilizers in the country specially Urea, as consumption of urea is the highest in the country, and make the country more self-reliant. In this regard, it is submitted that after setting up six new Ammonia-Urea units under the New Investment Policy (NIP) – 2012, the annual installed capacity of indigenous urea production has increased from 207.54 LMT during F.Y. 2014-15 to 283.74 LMT during F.Y 2022-23. Further, incentivization of urea production beyond the Re-Assessed Capacity by the existing units under New Urea Policy-2015 (NUP-2015) has added about 20-25 LMT additional urea production annually in the country. Due to above measures, India recorded highest ever urea production of 284.95 LMT during F.Y. 2022-23 and urea

production is expected to cross 300 LMT during F.Y. 2023-24. Further, an exclusive policy has also been notified on 28th April 2021 for the revival of Talcher unit of FCIL by setting up a new green field urea plant of 12.7 LMT per annum through coal gasification route.

In addition to above, introduction of PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother-Earth (PM-PRANAM), Market Development Assistance (MDA) to promote Organic Fertilizers, Promotion of Sulphur Coated Urea with the name of 'Urea Gold' and production of Nano Urea is expected to reduce use of chemical fertilizers particularly urea."

1.7 The Committee in their original recommendation had noted that the cumulative total production of different fertilizers in the country was 281.83 LMT against the consumption of 401.46 LMT and therefore desired that the Department of Fertilizers should take all remedial measures to contain the shortage of about 119.63 LMT of fertilizers. In its action taken note, the Department has *inter-alia* submitted that after setting up of 6 new Ammonia-Urea units under the New Investment Policy (NIP)-2012, the annual installed capacity of indigenous urea production has increased from 207.54 LMT in 2014-15 to 283.74 LMT in 2022-23. Further, incentivization of urea production beyond the Re-Assessed Capacity by the existing units under New Urea Policy(NUP)-2015 has added about 20-25 LMT urea production annually in the country. Due to these measures, India has recorded highest ever urea production of 284.95 LMT in 2022-23 and urea production is expected to cross 300 LMT during 2023-24.

In view of the foregoing, the Committee find that even if the production of urea crosses 300 LMT during 2023-24, it will remain much below 401.46 LMT of fertilizers consumed in the country. While taking note of the earnest efforts of the Departments to increase the urea production, the Committee desire that the momentum be continued and further escalated so as to undertake requisite mid-term corrections to improve the performance of its various urea/fertilizers units in order to boost the production of urea/other fertilizers in the country.

RECOMMENDATION AT SL. NOS. 16 and 17

GST on Fertilizers

1.8 The Committee had noted that 12% GST on fertilizers was reduced to 5% bracket on the demand of various States. The issue to further reduce GST on fertilizers was placed before the GST council in its 45th and 47th meetings held in September, 2021 and June, 2022, respectively, however, GST council did not recommend any change in the rates of fertilizers or other organic farm inputs. The Committee had, therefore, recommended placing the issue to further reduce GST on fertilizers again before the GST Council at the earliest.

1.9 Further, as per the recommendations of the GST council, though fertilizers are levied GST @5%, its raw materials like Sulphuric Acid and Ammonia are levied a higher GST@18%. In this regard, the Department had submitted that the raw material of fertilizers like Sulphur has multiple uses and is also used in the production of detergents, paints, dyes etc. and Ammonia too has multiple uses and is used as refrigerator gas, manufacturing of plastics, explosives, textiles etc. With a strong conviction that raw materials used for production of fertilizers should be levied with lesser GST, the Committee had desired that the Department should consider favorably the proposal to lower the GST on raw materials in the interest of fertilizer manufacturing companies and ultimately the farmers.

1.10 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as under:

“The recommendation of the Committee has been forwarded to the Ministry of Finance (Department of Revenue).”

1.11 The Committee in their earlier Report had recommended to reduce GST on fertilizers and also to lower the GST on raw materials in the interest of fertilizer manufacturing companies and the farmers. The Committee are satisfied to learn from the action taken note that the Department of Fertilisers has forwarded the recommendation of the Committee to the Ministry of Finance (Department of Revenue). However, the Committee would desire the Department of Fertilizers to consistently pursue the matter with the Ministry of Finance (Department of

Revenue) for favorable consideration in the interest of fertilizer manufacturing companies and the farming community at large.

RECOMMENDATION AT SL. NO. 18

Bringing Natural Gas under the ambit of GST

1.12 The Committee had noted that the Natural Gas was kept outside the ambit of GST and VAT/CST was being levied on sale of Natural Gas. As VAT/CST on import is par-through element of cost, such VAT/CST forms part of cost of production of Urea and is reimbursed in the form of subsidy. Further, in cases where Natural Gas was sold twice in two States, there were incidence of double levying of VAT on Natural Gas. Besides, VAT rates differed from State to State and ranges as low as 3% to as high as 25% in States like Chhattisgarh, which made the Natural Gas costlier and was detrimental to the interests of the farmers. As the Department too admitted that natural gas should be brought under the ambit of GST, the Committee had recommended that the Department should take up the matter of bringing natural gas under the ambit of GST, at the highest level with the Ministry of Finance.

1.13 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as under:

“The recommendation of the Committee has been forwarded to the Ministry of Petroleum and Natural gas and Ministry of Finance (Department of Revenue).”

1.14 The Committee had noted that Natural gas was kept outside the ambit of GST and VAT/CST is being levied on sale of Natural Gas and therefore recommended that the Department of Fertilisers should take up the matter of bringing natural gas under the ambit of GST, at the highest level with the Ministry of Finance. The Department had too admitted that natural gas should be brought under the ambit of GST. In its action taken note, the Department has stated that it has forwarded the Committee’s recommendation to the Ministry of Petroleum and Natural Gas as well as to the Ministry of Finance (Department of Revenue). The Committee would desire the Department of Fertilizers to consistently pursue the

matter with the Ministry of Finance (Department of Revenue) for favorable consideration and keep them updated on the matter.

RECOMMENDATION AT SL. NO. 20

GST & Basic Custom Duty (BCD) on Micronutrients:

1.15 The Committee had noted that Micronutrients, essential plant nutrients under the Fertilizer (Inorganic, Organic Mixed) Control order, 1985 are very important for growth and development of plants, as, on an average, soil is deficient in Zinc, manganese, copper and boron. However, micronutrients were being levied GST ranging from 12% to 18% which made them costlier for the farmers. Besides, BCD at the rate of 7.5% was leviable on micronutrients. The Committee had desired that GST rates on micronutrients be brought down to make micronutrient affordable to the farmers. The Department of Fertilizers in February, 2023 had also requested the Ministry of Finance, Department of Revenue to do the needful in this regard. The Committee had desired that the Department should draw the attention of the Department of Revenue to the benefits and need of micronutrients in agriculture and actively pursue the matter for lesser GST and BCD on micronutrients so that farmers get them at affordable rates and the soil is replenished with the nutritional content.

1.16 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as under:

“The recommendation of the Committee has been forwarded to the Ministry of Finance (Department of Revenue).”

1.17 The Committee had noted in their earlier Report that micronutrients, essential plant nutrients that are very important for growth and development of plants in view of the fact that on an average soil is deficient in Zinc, manganese, copper and boron, are being levied GST ranging from 12% to 18%. This makes them costlier for the farmers and BCD at the rate of 7.5% is also leviable on them. While observing that the Department of Fertilizers in February, 2023 had requested the Ministry of Finance, Department of Revenue to do the needful in this regard, the Committee had recommended that GST rates on micronutrients should be brought down to make micronutrient affordable to the farmers.

From the action taken note, it has been observed that the Department of Fertilisers has forwarded the Committee's recommendation to lower the GST and BCD on micronutrients to Ministry of Finance (Department of Revenue). The Committee are satisfied to note that their recommendation to lower the GST and BCD on micronutrients has been forwarded to Ministry of Finance (Department of Revenue). The Committee would desire the Department of Fertilizers to consistently pursue the matter with the Ministry of Finance (Department of Revenue) for favorable consideration and keep them updated on the matter.

CHAPTER – II

OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

RECOMMENDATION SL. NO. 2

Availability of Fertilizers

2.1 The Committee have been informed that position of Urea, DAP, MOP and NPK in respect to their availability is quite comfortable. For Rabi (2022-23), the requirement of Urea was 180 LMT. As submitted, about 90 LMT was sold to the farmers and the Department had a stock of 40 LMT, besides their production being 25 lakh tones per month. In respect of DAP, out of the requirement of 55 LMT, 37.69 LMT were sold and the Department had a remaining stock of 11.47 LMT. For Kharif (2022), out of the requirement of 179.01 LMT for Urea, 172.61 LMT was sold with a closing stock of 47.37 LMT. Similarly for DAP, out of the requirement of 58.82 LMT, 51.60 LMT was sold with a closing stock of 14.18 LMT. However, to a concern expressed by the Committee about the non-availability of fertilizers, the representative of the Department admitted during evidence that there were local shortages in some States. Therefore, though the Committee express their satisfaction over the availability of fertilizers in the country, they would strongly desire that the Department of Fertilizers should ascertain the reasons for shortage of fertilizers being reported in some of the States in the country and ensure availability of fertilizers in every State by taking corrective steps accordingly.

2.2 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the state-wise & month-wise requirement of fertilizers. On the basis of requirement projected, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability. Further, following measures are taken by the Department to ensure adequate availability at state level.

- i. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (Ifms);
- ii. The State Governments are regularly advised to coordinate with suppliers of fertilizers.
- iii. Regular Weekly Video Conference is conducted jointly by DA&FW and DoF with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

- iv. As internal distribution of Fertilizers is looked after by concerned State Government, fertilizer is moved on priority whenever mismatch occurs between demand and availability of fertilizers at local level on the request of State Government.

RECOMMENDATION SL. NO. 3

2.3 The Department has admitted that there is a problem of over-application of Urea in the country and that the consumption of nitrogen in India is much higher than many other countries in the world. Evidently, Indian farmers do not adhere to the established ideal fertiliser ratio of 4:2:1 of N:P:K, with negative consequences for soil health. The Committee are of the view that the over-consumption of Urea is being promoted due to Nutrient Based Subsidy Policy which covers other fertilisers like P & K fertilisers only. Urea is left out of the scheme and hence it remains under price control whereas technically there is no price control in other fertilizers. The prices of the other fertilizers which were decontrolled have gone up and that has led farmers to use more Urea than before. This has further worsened fertilizer imbalance. Therefore, the Committee urge that the Government should review the present NBS Policy in order to remove the disincentives for farmers to use other fertilizers rather than Urea. The Committee would wish to kept informed of further progress in this regard.

2.4 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The subsidy rates for P&K fertilizers under the Nutrient Based Subsidy (NBS) scheme are revised on annual/bi-annual basis keeping in mind the international prices of raw materials as well as finished fertilizers. Other relevant factors such as requirement of nutrients in the country, balanced use of fertilizers, subsidy burden, MRP of fertilizers etc. are also considered in fixation of subsidy rates. Thus, the relevant factors the effect of which may affect farmers and to save farmers from such disincentives/effects are kept in mind. Accordingly, the Actual expenditure for P&K fertilizers under NBS scheme has been increased by Gol over the years. The details of the same are as under:”

(Rs. In Crore)

Years	Actual Expenditure
2022-23	86122.00
2021-22	52726.26
2020-21	37303.73
2019-20	26335.00
2018-19	24080.35

RECOMMENDATION SL. NO. 4

2.5 The Committee take note of the gap between requirement and availability of different category of fertilizers, and, therefore, recommend further increasing the indigenous production of fertilizers. The Committee are happy to note that four new DAP and NPK plants are being set up in Jhabua and Sagar districts of Madhya Pradesh, RCF is setting up one unit at Thal and FACT is also setting up one more unit. The Committee would recommend that the Department should oversee and monitor the development of the upcoming fertilizer plants from time to time so that these Plants are completed within a fixed timeline and contribute towards meeting the need of fertilizers in the country.

2.6 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Department of fertilizers has started inducting Potash Derived from Molasses (PDM) product of fertilizer companies. In this connection, the guidelines for induction of companies were circulated and based on applications received; the department has inducted two companies for supply of PDM while other applications are under process.

Similarly, the DAP/NPK fertilizers plants of M/s. Madhya Bharat Agro Products Ltd. and M/s. Krishna Phoschem, which were permitted for production of P&K fertilizers, have already started manufacturing and selling P&K fertilizers produced from the plant. Approvals have been given to DAP/NPK Plants of RCF and FACT with annual capacities of 5 LMT and 5.5 LMT respectively. Similarly approval has been given to PPL to manufacture additional DAP/NPK to the tune of 8 LMT /annum.”

RECOMMENDATION SL. NO. 5

2.7 The Committee note that India is the second largest consumer and third largest producer of finished fertilizers in the world. The country has so far achieved 80% self-sufficiency in production capacity of Urea. However, it is matter of concern that about 90% of gas requirement of Urea sector (RLNG) is met through imports. In case of Di Ammonium Phosphate (DAP), about 50-60% of domestic requirement is imported. The production of indigenous DAP is dependent on import of Phosphoric Acid, Rock Phosphate, Ammonia, etc. In case of MOP, 100% is imported whereas 8-10% of NPK domestic requirement is met through imports. Though, SSP is indigenously produced fertilizer in which rock phosphate (RP) and Sulphuric acid are the raw materials, high

grade RP is imported for the production of SSP. For enhancing fertilizer production in the country and reducing dependence on import, the Committee, therefore, recommend for taking effective policy initiatives aimed at creating environment that would facilitate investments in the public, co-operatives and private sectors that are engaged in manufacturing and marketing of fertilizers. The Committee trust that the Department would take concrete measures in this direction.

2.8 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Under the Nutrient Based Subsidy (NBS) scheme, the P&K fertilizers sector is decontrolled i.e. the P&K fertilizers companies decides on the investment, progress, plans based on the market dynamics. The MRPs of P&K fertilizers are also fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government.

However, Government has included Potash Derived from Molasses (PDM) under the Nutrient Based Subsidy (NBS) scheme which is indigenously manufactured fertilizer, facilitating the production and usage of Potassic fertilizer in the country.

Department of Fertilizers is also monitoring that indigenous Mining of Fertilizer Minerals is expedited in order to achieve self sufficiency in the fertilizer sector. After meeting of Hon’ble Minister with Ministry of Mines, exploration of fertilizer minerals has got a renewed focus. Meetings were held with fertilizer PSUs, State government of Madhya Pradesh and State government of Rajasthan involving ministry of mines officials also. DOF emphasized urgent need of increasing availability of fertilizer minerals and auctioning more blocks of mines of fertilizers minerals. States have started auctioning mineral blocks for fertilizer minerals. One of the major issue in operationalizing a mineral block is issuance of Forest and Environmental Clearances. Regular monitoring of the progress of mining is being done by DoF along with Ministry of Mines so that all the clearances are obtained expeditiously and mineral blocks are operationalized quickly. Department of Fertilizers is constantly in touch with Ministry of Mines for starting mining operations of fertilizer minerals expeditiously in States. Very recently Ministry of Mines has included phosphorus and potash as critical minerals crucial for economic development, national security and food security in order to ensure “self-reliance” and to address “the vulnerability” in its supply chain. This step of Government of India is very crucial in ensuring quick availability of these minerals to the country. As a result of the constant efforts made by the Central and State Governments, first ever successful auction of Glaucosite Block in the Country has been done in North of Arjuanda Mahasamund district of Chhattisgarh State which has paved way for successful initiation towards self-reliance of India in the Potassic Fertilizers sector. The same zeal from all stakeholders is definitely going to make India self-reliant in the field of fertilizers in the near future.”

RECOMMENDATION SL. NO. 6

Single Super Phosphate (SSP)

2.9 The Committee learn that Single Super Phosphate (SSP) is the most popular phosphatic fertilizer as it contains 3 major plant nutrients namely Phosphorus, Sulphur and Calcium along with traces of many micro-nutrients. SSP can be used as an alternative to Di-ammonium Phosphate (DAP). Besides, SSP is indigenously available and it also helps to treat sulphur deficiency in soils (40% Indian soil is sulphur deficient) as well for further enhancement of yields at the least cost. In various crops, which require more of sulphur and phosphate like oilseeds, pulses, sugarcane, fruits and vegetables, tea etc., SSP is an essential fertilizer. A representative of the Department of Fertilizers stated during evidence that SSP uses locally available material i.e. rock phosphate and about 10% of the requirement of fertilizers is met through SSP whereas DAP is manufactured on the basis of imported raw materials. It is, however, disheartening to note that though there are some mines in Rajasthan, UP and Madhya Pradesh, where phosphates and potash are available, not much progress has been made as the technology required for mining of potash is not commercially viable at the moment and the matter is being looked into. Considering that SSP is indigenously available and is an alternative to DAP which is being manufactured with imported raw materials, the Committee strongly recommend that the Department should make earnest efforts to remove all the bottlenecks in the projects for mining of potash and phosphates, so that our country becomes self-sufficient in production of SSP as a replacement of DAP. The Committee would like to be apprised of the progress made by the Department in this regard.

2.10 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“To boost up the domestic production of mining of domestically available fertilizer mineral Department of Chemicals and Fertilizers has been making efforts to reduce dependence on imports, and exploring indigenous deposits of Phosphatic and Potassic fertilizer minerals and make them available to indigenous industries for production of SSP. After active persuasion by Department of Fertilizers, the state Government of Madhya Pradesh has reserved two block of rock phosphate i.e (i) Khatamba block, in Jhabua, Madhya Pradesh with area upto 39.5 Hec and (ii) Piploda Block, in Jhabua, Madhya Pradesh for area upto 135.20 Hec in favour of FAGMIL. The matter stand referred to Ministry of Mines.

Department of Fertilizers has also requested M/o Mines to allocate 04 separate mines of Rock Phosphate to FAGMIL in the State of Uttarkhand i.e. Durmala Block of Rock Phosphate in District Tehri Garhwal, Kaphalda Block of Rock

Phosphate in District Tehri Garhwal, Bhutsi Block of Rock Phosphate in District Tehri Garhwal and Maldeota Block of Rock Phosphate in District Dehradun.

Ministry of Mines, vide two separate replies, both dated 17/07/2023, have declined the proposals of DoF and informed that there is policy of Government to auction mines, so that Government receives the right value of national assets. However, M/o Mines has advised that the State PSUs may be encouraged to participate in the auction process.

Recently Ministry of Mines has included phosphorus and potash as critical minerals crucial for economic development, national security and food security in order to ensure “self-reliance” and to address “the vulnerability” in its supply chain. This step of Government of India is very crucial in ensuring quick availability of these minerals to the country.”

RECOMMENDATION SL. NO. 7

2.11 The Committee derive some consolation from learning that the Department of Fertilizers is promoting SSP in a big way as SSP is being seen as an indigenous source of phosphatic fertilizers. Keeping in view the numerous advantages of SSP, the Committee would like the Department to ensure that adequate measures are taken to increase the production of SSP so that it matches the increasing demand of SSP. The issues/concerns of the manufacturers/suppliers of SSP should be looked into and they should be encouraged by way of incentivizing them, if required, for enhancing the production of SSP and for preparing themselves to meet the increasing demand of SSP. The Committee would like to be apprised of the various steps being taken by the Department for promotion of SSP.

2.12 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The various steps being taken by the Department for promotion of SSP are:

- The new policy guidelines has been issued for SSP Industry by the Ministry on 21.9.2022.
- The freight subsidy has been extended to SSP Industry.
- With the objective to promote SSP Industry, improving the quality of SSP fertilizer and to increase the capacity utilization.
- Emphasis is on improving the quality of SSP Fertilizer with adequate infrastructure.
- The focus is on utilizing the existing capacities in this sector.
- The combination of SSP and Urea can be economical for the farmers and benefit the country.

- The combination of SSP and Urea have the potential to replace DAP thus saving huge amount of foreign exchange for the country.
- The SSP Parks are being setup to promote this industry for providing social, economic and environmental benefits.
- The above measures will lead to the self reliance in the fertilizers and will fulfil the dream of Atma Nirbhar Bharat.”

RECOMMENDATION SL. NO. 8

New Investment Policy (NIP) 2012

2.13 The Committee note that the Government had announced New Investment Policy (NIP)-2012 on 2 January, 2013 read with amendment dated 7th October, 2014 with an objective to facilitate fresh investment in Urea sector and to make India self-sufficient in the Urea sector. It is satisfying to note that since then 6 new Urea plants (1 Brownfield and 5 Greenfield) have been set up each having the annual production capacity of 12.7 LMT thereby adding Urea production capacity of 76.2 LMT per annum in the existing Urea production capacity of the country. Now, 36 Urea manufacturing units are functioning in our country, out of which, four (04) new Urea Units *viz* Ramgundam, Gorakhpur, Sindri Unit of Fertilizers Corporation of India limited (FCIL) and Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL), have been revived by setting up of new gas-based Greenfield units. Therefore, under the NIP-2012, not only new Urea manufacturing units have been set up but the ailing urea manufacturing units too are revived. The Department has mentioned that the NIP-2012 along with the increasing capacity of Nano Urea is likely to make India *Atmanirbhar* in Urea Sector by the year 2025-26. The Committee are optimistic that more Urea fertilizers manufacturing Plants (Brownfield and Greenfield) would be set up in the coming years and recommend accordingly. The Committee would like to be kept updated in this regard from time to time.

2.14 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Noted”

RECOMMENDATION SL. NO. 9

2.15 The Committee find it encouraging that the Talcher unit of FCIL located in Odisha is being revived by setting up of coal-gasification based urea plant by the Talcher Fertilizers Limited with annual installed capacity of 12.70 LMT, for which an exclusive policy has been notified. The Talcher urea unit will increase the annual urea

production capacity of country from 283.74 LMT to 296.44 LMT. The Committee feel that for setting up of more urea fertilizers manufacturing Plants, Brownfield as well Greenfield, the Fertilizer Companies need the patronage of the Department of Fertilizers and, therefore, recommend the Department to continue to extend its support for setting up/revival of fertilizer manufacturing companies. The Committee also recommend that the Government should bring in more effective policy reforms with the objective of increasing domestic production capacities of the fertilizers in the country.

2.16 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“As stated above, six new Urea Plants have been set up under NIP-2012 having production capacity of 12.7 LMTPA each. Further, Talcher unit of FCIL is also being revived by forming JV Company of nominated PSUs i.e. RCF, GAIL, CIL and FCIL. An exclusive policy has been notified on 28th April 2021 for the revival of Talcher unit of FCIL by setting up a new green field urea plant of 12.7 LMT per annum through coal gasification route.”

RECOMMENDATION SL. NO. 10

New Urea Policy (NUP) 2015

2.17 The Committee further note that the Department of Fertilizers had introduced New Urea Policy (NUP)-2015 in May, 2015 with the objectives to maximize indigenous urea production, promote energy efficiency in urea production and rationalize subsidy burden on the Government. With an aim to make the urea units energy efficient, the energy norms of existing 25 gas-based Urea units were revised for the period 2015-16, 2016-17 and 2017-18 and these units were categorized into three groups and given Target Energy Norms (TEN) based on their pre-set energy norms. Reportedly, 15 units have so far achieved TEN, 5 units are implementing Energy Saving Scheme (ESS) and likely to achieve the TEN in near future. However, for 3 Units, a proposal to revise TEN is under consideration as these units will have to replace their coal proportion with much costlier natural gas and the remaining 2 units have been directed to expedite the implementation of ESS. The Committee have been informed that TEN has saved Rs 8851.59 crore and also due to the provision of production beyond Re-Assessed Capacity (RAC), these units have produced additional quantity of about 20-25 LMT of urea thereby increasing total production of urea from 225 LMT to 240 LMT. While observing that NUP-2015 is showing good results, the Committee would like the Department of Fertilizers to take such similar steps and ensure that all urea units are made more and more energy efficient and produce fertilizers to the optimum capacity.

2.18 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Energy Norms prescribed under NUP-2015 is effective till 31st March 2025. Thereafter, energy norms of the units are to be decided based on the recommendation of the expert group constituted under the NITI-Aayog. With regard to production of urea at optimum capacity, it is stated that the provisions of NUP-2015 relating to production of urea beyond RAC/installed capacity is currently not applicable for the 6 new units set up under the NIP-2012 and 3 units namely SPIC-Tuticorin, MFL-Chennai and MCFL-Mangalore which have recently converted from naphtha to natural gas. Department of Fertilizers has submitted a proposal to Department of Expenditure (DoE) for extending the BRAC provisions of NUP-2015 also to these units. The proposal is likely to enhance the production of Urea from these units.”

RECOMMENDATION SL. NO. 11

Import of Fertilizers

2.19 The Committee are concerned over the fact that the production capacity of fertilizers in the country does not commensurate with its demand/requirement and, therefore, the gap between demand and supply is met through imports. About 20% of domestic requirement of urea, 50-60% of domestic requirement of DAP and 100% of domestic requirement of MOP is met through import. For DAP & MOP, the country is fully dependent on imports in Potassic sector (100 %) and heavily import dependent in Phosphatic sector in the form of either finished products or its raw material. The import of P&K fertilizers is under Open General Licensing (OGL), wherein the fertilizer companies are free to import the quantities/raw material based on their commercial considerations. P&K fertilizers, under Nutrient Based Subsidy scheme are decontrolled. P&K fertilizer companies are not regulated to manufacture or import P&K fertilizers. The Committee have been informed that some measures may be enforced strictly to gradually decrease the dependency on imports viz. introduction of Potash derived from molasses under Nutrient Based Subsidy Scheme, grant of permission for production of P&K fertilizers and plans for exploration of minerals for raw materials for fertilizers in India, etc. The Committee would like to be apprised of the present status in this regard. The Committee, however, are of the considered opinion that the Government should take long term measures to meet the fertilizer requirement of the country. There is a need for clear vision, a consistent policy and an action plan after serious interactions with all the stakeholders for exploring ways and means to increase production of fertilizers thus decreasing their dependence on imports.

2.20 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Department of fertilizers has started inducting Potash Derived from Molasses (PDM) product of fertilizer companies. In this connection, the guidelines for induction of companies were circulated and based on applications received, the department has inducted two companies for supply of PDM while other applications are under process.

Similarly, the DAP/NPK fertilizers plants of M/s. Madhya Bharat Agro Products Ltd. and M/s. Krishna Phoschem, which were permitted for production of P&K fertilizers, have already started manufacturing and selling P&K fertilizers produced from the plant.”

RECOMMENDATION SL. NO. 12

Nutrient Based Subsidy Policy (NBS)

2.21 The Committee note that Nutrient Based Subsidy Policy (NBS) is being implemented since 01.04.2020. Under this policy, fixed rate of subsidy is announced in Rs. Per Kg basis on each nutrient of subsidized P&K fertilizers, on annual basis but MRP of P&K fertilizers have been left open. Fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates subject to check by the Government. The Committee have been informed that a proposal was prepared in 2008 for NBS on fertilizers. However, the Cabinet decided to separate urea because urea is critical. Thereafter, a committee of Niti Aayog looked into the matter and various deliberations were held. However, NBS policy in urea could not be implemented. In this context, the Committee apprehend that in case urea is brought under NBS policy, its prices would be determined by manufacturers/marketers based on demand and supply and possibly higher prices would be fixed by the manufacturers. Urea bag which is available to the farmers @ Rs.242 would cost higher and prove detrimental to the interest of the farmers. Hence, the Committee recommend that the present system of subsidy on urea may be continued.

2.22 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 28th June, 2023 has inter-alia approved to continue the present system of subsidy on urea till 2024-25. The Expenditure Finance Committee (EFC) chaired by Secretary (Expenditure) will review the scheme during 2024-25 for continuation of the scheme beyond 2024-25.”

RECOMMENDATION SL. NO. 13, 14 & 15

Investments in Mines and Plants abroad

2.23 The Committee are aware that worldwide, more than 85% of the phosphate rock mined is used to manufacture phosphate fertilizers. All common fertilizers have an “N-P-K” rating. Phosphorus is the “P” in fertilizers, which is essential for plants. Indigenous reserves of phosphatic rock and potash will not only be advantageous to the indigenous industries but will also cater to the needs of Indian farmers with the production of fertilizers like DAP, SSP, NPK, and MOP. Currently, India is largely dependent on imports for this raw material. The volatility in international prices also affects the domestic prices of fertilizers, which in turn, hinders the progress and development of the agriculture sector in the country and puts extra pressure on the farmers. As per National Mineral Inventory, India too has a reserve/resources of 46000 thousand tonnes of rock phosphate. The Committee are of the considered opinion that there is emergent need to explore indigenous deposits of phosphoric rocks as it will help save the country money that now goes out of the country through import. Further as studies suggest, the demand for phosphatic fertilizers is expected to increase gradually with the increase in population and the requirement of food. Exploring Phosphatic reserves would mean India can reduce its dependency on other countries and become self-reliant in the production of Urea and other fertilizers. The Committee recommend to the Department to act responsibly and take concrete measures accordingly.

2.24 The Committee further note that there are enough reserves of phosphate rock in Mines abroad. However, the Department of Fertilizers has no plans to own any of the Mines in countries like Jordan, Morocco and South African countries. The Committee impress upon the Department for owning some Mines abroad for seamless supply of fertilizers in the country and apprise the Committee of the steps taken in this regard.

2.25 The Committee are satisfied to note the Department has been encouraging Indian Companies to invest in Mines and Plants abroad and investments have also been made in some phosphoric acid plants and in some mines. However, all of them are not operational. The Committee recommend that necessary remedial measures be taken so that the non-operational phosphoric acid plants and mines are made operational at the earliest.

2.26 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The Government of India has been encouraging Indian companies to establish Joint Ventures abroad in countries which are rich in fertilizer resources for production facilities with buy back arrangements and to enter into long term agreement for supply of fertilizers and fertilizer inputs to India. Further the department is also working with the goal of having access to acquisition of fertilizer raw materials abroad. During the said year a number of initiatives were taken for signing of MOUs with resource rich nations for secured supply of finished fertilizers , raw materials and intermediates.

To reduce our dependence on import of fertilizer minerals, the Department of Fertilizers has held several consultations with Ministry of Mines .Based on efforts made Ministry of mines has identified Phosphorous and Potash in the list of “critical minerals” to help plan for acquisition and preservation taking into account their long term requirement for the agriculture sector which is the backbone of our economy. The Mines and Minerals (Development and Regulation) Act,1957 have been amended in August, 2023. The amendment with focus on critical minerals introduces major reforms in the mining sector which includes the fertilizer minerals also.”

RECOMMENDATION SL. NO. 16

GST on Fertilizers

2.27 The Committee have been informed that fertilizers were placed under the 12% GST bracket. However, on demand of various States, GST on fertilizers was reduced to 5%. The issue to further reduce GST on fertilizers was placed before the GST council in its 45th and 47th meetings held in September, 2021 and June, 2022, respectively. The GST council, however, did not recommend any change in the rates of fertilizers or other organic farm inputs. The Committee strongly recommend that the issue to further reduce GST on fertilizers may be placed before the GST Council at the earliest in the best interest of the farmers of our country.

2.28 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The recommendation of the Committee has been forwarded to the Ministry of Finance (Department of Revenue).”

COMMENTS OF THE COMMITTEE (Please see Para No. 1.11 of Chapter – I of the Report)

RECOMMENDATION SL. NO. 17

2.29 The Committee note that fertilizers are levied GST @5% and its raw materials like Sulphuric Acid and Ammonia are levied a higher GST@18% on the recommendations of the GST council. The Committee failed to understand this anomaly. The Department have clarified that the raw material of fertilizers like Sulphur has multiple uses and is also used in the production of detergents, paints, dyes etc. Similarly, Ammonia too has multiple uses and is also used as refrigerator gas, manufacturing of plastics, explosives, textiles etc. However, the Committee are of the strong conviction that raw materials used for production of fertilizers should be levied with lesser GST and hence desire the Department to consider favorably the proposal to lower the GST on raw materials in the interest of fertilizer manufacturing companies and ultimately farmers.

2.30 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The recommendation of the Committee has been forwarded to the Ministry of Finance (Department of Revenue).”

COMMENTS OF THE COMMITTEE (Please see Para No. 1.11 of Chapter – I of the Report)

RECOMMENDATION SL. NO. 18

Bringing Natural Gas under the ambit of GST

2.31 At present, the Natural Gas is kept outside the ambit of GST and VAT/CST is being levied on sale of Natural Gas. As VAT/CST on import is par-through element of cost, such VAT/CST forms part of cost of production of Urea and is reimbursed in the form of subsidy. The GST Council has not made any recommendation for levying GST on Natural Gas and VAT/Central Excise duty continue to be levied on Natural Gas and is adding to the subsidy bill. In cases where Natural Gas is sold twice in two States, there are incidence of double levying of VAT on Natural Gas. What is more disturbing is the fact that VAT rates differ from State to State and ranges as low as 3% to as high as 25% in States like Chhattisgarh, which makes the Natural Gas costlier and is detrimental to the interests of the farmers. However, if natural gas is brought under the ambit of GST, then such problems would be resolved. The Department admits that natural gas should be brought under the ambit of GST. The Committee therefore

recommend that the Department should take up the matter of bringing natural gas under the ambit of GST, at the highest level with the Ministry of Finance.

2.32 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The recommendation of the Committee has been forwarded to the Ministry of Petroleum and Natural gas and Ministry of Finance (Department of Revenue).”

COMMENTS OF THE COMMITTEE
(Please see Para No. 1.14 of Chapter – I of the Report)

RECOMMENDATION SL. NO. 19

2.33 It is a matter of serious concern that every State has a different VAT rate. The Committee note that the Department of Fertilizers has requested the States to have a uniform VAT on natural gas. The Committee do agree with the contention of the Department that GST Council has to take a call on this issue. However, the Committee would emphasise that till the issue is decided by GST Council the States should be convinced to fix uniform VAT on natural gas. The Department, therefore, need to take the responsibility in the matter by discussing the repercussions of having separate VAT rates in States and to avoid the unfortunate incidences of double taxation on sale of natural gas.

2.34 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“Department of Fertilizers vide DO letters dated 9th May 2023 at the level of Hon’ble Minister (Chemicals & Fertilizers) to the Chief Ministers of all the States having the urea manufacturing units have already taken up the issue of higher VAT rates on the natural gas used for the Urea manufacturing. The State Governments have been requested to review their VAT rates imposed on the natural gas used for the Urea manufacturing. Further, it has also been requested to remove the VAT or at least bring down to the level of GST rate applicable on Urea and if necessary, differential VAT rates can be prescribed at a lower level for natural gas used for manufacturing fertilizers.”

RECOMMENDATION SL. NO. 20

GST & Basic Custom Duty (BCD) on Micronutrients:

2.35 Micronutrients are considered as an essential plant nutrients under the Fertilizer (Inorganic, Organic Mixed) Control order, 1985. Though micronutrients are required in small quantities, they are very important for growth and development of plants, as on an average, soil is deficient in Zinc, manganese, copper and boron. However, presently micronutrients are being levied GST ranging from 12% to 18% which discourages the farmers from using them. Besides, BCD at the rate of 7.5% is leviable on micronutrients. The high rate of GST together with a higher BCD on micronutrients, are making them costlier for the farmers. It is an unhappy situation. In the opinion of the Committee, GST rates on micronutrients should be brought down to make micronutrient available to the farmers at affordable rates. The Department of Fertilizers in the month of February, 2023 has already requested the Ministry of Finance, Department of Revenue to do the needful in this regard. The Committee desire that the Department should draw the attention of the Department of Revenue to the benefits and need of micronutrient in agriculture and actively pursue the matter for lesser GST and BCD on micronutrients so that farmers get the micronutrients at affordable rates and use them so that the soil is replenished with the nutritional content. The Committee would like to be apprised of the progress in the matter.

2.36 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“The recommendation of the Committee has been forwarded to the Ministry of Finance (Department of Revenue).”

COMMENTS OF THE COMMITTEE
(Please see Para No. 1.17 of Chapter – I of the Report)

CHAPTER – III

**OBSERVATION / RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

- NIL -

CHAPTER – IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

RECOMMENDATION SL. NO. 1

Production and Consumption of Fertilizers in the Country

4.1 The Committee note that the production of Urea, DAP, MOP and NPK during the year 2022-23 (up to November, 2022) was 187.21, 27.41, Nil, 67.21 LMT respectively. The cumulative total production of these fertilizers comes to 281.83 LMT. However, the consumption of Urea, DAP, MOP and NPKs for the same period was 232.54, 83.53, 11.23 and 74.16 LMT, respectively. Therefore, cumulative total consumption of these fertilizers was 401.46 LMT. Thus, there was a deficit of 119.63 LMT for all types of fertilizers in the country, which is worrisome. The position in respect of urea, which is the main fertilizer in the country, is more alarming as the consumption of Urea during the current year (up to January, 2023) was 319.03 LMT as against its production of 237.15 LMT in the country resulting in deficit of about 81.88 LMT. The Department's representative admitted during evidence that the production capacity of Urea in the country is not commensurate with the demand of Urea in the country and the gap between demand and supply is filled through imports only. The Committee would, therefore, desire that Department of Fertilizers should take all remedial measures to contain the deficit of various types of fertilizers in the country especially Urea, as consumption of Urea is the highest in the country, and make the country more self-reliant. The Committee would like to be apprised of the steps taken by the Department in this regard.

4.2 In their Action Taken Note furnished to the Committee, the Department of Fertilizers has stated as follows:

“As regards to the Committee's recommendation that the Department should take all remedial measures to contain the deficit of various types of fertilizers in the country specially Urea, as consumption of urea is the highest in the country, and make the country more self-reliant. In this regard, it is submitted that after setting up six new Ammonia-Urea units under the New Investment Policy (NIP) – 2012, the annual installed capacity of indigenous urea production has increased from 207.54 LMT during F.Y. 2014-15 to 283.74 LMT during F.Y 2022-23. Further, incentivization of urea production beyond the Re-Assessed Capacity by the existing units under New Urea Policy-2015 (NUP-2015) has added about 20-

25 LMT additional urea production annually in the country. Due to above measures, India recorded highest ever urea production of 284.95 LMT during F.Y. 2022-23 and urea production is expected to cross 300 LMT during F.Y. 2023-24. Further, an exclusive policy has also been notified on 28th April 2021 for the revival of Talcher unit of FCIL by setting up a new green field urea plant of 12.7 LMT per annum through coal gasification route.

In addition to above, introduction of PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother-Earth (PM-PRANAM), Market Development Assistance (MDA) to promote Organic Fertilizers, Promotion of Sulphur Coated Urea with the name of 'Urea Gold' and production of Nano Urea is expected to reduce use of chemical fertilizers particularly urea."

COMMENTS OF THE COMMITTEE
(Please see Para No. 1.7 of Chapter – I of the Report)

CHAPTER – V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE STILL AWAITED

- NIL -

**New Delhi;
07 February, 2024
18 Magha, 1945 (Saka)**

**DR. SHASHI THAROOR
CHAIRPERSON,
STANDING COMMITTEE ON
CHEMICALS AND FERTILIZERS.**

**STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2023-24)**

Minutes of the Seventh Sitting of the Committee

The Committee sat on Wednesday, the 07th February, 2024 from 1530 hrs. to 1600 hrs. in the Chamber of Hon'ble Chairperson, Room No. 219, 'B' Block, Parliament House Annexe Extension Building, New Delhi.

PRESENT

DR. SHASHI THAROOR- Chairperson

MEMBERS

LOK SABHA

2. Shri C. N. Annadurai
3. Shri Prataprao Patil Chikhlikar
4. Shri Rajeshbhai Naranbhai Chudasama
5. Smt. Aparupa Poddar
6. Shri Arun Kumar Sagar
7. Shri Pradeep Kumar Singh

RAJYA SABHA

8. Dr. Anil Jain
9. Shri Arun Singh
10. Shri Vijay Pal Singh Tomar

SECRETARIAT

- | | | | |
|----|----------------------|---|-------------------|
| 1. | Shri Chander Mohan | - | Joint Secretary |
| 2. | Smt. Geeta Parmar | - | Director |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary |
| 4. | Shri Panna Lal | - | Under Secretary |
| 5. | Ms. Neelam Bhawe | - | Committee Officer |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration, the following Draft Reports: :-

(i)	xxx	xxx	xxx	xxx
(ii)	xxx	xxx	xxx	xxx

(iii) Fifty-Second Report on Action Taken by the Government on the observations/recommendations of the Committee contained in their Forty-Third Report (Seventeenth Lok Sabha) on 'Planning for Fertilizers Production and Import Policy on Fertilizers Including GST and Import Duty thereon' pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers.

3. Giving an overview of the important Observations/Recommendations contained in the draft Reports, the Chairperson solicited the views/suggestions of the Members.

4 After some deliberations, the draft Reports were adopted by the Committee without any amendment.

5. The Committee then authorized the Chairperson to finalize the Reports and present/lay the Reports in both the Houses of Parliament in the current session.

The Committee then adjourned.

APPENDIX-II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-THIRD REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2023-24) ON PLANNING FOR FERTILIZERS PRODUCTION AND IMPORT POLICY ON FERTILIZERS INCLUDING GST AND IMPORT DUTY THEREON' PERTAINING TO THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)

	Total No. of Recommendations	20
I	Observations/Recommendations which have been accepted by the Government: (Recommendation Nos. 2,3,4,5,6,7,8,9,10,11,12,13,14,15, 16,17,18,19 and 20)	19
Percentage of Total		95
II	Observations/Recommendations which the Committee do not like to pursue in view of the Government's replies: NIL	00
Percentage of Total		0%
III	Observations/Recommendations in respect of which the replies given by the Government have not been accepted by the Committee and which require reiteration: (Recommendation No. 1)	01
Percentage of Total		5%
IV	Observations/Recommendations in respect of which the final replies of the Government are still awaited: NIL	00
Percentage of Total		0%

